

COUNCIL PROCEEDINGS  
CITY OF CROSSLAKE MINNESOTA  
REGULAR SESSION AND PUBLIC HEARING  
JULY 8, 1991

The City Council for Crosslake Minnesota met in a Public Hearing and Regular Council Session on Monday, July 8, 1991, at 7:30 p.m. in the Council Chambers of City Hall. The following Councilmembers were present: Mayor Kurt E. Anderson, Lyle M. Arends, Roger A. Burshem, Charles O. Miller and Dean L. Swanson. Also present were Fire Chief Mike Amsden, Road Supervisor Pat Hoag, Telephone Company Manager Anthony Mayer, Planning and Zoning Coordinator Alden C. Smith, City Engineer Will Hoyt, City Clerk Arlene Buchite as well as approximately 14 citizens.

Mayor Anderson called this Public Hearing to order at 7:30 p.m. stating that the first item on the Public Hearing agenda was to make some changes in Ordinance No. 15, Third Series and the Crosslake Utilities Management Policy. Mayor Anderson stated that the Council and the Commission had gone over the Ordinance and the Policy Manual quite thoroughly at the Joint Meeting of the Council and the Commission on May 28, 1991 and had made changes that they felt were necessary at that time and this was a hearing so the Citizens would be able to have input if they wished. Mayor Anderson proceeded to read all changes to the audience. A copy of the Ordinance No. 31, Third Series, making all the changes in Ordinance No. 15, as well as the Crosslake Utilities Management Policy, is attached to the permanent copy of these minutes. Mayor Anderson asked for any comments or questions. There were none. MOTION NO. 7PH-01-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER ARENDS TO APPROVE ORDINANCE NO. 31, THIRD SERIES AND THE CHANGES IN THE CROSSLAKE UTILITIES MANAGEMENT POLICY. Mayor Anderson asked again for any comments and there were none. MOTION PASSED UNANIMOUSLY.

The next item on the agenda was Ordinance No. 32, Third Series dealing with changes in the Personnel Ordinance No. 10 Third Series. Mayor Anderson read the Ordinance which, in part requests that copies of all City Employees schedules are given to the City Clerk. Mayor Anderson said his only problem was with the police department schedules being made public. Mr. Swanson said that Police Chief Backdahl works well with the City Clerk and probably will have no problem in giving her a schedule. MOTION NO. 7PH-02-91 WAS MADE BY MEMBER SWANSON AND SECONDED BY MEMBER ARENDS TO APPROVE ORDINANCE NO. 32, THIRD SERIES WHEREBY ALL CITY EMPLOYEE WORK SCHEDULES SHALL BE RECORDED IN CITY HALL, ALL CITY EMPLOYEES ARE TO NOTIFY THE CITY CLERK WHEN THEY LEAVE THE CITY DURING THE WORK DAY AND SHALL LEAVE A PHONE NUMBER WITH THE CITY CLERK WHERE THEY CAN BE REACHED. Member Burshem said he would not like to see this Ordinance being imposed just for a few select people and Mr. Miller agreed. MOTION PASSED UNANIMOUSLY.

MOTION NO. 7PH-03-91 WAS MADE BY MEMBER ARENDS AND SECONDED BY MEMBER SWANSON TO ADJOURN THIS PUBLIC HEARING AT 7:50 P.M. MOTION PASSED UNANIMOUSLY.

Mayor Anderson then called the Regular Council Meeting to order.

The first item on the agenda was the Consent Calendar. Member Burshem said he would like it clarified in the minutes of the June 10, 1991 meeting that it was Member Swanson who requested that the recycling be turned over to the newly formed Recycling Committee. MOTION NO. 7R-01-91 WAS MADE BY MEMBER SWANSON AND SECONDED BY MEMBER BURSHEM TO APPROVE ALL ITEMS ON THE CONSENT CALENDAR, WITH A CHANGE IN THE MINUTES OF JUNE 10, 1991; AND CONSISTING OF: (1) MINUTES OF JUNE 10, 1991; (2) THE CLERK/TREASURE'S FINANCIAL REPORT FOR JUNE, 1991; (3) THE TELEPHONE COMPANY'S FINANCIAL REPORT FOR JUNE 1991; AND (4) THE CABLEVISION COMPANY'S FINANCIAL REPORT FOR JUNE, 1991. MOTION PASSED UNANIMOUSLY.

CLERK'S REPORT - MOTION NO. 7R-02-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER ARENDS TO PAY ALL BILLS INCLUDING: (1) AMERICAN NATIONAL BANK FOR INTEREST ON THE 1986 GOVERNMENT OBLIGATION BONDS FOR \$7,728.75; (2) SURVEYOR DON COULTER FOR CHECKING WHITE PINE TERRACE PLAT FOR \$178.75; (3) TOTAL COST OF 6 NEW CROSSLAKE CITY FLAGS FOR \$936.95; (4) LEAGUE OF MN CITIES FOR DUES FOR \$710.00; AND (5) MN ASSOCIATION OF SMALL CITIES FOR \$200.84. MOTION PASSED UNANIMOUSLY.

No action was taken on a letter from the MN Dept of Natural Resources regarding a grant for community tree planting. The Council also received a letter regarding the new mandatory Social Security regulations.

Mayor Anderson indicated that there would be a wagon train coming to Crosslake August 12th and leaving August 14th. Mayor Anderson indicated that the Lion's Clubs from Pequot, Pine River and Crosslake/Ideal will be furnishing the meals for them and have requested a 2 day beer permit. Member Arends stated that there is not to be any alcohol served at the Community Center whereby Mayor Anderson stated that there have been special permits there before for donkey ball. MOTION NO. 7R-03-91 WAS MADE BY MEMBER ARENDS AND SECONDED BY MEMBER BURSHEM TO APPROVE A 2 DAY BEER PERMIT FOR THE LION'S CLUB AT THE COMMUNITY CENTER FOR THE "WAGON TRAIN". MOTION PASSED UNANIMOUSLY.

MAYOR'S REPORT - Mayor Anderson that because of the limited time frame we have with publishing legal notices in the Lake Country Echo, he would recommend that the Brainerd Daily Dispatch be used as a second legal newspaper. MOTION NO. 7R-04-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER SWANSON TO DESIGNATE THE BRAINERD DAILY DISPATCH AS A LEGAL CITY NEWSPAPER. MOTION PASSED UNANIMOUSLY.

MOTION NO. 7R-05-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER ARENDS TO DESIGNATE CITY HALL AS A SMOKE FREE BUILDING. MOTION PASSED UNANIMOUSLY.

Mayor Anderson stated he had called the Mayor for the City of Brainerd regarding misdemeanor prosecutions and was informed that Brainerd, Baxter and Nisswa are hiring a Law Firm to handle their prosecutions, and invited Crosslake to join them. Mayor Anderson stated that the City Attorney advised him that Crosslake could break their current contract with the County Attorney. Member Burshem said he is not in favor of changing the handling of our prosecutions unless he sees proof that there is a problem with the County Attorney's Office because Crosslake receives funding from the County and not from the City of Brainerd. Mr. Burshem said he feels Brainerd should fight their own battles. Mr. Swanson stated that after talking to Crosslake's Police Department he has found they are not getting favorable response to things they have taken to the County. Mr. Miller said he is not in favor of any change at this point without some evidence. Mr. Arends agreed with Miller and Burshem. MOTION NO. 7R-06-91 WAS MADE BY MEMBER BURSHEM AND SECONDED BY MEMBER MILLER TO CONTINUE TO HAVE THE COUNTY ATTORNEY'S OFFICE PROSECUTE MISDEMEANORS. MOTION PASSED WITH MAYOR ANDERSON AND MEMBER SWANSON OPPOSED.

UTILITIES COMMISSION - Commission Member Tom Mezzenga was present and stated that the Utilities Company wanted to purchase some new computer equipment for \$23,500.00. MOTION NO. 7R-07-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER BURSHEM TO APPROVE THE PURCHASE OF NEW COMPUTER EQUIPMENT FOR \$23,500.00. MOTION PASSED UNANIMOUSLY.

ROADS - Mr. Will Hoyt was present to say he received a complaint from residents of Rushmour Boulevard and he will investigate it and report back to the Council.

Mr. Hoyt said he also received a complaint about Happy Landing Road. Mr. Hoyt said he and Road Supervisor Pat Haog had toured the Oak Crest Plat and he would like to recommend that Happy Landing be widened on both sides rather than all on one side. Mr. Arends said there is not much of a crown on that road and he feels it should be added onto only the one side. Mr. Hoyt said the crown is higher than a typical crown but he did not measure it. After a brief discussion, MOTION NO. 7R-08-91 WAS MADE BY MEMBER ARENDS AND SECONDED BY MAYOR ANDERSON TO APPROVE HAVING HAPPY LANDING ROAD WIDENED EIGHT FEET ON ONE SIDE AS ORIGINALLY PLANNED. Discussion continued. MOTION PASSED UNANIMOUSLY.

FUNDING AND FUTURE DEVELOPMENT - Liaison said the Commission is studying sewer and water.

PERSONNEL - Member Burshem read a portion of Chapter 6 of the Handbook for Minnesota Cities regarding the role of an individual

Councilmember and what they can do and cannot do as far as directing employees.

PARK AND RECREATION - Mr. Hal Neff reported briefly on the recycling committee progress. Recycling is now the first and third Saturday of each month. Mr. Neff said recycling appears to be working real well because the truck had to make a third trip here last month to get everything.

Mr. Burshem said he would like to have the recycling bins moved to the basement of City Hall and have Councilmember Swanson as liaison. MOTION NO. 7R-09-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER BURSHEM TO MOVE THE RECYCLING BINS TO CITY HALL OR THE CITY WAREHOUSE, TO DISCONTINUE DUMPING BETWEEN PICK UP DAYS AND TO PUT MEMBER SWANSON IN CHARGE OF RECYCLING. Mr. Neff said the Committee will need a little time to change the location and to discontinue dumping between pick up days. MOTION PASSED UNANIMOUSLY.

Mr. Neff proposed an agreement that they would like to have the City of Crosslake consider signing with the recycling firm.

Mayor Anderson stated that the recycling bins are on order and should be received soon and he would like to have the City sell them to residents. Mr. Miller said he would like to suggest that the City sell them for 1/2 the purchase price, use that money to buy some more, and continue to buy and sell until everyone who wants them in the City has them or the money is depleted. MOTION NO. 7R-10-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER ARENDS TO SELL THE RECYCLEING BINS TO RESIDENTS FOR \$6.00 EACH. MOTION PASSED UNANIMOUSLY.

PLANNING AND ZONING - MOTION NO. 7R-11-91 WAS MADE BY MEMBER ARENDS AND SECONDED BY MEMBER MILLER TO APPROVE THE PRELIMINARY PLAT OF WHITE PINE TERRACE AS RECOMMENDED BY PLANNING AND ZONING. MOTION PASSED UNANIMOUSLY.

The Final Plat of White Pine Shores was also on the agenda for approval. Mayor Anderson said he had a problem with considering the pond in that plat as a general development lake as the Commission wanted and also would like to know where in the Code Book black topping of roads was required for a plat. Mr. Miller and Mr. Arends stated that they agreed with Mayor Anderson. Jean-Paul Hudon, Chairman said in Chapter 3.10, Subdivision 1, No. 12 it states that a report to the Council on a plat, "may be favorable, conditional or unfavorable and ....." and the Commission felt this plat should have black top roads. It was the consensus of the Council that other plats have not had to have blacktop roads and this one should not either. MOTION NO. 7R-12-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER SWANSON TO APPROVE THE FINAL PLAT OF WHITE PINE TERRACE WITHOUT THE CONDITIONS IMPOSED BY THE PLANNING AND ZONING COMMISSION, THAT THERE BE NO SEPTIC SYSTEMS WITHIN 50 FEET OF THE POND, THAT A BOND BE POSTED UNTIL THE ROADS ARE COMPLETED AND APPROVED AND

THAT THE POND NEVER BE FILLED. Mr. Hudon stated it was a point of order that the plat be referred back to planning and zoning Commission. It was the consensus of the Council that it was their option to approval the final plat without the conditions as imposed by the Planning and Zoning Commission. A discussion continued. MOTION PASSED UNANIMOUSLY WITH MAYOR ANDERSON ALSO VOTING AYE.

Chairman Hudon presented the Council with a list of violations the Commission was requesting to be settled by the City Attorney. MOTION NO. 7R-13-91 WAS MADE BY MEMBER BURSHAM AND SECONDED BY MEMBER MILLER TO TABLE THE ORDINANCE VIOLATION ISSUE UNTIL THE WEDNESDAY, JULY 10, 1991 MEETING. MOTION PASSED UNANIMOUSLY.

A discussion followed regarding illegal signs and junk cars.

CEMETERY - Mayor Anderson indicated that the new land has been cleared and he will work with Surveyor Don Coulter to lay out the new lots.

PUBLIC SAFETY - MOTION NO. 7R-14-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER ARENDS TO END OFFICER STEVE SCHAARS PROBATION AND PLACE HIM ON PERMANENT STATUS. MOTION PASSED UNANIMOUSLY.

Liaison Swanson briefed the Council on the report from Tom Mezzenga showing what the Fire Department has spent their fund raising money on since 1985. The Council thanked Mr. Mezzenga for his time and effort.

Mr. Swanson relayed to the Council the cost figures from Fire Chief Mike Amsden on remodeling the fire hall.

Fire Chief Mike Amsden stated that Hepatitis B shots for all firemen, police officers and ambulance personnel are mandated by the State. The cost will be approximately \$110 per person for the series of three shots and administering the shots will cost \$150. MOTION NO. 7R-15-91 WAS MADE BY MEMBER SWANSON AND SECONDED BY MEMBER ARENDS TO APPROVE HEPATITIS B SHOTS FOR ALL FIREMEN AND CITY EMPLOYEES. MOTION PASSED UNANIMOUSLY.

Liaison Swanson stated that the Commission recommended proceeding with a new fire hall as opposed to renovating the old hall because the cost difference is approximately 10 percent higher. Mr. Miller said he is in favor of a new building. Mayor Anderson said that he and Bill Reed will be submitting four grants to the Brainerd Lakes Area Development Council; one for the rest stop, one for the community center, one for the nature trails and one for the new fire hall. Mayor Anderson said we should be able to find out from this first step if any money is available. MOTION NO. 7R-16-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER SWANSON TO PROCEED WITH THE PLANS TO BUILD A NEW FIRE HALL AND TO CHECK INTO GRANTS OR DONATIONS AVAILABLE. MOTION PASSED UNANIMOUSLY.

MOTION NO. 7R-17-91 WAS MADE BY MEMBER SWANSON AND SECONDED BY MEMBER MILLER TO APPROVE SIGNING THE JOINT POWERS AGREEMENT WITH THE CENTRAL MINNESOTA TRAINING ASSOCIATION, FOR THE POLICE DEPARTMENT. MOTION PASSED UNANIMOUSLY.

NEW BUSINESS - Nothing.

OLD BUSINESS - Member Swanson stated that local contractor Jim Cotton agreed to build a podium for City Hall if no one pressured him. MOTION NO. 7R-18-91 WAS MADE BY MEMBER SWANSON AND SECONDED BY MEMBER MILLER TO AUTHORIZE JIM COTTON TO BUILD A PODIUM FOR CITY HALL. It was the consensus of the Council that they would like a light on it as well as a plug in for the microphone. MOTION PASSED UNANIMOUSLY.

PUBLIC FORUM - Joanne Jernal said the Park and Rec Department is anxious to get the green space ordinance passed.

Jean-Paul Hudon stated that the ambulance could only travel 10 miles an hour on a recent call because Fairfield roads are so rough and he wanted the City of Crosslake to do something about it. It was the consensus of the Council that the residents have to request work from Fairfield because it is not up to the Crosslake Council. Mayor Anderson stated that he had mentioned it before that those residents affected could petition to be incorporated into the Crosslake City limits.

Mayor Anderson spoke briefly on the erroneous articles in the public forum of recent newspapers and stated that he would like to have the people with problems or comments come to a council meeting.

MOTION NO. 7R-19-91 WAS MADE BY MEMBER MILLER AND SECONDED BY MEMBER SWANSON TO ADJOURN THIS REGULAR COUNCIL MEETING AT 10:04 P.M. MOTION PASSED UNANIMOUSLY.

Recorded and transcribed by:  
Arlene A. Buchite, City Clerk/Treasurer

*Arlene A. Buchite*

CROSSLAKE UTILITIES MANAGEMENT POLICIES

INTRODUCTION AND AUTHORITY

It shall be the responsibility of the Utilities Commission to establish written policies to direct the affairs of the City of Crosslake Telephone Company and its subsidiaries. Policies shall provide guidelines to the General Manager and set responsibilities of management in conducting the Telephone Company business.

Such policies shall be reviewed by the Utilities Commission annually during the February meeting. Any policy may be changed at any time as deemed necessary by the Commission. There must be 4/5 of the Commission present at the meeting and 4/5 of the Commission must vote in favor of the recommended change before being presented to the City Council for approval.

Where there is no policy applicable to a given circumstance or where interpretation of policy is subject to question, the General Manager is authorized to make the necessary determination. Such decisions are subject to approval by the Commission. All collections and charges assessed for service shall be set forth as required in the City of Crosslake Telephone Company's Tariff as on file with the Minnesota Public Utilities Commission.

Authority for this Management Policy Guide is City Ordinance Number 15, Third Series.

ARTICLE I

Aims and Purposes

Section 1.01. It shall be the objective of the City of Crosslake Telephone Company to provide modern, dependable telephone, cable TV and communications service throughout the Company's service area at the lowest possible cost. Service and cost must be consistent with sound management and acceptable financial and operating practices.

Section 1.02. A normal construction charge shall be assessed for providing new services. Deposits and advance payments will be required as set forth in the Company's Tariff as approved by the Minnesota Public Utilities Commission.

Section 1.03. The policies and procedures outlined shall also apply to Company's subsidiaries.

ARTICLE II

Term of Commissioners

Section 2.01. Commission members shall be picked from the City of Crosslake Telephone Company's service area and from varied backgrounds of experience. Selection of commission members shall follow procedures outlined in Ordinance Number 15, Third Series, Section 5.02.

Section 2.02. Members' terms are outlined in Section 5.02, Ordinance Number 15, Third Series. In the event a Commission member cannot serve his/her full term, a new member shall be appointed in accordance with the procedures indicated in Section 2.01. A member may be removed by the City Council with the recommendation from the Commission members.

Section 2.03. No Commission member shall serve on the Commission and hold a City office simultaneously.

Section 2.04. The Chairperson of the Utilities Commission shall be elected by the Commission members at the second meeting of each year. The Chairperson must have at least one year's experience on the Commission. The Chairperson will appoint a Commission member as Vice-Chairperson to act as Chairperson in the absence of the Chairperson.

Section 2.05. The Utilities Commission shall be represented at all City Council meetings by the General Manager, Chairperson, or another Commission member. The Chairperson will normally make recommendations to the City Council.

ARTICLE III

Commission Meetings

Section 3.01. The regular meeting of the Utilities Commission shall normally be held two weeks prior to the City Council meeting, time and place to be agreed upon by the Commission members. Three members constitute a quorum. Commission members will notify the General Manager or Chairperson in the event they cannot be present.

Section 3.02. The Chairperson and General Manager shall prepare and distribute a written agenda and financial update prior to each regular meeting. The General Manager, or Commission secretary, shall have the minutes typed and filed in a fireproof file at the Telephone Company and a copy to the City Clerk.

Section 3.03. The Company realizes that the attendance of the Utilities Commission Members to all regular and special meetings is very important to the continuity of operation. Absenteeism of regular meetings of over 25 percent in a one year period without prior Utilities Commission approval would be cause for dismissal from the Utilities Commission.

ARTICLE IV

Commission Members' Fees and Reimbursement

Section 4.01. The Commission members shall not be paid for attending regular or special meetings.

Section 4.02. Members shall be reimbursed for actual and necessary expenses incurred while attending business and industry meetings. This includes cost of meals, lodging, and cost of travel to and from the meetings. Reimbursement for mileage shall be the same as regular employees of the Telephone Company.

Section 4.03. The Utilities Commission realizes the importance of having informed members. In an attempt to indoctrinate new members to the past history and ongoing functions of the Telephone and Cablevision Company, it is mandatory that all newly appointed Utilities Commission members attend no less than one indoctrination seminar given by the General Manager before the first quarter is up in the first year of their first term as Utilities Commission member.

ARTICLE V

Authorization to Sign Checks and Withdrawals

Section 5.01. All checks drawn on the City of Crosslake Telephone and Cablevision Company shall be signed by the General Manager and countersigned by the Mayor and City Clerk/Treasurer or in the absence of either of the above, the Acting Mayor or Deputy Clerk. All monthly funds reported to the Commission and all accounting and financial records are subject to audit by the REA and the Certified Public Accountant. All invoices or requests for payment shall have prior approval of the General Manager. The General Manager shall prepare a monthly report by check number and amount of all expenditures made during the previous month. Regular reviews shall be made by the Utilities Commission and copies shall be furnished to the City Council at their monthly meeting.

ARTICLE VI

Disbursement of Funds

Section 6.01. Except when payment is made for amounts previously fixed and authorized by the Utilities Commission, no payment shall be made until the claim to which it relates has been approved by the Utilities Commission.

However, when payment of a claim based on a contract cannot be deferred until the next Commission meeting without loss to the City through forfeiture of discount privileges or otherwise, it may be made immediately if the itemized claim is endorsed for payment by at least a majority of all the members of the Commission. The claim shall be acted upon formally at the next Commission meeting in the same manner as if it had not been paid and the earlier payment shall not affect the right of the City or any taxpayer to challenge the validity of the claim.

ARTICLE VII

Payment of City Fee

Section 7.01. The City shall receive a monthly fee of \$4.60 per subscriber. \$4.00 shall be applied to the general fund and 60 cents shall be applied to cover compensation for City Council members and for rent of property on which the Telephone building is located. This fee shall be taken out of local service revenue and appear on the subscriber's bill as a separate itemized charge.

Section 7.02. That the Utilities Commission shall each year declare and pay to the General Fund of the City a Dividend. The Dividend will be a fixed percentage of Net Earnings less any fee income received under Article VII, Section 7.01 of the Utilities Management Policies.

The fixed percentage to be paid each year will be based on a recommendation of the Telephone Company's Accounting Firm after receipt of Annual Audit Report. The Accounting Firm will be instructed to recommend a percentage not to exceed 40% which may be paid out without restricting the ability of the Company to:

1. Meet operating expenses.
2. Avoid debt and finance from equity.
3. Take advantage of new technologies and keep up to date.
4. Participate in joint ventures such as MEANS and Cellular Radio, but not limited to.

The first Dividend will be paid for Fiscal Year 1990. The Dividend must be approved by the City Council prior to payment.

Section 7.03. Changes shall follow the procedure outlined in Section 9 of City Ordinance Number 15, Third Series.

ARTICLE VIII

Purchase of Materials and Equipment

Section 8.01. The General Manager is hereby authorized to purchase Telephone and Cablevision Company supplies as needed.

Section 8.02. The Commission shall have the authority to make capital expenditures up to \$15,000.00 (legal bid limit established by the State of Minnesota). Any expenditures above that amount shall be made with the approval of the City Council.

Section 8.03. Purchase of major items of equipment shall be on a bid basis as allowed for in the annual budget. If acceptable bids are not received, purchase may be made on a quotation and negotiation basis.

Section 8.04. Company vehicles shall be reviewed for replacement every five (5) years or 60,000 miles, whichever comes first. Surplus vehicles will be offered first to the City Council for other City Departments' use before being sold by bid process or traded in.

ARTICLE IX

Employees' Union Negotiations

Section 9.01. Commission shall negotiate the initial Union Agreement through a Committee of the General Manager, Chairperson, City Council Representative and Union Representatives. Any contract must be approved by the Commission and the City Council.

Section 9.02. If an agreement cannot be reached, the State arbitration system shall be used for a final decision. Final approval shall be made by the City Council.

ARTICLE X

General Manager's Salary Reviews

Section 10.01. It shall be the responsibility of the Commission to review annually the General Manager's performance and salary. Salary adjustments shall be recommended by the Commission and be reported to the City Council for approval. If the City Council disapproves the requested salary, the matter shall be referred to the Commission for a second recommendation, which recommendation shall be reported to and approved or disapproved by a vote of the full Council, and not a mere quorum. If the second recommendation is rejected, the full City Council shall, by majority vote, set the General Manager's salary.

Section 10.02. In the event of a sudden vacancy of the General Manager's position, an interim management policy shall consist of the following steps:

- A. Utilities Commission members to select among themselves an interim management team, not to exceed three members.
- B. Management team make immediate contact with Company's Engineering and Accounting consulting firms and begin replacement process.
- C. The three (3) entities mentioned in Step B should select an employee as contact person to work directly with the consulting firms.
- D. The entire Utilities Commission should meet weekly during this interim period and be briefed by the contact employee and a representative from each of the Engineering and Accounting consulting firms. City Council shall be kept informed of progress.

ARTICLE XI

Employee's Recognition

Section 11.01. Employees will be given an appropriate award for years of service as designated.

<u>YEARS</u>	<u>VALUE</u>
5	\$20.00
10	35.00
15	45.00
20	70.00
25	Gift Certificate

ARTICLE XII

Telephone Service for Employees

Section 12.01. The City of Crosslake Telephone Company shall furnish local directory listed telephone and cablevision service to all full-time employees at no cost to the employees.

Section 12.02. Regular part-time employees shall be provided local service at one-half the regular rate provided for in the Company's Tariff.

Section 12.03. Toll service shall not be furnished. Official toll calls made on the Company's behalf shall be reimbursed to the employee after approval by the General Manager.

ARTICLE XIII

Telephone Service to Retired Employees

Section 13.01. Employees and surviving spouses of employees receiving benefits under the Company's pension plan will be entitled to receive free basic residence service, excluding toll and as follows:

- 1) Provided the employee has given fifteen years of service to the Company prior to retirement.
- 2) Provided he or she continues to reside within the boundaries provided with telephone service.
- 3) Provided the survivor of the employee does not remarry.
- 4) Provided the benefit has been duly approved in the minutes of the Crosslake Utilities Commission.

ARTICLE XIV

Employees Taking Payments

Section 14.01. Only the General Manager of the City of Crosslake Telephone and Cablevision Company shall receive from any debtor cash, check, or money order pertaining to payment for services or equipment outside of the commercial office of the Company. No employees or Commission members shall accept such payment.

ARTICLE XV

Membership in Organizations

Section 15.01. The City of Crosslake Telephone Company shall maintain active membership in the following organizations:

- 1) Minnesota Telephone Association (MTA).
- 2) Association of Minnesota Telephone Utilities (AMTU).
- 3) Crosslake Area Chamber of Commerce.

Section 15.02. Commission members may attend such meetings of above organizations as deemed practicable. Employees may attend meetings or seminars sponsored by these or similar organizations as deemed helpful to their skills as a Telephone Company employee. Employees' requests to attend must be approved by the General Manager and Utilities Commission.

ARTICLE XVI

Custom Work

Section 16.01. Rental of the Company's trenching equipment for custom work will be permitted providing:

- 1) It is operated by a Telephone Company employee.
- 2) An appropriate charge per hour for equipment shall apply including truck and trailer to transport.
- 3) The regular wage shall be established by the General Manager.
- 4) Time charged shall begin when equipment leaves the office.
- 5) There shall be no minimum charge.

ARTICLE XVII

Aid to Other Telephone Companies

Section 17.01. It shall be the policy of the City of Crosslake Telephone Company to aid other telephone companies in all ways possible in times of emergency or distress. The feasibility and extent of such aid shall be determined by the General Manager at the time of request. The charge for such services shall be actual cost including overhead and expenses.

ARTICLE XVIII

Legal

Section 18.01. The City shall retain one attorney to handle all City matters including Telephone and Cablevision Company. It is understood that the City Attorney may seek outside legal counsel when appropriate.

A permanent file shall be kept in City Hall of any legal correspondence relative to the Telephone and Cablevision Company.

DEFINITIONS: (As outlined in Ordinance plus the following).

- A. "Chairperson" or "Vice-Chairperson" means the duly appointed and approved member of the Crosslake Utilities Commission to preside over the Commission meetings.
- B. "Gross Revenues" means those revenues derived from telephone service fees paid by subscribers of the Company's service, exclusive of those monies required to be maintained by the R.E.A. as security for the repayment of the loan contract obligations.
- C. "Mayor" means the Mayor of the City of Crosslake, State of Minnesota.
- D. "Net Revenues" means the gross revenues less the operating expenses of the Company.
- E. "Ordinance" means Ordinance Number 15, Third Series of the City of Crosslake.
- F. "R.E.A." means Rural Electrification Administration, an agency of the Department of Agriculture of the United States.

ORDINANCE NUMBER 15, THIRD SERIES

AN ORDINANCE ESTABLISHING THE CROSSLAKE UTILITIES COMMISSION; SETTING FORTH THE PURPOSE OF THE COMMISSION; PROVIDING FOR A PAYMENT TO THE GENERAL FUND OF THE CITY OF CROSSLAKE; AND SETTING FORTH THE GENERAL RESPONSIBILITIES OF THE COMMISSION AND THE CITY WITH RESPECT TO THE TELEPHONE COMPANY AND ITS SUBSIDIARIES; THIS ORDINANCE SUPERSEDES ANY FORMER ORDINANCE OR POLICY OF THE CROSSLAKE TELEPHONE COMMISSION.

THE CITY OF CROSSLAKE, MINNESOTA ORDAINS:

Section 1. Statement of Purpose. The purpose of this Ordinance is to establish Utilities Commission to guide the progress, continuity and operation of the City of Crosslake Telephone Company and its subsidiaries. It shall be the responsibility of the Utilities Commission, functioning under the guidelines set forth in this Ordinance and the Utilities Management Policies, to direct the affairs of the City of Crosslake Telephone Company and its subsidiaries.

Section 2. Short Title. This Ordinance shall be known and cited as the "City of Crosslake Utilities Commission Ordinance".

Section 3. Definitions. For the purpose of this Ordinance, the following terms, phrases, words, or their derivations shall have the meaning given herein and in the Commission's Guide.

3.01 "City" means the City of Crosslake, a municipal corporation in the State of Minnesota. The City Council is the authority of the City.

3.02 "City Council" means the City Council for the City of Crosslake, State of Minnesota.

3.03 "Commission" means the Crosslake Utilities Commission established by this Ordinance.

3.04 "Commission's Guide" means the Crosslake Utilities Commission Management and Policies Guide.

3.05 "Company" means the entity currently referred to as the City of Crosslake Telephone Company, a municipal telephone company and its subsidiaries owned and operated by the City of Crosslake, State of Minnesota.

3.06 "Manager" means the individual employed by Company to handle the daily administration of Company.

3.07 "Member" means a duly approved voting member of the Crosslake Utilities Commission.

3.08 "Subscriber" means any person or entity who subscribes to a service provided by Company.

Section 4. Relationship to the City Council.

4.01 The Commission shall operate in accordance with guidelines adopted by it and approved by the City Council, and shall at all times be responsible to the City Council. The Commission shall inform the City Council of its activities and accomplishments by means of minutes of Commission meetings, oral reports at City Council meetings, and quarterly monthly financial reports.

Section 5. Membership, Vacancies, Removal, Resignation.

5.01 The Commission shall consist of no more than five members selected from the Company's service area and from varied backgrounds of experience.

5.02 Members shall be nominated by the Commission and approved by a majority vote of the City Council. The term for members shall be three years. No member shall serve more than two consecutive three years terms.

5.03 Guidelines and circumstances for handling vacancies, removal and resignation are outlined in the Commission's Guide.

Section 6. Commission Meetings and Reimbursement to Members.

6.01 The regular meetings of the Utilities Commission shall be held at a time and place to be agreed upon by the Commission members. Three members constitute a quorum.

6.02 The Utilities Commission members shall not be paid for their services on the Commission; however, members shall be reimbursed for actual and necessary expenses incurred while attending business and industry meetings.

Section 7. Financial Policy.

7.01. The Manager of Company shall have the authority to make decisions with regard to daily administrative financial expenditures and is authorized to purchase equipment within limits as established in the Commission's Guide.

7.02 The Commission shall have the authority to make capital expenditures up to the legal bid limit established by the State of Minnesota.

7.03 The Commission shall make recommendations regarding capital expenditures beyond the legal bid limit to the City Council for Council approval.

7.04 Disbursements of funds by the Commission shall be made in accordance with the provisions of Minnesota Statutes §412.271, the procedures of which shall be set forth in the Utilities Management Policy.

7.05 Before payments are made, they must first be approved by the Commission at its meeting. If a payment cannot be deferred until the next meeting, it may be made immediately if the claim is endorsed by at least a majority of the members of the Commission. Said claim shall be acted upon at the next Council meeting.

Section 8. Collections and Charges. All collections and charges assessed for service shall be set forth, as required, in the Crosslake Telephone Company's Tariff on file with the Minnesota Public Utilities Commission.

Section 9. Payment of City Fee. The City shall receive a monthly fee per subscriber, as established in the Commission's Guide. The monies are to be placed in the general fund of the City. The City Council may raise or lower this fee and the Commission shall make appropriate changes in the Utilities Management Policies. This fee shall be taken out of the Local Service Revenue and appear on the Telephone Company's bill to the subscriber as a separate itemized charge.

9.01 The City each year shall receive in addition to the City Fee set out in Section 9, a dividend from net revenue. This dividend is defined in the Utilities Management Policy.

Section 10. Duties and Responsibilities of Commission and City Council.

10.01 It shall be the responsibility of the Commission to establish written policies that direct the affairs of Company and to prepare guidelines for the Manager, all of said powers and guidelines are subject to final approval of the Council.

10.02 All Commission policies and guidelines must be approved by the City Council.

10.03 Commission policies and guidelines may be amended by a majority of all the members and submitted to the City Council for approval.

10.04 The Commission shall hold monthly meetings pursuant to Section 6 of this Ordinance.

10.05 The Commission shall see that Company is in compliance with all the requirements of State and Federal Law and REA specifications. The REA specifications shall be kept on file in the Crosslake Telephone Company's Business Office.

Section 11. Supersedes Prior Ordinances. This Ordinance, when adopted by the City Council, shall supersede and replace existing Ordinances regarding the Commission and the operation of the Company.

Passed and adopted as revised this 8<sup>th</sup> day of July 1991.