

PUBLIC HEARING AND REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, JUNE 8, 1998  
6:30 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, June 8, 1998. The following Councilmembers were present: Mayor Robert Scott, Donna Keiffer, Charles Miller, Raymond Smyth and Richard Upton. Also present was City Administrator Thomas Swenson, City Attorney Paul Sandelin, Deputy Clerk Darlene Roach and Reporter Tom Waller. Present for the Public Hearing were Scott and Doreen Gallaway, Tony Maucieri and Mr. and Mrs. Mudek.

Mayor Scott called the Public Hearing to order at 6:35 P.M. to review possible adjustments to the On Sale Liquor License fees.

City Administrator Swenson commented that the City Council set the date and time for a public hearing to discuss a possible increase in the fee for an On Sale Liquor License from \$1000 to \$1500 effective August 1, 1998 and a second increase from \$1500 to \$2000 effective August 1, 2000. It was noted that no increase has been made since 1972.

The meeting was opened to those in attendance to express their comments.

Scott Gallaway asked what the City was trying to accomplish by raising the fee. He felt it was a burden to a select few and could be conceived as a sin tax. He stated that currently Crosslake is the third lowest in comparison, however, raising the fee \$500 would put Crosslake as the seventh highest. He felt to raise the fee just because it hasn't been raised isn't pertinent. He wondered if this increase would lower the tax burden for others and he indicated that he didn't think it would.

Tony Maucieri commented that Mr. Gallaway had said it all.

Mr. Mudek asked if there has been an increase in control and whether the liquor establishments are using the Police Department more. He stated that all of the bars, more or less, police themselves. He wondered if the County had indicated to the City that they were not being charged enough. He stated that he hasn't called the cops more than five times in twenty years. He commented on the grants the City has received for police officer salaries.

City Attorney Sandelin read from the State Statute governing fees which states that the license fees are to be used for issuing licenses, inspections and for the cost of enforcement. He stated that a reasonable starting point for the fee is what other communities are charging.

Councilmember Miller stated that salaries for City employees who are involved in administering the licenses and involved in enforcing the law have risen since 1972 and the City would be remiss in not raising the fee.

Councilmember Smyth agreed that it was logical that City employees salaries have increased since 1972 and supported an increase from \$1000 to \$1500, however, would not support a second increase due to not having been given actual costs to support the increase. Councilmember Keiffer agreed, however, City Administrator Swenson questioned how you quantify costs.

No further input was received from the public.

MOTION PH61-01-98 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO CLOSE THE PUBLIC HEARING AT 7:05 P.M. MOTION CARRIED UNANIMOUSLY.

Mayor Scott called the regular meeting to order at 7:07 P.M. The Mayor presented Armond Gease with a certificate of appreciation and a key to the City for volunteering his time to videotape City Council meetings.

**CRITICAL ISSUES - None**

CONSENT CALENDAR - MOTION 06R-01-98 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO APPROVE THE CONSENT CALENDAR CONSISTING OF: (1) MINUTES OF MAY 11, 1998 REGULAR COUNCIL MEETING; (2) MINUTES OF MAY 14, 1998 BOARD OF REVIEW MEETING; (3) TELEPHONE COMPANY FINANCIAL REPORT - APRIL, 1998; (4) CABLE COMPANY FINANCIAL REPORT - APRIL, 1998; (5) CITY MONTH END EXPENDITURE REPORT - APRIL, 1998; AND (6) CITY MONTH END REVENUE REPORT - APRIL, 1998. MOTION CARRIED UNANIMOUSLY.

**MAYOR'S REPORT -** Mayor Scott issued a Proclamation announcing Sunday, June 14, 1998 as Joe Hauser Day in Crosslake. Everyone was encouraged to visit the Crosslake Historical Society Museum on this date in honor of Joe Hauser.

**CITY ADMINISTRATOR REPORT -**

1. Payment of Bills - None

2. Possible Adjustments to On-Sale Liquor Licenses - MOTION 06R-02-98 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO APPROVE AN INCREASE TO \$1500 FOR ON SALE LIQUOR LICENSES EFFECTIVE AUGUST 1, 1998. MOTION CARRIED UNANIMOUSLY.

3. Renewal of existing liquor licenses - MOTION 06R-03-98 WAS MADE BY CHUCK MILLER AND SECONDED BY DONNA KEIFFER TO APPROVE RESOLUTION 98-17 RENEWING EXISTING LIQUOR LICENSE ESTABLISHMENTS FOR 1998-1999 CONTINGENT ON APPROVAL BY THE STATE LIQUOR CONTROL BOARD. MOTION CARRIED UNANIMOUSLY.
4. Memo regarding Certification of Local Performance Measures for Local Performance Aid payable in 1999 – MOTION 06R-04-98 WAS MADE BY RICHARD UPTON AND SECONDED BY RAY SMYTH TO APPROVE CERTIFICATION OF LOCAL PERFORMANCE MEASURES AS AMENDED BY THE CITY ADMINISTRATOR TO CHANGE DEPARTMENTS TO PROGRAMS. MOTION CARRIED UNANIMOUSLY.
5. Memo from MN Association of Small Cities – Anyone interested in attending the MAOSC Annual Conference in Detroit Lakes on August 13<sup>th</sup> and 14<sup>th</sup> should contact City Hall.
6. – 10. The following correspondence was presented for Council information:
  - 5/29/98 Memo from BLADC regarding Two Month Project Activity Report.
  - 4/30/98 Letter from Northern National Bank regarding Pledge Update Information.
  - 4/02/98 Minutes of the Crosslake Area Chamber of Commerce meeting.
  - 5/20/98 Memo from Lorraine Gaulke regarding Crosslake Area Chamber of Commerce.
  - 4/98 Memo from Rod Nelson regarding Rush Lake Association of the Whitefish Chain.
11. Revised TIF Policy for City of Crosslake – A revised TIF policy included Section 2.02 and Section 2.03 under Statutory Limitations as well as other revisions based on Council input was reviewed by the Council. MOTION 06R-05-98 WAS MADE BY RICHARD UPTON AND SECONDED BY CHUCK MILLER TO APPROVE THE TAX INCREMENT FINANCING POLICY AS PRESENTED. MOTION CARRIED UNANIMOUSLY.
12. May 26, 1998 Public Notice from U.S. Army Corps of Engineers regarding proposed improvements/alterations to the Dam and various dikes in Crosslake – City Administrator Swenson commented that he has received several calls regarding the public notice that was sent to residents by the Corps of Engineers.

MOTION 06R-06-98 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO REQUEST THE CORPS OF ENGINEERS HOLD A PUBLIC INFORMATIONAL MEETING REGARDING PROPOSED IMPROVEMENTS/ALTERATIONS TO THE DAM AND DIKES. MOTION CARRIED UNANIMOUSLY. City Administrator Swenson will notify the Corp of Engineers regarding a request for a public informational meeting.

13. May 1998 Ehlers Advisory was included for Council information.
14. Recommendation on hiring Public Works Staff – MOTION 06R-07-98 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO APPROVE HIRING CHARLES LARSON TO THE PUBLIC WORKS STAFF AT STEP 1 CONTINGENT ON SATISFACTORY RESULTS OF A DRUG AND ALCOHOL TEST. MOTION CARRIED UNANIMOUSLY. City Attorney Paul Sandelin suggested amending the City Policy to include drug and alcohol testing. MOTION 06R-08-98 WAS MADE BY CHUCK MILLER AND SECONDED BY DONNA KEIFFER TO ADOPT A POLICY TO ALLOW DRUG AND ALCOHOL TESTING FOR NEW EMPLOYEES. MOTION CARRIED UNANIMOUSLY.

#### COMMISSION REPORTS –

1. PLANNING AND ZONING - The presentation of the aesthetic award was tabled until the July meeting when the recipient can be present.

City Engineer Mark Hallan commented that he has met with County Engineer Duane Blanck and Teri Hastings regarding the cutouts on County Road #66 in the area where the new Holiday/Mermaid Bait is proposed. He will forward the results of the meeting to the owners.

A letter dated May 8, 1998 from City Engineer Mark Hallan included an Engineering Agreement that the City will need to enter into for funding applications with USDA Rural Development. City Attorney Sandelin has reviewed the Engineering Agreement and informed the Council that action on the agreement can be taken prior to the Public Hearing scheduled for June 13, 1998. The City Administrator will contact the City's insurance agent regarding limits of liability as required in Exhibit G. There was some discussion among the Council regarding whether signing the Agreement obligates the City to Widseth Smith Nolting as the engineering firm. Mr. Hallan stated that it does. Councilmember Smyth suggested that the City request proposals for engineering, legal and auditing services for review prior to year end. Mr. Hallan stated that Rural Development will look at the engineering contract amount and request that the City obtain other quotes if the amounts are out of line. It was noted that \$26,250 in engineering fees has been spent since 1996 on the wastewater system.

MOTION 06R-09-98 WAS MADE BY RICHARD UPTON AND SECONDED BY CHUCK MILLER TO AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR TO SIGN THE AGREEMENTS FOR PROFESSIONAL SERVICES SUBJECT TO APPROVAL BY RURAL DEVELOPMENT AND THE INSURANCE AGENT AND SUBJECT TO ANY ACTIONS AT THE PUBLIC HEARING. MOTION CARRIED UNANIMOUSLY. A letter from the Minnesota Historical Society dated May 14, 1998 stated that a survey of the area may be required to determine if archaeological properties are present in the project area. Mark Hallan stated that once the City has an agreement, an archaeological firm is hired to check for artifacts. The City will be notified when this is an issue.

A May 19, 1998 letter from the Minnesota Pollution Control Agency included a listing of potential loan recipients for wastewater systems. Mark Hallan will notify the MPCA once the facilities plan for Crosslake is approved. Approval of this plan will change where the City is ranked as a potential loan recipient.

Mark Hallan stated that a meeting will be held shortly to discuss a water plan.

2. LONG RANGE CAPITAL PLANNING - Nothing

3. PARK AND RECREATION -

MOTION 06R-10-98 WAS MADE BY RAY SMYTH AND SECONDED BY CHUCK MILLER TO APPROVE RESOLUTION 98-18 TO CONTRACT WITH DONNA KEIFFER TO INSTRUCT MORNING AEROBICS FROM JUNE 15, 1998 TO JULY 30, 1998 IN THE AMOUNT OF \$400. MOTION CARRIED WITH DONNA KEIFFER ABSTAINING.

MOTION 06R-11-98 WAS MADE BY RAY SMYTH AND SECONDED BY DONNA KEIFFER TO APPROVE THE HIRING OF JOHN DERKSEN AT \$8.50 PER HOUR AND MATTHEW JORGENS AT \$7.00 PER HOUR AS BASEBALL COACHES. MOTION CARRIED UNANIMOUSLY.

MOTION 06R-12-98 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO ACCEPT WITH APPRECIATION TWO FLAGS FROM AMERICAN LEGION POST #500 AND THE AMERICAN LEGION POST AUXILIARY. MOTION CARRIED UNANIMOUSLY.

The Park and Recreation Department recommended the hiring of a summer assistant. MOTION 06R-13-98 WAS MADE BY RAY SMYTH AND SECONDED BY DONNA KEIFFER TO APPROVE THE HIRING OF TARA OSELAND AS SUMMER PARK PROGRAM ASSISTANT AT \$7.00 PER HOUR. MOTION CARRIED UNANIMOUSLY.

Councilmember Smyth read Resolution 98-16 commending Rob Larson on his past two years of service as Crosslake Park and Recreation Director. Rob will be resuming his former position at Camp Knutson. Rob Larson accepted the congratulations and thanked everyone for their support. MOTION 06R-14-98 WAS MADE BY RAY SMYTH AND SECONDED BY CHUCK MILLER TO APPROVE THE ADOPTION OF RESOLUTION 98-16. MOTION CARRIED UNANIMOUSLY. Brooklyn Park Retired Park and Recreation Director Dennis Palm will serve as interim director until a replacement is found.

4. PUBLIC WORKS –

Chairman Dean Swanson commented that eight firms picked up bid specifications for Wilderness Park Road. Councilmember Miller stated that all letters received regarding equivalent lot sizes will be handled when assessments are done.

5. PUBLIC SAFETY –

Councilmember Keiffer read the proposed addition to the Ordinance relating to the discharge of firearms within the City which was approved by the Commission. A public hearing will be held to allow comments from the public. MOTION 06R-15-98 WAS MADE BY RICHARD UPTON AND SECONDED BY CHUCK MILLER TO AUTHORIZE THE PUBLIC SAFETY COMMISSION TO HOLD A PUBLIC HEARING REGARDING THE PROPOSED ADDITION TO THE ORDINANCE RELATING TO THE DISCHARGE OF FIREARMS ON A DATE TO BE STIPULATED AT THE DISCRETION OF THE COMMISSION. MOTION CARRIED UNANIMOUSLY.

The Police Department reported 151 incidents in Crosslake and 17 in Mission Township in May.

A donation of \$3500 was received from the Crosslake Ideal Lions Club for one heart start defibrillator for one of the police cars. MOTION 06R-16-98 WAS MADE BY DONNA KEIFFER AND SECONDED BY CHUCK MILLER TO ACCEPT WITH APPRECIATION \$3500 FROM THE CROSSLAKE-IDEAL LIONS CLUB FOR A DEFIBRILLATOR. MOTION CARRIED UNANIMOUSLY.

A letter dated May 20, 1998 from Pat Eyestone, Secretary of the E-911 Committee stated that an E911 Committee Meeting has been scheduled for Tuesday, June 9, 1998.

6. UTILITIES -

General Manager Kevin Larson presented highlights for May for the Telephone and Cable Companies. He stated that specifications for the building expansion and PUBLIC remodeling have been published in three newspapers and a walk through with six firms in attendance had been conducted earlier in the day. He stated that the quality/operations manager, Stan Sheppard is working out very well and is providing daily and weekly reports of work activities. Voicemail is experiencing rapid growth with over 70 customers signed up. Attorney Sandelin and Kevin Larson reviewed the agreement with Consolidated Telephone Company for voicemail service and Council approval was recommended. MOTION 06R-17-98 WAS MADE BY RICHARD UPTON AND SECONDED BY CHUCK MILLER AUTHORIZING THE SIGNING OF THE VOICEMAIL AGREEMENT WITH CONSOLIDATED TELEPHONE COMPANY. MOTION CARRIED UNANIMOUSLY.

The annual cable survey was conducted with over 550 returned surveys. The Utilities Commission will hold their annual strategic planning meeting at 7:30 A.M. on June 16, 1998. An amortization schedule has been implemented for the Cable TV debt owed to the Telephone Company. This will assist in monitoring and managing internal cash flow to lower the debt along with providing additional cash for the Telephone Company's five year rebuilding program. Uninterrupted Power Supply surge protection equipment, travel calling cards, pre-paid calling cards and 800 numbers are available at the Telephone Company. Debby Floerchinger recently completed a twelve week Dale Carnegie course and was awarded the highest award for achievement out of 25 students. Kevin stated that staffing will be discussed at the June 11<sup>th</sup> meeting due to all the additional services being provided at the Utilities Company.

Several documents received from Joseph Folsom at USDA Rural Development in regards to the Economic Development Grant require approval by the City. City Attorney Paul Sandelin reviewed the documents and recommended Council approval on the Letter of Agreement which is due June 30<sup>th</sup>. The City has until July 30<sup>th</sup> to comply with all of the terms and conditions outlined in the Letter of Agreement from USDA Rural Development. MOTION 06R-18-98 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO AUTHORIZE THE MAYOR AND CITY ADMINISTATOR SIGNING THE LETTER OF AGREEMENT. MOTION CARRIED UNANIMOUSLY. The City Attorney will follow through on the required items and documents needed for the grant funds. There was some concern regarding LAMDA's needing funds prior to the July 30<sup>th</sup> date. The City Attorney will check with Don Engen regarding his need to satisfy pay requests from contractors.

Kevin Larson reported that the grant application to the Central Minnesota Initiative Fund for a labor pool study was denied.

7. PERSONNEL – Nothing
8. LIBRARY COMMITTEE - Sandy Eliason was elected Chair of the Committee at a recent meeting. The Committee is researching possible funding sources and locations. The next meeting will be held on June 15<sup>th</sup> at City Hall. The committee will be meeting with Marlys O'Brien, Director of Kitchigami Regional Library System.
9. RECYCLING - A total of 21,820 pounds were recycled in May for a year to date total of 91,000 pounds or 45.50 tons.
10. ECONOMIC DEVELOPMENT AUTHORITY – Nothing
11. OLD BUSINESS – Nothing
12. NEW BUSINESS - Councilmember Miller commented that City Administrator Swenson has been “under the gun” to an extreme degree over the past few months and in recognizing his abilities recommended that he be removed from probationary status. MOTION 6R-19-98 WAS MADE BY CHUCK MILLER AND SECONDED BY DONNA KEIFFER TO REMOVE CITY ADMINISTRATOR THOMAS SWENSON FROM PROBATION. MOTION CARRIED UNANIMOUSLY.

Councilmember Smyth reiterated that he would like to see, in a timely manner, proposals from engineering and legal firms. The auditing firm was renewed in 1998 for a three year period. MOTION 06R-20-98 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO INSTRUCT THE CITY ADMINISTRATOR TO SEND OUT NOTICES SEEKING PROPOSALS FOR THESE VARIOUS SERVICES EFFECTIVE JANUARY 1, 1999. MOTION CARRIED UNANIMOUSLY.

13. PUBLIC FORUM – Nothing

MOTION 06R-21-98 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO ADJOURN THIS REGULAR MEETING AT 8:50 P.M. MOTION CARRIED UNANIMOUSLY.

Taped and transcribed by:



Darlene J. Roach  
Deputy Clerk

**RESOLUTION NO. 98-16**

**WHEREAS**, Rob Larson has for more than two years served faithfully and effectively as the Park and Recreation Director for the City of Crosslake, and;

**WHEREAS**, Rob Larson has exercised superb leadership in organizing and staffing the Park and Recreation Department, and;

**WHEREAS**, Rob Larson has developed and expanded recreational activities in many areas for the citizens of Crosslake, and;

**WHEREAS**, Rob Larson has made creative and effective use of the new Crosslake Community Center building, and;

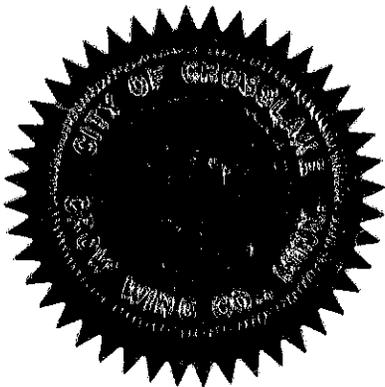
**WHEREAS**, Rob Larson has provided effective leadership in the development, improvement and expansion of such outdoor facilities as the new baseball field, the Crosslake/Ideal Lions Picnic shelter, the re-surfaced tennis courts, etc, and;

**WHEREAS**, Rob Larson has worked cooperatively with the Mayor and City Council, with the City Administrator and other staff members, with the Park and Recreation Commission, with community service organizations, and with the residents of Crosslake who have utilized the services and facilities of the Crosslake Park and Recreation Department;

**THEREFORE, BE IT RESOLVED THAT:**

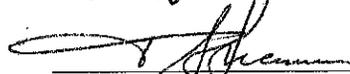
Rob Larson be commended and congratulated by the Mayor and the City Council of Crosslake and extended best wishes for continued success as he returns to his former position as Director of Camp Knutson.

Resolution approved this 8<sup>th</sup> day of June, 1998, by the Crosslake City Council.



  
\_\_\_\_\_  
Bob Scott, Mayor

  
\_\_\_\_\_  
Ray Smyth, City Council Liaison

  
\_\_\_\_\_  
Thomas Swenson, City Administrator

**RESOLUTION 98-17**  
**TO ADOPT FOR RENEWAL EXISTING LIQUOR LICENSE**  
**ESTABLISHMENTS FOR 1998 – 1999**

WHEREAS, the City of Crosslake does hereby resolve to adopt the Liquor License Renewals of establishments licensed in 1997-1998 for the licensing year 1998 – 1999:

ON-SALE (INTOXICATING) \$1000.00

Echo Ridge Supper Club  
Gallaway's Restaurant & Pub  
Riverside Inn  
Andy's Restaurant/Liquors  
Ye Old Wharf  
Moonlight Bay

OFF-SALE (INTOXICATING) \$100.00

Channel Liquors  
Gallaway's Restaurant & Pub  
Riverside Inn  
Andy's Restaurant/Liquors

SUNDAY (INTOXICATING) \$200.00

Echo Ridge Supper Club  
Gallaway's Restaurant & Pub  
Riverside Inn  
Andy's Restaurant/Liquors  
Ye Old Wharf  
Moonlight Bay

STRONG BEER ON-SALE \$75.00

Zorbaz

WINE LICENSE - \$100.00

Ox Lake Tavern  
Zorbaz

CLUB

American Legion On-Sale \$300.00  
American Legion Sunday \$200.00

ON-SALE (NON-INTOX.) \$75.00

Ox Lake Tavern

OFF-SALE (NON-INTOX.) \$25.00

Ox Lake Tavern  
Bait Box Marina, Inc.  
Reed's Country Market  
Video Plus

SET-UP LICENSE \$50.00

Ox Lake Tavern

CONSUMPTION & DISPLAY

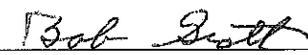
Ox Lake Tavern

BE IT RESOLVED, that the City Council for the City of Crosslake, Minnesota go on record as renewing the above establishments for liquor/beer licensing for the period of July 1, 1998 – June 30, 1999, at the Council Session on the 8<sup>th</sup> day of June, 1998, after all licensing requirements are met, Police Department background checks completed and approval by the Liquor Control Commission.

COUNCIL IN FAVOR 5

  
Thomas N. Swenson  
City Administrator

COUNCIL AGAINST 0

  
Bob Scott  
Mayor

**CITY OF CROSSLAKE**

**RESOLUTION NO. 98-18**

**WHEREAS**, the City of Crosslake desires to enter into a contract with Donna Keiffer to provide aerobics instruction three times per week for a seven week period at a cost of \$400.

**WHEREAS**, the City Council of the City of Crosslake had determined that the contract price is as low as or lower than the price at which the aerobics instruction services could be obtained elsewhere.

**BE IT RESOLVED** by the City Council of the City of Crosslake, that the City agrees to contract with Donna Keiffer to provide aerobics instruction three times per week for a seven week period (June 15<sup>th</sup> - July 30<sup>th</sup>) at a cost of \$400.

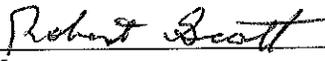
Raymond Smyth moved for the adoption of the foregoing resolution. Said resolution was duly seconded by Chuck Miller and after full discussion thereof, and upon a vote being taken thereon, the following voted in favor thereof:

Raymond Smyth  
Chuck Miller  
Bob Scott  
Richard Upton

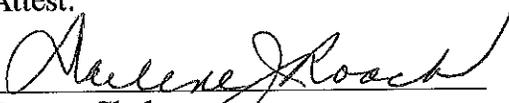
and the following abstained from the vote:

Donna Keiffer

WHEREUPON said resolution was declared to be passed and adopted by the City Council this 8<sup>th</sup> day of June, 1998.

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
Deputy Clerk

**AFFIDAVIT**

STATE OF MINNESOTA )  
 )ss.  
COUNTY OF CROW WING )

The undersigned, Donna Keiffer, being first duly sworn upon oath state as follows:

1. My name is Donna Keiffer, and
2. I am a City Council Member for the City of Crosslake, and
3. I would like to provide instruction for morning aerobics classes for the Parks & Recreation Department of the City of Crosslake. There are to be three sessions per week for a seven-week period, resulting in 21 sessions, and
4. The price for the services is \$400, and
5. The reasonable value of these services is \$400, and
6. That to the best of my knowledge and belief, the contract price is as low as, or lower than, the price at which the aerobics instruction could be obtained from other sources.

Further affiant sayeth naught, save that this Affidavit is made for the purposes of identification of a fair and reasonable fee for aerobic instruction.

*Donna Keiffer*  
\_\_\_\_\_  
Donna Keiffer

Subscribed and sworn to before me  
this 8<sup>th</sup> day of June, 1998.

DRAFTED BY:  
Steven R. Qualley, Attorney #240370  
Gammello & Sandelin, P.A.  
308 First Street, P.O. Box 298  
Pequot Lakes, MN 56472

*Darlene Roach*  
\_\_\_\_\_  
Notary Public, cw County, MN  
My Commission Expires:

