

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, JUNE 28, 2004  
1:00 P.M. - CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met in a Special Session on Monday, June 28, 2004 at City Hall. The following Councilmember's were present: Mayor Swanson, Dean Eggena, Bettie Miller, and Dick Phillips. Councilmember Irene Schultz was absent. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, City Attorney Paul Sandelin, City Engineer Dave Reese and Clerk/Treasurer Darlene Roach. There were approximately sixteen individuals in the audience.

1. Mayor Swanson called the Special Meeting to order at 1:00 P.M.
2. Review 2003 Audit – Judi Moravec of Mathias Justin, LTD presented the 2003 Audit which was recently performed by them. Ms. Moravec stated that all City funds were audited with the exception of the enterprise funds, which were audited by the firm of Olsen Thielen and merged with the City Audit. The balance sheet shows sufficient reserves of cash and an increase in liabilities of \$7,580,442. A total of \$774,181 in debt was retired in 2003. No assessments were certified in 2003. Expenditures increased significantly in 2003 with the construction of the Public Works Facility and Sewer Project. A total of \$260,692 was transferred between funds in 2003. Budget variations reflected an increase in revenue of \$269,382 over what was budgeted and on the expenditure side, a total of \$2,601,032 over budget was spent due to the road projects and Joint Public Works Facility. Ms. Moravec stated that there were no compliance issues and the accounting records maintained by City Administrator Tom Swenson and Clerk/Treasurer Darlene Roach were in exceptional condition. MOTION 06S2-01-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY BETTIE MILLER TO ACCEPT THE 2003 CITY AUDIT AS PRESENTED. MOTION CARRIED WITH ALL AYES.
3. Review status of Stormwater Project in Downtown District – After the last meeting on this issue, City Engineer Dave Reese, City Administrator Tom Swenson, Community Development Director Ken Anderson and Bill Reed met June 23<sup>rd</sup> with Keith Pohl of the Crow Wing County Soil and Water Department. At this meeting, the attendees were informed that the permit which expires September 30, 2004 will not be extended. A change was proposed to not use Joe Slack's property along Swann Drive to complete the project. Joe Slack, however, is looking for an answer from the Council as to why his property would not be allowed 80/20 for impervious coverage. Slack currently has three catch basins on the property for run-off. Slack stated that Holiday's runoff also runs into his catch basin but if you go further down the strip, no one else has near the level of a stormwater drainage system as he does. City Administrator Swenson agreed that the property owners want a definite answer from the Council. If the Council agrees, Joe Slack will give an easement to run pipe to the discharge area on the east side of his property. Bill Reed stated that his current plans are to complete the Pioneer Properties stormwater system on his own. City Engineer Dave Reese stated that he has reviewed the changes that Bill Reed is proposing to his property

and WSN feels some choices can be made for treatment and discharge in this area. Reed feels there is some responsibility of the City however for drainage coming off of Swann Drive and maybe there is a way the City and Reed could share the cost to get the drainage from Swann Drive to the detention area prior to the wetland area. Councilmember Eggena asked if Pine Peaks meets the current ordinance as it is today. Reese stated that it is consistent with what the City has allowed. He stated that approvals have been made with the assumption that the property can be 80/20 impervious. Reese said the question remains as to whether the County stormwater system is considered adequate in the local ordinance. Councilmember Eggena stated that in his opinion the County system meets the ordinance requirements. Mayor Swanson asked what other properties may be involved in the County stormwater system and Reese stated all properties along County Road #3 and County Road #66. Mayor Swanson stated that this interpretation should apply consistently to all property owners in this area that if you meet our definition of stormwater, you qualify for 80% impervious. City Administrator Swenson stated that Joe Slack is looking for something in the record that allows his property to be 80% impervious. MOTION 06S2-02-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER THAT THE COUNCIL AGREES THAT THE PINE PEAKS PROPERTY IS JUDGED TO HAVE MET THE CITY'S STORMWATER ORDINANCE. City Engineer Reese stated that the intent of the ordinance is to have a reasonable method for run-off and what is being addressed is consistency between property owners. MOTION CARRIED WITH ALL AYES. City Administrator Swenson stated that at the last meeting Darrell Schneider, Sr. reviewed how the Catholic Church handles drainage and he asked what the Council's view is of this property. Can they be told at this point that they have 80% impervious or does it require an engineering study. Mayor Swanson stated that normally the City Engineer would review this property, but they are on County Road 66 and have a catch basin. City Engineer Reese stated that past experience shows that this area would be considered for 80% impervious, but the City should look at each property. City Administrator Swenson stated that with the property for sale, this decision could have a lot to do with how they market the property. Councilmember Eggena stated that until you do a build-out plan, he doesn't think you can make a decision. Eggena stated that it meets the local ordinance today and possibly could in the future. He also stated that until the culvert under Swann Drive is proven to be inadequate, he wouldn't recommend changing the pipe. Mayor Swanson asked if there were any items remaining open in regards to this issue at this point. City Administrator Swenson stated that WSN should prepare an easement to go across Joe Slack and Bill Reed's property and a decision needs to be made regarding who pays to get water off of Swann Drive. Councilmember Eggena asked whether this is still going to be a City project and City Administrator Swenson stated that a motion should be made rescinding previous Council action to take on the project. MOTION 06S2-03-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO REVERSE PRIOR COUNCIL ACTION FOR THIS PROJECT TO BE A CITY PROJECT ASSESSING THE PROPERTY OWNERS. MOTION CARRIED WITH ALL AYES. City Administrator Swenson asked Reese if he has any ideas on cost estimates. Reese stated that he and Bill Reed have talked about the alternatives that are the most cost effective. Councilmember Phillips asked whether the Catholic Church would

want to know what they can look forward to as far as market value on the property. Darrell Schneider stated that they feel they meet the same requirements as the rest of the property owners along #66, but they have no detail on build but neither do Joe Slack, Bill Reed or any other property owner in this area. Councilmember Eggena stated that he doesn't see where the church would need to contribute any funds to this project since they have their own sediment pond on their property. City Administrator Swenson and City Engineer Dave Reese will come back to the Council with cost estimates at the July 12<sup>th</sup> meeting.

4. Review/Approve Sewer Ordinance – Chair Dean Swanson stated that the Sewer Committee reviewed various changes to the Sewer Ordinance and recommend approval by the Council. Changes include setting a time limit of 180 days on the sewer permit which will tie in with the connection charge fee. After the 180 days, the property owner needs to come in for a new permit and pay the current connection charge. Regarding the use of existing tanks, it was the consensus at the Sewer Meeting that if an air test or pressure test could be performed, the tank could be utilized. The property owner is required to provide the City with a written certification of air test. One contractor informed City Administrator Swenson that you can't air test a septic tank so although the motion was approved, it was based on being able to air test the tank. Based on this, the responsibility falls back on the State Plumbing Code. Councilmember Eggena stated that this would take the burden off the City. A change was made to the late fee from 3% to 10% to coincide with the billing system. Payment on the account would be applied first to the delinquent account penalty and interest and the remainder on the principal balance. Regarding charges, monthly charges will be billed effective July 1, 2005 even though the property owner has not yet connected to the system. This applies to all properties except vacant property. Regarding payment of the connection charge, City Attorney Sandelin was advised to change language in the ordinance whereas if the connection fee is not paid by July 1, 2005 or if there is no valid permit as of this date, the connection charge is due and payable in full. If payment is not made, an assessment hearing will be held and the charge will be certified to the County and appear on the property tax statement. Councilmember Miller asked if the wording in regards to the septic tanks installed after January 1, 1999 which are in compliance with Chapter 7080 requirements should be deleted from the ordinance if the tanks cannot be air tested. Mayor Swanson stated that it could be removed since the City is relying on compliance with the State Plumbing Code. MOTION 06S2-04-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY BETTIE MILLER TO APPROVE ORDINANCE AMENDMENT NO. 197 RELATED TO BILLING STATEMENTS, PROPERTY TRANSFERS AND CONNECTION AND USER CHARGES INCLUDING A PUBLISHING OF SAID ORDINANCE AMENDMENT. MOTION CARRIED WITH ALL AYES.
5. Reconsider Rezoning Request for Lobo Properties – Community Development Director Ken Anderson stated that the Planning and Zoning Commission made a recommendation to the City Council at the June 14, 2004 Regular Meeting to rezone property from R-1, low density residential to R-4, urban density residential for 10.48 acres fronting on Daggett Pine Road. The Council denied the rezoning request and since the applicant was not represented at the meeting, a re-

consideration was recommended whereby the applicant could present their argument for allowing the property to go to a higher density district. Anderson provided the Council with the Staff Report that was available at the June 14<sup>th</sup> meeting along with a copy of the Comprehensive Plan Map showing the location of the property. Councilmember Miller asked how large the tract of property to the west of this property was. Anderson stated it is a 40 acre parcel owned by the Lutheran Church. Anderson stated that the current zoning for this parcel is R-1 requiring a minimum of 40,000 square feet per lot. Carefree Cottages and Chatham Park are both zoned R-4. Jim Gammello, attorney for the applicant, addressed the Council. He stated that since the minutes of the Planning and Zoning Commission Meeting and City Council Meeting of June 14<sup>th</sup> have not been transcribed he is not as prepared to present his argument as he would like to be so requested that the item be put off to the next meeting when these items are available to him. With Council permission, he requested to be heard at the July 12<sup>th</sup> meeting. The request was granted.

6. Update from City Attorney on previous request for temporary liquor license for the New Exchange - City Attorney Sandelin prepared a letter for Council review which indicated that he has reviewed State Statute and local ordinance regarding this request and determined that a license holder can serve alcohol outdoors provided it is served in a compact and contiguous area. No separate permit is required for this. Councilmember Eggena asked if an area was roped off and everyone was inside the roped area would it constitute a violation. City Attorney Sandelin stated that as long as it was contiguous it would not be a violation. Chief Hartman informed the Council that the request for a transient merchant park permit to hold a craft sale on the property of The New Exchange has been withdrawn.
7. At the last Council meeting, Councilmember Phillips requested that Staff look at license fees. Since a public hearing is required in order to increase liquor license fees, Staff has prepared a list of fees paid in surrounding cities for Council review. Councilmember Phillips stated that Crosslake is low at \$1500 since the median is \$1800. It was the consensus of the Council to do nothing at this time.
8. Review quote from Terry Banbury on damage to retaining wall - There has been no correspondence or quote for repairs from Mr. Banbury in regards to his claim of damage to the retaining wall.
9. Review/approve easements for Daggett Pine Road - Various warranty deeds and easements were prepared for Council review and acceptance. City Administrator Swenson met with various property owners over the past week negotiating terms. James and Jeanne Winiecki did not see a problem with signing either the easement deed or warranty deed, but have requested review by their attorney. City Attorney Sandelin did speak with the Winiecki's attorney earlier this date and Exhibit B addresses additional terms of conveyance. MOTION 06S2-06-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE EXHIBIT B FOR JAMES AND JEANNE WINIECKI AND TO AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE THE AGREEMENTS ONCE THE DEEDS HAVE BEEN SIGNED AND TO

APPROVE ANY MINOR ADJUSTMENTS THAT MAY BE FORTHCOMING FROM THE WINIECKI'S OR THEIR ATTORNEY. MOTION CARRIED WITH ALL AYES.

Councilmember Miller asked if all of the easements for the bike path and road construction have been obtained and Swenson stated all but Holden's, but there are no conditions to approve. Councilmember Eggena stated that he has met with Jeff Timmerman and he will be signing the deed.

The Presbyterian Church has placed four conditions on their easement which were reviewed by the Council. There was some discussion regarding the attachment of the bike path to the church parking lot and whether parking on the bike path would cause any problems. City Engineer Dave Reese stated that the bike path will have 4 inches of Class 5 and 2 inches of bituminous. MOTION 06S2-07-04 WAS MADE BY BETTIE MILLER AND SECONDED BY DEAN EGGENA TO AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR TO SIGN THE EASEMENT DEED FOR THE PRESBYTERIAN CHURCH. MOTION CARRIED WITH ALL AYES.

Two easement deeds were signed by Eva Marie Kreitz-Clow. One is for utility purposes and the other is for drainage purposes. MOTION 06S2-08-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO APPROVE EXHIBIT B FOR BOTH EASEMENTS FOR EVA KREITZ-CLOW AND TO AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR TO SIGN THE EASEMENTS. MOTION CARRIED WITH ALL AYES.

City Administrator Swenson has obtained a easement deed from Donna Golden for Edgewater Lane which requires Council acceptance. Additional terms of conveyance between the grantor and grantee are included with the deed on Exhibit B. After review, MOTION 06S2-09-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE EXHIBIT B FOR DONNA GOLDEN WHICH CONTAINS FIVE ITEMS AND TO AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR TO SIGN THE EASEMENT. MOTION CARRIED WITH ALL AYES.

A warranty deed signed by Allan (Red) and Betty Knutson contained an Exhibit B with six conditions. MOTION 06S2-10-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO APPROVE EXHIBIT B FOR THE KNUTSON PROPERTY AND TO AUTHORIZE THE MAYOR AND CITY ADMINISTRATOR TO SIGN THE DEED. MOTION CARRIED WITH ALL AYES.

Councilmember Eggena congratulated City Administrator Swenson for all of his work in obtaining the needed easements.

10. Award bids for 2004 road improvement project – City Engineer Dave Reese prepared an abstract of bids for the 2004 street improvement projects for Council information. WSN is recommending that the bid be awarded to Anderson Brothers as the lowest responsible bidder on the basis of the unit prices on the bid

proposal. Two bids were received with the Anderson Brothers bid in the amount of \$594,833.63 and a bid from Tri-City Paving in the amount of \$624,356.50. MOTION 06S2-11-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO APPROVE RESOLUTION 04-17 ACCEPTING BIDS FOR COMBINED ROAD IMPROVEMENTS OF 2004. MOTION CARRIED WITH ALL AYES.

11. Bills for approval – MOTION 06S2-12-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY BETTIE MILLER TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$14,561.61 AND \$8,537.09. MOTION CARRIED WITH ALL AYES. A pay request from Hammerland Construction requested payment for construction of various items in addition to a reduction in the retainage. WSN has reviewed the request and recommends payment of the request without a reduction in retainage at this point. No change orders have been approved to this point and some additional work is remaining prior to consideration for final payment. A special Sewer Committee meeting will be held to review the change orders. MOTION 06S2-13-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO AUTHORIZE PAYMENT TO HAMMERLUND CONSTRUCTION FOR THE WASTEWATER PROJECT IN THE AMOUNT OF \$94,283.53. MOTION CARRIED WITH ALL AYES.

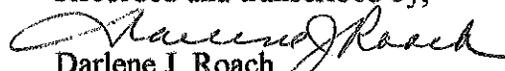
12. Review/approve recommendation from Personnel Committee – Community Development Director Ken Anderson is doing an outstanding job and the Personnel Committee recommends that he be removed from probationary status and placed on regular full time status effective June 28<sup>th</sup>. MOTION 06S2-14-04 WAS MADE BY BETTIE MILLER AND SECONDED BY DEAN EGGENA TO ACCEPT THE RECOMMENDATIONS FROM THE PERSONNEL COMMITTEE AS NOTED IN A MEMO DATED JUNE 23, 2004. MOTION CARRIED WITH ALL AYES.

Councilmember Phillips asked if there was a decision on the Sundance property as it relates to the moratorium on PUD's on waterfront commercial property. City Attorney Sandelin stated that he would have a decision for the Council at the next meeting.

Councilmember Eggena requested the approval of the Council to hold a public hearing at 6:00 P.M. on July 12<sup>th</sup> for the purpose of reviewing an ordinance amendment for the downtown commercial district in regards to conditional use permits. The hearing was set for 6:00 P.M.

MOTION 06S2-15-04 WAS MADE BY BETTIE MILLER AND SECONDED BY DICK PHILLIPS TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 3:00 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,

  
Darlene J. Roach  
Clerk/Treasurer

CITY OF CROSSLAKE  
RESOLUTION 04-17  
RESOLUTION ACCEPTING BIDS  
FOR COMBINED ROAD IMPROVEMENTS OF 2004

WHEREAS, pursuant to an advertisement for bids for the improvement of:

- Gendreau Road from the intersection of C.S.A.H. 36, south, to the intersection of Shafer Road;
- East Shore Boulevard from the intersection of East Shore Road, north, to the end of the road;
- Edgewater Lane within Lindquist Addition and adjacent to Block One, Lots 1 through 8;
- Margaret Lane from the intersection of C.S.A.H. 66, west and south, to the end of the cul-de-sac;
- Daggett Pine Road from the intersection of Ox Lake Landing to Daggett Lane.

Bids were received, opened and tabulated according to the law, and the following base bids were received complying with the advertisement:

Tri-City Paving, Little Falls, MN	\$624,356.50
Anderson Brothers, Brainerd, MN	\$594,833.63

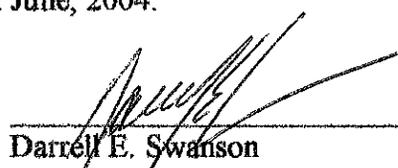
AND WHEREAS, it appears that Anderson Brothers of Brainerd is the lowest responsible bidder.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CROSSLAKE, MINNESOTA,

1. The Mayor and City Administrator are hereby authorized and directed to enter into a contract with Anderson Brothers of Brainerd, Minnesota in the name of the City of Crosslake for the improvement of the above listed roads according to the plans and specifications therefore approved by the City Council and on file in the office of the Clerk/Treasurer.
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

Adopted by the City Council this 28<sup>th</sup> day of June, 2004.

  
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Thomas N. Swenson  
City Administrator

  
\_\_\_\_\_  
Darrell E. Swanson  
Mayor

**BILLS FOR APPROVAL**  
28-Jun-04

VENDOR	DEPT	AMOUNT
Ace Hardware, screwdriver set	P&R	17.97
Ace Hardware, hatchet	P&R	8.83
Ace Hardware, bulbs	PW	12.76
Ace Hardware, batteries	PW	22.76
Ace Industrial Supply, drill bit set, lopping shears	PW	125.70
All Safe Lock & Key, push button lock	PW	217.15
A W Research, water test	Sewer	132.00
A W Research, water test	Sewer	132.00
B & B Products, camera overhead mount	Police	60.00
Business Forms and Accounting, unitify bills	Sewer	213.99
Career Clothes, uniform	Police	15.44
Cascade Computers, new computer system	P&Z	1,305.10
Cellular One, cell phone charges	PW	28.07
Crow Wing Power, electric service	ALL	2,368.90
CWC Highway Dept., fuel	PW	444.06
CWC Highway Dept., fuel	P&Z	65.94
CWC Highway Dept., fuel	P&R	66.41
CWC Highway Dept., fuel	Police	863.33
Dacotah Paper, bowl cleaner, hand soap	P&R	75.41
Dacotah Paper, tissue	PW	155.25
Echo Publishing, year subscription	Gov't	27.00
Echo Publishing, public hearing notice	P&Z	87.50
Echo Publishing, ordinance 196	P&Z	28.13
Echo Publishing, ordinance 195	P&Z	25.00
Echo Publishing, ordinance 194	P&Z	25.00
Echo Publishing, public hearing notice	P&Z	31.25
Greg Larson Sports, aerosol paint	P&R	117.13
Heartland Tire Service, repair tire	P&R	15.20
Initiative Foundation, 2004 pledge	Gov't	1,000.00
Locators & Supplies, Inc., metered magnetic locator	Sewer	734.47
Mastercard, Brigade Quartermasters, uniform	Police	122.83
Mastercard, Clearwater Travel Plaza, travel expense	PW	20.90
Mastercard, Fleet Farm, cable tie	P&R	20.86
Mastercard, Oriental Trading Company, craft kits	P&R	14.85
Mastercard, Super America, fuel	PW	47.33
Minnesota T's, red caps	P&R	574.56
M R Sign, stop and e911 signs	PW	410.46
M R Sign, street signs	PW	31.89
Northern Lakes Nursery, red mulch	P&R	1,426.57
Postmaster, postage	Library	407.00
Reed's Market, sentence to serve	P&R	34.98
Reed's Market, sentence to serve	P&R	29.75
Reed's Market, sentence to serve	P&R	1.09
Reed's Market, sentence to serve	P&R	26.84
Simonson Lumber, green timbers	P&R	4.25
Simonson Lumber, green landscape	P&R	16.50

Spielman Repair Center, repair air pressure guage	PW	143.39
Star Tribune, employment ad	P&Z	820.70
USA Bluebook, rolling wheel base	Sewer	1,300.69
Whitefish Auto, engine repair	PW	339.82
Zee Medical Service, replenish first aid kit	P&R	16.04
Ziegler Cat, maintenance service	PW	328.56
<b>TOTAL</b>		<b>14,581.61</b>

**ADDITIONAL BILLS FOR APPROVAL**  
**28-Jun-04**

VENDOR	DEPT	AMOUNT
Ace Hardware, marking spray	PW	24.23
Cellular One, cell phone charges	Police	183.47
Ace Hardware, gallon roundup	PW	15.96
Ace Hardware, spraypaint	PW	10.20
Mathias C. Justin, LTD., 2003 audit	Gov't	5,500.00
Ziegler Cat, coupling	PW	304.88
Xcel Energy, gas utilities	ALL	331.35
Applied Concepts, video recorder	Police	1,500.00
Crow Wing Power, electric service	Gov't	667.00
<b>TOTAL</b>		<b>8,537.09</b>