

CROSSLAKE COMMUNICATIONS ADVISORY BOARD/COUNCIL
MEETING
MONDAY, FEBRUARY 22, 2010
CROSSLAKE CITY HALL

The Regular Meeting of the Crosslake Communications Advisory Board was called to order at 8:03 am by Chair John Moengen. Members present: John Moengen, Mike Myogeto, Kristi Kraemer and Alternate Fran Dolan. Members absent: Mike Winkels, Armond Gease, Jeff Kittlesen and Alternate Randy Young. Also present were General Manager Paul Hoge, City Administrator Tom Swenson, Office Manager Debby Floerchinger, Accountant Cyndi Perkins and Helen Fraser.

Actions Taken:

- 1) **The Advisory Board recommends to the City Council approval of the 2010 List of Professional Organizations assisting Crosslake Communications.**
- 2) **The Advisory Board recommends to the City Council adding Big 10 Network and WGN and raise the rates as follows:**

	Recommended Rate	Current Rate
Basic Cable TV	22.95	21.50
Expanded Basic	49.95	42.95
Digital TV	58.95	51.95
Digital Plus TV	91.95	84.95

The Minutes of the January 26, 2010 regular meeting were reviewed. Kristi Kraemer moved to approve the January 26, 2010 Minutes as presented. Second by Mike Myogeto. All in favor, motion carried.

The January 2010 Financial Statements were reviewed. The reserve balances were also reviewed. Mike Myogeto moved to approve the January 2010 Financial Statements as presented. Second by Kristi Kraemer. All in favor, motion carried.

The January 2010 Check Disbursements were reviewed. Kristi Kraemer moved to approve the January 2010 Check Disbursements. Second by Fran Dolan. All in favor, motion carried.

COMMUNICATIONS

- 1) 2010 List of Professional Organizations Assisting Crosslake Communications. The list for 2010 was reviewed by the Advisory Board. Kristi Kraemer moved to recommend to the City Council approval of the 2010 List of Professional Organizations assisting Crosslake Communications. Second by Mike Myogeto. All in favor, motion carried. Jeff Kittlesen joined the meeting at 8:14 a.m.
- 2) Cable Programming and Pricing. Paul Hoge reviewed the current cable rates with the Advisory Board. The majority of the programming rate increases for 2010 have been received. On all programming levels except Basic, we are experiencing a loss at a minimum of \$4.00/sub/month. It is the goal of the Advisory Board to at least break even. There was also discussion about adding the Big10 Network and WGN. After discussion, the Advisory Board agreed on the following cable TV rate increases effective May 1, 2010:

	Recommended Rate	Current Rate
Basic Cable TV	22.95	21.50
Expanded Basic	49.95	42.95
Digital TV	58.95	51.95
Digital Plus TV	91.95	84.95

It was recommended that a letter be sent to our customers explaining the rate increase. Mike Myogeto moved to recommend to the City Council that we add the Big 10 Network and WGN on all programming above Basic and that the rates be raised as discussed earlier. Second by Fran Dolan. All in favor, motion carried. Jared Johnson and Paul Davis joined the meeting at 8:35 am.

- 3) Showtime. Paul reported that the NCTC and Showtime were not able to reach an agreement so we will be negotiating directly with Showtime for the renewal of our agreement.
- 4) Building Roof. Paul reported that Baratto Brothers was here about 3 weeks ago to look at the roof. There was about 8 inches of ice on the roof so they will be waiting for it to thaw before they begin construction.
- 5) Emily Web Page Settlement. Paul reported that we prepared Emily Telephone's website several years ago. A company in Canada sued Emily Telephone for \$12,000 for an image within an image. Emily settled for \$6,000 and we agreed to pay \$1,000 which is what they actually paid us for preparing the site. Paul said there is no insurance coverage for this.
- 6) Mail Server Conversion. Paul Davis reported that our old mail server software was over 10 years old and the equipment was over 6 years old. We made the conversion to the new mail server last week.

- 7) Pinnacle Publishing Directory Agreement. Paul Hoge reported that he and Kevin Larson from CTC met with Pinnacle. We received 2 options – 45% commission and 50% commission. There wasn't much impact for us and CTC has about 80% of the costs, Paul left it up to Kevin to decide what works best for them.

PERSONNEL

- 1) Medica Rate Increase. Paul reported that Medica raised their rates 7% and changed the office co-pay from \$15 to \$25. We have contacted Attorney Steve Fecker and are waiting to hear back from him.

The meeting was recessed at 8:57 am for a short break.

Council members Jay Andolshek, Dean Swanson, Rusty Taubert, and Steve Roe joined John Moengen and the Advisory Board for a Joint Advisory Board/City Council meeting. Mayor Andolshek called the Council Meeting to order at 9:03 am.

The Advisory Board meeting resumed at 9:03 am. Pat Powers from Olsen Thielen Co., Ltd. joined the meeting.

- 1) REVIEW/APPROVE 2009 CROSSLAKE COMMUNICATIONS AUDIT

Pat Powers from Olsen Thielen was present to review the 2009 Audit for Crosslake Communications. Pat reported that it was a clean audit with no irregularities. Pat indicated that the company is in a very good financial position. Similar to last year, the decline in access revenues is a national trend. He stated that Lakes Long Distance continues to go up but there is not much margin with it. The cable TV numbers reflect a full year without the Mission revenue. Internet revenues continue to increase. Overall we ended the year with an operating loss of just under \$19,000. Pat also reviewed accompanying letters regarding control deficiencies and legal compliance. There was considerable discussion on the safekeeping of our investments. We have been working with Merrill Lynch for the past year to get this resolved. Pat reported that the State of Minnesota has discussed making changes that would take care of this problem. It was recommended that Paul Hoge work with Pat Powers to write a letter to the state to try to get this issue resolved. Pat said the records are in good shape and only one journal entry was made which had no affect on the Financial Statement. As in the past, there was a notation on the segregation of duties but Pat feels we have enough checks and balances in place. Jeff Kittlesen left the meeting at 10:02 am. MOTION 02S2-01-10 WAS MADE BY DEAN SWANSON.

SECONDED BY STEVE ROE TO APPROVE THE 2009 AUDIT FOR
CROSSLAKE COMMUNICATIONS. MOTION CARRIED WITH ALL AYES.

2. BILLS FOR APPROVAL.

MOTION 02S2-02-10 WAS MADE BY DEAN SWANSON AND SECONDED
BY JOHN MOENGEN THAT THE BILLS IN THE AMOUNT OF \$29,083.26
BE PAID AS PRESENTED. MOTION CARRIED WITH ALL AYES.

3. POLICE CONTRACT.

Chief Robert Hartman reported that the last two years the contract with Mission Township was the same. It was increased this year to \$50,000 (\$48,000 in previous years). MOTION 02S2-03-10 WAS MADE BY DEAN SWANSON AND SECONDED BY STEVE ROE TO APPROVE THE POLICE CONTRACT WITH MISSION TOWNSHIP FOR THE PERIOD MAY 1, 2010 TO APRIL 30, 2011. MOTION CARRIED WITH ALL AYES.

MOTION 02S2-04-10 WAS MADE BY JAY ANDOLSHEK AND SECONDED
BY JOHN MOENGEN TO ADJOURN THIS SPECIAL MEETING AT 10:10
AM. MOTION CARRIED WITH ALL AYES.

Kristi Kraemer moved to adjourn the Advisory Board meeting at 10:10 am. Second by Mike Myogeto. All in favor, motion carried.

Respectfully submitted,



Debby Floerchinger
Crosslake Communications Office Manager

BILLS FOR APPROVAL
22-Feb-10

VENDORS	DEPT	AMOUNT
AW Research, water test	Sewer	73.80
Batteries Plus, batteries	P&R	57.92
BCA, remote access device	Police	180.00
Crosslake Communications, annual drug testing pool fee	PW/P&R	75.00
Crosslake Firefighters Relief Assn, city contribution	Fire	15,490.00
Crow Wing Auto Body, install logo on new squad	Police	168.00
Crow Wing Auto Body, install new tail light	PW	240.04
Crow Wing Power, electric service	ALL	8,157.26
Dacotah Paper, air freshner, tissues, paper towels	P&R	381.46
Holiday Station, wiper blades, ice scraper	Police	27.33
Houston Ford, 60k service	Police	210.58
Marco, copier lease	ALL	380.90
Mastercard, Best Western, lodging	Sewer	97.65
Mastercard, Fairfield Inn, lodging	Sewer	220.64
Mastercard, Fairfield Inn, lodging	Sewer	220.64
Mastercard, Full Compass Systems, amplifier	P&R	38.41
Mastercard, Lakes Gas, propane	Cemetery	70.00
Mastercard, Office Max, cd-s	Police	13.94
Mastercard, Rainy Days, books	Library	249.16
Mastercard, U of M, septic class	P&Z	90.00
Mastercard, vacuum parts	P&R	46.48
Mastercard, travel expenses	P&Z	200.45
MCS Janitorial Services, february cleaning	Gov't	774.84
Napa Auto Parts, bulb	PW	31.26
Northland Press, subdivision advisory meeting	P&Z	28.80
Pepsi, pop	PW	78.87
Pequot Auto Parts, 2 batteries	Police	406.10
Personal Best, annual subscription	Gov't	180.18
Pine River Grad Blast, donation	Gov't	100.00
Reed's Market, coffeemate	P&R	8.78
The Office Shop, ink, label tape	Admin	233.49
Zee Medical, 1st aid kit supplies	PW	49.85
Ziegler, bolt, nut, filters	PW	108.73
Ziegler, cutting edge	PW	392.70
TOTAL		29,083.26