

CROSSLAKE UTILITIES COMMISSION/JOINT CITY COUNCIL MEETING
THURSDAY, MARCH 1, 2001
CITY HALL

Regular Meeting March 1, 2001

The Regular Meeting of the Crosslake Utilities Commission was called to order by Chairperson Gilroy Arvig at 7:35 a.m. Members present: Gilroy Arvig, Armond Gease, Ted Silva, Gerry Brine and Karl Skog. Members absent: Judy Cotten and Del Gilsrud. Also present were General Manager Kevin T. Larson, Operations Manager Dennis Leaser, Office Manager Debby Floerchinger, Liaison Darrell Swanson and City Administrator Tom Swenson. Pat Powers from Olsen Thielen joined the meeting at 8:30 a.m.

ACTIONS TAKEN:

- 1) **The Utilities Commission recommends to the City Council that we utilize the services of financial institutions, legal firms, engineers, accountants and consultants as listed on the attached.**
 - 2) **The Utilities Commission recommends to the City Council that the proposed Needs Assessment be approved as presented by the Investment Committee.**
 - 3) **The Utilities Commission recommends to the City Council the approval of the 2001 Budget for the Telephone and Cablevision Companies.**
 - 4) **The Utilities Commission recommends to the City Council approval of the audits for Telephone and Cable for the year ending 2000.**
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The Minutes of the January 30, 2001 Regular Meeting were reviewed. Armond Gease moved to approve the Minutes as presented. Second by Ted Silva. All in favor. Motion carried.

The January, 2001 Financial and Statistical Reports were reviewed. Gerry Brine moved to accept the January 2001 Financial and Statistical Reports. Second by Armond Gease. All in favor. Motion carried.

- 1) Commission Elections. According to the Utilities Management Policy, Commission members at the second meeting of each year shall elect the Chairperson. A motion was made by Ted Silva to keep the current slate of chair and vice chair as last year (Gilroy Arvig as Chair and Armond Gease as Vice Chair). Second by Gerry Brine. All in favor. Motion carried. There was discussion as to the terms for Judy Cotton, Ted Silva and Del Gilsrud. Debby will check into this issue. There was discussion whether commission members need to review Kevin's expense vouchers. Darrell and Tom both agreed that that step was not necessary since they both review the expenses. The Commission concurred.

- 2) Name Financial Institutions, Legal Firms, Engineers, Accountants, etc. A motion was made by Armond Gease and second by Ted Silva to recommend to the City Council that we utilize the services as listed (see attached list). All in favor. Motion carried.
- 3) Optional Expanded Calling. Kevin reported that the first test call has been made and we will now be able to test the billing. Anyone interested in taking part in the testing, should contact Debby or the Customer Service Representatives. Full implementation is set for April 1st.
- 4) Building Expansion. Kevin reported that we are on schedule to prepare specs and bid in March.
- 5) Investment Committee. The January 30, 2001 Minutes of the Investment Committee were reviewed. It was noted that there is a \$300,000 CD maturing in April. The Needs Assessment was also reviewed. There was discussion on the sewer and City needs and CATV cash flow.
- 6) 2001 Budget. The 2001 telephone budget was reviewed in length. Ted Silva moved to accept the 2001 telephone budget with the caveat that there would be further review of the building expense funding and with the understanding that individual major acquisitions be approved at the time that they are expended. Second by Karl Skog. All in favor. Motion carried.
- 7) Seasonal Plans. Kevin reported that due to tremendous growth, dissatisfied customers, changes in our billing the need to offer optional plans to our customers, seasonal disconnect plans were recommended. The Commission reviewed the 7 month, 9 month and regular disconnect plans. Armond Gease moved to accept the proposed seasonal plans. Second by Ted Silva. All in favor, motion carried.

CATV

The Cable Financial and Statistical Reports for January, 2001 were reviewed. A motion was made by Ted Silva and second by Armond Gease to accept the January 2001 Cable Financial and Statistical Reports. All in favor. Motion carried.

- 1) 4-Year Plan Update Phase II. Kevin reported that we are working on Phase II of the upgrade along with programming. We met with operators of other cable companies while we attended the NCCTA show and gained many helpful ideas on programming and marketing.
- 2) 2001 Budget. The Cable TV budget was reviewed. Ted Silva moved to recommend approval to the City Council the Cable TV Budget. Second by Gerry Brine. All in favor. Motion carried.

A motion was made to approve and recommend to the Council the Needs Assessment for 2001 by Ted Silva. Second by Armond Gease. All in favor. Motion carried.

OTHER BUSINESS

- 1) 92nd Annual MTA Convention. Kevin noted that the MTA Convention is scheduled for March 19 – 22. Anyone interested in attending should notify Debby.
- 2) Revolving Loan Update. Kevin reported that the EDA will be reviewing another request for funding this afternoon.
- 3) March Commission Date. Kevin stated that he will be unavailable the week of March 26th for the next regular commission meeting. It was agreed by all to hold the March regular commission meeting on **April 3, 2001 at 7:30 a.m. at Crosslake Communications.**
- 4) Commission Member Opening. Karl Skog stated that due to the growth of his business and family, he would not be able to fulfill his term on the Commission. He agreed to attend the April 3rd meeting.

The Commission meeting was recessed for five minutes with the City Council joining at 9:25 a.m.

Mayor Swanson called the City Council Meeting to order at 9:25 A.M. with Council Members Dean Swanson, Charles Miller and Irene Schultz joining Mayor Swanson and the Utilities Commission. Also present was City Administrator Tom Swenson.

- 1) Needs Assessment. The Needs Assessment recommended by the Utilities Commission was reviewed. MOTION 03S1-01-01 WAS MADE BY CHARLES MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE 2001 NEEDS ASSESSMENT. MOTION CARRIED WITH ALL AYES.
- 2) 2000 Audit Review -Telephone Company. Pat Powers of Olsen Thielen was present to review the 2000 Telephone and Cablevision audits with the Commission and City Council. Pat reported that it was a very good year for the Telephone Company and the City of Crosslake. The Telephone Company has a very strong equity position and experienced a 5% growth in access lines which is consistent with the past two years. Dean Swanson asked about the reserve on the RUS loan being higher than the loan balance. Kevin stated that the Investment Committee would look at this issue. Ted Silva moved to approve the 2000 Telephone Audit and recommend to the City Council approval of the Telephone Audit. Second by Gerry Brine. All in favor. Motion carried. MOTION 03S1-02-01 WAS MADE BY CHARLES MILLER AND SECONDED BY DEAN

SWANSON TO APPROVE THE 2000 TELEPHONE AUDITOR'S REPORT AS SUBMITTED. MOTION CARRIED WITH ALL AYES.

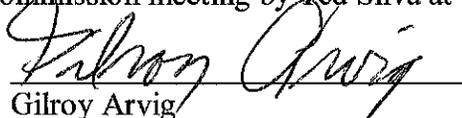
- 3) 2000 Audit Review – Cablevision. Pat Powers reviewed the Cable Television Audit for 2000. Pat noted a decrease in cash due to the plant improvements. A portion of the revenue increase was due to two cellular leases on the tower. Ted Silva moved to approve the 2000 Cable Television Audit. Second by Armond Gease. All in favor. Motion carried. MOTION 03S1-03-01 WAS MADE DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO APPROVE THE 2000 CABLE TELEVISION AUDITOR'S REPORT AS SUBMITTED. MOTION CARRIED WITH ALL AYES.
- 4) 2001 Budget – Telephone. The telephone budget was reviewed with the City Council. MOTION 03S1-04-01 WAS MADE BY CHARLES MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE TELEPHONE BUDGET FOR 2001. MOTION CARRIED WITH ALL AYES.
- 5) 2001 Budget – Cablevision. The Cablevision budget was reviewed with the City Council. MOTION 03S1-05-01 WAS MADE BY CHARLES MILLER AND SECONDED BY DEAN SWANSON TO APPROVE THE CABLEVISION BUDGET FOR 2001. MOTION CARRIED WITH ALL AYES.

OTHER BUSINESS

- 1) Cable TV Programming. Kevin reported that the Cable Company is getting closer to finalizing programming packages. Another joint meeting will be held to review these packages.
- 2) Annual Survey. There was discussion on the annual Cable TV survey. It was recommended and agreed that a survey will not be sent out this year due to programming changes. Until the upgrade has been completed, not all areas will immediately benefit.

The next regular Utilities Commission meeting was changed to Tuesday, April 3, 2001 at 7:30 a.m. at Crosslake Communications.

A motion was made to adjourn the Utilities Commission meeting by Ted Silva at 11:15. All in favor.



Gilroy Arvig

At 11:18 A.M. the Special Council Meeting resumed.

1. Review City Attorney fee schedule for Year 2001 and Year 2002 – At the January Organizational Meeting of the City Council, the firm of Gammello Sandelin & Qualley was appointed City Attorney for the Year 2001. The February billing received from the law firm, reflected a rate increase over the prior year. City

Attorney Sandelin, in a letter to the Mayor and City Council dated February 22, 2001, agreed to honor the 2001 fee schedule for the year 2002. Mayor Swanson suggested that the Council bid for the position of City Attorney every four years. MOTION 03S1-06-01 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE THE 2001 FEE SCHEDULE FROM GAMMELLO SANDELIN & QUALLEY. MOTION CARRIED WITH ALL AYES.

2. Discussion of Planning Intern for the Planning and Zoning Department – Community Development Director Paul Larson stated that the 2001 Planning and Zoning budget does contain funding of \$2000 for hiring an intern. The Planning and Zoning Staff is recommending that an intern be hired to work in the Department during the months of April, May, June, July and August at a rate of \$10.00 per hour without benefits. One of the three staff members in the Department will be out on unpaid maternity leave during the summer months leaving the Department understaffed. Also, a portion of the salary that would have been paid to Carla Backstrom could be used to pay the salary of an intern. The Personnel Committee met on January 31, 2001 and recommended Council approval on the hiring of an intern. MOTION 03S1-07-01 WAS MADE BY DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO AUTHORIZE THE HIRING OF A PLANNING INTERN FROM APRIL TO AUGUST AT A RATE OF \$10.00 PER HOUR. Councilmember Miller felt that the \$10.00 per hour seemed high for an intern when compared to starting wages paid to regular employees. City Administrator Tom Swenson stated that part of the problem is having to pay for housing in the area which could be expensive. Community Development Director Paul Larson stated that the Department is also trying to be competitive with other cities utilizing interns. In checking intern openings on the Website, \$10.00 seems comparable to wages being offered in other cities. Mayor Swanson commented that some interns do not get paid for doing intern work since credit is earned towards their degree. Community Development Director Paul Larson felt that by offering a reasonable wage, there would be more candidates to chose from and should an opening become available, this person could possibly move into that position. AMENDED MOTION 03S1-07-01 WAS MADE BY DEAN SWANSON AND SECONDED BY CHUCK MILLER TO APPROVE THE HIRING OF AN INTERN AT AN HOURLY WAGE BETWEEN \$8.00 TO \$10.00 PER HOUR. MOTION CARRIED WITH ALL AYES.
3. Discussion of Unpaid Leave of Absence for Planning and Zoning Assistant – Planning and Zoning Assistant Carla Backstrom has requested a twelve week unpaid leave of absence for the purpose of maternity leave. Labor Attorney Steve Fecker, in a letter dated February 28, 2001, explained the various types of leaves of absence allowed under the AFSCME contract, subject to Council approval. Also reviewed by Mr. Fecker was the employee's eligibility under the Family and Medical Leave Act. It was determined that this was not applicable. Paul Larson reviewed with the Council a proposed agreement between Carla Backstrom and the City whereas circumstances may dictate her having to return to work on a part-time basis prior to having completed the twelve-week leave. Other items included in the agreement address benefits. MOTION 03S1-08-01 WAS MADE BY DEAN SWANSON AND

SECONDED BY CHUCK MILLER TO APPROVE A LEAVE OF ABSENCE FOR CARLA BACKSTROM AS OUTLINED IN THE AGREEMENT. MOTION CARRIED WITH ALL AYES. (Signed Agreement included as a permanent part of the minutes.)

4. Crow Wing County Soil and Water Request for Funding – Crow Wing County Soil and Water is requesting donations from cities and townships within Crow Wing County to update the County soil survey. The County is contributing \$1,000 towards the project. USDA and NRCS will provide the labor and equipment for the project. The current survey was drafted in the 1950s and is outdated. The information obtained would be digitized which would allow the City to use this information as a planning tool and general reference for determining the suitability of soils for specific uses. MOTION 03S1-09-01 WAS MADE BY DEAN SWANSON AND SECONDED BY CHUCK MILLER TO APPROVE A \$300 CONTRIBUTION TO CROW WING COUNTY SOIL AND WATER TO UPDATE THE COUNTY SOIL SURVEY. MOTION CARRIED WITH ALL AYES.
5. Approval of Bills – MOTION 03S1-10-01 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE THE PAYMENT OF BILLS AS SUBMITTED IN THE AMOUNT OF \$13,403.81. MOTION CARRIED WITH ALL AYES.

Councilmember Swanson presented a brief update on a Sewer Meeting that was held on February 28, 2001. The Committee is currently working with Crow Wing Soil and Water on the wetland issues.

City Administrator Tom Swenson stated that Darrell Schneider has submitted a Commission application expressing his interest in serving on the Public Works Commission. It was noted that the two previous months meeting were cancelled due to lack of a quorum, therefore, City Administrator Swenson requested special consideration at this meeting on the appointment. MOTION 03S1-10-01 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPOINT DARRELL SCHNEIDER TO HIS FIRST TERM ON THE PUBLIC WORKS COMMISSION. MOTION CARRIED WITH ALL AYES.

MOTION 03S1-11-01 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO ADJOURN THIS SPECIAL MEETING AT 12:01 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,


Darlene J. Roach
Deputy Clerk

cc: Del Gilsrud

Judy Cotten
Armond Gease
Gilroy Arvig
Karl Skog
Ted Silva
Gerry Brine
Darrell Swanson, Mayor
Irene Schultz
Dean Swanson
Sandy Eliason
Tom Swenson
Paul Sandelin

ADDITIONS TO BILLS FOR PAYMENT				
01-Mar-01				
VENDOR		DEPT	CHECK #	AMOUNT
Crosslake Aggregate - sand		PW		\$700.00
Echo Publishing - assessment notice		Adm		\$37.45
Rohlfing - cups		Gov't		\$23.41
Crosslake Comm - telephone/fax		All		\$1,369.82
Crosslake Rolloff - recycling for March		Recycle		\$1,950.00
Paul Larson/Jon Henke Mankato Job Fair Exp		P&Z/Park		\$149.51
Paul Larson - mileage to Area Planners Mtg		P&Z		\$15.87
Ace Hardware - lever for toilet		Gov't		\$3.18
Cellular One - cell service		PW		\$24.96
Oasis Sport Shop - Ammunition		PD		\$83.01
Cellular One - squad cell service		PD		\$113.95
Pequot Auto Parts - truck battery		P&Z		\$106.68
Reed's Market - lunch for Sewer Committee		Sewer		\$36.11
Pequot Auto Parts - 6 inch strap		PW		\$119.39
Joos Electric - replace parking light bulb		Gov't		\$284.10
Earl F. Anderson - signs		PW		\$1,694.58
Martin Comm - batteries for radios		PW		\$316.71
Ehlers - cost update/impact sheet/mtg		Sewer		\$1,125.00
Ehlers - prepare memo on Reed's TIF district		TIF		\$62.50
Pine River Oil - diesel		PW		\$877.60
Pequot Auto Parts - filters, JD battery		PW		\$314.40
Crow Wing County Auditor - 2000 Audit Confirm		Audit		\$10.00
Uniforms Unlimited - pants		PD		\$50.95
Ace Hardware - keys for storage bldg		PD		\$4.50
The Office Shop - ink cartridges, minute paper		Adm		\$140.95
Reed's Market - coffee, kleenex, supplies		Gov't		\$38.54
Ace Hardware - drill bits, punch		Park		\$10.09
Ace Hardware - torch kit		Park		\$17.42
Ace Hardware - doorstop		Park		\$4.46
Ace Hardware - seafoam, GFCI 20 Amp		Park		\$15.21
Sandy Eliason - mileage to Conference		Council		\$103.50
Sandy Eliason - hotel expenses		Council		\$92.60
Uniforms Unlimited - 2001 squad accessories		PD		\$1,545.97
BB Products - strip old squad & build new squad		PD		\$1,328.06
Intoximeters - Mouthpiece AS4		PD		\$106.50
Uniforms Unlimited - pants		PD		\$50.95
Encompass - TV/VCR		PD		\$50.00
Viking Coke - pop		Park		\$69.86
Viking Coke - pop		Gov't		\$34.77
US Diary - calendars		All		\$29.20
Micronet - on site support		P&Z		\$233.25
Ace Hardware - washers		Park		\$0.30
USTA - tournament sanction fees		Park		\$35.00
Brainerd License Office - tax exempt plates		P&Z		\$23.50
			TOTAL	\$13,403.81