

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
WEDNESDAY, JULY 9, 2003  
10:00 A.M. - CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met on Wednesday, July 9, 2003 at 10:00 A.M. at City Hall. The following Councilmembers were present: Mayor Darrell Swanson, Dean Eggena, Chuck Miller, Dick Phillips and Irene Schultz. Also present was City Administrator Tom Swenson, City Attorney Paul Sandelin, Community Development Director Ken Anderson, Clerk/Treasurer Darlene Roach, and approximately twenty residents.

Mayor Swanson called the Special Meeting to order at 10:00 A.M. and stated that the special meeting was called for the purpose of a workshop session for the City Council to review various aspects of the Liquor Ordinance as it relates to closing time, seating requirements, fees and Sunday serving hours. While this is not a public hearing, the Council could decide to take public comments with the consensus of the Council.

Several informational items were provided to the Council dealing with the above issues. Lee Johnson of Zorbaz distributed a handout to the Council on behalf of the local establishments. The first document provided by Staff was a survey of closing hours for local area cities. In Crow Wing County, of ten cities surveyed, Breezy Point was the only City to change their closing time from 1:00 to 2:00 A.M. In Cass County, the City of Lakeshore approved a 2:00 A.M. closing time. This was the only City in Cass County that was contacted. The second item of information was a list of establishments across the State that have submitted an application, paid the applicable fee and received a license from the State authorizing them to remain open until 2:00 A.M. It was noted that the majority of these licenses were issued to establishments located within the metropolitan area. A memo from Police Chief Bob Hartman estimated the approximate cost for additional police patrol should the Council approve the 2:00 A.M. closing. The estimated cost for the remainder of the summer would be \$4,040. It was noted that this cost estimate is worse case scenario. Chief Hartman expressed concern with the influx of bar patrons to the area if the other cities close at 1:00 A.M. and Crosslake stays open until 2:00 A.M. With the number of people in the area in the summer due to the establishments having live entertainment, vehicles are parked on both sides of the road on weekend nights and the Police Department is already stretched thin with two officers on duty. Mayor Swanson stated that other benefits are derived from an extra officer being on duty, however and maybe the City needs additional officers in the Police Department.

City Administrator Tom Swenson stated that in 1996, the City did a comparison of license fees in comparable size cities and Crosslake ranked somewhere in the middle of the range. These same cities were contacted by Clerk Roach and license fees have remained fairly consistent with only Nisswa, Pillager, Grand Rapids and Big Lake having increased their on-sale liquor license fees. Lakeshore, who has approved the 2:00 A.M. closing, charges an on-sale license fee of \$1750 with Nisswa's on sale license fee at \$2000.

An email was received from City Attorney Sandelin which shows the minimum seating requirements for Lakeshore and Emily at 25 seats. Sandelin commented that the State

Liquor Statute requires a minimum of 30 for seating for Sunday liquor sales, so the City should, at a minimum, adopt what State Statute requires. Under the definition of restaurant, the Statute leaves open the minimum number of seats to the licensing authority.

Regarding Sunday opening, the current Ordinance allows for the serving of alcohol at noon, however, State Statute gives municipalities the option of a 10:00 A.M. serving time. An amendment to the Ordinance would be required to change the time.

City Attorney Sandelin stated that the City would be required to hold a public hearing with a requirement to provide 30 days written notice to the liquor establishments if the City is considering increasing fees.

Councilmember Schultz inquired if there would be any other major expense to the City other than the police department if the time is extended one hour. City Administrator Swenson stated that any other expense would be minimal.

Chief Hartman stated that he has contacted Cary Shoutz of the DNR and Neal Gaalswyck of the Water Patrol Division of the Sheriff's Department regarding any concerns they may have with the extended hour. Deputy Gaalswyck addressed the Council and stated that he has a concern since the Water Patrol is already spread thin. With 417 lakes in Crow Wing County, on busy days there are only 4 crews out on the lake. A lot of time is spent on the Whitefish Chain, but extending the closing time would mean overtime for the officers. He also stated that the re-occurring complaints are due to boat noise and extending the closing time would extend the noise by an hour. Councilmember Eggena asked Deputy Gaalswyck how late the officers work and he stated they work later on Friday and Saturday nights and until sunset during the week. Conservation Officer Shoutz addressed the Council and stated that the DNR does not have the manpower to extend their hours, but he did not see the extended hours as causing any problems for the DNR.

Councilmember Eggena stated that he would support a 2:00 A.M. closing since the season is short for the establishments and the area is a summertime recreational community. One of his fears is if the City doesn't adopt the 2:00 A.M. closing, the patrons will leave the City and patronize other bars that have the 2:00 A.M. closing. Regarding costs, what is worse case scenario for the City, is best case scenario for the bar owners.

Councilmember Phillips did not agree with Councilmember Eggena. He was wondering whether establishments would also extend their kitchen hours or are they only extending the time to consume beverages. The biggest concern expressed by Councilmember Phillips, however is customers leaving the establishments by boat. He stated there are already problems on the lakes. He stated that he would be against an extension to 2:00 A.M.

Councilmember Eggena stated that he doesn't see the 2:00 A.M. closing as creating more drunks but in customers changing their drinking patterns.

Councilmember Miller stated that he has spoken with the Commander Bar and Prime Time Charlies in Breezy Point and neither of these establishments are currently interested in the 2:00 A.M. closing. Councilmember Miller stated that it is not the family oriented people who will be patronizing the establishments between 1:00 – 2:00 A.M. He stated if you are already drunk at 1:00, you will be even drunker at 2:00 A.M.

Councilmember Schultz asked if the additional State of Minnesota fee would offset some of the cost for the City and Attorney Sandelin stated that the fee does not come back to the City. Neal Gaalswyck stated that Crow Wing County will be provided with one additional State Trooper as a result of the additional fee.

Mayor Swanson stated that the City has seven restaurants and bars open until 1:00 A.M. some with entertainment, which already attracts a lot of people to the area. He does not see this as a big change for Crosslake. He did acknowledge, however that other communities are taking the change with a great deal of caution. Breezy Point is only extending the 2:00 A.M. closing on Friday and Saturday nights. Mayor Swanson's position, however, was once you change it, he does not see changing it back so does not support a temporary period of time. He also stated that many think we are a retirement community, but we are not, we are a large seasonal recreational area that could benefit from the extended hours. Mayor Swanson stated he would not be opposed however to limiting the days to Fridays and Saturdays.

With the consensus of the Council, one or two individuals from both sides of the issue would be allowed to address the Council. Lee Johnson, of Zorbaz Restaurant addressed the Council on behalf of the all of the establishments. He stated that the Gull Lake Zorbaz has already been open until 2:00 A.M. for one week and everything has gone fine. He stated that one cannot assume the change is going to be negative. He stated that if it is bad, the establishments don't want it either because their liquor liability insurance is what they operate on so they watch ID's and oversee the serving of alcohol. He stated that the operators in this area have a short window of opportunity to make money and anything that can be done to improve this would be helpful. Mr. Johnson stated that maybe weekends and holidays would work fine in Crosslake.

Kathy Swanson of Crosslake addressed the Council and stated that she has lived in the City for nine years and expressed a concern about the 2:00 A.M. closing. She wondered if there would be an influx into Crosslake after the bars have closed in other municipalities and what problems this would cause for the police. Mrs. Swanson stated that she would be in favor of a public hearing.

Mayor Swanson stated that the Council would need to decide how they wanted to address the various issues since different timelines come into play.

MOTION 7S1-01-03 WAS MADE BY DEAN EGGENA AND SECONDED BY CHUCK MILLER TO SCHEDULE A PUBLIC HEARING FOR JULY 29<sup>TH</sup> AT 1:00 P.M. TO DISCUSS THE 2:00 A.M. CLOSING, 10:00 A.M. SUNDAY OPENING AND MINIMUM SEATING REQUIREMENTS. MOTION CARRIED WITH ALL AYES.

Councilmember Schultz asked if the Council should wait to see if the hours would change before having discussion regarding license fees. City Administrator Swenson stated that any change in license fees could be put in place at the next renewal which is

July 1, 2004. It was the consensus of the Council that action would be taken following the public hearing in regards to the three items on the agenda. AMENDED MOTION WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO CHANGE THE TIME TO 7:00 P.M. ON JULY 29<sup>TH</sup> AT THE COMMUNITY CENTER. MOTION CARRIED WITH ALL AYES.

Approval of Bills - MOTION 07S1-02-03 WAS MADE BY DEAN EGGENA AND SECONDED BY CHUCK MILLER TO APPROVE THE PAYMENT OF BILLS AS SUBMITTED IN THE AMOUNT OF \$201,449.02. MOTION CARRIED WITH ALL AYES.

MOTION 07S-03-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DICK PHILLIPS TO ADJOURN THIS SPECIAL MEETING AT 11:12 A.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,

Darlene J. Roach  
Clerk/Treasurer

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**BILLS FOR APPROVAL**  
**14-Jul-03**

VENDORS	DEPT	AMOUNT
Ace Hardware, leak stopper sealer	P&R	2.86
Ace Hardware, rope	P&R	10.94
Ace Hardware, ant traps	P&R	8.18
Ace Hardware, home and garden spray	PW	21.29
Alpha Video, ctv controller	Gov't	649.65
Anderson Brothers, class 5	PW	1,276.42
Andy Anderson, 2nd quarter p and z meetings	P&Z	75.00
Auto Value West, oil pump, gas filter	Fire	63.51
B & B Products, ground wire for light bar	Police	100.00
B & B Products, install cage into vehicle	Police	655.68
Berkley Insurance, workmans comp	Gov't	3,726.00
Blakeman Pumping Service, portable toilets	PW	76.30
Blue Lakes Disposal, trash removal	ALL	93.61
Bob Hartman, uniform	Police	20.00
Brothers Motor Sports, oil filter	P&R	28.20
Cascade Computers, setup new network for ken	P&Z	152.40
Cellular One, cell phone charges	PW	27.15
Cellular One, cell phone charges	Police	207.58
City of Crosslake, permit fee	P&R	125.00
Council #65, union dues	ALL	205.10
Crosslake Communications, phone, fax, internet, cable	ALL	1,217.88
Crosslake Polaris, hand held blower	PW	212.95
Crosslake Rolloff, recycling	Gov't	2,450.00
Crow Wing County Recorder, copies	P&Z	3.50
Crow Wing County Treasurer, coop purch subs fee	Gov't	142.86
Crow Wing County Treasurer, computer reports	P&Z	37.50
Crow Wing County Treasurer, e911 addresses	Gov't	150.00
Crow Wing Power, electric service	ALL	1,036.72
Culligan, cooler rental	PW	10.65
Culligan, cooler rental and water	Gov't	40.47
Dacotah Paper, paper towels, can liners	Gov't	95.55
Dean Brodin, 2nd quarter p and z meetings	P&Z	50.00
Deferred Comp	ALL	1,051.96
Delta Dental, dental insurance	ALL	1,192.20
Echo Publishing, subscription	Gov't	27.00
Echo Publishing, ordinance #179	P&Z	23.63
Echo Publishing, ordinance #180	PW	23.63
Echo Publishing, ordinance #176	P&Z	27.00
Echo Publishing, public hearing 6/27	P&Z	60.75
Echo Publishing, ordinance #178	P&Z	27.00
Echo Publishing, public hearing 7/9	Gov't	59.00
Echo Publishing, comp plan open house	Gov't	70.80
Echo Publishing, ad for bids for streets	PW	94.40
Echo Publishing, business cards	P&Z	40.53
Ehlers & Assoc., financial services	Sewer	13,619.75

Fortis, disability	ALL	177.22
Greg Larson Sports, knee pads, helmet	P&R	114.05
Gull Lake Glass, doors at community center	P&R	2,067.01
Gull Lake Glass, replace glass in door	Gov't	272.08
Heartland Animal Rescue Team, pick up dog	Gov't	30.00
Holden Electric, fuse	Gov't	53.55
Holiday of Crosslake, fuel	Police	293.11
Houston Ford, oil change	Police	23.10
Ideal Contractor Supply, shovels	PW	192.55
Jack Huber, 2nd quarter p and z meetings	P&Z	75.00
Jay Lorch, reimburse uniform	Police	213.00
Johnson Killen Seiler, strike negotiations	Gov't	5,559.60
Lakes Printing, fund raising materials	Gov't	2,680.30
Lakes State Bank, g o improvement bonds, series 1999a	Gov't	3,120.00
Lakewood Bank, g o improvement bonds, series 1999a	Gov't	3,307.50
League of MN Cities Ins, builders risk insurance	Sewer	1,038.00
Lorman Education Services, law of easements class	P&Z	289.00
MAOSC, annual dues	Gov't	688.94
Martin Communications, sort out wiring of used siren	Gov't	218.70
Mastercard, Best Western, lodging	Admin	138.88
Mastercard, Brainerd Medical Supply, ice packs	P&R	25.99
Mastercard, Fleet Farm, compasses	P&R	76.59
Mastercard, Fleet Farm, smoke bombs, bug-b-gone	P&R	28.20
Mastercard, Menards, sink, phone	Police	79.03
Mastercard, MJ's Sportshop, equipment	P&R	10.63
Mastercard, Perkins, meal	Admin	9.29
Mathias Justin, 2002 audit	Gov't	4,500.00
Mathias Justin, 2002 audit revisions	Gov't	490.00
Medica, health insurance	ALL	11,084.71
Metro Fire, pike poles	Fire	294.60
Minnesota T's, polo shirts	P&R	111.84
MN Benefits	Admin	100.92
MN Life, life insurance	ALL	198.10
Molly's Cleaning Service, june cleaning	Gov't	745.50
M R Sign, e911 addresses	PW	2,008.87
Moonlite Square, fuel	P&Z	24.27
Moonlite Square, fuel	Fire	60.70
Moonlite Square, fuel	Police	83.60
Moonlite Square, fuel	P&Z	18.00
MWOA, 2003 conference ck #34185	PW	175.00
Nancy Koch, 2nd quarter p and z meetings	P&Z	50.00
NCPERS-Life Insurance	ALL	128.00
North Ambulance, subsidy	Ambulance	1,103.00
Northern Lakes Nursery, trees for hans engman	PW	600.00
Northern Lakes Nursery, sprinkler system	Gov't	1,287.00
Northern National Bank, g o improvement bonds, series 1999a	Gov't	2,937.50
Northern National Bank, wilderness trail	Gov't	2,004.10
PERA	ALL	N/A
Pine River Family Clinic, physical	Police	246.00
Quality Graphics, comp plan invitations	Gov't	386.06
Reed Business Information, legal ads	PW	107.38

