

CITY OF MONTEVIDEO
CITY COUNCIL WORKSESSION
April 26, 2010

The city council met in a budget worksession at 7:00 P.M. on Monday, April 26, 2010 in the council chambers at city hall. This date/time was set by motion of the council on April 19, 2010.

Council members present: Sandra Hodge, Al Johnsrud, Karen Nieuwebeerta, Marvin Garbe and Bryce Curtiss. Mayor Jim Curtiss absent.

Also present were: City Manager Steven C. Jones, City Clerk Glennis A. Lauritsen, City Attorney Janice M. Nelson and Police Chief Adam Christopher.

Materials previously provided for the worksession included a PowerPoint summary as prepared by MN Alcohol & Gambling Enforcement, City Code Chapter 2 - Liquor Control, a listing of local liquor licenses issued/2010 and a schedule of penalties imposed by other communities for liquor violations.

The City of Montevideo has the authority to issue liquor licenses within the community based on state statutes. State Statute 340A.601 addresses cities with a municipal liquor store and allows those cities to license hotels, clubs and/or restaurants.

2A) DEFINITION OF A RESTAURANT.

MN Statute 340A.101 Subd. 25 defines a restaurant as “an establishment, other than a hotel, under the control of a single proprietor or manager, where meals are regularly prepared on the premises and served at tables to the general public, and having a minimum seating capacity for guests as prescribed by the appropriate license issuing authority. City Code mirrors that definition, but further specifies that the seating capacity be for at least thirty (30) guests.

The state further specifies a definition for the term “regularly prepared” and does not consider a “limited food” establishment to meet the definition of a restaurant.

Following discussion, the consensus was that each licensed establishment should be required to submit a copy of its menu at the time of license renewal and also that an establishment with a “limited food” license only may not be considered a restaurant and, therefore, may have issued with obtaining a license.

2B) ORDINANCE ENFORCEMENT.

2B1) Penalties.

Police Chief Adam Christopher referred to the sample schedule provided and discussed the issue of establishing a penalty schedule for dealing with liquor

violations. Christopher explained that the police department has the authority to issue two types of penalties - administrative fines (civil action) and criminal action against the seller.

After review of the sample provided and further discussion, it was agreed that the council should consider a new violations/fines schedule, similar to the schedule in place for tobacco violations. Adoption of such a schedule would require an ordinance amendment; therefore, this issue will be placed on a future regular city council meeting agenda for consideration.

2B2) CLUB LICENSES.

Council discussed club licenses vs. full on-sale liquor licenses. The VFW recently moved away from its club license to a full on-sale license, leaving the American Legion as the remaining club. A club license has additional operational regulations, including a sales restriction only to persons that are either a “bona fide member of said club, or a bona fide guest.” The current fee for a local club license is \$150.00/year and the fee for a full on-sale liquor license is \$2,100.00/year. For the full on-sale liquor licenses, an additional fee of \$525.00/year is charged for “each serving station or bar, including portable bars, located in a separate room or on a separate level on the licensed premises and which are under the control of the management of the same licensee.”

Council discussed the fee structure and second station fees. Following discussion, it was agreed that council should consider adjusting the fees currently being charged, to coincide with fees charged by Chippewa County (\$1,500.00) and that an adjustment may be necessary to the fee charged for each additional serving station. Currently, that fee is set at \$525.00/each.

Council also discussed current City Code language defining a “serving station or bar.” After review, it was suggested that a modification should be made to include only those located on a separate level or outdoor areas on the licensed premises.

Both the fee adjustment(s) and additional serving station language adjustment would require an ordinance amendment. Therefore, this item will be placed on a future regular city council meeting agenda for consideration.

There was brief discussion about the enforcement of the existing club license language. Council member Garbe stated he is a member of the American Legion and will bring the issue of obtaining a full on-sale liquor license to their board for

consideration. It was his opinion that the Legion would also be moving to this type of license.

2C) 2:00 A.M. CLOSING.

Local establishments have the option of applying to the state for a 2:00 A.M. closing license. Council reviews the renewal of those licenses prior to state issuance. Current City Code language allows for the 2:00 A.M. closing; however, this matter has been met with some resistance in the past.

Police Chief Christopher stated that it's helpful from a law enforcement perspective when all of the establishments close at the same time. Currently, two of the four licensed establishments take advantage of the 2:00 A.M. closing. Christopher also discussed overtime associated with the additional hour, noting that he takes this into consideration when scheduling the officers.

Inasmuch as the state allows and current ordinance language allows for it, council members had no suggestions for modification at this time.

2D) SUNDAY LIQUOR.

2D1) CURRENT SUNDAY LICENSES.

Council referred to the information supplied entitled, "Liquor Licenses - 2010." Sunday licenses currently issued by the city include Wine On-Sale, 3.2 On-Sale and Set-Up. It was also noted that with a combination of a wine license and 3.2 on-sale license, the state allows an establishment to serve strong beer; however, because Sunday liquor is not allowed in Montevideo, this would only be applicable Monday-Saturday.

2D2) LOCAL COMPETITION.

Discussion took place regarding competition between local establishments (who are not allowed to serve liquor on Sundays) and establishments just outside of city limits (who are allowed to serve liquor on Sundays). Examples given were Duffy's and the Watson Hunting Camp.

It was also noted that new businesses looking to locate in Montevideo may not consider the community due to the no Sunday sales of liquor, i.e., an Applebee's or Grizzly's type establishment.

2D3) POSSIBLE BALLOT QUESTION.

In conjunction with the information provided, council discussed the possibility of putting the Sunday liquor issue to a vote of the people. The question could be placed on the ballot for the November election. Council agreed to further discuss the issue at a future regular meeting.

2E) ORDINANCE MODIFICATION(S).

2E1) BOND REQUIREMENTS.

Staff recently discovered that the existing city code language requiring a \$5,000 surety bond for liquor license applications had been repealed by the state a number of years ago. Council discussed the need for the language and determined that this language could be removed from the code. This would require an ordinance amendment; therefore, the issue will be placed on a future regular city council meeting agenda for consideration.

City Attorney Nelson stated that some communities have adopted "Social Host" ordinance language. Such language would make it a misdemeanor to host or allow an event where underage drinking occurs. If future interest is expressed, such language could be developed and incorporated into the city code.

Meeting adjourned at 9:03 P.M.

Glennis A. Lauritsen, Secretary

Approved by council May 3, 2010:

Sandra Hodge, President