

CROSSLAKE UTILITIES COMMISSION/JOINT CITY COUNCIL MEETING
TUESDAY, JUNE 25, 2002
8:00 A.M. - CITY HALL

The City Council Meeting was called to order by Mayor Swanson at 8:00 a.m. Council members present: Darrell Swanson, Charles Miller, Sandy Eliason, and Irene Schultz. The Regular Meeting of the Crosslake Utilities Commission was called to order by Chairperson Ted Silva at 8:00 a.m. Members present were Ted Silva, Armond Gease, Hank Duitsman, Judy Cotten, Bill Smith, Gerry Brine and Clyde Fish. Also present were General Manager Dennis Leaser, Office Manager Debby Floerchinger, Operations Manager Jared Johnson, City Administrator Tom Swenson and City Clerk Darlene Roach. Council Member Dean Swanson joined the meeting at 8:15 a.m.

ACTIONS TAKEN:

- 1) **The Utilities Commission recommends to the City Council that an amended Vision and Mission Statement be included in the Utilities Management Policy.**
- 2) **The Utilities Commission recommends to the City Council that Dennis Leaser be removed from probationary status and be granted permanent full time status and that his salary be adjusted as was previously agreed to by the City and incorporated into the offer of employment dated June 19, 2001.**

The Telephone Financial and Statistical Reports for May, 2002 were reviewed. **Hank Duitsman moved to accept the May 2002 Financial and Statistical Reports. Second by Judy Cotten. All in favor. Motion carried.**

- 1) Vision and Mission for Crosslake Communications. Dennis explained that in October 1999, a Strategic Thinking and Planning meeting was conducted at the Community Center. In attendance were members of the City Council, Utilities Commission, Crosslake Communications management, Win Curtiss of Olson Thielen and Bob Reff from CC&I. The group worked on these very issues and came up with the following:

A Vision Statement that stated: *Crosslake Communications is a dependable and responsive service provider that is progressive and innovative in meeting the needs of its customers, and makes every attempt to visualize the future needs of the organization and those it serves.*

A Mission Statement states how we are going to get there. It said: *It is the mission of Crosslake Communications to provide consumers with competitively priced products and services by*

successfully anticipating and managing changes taking place with technology, in the industry and the marketplace.

Dennis went on to say that for Crosslake Communications to be a viable part of the City's infrastructure and to contribute to the City's growth and well being, it must be able to be financially sound and be able to:

- 1) Meet operating expenses and cash flow needs.
- 2) Avoid potential new debt.
- 3) Take advantage of new technologies and anticipate plant upgrades.
- 4) Be able to replenish restrictive reserves as required.

Dennis feels that if we are able to do this, these above items will be successful. He also feels that the difference between a government enterprise and a municipal utility company is:

- The government enterprise budgets to spend a given amount of money and at the end of the fiscal year to have zero dollars left.
- The municipal utility company at the end of the fiscal year is to make a rate of return on their plant investment to fund present and future needs.

The ideal situation is a bottom line of zero and with all the financial needs met as previously mentioned.

Asking how we get there, Dennis answered that one of the most important goals for Crosslake Communications should be to have zero debt. We should set aside funds in our "restricted reserves" for plant replacements to insure that the future needs of Crosslake Communications are met and not to burden additional debt on our owners.

Dennis asked the Commission if the vision and mission statements were still valid today and if so was it the consensus of the group that it be included in the Utilities Management Policy. **Hank Duitsman moved to recommend to the City Council that the Vision Statement and Mission Statement be approved and included in the Utilities Management Policy. Second by Armond Gease. All in favor. Motion carried.**

MOTION 06S1-01-02 WAS MADE BY SANDY ELIASON AND SECONDED BY IRENE SCHULTZ TO ACCEPT THE VISION AND MISSION STATEMENT AS RECOMMENDED BY THE UTILITIES COMMISSION.

Councilmember Miller commented that he felt we were losing sight of the fact that this is a City-owned company. He felt that this was a very good statement for a privately owned company but there is no reference to the

Citizens of Crosslake. Mayor Swanson added that the Investment Committee is looking at possibly doing away with the annual dividend by raising the subscriber fee or charging a subscriber fee to cable customers. The company would be run as a non-profit in that any excess would go into a rate stabilization fund, which would go toward keeping the rates down. Councilmember Dean Swanson expressed concurrence with Councilmember Miller's statement and inquired why the Investment Committee was in charge of this. There was discussion on rewording the Vision and Mission Statements to include "a municipally owned company" and "the citizens and consumers". **Hank Duitsman amended his motion as follows:**

Revised Vision Statement:

Crosslake Communications, a municipally owned company, is a dependable and responsive service provider that is progressive and innovative in meeting the needs of the citizens and consumers, and makes every attempt to visualize the future needs of the organization and those it services.

Revised Mission Statement:

It is the mission of Crosslake Communications, a municipally owned company, to provide the citizens of Crosslake and the consumers with products priced commensurate with the services, by successfully anticipating and managing changes taking place with technology, in the industry and the marketplace.

Armond Gease seconded the motion. All in favor. Motion carried.

Discussion ensued regarding the fact that the Company is municipally owned and governed by State Statute unlike other companies. The Council did not want the Company to lose sight that they are bound to its citizens as users and owners. The Council also felt that it is imperative to not develop the philosophy "us against them" as has been a mentality in the past. The Utilities Company is a department of the City like all of the other departments. There was some discussion regarding possibly eliminating the true-up paid to the City. City Administrator Swenson stated that he not only budgets \$150,000 in revenue from the user fee collected (\$4.60 per user) by the Utility Company, but has also budgeted \$70,000 in true-up that would have to be paid through some means. He stated that possibly user fees could be charged to Internet, Cable and DSL users as another means of making up the true-up amount. **COUNCIL MOTION WAS WITHDRAWN.**

MOTION 06S1-02-02 WAS MADE BY SANDY ELIASON AND SECONDED BY IRENE SCHULTZ TO ACCEPT THE UTILITIES COMMISSION VISION AND MISSION STATEMENTS AS AMENDED TO

INCLUDE " A MUNICIPALLY OWNED COMPANY". MOTION CARRIED WITH ALLAYES.

- 2) DSL Update. Dennis reported that on June 13th, the Company installed their 100th DSL customer. Dennis thanked Jared, Ron and the customer service staff for marketing and servicing DSL.
- 3) 2002 Budget Update. Dennis reviewed each of the items included in the 2002 budget comparing it to year-to-date expenses. The total expenses to date are well under budget.

CATV

The Cable Financial and Statistical Reports for May, 2002, were reviewed. **Gerry Brine moved to accept the May Cable Financial and Statistical Reports as presented. Second by Judy Cotten. All in favor. Motion carried.**

- 1) Pay Per View Purchases Report and Digital Update. Debby reported that digital activity includes 309 households taking Digital service as of the end of May. There were 76 movie purchases. Mayor Swanson asked that a report be compiled at the end of the first year (October) in order to determine how digital service is doing.
- 2) 2002 Budget Update. Dennis reviewed the Budget analysis as of May 31, 2002. The total budget for the year was \$326,000 with \$121,101 being spent to date.

PERSONNEL

- 1) Bookkeeper position. Dennis reported that the bookkeeper position was filled by Sunnie Engstrom effective June 13th. Sunnie is formerly of Crosslake, and has received a four-year degree in accounting from Bemidji State. Sunnie worked at a credit union in Duluth prior to accepting the bookkeeper position.
- 2) Customer Service Position. Dennis stated that the customer service position was filled by Pam Straka who moved from the bookkeeper position to fill the position vacated by Tammy Neubert. Pam was a customer service representative prior to accepting the bookkeeper position. Pam's job position change was effective June 13th.
- 3) General Manager Performance Review. City Administrator Tom Swenson read a memo stating that Mayor Swanson, Utilities Chairman Ted Silva and he had met on May 28, 2002 to review Dennis Leaser's job

performance. Overall the performance review was very positive. It was recommended to the Utilities Commission that they recommend to the City Council that Dennis Leaser be removed from probationary status and be granted permanent full time status and that his salary be adjusted as was previously agreed to by the City and incorporated into the offer of employment dated June 19, 2001.

Motion was made by Armond Gease to recommend to the City Council that Dennis Leaser be removed from probationary status and be granted permanent full time status and that his salary be adjusted as was previously agreed to by the city and incorporated into the offer of employment dated June 19, 2001. Second by Hank Duitsman. All in favor. Motion Carried.

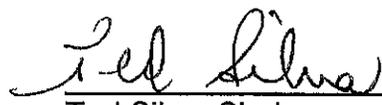
MOTION 06S1-03-02 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO ACCEPT THE RECOMMENDATION FROM THE UTILITIES COMMISSION FOR DENNIS LEASER AS PRESENTED. MOTION CARRIED WITH ALL AYES.

OTHER BUSINESS

- 1) Open House. Dennis reported that the Annual Open House will be held on Saturday, August 10th. The theme will be "e-commerce". Staff will be promoting DSL, Internet, and Digital TV services. Commissioner Rebecca Yanish from the Department of Trade and Economic Development will make a presentation to Mayor Swanson officially designating the City of Crosslake "E-Commerce Ready". Dennis Leaser also noted that on June 17th the Minneapolis Star Tribune published an article on DSL which identified the 21 cities that are e-commerce ready. Crosslake was listed as one of the e-commerce ready cities. Personal invitations to the open house will be sent to Council members, Commission members, Randy Young from MART, Mike Nowick from the MTA, the ECHO and the Brainerd Dispatch.

The next regular meeting of the Crosslake Utilities Commission will be Tuesday, July 30, 2002 at 7:30 a.m. at Crosslake Communications.

A motion was made by Armond Gease and second by Clyde Fish to adjourn the meeting at 9:25 a.m.



Ted Silva, Chairman

It was noted that the Investment Committee meeting has been rescheduled to Thursday, June 27th at 8:00 A.M. at Crosslake Communications.

BILLS FOR APPROVAL – MOTION 06S1-04-02 WAS MADE BY DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO APPROVE THE PAYMENT OF BILLS AS SUBMITTED IN THE AMOUNT OF \$12,478.67. MOTION CARRIED WITH ALL AYES.

CROSSLAKE CITY HALL SIGN – The Sign Committee met with the graphic artist sign builder on June 17, 2002 and recommend that Mike Sedivy of Aardvark Artwork be authorized to construct the City Hall sign at a cost not to exceed \$24,380. Although the sign was not included in the budget, funds are available in the Administration and Planning and Zoning budgets in salary and benefits that will not be used for hiring an additional staff person. MOTION 06S1-05-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE HIRING MIKE SEDIVY OF AARDVARK ARTWORK TO CONSTRUCT A CITY HALL SIGN AS PROPOSED AT A COST NOT TO EXCEED \$24,380. It will take approximately four to six weeks to complete the sign. MOTION CARRIED WITH ALL AYES.

REQUEST TO USE CITY LOGO – Discussion ensued regarding a request which was received for use of the City logo for T-shirts for the Dam Run. MOTION 06S1-06-02 WAS MADE BY DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO RECOGNIZE THE CITY LOGO AS HAVING BEEN DEVELOPED AND PAID FOR BY THE CITY WHO RETAINS ALL OWNERSHIP RIGHTS FOR THE LOGO. HOWEVER IS AVAILABLE FOR RESPONSIBLE USE BY ORGANIZATIONS AND INDIVIDUALS. MOTION CARRIED WITH ALL AYES.

MOTION 06S1-07-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 9:46 A.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach
Clerk/Treasurer

cc: Gerry Brine
Judy Cotten
Hank Duitsman
Clyde Fish
Armond Gease
Ted Silva
Bill Smith

Darrell Swanson, Mayor
Charles Miller
Irene Schultz
Dean Swanson
Sandy Eliason
Tom Swenson
Paul Sandelin

BILLS FOR APPROVAL

25-Jun-02

VENDORS	DEPT	AMOUNT
Ace Hardware, bushings	Gov't	4.74
Ace Hardware, fittings	Gov't	2.93
Ace Hardware, bushings	Gov't	3.67
Ace Hardware, bolt cutter	PW	40.46
Ace Hardware, paint brushes and rollers	Cemetery	81.47
American Planning Assoc., membership dues	P&Z	267.00
BLADC, fireworks	Gov't	2,000.00
Cascade Computers, email and internet issues	P&Z	122.50
Cascade Computers, install more memory	ALL	286.53
Cellular One, cell phone charges	PW	26.96
Complete Title Services, owner and encumbrance	Gov't	75.00
Crosslake Electric, electric repairs	ALL	588.00
Crow Wing County Treasurer, coop purch subs fee	Gov't	200.00
Crow Wing County Treasurer, e911 fees	Gov't	75.00
Crow Wing County Treasurer, computer reports	P&Z	35.80
Culligan, water	Gov't	31.95
Dacotah Paper, toilet tissue	Gov't	46.88
Dahlgren Shardlow & Uban, professional services	CompPlan	1,528.20
Echo Publishing, public hearing notice 6-28	P&Z	101.25
Echo Publishing, ordinance 160	P&Z	23.62
Holiday Station, fuel	P&Z	22.53
Houston Ford, oil change	Police	31.99
Jay Lorch, reimburse uniform	Police	37.38
Lake Country Echo, 1 year subscription	Gov't	27.00
League of MN Cities, insurance, check #32684	Gov't	56.00
Mastercard, Fleet Farm, sprinkler system	Gov't	162.77
Mastercard, Fleet Farm, ball mount and hitch	P&R	23.26
Minnesota T's, baseball uniforms	P&R	1,854.56
North Memorial, ems education	Fire	1,060.00
Pine River Oil Company, diesel and unleaded	PW	728.20
Pitney Bowes, new postage rate chart	Adm/P&Z	9.99
Reeds Market, sentence to serve	PW	202.33
Simonson Lumber, paint, cement, roofing	Cemetery	172.20
Stepp Manufacturing, 1week rental	PW	905.25
The Office Shop, paper and trash bags	Adm/P&Z	556.24
The Office Shop, collator, envelopes, ink cartridges	Adm/P&Z	206.94
Top Job, june cleaning	Gov't	692.25
Viking Coca Cola, pop	Gov't	40.47
Viking Coca Cola, pop	P&R	110.22
Ziegler Cat, filter	PW	37.13
TOTAL		12,478.67