

REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, JULY 12, 2004  
7:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, July 12, 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, 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 including action on an ordinance amendment as a result of the Public Hearing held earlier this evening. MOTION 7R-01-04 WAS MADE BY BETTIE MILLER AND SECONDED BY DICK PHILLIPS TO APPROVE THE ADDITIONS TO THE AGENDA AS PRESENTED. MOTION CARRIED WITH ALL AYES.

**B. CRITICAL ISSUES** – None

**C. CONSENT CALENDAR** - MOTION 07R-02-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DEAN EGGENA TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR CONSISTING OF: (1.) MINUTES OF SPECIAL COUNCIL MEETING OF JUNE 4, 2004; (2.) MINUTES OF REGULAR COUNCIL MEETING OF JUNE 14, 2004; (3.) MINUTES OF SPECIAL COUNCIL MEETING OF JUNE 28, 2004; (4.) CROSSLAKE COMMUNICATIONS TELEPHONE AND CABLEVISION COMPANY STATISTICAL REPORT DATED MAY 31, 2004; (5.) CITY MONTH END REVENUE REPORT DATED MAY 31, 2004; AND (6.) CITY MONTH END EXPENDITURE REPORT DATED MAY 31, 2004. MOTION CARRIED WITH ALL AYES.

**D. PUBLIC FORUM** – None

**E. MAYOR'S REPORT** – Nothing

**F. CITY ADMINISTRATOR REPORT** –

1. Bills for Approval - MOTION 07R-03-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNTS OF \$245,121.63 AND \$981.13. City Administrator Swenson stated that the amount requested for

- approval is larger than usual due to the semi-annual bond payments due August 1<sup>st</sup>. MOTION CARRIED WITH ALL AYES.
2. A memo from Clerk/Treasurer Roach requested approval of an application form to be used for individuals wishing to apply for Transient Merchant Permits. An increase in the permit fee from \$10.00 to \$20.00 was also requested. MOTION 07R-04-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO INCREASE THE TRANSIENT MERCHANT PERMIT FEE TO \$20.00 AND TO APPROVE THE TRANSIENT MERCHANT PERMIT APPLICATION FORM. MOTION CARRIED WITH ALL AYES.
  3. A memo dated July 9<sup>th</sup> from Clerk/Treasurer Roach informed the Council of a request made to Mr. Svihel, owner of the vegetable stand situated in the Holiday parking lot, to obtain a transient merchant permit. City Attorney Sandelin was contacted by Clerk Roach regarding a letter Mr. Svihel faxed to the City from Attorney Aaron Crandall informing the City of Bemidji that the need for a Transient Merchant Permit was not required by State Statute. Upon review of State Statute by Attorney Sandelin, it was determined that the court case (State v. Pehrson) was an old case (1939) and not applicable under current State Statute. It was Attorney Sandelin's position that the City require a transient merchant permit from Mr. Svihel. Clerk Roach will send a letter to Mr. Svihel informing him of this requirement.
  4. A memo dated July 8<sup>th</sup> from Clerk/Treasurer Roach included a request from Anthony P., Anthony J. and Dawn Maucieri for an on sale (including Sunday) liquor license. A purchase agreement has been signed on property which will be the site for the proposed restaurant, however some type of commitment for a license is being requested prior to their proceeding with the project. City Attorney Sandelin stated that four licenses are available and the Council can approve with conditions. Sandelin also stated that there are requirements regarding active use of a license. Sandelin felt that the City should collect the necessary fees and condition the license. City Administrator Swenson asked if the City should complete the entire licensing process including sending the information to Liquor Control. Tony Maucieri stated that once he dig's the hole and starts construction, he would be willing to pay the fees. Councilmember Eggena did not agree with issuing a license or collecting fees until the licensee can operate the business. There was some discussion regarding establishing a timeline for the in-active license. MOTION 07R-05-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE THE ON-SALE AND SUNDAY LIQUOR LICENSE FOR THE MAUCIERI'S WITH THE RESTRICTION THAT THE CONDITIONS BE ACCOMPLISHED WITHIN 18 MONTHS AND THAT THE LIQUOR LICENSE FEES ARE COLLECTED WHEN ALL CONDITIONS HAVE BEEN MET. Tony Maucieri, Jr. asked if the applicants could come back for an extension to the eighteen months and City Attorney Sandelin stated that was an option. MOTION CARRIED WITH ALL AYES.
  5. A memo dated July 8<sup>th</sup> from Clerk/Treasurer Roach requested release of 90% of the first half tax increment to Crosswoods Development. Clerk Roach has verified that all first half tax payments have been paid to the County. The amount

to be released is \$3,562.26. MOTION 07R-06-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY BETTIE MILLER TO APPROVE THE TIF RELEASE TO CROSSWOODS DEVELOPMENT IN THE AMOUNT OF \$3,562.26. MOTION CARRIED WITH ALL AYES.

6. A letter dated June 11<sup>th</sup> from Ochs Inc. informed the City of a decrease in the City's life insurance premium for the new policy year.
7. A memo dated June 24<sup>th</sup> from the League of MN Cities regarding 2005 dues was included for Council information.
8. Lakes State Bank Pledge Update dated June 2004 was included for Council information.
9. Lakewood Bank Pledge Update dated June 2004 was included for Council information.
10. Northern National Bank Pledge Update dated June 30, 2004 was included for Council information.
11. The summer issue of the Paul Bunyan Scenic Byway Inkslinger newsletter was included for Council information.

#### **G. COMMISSION REPORTS –**

1. **PUBLIC SAFETY** – Chief Bob Hartman reported 195 calls in Crosslake and 35 calls in Mission Township in June. Councilmember Eggena asked Chief Hartman if the 2:00 A.M. bar closing has affected calls in the Police Department. Chief Hartman stated that there are fewer noise complaints being reported but alcohol related offenses are up. Through July 1, 2004, the Police Department has logged the same number of DUI's as in full year 2003. Hartman indicated that over the 4<sup>th</sup> of July weekend in 2005, he will need at least three cars on duty, since the officers were very busy responding to over 80 calls. He stated that both Breezy Point Police Department and the Crow Wing County Sheriff's Department assisted the Crosslake officers. Assistant Fire Chief Jeff Cripps requested approval for a two-day temporary 3.2 beer license and set up license for the annual Firemen's Dance scheduled for Saturday, July 24<sup>th</sup> at the Emergency Services Center. MOTION 07R-07-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE A TEMPORARY BEER AND SET-UP LICENSE FOR THE FIREMEN'S RELIEF ASSOCIATION CONTINGENT UPON RECEIPT OF A CERTIFICATE OF LIQUOR LIABILITY INSURANCE. MOTION CARRIED WITH ALL AYES. The Fire Department and First Responders responded to 14 medical calls and two fire calls in June. A letter from City Attorney Paul Sandelin informed the City that under the bidding statute and case law interpreting the bidding statute, the City should not accept the bid from Custom Fire due to their not having complied with the bidding specifications as requested by the City. City Attorney Sandelin stated that the City can either reject the bids and re-bid or go with the higher bidder. It is the recommendation of Assistant Chief Cripps that the fire truck be re-bid. MOTION 07R-08-04 WAS MADE BY BETTIE MILLER AND SECONDED BY DICK PHILLIPS TO REJECT THE TWO BIDS RECEIVED ON THE FIRE TRUCK. MOTION CARRIED WITH ALL AYES. Following this motion, MOTION 07R-09-04 WAS MADE BY BETTIE MILLER AND

SECONDED BY DICK PHILLIPS TO AUTHORIZE RE-BIDDING OF A 2004 TANKER/PUMPER FOR THE FIRE DEPARTMENT. MOTION CARRIED WITH ALL AYES.

2. PUBLIC WORKS –

- a. Public Works Director Ted Strand stated that the minutes of the May 17, Public Works Commission Meeting were included for Council information.
- b. A resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment for ABC Drive in the amount of \$66,660.84 was presented for approval. This project will be assessed at 100% to the benefiting property owners. MOTION 07R-10-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE RESOLUTION 04-18 DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT FOR ABC DRIVE. MOTION CARRIED WITH ALL AYES.
- c. A resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment for Greer Lake Road in the amount of \$85,177.53 was presented for approval. This project will be paid 50% by the City with 50% of the cost being assessed to the benefiting property owners. MOTION 07R-11-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE RESOLUTION NO. 04-19 DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT FOR GREER LAKE ROAD. MOTION CARRIED WITH ALL AYES.
- d. A resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment for Wildwood Drive in the amount of \$165,834.67 was presented for approval. This project will be paid 50% by the City with 50% if the cost assessed to the benefiting property owners. MOTION 07R-12-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE RESOLUTION NO. 04-20 DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT FOR WILDWOOD DRIVE. MOTION CARRIED WITH ALL AYES.
- e. Approval of a resolution calling for a Hearing on Proposed Assessment was presented for approval. The Council also set the date for the final assessment hearing. MOTION 07R-13-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE RESOLUTION NO. 04-21 CALLING FOR A HEARING ON PROPOSED ASSESSMENT FOR ABC DRIVE FOR AUGUST 17<sup>TH</sup> AT 6:00 P.M. AT CITY HALL. MOTION CARRIED WITH ALL AYES.
- f. Approval of a resolution calling for a Hearing on Proposed Assessment was presented for approval. The Council also set the date for the final assessment hearing. MOTION 07R-14-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE RESOLUTION NO. 04-22 CALLING FOR A HEARING ON PROPOSED

ASSESSMENT FOR GREER LAKE ROAD FOR AUGUST 17<sup>TH</sup> AT 6:45 P.M. MOTION CARRIED WITH ALL AYES.

- g. Approval of a resolution calling for a Hearing on Proposed Assessment for Wildwood Drive was presented for approval. The Council also set the date for the final assessment hearing. MOTION 07R-15-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO APPROVE RESOLUTION NO. 04-23 FOR HEARING ON PROPOSED ASSESSMENT FOR WILDWOOD DRIVE FOR AUGUST 17, 2004 AT 7:30 P.M. MOTION CARRIED WITH ALL AYES.
- h. Approval of a resolution establishing procedures relating to compliance with Reimbursement Bond Regulations under the Internal Revenue Code would allow the City to be reimbursed costs associated with the road projects prior to the issuance of bonds. MOTION 07R-16-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE RESOLUTION NO. 04-24 ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE. MOTION CARRIED WITH ALL AYES.
- i. A letter dated June 22<sup>nd</sup> from Bryan Drown of Landecker & Associates regarding Silent Oaks Plat was included for Council information.
- j. A letter dated June 24<sup>th</sup> from City Engineer Dave Reese to Larry Smith regarding Silent Oaks Plat was included for Council information.
- k. A memo dated July 9<sup>th</sup> from Community Development Director Ken Anderson addressed the issue of streetlights as they pertain to the Comprehensive Plan and City Ordinance. This issue was tabled from the June meeting. Four areas were recommended by the Chamber of Commerce as locations needing additional lighting. These locations were reviewed by the Public Works Department and Police Department and they are in agreement with the proposed locations. Discussion ensued regarding street lights versus lighting on buildings. MOTION 07R-17-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE THE INSTALLATION OF STREET LIGHTS IN THE FOUR LOCATIONS IDENTIFIED BY THE CHAMBER OF COMMERCE. Councilmember Eggena asked if the streetlights to be installed comply with the City's Ordinance. Anderson stated that the intent is to install lighting with a downward emphasis, however there is nothing in the current ordinance dealing with streetlights so the argument could be made that this is a different use or a safety issue. Councilmember Phillips questioned why the location between Judy's and Northern National Bank was selected. Pat Netko, member of the Retail Committee of the Chamber, addressed the Council. She stated that the Committee toured the downtown area in a van and identified the four locations as the areas most needing lighting from a safety standpoint. Councilmember Eggena asked if the Chamber was advocating lighting all along County Road 66 and Pat Netko stated that they were not. Councilmember Schultz stated that until the streetlights were installed in front of City Hall, there were several complaints and she feels

that these lights are very subtle but do provide the necessary lighting. There was some discussion regarding the cost and City Administrator Swenson stated that Crow Wing Power would provide the lights but the City would be required to pay the electric bill which runs about \$10.00 per month, per light. Swenson stated that the funding from Crow Wing Power is used for various things such as lighting, civil defense sirens and etc. Chief Hartman supported the installation of a streetlight in the area between Judy's and the bank due to the large number of visitors to the Corps of Engineers who walk in this area. Councilmember Phillips stated that he feels civil defense sirens would be more beneficial to the public. Swenson stated that he is currently reviewing the installation of five additional sirens in the City. Mayor Swanson stated that he would like to see both the lights and sirens. The discussion again turned to parking lot lights versus street lighting and the Council agreed that the two offer different safety issues. Parking lots offer safety for patrons and employees and streetlights offer safety for the general public. Terry Curtis addressed the Council and agreed with the Chamber's perspective. He stated that the lights installed in Town Square are the same as those installed in front of City Hall to add consistency within the City. He stated that the lights do reflect downward and are nice looking. Curtis feels that the bigger issue is the security lights on buildings and appreciates when businesses dim the lights at night. Councilmember Eggena stated that he does believe in safety so is an advocate for installing the lights, however the debate between lighting the sky and maintaining the up north feeling has gone on for quite some time. MOTION CARRIED 4-1 WITH COUNCILMEMBER PHILLIPS VOTING NAY.

### 3. PARK AND RECREATION –

- a. Park and Recreation Director Jon Henke presented his highlights report for June. The walkers and talkers were reminded that the gym is open each morning from 8:00 – 9:00 A.M. for walking. The next session of aerobics is scheduled to start on Monday, August 16<sup>th</sup>. This will be a seven-week session ending September 30<sup>th</sup>. Cost for this seven week membership is \$42.00. AAA is sponsoring several senior driving courses over the next three months. These courses are all refresher courses and interested parties should contact AAA to enroll. Yoga is being offered on Wednesday mornings from 10:00 to 11:30 A.M. The Monday class will resume on September 20<sup>th</sup>. The weight room offers low membership rates and residents were invited to stop in and check out what is available. A senior tennis mixer is held on Monday and Thursday afternoons starting at 4:30 P.M. Crosswoods Golf Course along with the Park Department is offering a golf league for kids 16 years of age and younger. Participation fee for all eight sessions is \$80.00 with day passes available for \$12.00. The fee includes instruction, golf and lunch. Donna Dewberry's one stroke painting class is being offered again on July 15<sup>th</sup> and July 22<sup>nd</sup>. The class size is limited to eight individuals. Card clubs meet on Tuesday, Wednesdays and Fridays each week. The 23<sup>rd</sup> annual Dam Run will be held on Saturday,

August 7<sup>th</sup> starting at 8:30 A.M. A donation to the Community Center was received from Scott Demesy and Council approval of the donation was requested. MOTION 07R-18-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO ACCEPT WITH APPRECIATION THE DONATION OF \$200 FROM SCOTT DEMESY FOR THE COMMUNITY CENTER. MOTION CARRIED WITH ALL AYES. The annual Art Show will be held on August 12<sup>th</sup> through August 14<sup>th</sup>. This is one of the biggest events held at the Community Center. The Library Committee will also be holding a book sale during the art show. Kathie Phillips, Senior Outreach Specialist for Cass and Crow Wing Counties will be hosting an information session on the new prescription drug program on July 13<sup>th</sup> at 3:15 P.M. at the Community Center. The third annual trip to a Minnesota Twins Game will be held on Thursday, August 5<sup>th</sup>. Cost is \$20.00 and includes coach fare, admission to the game, a hot dog and pop and a Minnesota Twins Pennant. Registration deadline is July 26<sup>th</sup>. A letter from representatives of the DNR to the Ideal Sno Pros Snowmobile Club and members of the Crosslake Community regarding the results of the public hearing that was held at the Community Center was included for Council information. The DNR denied the trail through the Game Refuge and are looking at alternate routes for a trail. Councilmember Eggena stated that he received a call from a member of the Ideal Sno-Pros stating that they are trying to get the old trail opened again. Councilmember Eggena suggested that the City express support for snowmobiling activities. MOTION 07R-19-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO DIRECT THE PARK AND RECREATION COMMISSION TO LOOK INTO PROMOTING SNOWMOBILING ROUTES WITHIN THE CITY OF CROSSLAKE THAT CONNECT TO THE TRAIL SYSTEM. Councilmember Eggena stated that on the complaints of a couple of property owners, the DNR rejected the route. Eggena stated that the City needs to make every effort to keep snowmobilers off the lakes. MOTION CARRIED WITH ALL AYES. The minutes of the June 2, 2004 Commission meeting were included for Council information.

4. LIBRARY – Committee Chairman Alden Hardwick stated that letters have been mailed to all Crosslake property owners, who reside in the City, requesting support for the proposed library. The next mailing will be sent to individuals who own property in the City but live elsewhere. Alden thanked the Committee Members for all their efforts in sending out the letters. A book sale will be held at the picnic shelter in conjunction with the Art Show and residents were encouraged to bring books to the Park on Thursday. The minutes of the June 21<sup>st</sup> Committee Meeting were included for Council information.
5. UTILITIES – In the absence of General Manager Leaser and Operations Manager Johnson, City Administrator Swenson presented the highlights report for July. The replacement of the tower is underway with footings installed. The annual customer survey was mailed in the July 1<sup>st</sup> statement. The annual customer appreciation day is scheduled for Saturday, August 14<sup>th</sup> from 9:00 – 1:00 P.M. at Crosslake

Communications. The fiber ring between Crosslake, Emily Telephone and Consolidated Telephone Company is being upgraded at a cost of \$20,000. The installation of Internet Equipment is progressing well and customers will be notified when the service is up and running. The Investment Committee was disbanded, however the Commission will be informed semi-annually of the status of the Merrill Lynch accounts. A contract with Northern PCS (Sprint) is being negotiated and the contract is being reviewed by Attorney Paul Sandelin. Sprint would like to place an antenna on the new tower. The Cable Tracking Report and minutes of the June 29<sup>th</sup> Commission Meeting were included for Council information.

6. SEWER –

- a. The minutes of the May 19, 2004 Committee Meeting were included for Council information.
- b. The minutes of the June 16, 2004 Committee Meeting were included for Council information.
- c. City Engineer Dave Reese stated that a pay request from KHC Construction has been reviewed and certified and is being recommended for payment in the amount of \$45,146.00. MOTION 07R-20-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE PAY REQUEST # 16 FOR KHC CONSTRUCTION IN THE AMOUNT OF \$45,146.00. It was noted that this leaves a balance of \$10,805 in retainage excluding change orders. MOTION CARRIED WITH ALL AYES.
- d. A change order from KHC Construction in the amount of \$24,539.42 was reviewed by Mark Hallan of WSN and recommended for approval. This change order includes all additional work requested by the City, changes required by the MPCA and MNDOH approvals, and coordination of controls and equipment throughout the project. MOTION 07R-21-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE CHANGE ORDER NO. 1 FOR KHC CONSTRUCTION IN THE AMOUNT OF \$24,539.42. MOTION CARRIED WITH ALL AYES.
- e. A pay request from Hammerlund Construction requested a reduction in the retainage from 5% to 0.90%. WSN has reviewed this request and agree that a reduction would be appropriate since only a few remaining punch list items need to be completed. MOTION 07R-22-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO RELEASE RETAINAGE FOR HAMMERLUND CONSTRUCTION IN THE AMOUNT OF \$124,650.84. It was noted that this will leave \$27,362.45 in retainage. MOTION CARRIED WITH ALL AYES.
- f. A letter dated June 14, 2004 from the MPCA informed the City of their approval of the site located in Lake Edward Township for disposal of biosolids from the treatment plant and was included for Council information.
- g. A letter dated June 17<sup>th</sup> from City Attorney Paul Sandelin updated the Council on the Golden Rule Estates Appeal and was included for Council information. Golden Rule has 60 days to appeal the Court's decision.
- h. Public Works Director Ted Strand informed the Council that 40 connections to the Sewer System have been inspected. The results from the testing lab

show a removal of 99.2% of effluent. The lift stations are working well. An open house is planned for August 28<sup>th</sup> from 11:00 A.M. – 2:00 P.M. This open house will be held in conjunction with the Public Works Facility, Oil Recycling Facility and Crow Wing Power Sub Station.

7. PLANNING AND ZONING –

- a. A letter dated July 12<sup>th</sup> from City Attorney Sandelin informed the Council that the moratorium placed on development in the Waterfront Commercial zoning district would not prevent Sundance Development from completing their project. Sandelin stated that the City has entered into a developer's agreement with the Developer of Sundance, Inc., which would not be affected by the moratorium. Councilmember Eggena asked if the plat was approved as a phased development and requested clarification that the City is not in violation of our own ordinance. City Attorney Sandelin stated that the only recourse the City would have is if the developer does not complete the project within the prescribed time, then the City could deny an extension.
- b. Community Development Director Ken Anderson stated that the Council held a public hearing earlier this evening to review changes relating to Downtown Commercial property and the requirements for permitted, conditional and prohibited uses. An additional item "independent living" is recommended for inclusion in the ordinance amendment under conditional uses to read "nursing homes/assisted living facility/independent living facility". Anderson also suggested that item G. "Change of use, provided use is not expanded beyond 25% of the original building structure area and that the new use complies with all current zoning standards" also be stricken from the ordinance amendment. Attorney Sandelin agreed with this deletion. MOTION 07R-23-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE ORDINANCE AMENDMENT NO. 198 RELATING TO DOWNTOWN COMMERCIAL PROPERTY USES AS REVISED AND TO PUBLISH A SUMMARY OF SAID ORDINANCE AMENDMENT. MOTION CARRIED WITH ALL AYES. Following this motion, MOTION 07R-24-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO AUTHORIZE COMMUNITY DEVELOPMENT DIRECTOR KEN ANDERSON TO CONTACT THE DEVELOPER OF TOWN SQUARE TO BE SURE THE SIP IS COMPATIBLE WITH THE NEW ORDINANCE AND IF NOT, TO COME BACK TO THE COUNCIL. Anderson stated that there is a section in the SIP where it stipulates that conditional use permits are required for everything. It is their intent to follow the Ordinance Amendment and what are conditional use permits in the Ordinance would remain conditional use permits in the SIP. MOTION CARRIED WITH ALL AYES. Anderson reported that at the conclusion of the last Planning and Zoning Meeting, a resignation was received from Jack Huber. The Planning and Zoning commission recommended filling the position with an alternate, so Ken Anderson will be contacting each of the

alternate members. Anderson also informed the Council that 12 applications were received for the position of GIS Coordinator. Interviews will be scheduled shortly with Councilmember Phillips, City Administrator Swenson and himself conducting the interviews.

8. **RECYCLING** – Councilmember Phillips reported that recycling is down 7 tons from the previous year with 75 tons of recyclables collected year-to-date.
9. **ECONOMIC DEVELOPMENT AUTHORITY** – The minutes of the May 5<sup>th</sup> meeting were included for Council information.
10. **CHARTER SCHOOL** – Councilmember Schultz reported that school will open September 1<sup>st</sup>. An open house is planned for August 31<sup>st</sup> from 6:00 – 7:00 P.M. Enrollment for the upcoming school year is up with close to 100 students enrolled. Grades K-4 will be located in the new school building and Grades 5 – 8 will be located in the old building. A new teacher has been hired for Grades 5 & 6.
11. **LONG RANGE CAPITAL PLANNING** – Nothing
12. **PERSONNEL COMMITTEE** – Nothing

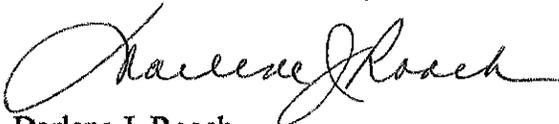
**H. OLD BUSINESS** - None

**I. NEW BUSINESS** – None

**J. PUBLIC FORUM** - None

**K. ADJOURN – MOTION 07R-25-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DICK PHILLIPS TO ADJOURN THIS REGULAR MEETING AT 9:05 P.M. MOTION CARRIED WITH ALL AYES.**

Recorded and transcribed by,



Darlene J. Roach  
Clerk/Treasurer

Shared/REGULAR COUNCIL MEETING – July 12, 2004

**BILLS FOR APPROVAL**  
**12-Jul-04**

<b>VENDORS</b>	<b>DEPT</b>	<b>AMOUNT</b>
Ace Hardware, sprinkler sled base	PW	24.48
Ace Hardware, light bulbs	Gov't	22.98
Ace Hardware, clamp bar, bulk nuts/bolts, drill bits	PW	106.44
Ace Hardware, bulk nuts/bolts	PW	3.71
Ace Hardware, tube pipe	PW	9.58
Ace Hardware, pail, box utility, caddy bucket	PW	22.33
Ace Hardware, pvc, screws	PW	5.73
Ace Hardware, replace damaged mailbox and numbers	P&R	17.30
Ace Hardware, caulk, roller, stain, pan	P&R	23.57
Ace Hardware, electrical supplies	P&R	7.22
Ameripride, mats	PW	95.27
Anderson Brothers, class 5 and class 1	PW	1,445.50
Animal Control Enforcement Services, husky taken to hart	Gov't	50.63
A W Research, water test	Sewer	132.00
Bjerga's Feed Store, trail mix	P&R	258.00
Bjerga's Feed Store, trail mix	P&R	258.00
Brainerd Dispatch, employment ad	P&Z	181.24
California Contractors, industrial gloves	PW	107.64
Carie Fuhrman, reimburse travel expenses	P&Z	819.82
Chief, battery, cuff	Police	71.73
City of Crosslake, parking lot permit	Gov't	37.50
Council #65, union dues	ALL	115.12
Crosslake Communications, phone, fax, cable, internet	ALL	1,089.91
Crosslake Construction, demolition debris	PW	48.00
Crosslake Polaris, trimmer head ez spool	PW	34.03
Crosslake Rolloff, recycling	Gov't	2,450.00
Crow Wing County Treasurer, coop purch subs fee	Gov't	200.00
Crow Wing County Treasurer, e911 addresses	Gov't	100.00
Crow Wing County Treasurer, computer reports	PW	10.00
Culligan, water and cooler rental	Gov't	23.62
Culligan, water and cooler rental	PW	22.65
Dacotah Paper, towels	Gov't	191.86
Davies Water Equipment, pvc sewer bend, meters, frame, flag	Sewer	1,227.59
Deferred Comp	ALL	491.66
Delta Dental, dental insurance	ALL	1,086.45
Door Service, test fire doors	P&R	295.00
Door Service, repair electric operator	PW	614.37
Echo Publishing, business cards	PW/P&Z	69.02
Echo Publishing, employment ad	P&Z	46.00
First National Bank of Deerwood, sewer project	Sewer	17,155.00
Fortis, disability	ALL	236.42
Greg Larson Sports, youth headgear	P&R	52.98
Holiday Station, boat oil	Sewer	7.22
Holiday Station, water for search	Fire	47.01
Holiday Station, fuel	Fire	135.01



**ADDITIONAL BILLS FOR APPROVAL**  
**12-Jul-04**

<b>VENDOR</b>	<b>DEPT</b>	<b>AMOUNT</b>
American Water Works Assn, 2004 membership dues	Sewer	114.00
Crosslake TV, video camera	Police	197.03
P&Z Commission Members, 2nd quarter meetings	P&Z	500.00
Pequot Auto Parts, tune up, deep creep	PW	56.55
Pequot Auto Parts, filters	PW	23.94
Pequot Auto Parts, filters	PW	28.27
Viking Coca Cola, pop	PW	61.34
<b>TOTAL</b>		<b>981.13</b>

RESOLUTION 04-18

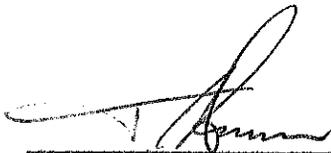
RESOLUTION DECLARING COST TO BE ASSESSED, AND ORDERING  
PREPARATION OF PROPOSED ASSESSMENT

WHEREAS, a contract has been let (costs have been determined) for the improvement of ABC Drive from the intersection of C.S.A.H. 16, north, approximately 1130 feet by constructing street and drainage improvements and the contract price for making such improvement is \$42,042.57, and the expenses incurred or to be incurred in the making of such improvement amount to \$24,618.27 so that the total cost of the improvement will be \$66,660.84.

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

1. The portion of the cost of such improvement to be paid by the City is hereby declared to be \$0.00 and the portion of the cost to be assessed against benefited property owners is declared to be \$66,660.84.
2. Assessments shall be provided in equal installments extending over a period of 10 years, the first of the installments to be payable on or before the first Monday in January 2005, and shall bear interest at the rate of 6.25 percent per annum from the date of adoption of the assessment resolution.
3. The City Administrator, with the assistance of the City Engineer, shall forthwith calculate the proper amount to be specially assessed for such improvements against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and he shall file a copy of such proposed assessment in his office for public inspection.
4. The Administrator shall upon the completion of such proposed assessment, notify the Council thereof.

Adopted by the Council this 12<sup>th</sup> day of July, 2004.



Thomas N. Swenson  
City Administrator



Darrell E. Swanson  
Mayor

RESOLUTION 04-19

RESOLUTION DECLARING COST TO BE ASSESSED, AND ORDERING  
PREPARATION OF PROPOSED ASSESSMENT

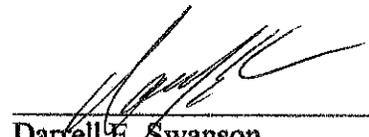
WHEREAS, a contract has been let (costs have been determined) for the improvement of Greer Lake Road from the entrance to Greer Lake Campground, north, to lot 18 Greer Lake Homesites Addition by constructing street and drainage improvements and the contract price for making such improvement is \$52,048.37, and the expenses incurred or to be incurred in the making of such improvement amount to \$33,129.16 so that the total cost of the improvement will be \$85,177.53.

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

1. The portion of the cost of such improvement to be paid by the City is hereby declared to be \$42,588.77 and the portion of the cost to be assessed against benefited property owners is declared to be \$42,588.76.
2. Assessments shall be provided in equal installments extending over a period of 10 years, the first of the installments to be payable on or before the first Monday in January 2005, and shall bear interest at the rate of 6.25 percent per annum from the date of adoption of the assessment resolution.
3. The City Administrator, with the assistance of the City Engineer, shall forthwith calculate the proper amount to be specially assessed for such improvements against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and he shall file a copy of such proposed assessment in his office for public inspection.
4. The Administrator shall upon the completion of such proposed assessment, notify the Council thereof.

Adopted by the Council this 12<sup>th</sup> day of July, 2004.

  
\_\_\_\_\_  
Thomas N. Swenson  
City Administrator

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

RESOLUTION 04-20

RESOLUTION DECLARING COST TO BE ASSESSED, AND ORDERING  
PREPARATION OF PROPOSED ASSESSMENT

WHEREAS, a contract has been let (costs have been determined) for the improvement of Wildwood Drive from the intersection of C.S.A.H. 3 to the end of the road (Block One, Lot 19), Wildwood Trail from the intersection of Wildwood Drive to the end of the road (Block Four, Lot 9), Whitebirch Lane from the intersection of Wildwood Drive (Block One, Lot 7) to the intersection of Wildwood Drive (Block One, Lot 18) by constructing street and drainage improvements and the contract price for making such improvement is \$118,650.04, and the expenses incurred or to be incurred in the making of such improvement amount to \$47,184.63 so that the total cost of the improvement will be \$165,834.67.

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

1. The portion of the cost of such improvement to be paid by the City is hereby declared to be \$82,917.34 and the portion of the cost to be assessed against benefited property owners is declared to be \$82,917.33.
2. Assessments shall be provided in equal installments extending over a period of 10 years, the first of the installments to be payable on or before the first Monday in January 2005, and shall bear interest at the rate of 6.25 percent per annum from the date of adoption of the assessment resolution.
3. The City Administrator, with the assistance of the City Engineer, shall forthwith calculate the proper amount to be specially assessed for such improvements against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and he shall file a copy of such proposed assessment in his office for public inspection.
4. The Administrator shall upon the completion of such proposed assessment, notify the Council thereof.

Adopted by the Council this 12<sup>th</sup> day of July, 2004.



Thomas N. Swenson  
City Administrator



Darzell E. Swanson  
Mayor

RESOLUTION 04-21

RESOLUTION FOR HEARING ON PROPOSED ASSESSMENT

WHEREAS, by a resolution passed by the Council on July 12, 2004, the City Administrator was directed to prepare a proposed assessment of the cost of improving ABC Drive from the intersection of C.S.A.H. 16, north, approximately 1130 feet by constructing street and drainage improvements.

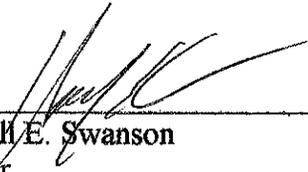
AND WHEREAS, the City Administrator has notified the Council that such proposed assessment has been completed and filed in his office for public inspection.

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

1. A hearing shall be held on the 17th of August, 2004 in the City Hall at 6:00 P.M. to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Administrator is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and he shall state in the notice the total cost of the improvement. He shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearings.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City Administrator, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of the assessment. He/she may at any time thereafter, pay to the County Auditor the entire amount of the assessment remaining unpaid, with interest accrued to December 31st of the year in which such payment is made. Such payment must be made before November 15th or interest will be charged through December 31st of the succeeding year.

Adopted by the Council this 12<sup>th</sup> day of July, 2004.

  
\_\_\_\_\_  
Thomas N. Swenson  
City Administrator

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

RESOLUTION 04-22

RESOLUTION FOR HEARING ON PROPOSED ASSESSMENT

WHEREAS, by a resolution passed by the Council on July 12, 2004, the City Administrator was directed to prepare a proposed assessment of the cost of improving Greer Lake Road from the entrance to Greer Lake Campground, north, to lot 18 Greer Lake Homesites Addition by constructing street and drainage improvements.

AND WHEREAS, the City Administrator has notified the Council that such proposed assessment has been completed and filed in his office for public inspection.

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

1. A hearing shall be held on the 17th of August, 2004 in the City Hall at 6:45 P.M. to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Administrator is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and he shall state in the notice the total cost of the improvement. He shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearings.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City Administrator, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of the assessment. He/she may at any time thereafter, pay to the County Auditor the entire amount of the assessment remaining unpaid, with interest accrued to December 31st of the year in which such payment is made. Such payment must be made before November 15th or interest will be charged through December 31st of the succeeding year.

Adopted by the Council this 12<sup>th</sup> day of July, 2004.

  
Thomas N. Swenson  
City Administrator

  
Darrell E. Swanson  
Mayor

RESOLUTION 04-23

RESOLUTION FOR HEARING ON PROPOSED ASSESSMENT

WHEREAS, by a resolution passed by the Council on July 12, 2004, the City Administrator was directed to prepare a proposed assessment of the cost of improving Wildwood Drive from the intersection of C.S.A.H. 3 to the end of the road (Block One, Lot 19), Wildwood Trail from the intersection of Wildwood Drive to the end of the road (Block Four, Lot 9), Whitebirch Lane from the intersection of Wildwood Drive (Block One, Lot 7) to the intersection of Wildwood Drive (Block One, Lot 18) by constructing street and drainage improvements.

AND WHEREAS, the City Administrator has notified the Council that such proposed assessment has been completed and filed in his office for public inspection.

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

1. A hearing shall be held on the 17th of August, 2004 in the City Hall at 7:30 P.M. to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Administrator is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and he shall state in the notice the total cost of the improvement. He shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearings.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City Administrator, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of the assessment. He/she may at any time thereafter, pay to the County Auditor the entire amount of the assessment remaining unpaid, with interest accrued to December 31st of the year in which such payment is made. Such payment must be made before November 15th or interest will be charged through December 31st of the succeeding year.

Adopted by the Council this 12<sup>th</sup> day of July, 2004.

  
Thomas N. Swenson  
City Administrator

  
Darrell E. Swanson  
Mayor

RESOLUTION NO. 04-24

RESOLUTION ESTABLISHING PROCEDURES  
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND  
REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the City Council (the "Council") of the City of Crosslake, Minnesota (the "City"), as follows:

1. Recitals.

- a. The Internal Revenue Service has issued Treasury Regulations, Section 1.1.50-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.
- b. The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).
- c. The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.
- d. The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Administrator to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees.

Each Declaration shall comply with the requirements of the regulations, including without limitation the following:

- a. Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A, which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.
- b. Each Declaration shall (1) contain a reasonable accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.
- c. Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City does not reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.
- d. The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City had made Declarations.

3.. Reimbursement Allocations. The designated City officials shall also be responsible for making the reimbursement allocations described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

3. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Adopted this 12<sup>th</sup> day of July, 2004 by the Crosslake City Council.

  
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Thomas N. Swenson  
City Administrator

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

## **EXHIBIT A**

### **Declaration of Official Intent**

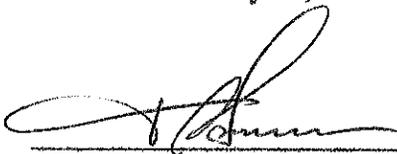
The undersigned, being the duly appointed and acting City Administrator of the City of Crosslake, Minnesota (the "City"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the City as follows:

1. The undersigned has been and is on the date hereof duly authorized by the Crosslake City Council to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City.
2. This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed:

**SEE ATTACHED EXHIBIT A-1 (description of road projects)**

3. The City reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Bonds") to be issued by the City after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$636,635 is the maximum principal amount of the Bonds, which will be issued to finance the Project.
4. Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.1502(d)(3) of the Regulations.
5. As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: July 12, 2004



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City Administrator  
City of Crosslake, Minnesota

## EXHIBIT A-1

- East Shore Boulevard from the intersection of East Shore Road, north, to the end of the road; (\$33,790)
- Gendreau Road from the intersection of C.S.A.H. 36, south, to the intersection of Shafer Road; (\$60,428)
- Edgewater Lane within Lindquist Addition and adjacent to Block One, Lots 1 through 8; (\$28,122)
- Margaret Lane from the intersection of C.S.A.H. 66, west and south, to the end of the cul-de-sac; (\$18,982)
- Daggett Pine Road from the intersection of Ox Lake Landing to Daggett Lane; (\$495,313).