

**City of Vergas
Liquor Store Committee Meeting**

The Liquor Store/Municipal Building/License Committee was called to order on Wednesday, August 23, 2023 at 2:00 pm at The Vergas City Office. Present were Julie Bruhn, Dean Haarstick, Kyle Theisen and Julie Lammers.

Municipal Building

- A. Reviewed current financial status of the liquor store and the remodel plans provided by Widseth. The committee unanimously decided to put the plans on hold until the liquor store is more financially stable.
- B. The current lease for A Step Up, owner JoAnne Knuttila, will expire on October, 1, 2023. Discussed the term of the lease and the current rental rate of \$500.00 a month. The committee recommends to Council to keep a 1-year lease period and raise the rental rate to \$600.00 a month. Knuttila is currently removing the sink located in the rental space without permission from the City or a construction permit. Lammers will discuss with Knuttila.

ALTERATIONS AND IMPROVEMENTS. No alterations, additions or improvements to the Premises shall be made without Lessor's express written consent. If, upon Lessor's consent, alterations, additions, or improvements are made, Lessee shall pay all time and materials promptly. Should any liens be filed against the property by way of Lessee's failure to pay for materials or services, Lessor may pay the same, charge any expense of so doing to Lessee, and terminate this agreement. Any alterations, improvements, or additions become the sole property of Lessor, free of any claim or interest of Lessee, at the expiration or termination of this lease.

- C. Discussed City office space moving to 131 East Main Street. The city is unable to apply for a capital improvement bond for the building due to the lease with the post office. EDA may apply for a Public Project lease bond for the building and Lammers will continue to work with Remax as assigned by the City Council for the purchase of the building. Reviewed the bond for the building and the difference between a 15-year loan and a 20-year loan a difference of \$3,402.00 in annual payments or \$54,508.29 in interest over the course of the loan. Lammers stated DuFrane has asked if he could have an office space in the new office building. The committee asked Lammers to draw up two plans for the building, one with an extra office and one without. The committee reviewed the inspection of the building and asked Lammers to get prices regarding the items needing attention.

The meeting adjourned at 3:15 pm.

Recorded by,
Julie Lammers CMC
City Clerk-Treasurer

Council Recommendations:

Raise the lease agreement to \$600.00 per month.

Follow Up Actions:

Lammers to draw up design for new office space with 2 options one with an office for the utility's superintendent and one without.

Lammers review inspection of 131 East Main Street and get prices on repairs.

Lammers to discuss construction in Step Up and share rate increase with JoAnne Knuttila.