

SPECIAL COUNCIL MEETING

May 16, 2022 at 5:00 P.M.

at Erie City Hall

Present:

Darrell Bauer	Melissa Stephens, City Clerk
Cindy Friedrich	Seth Jones, City Attorney
Stephen Maher	Tyler Seibel, Police Chief
Tereasa DeMeritt	Cindy Garland, Grocery Store Manager
Kyle Buntin	Cindy Schoenhofer, Treasurer
Trenton Moore	Jessica Altman, Deputy City Clerk

Guests: Eddie Hibbs, Neil Phillips, Steve Richey, Louise Booth, Lois Carlson, Shirley Estrada, Rita Duling, Morgan Buntin

Mayor Bauer called the meeting to order at 5:00 P.M. He stated the purpose of the meeting was to discuss the Erie police truck air conditioning and financials for the grocery store.

Tyler Seibel reported he had taken the white police truck to Jay Hatfield in Chanute, KS to get a quote to repair the air conditioning that was not working. It would cost anywhere from \$800.00 to \$825.00 not to exceed \$850.00. Maher moved and DeMeritt seconded to get the air conditioning fixed not to exceed over \$850.00. Motion carried unanimously.

Neil Phillips, auditor with Jarred, Gilmore and Phillips prepared a financial analysis of the grocery store for the council. As it stands now Phillips said, the store was currently at a cash loss of \$49,367.01. Phillips stated with the repayment of the REDLG loan beginning in June the store could see a loss up to \$111,398.83 within the next year. Phillips explained to help get the store out of a loss and start operating with a profit the city would need to add an additional fee to the utility bill of \$13.63 per month per meter (681 meters total). This would help generate enough money to keep the store making profit and get the store out of a loss.

Neil Phillips offered another suggestion. Phillips said if you could get each household (meaning each of the 681 meters) to spend at least \$100.00 per month you could get the store to break even eventually.

Phillips said there is really no other way to fund the store, and with the store operating at a loss the store is in violation of state statute. Phillips also clarified that the store could not receive tax money for the store as they were a utility, and it was a business that was making money.

Grocery Store Manager Cindy Garland presented a price markup sheet that she uses to price commodities. This sheet comes from AWG, a food wholesaler with whom the store contracts with to purchase commodities. Garland explained right now she uses the higher country tier to markup commodities; however, she can use any of the tiers which decrease in markup percentages. Councilmember Kyle Buntin thought it might be a good strategy to lower prices to

bring more people in to shop potentially.

Steve Richey, citizen of Erie commented that he really enjoyed having the grocery store but a lot of time he noticed it was hard to get commodities. Lois Carlson, citizen of Erie said, "sometimes people think by shopping at Walmart they are getting the better deal, but if people would price compare, and with the cost of gas it really doesn't cost any less by going to Walmart. We need to get the public to understand that." Citizen Shirley Estrada suggested if the store could show some cost comparison examples using grocery carts and putting commodities in them, labeling them "this is how much you can buy at Walmart for an amount of dollars, this is how much you could buy at Erie Market with the same amount of dollars, showing the public a visual price comparison." The council agreed that would be a great idea.

Morgan Buntin, owner of Richey's Rexall commented that she did not think by lowering grocery prices it would really bring in any more shoppers. Buntin said she went into the grocery store and purchased a few items, took her receipt over to Dollar General and price compared, and the result was she could have saved \$20.00 by shopping at Dollar General. Morgan said more needs to be done to get people to shop in the store. Steve Richey said the difference between Dollar General and the grocery store is Dollar General only has frozen foods, he said he wanted fresh meat and produce. Councilmember Kyle Buntin reminded everyone that Dollar General is also an Erie business, and we must support them as well.

Councilmember Tereasa DeMeritt thanked everyone for their comments and wanted to talk about the tier pricing that Store Manager Garland had presented. DeMeritt said she would like to try decreasing the price of commodities in the hopes that it would bring in more customers which would bring in more revenue. Councilmembers agreed at this time they did not want to add a fee to the utility bill without trying these suggestions first.

DeMeritt made a motion and Moore seconded to move the markup cost from country tier down to the county seat which would decrease the markup around 4%. DeMeritt, Friedrich, Maher and Moore all voted aye. Buntin voted nay. By majority vote, the motion carried.

Upon motion by Buntin and a second by DeMeritt, the meeting was unanimously adjourned at 6:50 P.M.

APPROVED May 23, 2022

RESPECTFULLY SUBMITTED,


Governing Body Member


Melissa B Stephens, City Clerk