

PUBLIC HEARING
CITY OF CROSSLAKE
TUESDAY, JULY 29, 2003
7:00 P.M – COMMUNITY CENTER

Pursuant to due notice and call, the Crosslake City Council held a public hearing at 7:00 P.M. on July 29, 2003 at the Crosslake Community Center for the purpose of taking public input regarding revisions to the liquor ordinance. The following Councilmembers were present at the hearing: Mayor Darrell Swanson, Dean Eggena, Chuck Miller, Dick Phillips and Irene Schultz. Also present was City Administrator Tom Swenson, City Attorney Paul Sandelin and Clerk/Treasurer Darlene Roach. There were approximately 30 individuals in attendance (Sign in sheet attached as a permanent part of the record.)

Mayor Swanson called the meeting to order and stated the various issues of the Liquor Ordinance that would be the subject of discussion including: (1.) 2:00 A.M. closing time; (2.) 10:00 A.M. Sunday opening; and (3) minimum seating for on-sale establishments.

The hearing was open for public input. Deb Halbleib, of Moonlite Bay, addressed the Council and stated that she was representing a number of the local establishments who are in favor of the 2:00 A.M. closing time and the 10:00 A.M. Sunday opening. She stated that tourism is the backbone of their businesses and they would welcome the opportunity to be able to take advantage of the extra hour which was recently passed into law by the Legislature and could go into effect upon approval of the local municipality. Halbleib presented various statistics regarding the need for businesses to be competitive, the relationship between 1:00 A.M. closing versus 2:00 A.M. closing, how driving statistics in other States are affected by later closing hours, and how 40% of the additional sales tax revenue will fund additional police officers across the State. She stated that liquor establishments pay property taxes, sales tax and liquor taxes and are not asking for any special treatment only to be allowed the opportunity to compete. Armond Gease, President of the Crosslake/Ideal Lions, stated that the Lions would wholeheartedly support the later closing since it gives the Club an extra hour for pull-tab sales. Kathy Swanson of Happy Landing Road was opposed to the 2:00 A.M. closing and stated that she does not think the citizens of Crosslake will benefit from the later closing. Her concern is with customers coming into the City from other community's when their establishments close to consume additional alcohol. She stated that tourism has grown without the extra hour of drinking. She expressed concern about the families of those that are out drinking until 2:00 A.M. She asked why Crosslake has to be one of a few cities to go to a 2:00 A.M. closing. Chuck Fields addressed the Council and stated that he was neither for nor against the proposal. He realized that the local businesses have suffered and that the local economy needs a boost, but does not feel it should be written in stone. He suggested reviewing the issue after a period of time. Lee Johnson of Zorbaz stated that the Zorbaz Restaurant in Lakeshore has been operating until 2:00 A.M. without any problems. He stated the later hour allows the establishments to compete. He stated that if it doesn't work for the bar owners, it won't work for the City either. Chief Hartman expressed his opposition to the later hour. He stated that Crosslake will be a standalone city in regards to later closing times. A lot of people will be coming in from surrounding

communities such as Emily, Fifty Lakes, and etc. causing an impact on the Police Department. He indicated that he would need to schedule, at a minimum, two officers every Friday and Saturday night. He suggested that the Council establish some parameters, possibly only allow the later opening on Friday's, Saturday's and Holiday's. This alone would cost the Department approximately \$20,800 in additional costs. Hartman asked who was going to bear the cost. He stated that some of the local establishments are good at policing their customers, but would feel better about the later hour if other cities were also allowing the later closing. Josh Larson, of 37463 Miller Road, stated that he is one of the bar patrons who left Crosslake to go to Breezy Point and saw about fifteen other customers who also left due to the additional hour. He stated that this will cause Crosslake to lose business to other cities. There being no further comments, MOTION PH7-01-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO CLOSE THE PUBLIC HEARING AT 7:17 P.M. MOTION CARRIED WITH ALL AYES.

The Council convened in a Special Session at 7:20 P.M. to take action on the issues discussed during the public hearing.

MOTION 07S3-01-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO APPROVE 2:00 A.M. CLOSING. Councilmember Phillips stated that his concern is the grouping up that occurs as a result of the 1:00 A.M. closing and the extra hour may relieve this. Phillips preferred a trial basis as was done in Lakeshore and Breezy Point and asked if the establishments wanted seven days a week. Councilmember Miller did not feel it would make sense to be open seven days a week but supported the later hour on Friday and Saturday nights. He didn't feel the public should pay the added cost of police protection. He also stated that he does not feel it is the Council's job to control businesses. Lee Johnson addressed the Council and stated that if the establishments feel it is not worth staying open later they will close. He stated that Lakeshore has not added additional police officers as a result of the later closing time. Chief Hartman stated that unless specific days are established, he will have to schedule an officer to be on later every night since he couldn't predict when the establishments would stay open or close. Councilmember Eggena stated that he is in favor of the later hour. He stated that Brainerd has already changed their position in regards to the 2:00 A.M. closing per a conversation he had with Brainerd's City Attorney and foresees other communities doing the same. Eggena feels it would be a real disadvantage to Crosslake if the later hour was not approved. Councilmember Schultz stated that most everyone she has spoken to is against the later closing time, but does understand the businesses need for the additional hour especially now that the State has approved a later closing time. Mayor Swanson stated that there are two truisms, one being tourism and the other being residential. He stated that the Council needs to strike a balance between the two. He stated that Crosslake is a tourist community and the Council has an obligation to support tourism. He stated that he would not support adoption on a trial basis. If there becomes a problem, the Council can meet and implement a change in the Ordinance. Councilmember Miller again expressed concern over the additional costs and City Attorney Sandelin stated that while the State did not mandate a local increase, the

Council could review license fees at a later date. Mayor Swanson stated there is no harm, however, in additional patrol. MOTION CARRIED WITH ALL AYES.

Councilmember Miller asked for a show of hands from those in the audience who would support the additional hour for seven days a week, year round. MOTION 07S3-02-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO APPROVE A 2:00 A.M. CLOSING TIME SEVEN DAYS PER WEEK. Mr. Field addressed the Council and stated that there may be some who choose to stay open and some who choose to close, but doesn't feel they should be penalized. Kathy Swanson addressed the Council and stated that she was hoping that if it did get approved it would be for only weekends and holidays. She does not feel the residents should pay extra taxes to support this and would like to see a vote of the people. MOTION CARRIED WITH ALL AYES.

Regarding the 10:00 A.M. Sunday opening, MOTION 07S3-03-03 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO CHANGE THE LIQUOR ORDINANCE TO 10:00 A.M. SUNDAY OPENING PROVIDED THE ESTABLISHMENT MEETS THE STATE REQUIREMENTS. MOTION CARRIED WITH ALL AYES.

There was discussion regarding the minimum seating requirements and City Attorney Sandelin stated that State Law requires a minimum of 30 seats for Sunday liquor sales, so at a minimum this requirement needs to be adopted by the Council. While the State defines the meaning of a restaurant, it is up to the local authority to establish food requirements. Councilmember Schultz stated that she would like to see the minimum seating requirement raised in order to attract establishments with a larger tax base to help offset taxes. This would not affect the current establishments, only future ones. Councilmember Eggena opposed this position and stated that he would not be in favor of luring a convention center into the city but would rather support a pub, which may be more desirable. Kathy Murrer, owner of the Cedar Chest, addressed the Council and stated she believes in free enterprise and does not feel the establishments need any more restrictions. She stated that it's too hard to police and is confusing. After some discussion regarding what the number of appropriate seats would be, MOTION 073-04-03 MADE BY DEAN EGGENA AND SECONDED BY CHUCK MILLER TO NOT RESTRICT A LICENSE ACCORDING TO SEATING MINIMUMS BETWEEN THE DAYS OF MONDAY THROUGH SATURDAY, HOWEVER FOR SUNDAY SALES A MINIMUM OF 30 SEATS IS REQUIRED. MOTION CARRIED 3-0 WITH COUNCILMEMBERS SCHULTZ AND PHILLIPS VOTING NAY.

A request for a housekeeping item to strike a sentence related to licenses issued after July 1, 2000, which was erroneously included when Ordinance Amendment #167 was approved on November 12, 2002 was requested. MOTION 073-05-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO APPROVE A HOUSEKEEPING CHANGE IN SECTION 4.60, SUBD 9 TO READ "THE COUNCIL MAY ISSUE UP TO ELEVEN (11) ON-SALE AND FIVE (5) OFF-SALE LICENSES.

THERE SHALL BE NO COMBINATION LICENSES ISSUED BY THE CITY.
MOTION CARRIED WITH ALL AYES.

City Attorney Sandelin requested that one motion be made amending the Ordinance to encompass all items previously approved by motion. MOTION 07S3-06-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO APPROVE ORDINANCE AMENDMENT NO. 183 DEALING WITH THE HOURS OF LIQUOR SALES AND SEATING CAPACITY INCLUDING THE FOUR CHANGES APPROVED BY THE COUNCIL AND THAT A SUMMARY OF SAID ORDINANCE AMENDMENT BE PUBLISHED. MOTION CARRIED WITH ALL AYES.

At the June Council Meeting, the Council approve acceptance of a purchase agreement from Jerry Barratto for the purchase of a lot in the Gendreau Addition. The closing company has requested a resolution for the acceptance of this agreement. MOTION 07S3-07-03 WAS MADE BY DICK PHILLIPS AND SECONDED BY IRENE SCHULTZ TO APPROVE RESOLUTION 03-31 AUTHORIZING THE SALE OF PROPERTY DESCRIBED AS LOT 4, BLOCK 2, GENDREAU ADDITION TO JERALD B. BARRATTO. MOTION CARRIED WITH ALL AYES.

MOTION 07S3-08-03 WAS MADE BY DICK PHILLIPS AND SECONDED BY CHUCK MILLER TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 8:02 P.M.
MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach
Clerk/Treasurer

Public Hearing – July 29, 2003

RESOLUTION NO. 03-31
RESOLUTION AUTHORIZING SALE OF PROPERTY
TO JERALD B. BARATTO

City of Crosslake
State of Minnesota

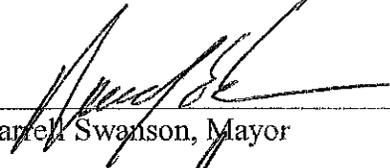
WHEREAS, The City of Crosslake desires to sell property to Jerald B. Baratto with a legal description of Lot 4, Block 2, Eugene Gendreau Addition to the City of Crosslake; and

WHEREAS, the City and Jerald B. Baratto have signed a Purchase Agreement dated June 19, 2003 for said property.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
CROSSLAKE, MINNESOTA:

1. The sale of property legally described as Lot 4, Block 2, Eugene Gendreau Addition to the City of Crosslake to Jerald B. Baratto is hereby approved.

Adopted by the council this 29TH day of July, 2003.



Darrell Swanson, Mayor



Tom Swenson, City Administrator

LIQUOR ORDINANCE
PUBLIC HEARING
JULY 29, 2003
7:00 P.M. - COMMUNITY CENTER
SIGN-IN SHEET

NAME	ADDRESS	PHONE
Joshua Larson	3740 S Miller Rd	692-1701
Jeremy Pollock	35256 W. Shore Dr.	692-1795
Jane Pollock	35262 W. Shore Dr.	692-1795
Sessira Pollock	35256 W. Shore Dr.	692-1795
Deb Halbleib	11815 Co Rd 16	543-4617
Mark Halbleib	11815 Co Rd 16	543-4617
Kathy Murrer	33350 Co Rd 3	692-2657
Kathy Swanson	34089 Happy Looking Rd	692-2139
Rebecca Swanson	12805 Cross Lk	692-5102
Kathryn Thomas	12805 Cross Lk	692-5102
Mickaela Erickson	13443 East Shore Rd	692-1922
ARMOND GEASE	11770 CROSS AVE	692-2260
HALEY GALLAWAY	17995 WOOD DRIVE	692-1100
JEFF KITTLESSEN	15606 PINE POINT RD	692-1815
Robert A MUDER	RIVERSIDE INN	692 3848
BONNIE MUDER	RIVERSIDE INN	692-3848
DOREEN GALLAWAY	36030 JOHNNIE ST.	692-2374
Arthur Held	13927 Fry Rd 16	692 2402
Bryan Held	9804 Woodridge	218-820-0989
Cynthia Z Holde	13950 DABBETT Pine Rd	692-3774
Lee Johnson	Zorba 2	821-8688
WADE HEPPY	ZORBA 2	931-1651
MR. + MRS. Jim BERG	12038 HARDON LANE CROSS LAKE	543-4182
Robert Brakke	Zorba 2	330-7222
Kevin Knutson	Zorba 2	821-8698
Charene Rappert	Crosslake	
Robert Held	Crosslake Rd	
Jane Swanson	Crosslake Council	692-2663

Tom Swanson
Dwight Swanson
John A. Egg
Clarence Swanson
Dwight Swanson
Tom Swanson

City Administrator
City Council / Mayor
City Council
City Council
" "
City Atty