

**SPECIAL COUNCIL SESSION  
FRIDAY, JULY 11, 1997  
10:30 A.M. - CITY HALL**

**The Council for the City of Crosslake met in the Council Chambers of City Hall on Friday, July 11, 1997. The following Councilmembers were present: Mayor Bob Scott, Donna Keiffer, Chuck Miller, Ray Smyth and Dick Upton. Also present was City Administrator Tom Swenson, Economic Development Authority members Miles Johnson, Gilroy Arvig and Bill Reed, City Attorney Paul Sandelin, Sid Inman of Ehlers and Associates and Darlene Roach taking the minutes. There were five other attendees in the audience.**

**Mayor Scott called the meeting to order at 10:30 a.m. by stating that this was the first joint meeting of the Council and EDA in regards to funding for the paving of roads.**

**The road policy was changed by the previous administration from that of assessment to general levy. Previously, seventy five percent of the property owners along the road needed to concur with the paving and were then assessed the cost. The new policy recommends the upgrading of all gravel roads to pavement over a three year period. Prior to acceptance of any new roads by the City, the road must be brought up to City standards and be paved.**

**Sid Inman had prepared three options for issuing bonds for the EDA to consider. Option No. 1 breaks the project into three phases with bond issues of \$1,275,000 in 1997 and a bond issue of \$960,000 in 2000. Option No. 2 has two phases with a bond issue of \$1,275,000 in 1997 and a bond issue of \$2,225,000 in 1999. Option No. 3 has one bond issue of \$3,300,000 in 1997. Under current law, if the referendum is successful, the levy is based on assessed market value versus tax capacity so everyone pays the same whether they are seasonal or homestead residents.**

**The City's current unused debt limit is 5.4 million dollars or 2% of assessed value. If bonds are issued in the amount of 3.3 million, the City will be limited to 2.1 million for future projects until the debt is paid or the assessed value increases. Ray Smyth asked Sid Inman if it would be advisable for the City to obtain a review rating by Moody's. If the review results in a desirable rating, the debt would sell cheaper.**

**Paul Sandelin reviewed the issues involved in holding a referendum and the amount of time needed to notify the County Auditor, hold public meetings and prepare for the election. Both Attorney Sandelin and Sid Inman agreed that the City should be the issuing authority for the bonds instead of the EDA.**

**MOTION 7S-01-97 WAS MADE BY CHUCK MILLER AND SECONDED BY DICK UPTON TO HOLD A SPECIAL MEETING IN ONE TO TWO WEEKS TO FINALIZE THE DATE FOR THE REFERENDUM. MOTION CARRIED UNANIMOUSLY.**

**EDA MOTION 7EDA-01-97 WAS MADE BY RAY SMYTH AND SECONDED BY DICK UPTON THAT THE ECONOMIC DEVELOPMENT AUTHORITY RECOMMEND TO THE CITY COUNCIL OPTION #3 FOR ONE 20 YEAR ISSUE IN THE AMOUNT OF 3.3 MILLION AND THAT THE CITY BE THE ISSUING AUTHORITY. MOTION CARRIED UNANIMOUSLY.**

**MOTION 07S-02-97 WAS MADE BY DICK UPTON AND SECONDED BY DONNA KEIFFER THAT A SPECIAL MEETING BE HELD ON TUESDAY, JULY 22<sup>ND</sup> AT 7:00 PM. MOTION CARRIED UNANIMOUSLY.**

City Administrator Tom Swenson asked what the \$150,000 currently in the budget for roads would be used for and the Council agreed that the budget money would be used for purchase of right-of-way, seal coating and maintenance.

**MOTION 07S-03-97 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO ADJOURN THIS SPECIAL SESSION AT 11:40 A.M. MOTION CARRIED UNANIMOUSLY.**

Recorded and transcribed by:



**Darlene J. Roach  
Deputy Clerk**