

May 27, 1975

This special joint session of the Crosslake City Council and the Watertown Telephone Commission was called to order at 2:30 P.M. at City Hall by Mayor Fogelberg. Present were Councilmen Olson, Andolshek, Foss, REA Representative John Baxter, City Attorney Vigoren, Clerk Perkins, Telephone Commission members Schalow, Fraser and Anderson.

Attorney Vigoren indicated that both law firms of Lefevere and Robert Johnson agree that the City is unable to mortgage its property to qualify for an REA Loan.

John Baxter presented a resolution which he recommended the Council adopt in order to initiate application to REA for some type of loan.

Councilwoman Andolshek moved, with second by Olson, that Attorney Vigoren contact Robert Johnson and retain him to represent the Watertown System in working with REA attorneys to establish the possible basis for an REA loan. Carried.

Councilman Foss moved for the adoption of the following resolution:

WHEREAS, the telephone system known as the Watertown Township Rural Telephone System and owned by the City of Crosslake is in need of substantial plant additions and improvements, and

WHEREAS, the Rural Electrification Act, as amended, has provision for loans to be made to public bodies to finance construction of telephone plant additions and improvements, and

WHEREAS, the City of Crosslake consisting of the Township of Watertown with a population of 894 as of the 1970 census appears to be an eligible public body under the RE Act, and

WHEREAS, legal counsel for the City has advised the Council that there is doubt that the Council has the authority to mortgage the city-owned telephone property as security for a loan and that other avenues as well should be pursued to find a suitable basis for the security requirements of an REA loan,

NOW THEREFORE, Be It Resolved, that the Council file an application with the Rural Electrification Administration for a loan in the approximate amount of \$1,250,000.00 to finance needed telephone plant additions and improvements, and

Be It Further Resolved, that our legal counsel be instructed to work with the REA and its legal counsel, the Office of General Counsel of the U.S. Department

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of Agriculture, and that the REA and Office of General Counsel be requested to work with our counsel to determine how the loan security requirement can be satisfied, and

Be It Further Resolved, that in the event no loan arrangement satisfactory to the Council can be worked out that the application for a loan be cancelled.

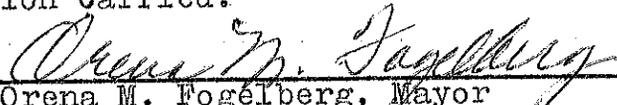
Councilwoman Andolshek seconded the above motion with the Council voting as follows:

Voting Aye: Fogelberg, Foss, Andolshek,
and Olson

Voting Nay: none

Absent: Peterson

Motion Carried.


Orena M. Fogelberg, Mayor

Attest:


Richard A. Perkins, City Clerk

Mr. Baxter indicated the Clerk should write a cover letter and enclose the following to make initial contact for the REA loan:

1. Two copies of the application
2. Copy of the Council Resolution
3. Copy of the Attorney's opinion

"cc Copies" to be sent to Andolshek, Baxter, Vigoren and Armfield.

Councilman Foss moved, with second by Andolshek, that the Mayor and Clerk be authorized to sign all necessary papers in making application for the loan. Carried.

Councilman Olson moved, with second by Andolshek, to adjourn. Motion Carried.


Richard A. Perkins, City Clerk