

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
FRIDAY, JANUARY 18, 2013  
8:30 A.M. – CITY HALL

The Crosslake City Council held a Special Meeting in the Council Chambers of City Hall on Friday, January 18, 2013. The following Council Members were present: Mayor Darrell Schneider, Steve Roe, Gary Heacox, John Moengen and Mark Wessels. Also present were Interim City Administrator Jenny Max, Community Development Director Ken Anderson, Police Chief Bob Hartman, Public Works Director Ted Strand, Park and Recreation Director Jon Henke, General Manager Paul Hoge, Northland Press Reporter Paul Boblett, and Echo Publishing Reporter Kate Perkins. There were approximately nineteen people in the audience.

Mayor Schneider called the Special Council Meeting to order at 8:30 A.M. and stated the purpose of the meeting was to receive an update from Crow Wing County Highway Department on the County Road 3 and County Road 36 Road Improvement Projects, interview attorneys for the City Attorney position, and to discuss the goals and objectives of the Council for 2013.

Steve Stroschein, Rob Hall and Luke Wessler of the Crow Wing County Highway Department appeared before the Council to update the community on the status of the County Road 3 and County Road 36 Road Improvement Projects that will take place in Crosslake in 2014 and 2015. Steve Stroschein reported that the high-end estimate for the City share of the County Road 3 project is \$300,000. The County Board has initiated the right-of-way process and land acquisition offers will be made to property owners beginning in June 2013. Mr. Stroschein laid out a large road map of County Road 3 for the Council and audience to view. The City had requested an option of 8-foot shoulders rather than 6-foot shoulders. Along with the wider shoulders, the maps show an urban road section through Crosswoods Golf Course, as the City requested. There would be reduced speeds up to Pine Bay Road. Some road approaches would be realigned. Archeological sites were found north of the golf course and the County will need to work around this area avoid disturbance of the mounds. Further north along the lake, the right of way may be right on the property pins because the homes are close to the road. The County may need to acquire up to 7 feet of right of way of the east side of the road in this area. One structure will need to be removed from its current location because it is in the right of way and the County has been in contact with the property owner. The road is designed for 40 mph. However, Rob Hall stated that MN DOT determines the final speed limit to be posted and the County can only make a recommendation. Ken Anderson asked if there is an option to detach the trail from the road instead of adding more shoulder. Mr. Stroschein replied that the detached trail option adds approximately \$500,000 to the project and neither the cities of Crosslake or Fifty Lakes was interested in spending the extra money at this time.

Luke Wessler presented the County Road 36 project and displayed maps for viewing. The project starts at the intersection of County Roads 36 and 37, east, to County Road 114 in

Fairfield Township. Because the existing road is mostly straight except as it goes around Velvet Lake, the alignment will remain on the center line. Shoulders will widen to 6-foot unless the City wants to participate in the cost to create 8-foot shoulders. The estimated additional cost for 8-foot shoulders would be \$125,826.59. Fairfield Township has indicated they are not interested in adding two feet to the shoulder in their jurisdiction. There are two options for the curve around the lake. Option A retains the existing right of way on the south side of the road and moves the road north approximately 100 feet. This 55 mph design would have less impact on the lake lots on the south side of the road. Option B allows the County to smooth out the corners going around Velvet Lake with a 30-40 mph design. Butch Doerfler of 16668 County Road 36 was concerned about increased noise at his residence if the road is moved north and Mr. Wessler replied that the County plans to conduct a noise impact study to address this concern. Steve Roe questioned why the County is designing the road for faster speeds and was concerned for the safety of the residents. Rob Hall replied that there is no change to the existing speed limit of 55 mph and reminded him that MN DOT determines the official posted speed limits. A task force at the County will continue working on the design of the road and will decide the alignment of the curve by March at which time they will come back to the Crosslake City Council for consent and would like an answer on the width of the shoulders. Rob Hall stated that they will have new maps in March and would like to display them in City Hall for public viewing. The Council thanked the Highway Department for presenting an update on the two road projects.

Brad Person of Breen & Person, Ltd. appeared before the Council to interview for the City Attorney position. After giving the Council a brief history of his life and education, Mr. Person stated that he currently represents the cities of Baxter and Pillager as city attorney. He also advises other cities on individual matters. John Moengen asked how Mr. Person would communicate with the City. Mr. Person replied that he is flexible and could attend Council Meeting and Commission Meetings as needed. Email is a great source of his communication. Mark Wessels asked the populations of the other cities he represents. Mr. Person replied that Baxter's population is approximately 8,000 and he was unsure of Pillager's, but would guess approximately 1,500. John Moengen asked if Mr. Person had experience with Shoreland Management. Mr. Person replied that he has worked at length with shoreland ordinances and has drafted ordinances for his clients to help them be in compliance with State law. John Moengen asked Mr. Person what his opinion of the County's new ordinance was. Mr. Person replied that he has worked closely with the County on various matters and that their new land use ordinance has been a big improvement. He added that the County staff is very professional and communication has also improved with the residents. Mark Wessels stated that the State of Minnesota has adopted a new shoreland ordinance and that he believes Crosslake should adopt the same ordinance soon rather than waiting for the State to mandate it. Brad Person replied that Crosslake is unique in that one lake that lies partially in Crosslake can be governed by different jurisdictions and different rules. The benefit of all governments following the State ordinance is that the lake would be treated the same on all sides. The City could always be more restrictive than the State and Crosslake would probably want to customize an ordinance to better fit its needs. Darrell Schneider asked Mr. Person if there would be a benefit to Crosslake in adopting the County land use

ordinance. Mr. Person replied that other communities have done that; however, the County's land use ordinance is not designed to be used in cities. For example, the zoning classifications would not adapt easily to Crosslake. Mr. Person stated that it would be efficient to share services with the County but that it would be important to maintain a local presence here. Jenny Max asked if Mr. Person would be available on the 2<sup>nd</sup> Monday of the month for Council Meetings. Mr. Person replied that it would not conflict with his schedule. Jenny Max stated that in his proposal letter dated 1/14/2013 the cost of services would be \$125 per hour. Mr. Person replied that he would prefer the City put together a proposal package to him which would include a monthly cost rather than an hourly cost. Ms. Max stated that the City requires detailed billing statements and Mr. Person said that wouldn't be a problem. Ms. Max asked what would happen if Mr. Person were unavailable for a meeting. Mr. Person replied that he has two alternate attorneys that would fill in for him. Steve Roe asked Mr. Person what his interpretation of posting requirements for public meetings was. Mr. Person replied that three members make a quorum and that notices should be posted for any event that could possibly have three members in attendance. Steve Roe stated that the League of MN Cities lists serial meetings as an open meeting law violation. Mr. Person stated that he disagrees with this and that meetings can take place where no official business is conducted. He believes it is okay to just talk at a private meeting but wrong for Council Members to hold a private meeting with the intent to avoid public viewing. The Council thanked Mr. Person for interviewing for the position of City Attorney.

The next interview was with Robert Scott of Flaherty & Hood of St. Paul. Included in the packet was an extensive history and overview of the company. Although located in St. Paul, most of their municipal clients are from greater Minnesota. Mr. Scott stated that the wife of Principal Attorney Chris Hood grew up in Crosslake and that Mr. Hood is very familiar with the area. Mr. Scott would be the lead attorney for Crosslake. He is also Willmar's City Attorney. There are nine attorneys at the firm and all would be available to the City as resources. Mr. Moengen asked how the company communicates with its clients. Mr. Scott replied that they are proud of their response time of less than four hours to any inquiries and that they mostly communicate by phone or email. John Moengen asked if the firm is experienced with Shoreland Management. Mr. Scott replied that there are frequent issues with shoreland management in greater Minnesota and one of their lawyers specializes in Environmental Law. Mr. Scott noted that Crosslake is unique in the amount of shoreland within the City. Darrell Schneider asked about shoreland ordinance issues in Willmar. Mr. Scott replied that the first inquiry in a shoreland matter is to determine whose set of rules have jurisdiction in the area. Mr. Scott and his firm could help the City adopt a new ordinance or make changes to its existing ordinances. Mark Wessels stated that the State of Minnesota has adopted a new shoreland ordinance and that he believes Crosslake should adopt the same ordinance soon rather than waiting for the State to mandate it. Mr. Scott replied that he does not have personal knowledge of the new law but the Environmental Law attorney in his office does. Mr. Scott added that he feels confident his firm knows how and where to find answers to all issues. Mark Wessels asked if the firm represents any city that is similar to Crosslake. Mr. Scott replied that Flaherty & Hood represents the City of Park Rapids. Steve Roe noted that Flaherty & Hood also works with Alexandria. Mr. Scott replied that they only work with

Alexandria regarding their sanitary district. Jenny Max asked if Mr. Scott would be available on the 2<sup>nd</sup> Monday of the month for Council Meetings. Mr. Scott replied that he would be available in person or via teleconference. Ms. Max stated that the City requires detailed billing statements and Mr. Scott said that is how all of their billing is done. Ms. Max inquired about the cost to become a member of the Coalition of Greater Minnesota Cities which would lower the attorney rates. Mr. Scott replied that he did not know the specifics on that program but that membership dues are based on population. Steve Roe asked how Mr. Scott would deal with the overlap of jurisdictions in Crosslake including City Ordinances, State Law and DNR Regulations. Mr. Scott replied that this is a common issue that they have dealt with in Greater Minnesota and that Flaherty & Hood works with and has relationships with each body of government including the MPCA and DNR so that it is easier for them to get answers and information. Gary Heacox asked if Mr. Scott was available the 4<sup>th</sup> Friday of the month for Planning and Zoning Commission meetings. Mr. Scott replied he is available to be here in person or via teleconference. In summary Mr. Scott stated that Flaherty & Hood is a good choice because of the firm's expertise in many areas, timely advice, and low rates. Mr. Scott also noted that with their firm's exclusive client base of cities in greater Minnesota, their firm avoids many instances of conflicts of interest that many smaller local firms have to deal with. The Council thanked Mr. Scott for interviewing for the position of City Attorney.

Mayor Schneider reported that the third attorney was not available until 10:30 for the interview and that the Council would begin their discussion of goals for 2013. The Mayor started with his list including the 5-Year road plan and whether the City wanted to bond or pay upfront for the projects. The Mayor is working with Jenny Max to develop a chart showing the comparison of the cost of projects and when current bonds would be paid off. Phase 2 of the Sewer System from City Hall north to Dream Island was also a priority for the Mayor. The estimated cost in 2009 for the expansion of the sewer was \$1.6 million. The estimated cost for the proposed road projects over the next five years is over \$2.3 million. The Mayor would like to determine how the City can afford to complete all of the projects. John Moengen added that if the City decides to widen the shoulders of County Road 36 from 6 feet to 8 feet, that will be an additional cost in 2015 and stressed the importance of public input on these projects. The Mayor continued that another issue that needs to be resolved is the list of approximately 100 outstanding Planning and Zoning enforcement issues. The Council must be involved to determine whether or not the City should pursue enforcement since the matters have not been resolved in a timely manner.

Police Chief Bob Hartman presented a memo to the Council requesting approval to allow the Crosslake Police Officers use of the Community Center Fitness Room before and/or after regular Community Center hours. The officers already have access to the secure building for security purposes. Due to varying shifts it is difficult for the officers to utilize the facilities during normal business hours. The need to stay in shape is imperative as officers do get into physical confrontations as part of their everyday duties. Jenny Max stated that if there are no immediate issues, the Council could give consensus to act on this at the next regular meeting. John Moengen suggested that the Fire Department also be included because they have daytime jobs as well. Both Bob Hartman and Jenny Max

were hesitant to distribute keys to all the firefighters for security reasons. John Moengen suggested that the facility could open for a one hour time slot allowing all of them in at the same time.

Mark Wessels reported that his list of goals for 2013 included Planning and Zoning enforcement issues and developing a complaint guide. Anonymous complaints should not be considered which could lighten the load of the department. However, once a name was given on a complaint, it would still be protected under data privacy. Mr. Wessels also requested a "dumbed-down" version of the budget so that it is easier for him to understand. Mr. Wessels reported that Crow Wing County Land Services has offered to evaluate the Crosslake Planning and Zoning Department at no charge. They would simply watch the employees and review the procedures to see if they could make any suggestions to improve quality of work. Mr. Wessels would like to see better utilization of the webpage, Cable Channel 12, and newsletters to communicate with the public. Because not everyone has access to cable, Mr. Wessels suggested airing the Council Meetings on the web, possibly through the City's website. Appointing a new City Attorney is also one of Mr. Wessels goals. Patty Norgaard, EDA President, stated she thought the City was going to advertise to fill the position for City Attorney. Jenny Max replied that no official motion was made at the last Council Meeting to advertise for attorneys, so the Council just moved forward with their original plans to interview attorneys by invitation only.

John Moengen would like to alter the City's Organizational Chart in 2013, even if it is just experimental at this point. Mr. Moengen wants the department liaisons to be more involved in day to day activities, without managing the department heads. If someone has a complaint about ditch mowing, Mr. Moengen would like to take that call. He believes the liaisons should deal with public complaints/suggestions and Jenny Max should deal with personnel issues. Mr. Moengen wants to see the implementation of employee performance reviews, would like to measure customer satisfaction, would like to see zoning changes where vacant buildings exist, and would like to see the Crosslake Community School proceed with a new building. Mr. Moengen would like to see Crosslake Communications grow their band width services because cable and telephone services are becoming more obsolete and reinvest their profits back into technology instead of supplement the City budget.

Steve Roe gave the Council a handout of Crosslake City Issues for 2013. He agrees with Mr. Moengen that Crosslake Communications is a great resource to the City and its residents and the operating transfer to the City should be based on a percentage of profits instead of gross receipts. Regarding City policies, Mr. Roe thinks the Council needs to determine who is authorized to enforce issues, the Council needs to come together and work as a whole, that there needs to be transparency in city government, improve communication with the staff, each other and commission members and dispel any rumors, limit debt, determine when debt should be incurred and examine the bond retirement schedule for budget purposes. Mr. Roe wants the Council to decide its involvement with the Community School project, whether or not it will assist in finding a location, assist in funding, assist in planning and justifying these actions to the public. In

regards to the business community, Mr. Roe stressed the importance of promoting the community to visitors as well as encouraging and assisting in business growth. New businesses should submit business plans before a zoning permit is issued. The Council should support the businesses but not provide unintentional interference. Planning and Zoning is also an important issue for Mr. Roe. He thinks community relations are important, rules need to be reviewed and enforced consistently, and rules and ordinances need to be explained so that property owners understand what it takes to be in compliance. He cautioned that administrative fines must be approached with extreme caution.

Lonny Thomas of Thomas Law, P.A. appeared before the Council and gave a brief overview of his practice. He specializes in real estate and business law. He has never represented a municipal client. He is on the front side of technology, so communication, billing and research is done efficiently. He has extensive knowledge of the zoning regulations and ordinances in the City. Mr. Thomas does not believe in giving a municipal client a discount in rates because he wants all of his clients to receive the same amount of attention and quality work. If the City were to use him consistently, he may be willing to adjust costs at some point. John Moengen noted that Mr. Thomas has a lot of community experience. Jenny Max asked if he were available the 2<sup>nd</sup> Monday of the month to attend Council Meetings. Mr. Thomas replied that he was, however, he believes it would be more affordable for the City to let his associate represent the City. Gary Heacox asked if Mr. Thomas or his associate was available on the 4<sup>th</sup> Friday of the month for Planning and Zoning Meetings. Mr. Thomas replied that they were. Mark Wessels stated that the State of Minnesota has adopted a new shoreland ordinance and that he believes Crosslake should adopt the same ordinance soon rather than waiting for the State to mandate it. Mr. Thomas was in complete agreement with that and stated that it is usually better to make changes and get on board early. Mr. Thomas told the Council that they could speak with any of his clients for a reference. The Council thanked Mr. Thomas for interviewing for the position of City Attorney.

Gary Heacox presented his list of 2013 goals to the Council. The list included lowering property taxes, developing new revenues, spending less, reviewing the Employee Handbook to see if changes could be made to employee benefits, reviewing Crosslake Communications finances because they are running at a loss, modifying ordinances to preserve the lakeshore, allowing off lake properties to have less regulation, reviewing each ordinance to see if it is necessary, and requiring the City to make purchases from local businesses.

Mark Wessels asked if the Council wanted to act on appointing an attorney. John Moengen stated that he would like some time to think about the interviews and that the appointment could be made at another special meeting held before the regular meeting in February. Steve Roe agreed that he would like time to think about the appointment and noted they could still advertise for the position. Pat Netko of 36084 County Road 66 asked the Council what it was about Mike Couri that they did not like. Gary Heacox replied that he didn't like that Mr. Couri often sent his partner to the Planning and Zoning Meetings in his place. Darrell Schneider replied that the Subdivision Advisory

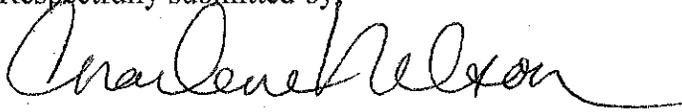
Committee held 50 meetings over a course of a couple years and Mr. Couri was not in attendance for most of them; therefore, the Committee never received information regarding Park Dedication fees. The lack of enforcement on the Tall Timbers Trail parking issue also concerned the Mayor. Steve Roe noted that the Council is to blame for not making decisions, not the City Attorney. Mark Wessels added that he was able to obtain more information than the attorney regarding the Tall Timbers Trail issue and that the Council was never given complete information to make a decision. Mr. Wessels stated that Mr. Couri was good at municipal law but not good at real estate law. Butch Doerfler addressed the Council and commented that Mike Couri never knew the answers to the Council's questions. Mr. Couri always wanted to check on things and report back to the Council at a later time. Mr. Doerfler suggested that the audience decide if the Council should advertise for attorneys. Mayor Schneider responded that the Council is not asking for public input. The Mayor added that advertising could bring attorneys from outside the area. Mr. Doerfler asked why the Council interviewed the firm from St. Paul. John Moengen replied that one of the attorney's wives is from Crosslake and that travel expenses could be eliminated by telecommuting. All three attorneys have ties to Crosslake.

Jenny Max asked if the Council has considered her interim position and title and whether they were ready to make a recommendation regarding keeping or eliminating the city administrator position. Mark Wessels replied Ms. Max is an asset to the City and the role of administrator adds more responsibilities to her position; however, he is not ready to decide on a title at this time. John Moengen replied that the City Administrator's job description would be too big for Ms. Max to take on herself and continue with the Clerk's position. He is not sure but would like to be creative with Ms. Max's new title and job description. Mr. Moengen suggested trying out the duties for 6 months and then revisiting the matter. Darrell Schneider and Gary Heacox stated that Ms. Max is capable of assuming the responsibilities. Steve Roe noted that he is no longer a liaison to a department and the current liaisons should not direct employees in any way. The Mayor directs the Administrator or Ms. Max and she directs the department heads. The Council agreed with him. Jenny Max suggested that the Council discuss potential changes and ideas regarding the Planning and Zoning Department with staff at a special meeting before they bring the County in to evaluate the department. Gary Heacox stated that he is not suggesting that staff be cut, but would like to see benefit levels reviewed. Mark Wessels quoted Albert Einstein, "You cannot fix a problem with the same mind that created it." He stated that the County would offer a new set of eyes to look at the procedures of Planning and Zoning and would only consult with the City. John Moengen suggested that Jenny Max take the lead on this and stated she has a fresh set of eyes and may have insight to resolve issues. Darrell Schneider stated that the County would be talking with and watching staff and providing suggestions for improvement. Steve Roe asked for clarification because he thought the County would attend the Planning and Zoning Meetings. Darrell Schneider replied that County staff would be in the office during business hours to talk with and observe staff and procedures. Steve Roe asked that Mr. Wessels request the County put the consulting proposal in writing. Mark Wessels added that part of the consulting would include contacting property owners that obtained a zoning permit last year to review their experience with the department. Steve Roe stated

that was a good idea but it should be implemented going forward, not going back to last year.

There being no further discussion, MOTION 01S1-01-13 WAS MADE BY JOHN MOENGEN AND SECONDED BY STEVE ROE TO ADJOURN THE SPECIAL MEETING AT 12:00 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,

A handwritten signature in cursive script, appearing to read "Charlene Nelson", written in black ink.

Charlene Nelson  
Deputy Clerk

Deputy Clerk/Minutes/1-18-13