Jan. 21, 1974

A Special Meeting of the Crosslake City Council was held at 1:00P.M. in the City Hall. Present were Mayor Kluender, Councilmen Olson, Foss, Schneider and Coulter. Also present were Clerk Schalow, Mr. Vern Armfield of Communications Consults and Robert W. Johnson, Attorney.

Purpose of the meeting was to review the requirements of the council in relationship to the proposed updating of the telephone system.

Mr. Johnson related that it would be his recommendation that the City continue to operate the telephone system, that it appeared to be well operated at the present time, and that its continued operation would:

1. Provide for better service
2. Provide a cheaper service for subscribers
3. Provide more direct control of the operation.

Mr. Johnson indicated that under law as it exists on this date, it would NOT be possible to issuerevenue bonds for this updated system. He indicated further that presently a bill is about to be introduced in Minnesota which would allow for a telephone system to issue revenue bonds, and that he felt this bill would pass by April 1st. His recommendations insofar as a program is concerned was that the Engineering Plans be completed as much as possible, and that we obtain an accountant to request a rate hearing. Mr. Armfield related that his work is presently pretty well up to date. One area in which some added information is needed is on cable costs. He stated that presently no company will give a firm delivered price on cable, and he hopes that some bids will be received within the next couple of weeks which might give some light on this subject. The firm of Olson and Thielman has already been given much of the information required for a rate hearing.

Much discussion took place regarding the size of the proposed plant. The energy crisis throwing some doubt as to whether the growth factor will be as large as previously indicated. It was finally determined that we continue to think in terms of what is called a 10,000 line board because even with this size being considered, the call carring capabilities of the board would probably only provide 6 to 7,000 lines.

Mr. Johnson indicated that we would be looking at roughly $5,000.00 to handle the legal work and the rate hearings, and the actual sale of the bonds. Further, he indicated that the revenue bond route seemed the most likely one to take, and that he felt it would be very awkward to engineer for a plant that might be partly one party and partly four party. He further indicated that if it were possible to work into the rate factors a bit of a cushion to provide a bit of help in event the growth factor does enter into the picture it might be wise to do so. Mr. Armfield and Mr. Johnson left the meeting, with the thought in mind of trying to arrange a public meeting sometime in late February at which time the public could be advised of progress and intent of the council.

Before Mr. Armfield left he advised the council that at the earliest we may see a new system in 1976. He indicated that he had located another board which is used which could be obtained for about $2,500.00 from Consolidated Telephone Co., which could be installed in the front end of the telephone building this coming spring for a total cost of around $6,000.00. This board would be connected to the other boards and provide additional lines which could be used for 1974 and 1975 and as much of 1976 as possible, or needed.

He pointed out that we presently had less than 10 lines available, and that many of them were committed for use. Councilman Coulter then moved that Mr. Armfield be authorized to purchase this board from Consolidated Telephone Co. for $2,500.00, and make arrangements to complete the need engineering to place it into service this spring. Second by Schneider, all members voting aye.

On motion of Coulter and second by Schneider the council agreed to pay for damages to the Pat Hoag car as a result of a mishap with the trailer while sanding roads. Estimate was roughly $75.00. All members voting aye.

Councilman Coulter also advised that a deer had been hit by the City Squad car and that an estimate of $217.45 had been received for repair. He then moved and Foss seconded the motion to have the repair of the car made.

On motion of Schneider and second by Coulter village bills represented by checks 1576 thru 1581 were approved for payment.

On motion of Schneider and second by Coulter telephone bills represented by checks 3079 and 3080 were approved for payment.

Council Coulter related that Mr. Hoag had indicated that 10¢ per mile for car use does not presently pay for gasoline for the car. He was authorized to determine whether Mr. Hoag will accept 20¢ per mile when the car is used for sanding roads, until such time as a truck is available.

On motion of Schneider and second by Coulter the meeting adjourned.

R. E. Schalow

R. E. Schalow, Clerk