

COUNCIL PROCEEDINGS
CROSSLAKE MINNESOTA
SPECIAL COUNCIL SESSION
May 28, 1987 at City Hall
7:00 p.m.

The City Council of Crosslake Minnesota met in a special session on Thursday, May 28, 1987 at 7:00 p.m. in the Council Chambers of City Hall. The following members were present: Mayor Oliver Courts and Councilmembers Elizabeth Andolshek, Lyle Arends, Diana Gallaway and Oliver Yates. Others present included: Dale Dickey and Walt Denny from the Road Commission; Pat Hoag, City Road Supervisor; Anthony Mayer, Telephone Company General Manager, Dick Rhode from Rhode Realty; and Mr. and Mrs. Dave Lingwall, owners of the Unique Boutique building.

Mayor Courts called this special session to order at 7:00 p.m. and indicated there would be two items to discuss. One was a counteroffer from Mr. and Mrs. Lingwall for the purchase of the Unique Boutique and the other was the purchase of a road grader for the City.

Mayor Courts said he had received a counteroffer from Mr. and Mrs. Lingwall through their realtor, Dick Rhode. The counteroffer was for \$128,900.00 which is \$4,706.44 greater than the offer presented by the City.

Mr. Rhode explained that he had gone over the previous listing price with the Lingwalls and arrived at a bottom figure to list the building at. Mr. Rhode also said that when he lists property he tries to list it at a price for which it will sell.

Mr. Lingwall went on to explain that when the property was listed they did not include the furnishings which the City included in their addendum with the purchase price. Mr. Lingwall said he has between \$150,000 and \$160,000 in the building and land and would like to get enough out of it to cover his loan and taxes payable this year.

Mayor Courts indicated that Mr. Rhode had spoken to Don Coulter regarding the survey and the neighbors on the North regarding the easement which the City had requested and Mr. Rhode will have both of these items ready for the Council before the closing date.

Mayor Courts said he had spoken to the County Assessor's office and was informed that in order for the City to not pay real estate taxes next year, they would have to notify the assessor's office by October 1, 1987 to remove it from the real estate property roles.

Councilman Arends said he had heard that the building had cost \$70,000.00 when built. Mr. Lingwall responded that he had borrowed \$126,000.00 and that did not include the land and some of the interior work. Mr. Lingwall stated the assessed value is \$154,200.00

MOTION NO. 5S6-01-87 WAS MADE BY COUNCILMEMBER ARENDS AND SECONDED BY COUNCILMEMBER YATES TO TAKE UP THE COUNTEROFFER AS PRESENTED FOR THE PURCHASE OF THE UNIQUE BOUTIQUE AT THE REGULAR COUNCIL MEETING ON JUNE 8, 1987. MOTION PASSED UNANIMOUSLY.

The escrow money being placed in an interest bearing account was discussed and Mr. Rhode said a separate account would have to be opened. Since the dollar amount of the interest is minimal it was the consensus of the Council that a separate account would not be necessary.

ROAD GRADER PURCHASE - Mayor Courts stated that at the last special Council and Road Commission meeting the Council requested a feasibility study from the Road Commission and Street Supervisor Pat Hoag. Mayor Courts said he went out with Pat Hoag to inspect the roads and just what would need to be done. Mayor Courts said he felt that the Council should look more at purchasing the road grader and do some of the roads which were listed on the Engineer's plan and postpone the five year road plan. Pat Hoag said he would need to know how much money is to be spent on road improvements this year before any plans could be made. He said there was nothing put in his budget for road construction or resurfacing because of the proposed five year road plan. After a brief discussion MOTION NO. 5S6-02-87 WAS MADE BY COUNCILMEMBER ARENDS AND SECONDED BY COUNCILMEMBER YATES TO POSTPONE INDEFINATELY THE FIVE-YEAR ROAD PROGRAM. MOTION PASSED UNANIMOUSLY.

Discussion ensued regarding the purchase of the road grader from the Zigler Corporation and how would be the best way to pay for it. Because the electrical system of the machine was eliminated from the warranty, it was the consensus of the Council that it should be covered by the warranty also. MOTION NO. 5S6-03-87 WAS MADE BY COUNCILMEMBER ARENDS AND SECONDED BY COUNCILMEMBER YATES TO PURCHASE THE CATERPILLAR 120 G MOTOR GRADER WHICH WAS BID BY ZIGLER CORPORATION IF ZIGLER CORPORATION WILL INCLUDE THE ELECTRICAL SYSTEM ALONG WITH THE POWERTRAIN WARRANTY FOR THE PERIOD OF ONE YEAR. MOTION PASSED UNANIMOUSLY.

How to pay for the grader was then discussed. Mayor Courts had several different schedules for methods of payments from Zigler. Interest rate charged for the balance of the machine after the down payment is to be seven and one-half percent. If the City decides after using the machine for a couple of years that it does not pay to have it, the City will have the option of selling it or giving it back to Zigler. Zigler will send a man to train Pat Hoag how to run the grader at no additional cost. MOTION NO. 5S6-04-87 WAS MADE BY COUNCILMEMBER ARENDS AND SECONDED BY COUNCILMEMBER GALLAWAY TO PAY FOR THE GRADER WITH \$10,000.00 DOWN AND \$5,000.00 A YEAR INCLUDING THE INTEREST WITH A BALLOON AT THE END OF FIVE YEARS. MOTION PASSED UNANIMOUSLY.

Mayor Courts said that at the next regular council meeting on June 8, 1987 they hoped to have Don Engen available to go over last year's audit and tell us approximately how much we can spend on the roads.

Pat Hoag said Councilmember Arends had given him some costs on reinforcing the bridge deck on Dream Island Bridge. He explained that two beams matching the ones which are on the bridge at present will cost \$1,175.00. The two beams will be placed adjoining the existing beams and should add additional support and thereby adding to the weight restrictions. Pat will check with Duane Blanck to see if this will solve the weight

restriction problems on the bridge or what could be done that would help.

Pat Hoag showed the Council an item he had received from Walt Hermerding from the Corps of Engineers. It showed an easement across some property owned by the Corps to Brookwood Estates where there are numerous residents. The easement was formerly granted to Harley Lande but Mr. Hermerding indicated that the City should request the easement. MOTION NO. 5S6-05-87 WAS MADE BY COUNCILMEMBER ARENDS AND SECONDED BY COUNCILMEMBER ANDOLSHEK TO MAKE APPLICATION FOR THE EASEMENT FROM THE CORPS OF ENGINEERS FOR THE BROOKWOOD ESTATES AREA. MOTION PASSED UNANIMOUSLY.

Councilman Arends said he would like to have the Council make a motion to have Clerk Buchite write a letter to Pollution Control Agency requesting information regarding Marlowe Kingstedt's certification as a septic system inspector. Mr. Arends stated that part of the stipulation for Mr. Kingstedt's appointment as Planning and Zoning Coordinator was that he must be certified and Mr. Arends said he has reason to believe that Mr. Kingstedt is not certified. MOTION NO. 5S6-06-87 WAS MADE BY COUNCILMEMBER ARENDS AND SECONDED BY COUNCILMEMBER YATES TO HAVE CLERK BUCHITE WRITE A LETTER TO THE POLLUTION CONTROL AGENCY TO SEE IF MR. KINGSTEDT IS CERTIFIED AS A SEPTIC SYSTEM INSPECTOR. MOTION PASSED UNANIMOUSLY.

MOTION NO. 5S6-07-87 WAS MADE BY COUNCILMEMBER ARENDS AND SECONDED BY COUNCILMEMBER ANDOLSHEK TO ADJOURN THIS SPECIAL COUNCIL SESSION AT 8:11 P.M. MOTION PASSED UNANIMOUSLY.

Recorded and transcribed by:

Arlene A. Buchite

Arlene A. Buchite
City Clerk/Treasurer