

REGULAR COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, JUNE 12, 2000
7:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, June 12, 2000. The following Councilmembers were present: Mayor Darrell Swanson, Charles (Chuck) Miller, Irene Schultz, Dean Swanson and Richard Upton. Also present was City Administrator Thomas (Tom) Swenson, City Attorney Paul Sandelin, City Engineer Mark Hallan, Deputy Clerk Darlene Roach and Lake Country Echo Reporter Lou Hoglund. There were approximately thirty-two individuals in the audience.

A. **CALL TO ORDER** – Mayor Swanson called the meeting to order at 7:20 P.M.

B. **CRITICAL ISSUES** - A public hearing to hear the appeal of a conditional use permit application submitted by Jay Smedberg for Evergreen Construction Services, Inc. and J. T. Smedberg and Associates, Inc. preceded the Regular Council Meeting. Councilmember Upton stated that while the neighborhood concept of Mr. Smedberg's is good, the lot sizes are an issue. He further stated that while the Zoning Ordinance restrictions clarified in 1999 are important, we must also recognize the Staff recommendations. MOTION 06R-01-00 WAS MADE BY RICHARD UPTON AND SECONDED BY DEAN SWANSON TO APPROVE CONDITIONAL USE PERMIT 00-07 FOR EVERGREEN CONSTRUCTION SERVICES, INC. AND J. T. SMEDBERG AND ASSOCIATES, INC. WITH THE FOLLOWING CONDITIONS: (1) TO BE CONSIDERED A BUILDABLE LOT, ALL REQUIRED SETBACKS MUST BE MAINTAINED WITHOUT VARIANCE, INCLUDING STRUCTURE, WELL AND SEWAGE DISPOSAL SYSTEM SETBACKS FROM LOT LINES, ROAD RIGHT-OF-WAYS AND ANY OTHER REQUIREMENTS; (2) TO BE CONSIDERED A BUILDABLE LOT, SANITARY PROVISIONS FOR WELL AND SEWAGE DISPOSAL MUST BE MET FOR EACH LOT; (3) AN ONSITE SEWER DESIGN SHOWING ADEQUATE LOCATION FOR SEWER AND WELL, PREPARED BY A MINNESOTA LICENSED SEWER DESIGNER MUST BE PROVIDED TO THE PLANNING AND ZONING OFFICE PRIOR TO ISSUANCE OF ANY ZONING PERMITS; AND (4) IN ADDITION TO REQUIRING A PRIMARY DRAINFIELD SITE ON ALL PRE-EXISTING LOTS IN THIS DEVELOPMENT, AN ALTERNATE DRAINFIELD SITE MUST ALSO BE LOCATED ON EACH SITE IN ORDER TO BE CONSIDERED BUILDABLE. Councilmember Miller asked if the requirement to join the contiguous lots together was included in the motion and Councilmember Upton replied that it was not included as a requirement. Mayor Swanson thanked the Planning and Zoning Commission for the fine work that they do, however, he felt the recommendation provided by the Staff was legitimate. Councilmember Miller stated that he would support the motion as long as it does not require that the lots be joined together. Councilmember Schultz inquired as to whether the setbacks could be met without joining the lots and Councilmember Swanson stated that that was also a

concern of his, but that the developer has to meet the conditions and if he does meet the conditions, he has no problem supporting the Motion. Mayor Swanson stated that the conditions will protect the public. Councilmember Swanson complimented Mr. Smedberg on Kavli Woods and felt that Mr. Smedberg was doing a good job. Councilmember Schultz stated that it is a beautiful area. MOTION CARRIED WITH ALL AYES.

C. CONSENT CALENDAR –MOTION 06R-02-00 WAS MADE BY CHUCK MILLER AND SECONDED BY RICHARD UPTON TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR CONSISTING OF: (1) MINUTES OF THE MAY 8, 2000 PUBLIC HEARING; (2) MINUTES OF THE MAY 8, 2000 REGULAR COUNCIL MEETING; (3) MINUTES OF THE MAY 18, 2000 BOARD OF REVIEW MEETING; (4) TELEPHONE COMPANY FINANCIAL REPORT FOR APRIL, 2000; (5) CABLE COMPANY FINANCIAL REPORT FOR APRIL, 2000; (6) CITY MONTH END REVENUE REPORT FOR APRIL, 2000; AND (7) CITY MONTH END EXPENDITURE REPORT FOR APRIL, 2000. MOTION CARRIED WITH ALL AYES. The Minutes of the June 9, 2000 Special Council Meeting were read and approved later in the meeting.

D. ADMINISTRATOR REPORT –

1. Resolution to Adopt for Renewal Existing Liquor License Establishments for 2000-2001 – MOTION 06R-03-00 WAS MADE BY DEAN SWANSON AND SECONDED BY CHUCK MILLER TO APPROVE RESOLUTION 00-25 RENEWING LIQUOR LICENSES FOR YEAR 2000-2001 AS LISTED. MOTION CARRIED WITH ALL AYES.
2. A thank you note from the Pine River Grad Blast Committee for the City's donation was included for Council information.
3. Minnesota Association of Small Cities Renewal of Membership – MOTION 06R-04-00 WAS MADE BY RICHARD UPTON AND SECONDED BY DEAN SWANSON TO RENEW MEMBERSHIP IN THE MINNESOTA ASSOCIATION OF SMALL CITIES IN THE AMOUNT OF \$496.91. MOTION CARRIED WITH ALL AYES.
4. Region 5 Area Agency on Aging brochure was included for Council information.
5. Invitation from Brainerd Daily Dispatch to attend a Growth Forum on Friday, June 23, 2000 was included for Council information.
6. A breakdown of the \$3,989 dividend received from the League of Minnesota Cities on the Worker's Compensation premium was included for Council information.
7. Pledge Update from Northern National Bank dated May 31, 2000 was included for Council information.
8. Pledge Update from Lakes State Bank dated May 31, 2000 was included for Council information.
9. Pledge Update from Lakewood Bank dated May 31, 2000 was included for Council information.

10. Bills for Payment – MOTION 06R-05-00 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$14,349.79. MOTION CARRIED WITH ALL AYES.
11. Sale of Cemetery Lots – Walter and Marjorie Kocon of Elk Grove Village, Illinois requested approval to resell three cemetery lots located in Block 29, Lot 2, Graves F, G and H back to the City at the same cost that lots were purchased for in 1978. MOTION 06R-06-00 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE REPURCHASE OF THREE CEMETERY LOTS IN BLOCK 29, LOT 2, GRAVES F, G AND H FROM WALTER AND MARJORIE KOCON FOR \$150. MOTION CARRIED WITH ALL AYES.
12. A letter dated June 9, 2000 from Labor Attorney Steve Fecker to Cheryl Jones, Staff Representative for AFSCME Council 65 was read by City Administrator Swenson. The letter confirms that the Crosslake City Council has voted to accept the Union's counteroffer of May 26, 2000. This should conclude negotiations between the City and the Union.
13. BLADC Project Activity Reports for March and April, 2000 were included for Council information.

E. COMMISSION REPORTS –

1. UTILITIES –

- a. General Manager Kevin Larson presented his Highlights report for May, 2000. He stated that summer outside plant construction is in full swing. The Telephone Company is working with new developments, the downtown area and with City personnel on E911 address signage. Additional copper and fiber optic cabling is being installed along County Roads #3 and #66. CC&I Engineering and Crosslake Communications staff are continuing to work on the three year CATV upgrading plan. Construction is planned to begin in late August of this year. A total of 718 Cable TV surveys were returned. The results will be tabulated and presented to the Utilities Commission at their next meeting. Internet users are now at 523, voicemail customers number 249, there are 1490 Crosslake long distance customers and 305 travel cards have been issued.
- b. The minutes of the May 30, 2000 Utilities Commission Meeting were included for Council information.

2. PLANNING AND ZONING –

- a. The Permit Summary for May showed that 219 permits have been issued year- to-date with 70 having been issued in May.
- b. Little Pine Wilderness Preliminary Plat – Community Development Director Paul Larson stated that the request for approval was heard at the May 8th Regular Council Meeting at which time the Council set a special council meeting for June 9, 2000 at 9:00 A.M. to visit the site. The minutes of this meeting were reviewed by the Council. MOTION 06R-07-00 WAS MADE BY RICHARD UPTON

AND SECONDED BY DEAN SWANSON TO APPROVE THE MINUTES OF THE JUNE 9, 2000 SPECIAL COUNCIL MEETING AS SUBMITTED. MOTION CARRIED WITH ALL AYES.

Community Development Director Paul Larson stated that the Developer has agreed to all of the conditions stipulated with the exception of Item #2, #9, and #19. All Councilmembers were present at the onsite visit. The meeting was open to questions from the Council. Councilmember Miller stated that he observed the temporary walkway and believes it should be a permanent walkway. Councilmembers Swanson and Schultz concurred. It was felt that by taking the walkway out in the Fall and putting it back in during the Spring would be more detrimental to the area. Councilmember Upton asked if the bridge would be an issue dealt with by the DNR. Mayor Swanson stated that he would like the docks left in also. Attorney Gerry Brine, representing the Developer, stated that he was prepared to make a presentation to the Council and distributed a handout dated June 12, 2000 as a basis for his presentation. He asked that two additional conditions be placed on the preliminary plat of Little Pine Wilderness. These conditions are noted as Item #21, which states "the common dock(s) located on Outlot C shall be relocated to within 50 feet of the northeast line of said outlot" and Item #22, which states "motor use by watercraft navigating the channel from Outlot C to the Little Pine Lake channel area used by the public shall be by trolling motor only. Covenants to be revised to reflect this condition." Changes were made to Condition 2 and Condition 19 by the Developer and these changes are noted in gray shading. The Developer agreed that it would be best to leave the docks in. Also included with the proposed revisions was a revised Declaration of Covenants, Conditions and Restrictions for the Little Pine Wilderness Plat. The Developer requested that the noted revisions be approved. City Administrator Swenson asked whether there should be a horsepower limit added. Councilmember Miller stated that it could be designated as "electric" and that Item #22 include "electric" trolling motor. Regarding Condition 5, the Council asked whether the permanent structure such as a walkway or bridge had any width consideration and whether this condition required approval from the DNR. Ron Morreim, of the DNR, stated that there are permanent and seasonal docks and that a permanent dock was denied by the DNR a couple of months ago. Attorney Gerry Brine stated that there was an application denied but the denial stated that the applicant could apply for a bridge. City Administrator Swenson asked about boat slips in Condition 1, Item b, and the no-wake zone in Condition 19, Item e. A revision will be made to add dock(s) and "boat slips" to be removed only as required for maintenance and repair to Item e and to add "Upon approval by the appropriate County Authority" said channel shall be posted as a no wake zone. Ron Morreim thanked the Council for visiting the site and stated that the DNR preferred non-motorized boats, but would be agreeable to electric trolling motors. The DNR requested that deed restrictions be imposed rather than covenants since they are harder to modify. The DNR also requested that the City adopt a Surface Water Zoning Ordinance for enforcement of the electric trolling motors and it was the consensus of the Council that the Planning and Zoning Department draft such

an Ordinance for Council review. Ron Morreim asked if there was any way to alert property owners to the conditions besides the covenants and Councilmember Miller stated that the realty firm selling the lots could inform the perspective property owners. DNR representative Tim Brastrup addressed the Council and stated that he appreciated the compromise that has been made. He stated that he too favored deed restrictions since they were more stringent. MOTION 06R-08-00 WAS MADE BY RICHARD UPTON AND SECONDED BY DEAN SWANSON TO APPROVE THE PRELIMINARY PLAT FOR LITTLE PINE WILDERNESS WITH THE FOLLOWING CONDITIONS: (1) OUTLOTS B, C, AND F SHALL REMAIN IN COMMON OWNERSHIP OF THE PROPERTY OWNERS IN THE SUBDIVISION, SHALL NOT BE DIVIDED OR DEVELOPED IN THE FUTURE, AND SHALL NOT ALLOW ANY STORAGE OF PERSONAL PROPERTY. (2) NO PARKING, BUILDINGS, CAMPING, OR STORAGE OF PERSONAL PROPERTY SHALL BE ALLOWED ON THE CONTROLLED ACCESS LOT (OUTLOT C), PER ZONING ORDINANCE. ALL-TERRAIN VEHICLES AND GOLF CARTS MAY BE PARKED ON THE CONTROLLED ACCESS LOT TEMPORARILY DURING THE TIME WHEN THE DRIVER OF SUCH VEHICLE IS USING THE PARK FACILITY OR ACCESSING THE SURFACE WATER FROM THE LOT. (3) NO PARKING" SIGNS SHALL BE INSTALLED ALONG WILDERNESS TRAIL IN APPROPRIATE PLACES TO DISCOURAGE ROADSIDE PARKING FOR RESIDENTS ACCESSING THE CONTROLLED ACCESS LOT (OUTLOT C). (4) A WALKING/ALL-TERRAIN/GOLF CART PATH SHALL BE DESIGNATED ON PRIVATE PROPERTY TO ALLOW ACCESS TO THE CONTROLLED ACCESS LOT. THIS WILL DISCOURAGE NON-AUTOMOBILE TRAFFIC FROM USING THE PUBLIC ROAD RIGHT-OF-WAY. THE PATH SHOULD BE IMPROVED AND SURFACED WITH A MATERIAL THAT WILL ENCOURAGE USE BY THE RESIDENTS. (5) ONLY ONE STRUCTURE SUCH AS A DOCK, WALKWAY, OR BRIDGE FOR PEDESTRIAN OR ATV, GOLF CART OR MOBILITY VEHICLE ACCESS SHALL BE ALLOWED TO CONNECT THE MAIN LAND (OUTLOT B) TO THE CONTROLLED ACCESS LOT (OUTLOT C). ADDITIONAL DOCKS, BOARDWALKS, BRIDGES, OR OTHER PLATFORMS SHALL REQUIRE A CONDITIONAL USE PERMIT. (6) ACCESS ONTO WILDERNESS TRAIL FROM THE RESIDENTIAL LOTS IN BLOCK THREE SHALL BE LIMITED TO ONE DRIVEWAY FOR EVERY TWO LOTS FOR THE LOTS NORTH OF WILDERNESS TRAIL. SHARED DRIVEWAYS WILL CUT THE NUMBER OF ACCESS POINTS ONTO THE ROADWAY IN HALF. (7) A REVISED PRELIMINARY PLAT SHALL BE SUBMITTED TO THE PLANNING AND ZONING OFFICE PRIOR TO FINAL PLAT REVIEW BY THE PLANNING AND ZONING COMMISSION. (8) THE DEVELOPER SHALL BE REQUIRED TO PAY THE REMAINING ASSESSMENT DEBT FOR THE ROAD IMPROVEMENTS TO WILDERNESS TRAIL PRIOR TO THE SALE OF ANY LOTS. (9) ANY BOAT SLIPS ON OUTLOT D SHALL BE ALLOWED ONLY THROUGH A CONDITIONAL USE PERMIT. (10) REVISED AND COMPLETE

SUBDIVISION COVENANTS SHALL BE FILED WITH THE PLANNING AND ZONING OFFICE PRIOR TO PRELIMINARY PLAT APPROVAL BY THE CITY COUNCIL, WHICH SPECIFY WHICH LOT OWNERS HAVE AN OWNERSHIP INTEREST IN THE OUTLOTS, WHAT ACTIVITIES ARE ALLOWED ON EACH OUTLOT AND HOW MANY WATERCRAFT ARE PERMITTED TO BE MOORED OR STORED (OVER WATER) ON THE CONTROLLED ACCESS LOT, IF ANY. (11) COVENANTS SHALL BE RECORDED WITH THE FINAL PLAT. (12) PARK DEDICATION FEES EQUAL TO 10% OF THE VALUE OF THE LAND PRIOR TO DEVELOPMENT SHALL BE PAID PRIOR TO FINAL PLAT APPROVAL BY THE CITY COUNCIL. ACCORDING TO THE 2000 CROW WING COUNTY AUDITOR ESTIMATE THE MARKET VALUE OF THE SUBJECT PROPERTY IS \$28,000, 10% OF THIS AMOUNT IS \$2,800. (13) ALL DEVELOPMENT REVIEW FEES INCURRED BY THE CITY MUST BE PAID PRIOR TO FINAL PLAT APPROVAL BY THE CITY COUNCIL. (14) THE LOT SIZES ON ALL PROPOSED RIPARIAN LOTS SHALL HAVE LOT AREAS LARGER THAN THE MINIMUM ESTABLISHED BY THE ORDINANCE (20,000 SQ. FEET), DUE TO THE STEEP SLOPES (GREATER THAN 12% OVER 50 FEET), SLOPING DOWN TO THE WETLAND AREA, ASSOCIATED WITH THESE LOTS. THE ORIGINAL EIGHT RIPARIAN LOTS SHOWN AS LOTS 1-6, BLOCK ONE AND LOTS 1 AND 2, BLOCK TWO SHALL BE REDUCED TO SIX. ALL SIX RIPARIAN LOTS SHALL BE INCREASED IN SIZE TO INCLUDE A MINIMUM OF 40,000 SQUARE FEET OF SUITABLE LAND AREA. OUTLOT B SHALL BE REDUCED IN WIDTH FROM 50 FEET TO 20 FEET AND OUTLOT A SHALL BE REDUCED IN SIZE. (15) BEST MANAGEMENT PRACTICES FOR SHORELAND AREAS SUCH AS SILT FENCING AND EROSION CONTROL MEASURES MUST BE UTILIZED DURING CONSTRUCTION TO MINIMIZE ANY EROSION AND SEDIMENT IMPACTS ON THE WETLANDS AND SURFACE WATER. (16) AN EROSION CONTROL PLAN MUST BE SUBMITTED TO THE PLANNING AND ZONING OFFICE PRIOR TO FINAL PLAT REVIEW BY THE PLANNING AND ZONING COMMISSION. (17) AN UNALTERED, NATURAL LANDSCAPE BUFFER FOR ALL RESIDENTIAL RIPARIAN LOTS MUST BE MAINTAINED FOR THE FULL WIDTH OF THE LOT THAT IS AT LEAST 60 FEET WIDE FROM THE WETLAND UPSLOPE TO MINIMIZE ANY IMPACTS ON THE WETLAND. (18) A SHRUB RESTORATION PLAN FOR THE CONTROLLED ACCESS LOT, WITH SPECIFIC ATTENTION TO THE AREAS WHERE UNAUTHORIZED SHRUB REMOVAL HAS ALREADY OCCURRED MUST BE SUBMITTED TO THE PLANNING AND ZONING OFFICE PRIOR TO FINAL PLAT REVIEW BY THE PLANNING AND ZONING COMMISSION. THE PLAN WILL SPECIFY WHICH AREAS, PREVIOUSLY CLEARED WILL BE LEFT TO GROW BACK NATURALLY. IF WITHIN TWO YEARS THESE AREAS DO NOT GROW BACK NATURALLY THEN THE ASSOCIATION WILL BE REQUIRED TO REPLANT THE NATIVE VEGETATION. (19) DOCK(S) SHALL BE ALLOWED TO PROVIDE FOR OVER THE WATER STORAGE

ON BOATLIFTS FOR ONE WATERCRAFT FOR EACH OF THE RESIDENTIAL LOTS IN THE APPROVED PLAT. WITH THE FOLLOWING ADDITIONAL CONDITIONS: A. DOCK(S) TO BE REMOVED ONLY AS REQUIRED FOR MAINTENANCE AND REPAIR. B. THE LITTLE PINE WILDERNESS HOME OWNERS ASSOCIATION SHALL ANNUALLY MARK AND MAINTAIN A CHANNEL LEADING FROM THE DOCKING AREA TO THE MAIN BODY OF LITTLE PINE LAKE. C. MAINTENANCE OF THE CHANNEL SHALL BE LIMITED TO WHAT IS ALLOWED BY THE DNR WITHOUT A DNR PERMIT WHICH IS GENERALLY STATED AS: "NO PERMIT IS REQUIRED TO REMOVE DEBRIS SUCH AS BRANCHES, LOGS, STUMPS AND TRASH AS LONG AS THE ORIGINAL ALIGNMENT, SLOPE AND CROSS-SECTION OF THE LAKE IS NOT ALTERED." D. UPON APPROVAL, BY THE APPROPRIATE COUNTY BODY, THAT SAID CHANNEL SHALL BE POSTED AS A NO WAKE ZONE. E. THAT THE DECLARATION OF COVENANTS STATE THE APPROPRIATE PARTS OF THIS CONDITION. (20) LOT 6, BLOCK THREE WILL BE USED FOR PARKING ONLY AND NOT BE DEVELOPED FOR RESIDENTIAL USE. (21) THE COMMON DOCK(S) LOCATED ON OUTLOT C SHALL BE RELOCATED TO WITHIN 50 FEET OF THE NORTHEAST LINE OF SAID OUTLOT. (22) MOTOR USE BY WATERCRAFT NAVIGATING THE CHANNEL FROM OUTLOT C TO THE LITTLE PINE LAKE CHANNEL AREA USED BY THE PUBLIC SHALL BE BY ELECTRIC TROLLING MOTOR ONLY. COVENANTS TO BE REVISED TO REFLECT THIS CONDITION. MOTION CARRIED WITH ALL AYES. Mayor Swanson thanked the applicant, the DNR and the Planning and Zoning Commission and Staff for their efforts. MOTION 06R-00-00 WAS MADE BY CHUCK MILLER AND SECONDED BY RICHARD UPTON THAT ELECTRIC TROLLING MOTOR USE THROUGH THE CHANNEL BE A DEED RESTRICTION VERSUS A COVENANT. MOTION CARRIED WITH ALL AYES.

- c. Recommendation for Alternate Members to the Planning and Zoning Commission - MOTION 06R-10-00 WAS MADE BY RICHARD UPTON AND SECONDED BY CHUCK MILLER TO APPOINT JOHN "JACK" HUBER AND JAMES NAUMAN AS ALTERNATES OF THE PLANNING AND ZONING COMMISSION. MOTION CARRIED WITH ALL AYES.
- d. At its May 18, 2000 meeting, the Planning and Zoning Commission recommended approval on the sections of the Zoning Ordinance dealing with the removal of vegetation. The Planning and Zoning Staff has found it difficult to administer and enforce the vegetation removal standards in the Ordinance due to some conflicting statements and unclear direction. The proposed amendments are not meant to change the requirements within the City Code but are intended to clarify the standards to make them more workable and easier to follow. MOTION 06R-11-00 WAS MADE BY RICHARD UPTON AND SECONDED BY DEAN SWANSON TO APPROVE ORDINANCE AMENDMENT #120, SECTION 8

DEALING WITH VEGETATION REMOVAL AND THAT A SUMMARY OF THE ORDINANCE BE PUBLISHED. MOTION CARRIED WITH ALL AYES.

- e. At its May 18, 2000 meeting the Planning and Zoning Commission recommended approval of an ordinance amendment dealing with additions to non-conforming structures in the R-3, Medium Density Residential Zoning District. The Planning and Zoning Staff has found it difficult to administer and enforce this subpart of the Ordinance due to unclear wording. The proposed amendments are not meant to change the requirements within the City Code but are intended to clarify the standards to make them more workable and easier to follow. MOTION 06R-12-00 WAS MADE BY RICHARD UPTON AND SECONDED BY IRENE SCHULTZ TO APPROVE ORDINANCE AMENDMENT NO. 121 REGARDING ADDITIONS TO NON CONFORMING STRUCTURES IN THE R-3 MEDIUM DENSITY RESIDENTIAL ZONING DISTRICT AND TO PUBLISH A SUMMARY OF THE ORDINANCE AMENDMENT. MOTION CARRIED WITH ALL AYES.
- f. The Planning and Zoning Commission recommended approval to vacate the service road easement within the M&D Addition plat with conditions. MOTION 06R-13-00 WAS MADE BY RICHARD UPTON AND SECONDED BY IRENE SCHULTZ TO APPROVE THE VACATION OF THE SERVICE ROAD EASEMENT IN M&D ADDITION WITH THE FOLLOWING CONDITIONS PLACED ON SHARED DRIVEWAYS: (1) THAT LOTS 1 AND 2, BLOCK 2 SHARE ACCESS; (2) LOT 3, BLOCK 2 PRIVATE ACCESS UNLESS LOT 4, BLOCK 2 SHARES ACCESS; (3) LOT 4, BLOCK 2 OBTAIN ACCESS FROM BLACK BEAR PATH OR SHARED ACCESS WITH LOT 3; (4) LOT, 1 BLOCK 1 OBTAIN ACCESS FROM BLACK BEAR PATH OR SHARED ACCESS WITH LOT 2; (5) LOT 2, BLOCK 1 PRIVATE ACCESS UNLESS SHARED ACCESS WITH LOT 1, BLOCK 1; (6) LOT 3 AND 4, BLOCK 1 SHARE ACCESS; (7) LOTS 5 AND 6, BLOCK 1 SHARE AN ACCESS; AND (8) LOT 7, BLOCK 1 EXISTING ACCESS FROM COUNTY ROAD 36 AND; (9) THAT THE PROPERTY OWNER PAY THE CITY ATTORNEY FEES FOR PREPARING THE DEED CONVEYING THE EASEMENT FROM THE CITY TO THE PROPERTY OWNER AND FOR PREPARING COVENANTS OUTLINING ANY ACCESS POINT RESTRICTIONS. Paul McCulloch addressed the Council and inquired as to what the legal fees would be. It was agreed that Mr. McCulloch can prepare the deed and the City Attorney will prepare the covenants at a cost of between \$100 and \$200. Discussion ensued regarding minimizing the number of curb cuts onto County Road #3 and it was agreed that there will be a total of five. MOTION CARRIED WITH ALL AYES.
- g. Final Plat Approval – Pine Cone – The Planning and Zoning Commission recommended approval on the final plat for Pine Cone with the conditions that all addressing and access be off of Johnie Street with the option of having a secondary access to West Shore Drive. MOTION WAS MADE BY RICHARD UPTON AND SECONDED BY IRENE SCHULTZ TO APPROVE THE FINAL

PLAT OF PINE CONE WITH THE CONDITION THAT THE ADDRESSING AND ACCESS BE OFF OF JOHNIIE STREET WITH THE OPTION OF HAVING A SECONDARY ACCESS TO WEST SHORE DRIVE. MOTION FAILED. It was noted that the Planning and Zoning Staff recommendation was for all access and addressing to be exclusively off of Johnie Street, that title insurance be found satisfactory by the City Attorney and that the Park Dedication Fee be paid prior to the final plat being signed. Mr. Sherm Frederick addressed the Council and stated that unduly restrictive conditions were being placed on the property without knowing the topography. MOTION 06R-14-00 WAS MADE BY RICHARD UPTON AND SECONDED BY DEAN SWANSON TO APPROVE THE FINAL PLAT FOR PINE CONE WITH THE CONDITION THAT ALL ACCESS AND ADDRESSING BE OFF OF JOHNIIE STREET. Mr. Frederick again stated that he felt it unfair since it would require a lot of fill especially on one of the lots. He stated that it would put undue stress on drainage and tree removal. City Attorney Sandelin stated that if the future owner of the property can prove that it is a hardship, the City Council can amend the final plat by approving a variance. MOTION CARRIED WITH ALL AYES.

h. The Minutes of the April 21, 2000 Planning and Zoning Commission Meeting were included for Council information.

3. PUBLIC SAFETY –

- a. Chief Hartman stated that the Police Department reported 196 calls in Crosslake and 39 calls in Mission Township in May.
- b. The Fire Department responded to 12 calls in May with seven calls being medicals.

4. PUBLIC WORKS –

- a. The minutes of the April 17, 2000 and May 15, 2000 meetings were included for Council information.
- b. Greer Lake Road and West Shore Drive – At its May 15, 2000 meeting the Public Works Commission met with Jeff Kittelson, Fairfield Township regarding the upgrading and paving of Greer Lake Road, West of County Road #114 to the campground entrance. Proposed improvement has been discussed for about ten years and Fairfield Township wants to pursue the project which can be done using State money. The State requires a feasibility study which is estimated at \$5000 to be split according to miles, with Crosslake paying 25% (for .35 miles) and Fairfield Township paying 75% (for .9 miles). MOTION 06R-15-00 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE THE CONCEPT TO WORK WITH FAIRFIELD TOWNSHIP. MOTION CARRIED WITH ALL AYES.
- c. Reimbursement Resolution – City Administrator Swenson requested approval on a reimbursement resolution which would authorize the City to issue improvement bonds at a later date for costs incurred in the year 2000 road projects. Excess money from the 1999 bond proceeds will be used to pay some of the initial costs of the 2000 project. Under this resolution, the City can be reimbursed for the costs

of the 2000 road projects from future bond proceeds. MOTION 06R-16-00 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE RESOLUTION NO. 00-26 ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE. MOTION CARRIED WITH ALL AYES.

- d. Update on 1999 Road Project – City Engineer Mark Hallan stated that Dan Surma of Tri City Paving has not responded to City Engineer Dave Reese’s calls in two weeks. MOTION 06R-17-00 WAS MADE BY CHUCK MILLER AND SECONDED BY RICHARD UPTON TO AUTHORIZE THAT A LETTER BE SENT TO TRI CITY PAVING SETTING THE FINAL DATE OF JULY 15, 2000 FOR COMPLETION OF THE 1999 ROAD PROJECT. MOTION CARRIED WITH ALL AYES.
- e. Update on 2000 Road Project - City Engineer Mark Hallan reported that Widseth Smith Nolting is doing staking on the projects and it is expected that Anderson Brothers will start work the week of June 19th with completion in mid August.
- f. City Involvement in Construction of Swann Drive – Memo from City Administrator Tom Swenson dated May 24, 2000. On May 23, 2000 Mayor Swanson, Councilman Swanson, City Engineers Dave Reese and Don Anderson, Attorney Paul Sandelin and City Administrator Tom Swenson met with Bill Reed of Pioneer Properties and representatives from Crosswoods Development to discuss the construction of Swann Drive and the completion of Pioneer Drive. Following a lengthy discussion, the City representatives agreed to recommend to the City Council that Swann Drive be deeded to Crosswoods Development and Pioneer Properties for one dollar and that it would be their responsibility to construct the road to City standards. The City would contribute \$162,500 toward the cost of construction, plus an additional \$10,000 to be used for coordinating up front legal, engineering, permitting and etc. Expenses over the \$10,000 would be passed on to Crosswoods Development and Pioneer Properties. The completion of Pioneer Drive would be the financial responsibility of Pioneer Properties with the exception of the realignment of the existing portion of the road, which the City would either complete with our Public Works Department or pay the cost of realignment. A separate agreement between WSN, Crosswoods and Pioneer Property will be executed to design an overall drainage plan to provide storm water retention ponds and necessary piping, permits and etc. MOTION 06R-18-00 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO DEED SWANN DRIVE TO CROSSWOODS DEVELOPMENT AND PIONEER PROPERTIES FOR ONE DOLLAR WITH COMPLETION OF THE ROAD TO CITY STANDARDS BY AUGUST 31, 2001. MOTION CARRIED WITH ALL AYES. City Attorney Paul Sandelin was directed to draft all deeds and legal documents. MOTION 06R-19-00 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE THE CITY’S CONTRIBUTION OF \$162,500 TOWARDS THE ROAD PLUS AN ADDITIONAL \$10,000 FOR COORDINATING LEGAL, ENGINEERING AND PERMITTING EXPENSES. MOTION CARRIED WITH ALL AYES.

g. Chatham Park – Jim and Jeanie Winnecki – The Winnecki's requested that approximately 600 feet of Aspen Drive and all of Aspen Court be upgraded to City standards and that these road sections be turned over to the City for future maintenance. Discussion ensued regarding what was needed to be done by the Winnecki's before the roads would be accepted by the City. The Winnecki's stated that Anderson Brothers would be completing the work when they are working in the City on the City's 2000 Road Projects. MOTION 06R-19-00 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE THE CONCEPT OF ACCEPTING THE ROADS PROVIDED THE WINNECKI'S COORDINATE THE PROJECT WITH THE CITY ATTORNEY AND CITY ENGINEER REGARDING CITY SPECIFICATIONS AND CONDITIONS WITH ALL ASSOCIATED COSTS TO BE PAID BY THE WINNECKI'S. MOTION CARRIED WITH ALL AYES.

5. LIBRARY COMMITTEE – Chairperson Sandy Eliason thanked the Council for the special meeting that was held jointly with the Library Committee and City Council to discuss a site for the proposed library. Alden Hardwick stated that he has spoken with Mike Stone regarding the Town Square greenspace and was informed that the idea of a library in Town Square would not work with the developer's plan. Mike Stone addressed the Council and stated that he has spoken with an architect to see if such a building would work in the development and his conclusion was that it would not be financially lucrative to put that type of structure in the area of the Town Square. Councilmember Swanson asked what the difference would be if the City purchased three or four lots in the development as the site of the library. Mike Stone stated that if the City wished to purchase lots for construction of a library that would be okay. Discussion ensued regarding how the Town Square park area will be developed. Dave Kolesar commented that the idea was to get people from the community together to erect monuments and etc. in the Town Square. The Council engaged in discussion regarding the donation of the land to the City in lieu of park dedication fees which the City will be required to maintain, yet the Developer is telling the City how they can use the land. Mary Kolesar stated that the concept was in accordance with the 1996 Comprehensive Plan which encourages more greenspace. She stated that the Developer has put together a working plan which was supported by the Planning and Zoning Commission as well as other Commissions. She stated that this is a large project requiring parking for retail shops which would be hampered by erecting a library. Jon Henke stated that the Park Long Range Planning Committee is working on a master plan for the park grounds in the area of the Community Center and at this time it is felt that space is not available at that site for a library. Sandy Eliason asked what direction the Library Committee should go at this point and Mayor Swanson suggested that the Committee talk to George Riches and come back to the Council with some options. The second book sale will be held at the Community Center on July 7th and July 8th with July 6th reserved for the dropping off of books. The minutes of the May 15, 2000 Library Committee were included for Council information. A letter dated May 29, 2000 from Kathleen Bittner Lee was read which announced her resignation from the Library Committee. This leaves one vacancy on the Committee. A listing of potential foundations for library

grants was included in the Council packet and Alden Hardwick requested approval to submit three additional requests for grant funds. MOTION 06R-20-00 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO APPROVE THE SUBMISSION OF THREE ADDITIONAL REQUESTS FOR GRANT FUNDS. MOTION CARRIED WITH ALL AYES.

6. **PARK AND RECREATION** – Park and Recreation Director Jon Henke reported that WAPOA is sponsoring two boat safety classes at the Community center on June 14th and June 28th. The fifth session of aerobics is set to begin on July 10th and Council approval was requested to contract with Donna Keiffer for twenty one sessions at a cost of \$463.00. MOTION 06R-21-00 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DEAN SWANSON TO APPROVE CONTRACTING WITH DONNA KEIFFER FOR AEROBIC INSTRUCTION FROM JULY 10TH THROUGH AUGUST 24TH AT A COST OF \$463.00. MOTION CARRIED WITH COUNCILMEMBER UPTON TEMPORARILY NOT PRESENT DURING THE VOTE. A junior golf program started June 8th at Crosswoods Golf Course and a second session is planned to start on July 13th and end with a tournament on August 10th. The cost for each session is \$45.00. The Park and Recreation Department recommended approval to close the Community Center on Sundays between June 1st and August 31st. This change comes about because of staffing challenges and minimal use of the facility during the summer months. MOTION 06R-22-00 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO APPROVE THE CLOSING OF THE COMMUNITY CENTER ON SUNDAYS BETWEEN JUNE 1ST AND AUGUST 31ST. MOTION CARRIED WITH ALL AYES. A table policy has been created to avoid damage to new tables that were and will be donated to the Community Center by local organizations. Several tables that have been donated in the last three to four years have been damaged and are no longer useable. Eventually the tables will be replaced with Mity Lite tables which are much more expensive, therefore it is the recommendation of the Park and Recreation Advisory Commission that groups interested in using tables be able to check out tables designated for loan purposes which are kept in the park warming house. Tables used in the Community Center will not be available for use outside of the facility. MOTION 06R-23-00 WAS MADE BY IRENE SCHULTZ AND SECONDED BY RICHARD UPTON TO APPROVE THE COMMUNITY CENTER TABLE POLICY AS PRESENTED. MOTION CARRIED WITH ALL AYES. The Advisory Commission is also recommending that a chair policy be established whereas the Community Center will check out folding steel chairs for use by Crosslake Civic Groups and Crosslake City entities, however, chairs will not be available for private groups outside the Community Center. MOTION 06R-24-00 WAS MADE BY IRENE SCHULTZ AND SECONDED BY RICHARD UPTON TO ACCEPT THE COMMUNITY CENTER CHAIR POLICY AS SUBMITTED. MOTION CARRIED WITH ALL AYES. The current guidelines for use of the Picnic Shelter were reviewed by the Advisory Commission and several changes were recommended for approval as follows: (1) Increase cleaning and key deposits from \$25.00 to \$50.00 for each deposit; (2) Deposits will be made with two separate checks; (3) Reservations will not be accepted without the required deposits and rental

fee; (4) Cancellations must be made seven days in advance of the scheduled reservation date. Failure to do so will result in the loss of the rental fee. It was recommended that the rental fee would stay at its present rate of \$10.00 per day. MOTION 06R-25-00 WAS MADE BY IRENE SCHULTZ AND SECONDED BY RICHARD UPTON TO ACCEPT THE REVISIONS TO THE CROSSLAKE IDEAL LIONS PICNIC SHELTER AS RECOMMENDED. MOTION CARRIED WITH ALL AYES.

7. SEWER/WATER COMMITTEE – The minutes of the May 22, 2000 meeting were included for Council information. A letter dated May 10, 2000 from Charles E. Christ, Deputy for Programs and Project Management for the Department of the Army confirmed the Corps of Engineer's intent to connect the Corps Campgrounds to the City's sewage treatment system. Mark Hallan informed the Council that a tour of the Pine River Area Sanitary District was scheduled for Tuesday, June 13th from 1:30 P.M. to 3:00 P.M. Anyone interested in attending the tour should contact Mark Hallan. A special tour could also be arranged at a later date if the Council determined that the June 13th date would not work. The Sewer/Water Committee approved several motions at their May 22nd meeting for recommendation to the Council. It is recommended that Sand Pointe Drive be included in the Phase 1 Sewer area. MOTION 06R-26-00 WAS MADE BY DEAN SWANSON AND SECONDED BY CHUCK MILLER TO ADD SAND POINTE DRIVE TO THE PHASE 1 SANITARY SEWER AREA. MOTION CARRIED WITH ALL AYES. That East Shore Boulevard, from the current end point of the proposed sewer system at East Shore Landing, be included in the Phase 1 sanitary sewer area. MOTION 06R-27-00 WAS MADE BY DEAN SWANSON AND SECONDED BY CHUCK MILLER THAT EAST SHORE BOULEVARD BE INCLUDED IN PHASE 1 OF THE SEWER AREA. MOTION CARRIED WITH ALL AYES. That the proposed motel on the current site of Starrka Oil be included in the Phase 1 Sewer area should a formal request be submitted by the developer. The Sewer/Water Committee recommends supporting such a request at the developers cost. MOTION 06R-28-00 WAS MADE BY DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO APPROVE THE CONCEPT THAT THE SITE OF THE PROPOSED MOTEL BE INCLUDED IN PHASE 1 OF THE SANITARY SEWER SYSTEM AT THE DEVELOPER'S COST SHOULD THEY MAKE A FORMAL REQUEST. MOTION CARRIED WITH ALL AYES. A lengthy discussion ensued during the Sewer/Water Committee meeting regarding the Water System Feasibility Study and the estimated cost of a proposed municipal water system. It was the consensus of the Committee that the water system is not economically feasible at this point in time at an estimated cost of \$3.5 million dollars. It was the feeling of the Committee that the information that has been developed in the feasibility study can be used as base line data for planning purposes in the future for a municipal water system, however it was the consensus of the Committee that that a recommendation be made to the City Council that further consideration of developing a municipal water system be terminated at this time. MOTION 06R-29-00 WAS MADE BY DEAN SWANSON AND SECONDED BY RICHARD UPTON THAT THE CITY COUNCIL TERMINATE ANY FURTHER CONSIDERATION OF A MUNICIPAL WATER

SYSTEM AT THIS TIME. MOTION CARRIED WITH ALL AYES. Mark Hallan presented a sewer update. He stated that Jeff Miller has completed the survey for alignment of the system. Mark Hallan met with Randy Thorson of the MPCA on June 12th and informed the Council that based on the motions approved this date to extend the location of the system an amendment will need to be forwarded to the MPCA for their review. He stated that no further revisions should be made since this will slow down the approval process.

8. RECYCLING - Councilmember Miller reported that recycling for May doubled over the previous month. A total of 60.21 tons has been collected year-to-date.
9. ECONOMIC DEVELOPMENT AUTHORITY – Nothing
10. PERSONNEL – The Personnel Committee reviewed a proposal from Brass Tacks Network, Inc. and recommended that the City Council approve a training program for all employees consisting of 72 hours of training over 22 sessions at a cost of \$11,026. Crosslake Communication will pay 50% of the cost of the training. MOTION 06R-30-00 WAS MADE BY DEAN SWANSON AND SECONDED BY RICHARD UPTON TO APPROVE THE PROPOSAL FROM BRASS TACKS NETWORK, INC. AT A COST NOT TO EXCEED \$11,026. MOTION CARRIED WITH ALL AYES.
11. CHARTER SCHOOL – Councilmember Schultz reported that Mike Stone has been appointed as a member of the Charter School Board. Kathy Allen along with the three newly hired teachers will be attending a training session in St. Cloud. A public meeting will be held on July 18th at the Community Center for the purpose of getting acquainted with the new teachers.
12. OLD BUSINESS – None
13. NEW BUSINESS – Mayor Swanson stated that he has distributed a memo to the City Council regarding proposed changes to the Liquor Ordinance. These changes will be discussed at an upcoming meeting.
14. PUBLIC FORUM – None

MOTION 06R-31-00 WAS MADE BY CHUCK MILLER AND SECONDED BY RICHARD UPTON TO ADJOURN THIS REGULAR COUNCIL MEETING AT 10:45 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach
Deputy Clerk/Treasurer

RESOLUTION 00-25
TO ADOPT FOR RENEWAL EXISTING LIQUOR LICENSE
ESTABLISHMENTS FOR 2000-2001

WHEREAS, the City of Crosslake does hereby resolve to adopt the Liquor License Renewals of establishments licensed in 1999-2000 for the licensing year 2000-2001:

ON-SALE (INTOXICATING) \$1500.00

Cedar Chest
Zorbaz
Riverside Inn
Andy's Restaurant/Liquors
Ye Old Wharf
Moonlight Bay
The Exchange Club

OFF-SALE (INTOXICATING) \$100.00

Channel Liquors
Seeker's Cedar Chest
Riverside Inn
Andy's Restaurant/Liquors
The Exchange Club

SUNDAY (INTOXICATING) \$200.00

Zorbaz
Cedar Chest
Riverside Inn
Andy's Restaurant/Liquors
Ye Old Wharf
Moonlight Bay
The Exchange Club

STRONG BEER ON-SALE \$75.00

WINE LICENSE - \$100.00
Ox Lake Tavern

CLUB

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

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

Ox Lake Tavern
Crosswoods Golf

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

Ox Lake Tavern
Bait Box Marina, Inc.
Reed's Country Market
Video Plus
Mermaid Enterprises/Holiday Station

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, 2000 – June 30, 2001, at the Council Session on the 12th day of June, 2000, after all licensing requirements are met, Police Department background checks completed and approval by the Liquor Control Commission.

COUNCIL IN FAVOR ALL



Thomas N. Swenson
City Administrator

COUNCIL AGAINST NONE



Darrell E. Swanson
Mayor

RESOLUTION NO. 00-26

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 1.150-2 (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 no 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.

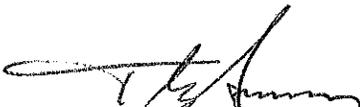
Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

- 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 reasonably 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 has made Declarations.

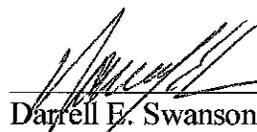
3. Reimbursement Allocations. The designated City officials shall also be responsible for making the reimbursement allocations" described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

4. 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 12th day of June 2000, 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 \$400,000 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: June 12, 2000



City Administrator
City of Crosslake, Minnesota

EXHIBIT A-1

- Backdahl Road, from the intersection of Wilderness Trail, west, approximately 1320 feet to the beginning of Tall Timber Plat;
- The west (approximately) 890 feet of Pine Bay Trail and the entire length of Shores Drive (approximately) 1790 feet from cul-de-sac to cul-de-sac;
- Deer Ridge Drive from the intersection of Daggett Pine Road, south, (approximately) 375 feet and all of Ridgeway Road from the intersection of Deer Ridge Drive, east, to the end of the cul-de-sac;

Kimberly Road, Block One, Lots 1-15, and Block Two, Lots 1-15 within Kimberly Acres Plat;

- Miller Road from the intersection of Mary Lane, south, to the intersection of Tall Timber Trail, Log Landing, Headquarters Drive, Lumberjack Lane, Bunkhouse Road, Tall Timber Trail and Blacksmith Place within the Plat of Old Log Headquarters and Tall Timber Trail within the Plat of Timber Trail;
- Daggett Lane, from the intersection of Daggett Pine Road, south, to the end of the road;
- Pine Bay Road from the intersection of Pine Bay Trail, north, and ending at the intersection of Wolf Trail and Wolf Trail beginning at the intersection of Pine Bay Road and ending at the intersection of Pine Bay Trail;
- Rabbit Lane from the intersection of Pine Bay Drive to the end of the road;
- Velvet Lane from the intersection of CSAH #36 (approximately) 400 feet to the end of the road;
- Waterwood Court from the intersection of Daggett Pine Road to the end of Waterwood Court

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 June, 2000. 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 Miller moved the adoption of the Resolution, which was seconded by Councilmember Swanson.

A vote being taken on the motion, the following members of the Council voted in favor of the motion to adopt the Resolution:

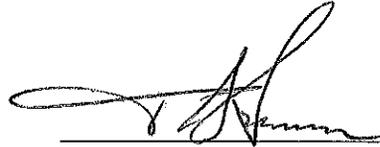
Swanson, Miller, Schultz, Swanson, and Upton

and the following voted against the same:

None

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 12th day of June 2000.



Thomas N. Swenson
City Administrator
City of Crosslake, Minnesota