

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
THURSDAY, MAY 17, 2001
1:00 P.M. – CITY HALL

Pursuant to due notice and call the Crosslake City Council held a special meeting on Thursday, May 17, 2001 in the Council Chambers. The meeting was called to order at 1:00 P.M. by Mayor Swanson with the following members present: Dean Swanson, Chuck Miller, Irene Schultz, and Sandy Eliason. Also in attendance were City Administrator Tom Swenson, City Attorney Paul Sandelin, Mike and Sharon Seeker, Bill, Marti, Jamie and Melanie Reed, Attorney Lonnie Thomas and Betty Ryan from the Lake Country Echo.

Attorney Sandelin reviewed the current application to relocate the Seeker's Cedar Chest Off Sale Inc. license to property located near Reeds Market, which is owned by the Reed's. Ads appearing in the local papers have raised questions whether the application or management of the proposed relocated liquor store changed. Attorney Lonnie Thomas stated that he was representing the Seeker's and that no facts have changed since the initial application and that there has been no misrepresentation of facts on the application to relocate.

Attorney Sandelin stated it is the Council that issues licenses and the City Council does have the right to question management or changes in ownership. Attorney Thomas agreed that a change in ownership needs to be approved by the City, but no change in ownership has taken place or is contemplated.

Mayor Swanson questioned a request for an application to change ownership which was made by Dan Flatz on behalf of the Seeker's. Attorney Thomas stated he did not know why Mr. Flatz requested the information. Attorney Thomas further stated that the City should not expect a change of ownership at renewal time. However, it is possible the Seeker's could renew the new license under their personal names instead of the corporation.

Attorney Sandelin questioned whether MJM is a new name or whether the name change was known at the time of the relocation request. Attorney Thomas questioned why the City should be involved in a name change and stated that he didn't know the date the name change was approved by the Seeker's. Mike Seeker stated that the Cedar Chest name is already in use and they wanted a different name for the liquor store to avoid confusion.

Mayor Swanson and Councilmember Miller reviewed phone calls from citizens which they had received questioning whether the City knew about the name change and the

level of involvement of the Reed's based upon the advertisements coming out in newspapers.

Attorney Thomas was questioned regarding the management of the liquor store. Attorney Thomas stated the management will be the same as the old liquor store and no management changes have occurred. However, changes could happen in the future depending on business growth. Attorney Thomas further stated there is no management agreement for anyone other than Seeker's to operate the business and at this time there is no signed lease between Seeker's and Reed's. Mike Seeker stated the long-range management of the store will involve his twenty-two year old son. Mike Seeker further stated that he will be the overall manager of the store and the position being advertised currently will be more of an assistant manager.

Sandy Eliason expressed her confusion over a business being relocated and a building being built without a signed lease and ads being placed for a manager that will really be an assistant manager.

Dean Swanson stated he has been supportive of the relocation, however, he felt blindsided by the ads which have appeared in the papers related to the liquor store.

Attorney Sandelin stated that the name change and management arrangement should be stated in the upcoming renewal application.

Attorney Thomas stated that if MJM does not legally work, the applicant will notify the City of the name change.

A discussion ensued regarding possible changes to the liquor ordinance. Attorney Sandelin identified, in a letter to the City Council dated May 14, 2001, various areas of the ordinance requiring review.

A discussion ensued regarding an ordinance amendment to establish a Combination On/Off Sale License. It was the consensus of the Council that licenses should be separate and not be classified as combination licenses.

A discussion ensued regarding the separation of On Sale and Off Sale operations at the same location. Attorney Sandelin will research possible requirements such as a separate designated area or entrance for an Off Sale operation at the same location as an On Sale license.

A discussion ensued regarding how the City would handle an Off Sale license that is turned back to the City. It was the consensus of the Council not to retire the license and that the license would be available for re-issuance based on a lottery of interested and eligible applicants.

A discussion ensued regarding City notification of changes in management of a licensed On Sale establishment. It was the consensus of the Council that language should be incorporated into the ordinance requiring City notification of a change in the principal manager of an operation so that a background check can be performed.

A discussion ensued regarding the length of time an inactive license can be held. It was the concensus of the Council that language should be incorporated into the ordinance requiring licensed establishments to be open to the public for a minimum of forty-eight weeks per year. If a business is destroyed, the license owner must present a plan within six months to the Council regarding reopening the business. The licensee can retain the license for the remainder of the current license year and renew the license once. The business would need to be in operation by the end of the renewal period or else the license would revert back to the City.

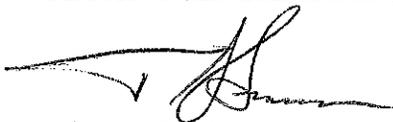
Attorney Sandelin and Administrator Swenson were directed to research and make a recommendation to the Council on how to handle the issuance of an On-Sale license which has been turned back to the City. A lengthy discussion ensued regarding a progressive penalty system for violations of law by liquor establishments. Attorney Sandelin, Chief Hartman, and Administrator Swenson were directed to review and recommend to the Council a progressive penalty section to be included in the ordinance.

It was the consensus of the Council that a special meeting be held on June 13, 2001 at 9:00 A.M. in the Council Chambers to continue review of possible amendments.

A discussion ensued regarding the proposed floor plan for interior remodeling in City Hall, which was drafted by Marco with staff input. Following review of the quotation for furnishings from Marco, along with a letter dated May 16, 2001 from Marco, stating that the quotations are the State contract prices, MOTION 05S2-01-01 WAS MADE BY DEAN SWANSON AND SECONDED BY CHUCK MILLER TO APPROVE THE MARCO QUOTE IN THE AMOUNT OF \$5,942.79, PLUS APPLICABLE TAXES, FOR THE FURNISHINGS INCORPORATED INTO THE REMODELING OF CITY HALL. MOTION CARRIED WITH ALL AYES.

MOTION 05S2-02-01 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 2:47 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by:



Thomas N. Swenson
City Administrator