

**LIQUOR COMMITTEE MEETING**  
**January 8, 2024 at 5:15 p.m.**  
**Jackson City Hall Council Chambers**

**The City of Jackson Liquor Committee met on Monday, January 8, 2024 at 5:15 p.m. in the Council Chambers of the Jackson City Hall. Attending the meeting were Liquor Committee members Mayor Marcus Polz, Nathan Peterson, Chris Naumann and Sara Mix. Also attending the meeting was Liquor Store Manager Michelle Bratrud, City Administrator Matt Skaret and Recording Secretary Dave Maschoff. (A quorum of the Liquor Committee members was present.)**

**REVIEW OF PRELIMINARY 2023 LIQUOR STORE FINANCIALS**

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Skaret said there were two items for the Liquor Committee members to review in the financial information distributed to them. He said first was reviewing December's Liquor Store Financial numbers. Skaret said December, 2023 was not a good month on paper. He noted the weather was too nice and the Liquor Store was closed on Sunday, December 24<sup>th</sup>, Christmas Eve and on Sunday, December 31<sup>st</sup>, New Year's Eve. Skaret said Liquor Store sales were down from December of 2022 by about \$19,000.

Liquor Store Manager Michelle Bratrud pointed out there were three blizzards during December of 2022. She said there were Liquor Store sales of \$8,000 and \$9,000 on blizzard days.

Skaret said although sales were down, gross profit for the store was actually up for December, 2023.

Skaret pointed out for the year, sales at the Liquor Store were up based on preliminary numbers. He said sales are up almost \$70,000.

Skaret said interestingly, if you go back to 2020, beer and liquor sales are up and are consistently rising, but wine sales are dropping.

Bratrud noted this past year, there have been a lot of young people shopping at the Liquor Store and it appears the younger customers are not really into shopping for wine.

Skaret said if you look at the total expenses for the Liquor Store, the preliminary financial report is showing about a \$68,000 profit for 2023. He said that \$68,000 figure takes into account the money already transferred to the City's General Fund as part of the budget. But Skaret said it does not include subtracting the interest which will be about \$18,000 and also depreciation is not calculated into that figure either. He explained the interest is on the loan from the City's Electric Fund when the new Liquor Store was built.

Skaret noted the wages were increased in 2023 for the Liquor Store employees. He said if you add up the wages for 2022, the amount totals about \$150,000 in salaries between fulltime and part-time employees. Skaret said in 2023, it's about \$168,000 in salaries, about \$18,000 over 2022. He noted it was about midway through 2023 when hourly wages at the Liquor Store were increased.

Skaret said depreciation is \$28,661 which is based on the construction of the store, the cost and what the life expectancy of the building is which is amortized over approximately 50 years.

Skaret said no Committee action was needed regarding the 2023 Liquor Store Financials. He said this agenda item was informational.

## **SUNDAY HOURS**

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Skaret noted Liquor Committee members wanted to talk about possibly having the Liquor Store open on Sundays.

Bratrud said she talked to her staff about being open on Sundays. She said staff members who work fulltime jobs elsewhere during the week don't want to work Monday through Sunday. Bratrud said another concern among staff was if they want to switch a weekend with another employee, now they have to find someone to fill both their Saturday and Sunday shifts, instead of just Saturday. She said staff members feel no one will want to work on Sundays. Bratrud said that would mean she would probably be working more than likely. She said other employees said Sunday is their church day or family day. Bratrud said she didn't know where to go with it.

Mix said she's checked with cities around Jackson who have their liquor stores open on Sundays.

Mix said, personally, she thinks there's a lot of money leaving Jackson on Sundays. She said even though some may say people can go to the Jackson Liquor Store on Saturdays, if she's buying groceries and knows the Liquor Store is closed on Sunday, she'll buy liquor where ever she's getting groceries. Mix said otherwise she would try and stay in Jackson to purchase liquor if the Liquor Store was open on Sunday.

Mix said she's in favor of compensating the Jackson Liquor Store employees for working on Sundays. She suggested paying employees \$2 more per hour to work on Sundays to give them some incentive. Mix said additional people may also need to be hired. But she said given the traffic coming off of Interstate 90 and heading straight to the Iowa Great Lakes, they're going to stop at the Jackson Liquor Store to purchase their alcohol before they're going to go out of their way in Spirit Lake. Mix also noted Jackson has the races at the Motorplex and easy access into the Liquor Store's parking lot.

Mix said until we try it, she thinks the City of Jackson is missing out by not having the Liquor Store open on Sundays. She said she could be wrong and the future financials may show her she's wrong, but she doesn't think she'll be wrong.

Skaret asked how many people are going down to the Iowa Great Lakes and the races on Sunday?

Mix said most of the timeshares in the Lakes start on Sundays so people are trying to purchase things before they have to go out of their way to go somewhere else. She said there's the convenience of Interstate 90 and heading south.

Skaret said Jackson does get a lot of Lakes traffic.

Bratrud said she's open to trying Sunday liquor sales. She said she could let customers know that it's a try-out period.

Peterson said he spoke with the Cities of Worthington and Windom and they reported Sunday, December 31<sup>st</sup>, New Year's Eve was their busiest day of the year.

Naumann asked what the estimated cost would be for labor to be open on Sundays.

Skaret asked if the Liquor Committee wants the Liquor Store to be open full hours or a shorter schedule on Sunday.

Bratrud said usually the Liquor Store is staffed with two people during a shift.

Mix and Peterson both agreed two people should be on duty during a Sunday shift at the Liquor Store.

Mayor Polz said with two employees over a period of five hours, it would cost approximately \$200 for labor. Considering all the cost factors to be open five hours, Mayor Polz said the Liquor Store will roughly need to do \$1,800 in sales to break even.

Mix noted there will be some Sundays the Liquor Store doesn't do \$1,800 in sales, but then in the summer, the store will have that much in sales and maybe do even more.

Mix suggested starting Sunday sales in April so Bratrud has time to hire and schedule staff. She said she thinks employees that work on Sunday at the Liquor Store should be compensated.

Peterson agreed with Mix regarding the extra compensation.

Bratrud said employees may be more likely to work a Sunday shift if there was more compensation.

Mix said she personally would like to see the City of Jackson try having the Liquor Store open on Sundays. She said the store needs to get through a whole summer cycle to determine whether the Sunday opening worked or not. Mix said maybe it will be only a summer thing and not a winter thing, but she wants the City to at least try it.

Skaret suggested trying the Sunday opening of the Liquor Store beginning on Sunday, April 7<sup>th</sup> until September.

Naumann asked what should the compensation be to entice people to want to work a shift at the Liquor Store on Sundays.

Mix suggested paying two dollars more an hour to work on Sundays. She noted Liquor Store employees are already paid one dollar more per hour to work on Saturdays.

Bratrud agreed \$2 more per hour would be a good incentive.

Peterson suggested having the Liquor Store open on Sunday beginning in March through September. He noted St. Patrick's Day is on Sunday, March 17<sup>th</sup>.

Skaret asked if the Liquor Store would then be open on Easter Sunday.

The consensus of Liquor Committee members was not to have the Liquor Store open on Easter Sunday.

Mix suggested starting the Sunday openings in April.

Naumann noted Sunday liquor sales have been legal for a while in Minnesota. He asked why Jackson hasn't had their Liquor Store open on Sundays in the past.

Bratrud noted research showed that liquor stores that were open on Sundays reported their sales were just spread out over seven days instead of six and the store ended up with added expenses. She said that was the reason there hasn't been Sunday sales at the Jackson Liquor Store in the past based on that research.

Naumann said added expenses is one of his concerns.

Mix said that's why the Sunday openings will be on trial basis. She said the Liquor Store will need to advertise that they'll be open on Sundays. Mix asked if the beer or liquor distributors could provide a sign to place in front of the Liquor Store advertising that the store will be open on Sunday's beginning on April 7<sup>th</sup> and through the summer.

Bratrud said she could get a sign from the beer or liquor distributors.

Skaret asked if someone would like to make a motion regarding the Sunday sales at the Liquor Store and the increase in compensation for employees working on Sundays.

**PETERSON/MIX moved and it was unanimously carried to recommend to the City Council to have the Liquor Store open on Sundays from 11 a.m. to 4 p.m. starting on Sunday, April 7<sup>th</sup> through Sunday, September 29<sup>th</sup>, 2024 on a trial basis with a two (2) dollar an hour incentive pay for Liquor Store staff working on Sundays.**

## **LIQUOR STORE MARKETING/ADVERTISING**

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Mix said she thinks the prices at the Jackson Liquor Store are very reasonable in comparison to other liquor outlets. She said she doesn't know if customers know the very reasonable prices the Liquor Store has. Mix said we don't do a lot of signs in front of the store. She noted the Liquor Store does advertising on their Facebook page which she has seen.

Peterson asked about advertising in the newspaper.

Bratrud said the Liquor Store advertises their monthly specials weekly in the Livewire. She said advertising is so expensive. Bratrud said the Liquor Store spends probably \$4,000 a year which includes the weekly ad in the Livewire, an ad in the vacation booklet in the Iowa Great Lakes and two advertising packages on the radio, one in the summer and another at Christmas. She also advertises at the Motorplex in Jackson.

Mix asked about advertising in the Pilot instead of the Livewire?

Bratrud said she could advertise in the Pilot.

Naumann suggested advertising on the Chamber of Commerce's weekly Monday email or Facebook newsletter.

Peterson asked about advertising on local access Channel 71.

Bratrud said the monthly specials are already being advertised on Channel 71. She noted she receives phone calls about the specials that people see advertised on Channel 71.

Mix noted the liquor distributors have available free signs and free advertising. She suggested having signs in front of the Liquor Store advertising products and pricing. Mix said Bratrud is obviously doing a good job with pricing and would like to see a larger volume of customers shopping at the Liquor Store.

Peterson agrees signage in front of the Liquor Store would be good because it catches a customer's eye.

Bratrud noted with the location of the Liquor Store, the wind destroys signs really easily.

Mix said the Liquor Committee may want to think more about a permanent structure that would look nice for signage at the Liquor Store as the Council works on the 2025 City Budget.

Peterson suggested installing a digital sign at the Liquor Store similar to the digital sign at Minnesota West in Jackson.

Bratrud said it was decided not to install a digital sign because of where the Liquor Store is located along the highway so motorists aren't distracted trying to read the sign as they drive by.

Mix said she thinks having a Liquor Store sign high in the sky that can be seen from the Interstate is a good idea.

Peterson noted the proximity of the airport regarding having a sign in the sky.

Mix said she thinks Bratrud is doing a good job on pricing and wanted to look at advertising to drive volume.

Mix said she also wants to make sure that the Liquor Store tries to put together a pretty detailed plan when there's racing at the Motorplex in Jackson. She suggested offering specials and doing anything that can be done to draw customers into the Liquor Store.

## **LIQUOR OPERATIONS AND STAFFING UPDATE**

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Skaret asked Bratrud how things were going as far as staffing at the Liquor Store.

Bratrud said staffing has been going well. She said an additional person may need to be hired as the Liquor Store will be open on Sundays.

Naumann asked if there's any repairs that still need to be done at the Liquor Store.

Bratrud said she had an estimate to repair the cracks in the wall and painting. She said the quote was \$4,800.

Mix suggested trying to get the painting done before the store is open on Sundays.

Bratrud said she can call to see when the crack repairs and painting can be done if that's OK with the Liquor Committee.

**MIX/NAUMANN moved and it was unanimously carried to recommend to the City Council to have Last Touch repair cracks and paint at the Liquor Store for \$4,800.**

Regarding other items, Liquor Committee members discussed damage to the curb at the Liquor store that was struck in the past by a snowplow and the possibility putting the eave spouts so they run under the sidewalk instead of over the top of them. Bratrud said she is also still waiting to hear back regarding discoloration of the stone on the Liquor Store building.

Skaret said the discoloration of the stone should still be under warranty. He said he would check on that.

**ADJOURNMENT**

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**With no further business, the Liquor Committee meeting was adjourned at 5:58 p.m.**

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**David A. Maschoff, Recording Secretary**



