

REGULAR COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, JUNE 14, 2004
7:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, June 14, 2004 at 7:00 P.M. The following Councilmembers were present: Mayor Darrell Swanson, Dean Eggena, Bettie Miller, Irene Schultz and Dick Phillips. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, City Attorney Paul Sandelin, City Engineer Dave Reese, Public Works Director Ted Strand, Park and Recreation Director Jon Henke, Police Chief Bob Hartman, General Manager Dennis Leaser, Clerk/Treasurer Darlene Roach and Lake Country Echo Reporter Betty Ryan. There were several individuals in the audience in addition to Staff.

A. CALL TO ORDER – Mayor Swanson called the meeting to order at 7:00 P.M. and asked for a motion to accept the additions to the agenda. MOTION 6R-01-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE THE ADDITIONS TO THE AGENDA AS PRESENTED. MOTION CARRIED WITH ALL AYES.

B. CRITICAL ISSUES – Brainerd Lakes Area Chamber of Commerce Crosslake Director Ruth Ann Hanson was present to remind everyone about the fireworks which will be held on Saturday, July 3rd at dusk from Sand Island. Major sponsors for the fireworks this year include C&C Boatworks, the City of Crosslake, Whitefish Lions, Shores & More Realty, Crosswoods Golf, Reeds Market, Golden Eagle and Grand Casino. Fireworks cans are placed throughout the City for donations. As the municipal authority, Council approval on the Application for Display of Fireworks/Pyrotechnic Special Effects was requested. MOTION 06R-02-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY IRENE SCHULTZ TO AUTHORIZE THE CITY ADMINISTRATOR SIGNING THE FIREWORKS APPLICATION ON BEHALF OF THE CITY AS THE ISSUING AUTHORITY. MOTION CARRIED WITH ALL AYES.

C. CONSENT CALENDAR - MOTION 06R-03-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR CONSISTING OF: (1.) MINUTES OF SPECIAL JOINT COUNCIL/PLANNING AND ZONING COMMISSION MEETING OF APRIL 23, 2004; (2.) MINUTES OF REGULAR COUNCIL MEETING OF MAY 10, 2004; (3.) MINUTES OF BOARD OF REVIEW MEETING OF MAY 13, 2004; (4.) MINUTES OF JOINT COUNCIL/UTILITIES MEETING OF MAY 18, 2004; (5.) MINUTES OF SPECIAL COUNCIL MEETING OF MAY 19, 2004; (6.) MINUTES OF SPECIAL COUNCIL MEETING OF MAY 25, 2004; (7.) MINUTES OF SPECIAL COUNCIL MEETING OF MAY 28, 2004; (8.) CROSSLAKE COMMUNICATIONS TELEPHONE AND CABLEVISION COMPANY STATISTICAL REPORT DATED APRIL 30, 2004; (9.) CITY MONTH END

REVENUE REPORT DATED APRIL 30, 2004; AND (10.) CITY MONTH END EXPENDITURE REPORT DATED APRIL 30, 2004. MOTION CARRIED WITH ALL AYES.

D. PUBLIC FORUM – None

E. MAYOR'S REPORT – Nothing

F. CITY ADMINISTRATOR REPORT –

1. Bills for Approval - MOTION 06R-04-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNTS OF \$91,090.39 AND \$6,874.49. Councilmember Phillips asked about a reimbursement to Paula Karl for the library luncheon and Library Chair Alden Hardwick stated that Paula Karl paid the bill for the food for the fundraiser luncheon held recently at Manhattan Beach Lodge from her personal funds and the reimbursement will be paid out of the receipts from the fundraiser. The event was sold out with over 100 tickets sold with a profit of approximately \$1,300 after expenses. MOTION CARRIED WITH ALL AYES.
2. A resolution adopting renewal of existing liquor license establishments for 2004-2005 was requested. MOTION 06R-05-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE RESOLUTION NO. 04-16 TO ADOPT FOR RENEWAL EXISTING LIQUOR LICENSE ESTABLISHMENTS FOR 2004-2005. MOTION CARRIED WITH ALL AYES.
3. Julie Yates – Transient Merchant Park Permit and Valere Byerly – Crosslake Days Events – Julie Yates requested approval of a transient merchant park permit to conduct a Craft Show during Crosslake Days. Valere provided a tentative layout of the approximately 50 – 100 10'x10' booths that would be located on the South side of The New Exchange. Approval from the County has been obtained to block off two car spaces for a loading and unloading zone. City Administrator Swenson asked what other parking area would be utilized. Julie stated that the Crosslake Lutheran Church parking lot which holds 85 cars could be used on Friday and vendors would park on the street in back of The New Exchange. The event would coincide with Crosslake Days on August 13th and 14th. Councilmember Eggena asked what the hours would be and Yates stated noon – dusk on Friday and 10:00 A.M. to dusk on Saturday. Valere Byerly stated that she would like to set up an outside stage on Saturday to serve food and beer. The Council felt these were two separate items and would be handled individually. MOTION 06R-06-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE A TRANSIENT MERCHANT PARK PERMIT ON THE SITE OF THE NEW EXCHANGE FOR AUGUST 13TH AND AUGUST 14TH. With the consensus of the Council, members of the audience were allowed to address the Council. Pat Netko, of Lakes Country Craft and Cones expressed concern with the parking and took issue with where the craft

show was being held because of the safety issue. She stated that the crafters will be utilizing trailers to transport their wares and her concern is where all of these vehicles will be parked. She stated that Crosslake Lutheran has a wedding at the church on Saturday so the 85 parking spaces are not available that day. Netko also stated that crafters generally haul a trailer attached to their vehicle to carry product, so the 85 parking spaces would be reduced to 43 spaces. Another concern was that the Vendor's profits do not help support the Chamber but is intended solely for the transient merchant. Jim Vangen of Daggett Brook Clothing stated that approval of the permit bothers him. He stated that the flea market previously held at the Game and Fish Club was a disaster and approval of this event would be bringing the problem back into the downtown area. He stated the local merchants pay the taxes in town and by allowing this the City would be going backwards. Alden Hardwick stated, that as a prior owner of Lake Country Crafts and Cones, when a rock festival was held on a weekend a few years ago, both sides of the street were filled to the point that cars couldn't get out of local merchant's parking lots and the weekend was ruined for the local retailers. He suggested extra police to patrol the traffic if the permit is allowed. Councilmember Bettie Miller asked where the vendors would park their trailers. Miller agreed that the flea market at the Game and Fish made traffic almost impossible. Chief Hartman did not support using part time officers to manage the traffic. He stated his officers were needed for regular patrol since this is a busy weekend and what started out as a few vendors has now increased to 100 vendors. He stated that parking will be a concern and inquired whether there was a way of transporting the vendors from a remote location. Another option would be to have Ms. Yates obtain a security company to assist with the traffic concerns. Mayor Swanson asked if the event could be moved to another location and Ms. Yates stated that she would not do the event if she had to move it from the proposed location. Councilmember Eggena stated that when he read the request, he felt it was a part of Celebrate Crosslake Days, which is an event to bring people into the City, and if more manpower is needed in the Police Department, the Chief should come to the Council and ask for additional funds. City Administrator Swenson stated that this is not an event sponsored by the Chamber as part of Crosslake Days. Mayor Swanson asked if a decision could be put off to another meeting to allow everyone to come up with a plan for parking. Valere Byerly stated that she doesn't feel this event is going to bring 300 more people into town, but will be for the people who are already in town. Ms. Yates asked if the Council had any suggestions for parking. The Mayor stated possibly the Log Church or Mission of the Cross Church could be utilized. Pat Netko stated that as a crafter she wouldn't do a show if she had to bus people back and forth. Ms. Yates stated that she has a vendor list totaling 800 crafters that need to be notified of this event and would not support waiting for a decision at a later date from the Council. Councilmember Schultz felt that Ms. Yates should find a place for the vendors to park. Ms. Yates stated that the event starts at noon and the crafters have the morning hours to unload their wares. Chief Hartman reiterated his concern with safety. If an ambulance or squad car needs to get through, it is his responsibly to ensure that the health, safety and welfare of the public is

maintained. AMENDED MOTION MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO DIRECT THE ORGANIZERS TO WORK TOGETHER WITH CHIEF HARTMAN TO COME UP WITH A PARKING PLAN. City Administrator Swenson stated that he wants it to be known that it is not Chief Hartman's responsibility to find parking or how to shuttle the people, but only to review the plan that the organizers come up with. MOTION CARRIED WITH ALL AYES. Valere Byerly stated that her request would allow the serving of beer outside of the establishment in a roped off area between the hours of noon and 6:00 P.M. City Attorney Sandelin asked if the area would be contiguous with the building and Ms. Byerly stated that it would be. She further stated that security would be placed on all four corners of the beer garden. City Attorney Sandelin stated that Ms. Byerly should obtain a temporary beer permit application from the City Clerk and come back to the July 12th meeting, at which time the Council will take action on the request.

4. A letter dated May 14, 2004 from George Riches regarding the brick columns at City Hall was included for Council information. Councilmember Eggena commented that the work done at City Hall is under warranty and will be replaced at no charge to the City.
5. A letter dated June 9, 2004 from Roy Luukkonen regarding a tax forfeiture settlement from Crow Wing County informed the City of a settlement to the City in the amount of \$2,042.75 and was included for Council information.
6. A memo dated May 12, 2004 from MN DOT regarding public input received from a meeting held on February 9, 2004 was included for Council information.
7. A copy of a letter dated June 9, 2004 from County Highway Engineer Duane Blanck to Craig Rhymers regarding speed limits in the vicinity of Velvet Lake was included for Council information.
8. Lakes State Bank Pledge Update dated May 2004 was included for Council information.
9. Lakewood Bank Pledge Update dated May 2004 was included for Council information.
10. Northern National Bank Pledge Update dated May 31, 2004 was included for Council information.

G. COMMISSION REPORTS --

1. **LIBRARY** – Chair Alden Hardwick clarified for the Council that all money received for the Library by way of fundraisers and book sales are run through the City's general fund. The Clerk/Treasurer then pays any applicable expenses associated with the event. The next fund raiser will be a book sale on August 13th and 14th in conjunction with the Art Club's event at the Community Center. Books will be accepted on Thursday and the sale will take place in the picnic shelter. The Committee is meeting twice a month since they are in the heart of the fund raising drive. They have raised approximately \$82,000 in cash and pledges and will see how far they can go with pledges, donations and fundraisers. Councilmember Phillips asked if there was any money from Federal or State Government and Alden replied there is no funding available for any library. Phillips asked how the

Committee feels for the long haul and Hardwick stated it is not a dead horse yet, but they will need to decide before the end of the year what to do. They are not getting the big dollars they had anticipated receiving. Councilmember Schultz stated that the luncheon fundraiser was encouraging in that there was a lot of interest shown in the library. Councilmember Miller asked how Pequot Lakes did their library and Hardwick stated that the City provided the building for the Library. Hardwick stated that the Committee needs to review whether plans should be scaled back or abolished.

2. PLANNING AND ZONING –

- a. Community Development Director Ken Anderson introduced Carie Fuhrman, the new Planner-Zoning Coordinator member of his Staff. Carie grew up in Lake City, Minnesota and recently graduated from the University of Minnesota with a degree in housing studies. Carie thanked Ken and the Council for the opportunity she has been given to work in the Planning and Zoning Department.
- b. Staff Report dated June 11, 2004 from Ken Anderson regarding Park Dedication – Metes and Bounds Subdivision – Approval was requested to accept cash in lieu of land in the amount of \$5,000 for park dedication purposes for Metes and Bounds Subdivision 2004-005 submitted by James Kleinheinz. MOTION 06R-07-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO ACCEPT CASH IN LIEU OF LAND IN THE AMOUNT OF \$5,000 FOR PARK DEDICATION FEES. MOTION CARRIED WITH ALL AYES.
- c. Ordinance Amendment 2004-007, Lobo Properties – The Planning and Zoning Commission has recommended Council approval on a rezoning for Lobo Properties to rezone property currently zoned R-1 to R-4 for Lobo Properties. The property consists of 10.48 acres with the narrow part of the property fronting on Daggett Pine Road. Approval for this rezoning requires a 4/5ths majority vote of the City Council. MOTION 06R-08-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DARRELL SWANSON TO CHANGE THE ZONING FROM R-1 TO R-4 FOR LOBO PROPERTIES. Community Development Director Anderson stated that he has included a copy of the zoning map which shows the zoning for surrounding property as R-4. The property to the South and West in the Old Log Landing Development is zoned R-4, the property immediately to the East (Carefree Cottages) is zoned R-4 and the draft Comprehensive Plan identifies all of this property as R-4, which is urban density residential. The property owner is interested in developing this property now rather than wait for the City Council to initiate the action to rezone the property. Councilmember Schultz stated that Anderson answered her question as to how this rezoning would fit in with the proposed Comprehensive Plan when he stated the proposed zoning in the Comprehensive Plan is proposed as urban density residential. Councilmember Miller asked if this property is located East of the Outdoor Church. Anderson stated that it was.

Councilmember Phillips commented that it is his understanding that the Council's intent is to require larger lots in plats. Anderson stated that his recollection is that the Council's intent was to remain at R-4 (urban density residential) but had engaged in conversation regarding increasing the minimum lot size requirements. Currently 20,000 square feet is required per lot. Phillips asked if any plats had been approved with 20,000 square feet since he has been on the Council. Anderson stated that two recently approved plats, Silent Oaks and Duckwood, were zoned R-1 which require 40,000 square feet minimum per lot. Anderson stated one of the reasons for going with larger lots over time is that the houses are being constructed larger and both a primary and alternate septic system site is required. He stated also that property owners are building larger garages and storage spaces and in order to provide this and maintain all setback requirements, the lots are required to be larger especially if there are no plans for municipal sewer. Mayor Swanson asked Anderson if the Planning and Zoning Commission's recommendation was to approve the rezoning request and Anderson responded that they did recommend approval. Mayor Swanson then asked if the Comprehensive Plan allowed for this and Anderson stated that it does. Councilmember Eggena stated that he is totally opposed to the rezoning since the high density can now be put in the area of municipal sewer. He feels 20,000 square feet is too small of an area for high density, whereas 40,000 is a nice country lot allowing for both a primary and secondary sewer system. Eggena stated that there are no other 20,000 square foot lots in this area. Eggena stated that Old Log Landing is not situated directly south of this property but there is another parcel located in between. Eggena also stated that the property owner to the West of the Lobo Property was totally opposed to the rezoning at the public hearing that was held by the Planning and Zoning Commission. Councilmember Miller asked if the City hadn't recently approved a rezoning change to 20,000 square feet along Egret Road, which is in this area and Anderson stated that the Council did approve a rezoning change in the area of this property. Miller then asked what the property owners intentions were for this property and Anderson stated that he did not know the owners intentions for the property but it probably is to develop more home sites. Anderson reviewed the zoning map with the Council identifying the current zoning along with the proposed zoning. Anderson stated that it was his understanding, which may have been a misunderstanding, that when the Council talked about making some of these areas R-4 zoning, what was talked about was changing the performance standards to increasing the lot size to 30,000 or 40,000 square feet. But if this was done, this would be no different than what we have now in R-1. And again this has only been talked about conceptually in the Comp Plan meetings and no changes in the Ordinance have been made at this time. Councilmember Eggena stated that his review of the type of development that exists in this area consists of a multiple dwelling unit (Carefree Cottages) and a manufactured home park (Chatham Park). The 40 acres directly north of this area is owned by Bob Marshall and Eggena stated that

he has no intention of developing the property into 20,000 square foot lots. Based on this, in his mind he does not feel that we're connecting to some development that is already there. Since the City is requiring 40,000 square feet for other developers, the same requirement should be needed in this area. Mayor Swanson stated that when the Council talked about having the R-4 district, we talked about changing the performance standards and an approval at this time would be in conflict with what we are proposing. Anderson did state there have been no Ordinance Amendments adopted and no performance standards established to increase the lot size requirement in the R-4 zone. Mayor Swanson stated that if the Council approves the rezoning request, the minimum lot size requirement would be 20,000 square feet. Community Development Director Anderson stated that would be correct. Councilmember Eggena stated that he feels if the rezoning is approved, the developer will come in with a plat for 20,000 square foot lots. Mayor Swanson stated that the only plats approved recently with 20,000 square feet are on the lake with the exception of Carefree Cottages and a few others. Eggena stated that historically we have some, but we have not approved any in the last 2 years. Councilmember Eggena maintained that the Council needs to keep a level playing field for all developers and have a reason for what we do. With City sewer, he sees no reason to approve 20,000 square foot lots in this area. If high density is needed, developers can build in the area of the Municipal Sewer District. Mayor Swanson stated that he would not be particularly anxious to rezone something when the City is in middle of reviewing the Comprehensive Plan. Community Development Director Anderson stated that he sees two options before the Council. The Council can approve the rezoning request or deny the request, but if the request is denied, he would like to have some rationale applied to the denial to convey to the applicant. Mayor Swanson stated that if denied, Anderson can tell the applicant that this is a rezoning request being submitted in the middle of our review of rezoning in the City. Mayor Swanson stated that currently the property is zoned R-1 and requires a 40,000 square foot minimum lot size, however it is the intent of the Council to change the performance standards to require something more than 20,000 square feet in the R-4 district. Councilmember Schultz stated that if it is going to be 40,000 square feet across the board for both R-1 and R-4, what is the difference in the two zoning districts. Mayor Swanson stated that there were other requirements changing between the two zoning districts. It was the consensus of the Council that they should not be changing this property to 20,000 square foot lots until the Comprehensive Plan review is complete. Mayor Swanson agreed that the Council should not be changing certain parcels and put the cart before the horse. MOTION FAILED WITH ALL NAYS.

MOTION 06R-09-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO DENY THE RE-ZONING

REQUEST FOR LOBO PROPERTIES. MOTION CARRIED WITH ALL AYES.

- d. Letter dated June 11th from Michael Stone regarding Comprehensive Planning was included for Council information. The letter indicated that the property owners would like to see the golf course property remain zoned for the highest residential density allowed by the City since it is situated immediately adjacent to the City's municipal sewer. The zoning is currently R-4 with 20,000 square foot lot size requirements. Councilmember Eggena asked what other cities do for golf courses. Anderson stated that he has not researched what other cities do but is aware of some cities allowing golf courses as an open area. Eggena stated that this would be consistent with the recent Ordinance changes in regards to the requirement to keep a 200' buffer between residential and commercial without requiring a CUP for all commercial enterprises and was in agreement with a residential open zone. Anderson stated that this was a good argument for not changing the zoning but have the Comprehensive Plan future land use map compatible with use of the land.
- e. Community Development Director Anderson informed the Council that he attended a public information meeting hosted by the Corps of Engineers on Friday in regards to the ROPE Study. Initially, this study was to have been completed by April 2004 and now is scheduled to be completed in 2006. Anderson stated that the baseline elevations, however, may be determined yet this summer since the work is being transferred to a retired hydrologist who is working on the elevations on a full time basis.

3. SEWER –

- a. In the absence of Chairman Dean Swanson, Public Works Director Ted Strand and City Engineer Dave Reese updated the Council on the Sewer Project. The plant and collection system is up and operating with 30 connections on-line. Everything is going well and within the next few months, another walk through will be made with the MPCA. City Hall is compiling a list of contractors who have the licensing requirements to perform the sewer hook-ups. While the list is not inclusive, it does list those contractors who have provided the necessary information to the City.
- b. A letter dated June 2, 2004 from WSN contained a pay request from KHC Construction – **MOTION 06R-10-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE PAY REQUEST NUMBER 15 FOR KHC CONSTRUCTION IN THE AMOUNT OF \$33,437.00.** Councilmember Eggena asked if only \$1,925 remained outstanding and City Engineer Reese stated that there were also change orders outstanding that would be coming to the Council in either July or August. **MOTION CARRIED WITH ALL AYES.**
- c. A fax to Kim Christensen of KHC Construction from Mark Hallan of WSN dated May 19, 2004 set the date of Wednesday, May 26, 2004 to allow properties to start connecting to the sanitary sewer collection system. All

outstanding items need to be completed prior to that date in order that the facility can be put on line. This information was provided for Council information. Also included in the packet was a Certificate of Substantial Completion which needs to be approved by the Council. MOTION 06R-11-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY IRENE SCHULTZ TO AUTHORIZE CITY ADMINISTRATOR TOM SWENSON TO SIGN THE CERTIFICATE OF SUBSTANTIAL COMPLETION. It was noted that all punch list items need to be completed before final completion. MOTION CARRIED WITH ALL AYES.

- d. Memo dated June 9th from WSN to the Sewer Committee regarding Terry Banbury Claim – Property owner Terry Banbury contacted WSN field observer Darrell Schneider regarding his claim of damage to a retaining wall as a result of the sewer project. Mr. Schneider did view the wall which indicated a broken deck pillar/footing, cracks in retaining block walls and top blocks on both sides of the walkout and lakeside. Cracks in mortar between the blocks was evident as were cracks in the blocks themselves. Mr. Banbury stated that the entire home was shaking when the backhoe was digging on Margaret Lane and that Al of Hammerlund Construction came to the lakeside of his home to view the cracks. Pictures were taken and the damage was reported to Hammerlund's insurance company. Mr. Banbury feels that Hammerlund is responsible for something and suggested that the City hold payment to Hammerlund to settle the claim. City Administrator Swenson also viewed the retaining wall and noted that some of the cracks in the block had moss growing out of them. Mr. Banbury requested that the issue be heard at the June 14th Council meeting and he was present at the meeting.
- e. City Engineer Reese stated that he has reviewed the contract between the City and Hammerlund Construction and found that the contractor has complied with the contract by having the necessary insurance in place. The Contractor submitted the Banbury claim to his insurance company who had a professional engineer inspect the structure. Their review indicates that the damage does not appear to be related to the construction conducted by Hammerlund. Based on this, it is WSN's opinion that withholding payment to Hammerlund would not be consistent with the Contract resolution procedure outlined in the contract between the City and the Contractor. The contract between the City and the Contractor allows for claims between the City and the Contractor and does not include third party claims. Based on this, the City needs to set policy on how to handle these types of situations since they are on private property. Councilmember Miller felt that there was expert opinion provided on the claim and feels that the property owner needs to go back to the contractor for a resolution. Councilmember Eggena felt the information presented to the Council was one-sided and feels the City is the third party in this situation and should do the best for the property owners. City Attorney Sandelin again suggested that the City needs to establish a policy for handling these types of situations. Councilmember Phillips did agree that the property owner's should have the opportunity to

be heard on these types of situations. MOTION 06R-12-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DARRELL SWANSON TO AUTHORIZE THE CITY ADMINISTRATOR TO FIND AN IMPARTIAL STRUCTURAL ENGINEER TO LOOK AT THE PROPERTY OWNERS DAMAGE AT A COST NOT TO EXCEED \$1000 FOR REVIEW BY THE SEWER COMMITTEE WITH A RECOMMENDTION TO THE CITY COUNCIL. Councilmember Phillips stated that the City has an Engineer and this could open a can of worms. City Engineer Reese stated that WSN did review the property, obtained a report from the insurance company and determined that Hammerlund did follow their contractual requirements. At this point, City Engineer Dave Reese stated they don't know what else to do without Council direction. Reese did note that they do have a structural engineer on staff, but this could constitute a conflict of interest. Councilmember Phillips asked what the approximate cost of the damage to the retaining wall was. Mayor Swanson asked if the property owner could get an estimate. Mr. Banbury addressed the Council and thanked them for their impartial approach. Banbury stated that he could hire someone, but he wouldn't know if they were any more credible. Regarding the damage, he stated that it could be \$1,000 or \$10,000 but it is the principal "if you break it, you fix it" with him. Mr. Banbury stated that he does have pictures from his digital camera of the wall prior to the damage. Regarding the estimate, City Administrator Swenson recommended that Mr. Banbury provide the estimate before the structural engineer is hired. MOTION AMENDED TO HAVE MR. BANBURY OBTAIN AN ESTIMATE FIRST. MOTION CARRIED WITH ALL AYES.

- f. Memo dated June 2nd from WSN to Todd Hammerlund regarding Contract No. 2 and Certificate of Substantial Completion – MOTION 06R-13-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO AUTHORIZE TOM SWENSON TO SIGN THE CERTIFICATE OF SUBSTANTIAL COMPLETION FOR HAMMERLUND CONSTRUCTION. Councilmember Eggena asked about the manhole covers on County Road #66. City Engineer Dave Reese stated that the specs call for ½ inch so they will be corrected. Eggena asked if the curb cut for Paul McCulloch was resolved and Reese stated that WSN sent a check to Mr. McCulloch for \$500. MOTION CARRIED WITH ALL AYES.
- g. Public Works Director Ted Strand stated that he is in his third week of testing water quality and the results back from the first testing show exceptional results. The results will be available at the next Council meeting.
- h. The minutes of the April 19, 2004 Sewer Committee Meeting were included for Council information.

4. PUBLIC WORKS –

- a. The minutes of the April 19, 2004 Public Works Commission meeting were included for Council information.

- b. A memo dated June 1, 2004 from the Public Works Commission recommends acceptance of Dancing Bear Drive within Silent Oak Plat with contingencies. Mr. Smith was present at the Public Works Commission meeting and indicated that Wannebo will be completing the ditch shaping and he will be proceeding with the seeding of the ditches. After discussion, it was the consensus of the Council to hold off on accepting the road until the next regular Council meeting.
- c. Memo dated May 21st from Public Works Commission regarding installation of four street lights – The Public Works Commission reviewed a request from the Chamber of Commerce to install street lights at four locations within the City. Crow Wing Power will pay for and install the street lights. Councilmember Eggena asked what the cost would be to the City and Swenson stated that there would be no cost to the City. Swenson stated there are two factions in town, the ones who want to light up the town and the others who want to see the stars. Councilmember Phillips questioned whether the installation of street lights would improve safety and visibility in the City as indicated by the Police Chief. After discussion, it was agreed that the issue would be reviewed again at the July meeting.
- d. A proposal was received from Anderson Brothers to construct, shape and grade the parking lot and roadway behind City Hall. The proposed cost is \$12,751 and would increase the parking capacity by 28 stalls. MOTION 06R-14-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO APPROVE THE QUOTE FROM ANDERSON BROTHERS TO PAVE THE PARKING LOT AT A COST NOT TO EXCEED \$12,751. Councilmember Phillips asked if this expenditure was in the budget and City Administrator Swenson stated that it was not a budgeted item. Phillips asked what would stop the headlights from shining into the property owners behind City Hall. Phillips suggested that the Council wait to do the project until it could be budgeted. Swenson stated that the cost could be paid for out of the capital outlay road budget. MOTION CARRIED WITH ALL AYES.

5. PARK AND RECREATION –

- a. Park and Recreation Director Jon Henke commented that he would be supportive of the streetlight proposed at the junction of Daggett Pine Road and County Road #66 in conjunction with the proposed bike path. Henke reminded the walkers that the Community Center gym is reserved each weekday morning from 8:00 – 9:00 for walking. The next session of aerobics will start on Monday, June 28th. This will be a six-week session ending August 10th. The cost for the six-week membership is \$39.00. The class will not be held the week of July 4th. MOTION 06R-15-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DICK PHILLIPS TO APPROVE CONTRACTING WITH DONNA KEIFFER TO PROVIDE AEROBIC INSTRUCTION FROM JUNE 28TH THROUGH AUGUST 10TH AT A COST OF \$396.72. MOTION CARRIED WITH ALL AYES. Councilmember Eggena asked if contracting with Donna Keiffer for aerobic

instruction could be done once a year. Henke stated that he would look at doing it annually at the beginning of next year. AAA is sponsoring another senior driving class on June 23rd and 24th from 9:00 to 1:00 P.M. This is a full eight-hour course for first time participants. A refresher class will be held on July 7th from 9:00 to 1:00 P.M. Interested persons should call AAA to register. A boat safety class will be held at the Community Center on June 16th and June 30th from 9:00 to noon. Interested parents should call Sue at C&C Boatworks for more information. The Community Center offers Yoga two times per week on Monday evenings and Wednesday mornings. The weight room is available for low membership rates for anyone interested in weights. Chad Costello will be offering tennis lessons on the courts again this summer starting June 28th for ages 4 and up. The senior tennis mixer will meet on Thursday afternoons this summer and interested persons should call the Community Center to get on the roster. The Junior Golf and Pizza League will meet at Crosswoods Golf Course starting June 21st. Participation fee for all eight sessions is \$80.00. Day passes are available for \$12.00. This fee includes instruction, golf and lunch. Registrations are available at Crosswoods Golf Course. Card clubs meet on Tuesday and Fridays each week at the Center and new members are always welcome. The Center will be closed on July 5th in observance of Independence Day and every Sunday through Labor Day. The Community Center burn pile will be closed on July 1st. After that date, no more storm debris will be accepted. Staff is still collecting information on the floor project which will be presented to the Council at a later date. A letter dated May 14, 2004 from Superintendent Jerry Walseth, regarding their use of an architect during design, bidding and construction of an indoor activity center consisting of approximately 34,000 square feet of space and four full-size basketball courts, was included for Council information. The minutes of the May 24, 2004 Park Commission Meeting were included for Council information.

6. UTILITIES - General Manager Dennis Leaser presented the Highlights Report for May. Leaser stated that Victory Sports has been replaced with the Hallmark Channel on Channel 38 effective May 21st. He stated that he has been receiving calls from customers asking that the \$3.00 be returned and Leaser explained that the increase was due to increases in other programming costs besides Victory Sports. He stated that Fox Sports has increased their rates by 40%, so consumers will probably see another increase next year. Regarding the tower, the bid was awarded to Dietz Brothers at a special meeting held on May 28th. Northern PCS (Sprint) has expressed a strong interest in utilizing the tower and City Attorney Sandelin has the contract for review. The annual customer survey was approved by the Commission and will be sent out in the July statements. The annual Customer Appreciation Day is in the planning stages and will be held Saturday, August 14th from 9:00 a.m. to 1:00 p.m. Several prizes will be awarded such as Twins tickets, posters and various other gifts. Root beer floats will be served to everyone in attendance. Paul Davis has been working on improvements to the web site and residents can access computer tips on www.crosslake.net. Councilmember Phillips asked about a truck

driving around the City which appears to be working with utilities. Leaser stated that the truck is owned by Vantage Point who have been contracted to do mapping for Cable TV. The minutes of the May 25th Commission Meeting and May 25th Investment Committee Meeting were included for Council information.

7. **PUBLIC SAFETY** - Chief Hartman stated that the Police Department reported 204 calls in Crosslake and 29 calls in Mission Township in May. City Attorney Sandelin stated that the taser and in squad video policy's were reviewed with the League and they are consistent with the City's use of them as outlined in the policy's. The Fire Department responded to eighteen medical calls and four fire calls in May for a total of 22 calls. Fire Chief Anderson congratulated residents for observing the burning ban and keeping grass fires to a minimum. Anderson stated that bids have been received for a new fire truck and the results will be presented at a later date.
8. **ECONOMIC DEVELOPMENT AUTHORITY** – Nothing
9. **RECYCLING** – A total of 21.64 tons of recyclables were collected in May bringing the year-to-date total to 61.54 tons.
10. **CHARTER SCHOOL** – Councilmember Schultz reported that the school has a complete enrollment for grades K-8 for the upcoming school season.
11. **LONG RANGE CAPITAL PLANNING** – Nothing
12. **PERSONNEL COMMITTEE** – Nothing

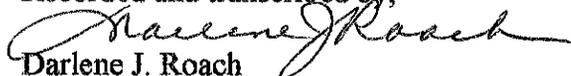
H. OLD BUSINESS - Nothing

I. NEW BUSINESS – Councilmember Phillips requested that Staff look at liquor license fees for review during the budget process.

J. PUBLIC FORUM - None

K. ADJOURN – MOTION 06R-16-04 WAS MADE BY BETTIE MILLER AND SECONDED BY IRENE SCHULTZ TO ADJOURN THIS REGULAR MEETING AT 10:02 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,


Darlene J. Roach
Clerk/Treasurer

Shared/REGULAR COUNCIL MEETING – June 14, 2004

BILLS FOR APPROVAL

14-Jun-04

VENDORS	DEPT	AMOUNT
Ace Hardware, reflector bulb	PW	24.67
Ace Hardware, bolts, nuts	PW	20.10
Ace Hardware, air hose	PW	48.30
Ace Hardware, oil	P&R	5.85
Ace Hardware, nuts, bolts, brace	P&R	5.85
Ace Hardware, mouse traps	P&R	5.73
Ace Hardware, headset	P&R	8.51
Alex Air Apparatus, service on compressor	Fire	531.44
AmeriPride, mats, towels	PW	150.41
Blue Lakes Disposal, trash removal	P&R/PW	116.35
Cascade Computers, new computer system	P&Z	2,092.63
Cascade Computers, update computer software	Police	105.00
City of Crosslake, sewer hook up fee	Sewer	5,500.00
Collegiate Pacific, bases, pitchers	P&R	240.43
Collegiate Pacific, tennis racket	P&R	19.95
Council #65, union dues	ALL	142.11
Crow Wing County Treasurer, e911 addresses	Gov't	125.00
Culligan, cooler rental and water	PW	48.65
Culligan, cooler rental and water	Gov't	35.52
Dacotah Paper, air freshner	P&R	77.04
Dacotah Paper, towels, tissue, mop	P&R	581.26
Deferred Comp	ALL	491.66
Delta Dental, dental insurance	ALL	1,086.45
Echo Publishing, thank you	Gov't	46.00
Echo Publishing, street improvement ad	PW	69.00
Engineering America, grease tubes, oil	Sewer	293.41
Fire Instruction & Rescue, basic pump operations class	Fire	240.00
Firemens Relief Assn, reimburse for water pump	Fire	19.00
Fortis, disability	ALL	236.42
Holden Electric, lift station items	Sewer	1,960.49
Honey Wagon, haul seed sludge	Sewer	360.00
Jefferson Fire & Safety, firepower hose	Fire	356.01
Kelly & Sons Towing, drop off and pick up 2 cprs	Fire	100.00
Lakes Area Rental, bolt cutter	P&R	6.39
Linescape Linestripping, road striping	PW	3,492.88
Mastercard, Fleet Farm, sledge, wrenches, steering fluid	PW	130.81
Mastercard, Walmart, tennis balls	P&R	97.17
Medica, health insurance	ALL	10,929.62
MN Benefits	Admin	100.92
MN Life, life insurance	ALL	255.60
NCPERS-Life Insurance	ALL	128.00
North Ambulance, subsidy	Ambulance	1,103.00
North Country Plumbing, replace toilet tank valve and flipper	Gov't	65.00
Paula Karl, reimburse for library luncheon	Library	1,000.63
PERA	ALL	N/A

Pine River-Backus Community Ed, umpire training clinic	P&R	16.50
Pitney Bowes, postage meter rental	Admin/P&Z	131.00
Quill, envelopes, copy paper, labels, ink	ALL	584.93
Reed Business Information, ad for bids	PW	120.33
Sandelin Law Office, legal fees	ALL	9,360.83
Simonson Lumber, greenguard insulation	Sewer	447.09
Simonson Lumber, screws	PW	14.91
State and Federal Taxes	ALL	N/A
Tom Swenson, vehicle allowance	Admin	400.00
U of M Onsite Programs, septic training	P&Z	955.00
USA Bluebook, manhole lid plug	Sewer	233.52
Viking Coca Cola, pop	Gov't	58.52
Viking Coca Cola, pop	P&R	62.20
Widseth Smith Nolting, engineering fees	ALL	46,252.30
TOTAL		91,090.39

ADDITIONAL BILLS FOR APPROVAL
14-Jun-04

VENDOR	DEPT	AMOUNT
League of MN Cities, 2003 workers comp balance	ALL	4,164.00
Mastercard, Best Buy, tv, ink, wall mount	Gov't	329.04
Mastercard, Home Depot, power tool set	PW	591.53
Mills Motors, new brakes	PW	597.76
The Office Shop, laser cartridge	Police	60.69
Reed Business Information - Construction Bulletin	Roads	120.33
Carie Fuhrman - reimburse expenses for Sewer Class	P&Z	331.74
Ken Anderson, reimburse expenses for mtgs, move, office	P&Z	679.40
TOTAL		6,874.49

RESOLUTION 04-16
TO ADOPT FOR RENEWAL EXISTING LIQUOR LICENSE
ESTABLISHMENTS FOR 2004-2005

WHEREAS, the City of Crosslake does hereby resolve to adopt the Liquor License Renewals of establishments licensed in 2004-2005 for the licensing year 2004-2005:

ON-SALE (INTOXICATING) \$1500.00

The Cedar Chest
Zorbaz of Cross Lake
Riverside Inn
Andy's Restaurant/Liquors
Ye Olde Wharf
Moonlite Bay
The New Exchange

OFF-SALE (INTOXICATING) \$100.00

Channel Liquors, Inc.
Barstock Liquors, Inc.
Riverside Inn
Andy's Restaurant/Liquors
The New Exchange

SUNDAY (INTOXICATING) \$200.00

Zorbaz of Crosslake
The Cedar Chest
Riverside Inn
Andy's Restaurant/Liquors
Ye Olde Wharf
Moonlite Bay
The New Exchange

STRONG BEER ON-SALE \$75.00

Famous Dave's

WINE LICENSE - \$100.00

Ox Lake Tavern
Famous Dave's

CLUB

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

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

Ox Lake Tavern
Crosswoods Golf Course, Inc.

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/wine/beer licensing for the period of July 1, 2004 – June 30, 2005, at a Regular Council Meeting on the 14th day of June, 2004, after all licensing requirements are met both under local Ordinance and under MN State Statutes Chapter 340A, Police Department background checks result in satisfactory findings and approval is granted by the Minnesota Department of Public Safety Alcohol and Gambling Enforcement Division.

COUNCIL IN FAVOR – 5


Thomas N. Swenson
City Administrator

COUNCIL AGAINST - 0


Darrell E. Swanson
Mayor