

CROSSLAKE COMMUNICATIONS ADVISORY BOARD/COUNCIL MEETING
THURSDAY, MARCH 19, 2015

The Regular meeting of the Crosslake Communications Advisory Board was called to order at 8:00 am by Vice Chair Mike Myogeto. Members present: Mike Myogeto, Mike Winkels, Steve Kollmann, Ann Schrupp, and Alternate Dennis Leaser. Member absent: Jim Talbott. Also present were General Manager Kevin T. Larson, Local Manager Debby Floerchinger, Mayor Steve Roe, Council Liaison Brad Nelson, Accountant Cyndi Perkins, Council Members Dave Schrupp and Mark Wessels, Finance Director/Treasurer Mike Lyonais, Helen Fraser, Patty Norgaard, and Dave Fischer.

Actions Taken:

- 1. The Crosslake Communications Advisory Board recommends to the City Council approval of the 2015 Operations and Capital Budgets taking the shortage out of the Unrestricted Reserves.**
- 2. The Crosslake Communications Advisory Board recommends to the City Council that the Internet Rates be adjusted as recommended.**

Election of Chair and Vice Chair. Ann Schrupp moved to nominate Mike Winkels as Chair. Hearing no other nominations, Mike Winkels was elected Chair. Ann Schrupp and Mike Myogeto were both nominated for Vice Chair. Mike Myogeto withdrew his nomination. Hearing no other nominees, Ann Schrupp was elected Vice Chair.

Minutes of February 24, 2015 Regular Meeting were reviewed. Steve Kollmann moved to approve the Minutes as presented. Second by Ann Schrupp. All in favor, motion carried.

Operations and Capital Budgets. Cyndi presented the draft Operations Budget for 2015 in depth to the Advisory Board. Dennis Leaser asked about placing fiber in the Fr. Foley area. He also suggested that the City Fee should be looked at. Cyndi and Kevin reviewed each of the items included in the draft Capital budget noting that there is equipment that is end of life and will need to be phased out and replaced with new equipment over a two to three year period. Also included in the Capital Budget is the purchase of spare equipment and tools that are necessary to provide acceptable service levels. The decrease in cash can be covered by Unrestricted Reserves. Cyndi noted that in previous years, reserve funds slated for capital items were not used. Those items were paid for using operating cash and the restricted dollars were then moved to unrestricted reserves. Dennis Leaser moved to recommend to the City Council approval of the 2015 Operations and Capital Budgets taking the shortage out of the unrestricted reserves. Second by Mike Myogeto. All in favor, motion carried.

Gary Heacox joined the meeting at 8:29 am. Pat Powers joined the meeting at 8:37 am and Darrell Schneider joined the meeting at 8:55 am.

COMMUNICATIONS

Operations Report. Debby reported on the daily activities including:

- An update on County Road 36
- Splicing on County Road 66
- Preparation for the Strategic Planning Meeting
- An update on the AT&T Generator request
- Problems with TV reception
- Rate Increase letters
- Approximately 90-100 customers upgrading to new packages
- The Customer Router issues reported on last month are due to the routers being end-of-life. They are being phased out.
- 4 performance reviews completed

Internet Rate Adjustments. Debby reported that our current Internet pricing had numerous inconsistencies. Cyndi reviewed proposed new rates and we are recommending that the pricing be adjusted as attached. Ann Schrupp moved to recommend to the City Council that the Internet Rates be adjusted as recommended. Second by Dennis Leaser. All in favor, motion carried

Answering Service. Debby reported that the Advisory Board has had issues with our current answering service for quite some time. Debby researched our current system and discovered that far too many calls were reported as "unanswered". Staff will be changing to Onvoy answering service effective the morning of April 10th. We are working through the scripts and information for Onvoy now. Onvoy's operators are located in two offices and currently handle our directory assistance calls.

Open Forum. None

The meeting was recessed at 9:05 for a short break.

Council Members Mark Wessels, Gary Heacox, Dave Schrupp, Mayor Steve Roe and Brad Nelson joined the Advisory Board for a Joint Advisory Board/City Council Meeting. Mayor Steve Roe called the meeting to order at 9:12 am.

The Advisory Board meeting resumed at 9:12 am. Pat Powers from Olsen Thielen Co., Ltd. joined the meeting.

1. 2014 Crosslake Communications Audit. Pat Powers from Olsen Thielen was present to review the 2014 Audit for Crosslake Communications. Pat stated that Cyndi does a great job of preparing for the annual audit. Everything was in order and again, there were no adjusting entries through the audit process and no issues with legal compliance. As part of what O&T do, they are a member of an association across the country that

audits telecommunications companies (Telergee Peer Group). Included in the recap were comparisons of Crosslake Communications with the Telergee Peer Group.

Mike Winkels moved to adjourn the Advisory Board meeting at 10:20 am. Second by Ann Schrupp. All in favor, motion carried.

MOTION 03S1-01-15 WAS MADE BY DAVE SCHRUPP, SECONDED BY GARY HEACOX TO APPROVE THE 2015 AUDIT FOR CROSSLAKE COMMUNICATIONS. MOTION CARRIED 5-0.

2. Internet Rate Increase. Kevin reported that the Advisory Board recommended to the City Council adjustments in the Internet Rates as attached.

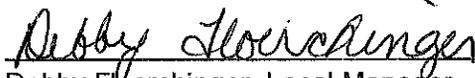
MOTION 03S1-02-15 WAS MADE BY MARK WESSELS, SECONDED BY DAVE SCHRUPP TO APPROVE THE RATE ADJUSTMENTS EFFECTIVE MAY 1, 2015. MOTION CARRIED 5-0.

3. Police Contract. Mike Lyonais reviewed the Law Enforcement Contract and Joint Powers between Crosslake and Mission. There is no change in price or terms from previous years. The contract is effect May 1, 2015.

MOTION 03S1-03-15 WAS MADE BY STEVE ROE, SECOND MARK WESSELS TO APPROVE THE LAW ENFORCEMENT CONTRACT AND JOINT POWERS BETWEEN CROSSLAKE AND MISSION. MOTION CARRIED 5-0.

MOTION 03S1-04-15 WAS MADE BY MARK WESSELS, SECOND BRAD NELSON TO APPROVE BILLS IN THE AMOUNT OF \$90,444.05. MOTION CARRIED 5-0.

MOTION 03S1-05-15 WAS MADE BY MARK WESSELS TO ADJOURN THE MEETING AT 10:35 AM.



Debby Foberchinger, Local Manager

BILLS FOR APPROVAL
March 19, 2015

VENDORS	DEPT		AMOUNT
Ace Hardware, fuse	Park		4.49
Ace Hardware, batteries	Park		12.59
Ace Hardware, bulb for fridge	Gov't		2.51
Ace Hardware, stapler, roller, paintbrush	PW		43.40
Ace Hardware, spray paint	PW		13.47
Ace Hardware, mechanical chest	PW		196.77
Ace Hardware, marker	PW		4.49
Ace Hardware, hardware	PW		3.85
AW Research, water testing	Sewer		118.80
Baker & Taylor, books	Library		1,878.55
Bob Hartman, reimburse uniform expense	Police		59.96
Council #65, union dues	Gov't		440.00
Crow Wing County Chiefs of Police Assn, membership dues	Police		75.00
Crow Wing Power, electric service	ALL		8,593.09
Deferred Comp	ALL		300.00
Delta Dental, dental insurance	ALL		1,707.85
Essentia, random drug testing	PW/Park		50.00
Fastenal, tools	PW		34.91
Fastenal, parts	PW		127.42
Fire Instruction & Rescue, reading smoke course	Fire	pd 3-12	450.00
Fortis, disability	ALL		594.59
Guardian Pest Solutions, pest control	ALL		77.60
Hawkins, chemicals	Sewer		888.92
Health Partners, health insurance	Gov't		17,020.00
Holiday Station, premium fuel	PW		4.00
League of MN Cities Insurance, workers comp insurance	Gov't		51,992.00
Leigh Martineau, reimburse for uniform expense	PW	pd 3-16	300.00
Marco, copier lease	ALL		433.00
Marco, copier lease	Park		213.28
Mastercard, Active911, software	Fire		330.00
Mastercard, Brainerd Tools, tools	PW		225.00
Mastercard, Fleet Farm, pump, drill bits, hitch	PW		197.27
Mastercard, Wondershare, video transfer software	Gov't		49.95
Menards, paint, sawhorse kit, brackets, organizer	PW		177.56
Mike Lyonais, reimburse petty cash	ALL	pd 3-16	72.65
MN Life, life insurance	ALL		378.60
Napa, batteries	Sewer		381.60
Napa, bulb	PW		11.59
Napa Baxter, v-belt	PW		75.52
NCPERS-Life Insurance	ALL		144.00
Paper Storm, document shredding	Gov't		43.20
Pine River Grad Blast, contribution	Gov't		100.00
Premier Auto, wiper motor, blades	Police		256.45
Premier Auto, oil change	Police		26.99
Premier Auto, oil change	Police		26.99

Internet Residential						
	Current Price	Proposed Inc/Dec 5/1/15	New 2015 Rate	Current Speed	Upgraded Speed	# of Cust
High Speed	44.95	0.00	44.95	5	20	1343
High Speed Plus	65.95	-1.00	64.95	10	30	127
High Speed Super	89.00	-4.05	84.95	20	40	20
HS No Other serv	69.95	-10.00	59.95			89
HS PL No other serv	74.95	5.00	79.95			30
HS Sup No other serv	94.00	5.95	99.95			9

-1,016.00
-648.00

-7,120.00
1,200.00
428.40

Internet Business-Asymmetrical						
	Current Price	Proposed Inc/Dec 5/1/15	New 2015 Rate	Current Speed	Upgraded Speed	# of Cust
High Speed	54.95	0.00	54.95	5	20	113
High Speed Plus	99.95	-20.00	79.95	10	30	19
High Speed Super	149.95	0.00	149.95	20	40	1
HS No other serv	129.95	-25.00	104.95	5	20	0
HS PL No other serv	161.95	-32.00	129.95	10	30	0
HS Sup No other serv	201.00	-1.05	199.95	20	40	0

-3040

Internet Business-Symmetrical			
		36 mo contract	60 mo. contract
10/10	149.95	99.95	74.95
20/20	199.95	149.95	124.95
50/50	399.95	349.95	324.95
100/100	599.95	549.95	524.95

2015 Impact

-10,195.60

Contract Discounts Available for 36 month or 60 month contract