

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
WEDNESDAY, JUNE 13, 2001  
9:00 A.M. – CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met in the Council Chambers of City Hall on June 13, 2001. The following Councilmembers were present: Mayor Darrell Swanson, Sandy Eliason, Chuck Miller, Irene Schultz and Dean Swanson. Also present was City Administrator Thomas (Tom) Swenson, City Attorney Paul Sandelin, Park and Recreation Director Jon Henke and Clerk/Treasurer Darlene Roach.

Mayor Swanson called the special meeting to order at 9:00 A.M.

1. Review of 2001-2002 Liquor Licenses – Mayor Swanson inquired as to the name Seeker's Cedar Chest listed under Off-Sale Intoxicating Licenses. Clerk Roach replied that the dba indicated on the Liquor Control Renewal Form and the Liquor Liability Certificate were both listed in the name of Seeker's Off Sale, Inc. City Attorney Paul Sandelin stated that the Seeker's would need to come before the Council and request approval for the name change before the new site could open for business with the new name. It was the consensus of the Council that the City Attorney be directed to send a letter to the Seeker's and their attorney regarding the requirements for a name change.

Roger Roy asked to speak and with the consensus of the Council was allowed to address the Council. Mr. Roy stated that the City would be required to check criminal histories of the parties listed on the application. Also, the name change would have to go to the State and then to the City for approval. He felt that the City should have taken the license from the license holder when it wasn't being used.

Councilmember Schultz inquired as to whether the Seeker's should remove the sign stating MJM Liquors. Mayor Swanson felt that it should be removed. City Attorney Sandelin stated that could be included in the letter being sent to the Seeker's since at this time they do not have the authorization to use the name. Councilmember Eliason asked if criminal history checks could be run on the manager's and City Attorney Sandelin stated that the City could do that.

MOTION 06S1-01-01 WAS MADE BY IRENE SCHULTZ AND SECONDED BY SANDY ELIASON TO APPROVE RESOLUTION 01-26 TO ADOPT FOR RENEWAL EXISTING LIQUOR LICENSE ESTABLISHMENTS FOR 2001-2002. MOTION CARRIED WITH ALL AYES.

2. Approval of Bills for Payment – MOTION 06S1-02-01 WAS MADE BY DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$11,791.29. MOTION CARRIED WITH ALL AYES.

3. Park and Recreation Director Jon Henke gave a presentation on the acquisition of approximately eighty-four acres of property owned by Eric Johnson located adjacent to the Park property. In May 1998 an easement was given to Access Plus, LLC by Mr. Johnson to construct a cell tower on the property. This easement is in effect for 25 years with the option to renew for another two 25-year terms. Mr. Johnson received \$25,000 for the easement agreement. The owner is scheduled to be paid \$25,000 plus a percentage of the Consumer Price Index each time the easement is renewed. The next renewal period is in 2024. Considerable historical research was done by Jon Henke regarding the amount of money paid to the City in park dedication fees for use in purchase of this land. Graphs on platted developments and trends on metes and bounds subdivisions were also included. (See copy of handout included as part of these minutes). City Attorney Sandelin stated in a letter dated April 23, 2001 that he has reviewed the real estate acquisition requirements under State Law as they pertain to City's purchasing property on a contract for deed and, while the City may purchase real estate using a contract for deed, the term of the contract cannot exceed five years. Based upon the contract price, the City would need to determine if it exceeds .24177% of the market value of the City. The reason for this is that there are additional notice requirements by way of publication. Discussion ensued regarding whether the tower could be removed under court order, who would be responsible for removing the tower should the leaser chose not to renew the lease agreement, could the contract for deed contain a balloon payment payable at the end of the five years, what the fall area of the tower would be and whether any monetary consideration could be granted as a part of the negotiations. MOTION 06S1-03-01 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO PROCEED WITH THE PURCHASE AGREEMENT FOR THE PURCHASE OF THE ERIC JOHNSON PROPERTY BASED ON DISCUSSION BY THE COUNCIL, TO NEGOTIATE PRICE AND TERMS AND TO AUTHORIZE THE MAYOR TO WORK WITH THE CITY ADMINISTRATOR AND PARK AND RECREATION DIRECTOR TO PUT THE PURCHASE AGREEMENT TOGETHER. MOTION CARRIED WITH ALL AYES.
4. Memo from Personnel Committee regarding Consulting Agreement with former General Manager – City Attorney Paul Sandelin was directed to put together a letter of understanding as part of the consulting agreement. MOTION 06S1-04-01 WAS MADE BY DEAN SWANSON AND SECONDED BY CHUCK MILLER TO APPROVE RETAINING KEVIN LARSON AS A RESOURCE AND CONSULTANT FOR THE BALANCE OF CALENDAR YEAR 2001 AT A LUMP SUM COST NOT TO EXCEED \$3800. MOTION CARRIED WITH ALL AYES.
5. Review of Liquor Ordinance – Police Chief Bob Hartman prepared a preliminary list of presumptive penalties for sale of alcohol to underage persons, within a three-year period, which was presented to the Council for review. The penalty increases are based on the number of violations within a given period of time. Chief Hartman introduced two representatives from the Minnesota Department of

Public Safety's Alcohol and Gambling Enforcement Division who addressed the Council. Ron Seliski and Brian Kringen stated that the State will give police departments funding to perform compliance checks in liquor establishments. Ron Seliski stated that the City has the option of having an intermediary person such as the City Administrator who would meet with the license holder of the liquor establishment to reach an agreement based on the facts whether to pay the penalty and waive their rights to a City Council hearing or to have a full hearing if the license holder does not agree that the violation was warranted. The City also has the ability to request a full background investigation on any license holder, including financial information, before issuing a license. Brian Kringen stated that the intent of Alcohol and Gambling Enforcement is not to see businesses fail, but to educate the owners, the retailers and the servers of the law. A program is in place in this area where compliance checks are performed at liquor establishments. City Attorney Paul Sandelin asked Mr. Seliski and Mr. Kringen what the reaction is around the State in regards to penalties. The penalties appear to be all over the board, from a slap on the hand to very extreme penalties. Councilmember Miller felt that the penalties presented should be the very minimum amount imposed. Councilmember Swanson stated that once the penalties are in the Ordinance they could not be increased or decreased without an Ordinance amendment. Chief Hartman asked how the Council would handle operators with more than one license. Mayor Swanson gave an example whereas if the Exchange or Riverside has a violation on the on-sale license, does that take away their off-sale license. A discussion ensued regarding the three year period and whether a violation would start the three year period over again or whether it would be accumulated. Also, when would the violation period start and is three years too tough. City Attorney Sandelin stated that under the grant program, two checks are conducted per year on each establishment. The mandatory training for owners and employees required under the violations would be conducted by the Police Department in conjunction with Alcohol and Tobacco due to liability issues. City Attorney Sandelin stated that there are also third parties available to do the training that the City could hire. Mayor Swanson, Councilmember Eliason and Councilmember Miller were supportive of the three-year period. Councilmember Swanson and Councilmember Schultz felt a two-year violation period should be imposed. City Administrator Swenson asked if the Ordinance would list typical offenses and City Attorney Sandelin stated that it would not because they are stated under State Law. With various other issues to discuss, a Special Council Meeting was set for July 9<sup>th</sup> from 5:00 P.M. to 6:30 P.M. to reconvene discussion on various liquor ordinance issues.

MOTION 06S-05-01 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 10:45 A.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,

A handwritten signature in cursive script, reading "Darlene J. Roach". The signature is fluid and elegant, with the first letters of each word being capitalized and prominent.

Darlene J. Roach  
Clerk/Treasurer

Special Council Mtg – June 13, 2001



**RESOLUTION 01-26**  
**TO ADOPT FOR RENEWAL EXISTING LIQUOR LICENSE**  
**ESTABLISHMENTS FOR 2001-2002**

WHEREAS, the City of Crosslake does hereby resolve to adopt the Liquor License Renewals of establishments licensed in 2001-2002 for the licensing year 2001-2002:

ON-SALE (INTOXICATING) \$1500.00

Cedar Chest  
Zorbaz  
Riverside Inn  
Andy's Restaurant/Liquors  
Ye Old Wharf  
Moonlight Bay  
The Exchange Club

OFF-SALE (INTOXICATING) \$100.00

Channel Liquors  
Seeker's Cedar Chest  
Riverside Inn  
Andy's Restaurant/Liquors  
The Exchange Club

SUNDAY (INTOXICATING) \$200.00

Zorbaz  
Cedar Chest  
Riverside Inn  
Andy's Restaurant/Liquors  
Ye Old Wharf  
Moonlight Bay  
The Exchange Club

STRONG BEER ON-SALE \$75.00

Famous Dave's

WINE LICENSE - \$100.00

Ox Lake Tavern  
Famous Dave's

CLUB

American Legion On-Sale \$300.00  
American Legion Sunday \$200.00

ON-SALE (NON-INTOX.) \$75.00

Ox Lake Tavern  
Crosswoods Golf

OFF-SALE (NON-INTOX.) \$25.00

Ox Lake Tavern  
Bait Box Marina, Inc.  
Reed's Country Market  
Video Plus  
Mermaid Enterprises/Holiday Station

SET-UP LICENSE \$50.00

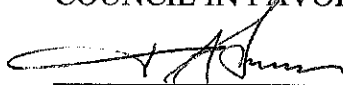
Ox Lake Tavern

CONSUMPTION & DISPLAY

Ox Lake Tavern

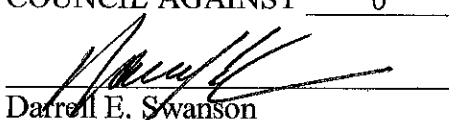
BE IT RESOLVED, that the City Council for the City of Crosslake, Minnesota go on record as renewing the above establishments for liquor/beer licensing for the period of July 1, 2001 – June 30, 2002, at a Special Council Meeting on the 13<sup>th</sup> day of June, 2001, after all licensing requirements are met, Police Department background checks completed and approval by the Liquor Control Commission.

COUNCIL IN FAVOR 5



Thomas N. Swenson  
City Administrator

COUNCIL AGAINST 0



Darrell E. Swanson  
Mayor

**CROSSLAKE PARKS  
&  
RECREATION**

**LAND ACQUISITION  
REPORT  
JUNE 12, 2001**

**THE ERIC JOHNSON  
PROPERTY.**

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