

PUBLIC HEARING
CITY OF CROSSLAKE
MONDAY, JUNE 11, 2001
5:30 P.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 11, 2001. The following Councilmembers were present: Mayor Darrell Swanson, Sandy Eliason, Irene Schultz and Dean Swanson. Also present was City Administrator Thomas (Tom) Swenson, City Attorney Paul Sandelin, Chief Robert Hartman, Officer Eric Swanson and Clerk/Treasurer Darlene Roach. Present in the audience were Zorbaz owners Tom Hanson, Wade Heady and Lee Johnson. Other individuals in the audience were Dick Dietz, Armond Gease and Allen Eliason.

Mayor Swanson called the meeting to order and stated that the purpose of the hearing was to review the alleged Zorbaz liquor violation. Mayor Swanson stated that although Councilmember Miller was absent from the meeting, there was a quorum of the Council present. The agenda that the Council would follow would be a report from the Police Chief, a review of the City's Liquor Ordinance by the City Attorney, comments related to the violation from the license holders, public comments and a decision by the Council.

The City Council was given a police report dated April 14, 2001 outlining the factual basis resulting in a violation of the City's Liquor Ordinance as well as the State Liquor Statute. Chief Hartman presented a brief synopsis of the report prepared by Officer Swanson. The report stated that Officer Swanson entered Zorbaz Restaurant at 2:30 A.M. after noticing several cars in the parking lot. Upon entering the restaurant, Officer Swanson witnessed beer in glasses and an alcoholic beverage sitting on a table. Officer Swanson spoke with Wade Heady and Lee Johnson, who were in the restaurant, regarding their being in violation of the City's Liquor Ordinance. On May 11, 2001 a letter was sent to the license holders outlining the maximum civil penalties and notifying the license holder of this hearing date.

City Attorney Paul Sandelin noted that under the current Ordinance and State Liquor Statute, the City may impose a civil penalty of up to \$2000 and/or may suspend the liquor license for up to 60 days as a result of consumption after hours by someone other than employees. A public hearing is required under law in order to provide the license holders the opportunity to address the Council regarding the incident.

The license holders met with representatives of the City prior to this hearing to discuss the violation.

Zorbaz President Tom Hanson addressed the Council and stated that neither he nor the other owners take this situation lightly. He stated that Zorbaz policy allows employees to have drinks after hours provided the owners are in the establishment. He stated that the people in the restaurant at the time Officer Swanson entered were all employees of Zorbaz and included three employees from the Gull Lake restaurant in addition to Lee Johnson. He stated that in the thirty-two years he has operated restaurants, he has not

been cited for any liquor violations. He asked for a clarification of the Ordinance since no alcohol was sold, no one from the general public was in the restaurant and no one underage was present. He further stated that Zorbaz policy requires that all customers be out of the restaurant twenty minutes after closing. Cleanup after closing takes a couple of hours during which time company policy allows for one or two drinks by employees after work. Mr. Hanson presented a letter of reference to the Council which was received from the City of Lakeshore. He also stated that Zorbaz is working on acquiring a computerized system for installation in their facilities for checking ID's.

Lee Johnson, co-owner of the Crosslake Zorbaz Restaurant since 1990, addressed the Council. He stated that he was not denying that they had done something wrong, but wanted the Council to know that they are not bad business people and that they want to operate within the guidelines of the City. He stated that the rules are different in the various municipalities. City Administrator Tom Swenson stated that there should be no confusion in the City's policy since it follows State Statute. However, the City is currently working to update the City's Liquor Ordinance to provide clarity in these types of situations.

Chief Hartman noted that the Ordinance sets the closing time at 1:00 P.M. at which time the license holder has twenty minutes to see that everyone is removed from the facility. After this time, no more alcohol can be visible. He further stated that the officer cannot be prevented from making an entrance to the facility.

Mayor Swanson thanked the Police Department for their work and thanked the license holders for their cooperation. He stated that the gray areas in the Ordinance would be reviewed and revised appropriately.

There being no further discussion, MOTION 06PH1-01-01 WAS MADE BY DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO IMPOSE A \$500 FINE ON ZORBAZ SINCE THIS IS THEIR FIRST OFFENSE. MOTION CARRIED WITH ALL AYES.

MOTION 06PH1-02-01 WAS MADE BY DEAN SWANSON AND SECONDED BY SANDY ELIASON TO ADJOURN THIS PUBLIC HEARING AT 6:00 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach
City Clerk/Treasurer

ZORBAZ PUBLIC HEARING - 5:30 P.M.

Allen Eliason
John W. Hanson
Paul S. Johnson
W.S.

Bill Swann #303
Robert ~~Swann~~ Hartman Police Chief

Sandy Ekason

Jerry Schell

Council

Tom Swann 3

Danell Simms

Council 692-2688

Leon L. Swanson

Council 692-2688

Paul Sandelin

City Atty 568-8481