

COUNCIL PROCEEDINGS  
CROSSLAKE, MINNESOTA  
SPECIAL COUNCIL SESSION

March 26, 1987 at the Telephone Company Building

The City Council of Crosslake, Minnesota met in a special session on March 26, 1987 at the Telephone Company Building for the purpose of reviewing the proposed application by the Telephone Company for a REA loan. The following members were present: Mayor Oliver Courts and Councilmembers Lyle Arends and Diana Gallaway. Absent were Councilmembers Elizabeth Andolshek and Oliver Yates. Also present were Telephone Commission members Douglas Nelson, Dene Carney and Robert Turner and General Manager Anthony Mayer. Mr. Robert Reff represented CC&I Engineering, Inc.

Mr. Reff distributed the supplemental loan proposal as prepared by his company to the Council members present. He then reviewed the proposal with the Council. The proposal began by giving a brief description of the location of Crosslake, the cost of phone service in the Crosslake area, the type of building and equipment now serving Crosslake and the boundaries the Crosslake Telephone serves.

Mr. Reff explained that this is just the preliminary steps that must be taken to obtain a loan. If the Council approves the application will be submitted to REA along with a letter stating how much money the telephone company wants to borrow and how the pay back will be in terms of years and amount per year.

The fiber optics cable, which is essentially the reason for the loan, will be part of a network which will tie in Emily and Outing on the North and Mission and Northwestern Bell South of Brainerd, on the South end of it. Fiber optics will offer the possibility that Crosslake Telephone could offer their customers access choice for service other than just AT&T. It will also offer Crosslake the chance of charging access to other areas and Mr. Reff indicated that the system could probably pay for itself in four years or so.

Mayor Courts asked about installing ten fiber rather than six fiber and was informed by Mr. Reff that the additional cost would have to be paid directly out of Crosslake Telephone Company funds because REA would only approve the 6 fiber as that is all Crosslake needs at present. Mr. Reff said the installation cost would be about the same for either the 6 or 10 fiber and it would be a very good idea for Crosslake to invest the extra money to install the 10 fiber.

Councilman Arends said he was not ready to act on this loan application today and he said he thought a four fifths vote was necessary to pass a motion like this. The Telephone Commission will make their request for Council approval at the next regular council meeting so the loan process can begin. If the work is not done the loan will not be needed and it will cost Crosslake nothing.

This meeting was adjourned at 10:00 a.m.

Recorded and transcribed by:  
Arlene A. Buchite, City Clerk/Treasurer

*Arlene A. Buchite*