

REGULAR COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, FEBRUARY 14, 2005
7:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, February 14, 2005. The following Council Members were present: Mayor Jay Andolshek, Terry Curtis, Dean Eggena, Dick Phillips and Dean Swanson. Also present was City Administrator Thomas N. Swenson, Community Development Director Ken Anderson, City Attorney Kirk Adams, City Engineer Dave Reese, Public Works Director Ted Strand, Park and Recreation Director Jon Henke, Police Chief Bob Hartman, General Manager Dennis Leaser, Clerk/Treasurer Darlene Roach and Lake Country Echo Reporter Betty Ryan. There were approximately 25 individuals in the audience.

Mayor Andolshek called the meeting to order at 7:39 P.M. MOTION 02R-01-05 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY DEAN SWANSON TO APPROVE THE ADDITIONS TO THE AGENDA AS PRESENTED. MOTION CARRIED WITH ALL AYES.

B. CRITICAL ISSUES – Ruth Ann Hanson, Area Director for the Brainerd Lakes Area Chambers of Commerce, updated the Council on the Chamber’s plans for the annual St. Patrick’s Day Parade scheduled for Saturday, March 12th. Lineup for the parade will begin at 1:00 p.m. in Old Log Landing and proceed south on CSAH #66 and turn east on CSAH #3 dispersing north of Reed’s parking lot. The Chamber has sent a letter to County Highway Engineer Duane Blanck requesting use of the County Roads for the parade. The Chamber will work with the Crosslake Police Department for appropriate signage. Edina Realty is the sponsor for this years’ event. “Blinkie” Buttons are available from local businesses, which will provide discounts from retailers and a “Pot of Gold” treasure hunt will offer a \$100 prize to the finder. Mayor Andolshek thanked Ruth Ann on behalf of the City for all the work the Chamber does on the parade. He stated that the merchants appreciate the event since it supports local business.

C. ORGANIZATIONAL MEETING APPOINTMENTS –

1. A letter dated January 20, 2005 from City Attorney Paul Sandelin included an opinion from the Attorney General’s Office dated November 2, 1998, which informed the City that there is no statutory authority for the City to establish an independent Utilities Commission to manage and operate Crosslake Communications. The final authority for the company resides with the City Council.
2. A letter dated January 24, 2005 from City Attorney Paul Sandelin provided direction to the Council in regards to the Utilities Commission. Councilmember Phillips questioned the word “suspended” in the City Attorney’s letter. He stated that he has been engaged in conversations with General Manager Leaser who is working on revisions to the current policy and these revisions will be forthcoming to the Council. City Administrator Swenson commented that the City Council did

take action to suspend the Commission at the January 14th meeting. Councilmember Swanson stated that the Commission has been operating as an Advisory Commission under the direction given them under Chapter 2 of the City Code. Swanson believes the action taken by the City Council at the January 14th meeting was not a legal action since the Commission has been charged with duties under the Ordinance. Swanson stated that if the Council doesn't want the Commission to do their duties amend the ordinance. Councilmember Curtis stated that certain Telephone Company staff members have expressed a concern to him about the Commission and how certain things need to be reworked and tweaked in regards to their authority. An opinion from the City Attorney was requested and Attorney Kirk Adams stated that the Council can certainly suspend the Commission but an Ordinance Amendment also needs to be adopted clarifying responsibilities.

3. A memo dated February 7, 2005 from City Attorney Sandelin provided information regarding the Personnel Committee and its value in regards to the Open Meeting Law, compliance with the Data Practices Act and disclosure of individual data at an open public meeting. While it is a policy decision of the City Council whether or not to maintain the Personnel Committee, certain items need to be considered by the Council.
4. A memo dated February 8, 2005 from Mike Amsden, Union Steward for AFSCME Local #689, stated the local's position that the Personnel Committee should be eliminated and that negotiations should take place at the City Council level.
5. A memo dated February 8, 2005 from Mayor Andolshek expressed his strong belief that the Personnel Committee is a needed management tool. The memo stated that the Committee works with hiring, firing, evaluations, disciplinary problems and negotiations among other things for recommendation to the City Council. Mayor Andolshek's recommendation is to appoint himself and Councilmember Phillips as the two Council members on the committee along with General Manager Dennis Leaser and City Administrator Tom Swenson. MOTION 02R-02-05 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY DICK PHILLIPS TO APPOINT JAY ANDOLSHEK, DICK PHILLIPS, DENNIS LEASER AND TOM SWENSON TO THE PERSONNEL COMMITTEE. Councilmember Eggena stated that the problem he has with the Committee is that he is required to approve the hiring of employees as a member of the Council without seeing any of the applicants qualifications. Councilmember Phillips stated that some of the applicants may not want the information made public since it could affect their current employment. This would create problems if the Council handled all hiring in an open meeting. Councilmember Phillips stated that the Council needs to trust the members of the Committee. Councilmember Eggena stated that he could agree with the committee if the finalists could be interviewed by the Council. City Administrator Swenson stated that names of applicants are considered private data under the Data Privacy Law until the applicant becomes a finalist. This is what would make the process cumbersome in an open meeting. Also, much of the information contained in the application is private data, which would need to be

removed from the application prior to Council consideration. City Administrator Swenson stated that the first part of the hiring process is to come up with veterans preference points and disabled veterans points and then each applicant needs to be ranked based on job description qualifications. Councilmember Eggena suggested closing the meeting to the public, but City Administrator advised against this since the media would have a problem with a closed meeting. Councilmember Curtis stated that he likes the idea of the Committee, but would like to see the finalists interviewed at the Council level. Councilmember Phillips asked the Council if they really want to micro-manage the departments. Councilmember Swanson reiterated that the Council needs to trust the members on the Committee. Councilmember Curtis stated that he is in support of the Committee but would like some changes made in the way it is run. Mayor Andolshek stated that he has heard the concerns of the Council in regards to the Personnel Committee and, as a member of the Committee, will keep the Council informed. MOTION CARRIED WITH ALL AYES.

6. Letter dated January 24, 2005 from City Attorney Sandelin provided information to the Council regarding the establishment of the Economic Development Authority in March 1994. The enabling resolution provides that the commissioners shall be appointed by the Mayor and approved by the City Council. With a five-member authority, state law requires that two of those members be members of the City Council.
7. Memo dated February 7, 2005 from Mayor Andolshek recommended that Gilroy Arvig be appointed to a second 6-year term, as his first term is expiring, and that Councilman Dean Swanson be appointed to fill the position formerly held by Councilwoman Irene Schultz. MOTION 02R-03-05 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY DEAN EGGENA TO APPOINT GIL ARVIG TO HIS SECOND TERM ON THE ECONOMIC DEVELOPMENT AUTHORITY AND DEAN SWANSON TO FILL THE VACANT TERM ON THE ECONOMIC DEVELOPMENT AUTHORITY. Councilmember Curtis asked if Councilmember Swanson would accept the appointment since he did not accept the position of liaison to the recycling operation. Councilmember Swanson responded in the affirmative. MOTION CARRIED WITH ALL AYES.

D. CONSENT CALENDAR - MOTION 2R-04-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR CONSISTING OF: (1.) MINUTES OF REGULAR COUNCIL MEETING OF DECEMBER 13, 2004; (2.) MINUTES OF SPECIAL COUNCIL MEETING OF DECEMBER 22, 2004 AS CORRECTED; (3.) MINUTES OF REGULAR COUNCIL MEETING OF JANUARY 10, 2005 WITH CORRECTION; (4.) MINUTES OF SPECIAL COUNCIL WORK SESSION MEETING OF JANUARY 13, 2005 AS CORRECTED; (5.) MINUTES OF SPECIAL COUNCIL MEETING OF JANUARY 14, 2005; (6.) MINUTES OF SPECIAL COUNCIL MEETING OF JANUARY 25, 2005; (7.) CROSSLAKE COMMUNICATIONS BALANCE SHEET AND INVESTMENT/CASH SUMMARY DATED DECEMBER 31, 2004; (8.) CITY MONTH END REVENUE REPORT

DATED DECEMBER 31, 2004; AND (9.) CITY MONTH END EXPENDITURE REPORT DATED DECEMBER 31, 2004. MOTION CARRIED WITH ALL AYES.

E. PUBLIC FORUM – None

F. MAYOR'S REPORT –

1. Mayor Andolshek had requested City Administrator Swenson to put together a comparison of Crosslake's debt as compared to other cities debt. The report compared long-term debt as a percent of taxable market value for residential and commercial property. The Mayor commented that the purpose of the request was not to draw any comparison with other cities but as an information item. There was some discussion by the Council regarding the amount of debt. Councilmember Curtis stated that he had this information during the election and does not feel that because we have a high market value, we need high debt. Councilmember Swanson stated that a lot of the debt is not being paid by the levy. He stated that 50% of most of the road projects are being paid for by the property owners along the road and the debt on the Joint Public Works Facility is being paid 53% by the County. Councilmember Curtis commented that the City went from 2.5 million to 10 million of debt in four years. City Administrator Swenson stated that the reason for the increase from 2.5 million to 10 million is a result of two major projects, the sewer project and the Joint Public Works Facility.
2. A memo dated January 27, 2005 from Region Five Development Commission included a nomination form for persons interested in serving on the Commission. Nominations are due in the Region Five Office no later than February 21st.
3. Mayor Andolshek thanked the Council for working with him on appointments to the EDA and Personnel Committee.

G. CITY ADMINISTRATOR REPORT –

1. Procedures for Payment of Crosslake Communication's Bills – In the absence of the Utility Commission, City Attorney Adams stated that under Minnesota Statute 412.271, the City Council has the authority to delegate the pre-payment of bills. It was recommended that General Manager Dennis Leaser and City Administrator Swenson be authorized to approve disbursements with retroactive approval from the City Council at the next Council meeting. Approval would be limited to budgeted items. MOTION 02R-05-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DEAN SWANSON TO APPROVE RESOLUTION 05-02 REGARDING MINNESOTA STATUTE 412.271 DISBURSEMENT AUTHORITY. MOTION CARRIED WITH ALL AYES.
2. City Bills for Approval – MOTION 02R-06-05 WAS MADE BY DEAN SWANSON AND SECONDED BY DEAN EGGENA TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$79,567.73 AND \$342.08. MOTION CARRIED WITH ALL AYES.

3. Crosslake Communication's Bills for Approval – MOTION 02R-07-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DEAN SWANSON TO RETROACTIVELY APPROVE THE BILLS FOR CROSSLAKE COMMUNICATIONS AS PRESENTED IN THE AMOUNTS OF \$266,735.80 AND \$343,912.88. MOTION CARRIED WITH ALL AYES.
4. Agreement for Professional Services – Brainerd Lakes Area Development Corporation – BLADC Representative Sheila Haverkamp addressed the Council and requested the City's support in 2005. She explained that BLADC is a non-profit organization serving cities within Crow Wing County to create jobs and promote the economic base of the communities. BLADC provides professional services to both individuals and companies and works with communities in developing industrial parks as well as promoting business and job creation. In Crosslake, BLADC also works with the EDA on the Revolving Loan Fund. City Administrator Tom Swenson stated that the \$1750 being requested by BLADC was included in the 2005 budget. MOTION 02R-08-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE THE AGREEMENT FOR PROFESSIONAL SERVICES WITH BLADC FOR CALENDAR YEAR 2005 IN THE AMOUNT OF \$1750. MOTION CARRIED WITH ALL AYES. Councilmember Phillips asked if BLADC's services were free for those utilizing them as a resource and Ms. Haverkamp stated that there is no charge for their services, however in some cases BLADC can get some funding from SPDC's as part of the Small Business Association. For the Job Zones process, the company will pay an annual fee on a case-by-case basis.
5. A letter dated February 8, 2005 from the Crow Wing County Assessor's Office informed the Council that legislation has been enacted which requires that at least one voting member of the Local Board of Appeal and Equalization (Board of Review) attend an appeals and equalization course developed by the Commissioner of Revenue. Without this training, the duties for the Board of Appeal and Equalization will be automatically transferred to the County. Two training sessions will be held on February 25th at the Social Service Center Building behind the Court House. There was some discussion regarding transferring the responsibility for the meeting to the County and it was agreed that Mayor Andolshek and Councilmember Curtis will attend the training session. MOTION 02R-09-05 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO RETAIN THE LOCAL BOARD OF APPEAL AND EQUALIZATION DUTIES IN THE CITY. MOTION CARRIED 4-1 WITH COUNCILMEMBER SWANSON OPPOSED.
6. A letter dated February 7, 2005 from the Crow Wing County Assessor's Office set the date for the Local Board of Appeal and Equalization for May 17th at 10:00 A.M. at City Hall. MOTION 02R-10-05 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO SET MAY 17TH AT 10:00 A.M. FOR THE LOCAL BOARD OF APPEAL AND EQUALIZATION. MOTION CARRIED WITH ALL AYES.
7. A memo dated January 26th from Clerk Roach requested the release of 90% of the incremental tax revenue paid to the City from the County on January 26th to Brian

Bittner of Daggett Brook Villas. The amount to be released is \$505.07 and was included in the final year-end settlement to the City. MOTION 02R-11-05 WAS MADE BY DEAN SWANSON AND SECONDED BY JAY ANDOLSHEK TO APPROVE THE TAX INCREMENT FINANCING REIMBURSEMENT TO BRIAN BITTNER AT DAGGETT BROOK VILLAS IN THE AMOUNT OF \$505.07. MOTION CARRIED WITH ALL AYES.

8. A memo dated February 9, 2005 from Clerk Roach contained a request for an On-Sale Liquor License for Scott Cordahl of Ox Lake Tavern. Based on action taken by the City Council earlier this evening at a public hearing variance appeal, the City Council overturned a decision of the Planning and Zoning Board of Adjustment to deny a variance for Mr. Cordahl. With the Council's approval of the variance request, Mr. Cordahl stated that he will be able to meet the food requirements contained in the Ordinance for an On-Sale License. Mr. Cordahl has completed the necessary applications for an On-sale Liquor License, Sunday License and Optional 2 A.M. License including applicant information and does carry liquor liability insurance as required by his current license. Financial information will be provided by Mr. Cordahl at a later date pending the outcome of the public hearing and the Council's consideration of the request for the On-Sale Liquor License. Mr. Cordahl was present at the meeting to answer any questions of the Council. Councilmember Eggena asked what Mr. Cordahl's timeframe was for completing the construction to his building. Mr. Cordahl stated it could be completed by the end of May or first part of June. MOTION 02R-12-05 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO APPROVE THE ON-SALE LIQUOR LICENSE AND SUNDAY LICENSE FOR SCOTT CORDAHL OF OX LAKE TAVERN PROVIDED HE MEETS ALL THE REQUIREMENTS OF THE ORDINANCE WITHIN ONE YEAR OF THIS DATE. MOTION CARRIED WITH ALL AYES.
9. An annual contribution report was provided by the Crosslake-Ideal Lions Club for 2004 and was included for Council information. Mayor Jay Andolshek noted that the Lions Club contributed \$64,929.28 to the community from their gambling funds.
10. A letter dated January 21, 2005 from the Initiative Foundation extended their thanks to the City of Crosslake and the City Council for the financial donation of \$1,000 in support of the Initiative Foundation. The City's donation will be matched by the McKnight Foundation.
11. Lakes State Bank Pledge Update dated January 31, 2005 was included for Council information.
12. Lakewood Bank Pledge Update dated January 2005 was included for Council information along with a copy of the Certification of Adoption of Resolution for Pledge Collateral approved by the Board of Directors in the amount of \$700,000.
13. Northern National Bank Pledge Update dated January 31, 2005 was included for Council information along with a copy of the Certificate of Adoption of Director's Resolution pledging a \$3,800,000 Letter of Credit to the City.

G. COMMISSION REPORTS –

1. PUBLIC WORKS/CEMETERY/SEWER –

- a. Public Works Director Ted Strand informed the Council that Jim Stevenson has resigned from the Commission.
- b. A letter dated January 27, 2005 from City Engineer Dave Reese is in response to a request by the Council at the last meeting to review Pioneer Drive as to whether it conforms to City standards prior to acceptance by the City. Upon review, no significant evidence of road failure or stress was observed that would not be considered normal wear and fatigue for a road with approximately six years of service. The width of the street is 40 feet, curb face to curb face, which is wider than the minimum width standard of 36' for an urban commercial street with parking on one side. City standards require a turn-around at the end of public streets, which is not existent on this roadway since it continues on toward Swann Drive as a gravel surface roadway. Lack of a turn-around could create problems with snow removal should the City accept the portion of road that is complete. The road consists of 4 inches of existing Class 5 aggregate base, an additional 2 inches of Class 5 base with 2 inches of bituminous wearing course pavement. The City's current standard is 7 inches of Class 5 aggregate base, 2 inches of bituminous base course and 1 ½ inches of bituminous wearing course. Based on review by WSN, while the street does not meet the current cross-section requirements that were adopted after it was constructed, it has withstood several years of commercial traffic without any appreciable wear and does meet current width standards. The opportunity to construct a turn-around does exist, however Mr. Reed has offered to continue snow plowing this winter to simplify this issue. Councilmember Swanson asked what it would take to bring the cross section up to City specs. City Engineer Reese stated that adding more blacktop may help but probably is not necessary based on usage the road has already sustained. Since Mr. Reed will need to build the remaining portion of the road to City specs Councilmember Swanson asked if there would be an elevation difference and City Engineer Reese stated that the surfaces could be matched so that there is no noticeable difference. Mayor Andolshek stated that he envisions the City getting into a situation with other developers wanting the City to accept partial roads. There was discussion among the Council regarding the curb cut requested by Bill Reed on behalf of Ace Hardware and what approval the City could offer if the road is a non-maintained City road. Councilmember Eggena stated that he does not consider the road as a half of a road and Councilmember Curtis stated he didn't see a problem with the City accepting the portion that is finished. Councilmember Phillips commented that the City Engineer has stated that the road doesn't meet City standards. City Engineer Reese responded that although the road doesn't meet City standards, it does have a history of performance, which the Council should consider prior to making a decision. Councilmember Swanson pointed out that in the letter from the City Engineer it was requested that the City may wish to require verification of right of way monumentation prior to acceptance of the street, similar to any plat acceptance. City Engineer Reese agreed that the monuments should

be in place prior to acceptance. Councilmember Eggena asked what the issue is with the 10' on the east side of the roadway and Reese stated that property is under separate ownership. City Administrator Tom Swenson commented that the City needs the 10' on the west side of the roadway for snow storage and questioned whether the City doesn't need more than 66' for a turn-around. City Engineer Reese stated that was one of the reasons for recommending that Bill Reed plow for the remainder of this year as a compromise to the situation. Discussion ensued again regarding the curb cut by Ace Hardware. Mayor Andolshek stated that he is of the opinion that the road is not complete but that he would entertain a motion from the Council. City Administrator Swenson asked what the Council's position was on the sidewalks that are not yet in if the road is accepted by the City. Community Development Director Ken Anderson stated that in reviewing the Barnes/Cotton SIP, before the City accepts the road, sidewalks are required to be put in. Anderson also noted that if the Council wants the 10', it will require a greater distance into the parking lot with another 10' needed for sidewalks. Councilmember Swanson stated that it appears the developer didn't follow the SIP and the question is what do we do at this point. Councilmember Eggena stated that was the problem and if we don't accept the road now, it will be a thorn in our sides. Now in January 2005 the City requires another 10' and it keeps going on and on. Mayor Andolshek suggested that the developer work with Ken Anderson and Ted Strand and come back with a package for Council review. Councilmember Phillips stated that his position is the same as Councilmember Swanson's, in that the City does not have to accept the road until it is complete. MOTION 02R-13-05 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO ACCEPT PIONEER DRIVE WITH THE NOTES FROM THE CITY ENGINEER THAT SHOW THE ROAD IS ADEQUATE; THAT BILL REED DOES THE SNOWPLOWING OR PROVIDES A TURN-AROUND; THAT A 10' EASEMENT ON THE EAST SIDE BE CONVEYED TO THE CITY AND A 10' EASEMENT ON THE WEST SIDE, IF POSSIBLE, BE CONVEYED TO THE CITY; WITH RIGHT-OF-WAY MONUMENTATION IN PLACE; AND THAT THE CITY ATTORNEY DRAFT A LEGAL DESCRIPTION WITH ALL COSTS BILLED TO THE PROPERTY OWNERS. MOTION FAILED WITH MAYOR ANDOLSHEK AND COUNCILMEMBERS PHILLIPS AND SWANSON VOTING NAY AND COUNCILMEMBERS EGGENA AND CURTIS VOTING AYE.

- c. A letter dated January 13, 2005 from the Crow Wing County Highway Engineer included the annual bridge inspection report on three bridges within the City. No problems were noted. Councilmember Phillips asked if there is any timetable for the life expectancy of a bridge and Public Works Director Ted Strand stated that there is none.
- d. A memo dated January 26, 2005 from City Engineer Dave Reese included information from other communities and counties and provided a recommendation for urban style street widths for Council consideration.

This recommendation is based on State Aid standards and on an informal survey of seventeen local communities. City Administrator Swenson stated that the City's road standards are in ordinance form and include cross-sections and if the Council is comfortable with the recommendation, they could direct the City Engineer to provide the cross sections. Councilmember Eggena stated that he would like to hold a working session in April dealing with the road cross-sections. Mayor Andolshek agreed to put the item on the March agenda to schedule a special working session to discuss urban road standards and cross-section requirements.

- e. A memo dated February 11, 2005 from Public Works Director Ted Strand requested Council approval on the purchase of a 2003 Big Tex FT 12-18 at a cost of \$3,950 plus tax and delivery (\$100) and the purchase of a TA-160 with 14 hammers at a cost of \$6,490 plus tax. The estimated cost to mount the controls on the John Deere 2755 is \$2,000. Councilmember Eggena asked if this was the equipment that had been looked at last Fall and Strand stated that it was, however at that time it was agreed that the larger piece of equipment would be purchased. MOTION 02R-14-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DEAN SWANSON TO APPROVE THE PURCHASE OF THE 2003 BIG TEX FT 12-18 AND THE PURCHASE OF A TA-160 FOR \$10,440 PLUS TAX AND DELIVERY WITH AN ESTIMATED COST OF \$2000 FOR MOUNTING. MOTION CARRIED WITH ALL AYES.

At 9:37 P.M. a short recess was taken.

- f. A letter dated January 21, 2005 from the MN Department of Health was in response to questions that arose in a meeting with the Department of Health, WSN and City Staff related to isolation distances for private wells from the municipal sewer system. Mayor Andolshek asked if the City was going to sample wells and City Engineer Dave Reese stated that was the plan but they were waiting for a reply from the Department of Health containing stipulations. Councilmember Eggena stated that the City was dealing with 8 wells. Councilmember Phillips asked if there were any odor complaints and he was told that there were no complaints. The letter was included for Council information.
- g. Public Works Director Ted Strand stated that he was in the process of obtaining quotes on crack sealing that will take place this spring; he is also compiling footage for dust control material that will be spread on the gravel roads this season; and is obtaining quotes on shouldering material. Regarding the sewer project, Strand stated that he is working with WSN on a couple of problems but is getting exceptional water quality results from the weekly testing that is being done. Mayor Andolshek inquired about the dust control on gravel roads and he was informed that during the budget process, the Council included money to spray the gravel roads with calcium chloride to assist with dust problems.

- h. A memo dated February 14, 2005 from City Engineer Dave Reese informed the City that there are problems on Greer Lake Road meeting the State Aid requirements for horizontal curvature due to right-of-way alignment problems. Fairfield Township conducted a public hearing on February 7th to take public input regarding modifying the township road. There were two awards for damages made to two separate parties for the easement and these parties have until February 21st to contest the reasons for the modifications to the Township Road and have until March 19th to appeal the damages that were awarded by the Township Board. Councilmember Eggena asked the status of Fawn Lake Road and City Administrator Swenson stated that he has been unable to reach Duane Blanck but has spoken with Michael O'Donnell and informed him that a meeting of the four jurisdictions is needed. An update will be provided at the next Council meeting.

2. PLANNING AND ZONING --

- a. The minutes of the Planning and Zoning Commission/Board of Adjustment Regular Meeting and Public Hearing of December 17, 2004 were included for Council information.
- b. The minutes of the Planning and Zoning Commission/Board of Adjustment Special Meeting and Public Hearing of January 3, 2005 were included for Council information.
- c. The minutes of the Planning and Zoning Commission/Board of Adjustment Work Session of January 12, 2005 were included for Council information.
- d. The January 2005 Permit Summary was provided for Council information. In January 2005 nine permits were issued for a valuation of \$767,820. Also included for Council information was the January 2005 Crow Wing County Permit Summary along with a bar graph showing 2004 Building Permit Activity of surrounding City's. This bar graph shows Crosslake as having the most permits issued. It was noted, however, that there were 245 septic/sewer permits issued in 2004 which are included in the total.
- e. A letter dated February 8, 2004 from City Attorney Paul Sandelin informed the Council that the City has been named as a Defendant in a lawsuit brought by Doug Peterson against Stock Builders and the Novaks. A letter dated February 11, 2005 from Attorney Jason Kuboushek of Iverson Reuvers LLC, Attorneys at Law, which is the firm retained by the League of Minnesota Cities to represent the City, advised the City to deny the demand for payment by the Petersons for \$35,000 in exchange for driveway easements twenty feet in width to the Novaks and Stock Builders. It was noted that the facts of this case have not changed since the Council previously reviewed the matter other than the City has been brought into the lawsuit. MOTION 02R-15-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DEAN SWANSON TO REJECT THE SETTLEMENT OFFER OF \$35,000 TO DOUG PETERSON FOR THE EASEMENT ALONG COOL HAVEN LANE. Iverson Reuvers will enter a motion to dismiss the City from any liability. MOTION CARRIED WITH ALL AYES.

- f. A letter dated February 9, 2005 to Stuart Swenson from City Attorney Paul Sandelin was in reply to a request from Mr. Stuart Swenson, developer of Sundance Ridge, for the release of a \$400,000 security letter of credit, pursuant to the Development Agreement with the City.
- g. A letter dated February 4, 2005 from City Engineer Dave Reese informed the Council that both buildings have been substantially completed in Phase I and Phase II. Provided the City sewer connection charges have been paid, it is the recommendation of City Engineer Reese that the amount of security be reduced to \$100,000. Prior to Phase III, the Developer will be required to provide the City with the additional security as stipulated in the Developer's Agreement for this phase. One of the issues as part of the review for this release is that the sewer connection charges in the amount of \$10,450 have not been paid in full for the units sold. In addition, the semi-annual payments totaling \$5,173.01 have not been paid on the units held in the name Sundance Ridge. Community Development Director Ken Anderson has spoken with Mr. Swenson and he is interested in paying these charges subject to the release of security by the City. MOTION 02R-16-05 WAS MADE BY DEAN SWANSON AND SECONDED BY DICK PHILLIPS TO ALLOW A REDUCTION IN THE SECURITY LETTER OF CREDIT TO \$100,000 HOWEVER WHEN PHASE III BEGINS ADDITIONAL SECURITY WILL BE REQUIRED BY THE CITY; PROVIDED THAT THE SEWER CONNECTION CHARGES IN THE AMOUNT OF \$15,623.01 BE PAID TO THE CITY EITHER BY CHECK OR TO THE ATTORNEY'S TRUST ACCOUNT; PROVIDED THE DEVELOPER'S ARCHITECT SUBMITS CERTIFICATION TO THE CITY THAT ALL CONSTRUCTION HAS BEEN COMPLETED IN ACCORDANCE WITH THE APPROVED PLANS; AND TO PROVIDE RECORD DRAWINGS TO THE CITY PRIOR TO A RELEASE OF A PORTION OF THE SECURITY LETTER OF CREDIT. Councilmember Eggena inquired about the amount due on the units that had been sold and City Administrator Swenson stated that, upon the sale of property, within the sewer district, payment in full for any outstanding connection charges are due the City under the City's Sewer Ordinance. MOTION CARRIED WITH ALL AYES.
- h. A letter dated February 10, 2005 to Attorney Gammello from Community Development Director Ken Anderson confirmed that the City Council would reconsider the rezoning application from Lobo Properties which was denied in June, 2004. The rezoning request was to change the district from an R1 to an R4 which would allow for a minimum of 20,000 square feet per lot. The Planning and Zoning Commission approved the rezoning request, however the Council denied the rezoning request because the intent was to change the performance standards. In addition, the Council wanted to review various zoning as part of the Comprehensive Plan. At the Council meeting of June 14th, there was no representation at the meeting by the applicant. Since that time, Attorney James Gammello has requested additional information from the City which has been provided to him. Community Development

Director Ken Anderson presented a map to the Council showing other properties in the area in relationship to the property owned by the applicant. Anderson stated that a purchase agreement has been signed for the property and the buyer, Mr. Troy Purcell, wished to address the Council. Mr. Purcell requested that the Council review the request again since the current Ordinance and the Comprehensive Plan does allow for this. Mr. Purcell felt to deny the request based on future decisions by the Council does not seem reasonable. Mayor Andolshek asked if anything has changed since the matter was heard in June of 2004 and Mr. Purcell stated that the rezoning application was applied for by the seller Steve Peterson but that nothing has changed. Councilmember Eggena stated that he was on the Council when it was denied. Eggena stated that 20,000 square foot lots are not adequate in areas where there is no municipal sewer. He stated that with the size homes people want, along with the need for a primary and alternate septic system, 20,000 square foot lots are not large enough. He stated that the Council at that time determined that Daggett Pine Road would not be receiving city sewer anytime in the near future and agreed that lots should be rural with a requirement for a minimum lot size of 40,000 square feet per lot. Mr. Purcell stated that he sees the Council's point, but also commented that the Ordinance allows this today and the developer is still limited by the requirement for 25% impervious coverage. He stated that what the Council wants to do in the future shouldn't affect what is done today. Mayor Andolshek asked if the intent was to build single family homes in the area and Mr. Purcell stated that was his intent. Councilmember Eggena stated that at the meeting in June, the Council also discussed extra capacity at the plant and the possibility of someday extending sewer into the Old Log Landing area. Councilmember Swanson stated that he felt the lots size should remain at a minimum of 40,000 square feet. Anything less than that wouldn't allow enough room. Mr. Purcell disagreed and stated that lake lots have a lot less room than an off lake lot and the Ordinance allows lake lots of 20,000 square feet. He stated that the City is seeing more variance requests because the property owners can't meet the minimum 25% impervious on a 20,000 square foot lake lot. Councilmember Curtis stated that the developer could do a PUD and get density if that is what is wanted. MOTION 02R-17-05 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY DEAN EGGENA TO APPROVE THE REZONING REQUEST FOR LOBO PROPERTIES FROM R1 TO R4. MOTION FAILED UNANIMOUSLY ON A 5-0 VOTE. Community Development Director Ken Anderson asked the Council if they would consider an ordinance amendment and the Council agreed that they would. Anderson stated that a public hearing would be required. Councilmember Eggena suggested that an option would be to place a moratorium on rezoning requests. MOTION 02R-18-05 WAS MADE BY DEAN SWANSON AND SECONDED BY DEAN EGGENA TO DIRECT THE PLANNING AND ZONING COMMISSION TO CONDUCT A PUBLIC HEARING FOR THE PURPOSE OF AN ORDINANCE AMENDMENT WHICH WOULD

ALLOW A MINIMUM LOT SIZE OF 20,000 SQUARE FEET ONLY IN THE AREA COVERED BY MUNICIPAL SEWER. MOTION CARRIED WITH ALL AYES.

- i. A request for additional docks for Old Log Landing was removed from the agenda and will be heard at a later date.
- j. Presentation by Chuck Lane of C and J Development and Management, LLC – Community Development Director Ken Anderson introduced Mr. Lane who stated that he is interested in building a 26 unit assisted living facility as part of a three phase development project. Mr. Lane stated that he started his business in 1996 in Yankton, South Dakota and has expanded to Nebraska and back into Minnesota where he completed a project in Long Prairie. Another assisted living facility will be opening soon in Aitkin. Mr. Long stated that the company's niche is in smaller communities. He stated that a feasibility study was conducted by Admark Marketing Group who determined that with assisted living facilities, cities keep their seniors and gain family members who wish to live closer to their family. Mr. Lane stated that the proposed cost for the facility would be \$2,797,119 with a request for tax increment financing. He stated that the goal would be to build a 26 unit assisted living facility initially with a memory loss unit added later. The facility would employ approximately 20 staff members including an administrator, nurse, maid and etc. Mr. Lane stated that the company always partners with the community to create jobs. He stated that TIF is important to the project and that the company will guarantee the bond which the City can sell to minimize the risk. He stated that while they are not a nursing home they do work with frail seniors. City Administrator Swenson stated that all of the TIF districts that the City has entered into are pay-as-you go districts rather than up front TIF. Councilmember Eggena stated that he would not vote for a pay up front TIF. Councilmember Swanson agreed that he would consider pay-as-you go but not up front TIF. Swanson also felt that the presentation should be made at the Economic Development Authority level where more detailed information could be presented. Mayor Andolshek agreed that assisted living was something that the community needs. City Administrator Swenson asked BLADC Director Sheila Haverkamp if she had any comments regarding this project. Ms. Haverkamp stated that she would definitely be available to work with the company. Ken Anderson asked the Council if they were receptive of the idea since he doesn't want to waste Mr. Lane's time only to be turned down later. Councilmember Phillips felt it was a great idea but it is a private development and doesn't feel the taxpayers should subsidize it. Councilmember Swanson felt that the EDA and BLADC should take a look at the concept and determine whether the City should proceed. Ms. Haverkamp stated that this project would also qualify for the JOBZ program and discussion ensued regarding this program.
- k. Request to DNR for implementation flexibility in minimum lot sizes for Todd Eggena Metes and Bounds subdivision – Community Development Director Ken Anderson prepared a draft of a letter to Mr. Ron Morreim of

the DNR which he requested be reviewed by the Council. The letter requests that the DNR consider flexibility in the minimum lot size on a natural environment lake, namely Tiff Lake. The rules state that riparian (lake) and nonriparian (off-lake) lots shall be a minimum of 80,000 square feet in area and 200 feet in width for single-family residential developments. Several exhibits were included with the letter including the City's shoreland standards, lot sizes in the vicinity of the applicants property, maps showing the area surrounding Tiff Lake and a certificate of survey showing the parcels under consideration for a reduction in lot size. Council authorization was requested for the Mayor to sign the letter for submission to the DNR. Councilmember Swanson stated that he would like to see wording changed on page three where it indicates that the Council is in favor of the modification. Swanson stated that the Council is only looking for an opinion from the DNR. Councilmember Eggena stated that he has a conflict of interest with this request and would not participate in commenting or voting. Mayor Andolshek asked if this could be handled with the variance procedure and Community Development Director stated that was an option but justifying the hardship would be difficult. Anderson stated that as a Planning and Zoning Administrator, he would have difficulty recommending approval of a variance, but he tends to be more black and white on these types of requests. Councilmember Curtis stated that he thought the Council had agreed that this was the next step to take in the process, being the letter to the DNR. He stated that the Planning and Zoning Commission has already reviewed the request by the applicant. Councilmember Swanson stated that his only concern was with the statement "that the City is requesting consideration of a change in lot size". Swanson felt that the DNR should be giving their opinion not acting on a request by the City for a change. Councilmember Phillips noted that the letter stated that the issue was tabled by the Planning and Zoning Commission. Anderson stated that the metes and bounds subdivision was tabled by the Commission. Swanson again requested that the wording be changed. City Attorney Adams proposed a change in the wording for Council consideration. Mayor Andolshek asked if the Council needed to think ahead as to what the neighbors want to do. Councilmember Curtis stated that the Council can look into this once we get an interpretation from the DNR. It was noted that the DNR has 60 days to respond to the letter. Anderson noted that this change would only pertain to the parcels being requested for consideration.

MOTION 02R-19-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DICK PHILLIPS TO AUTHORIZE THE MAYOR MOVING FORWARD WITH THE LETTER TO RON MORREIM OF THE DNR WITH THE CHANGES REQUESTED BY COUNCILMEMBER SWANSON ON PAGE 3 PERTAINING TO A REQUEST FOR CONSIDERATION BY THE CITY. MOTION CARRIED WITH COUNCILMEMBER EGGENA ABSTAINING FROM THE VOTE.

- i. A memo dated February 10, 2005 from Ken Anderson requested Council approval of two vacancies for regular members and one vacancy for an alternate member of the Planning and Zoning Commission. The Commission recommendation is that Roger Lynn and Nancy Addington be appointed as regular members, however the Council requested that advertisements be placed in the official newspaper with applications accepted until January 21st. Four applications were received as a result of the advertisement. These applications were included with the applications from Mr. Lynn and Ms. Addington for Council review. MOTION 02R-20-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN SWANSON THAT BASED ON THE RECOMMENDATION OF THE PLANNING AND ZONING COMMISSION ROGER LYNN BE APPOINTED AS A FULL TIME MEMBER OF THE PLANNING AND ZONING COMMISSION. MOTION CARRIED WITH ALL AYES. Subsequent to this motion, MOTION 02R-21-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN EGGENA THAT BASED ON THE RECOMMENDATION OF THE PLANNING AND ZONING COMMISSION NANCY ADDINGTON BE APPOINTED AS AN ALTERNATE MEMBER OF THE PLANNING AND ZONING COMMISSION. MOTION CARRIED WITH COUNCILMEMBERS CURTIS, EGGENA AND PHILLIPS VOTING AYE AND MAYOR ANDOLSHEK AND COUNCILMEMBER SWANSON VOTING NAY. Following this motion, MOTION 02R-22-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN EGGENA TO APPOINT AL FLEMMER AS A REGULAR MEMBER OF THE PLANNING AND ZONING COMMISSION TO FILL THE VACANY ON THE COMMISSION. Councilmember Curtis stated that this would bring a nice balance to the commission since Roger Lynn works with the Rush Lake Association, Peter Abler is a resident and Al Flemmer would represent the business community. Councilmember Swanson commented that the Chairman of the Commission is a member of the business community. MOTION CARRIED 4-1 WITH COUNCILMEMBER SWANSON VOTING NAY. Regarding the remainder of the applicants, MOTION 02R-23-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN EGGENA TO APPOINT TERI JO FLYNN-GAMMON, MICHAEL WINKELS AND IRENE SCHULTZ AS ALTERNATE MEMBERS OF THE PLANNING AND ZONING COMMISSION. Mayor Andolshek asked if there was a reason for having more than 4 alternates on the Commission. It was determined that the two alternates who do not wish to become full time members of the Commission will be asked if they wish to remain as alternates. There is a possibility that they were only serving because of the lack of alternate members and Community Development Director Anderson will speak to the alternates. MOTION CARRIED WITH ALL AYES.
- m. Memo dated February 10, 2005 from Ken Anderson regarding a request for direction to upgrade the audio/video system for the Council Chambers – The

City Council has budgeted \$6,600 in the 2005 budget for the purpose of upgrading the video system. In recent meetings, the Council has voiced concern about the sound quality of meetings that are televised on the local access channel (Channel 12). Discussions have been held regarding televising all Council meetings and revising the system to install remote microphones and cameras to allow more areas within the Council Chambers to be viewed. Tom's TV has programmed the current system to its best potential, however a proposal has been received to install 4 monitors, two which the Council could view and two for the audience to view. This would allow the Council and audience to see maps, handouts and etc. on the monitors. This proposal would cost \$6700 and Staff is requesting direction from the Council on how to proceed. If the audio needs updating, this would be over and above the \$6700 and Staff would obtain quotes from other companies. City Administrator Swenson stated that the recent requests for televising workshops would present other problems if the Council did not sit around the Council table where the camera and microphones are situated. Councilmember Swanson felt that the Council could sit around the Council table for all meetings. Councilmember Curtis commented that with the current system, the public can't see who's talking and would prefer a system that would improve the quality for the TV audience. Public Works Director Ted Strand noted that the current system could be voice activated which could possibly improve the sound quality. Councilmember Eggena commented that Staff has \$6600 in the budget to utilize in solving as many problems as possible. Community Development Director Anderson stated that Staff would draft a recommendation for Council review prior to obtaining quotes.

- n. Request direction regarding Pawn-brokers/Pawn Shops and other business -- Community Development Director Ken Anderson stated that a property owner is interested in leasing their commercial building to a pawn broker and currently there is nothing in the City Code that addresses pawn-brokers either in the licensing section or in the permitted, conditional, accessory or prohibited use in any of the zoning districts. Minnesota Statutes, Chapter 325J allows cities to regulate or more closely control pawn businesses through licensing if they wish to do so. With the potential problems that these businesses can have, the Staff is requesting that the Council provide direction as to whether pawn shops, tattoo shops and check cashing/temporary loan establishments should be regulated within the City. Community Development Director Ken Anderson read a letter dated February 11, 2005 from Joanne Woytcke of MNCO Land Co., Inc. pertaining to this issue. There was some discussion among the Council regarding whether the City wanted this type of business, how it could be regulated and whether or not the City could say no to this type of business. City Attorney Kirk Adams stated that the City should include a provision in the Ordinance for these types of businesses. Councilmember Swanson asked if they could be prohibited everywhere and Anderson stated that the City does have to allow these types of businesses somewhere in the City.

Councilmember Eggena questioned who would bear the expense when the Police Department has to check that everything is legitimate. MOTION 02R-24-05 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO TURN THE MATTER OVER TO THE PLANNING AND ZONING COMMISSION FOR A RECOMMENDATION ON AN ORDINANCE CHANGE OR LICENSE REQUIREMENT FOR PAWN SHOPS. MOTION CARRIED WITH ALL AYES. Regarding tattoo shops and check cashing/temporary loan establishments, MOTION 02R-25-05 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO INSTRUCT THE PLANNING AND ZONING COMMISSION TO CONSIDER A LIKEWISE PROPOSAL FOR TATTOO SHOPS AND CERTAIN CHECK CASHING/TEMPORARY LOAN ESTABLISHMENTS. MOTION CARRIED WITH ALL AYES. Subsequent to these motions, MOTION 02R-26-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO DECLARE A MORATORIUM ON ALL PAWN SHOPS. MOTION CARRIED WITH ALL AYES. Clerk Roach asked if this would be in the form of an Ordinance which would require publishing. City Attorney Adams stated that he would get back to Clerk Roach regarding the publishing requirement.

- o. A letter dated January 21, 2005 from Attorney Sandelin regarding City of Crosslake Road Standards included an Ordinance Amendment to Chapter 3 with revisions to the road standards. An email from City Engineer Dave Reese included some recommendations to be incorporated into the amendment. Community Development Director Anderson stated that he also has some concerns with the proposed amendment and suggested that the Council review the verbage and at a future meeting take action to approve the Ordinance amendment. Councilmember Swanson commented that under easements, the City is adding pedestrian and/or bicycle paths and questioned whether the City was getting into a liability problem. Anderson stated this would not be a problem for the City if the easement is used for the purpose it was granted for. Then discussion ensued regarding what liability the property owner would be assuming. It was the consensus of the Council to refer the matter to Staff for additional review.
- p. A letter dated February 2, 2005 from Paul Willmus was read into the record by Mayor Andolshek. The letter was in reference to a sulfurous smell in the air along Fawn Lake Road and County Road 3 which appears to be coming from a demolition landfill located off Fawn Lake Road. Mr. Willmus expressed concerns about the operation and the potential environmental and economic damage rendered to surrounding property owners. Mayor Andolshek stated that Council and Staff has been receiving complaints regarding the smell. The MPCA has been on the site of the landfill and has met with Staff. Mayor Andolshek requested approval from the Council that the MPCA keep the City informed. The Mayor would like to forward a letter to the MPCA requesting that copies of all correspondence sent to the owner of the landfill be copied to the City. It was noted that there is an application at the MPCA for developing a new disposal area adjacent to

current one. Councilmember Swanson stated that when products such as sheetrock and etc. decompose, the area needs to be capped over with clay versus sand. Councilmember Eggena stated that he is the owner of the landfill which is a Class III demolition landfill. He stated that the County controls the operation and the MPCA are the rule writers so the City is left out of the loop. Eggena stated that a fire broke out Christmas Day and burned an area the size of the Council Chambers. He stated that the MPCA and the fire marshal were notified. Eggena stated that the landfill was covered but the smell still permeated the area and continues to smell. He stated that the remedy is to put a clay cover over the area once the frost goes out. Eggena also stated that there is a hydrogen smell when an inversion occurs on a cold day where the air doesn't rise but hangs in the area. He stated that this is a good neighbor operation and wants to take care of the problem. Eggena stated that the MPCA measured the amount of hydrogen sulfite in the area at 80 parts per billion at the property line and assured Eggena that it is not hazardous. Mr. Willmus stated that it was his understanding that one of the conditions of approval of the CUP was a requirement that it not emit an odor. Willmus stated that he is concerned that this will only get worse. He stated that the odor is offensive and smells like a septic tank has spilled out. Willmus felt that it doesn't make sense to take industrial property and render it useless forever. Willmus also commented that what concerns him are the items being buried in the landfill that are not allowed to be buried. Eggena stated that he does have a company test the water and the results are sent to the MPCA. Willmus asked who is going to clean the water after the owner is no longer around to deal with the problem. Eggena stated that he is required to continue to post a bond for thirty years after closure of the operation. Willmus stated that he doesn't understand the need in Crosslake for this type of operation when there are other alternatives available. He stated that he would like the City to review any future operation and express to the MPCA their concerns that this type operation is not wanted in the City. Councilmember Eggena stated that Phil Bruner's property is also approved to accept septage and this property is located in the same vicinity as the landfill. Councilmember Curtis stated that he appreciated the comments by Mr. Willmus and in fairness would file the complaint. He stated that he did not want to publicly criticize but would wait for the MPCA's comments. Curtis asked where else the City would put this type of operation and Willmus stated that the original permit allowed for 50,000 cy and it's probably twice that and the owner wants to expand. Curtis stated that he felt the County and MPCA would review this. Councilmember Swanson stated that the first permit was approved for a four-acre site and the City Code states that no new landfills will be allowed. Swanson stated that when the site is full, and the height cap has been met, an unbiased opinion needs to be obtained. Swanson stated that he is not criticizing the operation but wants to know the limitation. Councilmember Swanson stated that he has allowed Councilmember Eggena to talk about the operation only because he is the property owner and could

provide information otherwise this would have been a conflict of interest. Councilmember Eggena stated that the current operation is located in the first two acres of the property and every five years, the operator has to renew the permit. Councilman Eggena further stated that the other 2 acres will probably last another 20 years. After the discussion, it was the consensus of the Council to allow the Mayor to request information from the MPCA.

- q. An email dated February 6, 2005 to area planners informed the Council of a Community Growth Institute being held on Thursday, February 27th from 3:00 P.M. to 5:00 P.M. at the MPCA. The Planning and Zoning Staff will be attending this meeting. Any council members interested in attending the meeting are welcome to do so.

3. ECONOMIC DEVELOPMENT AUTHORITY –

- a. Sheila Wasnie Haverkamp of Brainerd Lakes Area Development Corporation addressed the Council and stated that Rustica Home Furnishings, LLC a recipient of funding from the City's Revolving Loan Fund administered by the EDA would like to obtain additional funding from Bremer Bank for their expansion in Town Square. A letter dated February 10th from BLADC requested that the City move to a third collateral position in order to obtain the additional funding from Bremer Bank. Currently the City has a 2nd position on inventory, equipment and accounts receivable to secure the original loan of \$20,000 from the Revolving Loan Fund. A letter dated December 20th from Bremer Bank requested the City's approval of a subordination request which would allow the bank to provide additional financing to Rustica. MOTION 02R-27-05 WAS MADE BY DEAN SWANSON AND SECONDED BY TERRY CURTIS TO AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR SIGNING THE AGREEMENT TO SUBORDINATE THE CITY'S POSITION ON COLLATERAL TO THIRD POSITION. City Administrator Swenson stated that the Revolving Loan Fund provides gap financing to qualified parties with area banks providing the majority of the financing and processing the loans in order for the City to avoid problems with data privacy issues as it pertains to individual financial information. The payments are made to the lending institution and the City's portion forwarded to the City. MOTION CARRIED WITH ALL AYES.

4. CROSSLAKE COMMUNICATIONS –

- a. General Manager Dennis Leaser stated that a letter was received from Hank Duitsman opposing the increase in cable channels and the increased cost per month for these additional channels. Leaser stated that the additional channels were being added as a result of a survey that was taken but would take the letter under consideration. Councilmember Curtis asked for a clarification on the second paragraph in the letter dealing with digital TV which Mr. Duitsman stated was not as well received as had been expected. Leaser agreed that the black box that is required in order to have digital TV was not well received by subscribers.

- b. General Manager Leaser requested approval for the Mayor and City Administrator to sign the Agreement with Cellular One to place an antenna on the tower. City Administrator Swenson asked if the agreement had been reviewed with the City Attorney and Leaser stated the agreement is the same as was signed by Sprint which was reviewed by the City Attorney. Leaser assured the Council that the agreement was in order and ready for signature by the City. MOTION 02R-28-05 WAS MADE BY DEAN SWANSON AND SECONDED BY DICK PHILLIPS TO AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR SIGNING THE AGREEMENT WITH CELLULAR ONE PROVIDED IT IS THE SAME AGREEMENT AS WAS REVIEWED BY THE CITY ATTORNEY PREVIOUSLY. MOTION CARRIED WITH ALL AYES. The fiber to the home bids are being submitted to various cable contractors for pricing. A special Council meeting is tentatively set for February 22nd at 9:00 A.M. at City Hall to review the 2004 Audit and 2005 Budget. If a quorum is not available the meeting will be rescheduled. At 1:00 A.M. on February 15th, Staff will be making the final cutover of the Internet DSL customers. Regarding internet, as an additional source of revenue, Staff is now selling and hosting websites on the new Internet server. Information is being gathered on the restructuring of the Advisory Commission and various items are under consideration such as the number of members, frequency of meetings, who will conduct the meeting, how the selection process will take place and how to reduce cronyism on the Commission. The General Manager is working with the Council liaison on the restructuring of the policy. Council Members Phillips, Eggena and Curtis thanked Leaser for his work on this issue. The Crosslake Cablevision and Digital TV Report was included for Council information.

5. PARK AND RECREATION —

- a. The minutes of the November 22, 2004 Park Commission Meeting were included for Council information.
- b. Park and Recreation Director Jon Henke reminded the public that the Community Center gym is reserved each weekday morning between 8:00 – 9:00 A.M. for walkers. Internet is now being offered at the Center with sessions limited to a half an hour. The Center will be open from 12:00 – 5:00 P.M. on Monday, February 21st for the President's Day Holiday. The ice rink is up and running and regular hours are Thursday through Sunday. AAA is sponsoring another senior driving class on February 16th and 17th and interested community members should call the Center for AAA's telephone number for registration. Yoga is offered two times each week on Monday evenings and Wednesday mornings and anyone interested in this program should contact the Center. The Community Center hosts various card clubs such as Tuesday Bridge, Friday Bridge, 500 Club and Cribbage. The AARP Tax Help program will start February 22nd and sessions will be held each Tuesday and Wednesday afternoon through April 13th. Appointments can be made by calling the Community Center. A new

treadmill has been added to the fitness room and complements the weights, treadmills, bikes and other equipment offered.

6. PUBLIC SAFETY - Chief Bob Hartman reported 97 calls in Crosslake and 12 calls in Mission Township in January. A memo from Chief Hartman requested Council approval to build a 24'x 24' secured evidence/storage room in the Cold Storage area of the public works facility. This area would be used to store summer and winter tires, larger evidence items as well as impounded vehicles. The cost would be shared between the Police Department and Public Works Department since the exterior walls will be utilized by Public Works for additional storage racks and shelves. This area will not be used for confidential items, items covered under data privacy, guns or drugs. Sentence to Serve will assist with the construction and is estimated to cost under \$5,000. MOTION 02R-29-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DEAN SWANSON TO AUTHORIZE SPENDING UP TO \$5,000 TO CREATE A SECURED EVIDENCE ROOM IN THE COLD STORAGE BUILDING. MOTION CARRIED WITH ALL AYES. The Meth Monitor, a newsletter published by Crow Wing County, was included for Council information. The Ordinance recently adopted by Crow Wing County changes the way cold medicine is sold. City Attorney Kirk Adams will review whether the City needs to adopt a separate ordinance from that adopted by Crow Wing County in regards to methamphetamine. The Fire Department reported 12 calls in January, with six medical and six fire calls.
7. LIBRARY – Chair Alden Hardwick addressed the Council and stated that the Library Committee heard the Council’s message and passed a motion to proceed with a volunteer library, not associated with the Kitchigami Regional Library System. The Library Committee’s plans will be to meet with the Park and Recreation Commission to develop plans for an addition to the Community Center which would house the library. At a Town Hall Meeting held at the Community Center, Senator Ruud and Representative Howes stated that there may still be bonding available at the State level for libraries wishing to add on to previously existing municipal buildings. Councilmember Eggena stated that he attended the Town Hall meeting where Representative Howes stated that there may be matching grant funds available for existing buildings where the City wants to add a library. Eggena stated that he would be agreeable with going along with this concept provided it won’t use taxpayer dollars. MOTION 02R-30-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DEAN SWANSON TO AUTHORIZE THE LIBRARY COMMITTEE SUBMITTING A GRANT APPLICATION TO MATCH DONATED FUNDS PROVIDED NO TAXPAYER FUNDS ARE INVOLVED. MOTION CARRIED WITH ALL AYES. Discussion ensued regarding residents being able to continue using the Kitchigami Library System and it was noted that the City would still be contributing tax dollars into the Kitchigami Regional System. The City could still join the Kitchigami System at a future date. The minutes of the January 18th Library Committee Meeting were included for Council information.

8. **RECYCLING** – A total of 8.59 tons of recyclables were collected in January. A letter dated January 20th from Clerk Roach to Solid Waste Coordinator Doug Morris requested 2005 SCORE Funds for the City in the amount of \$24,600. Clerk Roach noted that the funds were received from the County on February 11th.
9. **PERSONNEL COMMITTEE** – At a meeting held on February 10th, a motion was made to recommend to the City Council that Network Engineer Paul Davis be removed from probationary status and placed on permanent full time status, given a wage increase to \$53,000 and vehicle reimbursement equal to the Operations Manager effective February 1, 2005. MOTION 02R-31-05 WAS MADE BY DEAN EGGENA AND SECONDED BY JAY ANDOLSHEK TO APPROVE REMOVING PAUL DAVIS FROM PROBATIONARY STATUS AND PLACED ON PERMANENT FULL TIME STATUS WITH A WAGE INCREASE TO \$53,000 AND VEHICLE REIMBURSEMENT OF \$300 PER MONTH EFFECTIVE FEBRUARY 1, 2005. MOTION CARRIED WITH ALL AYES.

The Personnel Committee also reviewed a recommendation from Community Development Director Ken Anderson and a motion was approved recommending to the City Council that Jim Perry be removed from probationary status and placed on regular full-time status effective March 6, 2005 and placed on Step 5 of the 2005 Salary Schedule. MOTION 02R-32-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DEAN SWANSON TO REMOVE PLANNER-GIS COORDINATOR JIM PERRY FROM PROBATIONARY STATUS AND PLACED ON REGULAR FULL-TIME STATUS AND PLACED ON STEP 5 OF THE 2005 SALARY SCHEULE EFFECTIVE MARCH 6, 2005. MOTION CARRIED WITH ALL AYES.

The Personnel Committee also reviewed a recommendation from Police Chief Bob Hartman and approved a motion that the Personnel Committee be authorized to approve the hiring of part-time police officers and apply the appropriate hourly wage based on experience once applications from the part-time position are received. Chief Bob Hartman approached the Council and stated that he would like to hire a number of part-time officers to fill the position provided he doesn't exceed the budgeted amount of \$20,000. MOTION 02R-33-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO AUTHORIZE CHIEF BOB HARTMAN TO HIRE PART-TIME OFFICERS AND SET THE HOURLY RATE. MOTION CARRIED WITH ALL AYES.

H. OLD BUSINESS – None

I. NEW BUSINESS – None

J. PUBLIC FORUM – None

K. ADJOURN – MOTION 02R-34-05 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO ADJOURN THIS REGULAR MEETING AT 1:55 A.M. ON FEBRUARY 15TH. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,

A handwritten signature in cursive script that reads "Darlene J. Roach". The signature is written in black ink and is positioned above the printed name.

Darlene J. Roach
Clerk/Treasurer

Shared/REG COUNCIL MFG – February 14, 2005.doc

**CITY OF CROSSLAKE
COUNTY OF CROW WING
STATE OF MINNESOTA**

**RESOLUTION NO. 05-02
REGARDING MINN. STAT. §412.271
DISBURSEMENT AUTHORITY**

WHEREAS, effective January 14, 2005, the City Council has suspended the Crosslake Communications Utility Commission; and

WHEREAS, in the absence of the Utility Commission and in order to pay Crosslake Communications' bills and claims on a timely basis, it is in the best interest of the City to establish policies and procedures therewith; and

WHEREAS, Minn. Stat. §412.271 provides the authority for this Resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL
CROSSLAKE, MINNESOTA:

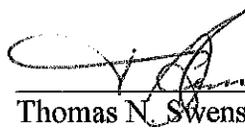
Pursuant to Minn. Stat. §412.271 Subd. 8, the City hereby delegates the authority to pay bills and claims incurred by Crosslake Communications to the General Manager of Crosslake Communications, prior to review by the City Council, subject to the following:

- a. All disbursements prior to payment must be reviewed/approved by the Crosslake Communications General Manager or the City Administrator.
- b. All disbursements (per item a.) shall be retroactively reviewed/approved by the City Council at the next available City Council Meeting.
- c. All disbursements shall be within the City approved budget of Crosslake Communications.
- d. All disbursement checks shall be signed by authorized bank account signators and at a minimum, all disbursement checks shall be signed by three of the following: General Manager, City Administrator, Clerk/Treasurer, Mayor and/or Acting Mayor.

Adopted by a 5/5ths vote of the Crosslake City Council, February 14, 2005.

Dated: February 14, 2005


Jay Andolshek, Mayor


Thomas N. Swenson, City Administrator

BILLS FOR APPROVAL

14-Feb-05

VENDORS	DEPT	AMOUNT
A-1 Steam Brothers, clean shop carpet	PW	213.00
Ace Hardware, wire, fuse	PW	11.13
Ace Hardware, staples	PW	2.76
Ace Hardware, battery, sealer	PW	23.56
Ace Hardware, caulk	Police	4.57
Ace Hardware, glue, brace	P&R	5.52
Ace Hardware, filters	P&R	14.85
Ace Hardware, cleaner, box	P&R	8.50
Ace Hardware, frames	Sewer	21.92
Ace Hardware, brass caps, electrical	PW	15.21
Ace Hardware, hex cap, plug, electrical	PW	5.95
Ace Hardware, clamp, fuse holder, fuses	Fire	12.17
Ace Hardware, connectors	Police	2.75
Ace Hardware, bushing, nipple, tape, adapter	Sewer	7.09
Ace Hardware, nipples, valve, couple, adapters	Sewer	47.91
American Welding & Steel, torch	PW	505.88
AmeriPride, mats	PW	100.41
Animal Control Enforcement Services, take dog to hart	Gov't	50.66
A W Research, water test	Sewer	171.00
A W Research, water test	Sewer	114.00
A W Research, water test	Sewer	171.00
B&B Products, replace broken strobe and mirror	Police	232.01
B&B Products, build up new squad	Police	4,329.70
Blue Lakes Disposal, trash removal	ALL	213.53
Brandanger Office Supply, name plate	Gov't	15.95
Cascade Computers, replace fan, setup computer	Gov't	87.50
Cellular One, cell phone charges	Police	193.36
City of Crosslake, sewer utility bills	Admin/PW	60.00
Council #65, union dues	ALL	273.35
County Recorder, filing fees	P&Z	39.00
County Recorder, filing fees	P&Z	19.50
Crosslake Communications, phone, fax, dsl, cable, voicemail	ALL	1,300.02
Crosslake Rolloff, recycling	Gov't	2,450.00
Crow Wing Auto Body, stripe and logo new squad	Police	120.00
Crow Wing Auto Body, repairs to explorer	Police	10,537.27
Crow Wing County Highway Dept., fuel	ALL	2,631.53
Crow Wing County Treasurer, audit confirmation	Gov't	30.00
Crow Wing Power, electric services	ALL	6,590.93
Culligan, water and cooler rental	Gov't	35.52
Culligan, water and cooler rental	PW	34.65
Dacotah Paper, mats	P&R	680.05
Darlene Roach, reimburse petty cash	P&Z	75.00
Dean Swanson, reimburse travel expenses	Gov't	161.85
Deferred Comp	ALL	491.66
Delta Dental, dental insurance	ALL	1,086.45

Echo Publishing, public hearing notice of 2-14-05	P&Z	38.70
Fastenal, mirror	PW	20.78
Fire Instruction & Rescue, fire fighter 1	Fire	495.00
Fire Instruction & Rescue, fire fighter 2	Fire	440.00
Fire Instructors Assn., manual and student applications	Fire	95.85
Fortis, disability	ALL	236.42
Jim Perry, reimburse travel expenses	P&Z	6.18
Krause Lock & Key, keys	PW	45.53
Kustom Signals, new squad parts	Police	1,824.81
League of MN Cities, conference	Admin	175.00
League of MN Cities, conference	Gov't	175.00
Martin Communications, repair cracked solder joints	Fire	52.50
Martin Communications, replaced missing battery door	Fire	29.43
Martin Communications, replace speaker jack plug	Fire	86.67
Martin Communications, 3 pagers	Fire	1,262.03
Mastercard, Fleet Farm, strobe light, peak	PW	100.84
Mastercard, Fleet Farm, tapes, batteries, wrench, hammer	PW	222.27
Mastercard, Fleet Farm, suction hose	Sewer	28.74
Mastercard, hpshopping.com, print head	P&R	33.99
Mastercard, Mill Motors, relay and flasher	PW	35.33
Mastercard, MN Bookstore, statutes	Gov't	213.00
Mastercard, lodging for classes	Gov't	427.06
Medica, health insurance	ALL	10,929.62
Menards, heater	PW	67.89
Mills Motors, fix starter and shaking	Police	73.97
Minnesota Rural Water Assn, rural water conference	Sewer	100.00
MN Benefits	Admin	100.92
MN Department of Health, food/beverage license	P&R	185.00
MN Life, life insurance	ALL	255.60
Molly's Cleaning Service, january cleaning	Gov't	745.50
Moonlite Square, batteries	Fire	64.29
MPCA, annual conference	Sewer	270.00
Municipal Clerks & Finance Officers Assn, regional meeting	Admin	30.00
NCPERS-Life Insurance	ALL	128.00
Neopost, meter rental	P&Z/Admin	99.28
North Ambulance, subsidy	Ambulance	1,103.00
Northern Safety Technology, siren amplifier	Fire	446.94
Pequot Auto Parts, stop and tail lights	PW	7.76
Pequot Auto Parts, howes conditioner	PW	67.03
Pequot Auto Parts, strobe light	PW	211.86
Pequot Auto Parts, air and oil filters	Sewer	12.87
PERA	ALL	N/A
Pitney Bowes, reset meter charge	Admin/P&Z	10.00
Public Safety Equipment, console with armrest	Police	249.30
Public Safety Equipment, light bar	Police	1,302.68
Quill, ink cartridge, lead, clips	Admin	42.80
Quill, ink, tape, paper	P&Z/Admin	107.19
Reed's Market, tissues, napkins, sentence to serve	PW/Gov't	117.81
Samiritan Tire, tires	Police	248.58
Sandelin Law Office, legal fees	ALL	4,948.85
Simonson Lumber, release ring for gas pump keys	PW	14.95

Simonson Lumber, dewalt bulbs	Fire	6.92
Spielman Repair Center, dismount and mount tires	PW	1,081.47
Sonja Kosloski, reimburse for batteries	Fire	45.33
Southern Precision Armory, repair goggles	Police	221.40
State and Federal Taxes	ALL	N/A
The Brehm Group, personal accident policy for council/comm	ALL	382.50
Thelen Heating and Roofing, serviced heating	PW	201.00
Tom Swenson, vehicle allowance	Admin	400.00
Triangle Oil, oil	PW	55.36
Uniforms Unlimited, uniform	Police	255.45
Uniforms Unlimited, uniform	Police	352.06
United Rentals, safety glasses	PW	18.64
UPS, postage	Police	44.42
Viking Coca Cola, pop	PW	105.70
Watt Auto, exhaust pipe	PW	63.90
Widseth Smith Nolting, engineering fees	ALL	1,607.50
Xcel Energy, gas utility bills	ALL	4,227.79
Ziegler Inc., loader payment	PW	8,966.73
Ziegler Inc., paint, lubricant	PW	75.27
Ziegler Inc., filters, bulb, coupling	PW	270.80
TOTAL		79,567.73

ADDITIONAL BILLS FOR APPROVAL
14-Feb-05

VENDOR	DEPT	AMOUNT
Chief Supply, battery	Fire	69.87
Hawkins Water Treatment, aluminum sulfate	Sewer	165.51
Public Safety Center, vests	Police	62.86
Whitefish Auto, exhaust clamp	PW	3.28
Ziegler Cat, fuel filters	PW	40.56
TOTAL		342.08

Crosslake Telephone Company

MG Check Register

From January 1, 2005 through January 31, 2005

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Check #	Vendor Name	Date	Description	Amount
000298	CITY OF CROSSLAKE (SEWER)	1/15/2005	DECEMBER SEWER	30.00
000299	INTERNAL REVENUE SERVICE	1/31/2005	EXCISE TAX	2,464.09
000300	MINNESOTA DEPT OF REVENUE	1/31/2005	SALES & USE TAX	9,524.00
000301	INTERNAL REVENUE SERVICE	1/14/2005	FED INC TAX	4,931.26
000302	PERA	1/14/2005	PERA-EMPLOYEE/EMPLOYER	2,117.97
000303	MINNESOTA DEPT OF REVENUE	1/14/2005	MINN INC TAX	824.06
000304	GREAT WEST LIFE & ANNUITY INSU	1/14/2005	DEFERRED COMP-EMPLOYEE/EMPLOYER	2,271.55
000305	INTERNAL REVENUE SERVICE	1/14/2005	FED INC TAX	678.44
000306	PERA	1/14/2005	PERA-EMPLOYEE/EMPLOYER	336.25
000307	MINNESOTA DEPT OF REVENUE	1/14/2005	MINN INC TAX	92.87
000308	INTERNAL REVENUE SERVICE	1/27/2005	FED INC TAX	6,348.83
000309	PERA	1/27/2005	PERA-EMPLOYEE/EMPLOYER	2,661.06
000310	MINNESOTA DEPT OF REVENUE	1/27/2005	MINN INC TAX	1,102.84
000311	GREAT WEST LIFE & ANNUITY INSU	1/27/2005	DEFERRED COMP-EMPLOYEE/EMPLOYER	2,306.55
000312	CROW WING POWER	1/26/2005	DECEMBER ELECTRIC	3,361.48
017921	LAKES PRINTING	1/5/2005	SPECIAL 6X9 ENVELOPES	1,899.32
017922	RODNEY MERTENS	1/5/2005	TRAVEL EXP - CAD TRAINING	540.95
017923	LARRY EVENSON	1/5/2005	CAFE PLAN REIMBURSEMENT	229.65
017924	MINNESOTA TELEPHONE ASSOC	1/5/2005	2005 MEMBERSHIP DUES	4,903.39
017925	RURAL CELLULAR CORPORATION	1/5/2005	RECIPR COMP 10/16 - 11/15	285.78
017926	ONVOY, INC.	1/5/2005	LONG DISTANCE	13,558.69
017927	MOSS & BARNETT	1/5/2005	CALEA COMPLIANCE	185.32
017928	OLSEN THIELEN CO LTD	1/5/2005	4TH QTR NECA REPORTING, PARTIAL AUDIT	12,207.00
017929	POWER & TELEPHONE SUPPLY	1/5/2005	EQUITY ONE TERM PLATES/PARTS	319.00
017930	UNITED PARCEL SERVICE	1/5/2005	WEEKLY SERVICE & MISC SHIPPING	76.56
017931	CROSSLAKE COMMUNICATIONS	1/5/2005	PHONE SERVICE & COMMUNITY CENTER VOICE MAIL	920.13
017932	CITY OF CROSSLAKE	1/5/2005	SUBSCRIBER FEE BILLING	20,049.00
017933	QWEST COMMUNICATIONS	1/5/2005	6/2 PARS	1,699.90
017934	CITI LITES INC	1/5/2005	LOCATES	635.57
017935	THE OFFICE SHOP	1/5/2005	CALCULATOR	134.84
017936	DRIVER & VEHICLE SERVICES	1/5/2005	LIC RENEW 2004 BUTL	15.50
017937	XCEL ENERGY	1/5/2005	DEC GAS SERVICE	423.82
017938	BEVCOMM	1/5/2005	ANSWERING SERVICE	123.73
017939	NECA SERVICES INC	1/5/2005	B&C STATEMENT	665.03
017940	UNITED STATES POSTAL SERVICE	1/5/2005	POSTAGE	1,500.00
017941	TW CABLE LLC	1/5/2005	1/2 MILE REELS FIELD WIRE	1,009.00
017942	KRATZ COMMUNICATIONS INC	1/5/2005	3 EA AFC/DSL 6X6 CARDS	3,446.59
017943	MEDICA	1/5/2005	JAN MEDICAL PREMIUM	7,783.83
017944	BADGER COMMUNICATIONS CORP	1/5/2005	KEY SYSTEM FOR EQUITY ONE	3,891.47
017945	LYDIA SASSE	1/5/2005	COPAY REIMBURSEMENT	75.00
017946	MINNESOTA 9-1-1 PROGRAM	1/5/2005	911, TAP, TACIP	999.91
017947	MN NCPERS LIFE INSURANCE	1/5/2005	JAN LIFE PREMIUM	64.00
017948	NATIONAL CABLE TELEVISION COOP	1/5/2005	50 ROLLS VINYL TAPE, AFFILIATE PAYMENT	18,596.29
017949	CENTRAL TRANSPORT GROUP LLC	1/5/2005	4-DS 1'S, 1 T3 JANUARY LEASE	4,088.00
017950	DENNIS LEASER	1/5/2005	JAN MEDICAL & DENTAL REIMBURSE	196.00
017951	MERRILL LYNCH	1/5/2005	TO FUND HEAVY EQUIP RESERVE	10,833.34
017952	FORTIS BENEFITS INSURANCE CO	1/5/2005	JAN LONG TERM DISABILITY	204.07
017953	MINNESOTA LIFE INSURANCE CO	1/5/2005	JAN LIFE PREMIUM	200.40
017954	INDEPENDENT PINNACLE SERVICE	1/5/2005	TELEPHONE DIRECTORY-5	1,346.86
017955	TOWER BROADCASTING CORP	1/5/2005	ADVERTISING	280.00
017956	ASPEN PUBLISHERS INC	1/5/2005	2005 DO IT YOURSELF HR	129.41
017957	LAKELAND PUBLIC TELEVISION	1/5/2005	ADVERTISING	175.00
017958	NORCON BORING INC	1/5/2005	CONTRACT PLOWS	12,034.90
017959	UNIVERSAL SERVICE ADMIN CO.	1/5/2005	FUSC CHARGES	1,518.45
017960	FOX SPORTS NET NORTH	1/5/2005	AFFILIATE PAYMENT	4,091.49
017961	USA NETWORK	1/5/2005	AFFILIATE PAYMENT	858.40
017962	UNICEL	1/5/2005	CELL PHONES	321.47
017963	LIFETIME	1/5/2005	AFFILIATE PAYMENT	577.98
017964	DISCOVERY DIGITAL NETWORKS	1/5/2005	AFFILIATE PAYMENT	75.90
017965	DISCOVERY HEALTH	1/5/2005	AFFILIATE PAYMENT	33.00
017966	THE HOT NETWORK	1/5/2005	AFFILIATE PAYMENT	8.33

MG Check Register

From January 1, 2005 through January 31, 2005

Check #	Vendor Name	Date	Description	Amount
017967	MIKE'S ELECTRIC	1/5/2005	POWER FOR TOWER LIGHTING	90.50
017968	MOLLY'S CLEANING SERVICE	1/5/2005	DECEMBER CLEANING SERVICE	585.75
017969	PROSTAFF	1/5/2005	CUST SERV TEMP HELP	80.55
017970	VANTAGE POINT	1/5/2005	FTTH ENGINEERING	17,413.21
017971	PAUL DAVIS	1/5/2005	DSL REIMBURSEMENT	46.95
017972	BEST BUY	1/5/2005	MAG MODEL 780 MONITOR	435.57
017973	BL BROADCASTING, INC	1/5/2005	ADVERTISING	165.00
017974	D&H DISTRIBUTING CO.	1/5/2005	APC BACK-UPS	2,186.44
017975	7SIGMA SYSTEMS, INC	1/5/2005	ISP CONSULTING	3,334.00
017976	WRLD ALLIANCE	1/5/2005	WRLD SECURITY DEPOSIT	1,000.00
017977	CROW WING COUNTY HIGHWAY DEPT.	1/5/2005	UNLEAD & DIESEL FUEL - NOV	539.07
017978	CINDY DOTZLER	1/5/2005	PERM DISCONNECT	12.13
017979	STEPHANIE ENGEN	1/5/2005	PERM DISCONNECT	88.39
017980	HARLEN & JAN SPREE	1/5/2005	PERM DISCONNECT	39.33
017981	HARLAN W. SIEVERTSON	1/5/2005	PERM DISCONNECT	24.09
017982	WILLIAM R. FEHR	1/5/2005	PERM DISCONNECT	49.82
017983	JOHN SARGENT	1/5/2005	PERM DISCONNECT	24.74
017984	ROGER TORKELESON	1/5/2005	PERM DISCONNECT	31.54
017985	KHC CONSTRUCTION, INC.	1/5/2005	PERM DISCONNECT	187.81
017986	ART C. HELD	1/5/2005	PERM DISCONNECT	12.23
017987	PETER HEALY	1/5/2005	PERM DISCONNECT	69.25
017988	FRANK NIZNICK	1/5/2005	PERM DISCONNECT	29.14
017989	DREW BLOWERS	1/5/2005	PERM DISCONNECT	106.77
017990	SHAWN PETERSON	1/5/2005	PERM DISCONNECT	89.18
017991	HAROLD CORNIEA	1/5/2005	PERM DISCONNECT	32.34
017992	MICHAEL BERGSTROM	1/5/2005	PERM DISCONNECT	12.90
017993	BILL SHEA	1/5/2005	PERM DISCONNECT	13.92
017994	DONALD LEWICKI	1/5/2005	PERM DISCONNECT	36.85
017995	PATRICK & DIANE CURRAN	1/5/2005	PERM DISCONNECT	27.45
017996	THOMAS J. OTT	1/5/2005	PERM DISCONNECT	18.28
017997	ROBERT PITKIN	1/5/2005	PERM DISCONNECT	50.81
017998	EMERALD CAR WASH II	1/5/2005	PERM DISCONNECT	23.15
017999	JEFFERY NEVIN	1/5/2005	PERM DISCONNECT	50.00
018000	ROBERT MEHRHOF	1/5/2005	PERM DISCONNECT	12.61
018001	LARRY J VETSCH	1/5/2005	PERM DISCONNECT	12.60
018002	MARK MICHAELS	1/5/2005	PERM DISCONNECT	11.55
018003	BERNARD HAGEN JR.	1/5/2005	PERM DISCONNECT	18.23
018004	MY WHITMAN	1/5/2005	PERM DISCONNECT	11.01
018008	NORTHERN NATIONAL BANK	1/13/2004	EMPLOYEE SAVINGS	70.00
018009	MN CHILD SUPPORT PAYMENT CTR	1/13/2004	CHILD SUPPORT	300.41
018015	INTERNAL REVENUE SERVICE	1/27/2005	ER & EE SHARE MEDICARE DUE	11.32
018016	NORTHERN NATIONAL BANK	1/27/2005	SAVINGS	70.00
018017	IBEW LOCAL UNION 949	1/27/2005	UNION DUES	215.90
018018	MN CHILD SUPPORT PAYMENT CTR	1/27/2005	CHILD SUPPORT	45.68
018019	IBEW LOCAL UNION 949	1/24/2005	UNION DUES	102.82
018020	MN CHILD SUPPORT PAYMENT CTR	1/24/2005	CHILD SUPPORT	254.73
018021	JC CHRISTENSEN & ASSOC INC	1/31/2005	COLLECTIONS	331.07
018022	RODNEY MERTENS	1/31/2005	2004 CAFE PLAN REIMBURSEMENT	1,047.13
018023	LARRY EVENSON	1/31/2005	TWO PAIR OF JEANS	79.98
018024	ECHO PUBLISHING & PRINTING INC	1/31/2005	FCC NOTICE & NEW YEAR AD	146.75
018025	CROW WING POWER	1/31/2005	2004 JOINT POLE ATTACHMENTS	71.20
018026	CULLIGAN OF BRAINERD	1/31/2005	JAN-FEB SERVICE	125.60
018027	GOPHER STATE ONE CALL	1/31/2005	DECEMBER LOCATES	60.95
018028	ONVOY, INC.	1/31/2005	BANDWIDTH BILLING,SS7,EASY 800, 6264 PROGRAM	15,692.59
018029	MOSS & BARNETT	1/31/2005	LEGAL RE: SUNDAY PREM PAY	100.50
018030	UNITED PARCEL SERVICE	1/31/2005	WEEKLY SERVICE & MISC SHIPPING	81.54
018031	DEBORAH FLOERCHINGER	1/31/2005	COPAY REIMBURSEMENT	15.00
018032	MARTIN GROUP	1/31/2005	CD ARCHIVING, TONER & BACKUP TAPES, CABS ADMIN	2,967.46
018033	PITNEY BOWES INC	1/31/2005	QTRLY POSTAGE METER LEASE	1,083.10
018034	CONSOLIDATED TELEPHONE	1/31/2005	DSL T1 CHARGE, TIME SHARE OF SERVER, DSL T1	3,037.84
018035	QWEST COMMUNICATIONS	1/31/2005	PARS 1-1-05	1,222.18
018036	CITI LITES INC	1/31/2005	LOCATES	1,043.58
018037	THE OFFICE SHOP	1/31/2005	FILE POCKETS, COMPUTER PAPER, BINS, STAPLER	461.70

MG Check Register

From January 1, 2005 through January 31, 2005

Check #	Vendor Name	Date	Description	Amount
018038	POSTMASTER	1/31/2005	1ST CLASS PRESORT FEE 2005	150.00
018039	XCEL ENERGY	1/31/2005	JANUARY GAS SERVICE	704.82
018040	LUCC/CONSOLIDATED TELEPHONE	1/31/2005	2005 LUCC DUES	225.00
018041	DELTA DENTAL PLAN OF MINNESOTA	1/31/2005	FEBRUARY DENTAL PREMIUM	1,824.60
018042	NECA SERVICES INC	1/31/2005	B&C STATEMENT	664.94
018043	MEDICA	1/31/2005	FEB PREMIUM	7,925.26
018044	HOLIDAY OF CROSSLAKE	1/31/2005	PROPANE	15.96
018045	AMERIPRIDE LINEN & APPAREL	1/31/2005	RUG & TOWEL SERVICE	153.88
018046	WILLIAM GORDON	1/31/2005	KEY SYSTEM TRAINING	128.65
018047	LYDIA SASSE	1/31/2005	2005 CAFE PLAN REIMBURSEMENT	107.31
018048	MN NCPERS LIFE INSURANCE	1/31/2005	FEBRUARY LIFE PREMIUM	64.00
018049	CABLE DISPOSAL SERVICE	1/31/2005	JAN GARBAGE SERVICE	201.80
018050	BRAINERD LAKES AREA CHAMBER	1/31/2005	CHOW TIME HOST 4/5/05	100.00
018051	PEOPLE'S SECURITY COMPANY	1/31/2005	ANNUAL MONITORING	254.96
018052	NATIONAL CABLE TELEVISION COOP	1/31/2005	REPLACEMENT EXHAUST FANS	227.92
018053	ACE HARDWARE/GECCCC	1/31/2005	MISC TOOLS & SUPPLIES	243.21
018054	DENNIS LEASER	1/31/2005	OPASTCO MTG EXPENSES	262.97
018055	NEUSTAR INC.	1/31/2005	LNP INVOICE	132.68
018056	PAUL REINKE	1/31/2005	CONSTRUCTION DEPOSIT REFUND	3,434.18
018057	MINNESOTA UC FUND	1/31/2005	4TH QUARTER UNEMPLOYMENT	3,046.43
018058	CONVERGENT SOLUTIONS GROUP	1/31/2005	ISP CUT-OVER	187.50
018059	MERRILL LYNCH	1/31/2005	TRANSF CONST DEPOSIT, ADJ RESERV TO 6% OF PLANT, VISA I	41,925.39
018060	FORTIS BENEFITS INSURANCE CO	1/31/2005	FEBRUARY LONG TERM DISABILITY	204.07
018061	MINNESOTA LIFE INSURANCE CO	1/31/2005	FEB LIFE PREMIUM	200.40
018062	DAN MILLER CONSTRUCTION	1/31/2005	CONSTRUCTION DEPOSIT REFUND	1,194.21
018063	PROGRESSIVE BUSINESS PUBLIC.	1/31/2005	SUPERVISORS LEGAL UPDATE SUB	177.84
018064	LAKELAND PUBLIC TELEVISION	1/31/2005	ADVERTISING	175.00
018065	UNIVERSAL SERVICE ADMIN CO.	1/31/2005	FUSC CHARGES	1,837.98
018066	BRAINERD GLASS	1/31/2005	REPAIR FRONT DOOR	50.00
018067	AMERICAN TELEVISION & COMM.	1/31/2005	AFFILIATE PAYMENT	600.00
018068	FOX SPORTS NET NORTH	1/31/2005	AFFILIATE PAYMENT	4,380.80
018069	BROADBAND DIGITAL REPAIR INC.	1/31/2005	POWER SUPPLY REPAIR	301.80
018070	MTV NETWORKS	1/31/2005	AFFILIATE PAYMENT	2,340.82
018071	TV GUIDE NETWORKS INC	1/31/2005	AFFILIATE PAYMENT	531.95
018072	THE HOT NETWORK	1/31/2005	AFFILIATE PAYMENT	11.90
018073	PLAYBOY ENTERTAINMENT GROUP	1/31/2005	AFFILIATE PAYMENT	5.18
018074	SANDELIN & QUALLEY, P.A.	1/31/2005	TERMS LIMIT RESEARCH	200.00
018075	MTA	1/31/2005	MTA CONVENTION REGISTRATION	760.00
018076	VANTAGE POINT	1/31/2005	TRAINING-RODNEY, FTTH ENGINEERING, MAPPING	19,630.28
018077	PAUL DAVIS	1/31/2005	SSL CERT FOR BLUE HAIR	39.90
018078	BEST BUY	1/31/2005	25 PACK CD'S	15.96
018079	D&H DISTRIBUTING CO.	1/31/2005	MISC FOR RESALE	1,232.36
018080	AT&T - DALLAS TX	1/31/2005	PARS 11/16-12/15/04	3,446.47
018081	TELCO MARKETING GROUP	1/31/2005	MART WINTER MEETING REGISTRAT.	75.00
018082	CORNERSTONE GROUP	1/31/2005	WEBSITE COMPASS 3RD QUARTER	355.61
018083	CYNTHIA PERKINS	1/31/2005	CAFE PLAN REIMBURSEMENT	25.00
018084	IMAGING PATH	1/31/2005	JANUARY COPIES	268.34
018085	CROSSLAKE ACE	1/31/2005	MISC SUPPLIES FOR EQUITY ONE INSTALL	10.56
018086	NATIONAL CABLE TEL COOP, INC	1/31/2005	AFFILIATE PAYMENT	15,074.98
018087	DAVID FISCHER	1/31/2005	OPASTCO EXPENSES	909.30
				343,912.88