

JOINT SPECIAL COUNCIL/ECONOMIC DEVELOPMENT AUTHORITY MEETING  
CITY OF CROSSLAKE  
TUESDAY, MAY 29, 2007  
9:00 A.M. – CITY HALL

The Council for the City of Crosslake along with the Economic Development Authority met in the Council Chambers of City Hall on Tuesday, May 29, 2007. The following Councilmembers were present: Mayor Jay Andolshek, Rusty Taubert, Irene Schultz and Dean Swanson. Also present were EDA Members Gil Arvig and Dick Phillips, Dean Swanson and Irene Schultz, City Administrator Tom Swenson, City Clerk/Treasurer Darlene Roach, Community Development Director Ken Anderson, Public Works Director Ted Strand, General Manager Paul Hoge, Elissa Rogers of BLADC, Greg Breen of Northern National Bank, and Rick Born. Steve Roe was absent from the meeting.

Mayor Andolshek called the Special Meeting to order at 9:00 A.M. Tom Swenson stated that Steve Enck of 35827 West Shore Drive previously discussed the need to build a privacy barrier to separate the bike path from his property. Pictures showing the closeness of the path to his cabin were included in the packet. At a Special Council Meeting of May 30, 2006, a motion was made to erect a privacy buffer made from natural vegetation on this property. The City has elevated the burm and planted 8 trees. Tom Swenson met with Chuck Butcher who is contracted to do the work for Enck and he suggested erecting a 6 foot high lattice fence in 8 foot long sections. Ted Strand and Tom Swenson met with Mr. Butcher on site and believe the fence proposal is a good solution. Planning and Zoning, however, requires a fence be constructed ten feet from any road right-of-way. These conditions cannot be met. Jay Andolshek asked who would be responsible for maintenance. Tom Swenson replied that the property owner would maintain the fence. Dean Swanson asked what would happen when the trees get bigger. Tom Swenson replied that they will have to trim the trees back to keep them off the bike path and that the City may need to replant the trees if they get too big or if they do not survive. MOTION 05S2-01-07 WAS MADE BY IRENE SCHULTZ AND SECONDED BY JAY ANDOLSHEK TO APPROVE THE ERECTION OF 4-SECTIONS OF LATTICE FENCING NOT TO EXCEED 80 INCHES IN HEIGHT AT 35827 WEST SHORE DRIVE CLOSER THAN 10 FEET FROM THE ROAD RIGHT-OF-WAY. MOTION CARRIED WITH ALL AYES.

MOTION 05S2-02-07 WAS MADE BY DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO APPROVE THE BILLS FOR APPROVAL AS SUBMITTED IN THE AMOUNT OF \$22,170.48. Dean Swanson questioned why the Council would approve the purchase of chairs for the library. Clerk/Treasurer Roach replied that even though the money used to pay for the chairs came from a donation, the Council is still required to approve the purchase. MOTION CARRIED WITH ALL AYES.

Elissa Rogers of BLADC handed out to the Council a copy of the original agreement between the City of Crosslake and Manhattan Beach Lodge for review. Ms. Rogers stated that the Manhattan Beach Lodge property was sold and that the new owners would like to address the EDA and the City Council to request that the existing Revolving Loan

Fund with the City be assumed by the new owners. Tom Swenson noted that the current balance on the loan is approximately \$83,000 and that it has a 10-year balloon.

EDA Chairman Gil Arvig called the Economic Development Authority to order at 9:10 A.M. Dick Phillips asked if it was legal for the City of Crosslake to loan money for property not located within the City limits. Tom Swenson replied that the Revolving Loan Fund requires that the borrower be located within the telephone and cable service area, not within the City limits. Tom Swenson added that the City Attorney has reviewed the loan and everything is in order. Greg Breen of Northern National Bank addressed the Council and EDA and stated that new owner, Rick Born, would assume all of the debt on the property and that everything is approved with the bank and SBA. The City would remain in a 4<sup>th</sup> position. Rick Born was present to answer any questions. Dean Swanson asked if it would be run in the same manner. Rick Born replied that the operation would remain the same, however, improvements were being made. Irene Schultz noted that the payments were up to date. Paul Hoge noted an error on page 1 of the Amended and Restated Business Subsidy Agreement of a period which should be a comma in regards to the principal amount of the loan. Tom Swenson would correct this. Dean Swanson asked if the balance of the loan should be noted in the agreement. Greg Breen stated that this is a standard agreement and that the balance did not need to be included. Tom Swenson noted that the balance would be due in approximately 5 years when the balloon is due. A MOTION WAS MADE BY DEAN SWANSON, SECONDED BY DICK PHILLIPS TO RECOMMEND TO THE CITY COUNCIL APPROVAL OF THE AMENDED AND RESTATED BUSINESS SUBSIDY AGREEMENT. AYES: ALL.

MOTION 05S2-03-07 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DEAN SWANSON TO ACCEPT THE EDA RECOMMENDATION TO APPROVE THE AMENDED AND RESTATED BUSINESS SUBSIDY AGREEMENT BETWEEN THE CITY OF CROSSLAKE AND MANHATTAN BEACH LODGE AND TO APPROVE THE EXECUTION OF THE AGREEMENTS BY THE CITY. Clerk/Treasurer Roach noted that the subsidy has been met by the previous owners. Dick Phillips asked who is responsible for the attorney fees to draft the agreement. Tom Swenson stated that the EDA will pay for the attorney fees associated with the amended agreement. Dick Phillips stated that this was not right and that the EDA and Council should consider changing that for future agreements. MOTION CARRIED WITH ALL AYES.

A MOTION WAS MADE BY DICK PHILLIPS AND SECONDED BY IRENE SCHULTZ TO ADJOURN THE EDA MEETING AT 9:25 A.M. AYES: ALL.

There being no further business, MOTION 05S2-04-07 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY IRENE SCHULTZ TO ADJOURN THE SPECIAL MEETING AT 9:25 A.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted by,

A handwritten signature in cursive script that reads "Charlene E. Nelson". The signature is written in black ink and is positioned above the printed name and title.

Charlene E. Nelson  
Deputy Clerk

Deputy Clerk/Minutes/5-29-07

**BILLS FOR APPROVAL**  
**29-May-07**

VENDORS	DEPT		AMOUNT
AAA Rental, track loader	PW		408.42
AAA Rental, track loader	PW		263.05
Abra True Value, cedar	P&R		217.77
Abra True Value, sprinklers	P&R		84.92
Abra True Value, sprinkler	P&R		15.96
Ace Hardware, batteries	Sewer		14.89
Ace Hardware, spray paint, batteries	PW		30.10
Ace Hardware, hose	P&R		14.90
Ace Hardware, manifold 4 way shut off	P&R		21.29
Ace Hardware, weedblock fabric	P&R		58.56
Ace Hardware, fuses	Fire		5.09
Ace Hardware, measuring tape	PW		25.55
Anderson Brothers, crackfilling	PW		7,283.00
AW Research, water test	Sewer		118.80
Career Clothes, uniform	Police		12.57
Fire Instruction and Rescue, asbestos inspection	Fire		350.00
Galls, fire and rescue 3 x	Fire		187.98
Greg Larson Sports, batter tee	P&R		21.94
Greg Larson Sports, grip, strap	P&R		48.63
Hawkins, ferric chloride	Sewer		377.79
Hawkins, tube assembly	Sewer		62.15
Houston Ford, oil change	Police		26.41
Houston Ford, oil change	Police		28.28
Marco, contract base rate change	P&R		120.08
Martin Communications, repair radio	Police		244.51
Mastercard, Amazon.com, magazines, books	Library	pd 5-22	130.72
Mastercard, Holiday Inn, travel expenses	PW		182.43
Mastercard, McCarthy Signs, poly signs	P&R		243.28
Mastercard, Onsite Sewage Treatment Program, training	P&Z		1,185.00
Mastercard, Timberlodge, travel expense	PW		37.04
Mastercard, travel expenses	Police		82.64
Mastercard, Wausau Awards, plaque	Library		879.75
Michelle Landowski, reimburse baseball registration	P&R		30.00
Mike Amsden, reimburse mileage and travel expenses	PW		188.13
Mike Amsden, reimburse for safety toe boots	PW		89.99
MN Department of Agriculture, applicator course	P&R		75.00
MCS Janitorial, office cleaning	Gov't		772.13
Naomi Stamm, refund baseball registration	P&R		25.00
North Central Lawn Care, clean valves, pull out screens	P&R		58.58
North Country Plumbing, install pipings and fittings	P&R		4,625.00
Northland Fire Protection, inspect extinguisher	PW		13.85
Northwood Turf and Power, v-belt	PW		52.42
Northwood Turf and Power, v-belt	PW		45.48
Office Max, toner	Admin		184.03
Office Max, ink, clipboards, paper, files, diskettes	P&R/Library		249.44

