

REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, MAY 13, 2002  
7:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, May 13, 2002. The following Councilmembers were present: Mayor Darrell Swanson, Sandy Eliason, Charles Miller, Irene Schultz and Dean Swanson. Also present was City Administrator Tom Swenson, Community Development Director Paul Larson, City Attorney Paul Sandelin, City Engineer Dave Reese, Park and Recreation Director Jon Henke, Public Works Director Ted Strand, Police Chief Robert Hartman, General Manager Dennis Leaser, Clerk/Treasurer Darlene Roach and Lake Country Echo Reporter Betty Ryan. There were approximately six individuals in the audience.

**A. CALL TO ORDER** – Mayor Swanson called the Regular Meeting to order at 7:00 P.M.

**B. CRITICAL ISSUES** – None

**C. CONSENT CALENDAR** – MOTION 05R-01-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR CONSISTING OF: (1) MINUTES OF REGULAR COUNCIL MEETING OF APRIL 8, 2002; (2) CROSSLAKE COMMUNICATIONS TELEPHONE COMPANY STATISTICAL REPORT DATED MARCH 31, 2002; (3) CROSSLAKE COMMUNICATIONS CABLEVISION COMPANY STATISTICAL REPORT DATED MARCH 31, 2002; (4) CITY MONTH END REVENUE REPORT DATED MARCH 31, 2002; AND (5) CITY MONTH END EXPENDITURE REPORT DATED MARCH 31, 2002. MOTION CARRIED WITH ALL AYES.

**D. MAYOR'S REPORT** – Mayor Swanson reminded everyone that the assessment hearing will be held on Thursday, May 16<sup>th</sup> at 10:00 A.M. at City Hall.

**E. CITY ADMINISTRATOR REPORT** –

1. Approval of Bills for Payment – MOTION 05R-02-02 WAS MADE BY DEAN SWANSON AND SECONDED BY SANDY ELIASON TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNTS OF \$19,948.13 AND \$5,767.72. MOTION CARRIED WITH ALL AYES.

2. Letter and Resolution dated April 23, 2002 from Crow Wing County Land Commissioner - Tom Cowell was present to discuss another land exchange proposal for Dr. David Kettleon. In March, the City Council approved a land exchange involving property in Irondale Township and

tax forfeited land in Crosslake, Emily and Fairfield Township. Because Fairfield Township wanted Crow Wing County to retain the 80 acre tax forfeited tract in Fairfield Township, other land exchange options have been explored. Council approval was requested to reclassify the East ½ of Government Lot 3 in Section 26, consisting of approximately 19.22 acres to non-conversation. If approved, this property along with the 20 acres previously approved by the Council in Section 26 and 40 acres in the City of Emily would be traded to Dr. Kettleon in exchange for a 131 acre tract on Wolf Lake in Irondale Township. MOTION 05R-03-02 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO APPROVE RESOLUTION NO. 02-29 DESIGNATING THE EAST HALF OF GOVERNMENT LOT 3 AS NON-CONSERVATION FOR THE PURPOSE OF A LAND EXCHANGE. MOTION CARRIED WITH ALL AYES.

3. Ordinance Establishing that the Offices of Mayor and Council Member are incompatible with that of an employee – MOTION 05R-04-02 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO APPROVE ORDINANCE AMENDMENT NO. 159 RELATED TO QUALIFICATIONS OF MAYOR AND CITY COUNCIL MEMBERS AND TO PUBLISH A SUMMARY OF SAID ORDINANCE. MOTION CARRIED WITH ALL AYES.
4. Resolution for Re-Establishing Unchanged Precincts and Polling Places-MOTION 05R-05-02 WAS MADE BY SANDY ELIASON AND SECONDED BY IRENE SCHULTZ TO APPROVE RESOLUTION NO. 02-30 FOR REESTABLISHING UNCHANGED PRECINCTS AND POLLING PLACES. MOTION CARRIED WITH ALL AYES.
5. Memo dated April 17, 2002 from Sheila Haverkamp regarding BLADC Project Activity Reports was included for Council information.
6. Letter dated April 30, 2002 from Minnesota State Demographer regarding 2001 Population and Household Estimates showed the April 1, 2001 population estimate at 1,934 and the household estimate at 923. This information was provided for Council information.
7. A letter dated April 21, 2002 from Dick Dietz of AARP summarized the number of Crosslake residents utilizing AARP Tax Services for preparation of federal and state income tax this tax season. This service was provided at the Community Center free of charge by AARP.
8. A thank you letter was received from the Pine River-Backus Grad Blast Committee thanking the City for their donation.
9. Lakes State Bank Pledge Update dated April 30, 2002 was included for Council information.
10. Lakewood Bank Pledge Update dated April 30, 2002 was included for Council information.
11. Northern National Bank Pledge Update dated April 30, 2002 was included for Council information.

## F. COMMISSION REPORTS –

1. PUBLIC SAFETY – Chief Hartman reported 111 incidents in Crosslake and 43 incidents in Mission Township in April. Chief Hartman stated that he has been working with members of the Public Safety Committee regarding adding an Archery Ordinance that would mirror the Firearms Ordinance in effect within the City. Approval was requested to direct the City Attorney to draft an Ordinance for Council review at the June meeting. MOTION 05R-06-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO DIRECT THE CITY ATTORNEY TO DRAFT AN ORDINANCE ADDING ARCHERY GUIDELINES TO THE CITY ORDINANCE AS IT RELATES TO FIREARMS. MOTION CARRIED WITH ALL AYES. Chief Hartman stated that several reports have been received from residents regarding the removal of mail from mailboxes throughout various parts of the City. Residents were requested to report any suspicious activity. In the absence of Fire Chief Keith Anderson, City Administrator Swenson reported that the Fire Department responded to nine medical calls and two fire calls in April. North Ambulance reported 33 callouts in April.
2. PLANNING AND ZONING –
  - a. Community Development Director Paul Larson presented the Permit Summary for April 2002. A total of 61 permits were issued in April for a valuation of \$940,100 for a year-to-date valuation of \$3,786,190. The March 2002 Crow Wing County Permit Summary was included for Council information.
  - b. The minutes of the March 22, 2002 Public Hearing and Commission Meeting were included for Council information.
  - c. Staff Report dated May 13, 2002 regarding Purcell's Wildwood Estates Final Plat Approval – The plat, located in Section 16 along the south side of Pine Bay Trail includes approximately 5.53 acres, consisting of five residential lots. The property is zoned R-1, Low Density Residential. The proposed subdivision plat meets all of the requirements in the City's zoning and subdivision ordinances. The City approved the Preliminary Plat on March 11, 2002 with the Staff recommended conditions and the Planning and Zoning Commission further recommends Final Plat approval based on conditions. City Attorney Paul Sandelin recommended that the condition, that no construction of garages be allowed until the principal structure has been constructed, be included in the Covenants. MOTION 05R-07-02 WAS MADE BY IRENE SCHULTZ AND SECONDED BY SANDY ELIASON TO APPROVE FINAL PLAT 2002-003 FOR PURCELL'S WILDWOOD ESTATES WITH THE FOLLOWING CONDITIONS: (1) THAT THE PARK DEDICATION FEE IN THE AMOUNT OF \$2500, CITY ENGINEER AND SURVEYOR REVIEW FEES, CITY

ATTORNEY REVIEW FEES AND ROAD ASSESSMENTS BE PAID; (2) THAT A SIGNED DEVELOPMENT DEPOSIT AGREEMENT WITH CROSSLAKE COMMUNICATIONS IS SUBMITTED PRIOR TO SIGNING OF THE FINAL PLAT; (3) THAT THE CITY ATTORNEY APPROVE THE TITLE OPINION FOR THE PLAT; (4) THAT SURVEYOR DON COULTER REVIEW AND APPROVE THE FINAL PLAT; (5) THAT BEST MANAGEMENT PRACTICES ARE USED DURING AND AFTER CONSTRUCTION TO PREVENT EROSION; (6) LOT 5 DRIVEWAY LOCATION IS LOCATED WITHIN THE 112 FOOT FRONTAGE TO PROVIDE BETTER SITE DISTANCES AND REDUCE INTERSECTION ISSUES; AND (7) SUBDIVISION COVENANTS SHALL BE PREPARED AND RECORDED WITH THE PLAT STATING THAT NO GARAGES, POLE BARNS, STORAGE BUILDINGS OR THE LIKE MAY BE CONSTRUCTED PRIOR TO ANY PRINCIPAL STRUCTURE WITHIN THE PLAT. MOTION CARRIED WITH ALL AYES.

- d. Staff Report dated May 3, 2002 regarding Park Dedication for Metes and Bounds Subdivision 2002-005, David Figi – Based on the recommendations of the Park and Recreation Department and the Planning and Zoning Commission, Staff recommends that cash in lieu of land be collected in the amount of \$2,194.80 for park dedication. MOTION 05R-08-02 WAS MADE BY IRENE SCHULTZ AND SECONDED BY SANDY ELIASON TO APPROVE PARK DEDICATION FEES IN THE AMOUNT OF \$2,194.80 FOR METES AND BOUNDS SUBDIVISION 2002-005 FOR DAVID FIGI. MOTION CARRIED WITH ALL AYES.
- e. Staff Report dated May 13, 2002 regarding Public Works Ordinance Map Amendment 2002-006 – Approval was requested for a zoning map amendment to change the Public Works Facility property from R-1 to Public to allow approval of a Conditional Use Permit to construct a City sewer plant and public works facility on the site. The facility will include public works buildings for maintenance, salt/sand storage, equipment cold storage in addition to a wastewater treatment facility, a power substation, fuel filling station, outdoor storage areas and a hazardous material storage tank. A letter was received from the DNR stating that they have no objection to the change in zoning for this property. The DNR owns property adjacent to the City property. MOTION 05R-09-02 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DEAN SWANSON TO APPROVE ZONING MAP AMENDMENT 2002-006 TO ALLOW THE PUBLIC WORKS FACILITY PROPERTY TO

BE CHANGED FROM R-1, LOW DENSITY RESIDENTIAL TO PUBLIC (P). MOTION CARRIED WITH ALL AYES.

- f. Staff Report dated May 13, 2002 regarding Cotton/Barnes Ordinance Map Amendment 02-007 General Implementation Plan - James and Judy Cotton and David and Nancy Barnes are requesting a zoning change to a Planned Development District in the Downtown Commercial zoning district and review and approval of the PDD general implementation plan (GIP). Phase 1 of the project will be located on the Ace Hardware Property. Phase 2 will be located on Jim Cotton's property and a future Phase 3 is planned for the Ace Hardware property. The Planning and Zoning Commission reviewed the Ordinance as it relates to a PDD on an item-by-item basis and found that everything has been submitted as required under Ordinance. The requested Ordinance Map Amendment and General Implementation Plan approval are needed to allow for the establishment of a Planned Development District (PDD). The Commission recommends approval of Ordinance Map Amendment 2002-007 to create a PDD in the Downtown Commercial Zoning District and approval of the General Implementation Plan submitted with the application for the subject property. MOTION 05R-10-02 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO APPROVE ORDINANCE MAP AMENDMENT 2002-007 TO CREATE A PLANNED DEVELOPMENT DISTRICT (PDD) IN THE DOWNTOWN COMMERCIAL ZONING DISTRICT AND APPROVAL OF THE GENERAL IMPLEMENTATION PLAN SUBMITTED WITH THE APPLICATION FOR THE SUBJECT PROPERTY BASED ON COMPLIANCE WITH THE BASIC INTENT OF THE ZONING ORDINANCE, DOWNTOWN MASTER PLAN AND COMPREHENSIVE PLAN. Councilmember Swanson inquired about the landscaping plan and Community Development Director Paul Larson stated that would be detailed in the Specific Implementation Plan. Street lighting, sidewalk plans, and use of Pioneer Drive will also be addressed in the SIP. Mayor Swanson asked what the plans were for Pioneer Drive and Paul Larson stated that eventually the road needs to be dedicated as a public roadway. Councilmember Miller asked if sewer lines are proposed along Pioneer Drive and City Engineer Dave Reese stated that sewer lines are proposed under the gravel portion of the road but not on the bituminous portion of the road. Councilmember Miller asked if the City needed to obtain easements to run the sewer line under a private road and City Engineer Dave Reese stated that plans and specifications for sewer lines have been addressed by the Developer and easements

and descriptions have been prepared. MOTION CARRIED WITH ALL AYES.

- g. Staff Report dated May 13, 2002 regarding Marshall's "Christine's Wildwood" Preliminary Plat Approval – Robert Marshall requested approval of a preliminary plat including approximately 20 acres consisting of 17 off lake lots located on the North side of Daggett Pine Road beginning approximately 1000 feet before Moen Beach Trail. The proposed development is mostly level on the west side and contains a wetland and some slope on the east side. The majority of the site is wooded. The applicant is proposing constructing a road through the development to meet the public road, however, at this time has not indicated whether the road will be maintained privately or turned over to the City. The Planning and Zoning Commission recommends approval of Subdivision 2002-004 with staff recommended conditions. MOTION 05R-11-02 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO APPROVE SUBDIVISION 2002-004, PRELIMINARY PLAT FOR CHRISTINES WILDWOOD WITH THE FOLLOWING CONDITIONS: (1) CITY ENGINEER'S RECOMMENDED CONDITIONS INCLUDING (a) CONVEYANCE OF DAGGETT PINE ROAD RIGHT OF WAY; (b) CONVEYANCE OF EXISTING MOEN BEACH ROAD RIGHT OF WAY FOR ACCESS TO ALL LOTS INCLUDING LOT 1, BLOCK 1, AND LOT 7, BLOCK 2, UNLESS THIS HAS ALREADY BEEN DEDICATED TO THE PUBLIC; (c) DEVELOPER ENTER INTO A DEVELOPMENT AGREEMENT WITH THE CITY, AS DRAFTED BY THE CITY ATTORNEY, THAT DEFINES THE SPECIFIC CONDITIONS CONCERNING PUBLIC IMPROVEMENTS INCLUDING BONDING REQUIREMENTS AND PREPARATION OF ROAD DESIGN AND CONSTRUCTION PLANS IN ACCORDANCE WITH THE DEVELOPMENT AGREEMENT; (d) CONSTRUCTION OF ROADWAYS IN ACCORDANCE WITH THE CITY ROAD STANDARDS, SUBJECT TO CONSTRUCTION OBSERVATION BY THE CITY AS OUTLINED IN THE DEVELOPMENT AGREEMENT; (e) ONLY LOTS 9 AND 10 SHOULD HAVE DIRECT ACCESS TO DAGGETT PINE ROAD, REQUIRING A CONDITION OF CONTROLLED ACCESS FOR OTHER LOTS ADJACENT TO DAGGETT PINE ROAD WHO CAN OBTAIN ACCESS ONTO MOEN BEACH TRAIL; (f) THE ROAD DESIGN SHOULD IDENTIFY HOW DRAINAGE WILL BE HANDLED WITHIN THE PUBLIC RIGHT OF WAY AND ANY OUTLETS/SWALES/OR STORM SEWER THAT ALLOWS DRAINAGE TO OVERFLOW TO

EXISTING WETLANDS OR AREAS OUTSIDE THE RIGHT OF WAY; (g) THE CITY MAY WISH TO ACQUIRE A DRAINAGE EASEMENT OVER THE WETLAND, AS THIS WILL LIKELY RECEIVE RUNOFF FROM THE PUBLIC ROADWAY AS WELL AS RUNOFF FROM MULTIPLE PROPERTIES. THE EASEMENT SHOULD ALLOW ENOUGH AREA FOR TEMPORARY INCREASES IN WATER ELEVATION WITHIN THE WETLAND; (2) BEST MANAGEMENT PRACTICES ARE USED DURING AND AFTER CONSTRUCTION TO PREVENT EROSION AND MINIMIZE IMPACTS ON THE WETLAND; (3) IF THE ROAD REMAINS IN PRIVATE OWNERSHIP IT SHALL BE PRIVATELY MAINTAINED WITH NO OBLIGATION TO THE CITY; (4) ALL REQUIRED CHANGES TO THE PLAT ARE MADE PRIOR TO FINAL PLAT APPLICATION, WHICH INCLUDES THE EXTENSION OF THE PROPOSED ROAD TO SERVICE ALL PROPOSED LOTS WITH A MINIMUM OF AT LEAST 33 FEET OF FRONTAGE, ACCESS EASEMENT TO THE PROPERTY LOCATED NORTH OF THE PLAT, AND ANY ROAD NAME CHANGES PROPOSED (SUBJECT TO CITY SURVEYOR APPROVAL); (5) ALL PARK DEDICATION, CITY ATTORNEY, CITY ENGINEER AND CITY SURVEYOR FEES ARE PAID PRIOR TO SIGNING OF THE FINAL PLAT; (6) TREES SHALL BE PLANTED FOR SCREENING ON THE OPPOSITE SIDE OF DAGGETT PINE ROAD FROM THE DEVELOPMENT AT THE LOCATION WHERE THE PROPOSED NEW ROAD INTERSECTS WITH DAGGETT PINE ROAD. THESE TREES SHALL BE PLANTED IN ACCORDANCE WITH RECOMMENDATIONS FROM THE PUBLIC WORKS COMMISSION; (7) ALL FINAL ROAD DESIGN STANDARDS SHALL BE APPROVED BY THE PUBLIC WORKS COMMISSION; (8) COVENANTS FOR THE PLAT SHALL BE PREPARED AND RECORDED WITH THE PLAT, WHICH SPECIFY THE FOLLOWING STANDARDS: (a) NO GARAGES, POLE BARNs, STORAGE BUILDINGS OR THE LIKE SHALL BE CONSTRUCTED PRIOR TO THE PRINCIPAL STRUCTURE ON EACH LOT; AND (b) NO POLE BARNs SHALL BE CONSTRUCTED WITHIN THE DEVELOPMENT DUE TO THE PROXIMITY TO THE R-3 ZONING DISTRICT WHERE SUCH BUILDINGS ARE NOT PERMITTED. Councilmember Swanson commented on the road and stated that he feels the developer should be involved in improving the road through. City Administrator Swenson stated that the City could eventually be faced with a petition for improvement to the road or the City

could initiate the improvement with 100% of the cost being assessed to the property owners. With the consensus of the Council, Karen Friedrich addressed the Council and stated that her property would benefit from the road going through. She asked what services would be available in case of an emergency if the roads are not maintained by the City. Chief Hartman stated that the road would be treated like any other road or driveway where it is the property owner's responsibility to maintain the road. Every effort will be made by emergency personnel to get to the emergency area. City Administrator Swenson informed the public that the Public Works Commission would be meeting at 7:00 P.M. on Monday, May 20<sup>th</sup>. Anyone interested in discussing the road at that time should attend the meeting. MOTION CARRIED WITH ALL AYES.

- h. Staff Report dated May 13, 2002 regarding Proposed Ordinance Amendment to Chapter 8 Land Alteration – Community Development Director Paul Larson stated that the City has been progressively moving toward better management of shoreland areas through the development of land alteration guidelines, a permit review process and education. The proposed amendment more closely conforms to the County Ordinance and has taken into account studies performed by WAPOA and the DNR. The Planning and Zoning Commission recommends to the City Council approval of the zoning ordinance amendment. MOTION 05R-12-02 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO APPROVE ORDINANCE AMENDMENT 160 DEALING WITH LAND ALTERATIONS AND TO PUBLISH A SUMMARY OF SAID ORDINANCE. MOTION CARRIED WITH ALL AYES.
- i. Elizabeth Whitley Appeal – Public Hearing Scheduling – The Council set June 11, 2002 at 12:00 P.M. as the date and time for the Elizabeth Whitley appeal.
- j. Comprehensive Planning Process Update - Community Development Director Paul Larson reported that fifteen to twenty individuals have been involved in the Healthy Community Partnership meetings up to this point. A community meeting has been scheduled for June 3<sup>rd</sup> at the Community Center. Flyers will be posted and postcards will be mailed to all property owners informing them of this public meeting. Dinner will be provided from 6:00 P.M. to 7:00 P.M. and a community workshop will be held from 7:00 P.M. to 9:00 P.M. Future meetings are planned for every fourth Thursday of the month from June through September.
- k. Staff Report dated May 13, 2002 regarding Crow Wing Community Trust Grant Acceptance – MOTION 05R-13-02 WAS MADE BY IRENE SCHULTZ AND SECONDED BY

SANDY ELIASON TO ACCEPT WITH APPRECIATION THE DONATION OF \$3000 FROM CROW WING POWER COMMUNITY TRUST TO HELP FUND THE UPCOMING CITYWIDE COMPREHENSIVE PLAN PROCESS. MOTION CARRIED WITH ALL AYES.

- I. Crosswoods Request for Temporary Holding Tank – City Engineer Dave Reese informed the Council that a written request was received from Crosswoods Development to deviate from the approved Specific Implementation Plan with regard to interim wastewater infrastructure. The Developer is requesting the use of holding tanks in lieu of constructing an onsite treatment system. City Administrator Tom Swenson, Councilmember Chuck Miller and City Engineer Dave Reese met with Darrell Thomas of Anderson Brothers and Will Hoyt of Landecker and Associates and recommend approval with conditions. MOTION 05R-14-02 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO APPROVE THE USE OF A TEMPORARY HOLDING TANK FOR CROSSWOODS DEVELOPMENT WITH THE FOLLOWING CONDITIONS: (1) THE HOLDING TANKS WILL BE IN THE NUMBER AND CAPACITY AS PROPOSED; (2) THE LOCATION OF THE HOLDING TANKS WILL BE IN OUTLOT B; (3) TWO SANITARY SEWER SERVICE LINES WILL BE CONSTRUCTED BENEATH THE STREET. ONE WILL BE ABANDONED WHEN THE INTERIM TANKS ARE NO LONGER NEEDED. THE OTHER WILL CONNECT TO THE SANITARY SEWER MAIN IN THE STREET; (4) THE HOLDING TANKS WILL SERVE ONLY LOTS 1-4, BLOCK 3; (5) THIS APPROVAL DOES NOT ALLOW FOR EXPANSION OF HOLDING TANK CAPACITY OR CONNECTION OF ADDITIONAL PROPERTY; (6) HOLDING TANKS SHALL BE DESIGNED AND INSTALLED IN ACCORDANCE WITH CHAPTER 7080 INDIVIDUAL SEWAGE TREATMENT SYSTEMS, AS REQUIRED BY THE MINNESOTA POLLUTION CONTROL AGENCY; (7) A COPY OF A PUMPING CONTRACT WITH A CERTIFIED WASTE HAULER SHALL BE PROVIDED TO THE CITY. IN ADDITION, THE CITY WILL REQUIRE COPIES OF PUMPING RECORDS TO BE SUBMITTED TO THE CITY ON A MONTHLY BASIS WHILE THE HOLDING TANKS ARE IN OPERATION; (8) THE HOLDING TANKS SHALL BE REMOVED OR CLOSED IN PLACE IN ACCORDANCE WITH TANK CLOSURE REQUIREMENTS SPECIFIED IN CHAPTER 7080 AND; (9) THE HOLDING TANKS SHALL BE EQUIPPED WITH BOTH AN AUDIBLE AND VISUAL ALARM. City Attorney Paul Sandelin suggested

that the approval be added as an amendment to the SIP.  
MOTION CARRIED WITH ALL AYES.

3. LIBRARY – Alden Hardwick requested approval for a Joint Meeting of the Library Committee and City Council to review the Library schedule which was prepared after the Library Committee met with Boris Frank on May 5<sup>th</sup> and May 6<sup>th</sup>. The Committee would also like to review the proposed plan for adding the Library to the Community Center with the Council. The Council agreed to hold a Joint Meeting on June 11<sup>th</sup> at 1:00 P.M. at City Hall. Boris Frank suggested that the Library Committee apply to the Federal Government for funding under a single line appropriation request. It was the consensus of the Council that the Library Committee prepare a letter to Representative James Oberstar for signature by the Mayor and Alden Hardwick. Boris Frank also suggested that the Committee establish an endorsement list to use in the fund raising effort. The minutes of the April 4, 2002, May 5, 2002 and May 6, 2002 meetings were included for Council information.
  
4. PARK AND RECREATION -
  - a. The minutes of the April 22, 2002 Commission Meeting were included for Council information.
  - b. Park and Recreation Director Jon Henke reported that the first Family Fun Day of 2002 was a huge success. The local service organizations were thanked for their contributions. Tree planting has taken place the past two weekends at the Park with over two hundred trees having been planted by the 4H Club. The trails on the recently acquired property are being brushed out and Jon Henke thanked the Public Works Department for their work on the trails. Residents were reminded that the Community Center is open each weekday morning between 8:00 – 9:00 A.M. for walkers. More than 75 children have registered for summer baseball. Umpires are needed so anyone interested in volunteering for the baseball program in this capacity should contact the Community Center. The annual brat sale will be held at Reed's Market over the Memorial Day weekend. Anyone interested in assisting with the sale should contact the Community Center for the times. Every year the local Girl Scout Troop holds a sleepover at the Community Center. Council approval was requested for this overnight stay. MOTION 05R-15-02 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO APPROVE THE GIRL SCOUTS USE OF THE COMMUNITY CENTER FROM 4:00 P.M. UNTIL 9:00 A.M. ON MAY 17, 2002. MOTION CARRIED WITH ALL AYES. Andrea Williams has resigned as Building and Registration Assistant effective May 24, 2002. An ad has been placed in the Lake Country Echo with an application

deadline of May 23<sup>rd</sup> at noon. The Park Department will be hosting a Senior Tennis League this summer and anyone interested in playing on this league should contact the Community Center. Bids are being received for the resurfacing of the tennis courts. The project should be completed by the first week of June. Approval was requested to contract with Donna Keiffer to provide aerobic instruction from May 13<sup>th</sup> through June 20<sup>th</sup> at a cost of \$396.72. MOTION 05R-16-02 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DEAN SWANSON TO APPROVE CONTRACTING WITH DONNA KEIFFER TO PROVIDE AEROBIC INSTRUCTION FROM MAY 13<sup>TH</sup> – JUNE 20<sup>TH</sup> AT A COST OF \$396.72. MOTION CARRIED WITH ALL AYES.

5. UTILITIES –

- c. General Manager Dennis Leaser presented the highlights report for April, 2002. A joint meeting was held on May 2<sup>nd</sup> with the Commission and the City Council. At this meeting, Jason Dale of CC&I presented the Network Switching Assessment. General Manager Leaser presented a brief overview of the four options that were reviewed at the May 2<sup>nd</sup> meeting. Both the Commission and Council voted to move forward with the replacement of the Central Office Switch. Also at this meeting, the Utilities Commission recommended, and the City Council approved, a Telephone rate increase to be effective July 1, 2002. The residential rate will increase from \$11.50 to \$14.00 per month and the business rate will increase from \$15.00 to \$20.00 per month. Tammy Neubert has submitted her resignation since she will be moving back to the cities. Pam Straka will be filling the billing clerk opening and an advertisement will be placed in the local newspapers for the bookkeeper position previously held by Pam Straka. The Telephone Company received E Commerce Certification from the State of Minnesota and Rebecca Yanish will make a presentation on August 10<sup>th</sup> during Crosslake Days. Dennis Leaser reported that long distance service in the City was out this date due to a cut in a fiber optic cable owned by Qwest. The cut was made somewhere between Crosby and Brainerd resulting in an outage in long distance service to the area. Dennis Leaser reminded everyone to call Gopher One before doing any digging. A facsimile dated March 28, 2002 from National Farmers Union Insurance Companies regarding insurance renewal for 2002 was included for Council information. A letter dated May 1, 2002 from Burl Haar of MN Public Utilities Commission regarding Certification of Disaggregation Plan for Federal Universal Service Funds was included for Council information.

6. ECONOMIC DEVELOPMENT AUTHORITY –
  - a. The Minutes of the May 1, 2002 meeting were included for Council information.
  
7. PUBLIC WORKS COMMISSION -
  - a. City Engineer Dave Reese presented a summation of the bid costs versus the feasibility study costs for the 2002 road projects. He stated that the majority of the roads came in fairly well. Wolf Trail did change considerably due to the City having reached an agreement with the DNR for an easement. Obtaining this easement will allow the road to be built in the right-of-way and will address drainage issues. Road reclaim for Happy Landing Road came in over the estimate but is still under blade level and overlay.
  - b. Letter dated May 8, 2002 from WSN regarding Recommendation to Award 2002 Project Contract – Bids were opened on May 7, 2002 for the 2002 road projects. Low bid was received from Anderson Brothers in Brainerd (\$403,386.01). Second lowest bid was received from Tri-City Paving of Little Falls (\$404,278.00) and the highest bid was received from Central Specialties of Alexandria (\$541,499.45). Approval of a resolution to accept the bids was requested. MOTION 05R-17-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE RESOLUTION 02-31 ACCEPTING BIDS. MOTION CARRIED WITH ALL AYES.
  - c. Resolution Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code – City Administrator Tom Swenson requested Council approval on a Resolution allowing the City to reimburse itself for expenses paid out of the General Fund for 2002 road project costs and/or the Sewer Project until such time as bonds are issued. MOTION 05R-18-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE RESOLUTION 02-32 ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE. MOTION CARRIED WITH ALL AYES.
  - d. Letter dated April 9, 2002 from Duane Blanck, Crow Wing County Engineer regarding County Road 140 Proposed Improvements – Public Works Director Ted Strand stated that clearing and grubbing will begin on the gravel portion of County Road 140 once the road restrictions are lifted. The road will be improved to bituminous surface.

- e. Cleanup of the Cemetery will take place May 17<sup>th</sup> through May 22<sup>nd</sup>. A notice will be published in the Lake Country Echo and notices will be posted at the Cemetery and at City Hall.
  - f. SEWER COMMITTEE – The minutes of the April 3, 2002 meeting were included for Council information. A letter dated May 9, 2002 from WSN included a summary of engineering fees billed for the sewer project and was included for Council information.
8. PERSONNEL COMMITTEE – Nothing
9. CHARTER SCHOOL – Councilmember Schultz reported that a new Board was elected and the members will be announced on May 14<sup>th</sup>. A musical will be held at the school prior to school letting out on May 30<sup>th</sup>. A field trip is planned to the train station in Duluth. The teacher for 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> grade students has resigned and a substitute teacher will fill in for the balance of the school year.
10. LONG RANGE PLANNING COMMISSION – The minutes of the February 27, 2002 meeting were included for Council information. The Commission will take a break during the time the Comprehensive Plan Meetings are being held.
11. RECYCLING – A total of 44.32 tons of recyclables was collected in April.

**G. OLD BUSINESS – None**

**H. NEW BUSINESS – None**

**I. PUBLIC FORUM – Nothing**

MOTION 05R-19-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO ADJOURN THIS REGULAR COUNCIL MEETING AT 8:52 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach  
Clerk/Treasurer

REGULAR COUNCIL MEETING – May 13, 2002

**ADDITIONAL BILLS FOR APPROVAL**  
**13-May-02**

VENDOR	DEPT	AMOUNT
Ace Hardware, hardware	P&R	6.04
Ace Hardware, tools	PW	26.61
Ace Hardware, batteries	PW	7.66
Alcopro, sensor and mouthpiece	Police	570.49
Anoka Hennepin Tech College, fire courses	Fire	1,105.00
Blue Lakes Disposal, trash removal	ALL	93.61
Complete Title, property report	PW	75.00
Crosslake Communications, phone, cable, internet	ALL	1,044.88
Crosslake Rolloff, recycling	Gov't	2,450.00
Crow Wing County Auditor, tif administration	Gov't	200.00
Crow Wing County Treasurer, e911 fees	Gov't	50.00
Culligan, water rental	Gov't	14.91
Culligan, water rental	PW	10.65
Dacotah Paper, mop, towels, can liners	P&R	156.18
Denny's Lakeshore Aggr., 18 yards black dirt	PW	268.38
Discount Stump Grinding, stump removal	P&R	162.95
Echo Publishing, public hearing 5-13-02	P&Z	27.00
Gammello Sandelin Qualley, legal services	ALL	7,437.89
GLS, adjustable batter tee	P&R	36.61
Holiday Station, fuel	Police	370.34
Light Depot, new bulbs and recycle bulbs	Gov't	69.10
Mastercard, Fleet Farm, fencing for trash container	Gov't	188.16
Mastercard, Home Depot, grass seed and pump house	P&R	383.28
Mastercard, Reed's Market, pizza for chief meeting	Police	44.67
Minnesota Telephone Assoc., safety program	Gov't	1,327.50
Moonlite Square, fuel	Police	316.75
Moonlite Square, food	Fire	8.68
MPCA, protecting water quality manual	P&Z	40.00
MSANI, canadian american drug conference	Police	35.00
MTI, sprockets and fan chain	PW	311.10
Northland Fire Protection, fire extinguishers	ALL	564.86
Office Shop, fax toner	Admin/P&Z	66.03
Reed's Market, soap	P&R	4.11
Samaritan Tire, tires	Police	527.56
Peter DuBois, refund community center rental	P&R	160.00
TEAM Laboratory, weed and brush control	PW	656.76
The Door Doctor, trolley opener	PW	490.09
Viking Industrial North, cones, vests and reflective tape	PW	575.33
Viking Office Products, binders	Police	41.35
Whitefish Automotive, oil change	Police	23.60
<b>TOTAL</b>		<b>19,948.13</b>

**ADDITIONAL BILLS FOR APPROVAL**  
**13-May-02**

<b>VENDOR</b>	<b>DEPT</b>	<b>AMOUNT</b>
Cahners, construction bulletin	Gov't	217.98
Crow Wing County Recorder, variances	P&Z	240.00
Ehlers, cotton wood 2002	Gov't	150.00
Fire Instruction Assoc of MN, instruction manual	Fire	93.72
Mathias C Justin LTD, city audit	Gov't	4,400.00
Municipal Clerks Assoc of MN, membership fees	Admin	35.00
Ziegler Cat, repair caterpillar	PW	631.02
<b>TOTAL</b>		<b>5,767.72</b>

RESOLUTION 02-29

WHEREAS, Certain parcels of land located in the City of Crosslake, Crow Wing County, Minnesota have been forfeited to the State for non-payment of taxes for the year(s) of 1954

WHEREAS, the City Council of Crosslake is familiar with the peculiar suitability or desirability for particular uses, of said parcels of land and

WHEREAS, M.S.A. 282.01 calls for the classification of said parcels as to Conservation or Non-Conservation;

NOW, THEREFORE, BE IT RESOLVED, that the classification of each of said pieces or parcels of land is hereby declared to be Non-Conservation or Conservation land as indicated on the attached list, subject to the approval by the County Board.

Charles Miller moved the adoption of the foregoing resolution, which was seconded by Sandy Eliason and upon vote the same was carried and so declared.

Mayor Darrell Swanson

Irene Schultz, Councilmember

Dean Swanson, Councilmember  
Board Members  
City of Crosslake

State of Minnesota )  
Crow Wing County )  
City of Crosslake )

I, DARLENE J ROACH the duly elected, qualified, and acting Clerk of the City of Crosslake Crow Wing County, Minnesota, hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City of Crosslake.

Darlene J Roach  
Clerk  
City of Crosslake

SEAL

Dated 5/13/02

CROW WING COUNTY  
LAND COMMISSIONER'S OFFICE  
COMPLEX WEST  
BRainerd, MN 56401

TO: Darlene Roach, City Clerk  
City Hall  
37028 County Rd 66  
Crosslake, MN 56442

DATE: April 25, 2002  
Part of RE Code: 120261303000009  
Zoned: \_\_\_\_\_  
Special Assessments: \_\_\_\_\_

NAME/ADDRESS: Crow Wing County Land Department  
301 Laurel St.  
Brainerd, MN 56401

Requests that the following lands: \_\_\_\_\_ Be offered for sale at the 2002 Land Sale.  
\_\_\_\_\_  Be considered for Land Exchange.  
\_\_\_\_\_  Be reclassified as Non-Conservation.  
\_\_\_\_\_ Be classified as \_\_\_\_\_

\*\*\*\*\*

THE CITY COUNCIL OF CROSSLAKE RECOMMENDS THIS PROPERTY BE CLASSIFIED AS:

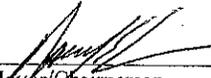
DESCRIPTION: Conservation \_\_\_\_\_ Non-Conservation

E 1/2 Gov't Lot 3, Sec. 26, Twp. 137, Rge. 27  
(19.22 acres +/-)

Block: Lot(s):

\*\*\*\*\*

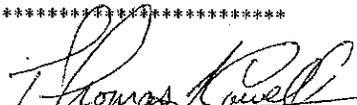
Office Use:	Judgement	Forfeited	Classified	Date
	1954	7/16/63		

\*  \_\_\_\_\_ \*  5/13/02  
\* Mayor/Chairperson \* Clerk Date

\*\*\*\*\*

RECOMMENDATION OF LAND DEPARTMENT:

Recommend this parcel be classified as Non-conservation, for purposes of Land Exchange.

  
Thomas J. Cowell  
Land Commissioner

Date: 04/25/02

\*\*\*\*\*

COUNTY BOARD OF COMMISSIONERS ACTION: Approved \_\_\_\_\_  
Denied \_\_\_\_\_  
Date \_\_\_\_\_

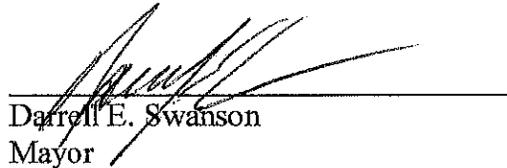
RESOLUTION NO. 02 -30  
CITY OF CROSSLAKE  
RESOLUTION FOR REESTABLISHING  
UNCHANGED PRECINCTS AND POLLING PLACES

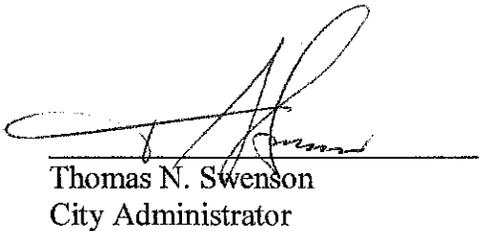
Be it resolved by the Crosslake City Council,

WHEREAS, the boundaries of the Crosslake Precinct, which consists of the territory of the City of Crosslake remain unchanged following State Legislative redistricting, the City of Crosslake hereby reestablishes this precinct with those boundaries as required by Minnesota Statute 204B.14, Subdivision (c).

WHEREAS, the polling place for the Crosslake Precinct remains at Crosslake City Hall, the Council for the City of Crosslake hereby reestablishes this location as the designated polling place for this precinct in accordance with Minnesota Statutes 204B.16.

ADOPTED, this 13th day of May, 2002.

  
\_\_\_\_\_  
Darrell E. Swanson  
Mayor

  
\_\_\_\_\_  
Thomas N. Swenson  
City Administrator

CITY OF CROSSLAKE  
RESOLUTION 02-31  
RESOLUTION ACCEPTING BIDS

WHEREAS, pursuant to an advertisement for bids for the improvement of:

- Wolf Trail from the intersection of C.S.A.H. No. 3 to the intersection of Pine Bay Road and Wolf Court from the intersection of Wolf Trail to the end of the road;
- Happy Cove Road from the intersection of Happy Landing Road to the end of the road and Happy Landing Road from the end of the bituminous surface (approximately the intersection of Happy Cove Road) north, approximately 475 feet;
- Bay Shores Road from the intersection of C.S.A.H. No. 3 to the end of the road;
- Woodland Drive from the intersection of Manhattan Point Boulevard to the intersection of Whitefish Avenue;
- Sandra Road from the intersection of C.S.A.H. No. 3 to the end of the road;
- Shafer Road from the end of the existing bituminous surface (approximately the southeast corner of Lot 5 Lile Acres) northwest, approximately 950 feet and ending at Johnson's Pine View, Block Two, Lot 6;
- Lake Trail from the intersection of Lake Street, west approximately 450 feet to the end of the road;
- Pine Point Road from the intersection of Daggett Pine Road to the end of the road;
- Willwood Lane from the intersection of County Road No. 103, south and southeast to the end of the road (approximately the north property line of Lot 3 Ferndale Plat)
- Happy Landing Road Overlay;
- Dream Island Road Repairs.

Bids were received, opened and tabulated according to the law, and the following base bids were received complying with the advertisement:

Anderson Brothers, Brainerd, MN	\$403,386.01
Tri-City Paving, Little Falls, MN	\$404,278.00
Central Specialties, Alexandria, MN	\$541,499.45

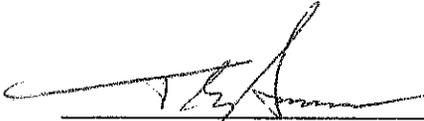
AND WHEREAS, it appears that Anderson Brothers is the lowest responsible bidder.

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

1. The Mayor and City Administrator are hereby authorized and directed to enter into a contract with Anderson Brothers in the name of the City of Crosslake for the improvement of the above listed roads according to the plans and specifications therefore approved by the City Council and on file in the office of the Clerk/Treasurer.

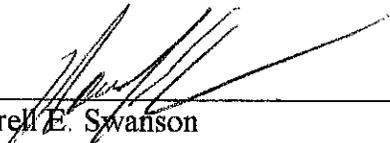
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

Adopted by the City Council this 13<sup>th</sup> day of May, 2002.



---

Thomas N. Swenson  
City Administrator



---

Darrell E. Swanson  
Mayor

RESOLUTION NO. 02-32

RESOLUTION ESTABLISHING PROCEDURES  
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND  
REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the City Council (the "Council") of the City of Crosslake, Minnesota (the "City"), as follows:

1. Recitals.

a. The Internal Revenue Service has issued Treasury Regulations, Section 1.1.50-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.

b. The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

c. The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

d. The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have not application to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Administrator to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees.

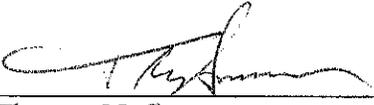
Each Declaration shall comply with the requirements of the regulations, including without limitation the following:

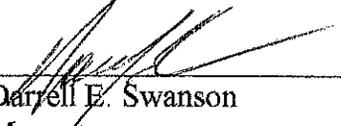
- a. Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A, which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.
- b. Each Declaration shall (1) contain a reasonable accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.
- c. Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City does not reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.
- d. The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City had made Declarations.

3.. Reimbursement Allocations. The designated City officials shall also be responsible for making the reimbursement allocations described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

3. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Adopted this 13<sup>th</sup> day of May 2002, by the Crosslake City Council.

  
\_\_\_\_\_  
Thomas N. Swenson  
City Administrator

  
\_\_\_\_\_  
Darrell E. Swanson  
Mayor

## EXHIBIT A

### Declaration of Official Intent

The undersigned, being the duly appointed and acting City Administrator of the City of Crosslake, Minnesota (the "City"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the City as follows:

1. The undersigned has been and is on the date hereof duly authorized by the Crosslake City Council to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City.
2. This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed:

SEE ATTACHED EXHIBIT A-1 (description of road projects)

3. The City reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Bonds") to be issued by the City after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$512,817 is the maximum principal amount of the Bonds, which will be issued to finance the Project.
4. Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.1502(d)(3) of the Regulations.
5. As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: May 13, 2002



City Administrator  
City of Crosslake, Minnesota

## EXHIBIT A-1

- Bay Shores Road from the intersection of C.S.A.H. No. 3 to the end of the road; (\$28,028)
- Sandra Road from the intersection of C.S.A.H. No. 3 to the end of the road; (\$15,566)
- Shafer Road from the end of the existing bituminous surface (approximately the southeast corner of Lot 5 Lile Acres) northwest, approximately 950 feet and ending at Johnson's Pine View, Block Two, Lot 6; (\$41,929)
- Wolf Trail from the intersection of C.S.A.H. No. 3 to the intersection of Pine Bay Road and Wolf Court from the intersection of Wolf Trail to the end of the road; (\$183,250)
- Willwood Lane from the intersection of County Road No. 103, south and southeast to the end of the road (approximately the north property line of Lot 3 Ferndale Plat); (\$79,700)
- Pine Point Road from the intersection of Daggett Pine Road to the end of the road; (\$13,902)
- Woodland Drive from the intersection of Manhattan Point Boulevard to the intersection of Whitefish Avenue; (\$22,050)
- Lake Trail from the intersection of Lake Street, west, approximately 450 feet to the end of the road; (\$15,916)
- Happy Cove Road from the intersection of Happy Landing Road to the end of the road and Happy Landing Road from the end of the bituminous surface (approximately the intersection of Happy Cove Road) north, approximately 475 feet; (\$44,094)
- Dream Island Road reconstruction from the bridge, north, approximately 265 feet; (\$25,782)
- Happy Landing Road reconstruction from the intersection of County Road 103 north to the intersection of Happy Cove Road; (\$42,600)

## EXHIBIT B

### Declaration of Official Intent

The undersigned, being the duly appointed and acting City Administrator of the City of Crosslake, Minnesota (the "City"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the City as follows:

1. The undersigned has been and is on the date hereof duly authorized by the Crosslake City Council to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City.
2. This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed: Proposed wastewater infrastructure improvements for revised Phase I Area as described in the Feasibility Study prepared by Widseth Smith Nolting and dated October 4, 1999 with revised cost estimates dated February 26, 2002.
3. The City reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Bonds") to be issued by the City after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$6,000,000 is the maximum principal amount of the Bonds, which will be issued to finance the project.
4. Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.1502(d)(3) of the Regulations.
5. As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: May 13, 2002



\_\_\_\_\_  
City Administrator  
City of Crosslake, Minnesota

EXHIBIT B-1

**CITY OF CROSSLAKE  
PUBLIC INFORMATIONAL MEETING  
UPDATE ON SANITARY SEWER STATUS**

FEBRUARY 26, 2002  
7:00 P.M. @ CROSSLAKE COMMUNITY CENTER

**PROJECT BUDGET COSTS**

Collection System	\$2,800,000
Wastewater Treatment Plant	\$1,700,000
Contingency	<u>\$500,000</u>
TOTAL for Construction Costs	\$5,000,000

Administrative/Legal/Bonding	\$220,000
Property/Easement Acquisition and Surveying	\$100,000
Engineering Design/Construction	\$575,000
Truckhoist/Generator/Supplies	<u>\$105,000</u>
	<u>\$1,000,000</u>
TOTAL Project Budget	\$6,000,000

## CERTIFICATION

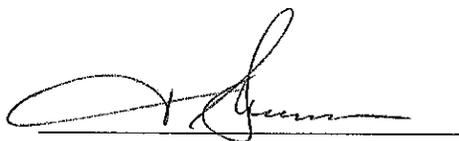
The undersigned, being the-duly qualified and acting City Administrator of the City of Crosslake, Minnesota, hereby certifies the following:

The foregoing is a true and correct copy of a Resolution on file and of official, publicly available record in the offices of the City, which Resolution relates to procedures of the City for compliance with certain IRS Regulations on reimbursement bonds. Said Resolution was duly adopted by the governing body of the City (the "Council") at a regular or special meeting of the Council held on May 13, 2002. Said meeting was duly called, regularly held, open to the public, and held at the place at which meetings of the Council are regularly held.

Councilmember Chuck Miller moved the adoption of the Resolution, which was seconded by Councilmember Dean Swanson. A vote being taken on the motion, the following members of the Council voted in favor of the motion to adopt the Resolution: 5 and the following voted against the same: 0

Whereupon said Resolution was declared duly passed and adopted. The Resolution is in full force and effect and no action has been taken by the Council which would in any way alter or amend the Resolution.

WITNESS MY HAND officially as the City Administrator of the City of Crosslake, Minnesota, this 13th day of May 2002.



Thomas N. Swenson  
City Administrator  
City of Crosslake, Minnesota