

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
WEDNESDAY, JANUARY 26, 2000
9:00 A.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Wednesday, January 26, 2000. The following Councilmembers were present: Mayor Darrell Swanson, Charles Miller and Irene Schultz. Absent was Dean Swanson and Richard Upton. Also present was City Administrator Thomas Swenson, Deputy Clerk Darlene Roach and Walt Bruns, Financial Consultant in Affordable Housing.

Mayor Swanson called the special meeting to order at 9:10 A.M.

- a. Presentation by Walt Bruns regarding qualifications/experience in developing affordable housing projects - At the request of the Economic Development Authority, Walt Bruns made a presentation to the Council on affordable housing. He stated that his specialty is in the affordable and senior housing arena, however he owns a real estate company and is a licensed real estate broker. Based on a housing study completed in 1997, Crosslake is in need of this type of housing. Affordable housing is housing where total housing costs are less than 30% of the owners gross monthly salary. He stated that a family of four whose income is less than \$43,050 would qualify for affordable housing. Mr. Bruns showed slides of housing projects that have been completed under his direction in Glenwood, Lawry, Alexandria and Osaskis. He is currently working to complete a \$4 million dollar 28 unit project in Brainerd and a \$1.2 million dollar 12 unit project in Ironton. He also showed the types of funding sources utilized to fund these projects. City Administrator Swenson asked if these developments were in areas where there is municipal sewer and Mr. Bruins stated that they were, but that obstacle could be overcome. Councilmember Schultz asked the timeframe involved in a project. Mr. Bruins stated that it normally takes from nine months to a year to get funding. Mayor Swanson stated that the Community Development Director would be the individual responsible for working with the Economic Development Authority on this type of a project.
- b. Review Proposed Special Legislation regarding instituting a local Sales Tax and approval of a Resolution initiating legislation - Mayor Swanson stated that during the public hearing held on the Sewer Project, one of the suggestions was to implement a local tax to help pay for the municipal sewer system. Both Senator Samuelson and Representative Hasskamp agree to present this legislation to the Senate and to the House provided the City Council approves a resolution requesting the legislation. If approved by both houses, it then would go to the Governor for approval and then on to the voters in a referendum. Mayor Swanson read a sample bill which was fax'ed to the City by Senator Samuelson's Office. The Council discussed the wording and made changes as appropriate. It was the consensus of the Council that the tax would be set at ¼ of one percent. There was some discussion regarding a \$20.00 excise tax for car dealers and whether something should also be done for the boat dealers. It was the consensus of the

Council that Subdivision 2 dealing with excise tax be deleted in its entirety. There was some discussion regarding whether the tax should be used for wastewater only or leave it open for both water and wastewater and it was the consensus of the Council that if it went to a referendum it may be defeated in its entirety if water was included. It was agreed that the cap would be set at \$1.1 million dollars. Councilmember Schultz asked if the tax would then be eliminated and it was agreed that it would be eliminated when the \$1.1 million dollars was collected or when the debt was eliminated. MOTION 01S-01-00 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO ADOPT RESOLUTION 00-03 TO SPONSOR LEGISLATION FOR A WASTEWATER TREATMENT FACILITY. MOTION CARRIED WITH ALL AYES. It was noted that the 2000 legislative session begins Tuesday, February 1st.

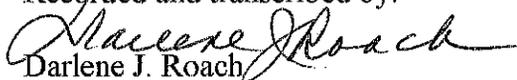
- c. Review Engineering Agreement on Wastewater Project – City Attorney Sandelin, City Administrator Swenson and City Engineer Mark Hallan met on Friday, January 21st and reviewed the agreement in detail. It was suggested that the following items be included in the contract: (1) each phase of the project should be a formal request from the City Engineer for Council approval; (2) liability insurance coverage on the contract will be increased to \$2 million dollar umbrella coverage by WSN's carrier; (3) record drawings will be provided to the City and Utilities Company within 90 days of final payment to the contractor; and (4) operator and maintenance manuals will be provided upon final payment by the City. Mark Hallan stated that WSN could add a rider to their general liability insurance for an additional \$1 million dollars at a cost to the City of approximately \$1500. City Administrator Swenson felt it was sufficient to carry \$2 million dollars of insurance on the engineer since there is a greater probability that any problems that may occur would be with the contractor, not in the design or engineering of the system. It was agreed that the City Engineer would send a letter to the City Council each time it's necessary to move to the next step. The letter will go in the Council packets for discussion and action at the next Council meeting. It was agreed that a wastewater report would be presented at each Council meeting. MOTION 01S-02-00 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES FOR SANITARY SEWER AND WASTEWATER TREATMENT PLANT WITH THE CHANGES AS PRESENTED. MOTION CARRIED WITH ALL AYES.
- d. Payment of Bills – MOTION 01S-03-00 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO APPROVE THE PAYMENT OF BILLS AS SUBMITTED IN THE AMOUNTS OF \$31,509.51 AND \$783.41. MOTION CARRIED WITH ALL AYES.
- e. Mayor Swanson stated that the City had a tentative agreement with the Union, however, the union members rejected the offer and the Union has filed for mediation. City Administrator Swenson requested approval from the Council to hire Steve Fecker, labor attorney from Grand Rapids to represent the City in negotiations. MOTION 01S-04-00 WAS MADE BY CHUCK MILLER AND

SECONDED BY IRENE SCHULTZ TO APPROVE THE HIRING OF STEVE FECKER FOR LABOR NEGOTIATIONS. Councilmember Miller stated that this action opens the entire union agreement for scrutiny and possible revision. Mayor Swanson stated that the Personnel Committee bargained in good faith, however, the contract was unanimously rejected without opportunity for the Committee to review issues that were of contention. MOTION CARRIED WITH ALL AYES.

- f. Hiring of Paul Larson as Community Development Director – MOTION 01S-05-00 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE HIRING OF PAUL LARSON AS COMMUNITY DEVELOPMENT DIRECTOR. MOTION CARRIED WITH ALL AYES. Paul Larson will begin work effective February 7, 2000.
- g. Review Letter to Scott Cordahl, owner of Ox Lake Tavern from City Attorney Steve Qualley – City Attorney Sandelin read a letter which was prepared by City Attorney Qualley regarding a recent liquor violation at Ox Lake Tavern and requested Council review and approval for forwarding to Scott Cordahl. The Council recommended that the exact time of the incident be indicated on the letter and that building be changed to licensed premise. MOTION 01S-06-00 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ AUTHORIZING SENDING THE LETTER PREPARED BY CITY ATTORNEY STEVE QUALLEY TO OX LAKE TAVERN. MOTION CARRIED WITH ALL AYES.
- h. City Administrator Swenson stated that a public hearing was held on Monday, January 24th to discuss road widths on roads serving fewer than ten lots. No public input was received, so the Ordinance Amendment will be published in the Lake Country Echo. .
- i. General Manager Kevin Larson stated that some housekeeping items were required on the Revolving Loan Fund Rural Development Plan Administrative Policies, Criteria, Guidelines and Council approval on these items was requested. It was agreed that a signature line for the Mayor and City Administrator be added along with a date of when the document was revised and adopted by the Council. MOTION 01S-07-00 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE REVISIONS TO THE REVOLVING LOAN ADMINISTRATIVE GUIDELINES BASED ON REVIEW BY THE CITY ATTORNEY. MOTION CARRIED WITH ALL AYES.

MOTION WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 11:10 A.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by:


Darlene J. Roach
Deputy Clerk

Special Council Meeting – January 26, 2000

BILLS FOR PAYMENT				
26-Jan-00				
VENDOR	CHECK #	DEPT		AMOUNT
Northern Nat'l Bank - Dump Truck Payment			Final Pay	\$4,592.76
Echo Publishing - - Public Works Hearing Notice		PW		\$19.40
MN Department of Econ Sec - unemployment		PW		\$299.30
Jude Chada - refund aerobics		Park		\$22.00
Rita Boog - refund aerobics		Park		\$22.00
Collage - aerobic tapes, stretch bands		Park		\$46.64
Ace Hardware - arm for pickup		PW		\$10.43
Simonson Lumber - drywall screws		Fire Dept		\$41.38
Simonson Lumber - lag bolts		Fire Dept		\$0.48
Napa Auto Parts - bulb, battery and core deposit		Fire Dept		\$57.31
Donny Henderson - office supplies		Fire Dept		\$56.93
Heartland Tire - dump truck tire		PW		\$217.03
Viking Coke - pop		Park		\$81.21
People Security - move alarm system pad		Park		\$73.15
Top Health - subscription all employees City/Teleco		Adm		\$159.18
Wm Abelson - refund Sports 101		Park		\$30.00
Jon Flower - refund aerobics		Park		\$10.00
Jan Melvin - refund aerobics		Park		\$10.00
Coast to Coast - WD40, toilet lever, valve cap		Park		\$9.94
Coast to Coast - tank ball		Park		\$3.57
Coast to Coast - tubing, 8' bulbs		Park		\$12.29
Simonson Lumber - firecode sheetrock		Fire Dept		\$523.34
Ace Hardware - flapper toilet tank		Park		\$44.46
Dacotah paper - towels, can liners		Park		\$166.20
Ace Hardware - flashlight		PW		\$14.90
Martin Communications - battery for radio		PW		\$88.40
The Office Shop - office supplies		All		\$73.40
The Office Shop - office supplies		Adm/PD		\$25.87
Chief Supply Corp - coveralls		Fire Dept		\$319.47
Greg Larson Sports - brass gold plates		Park		\$12.78
John Deere - 60" deck for 955		PW		\$2,130.00
National Custom Ent - batteries for radios		Fire Dept		\$120.86
Martin Communications - radio repair		Fire Dept		\$151.77
Houston Ford - install heater plenum	96 Ford	PD		\$680.53
Culligan - dispenser rent		Gov't		\$10.65
Ace Hardware - wet vac dry		PW		\$149.09
Ehlers - sales tax information		Sewer		\$330.00
Ace Hardware - fix flag pole at City Hall		Gov't		\$39.68
Ace Hardware - small tools		PW		\$13.11
Superior Ford - 00 Ford		PW		\$20,840.00
				\$31,509.51

RESOLUTION 00-03

**RESOLUTION REQUESTING LOCAL LEGISLATORS TO SPONSOR
LEGISLATION AUTHORIZING A LOCAL SALES AND USE TAX.**

WHEREAS; the City of Crosslake currently has no municipal wastewater system within its corporate boundaries, and

WHEREAS; the City of Crosslake in recent years has experienced substantial growth and development and is anticipating this trend to continue in the foreseeable future, and

WHEREAS; a substantial portion of one of Minnesota's premier recreational resources (the Whitefish Chain of Lakes) lies within the corporate boundaries of Crosslake and is extremely susceptible to contamination from septic systems, and

WHEREAS; the Whitefish Chain of Lakes accounts for approximately 10% of the boating activity in Minnesota and its water quality should be considered a State priority, as well as a City priority.

NOW, THEREFORE BE IT HEREBY RESOLVED, that the City Council of the City of Crosslake requests Senator Samuelson and Representative Hasskamp to introduce legislation authorizing the City of Crosslake to impose a sales and use tax, of up to one quarter of one percent, to be used for wastewater infrastructure improvements within the City of Crosslake.

Adopted this 26th day of January 2000.



Thomas N. Swenson
City Administrator



Darrell E. Swanson
Mayor