

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
WEDNESDAY, AUGUST 25, 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 Wednesday, August 25, 2004 at 1:00 P.M. at City Hall. The following Councilmember's were present: Mayor Swanson, Dean Eggena, Bettie Miller, Irene Schultz and Dick Phillips (who arrived at 2:05 P.M.). Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, Park and Recreation Director Jon Henke, Public Works Director Ted Strand, Chief Bob Hartman, City Engineer Dave Reese and Clerk/Treasurer Darlene Roach. Also in attendance was Sewer Chair Dean Swanson, Dave Anderson, Tony Maucieri and Cindy Holden.

1. Mayor Swanson called the Special Meeting to order at 1:02 P.M.

2. Review/approve Preliminary Plat for Anderson Estates including payment of Park Dedication Fees – Community Development Director Ken Anderson stated that Dave Anderson applied to the City to have 11.1 acres on the North side of Big Pine Lake subdivided into five lots including the lot which his home is situated on. The Planning and Zoning Commission approved the preliminary plat subject to review by the Public Works Commission and the Park and Recreation Commission. The Public Works Commission reviewed the design of Anderson Drive where it connects into Shafer Road and approved the design. The Park and Recreation Commission's recommendation is to collect cash in lieu of land for park dedication fees at \$5,000 per lot for a maximum of \$25,000. Preliminary Plat approval was recommended for approval subject to conditions of Staff and the City Engineer. MOTION 08S2-01-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO APPROVE THE PRELIMINARY PLAT FOR ANDERSON ESTATES SUBDIVISION 2004-006 WITH THE CONDITIONS OF THE PLANNING AND ZONING COMMISSION, CITY ENGINEER AND STAFF. MOTION CARRIED WITH ALL AYES. Regarding park dedication fees, MOTION 08S2-02-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO ACCEPT CASH IN LIEU OF LAND FOR ANDERSON ESTATES SUBDIVISION 2004-006 AT \$5,000 PER LOT FOR A TOTAL OF \$25,000. MOTION CARRIED WITH ALL AYES.

3. Transfer of Park Dedication Fees – A memo from Clerk/Treasurer Roach requested approval to transfer the \$31,260 in the General Fund as a result of park dedication fees paid year-to-date to the Capital Improvement Fund for use in paying off the Contract for Deed on the Eric Johnson property. After the payoff, the balance in the Park Dedication Fund will be \$16,216.20. MOTION 08S2-03-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO APPROVE THE TRANSFER OF \$31,260 IN PARK DEDICATION FEES FROM THE GENERAL FUND TO THE CAPITAL IMPROVEMENT FUND. MOTION CARRIED WITH ALL AYES.

4. Sewer – Committee Chair Dean Swanson presented a recommendation from the Sewer Committee regarding Non-Phase I Sewer Connections. City Administrator Swenson read two motions which were approved by the Sewer Committee dealing with property located adjacent to the sewer line and property located outside Phase I and not immediately adjacent to the sewer line. After some discussion regarding the two motions, it was agreed that the definition of adjacent appears to be difficult to interpret. Councilmember Eggena commented that the City ran stubs to the 40 acres of Arvig's along East Shore Road and there is no guarantee that these connections will be utilized. Eggena stated that he'd like the Council to look at each parcel individually. The Council should do the right thing for the property owner if possible and if the property owner doesn't want the connection that's their decision to make. Public Works Director Strand asked if the area is extended, should the City oversize the pipe for further expansion. Eggena stated that the extension should be allowed provided the cost is paid for by the developer with the Council agreeing to pay the difference in pipe size for future expansion. City Administrator Swenson agreed and stated that in other cities where this is done the costs are paid for by the developer with the city paying the difference in pipe cost if larger pipe is more advantageous for future expansion. There was some discussion regarding how the sewer line would be run across County Road 3 to the proposed location of Tony Maucieri's restaurant. City Administrator Swenson stated that the City Engineer would need to determine the feasibility of extending the sewer line and whether it's gravity feed or a lift pump. Councilmember Eggena feels the Council needs to stand on the premise that the developer pays the costs. Mayor Swanson stated that the Sewer Committee is making sure there is capacity for property owners situated in Phase I and in July 2005 does the City want a policy where the property owner can come to the Council for consideration to be added to the Phase I area. Eggena feels the Council can look at the big picture later, but needs to deal with each request on its own merits. Community Development Director Anderson stated that boundary's were determined previously to assist in the design of the infrastructure. He stated that force mains and lift stations will increase the cost for the City and there is the potential of additional financial costs by upsizing systems. City Engineer Dave Reese agrees with this position. Other communities have a policy for adding on since it's a major planning issue. Councilmember Eggena stated that currently the largest pipe in the City is 10 inches in diameter and he doesn't see the City going with any larger size pipe. Eggena also stated that according to the MPCA, the City can double the capacity of the plant. If there is a need for an additional lift station, he doubts if there is any developer that would agree to pay these costs. Mayor Swanson stated that he feels the first approach should be to replace the 60 connections lost from the Corps of Engineers not connecting to City sewer. Eggena agreed that these units should not be reserved should the Corps, at a future date, change their position and want to connect to City sewer.

General Manger Dennis Leaser joined the meeting at 1:40 P.M.

Mayor Swanson asked about the imaginary line which identifies the Phase I area. City Engineer Dave Reese stated that while it sounds frivolous, it is the basis for plant design and flow by the engineers. Mayor Swanson asked City Engineer Dave Reese his opinion regarding Tony Maucieri's wishing to be included in the

Phase I area, and provided he is agreeable to paying all costs, what would be required by the City. Reese stated that a sewer extension permit needs to be applied for with the MPCA, who will review the capacity and more than likely would approve the permit. However, the City should be aware that the MPCA has no problem with issuing a moratorium on extensions until the size of the plant is expanded. Councilmember Eggena stated that there is currently capacity set aside for vacant property that will never get used. Eggena doesn't feel these property owners deserve any more breaks than Tony's property or anyone else's.

City Administrator Swenson stated that there are two issues: (1.) Regarding financing, first we need to get enough connections to pay the bonds. Any future connection fees need to be set aside for plant expansion; secondly (2.) the City Engineer needs to determine the feasibility of extending the line with all costs paid by the developer except for excess pipe size. The developer needs to come up with some up front money (application fee) so the City is not liable for the engineering fees should the developer back out. The Council agreed to these conditions and, MOTION 08S2-04-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO ADOPT RESOLUTION NO. 04-32 ESTABLISHING THE CITY'S POLICY FOR CONNECTING TO THE SEWER FOR THOSE PROPERTY OWNERS OUTSIDE THE PHASE I AREA. MOTION CARRIED WITH ALL AYES. It was agreed that the Council would review each individual request for an extension based on its own merit. The Council requested that Tony Maucieri prepare a letter requesting to be heard at the September Council Meeting at which time the Council can review and direct the City Engineer to do a feasibility study.

Reimbursement of Crosswoods Sanitary Sewer – A fax dated August 17th from City Engineer Dave Reese, a letter dated August 13th from Jim Anderson of Crosswoods Development, a proposal from Visu-Sewer Clean & Seal Inc. and various letters from City Attorney Sandelin were reviewed by the Council. A request for reimbursement of \$90,181.04 for sewer improvements in Crosswoods Development was submitted by Mr. Anderson. Last summer the Council negotiated the final cost for reimbursement to Crosswoods Development for sewer improvements completed by them when the sanitary sewer plant came on line, the main sewer line from Crosswoods Development is connected to the municipal sewer collection system and sewage is being treated at the wastewater plant. This work has now been completed. One of the items not yet completed is the televising of the sewer lines and a decision by the Council was requested as to whether this work should be done. City Engineer Dave Reese recommended that the televising of the lines be done in conjunction with the televising of Cross Lake Avenue which will be ordered by Hammerlund Construction. The information received in the televising would assist the City should problems occur in this area. Councilmember Eggena asked if the reimbursement was part of the TIF Agreement and he was informed that it was not part of TIF but part of the Developer's Agreement where utilities were turned over to the City but the streets were kept in private ownership. Councilmember Eggena stated that he sees a problem with this type of agreement since other developers and property owners could request reimbursement from the City for lines run onto their private property as in the case of East Shore Developing and Sandy Shores. City

Engineer Dave Reese stated that the sewer lines in Crosswoods were installed prior to the sewer lines installed by the City and approval to be reimbursed for these costs was included as a part of the Developer's Agreement. City Administrator Swenson stated that this was the difference between Crosswoods and other developers. Councilmember Eggena requested that the City Attorney provide a written legal opinion regarding the reimbursement as it pertains to the Developer's Agreement.

Councilmember Phillips joined the meeting at 2:05 P.M.

Regarding the televising of the lines, it was the consensus of the Council that the lines be televised and that the City Engineer contact Jim Anderson to inform him that the City will reimburse Crosswoods Development for \$1,950 which is the cost of televising the lines. Councilmember Eggena asked how the proposed cost from Visu-Sewer Clean & Seal compared with the cost of televising the other lines within the City and City Engineer Reese stated it was very comparable. MOTION 08S2-05-04 WAS MADE BY BETTIE MILLER AND SECONDED BY IRENE SCHULTZ TO DIRECT THE CITY ENGINEER TO CONTACT JIM ANDERSON ADVISING HIM THAT THE CITY WISHES TO HAVE THE SEWER LINES TELEVISED. MOTION CARRIED WITH ALL AYES. It was agreed that Cross Lake Avenue be televised at the same time. Councilmember Eggena expressed a concern with the first quote for reimbursement of \$73,850 on June 27, 2002 and the second request for reimbursement of \$90,181.04 on August 28, 2003. City Administrator Swenson will review the minutes of the 2003 Council meetings to determine if Council approval was authorized to pay the reimbursement. MOTION 08S2-06-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO TABLE THE ISSUE TO THE NEXT COUNCIL MEETING. MOTION CARRIED WITH ALL AYES.

Discussion regarding grease interceptor requirements – City Engineer Dave Reese stated that he and Public Works Director Ted Strand have discussed the need for grease interceptors as required under the Sewer Ordinance and Minnesota Plumbing Code and how these requirements pertain to sewer contractors providing bids to those establishments requiring interceptors. The problem that is surfacing among establishments hooking up to the municipal sewer is whether or not the existing facility needs to be re-plumbed or whether the current method of grease extraction is sufficient under the ordinance. The recommendation expressed by WSN is that only grease-producing waste streams be directed through the grease separator/inceptor which would require re-plumbing of an existing facility but requires less frequent pumping and cleaning. The City is requiring that all new facilities conform to this requirement, however existing establishments may direct all wastewater through a septic tank series interceptor if it is properly sized to accommodate the entire flow. Some areas require three 1,500 gallon tanks provided there are pumping contractors who regularly service and maintain the tanks and a contract is kept on file with the City. There are other types that can be used but these need to be maintained regularly as well. A recommendation from the Council is being requested in order to provide the contractors with the correct information. Councilmember Eggena stated that if

the requirements are identified in the plumbing code, the City can require that the establishments follow the plumbing code. City Engineer Reese asked who would then be liable if a backup occurs and someone else's home is affected. City Engineer Reese stated that the City could leave the decision up to the owner and let them choose how to plumb. Eggena stated that the State Health Department will ask to see the grease trap when they inspect restaurants. Community Development Director Ken Anderson expressed concern with compliance under Chapter 7080 if the septic tank is being used as an outlet to the sanitary sewer system. Chapter 7080 requires that the tank be checked to determine if it is watertight every three years after the initial five-year period. A question was asked whether a steel tank qualifies versus a concrete tank. After considerable discussion it was the consensus of the Council that the Public Works Director or City Engineer can inform all restaurants that they can use their septic tanks as a grease interceptor provided they are in conformance with the State Plumbing Code.

5. Bills for Approval – MOTION 08S2-07-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$9,666.01. MOTION CARRIED WITH ALL AYES.

6. Review 2005 Budget by Department –

a. The Planning and Zoning Department budget was reviewed. Wages were based on the recommendations of the Personnel Committee and on the Union Salary Schedule. Benefits are based on current rates in effect as provided for by the City. The proposed budget is a 2.4% increase over 2004. The Capital Outlay items include a fire proof file and a camera/overhead projector for enhancing the televised council meetings and would be used as a visual aid during Planning and Zoning meetings as well as other meetings where drawings and designs are presented. These two items total \$7,700. The revenue generating items for this department were also reviewed and there was some discussion regarding raising fees. Councilmember Eggena felt that the City could double the cost of the permits and wouldn't be opposed to doing this if we need to find revenue. It was agreed that this would be reviewed for further consideration at the next meeting. There was some discussion regarding doing away with driveway permits and it was the decision of the Council that Planning and Zoning would continue to issue driveway permits and the Public Works Director will do the inspection. The permit will be revised to indicate that an inspection is required.

b. Public Works, Cemetery, Sewer – City Administrator Swenson reviewed each area with emphasis on those areas increasing over 2004. Public Works Director Strand stated that his Staff has reviewed the items requested for Capital Outlay and feel the front end loader sweeper would be the most efficient. The cost of bristles would run approximately \$480 for 150 – 200 hours of use. Mayor

Swanson commented that the County has a street sweeper and asked if the City could rent it on an hourly basis. Staff agreed that a track unit would be more advantageous for moving trees, landscaping, ditch cleaning and etc. The cost to rent this type of unit runs \$225 for ½ day. It was agreed that this item would be included in the budget as a rental item. There was some discussion regarding replacing the New Holland tractor with a larger tractor. It was agreed that Councilmember Eggena would meet with Public Works Director Ted Strand to review equipment needs. The proposed Cemetery budget is down \$4,800 for 2005 due to the payoff of the additional property that was purchased adjacent to the cemetery. The proposed Sewer budget is up over last year since it includes a full year of operating expenses as compared to a partial year in 2004. The Staff has been split between Public Works and Sewer with two workers in each department. It is projected that 120 connections will be made by the end of 2004 which will generate \$3,600 monthly in user fees. City Administrator Swenson has reviewed the Phase I area for structures and calculated approximately 243 residential connections and 72 commercial connections. The projected revenue for these connections (at \$30 per month) will result in an annual revenue of \$82,200. There was considerable discussion regarding accurate costs for budgeting when the Public Works Department and Sewer Department are blended. Councilmember Eggena stated that he would like to see the two departments totally separate in order to determine actual operating costs for sewer. Councilmember Phillips felt that the sewer operation should get up and running and then make the determination if they should be split because a lot of labor is being utilized during the startup process that won't be needed once the connections are made. It was agreed, however, that the employees be required to track their hours on timesheets.

- c. Police -- Wages were based on a recommendation from the Personnel Committee and are consistent with the salary schedule established for the officers with a step and a 3% cola increase in 2005. Benefits are based on current rates in affect and wages paid. Chief Hartman requested Council approval to order the 2005 squad in 2004 in order to take possession of the vehicle in early January. Chief Hartman has contacted other departments regarding the sale of the old squad and he has received some preliminary indication that Cuyuna would be interested in purchasing a squad from the City. MOTION 08S2-08-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO AUTHORIZE THE CHIEF TO ORDER THE 2005 SQUAD CAR IN 2004 WITH DELIVERY AND PAYMENT IN 2005. MOTION CARRIED WITH ALL AYES. The other capital outlay items include setting aside \$7,500 for an upgrade to the Department's computer software.

Another budget meeting was set for August 30th at 1:00 P.M.

MOTION 08S2-09-04 WAS MADE BY BETTIE MILLER AND SECONDED BY
IRENE SCHULTZ TO ADJOURN THIS SPECIAL MEETING AT 4:45 P.M.
MOTION CARRIED WITH ALL EYES.

Recorded and transcribed by,

A handwritten signature in cursive script, appearing to read "Darlene J. Roach".

Darlene J. Roach
Clerk/Treasurer

SPECIAL COUNCIL MEETING-- August 25, 2004.doc

BILLS FOR APPROVAL

25-Aug-04

VENDOR	DEPT	AMOUNT
Crosslake Communications-computer & printer	Sewer	\$ 3,498.56
Crosslake Communications-TV Mount	City Hall	61.51
Lakeside Glass - repl broken windshield (ins reimb)	PD	752.67
North Cty Plumb & Heat - inst softener,water meter,insul	PW	1,450.00
Northern Water Works - swivels for meters	Sewer	88.27
ESS Brothers - sewer cleanout,frame,beehive	Sewer	1,296.11
Metro Fire - 5 fiberglass helmets w/accessory's	Fire	793.45
Simonson Lumber - jaw turnbuckle,clevis	Fire	222.77
Cellular One - cell phone charge	Sewer	27.93
Dacotah Paper Co. - soap	City Hall	45.25
Ann Swenson - election judge trg	Elections	33.00
Ordell Buntje - election judge trg	Elections	52.50
Ace Hardware - drill bit, nuts/bolts,washers	Park	9.15
Ace Hardware - concrete mix, paintbrush,adapter	Park	16.75
Walmart - camera bag and videotapes	PD	72.52
Business Forms & Acctg - fund acctg checks	Adm	155.61
Dodo Fraser - election judge training	Elections	46.88
Office Max - wheel mouse, storage cabinet, file drawer	Sewer	456.86
A.W. Research - testing	Sewer	90.00
Mills - oil change, filter	PD	26.95
Echo Publishing - legal publishing	P&Z	31.25
Echo Publishing - legal publishing	Elections	43.75
Streicher's - ammo	PD	172.05
Fleet Farm - boat seat, anchor, blade adapt,cable ties	Sewer/PW	102.01
Crow Wing County Sanitary Landfill - disposal of books	Library	16.15
Pequot Lakes Youth Sports - tournament fees	Park	104.06
	TOTAL	9,666.01

**RESOLUTION 04-32
RELATING TO CONNECTION TO SANITARY SEWER FOR THOSE PROPERTIES
LOCATED OUTSIDE THE PHASE I SEWER AREA
WITHIN THE CITY OF CROSSLAKE**

WHEREAS, on the 25th day of August 2004, the City Council met in a Special Session and reviewed the recommendations of the Sewer Committee as they pertain to properties outside the Phase I Sewer Area; and

WHEREAS, the City Council developed a policy for connection of properties to the Municipal Sewer System that are not included in the Phase I area; and

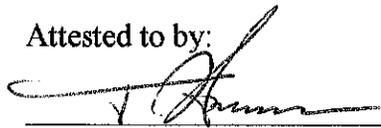
WHEREAS, the City Council determined that each request be determined on a case by case basis by the City Council as requested to be heard by the property owner/developer with all costs associated with feasibility study's, design and construction paid for by the applicant with a deposit paid up front for such work; and

WHEREAS, the City will still collect the Connection Charge based on the cost in affect at the time of connection as well as all monthly charges associated with the Sewer Project; and

WHEREAS, connection to the municipal sewer is on a first come, first serve basis to replace up to 60 units which were previously estimated for the Corps of Engineers, provided MPCA approval is granted for any necessary extension Permits and that plant capacity is available.

Approved by the City Council this 25th day of August, 2004 by a 4/5ths vote of the Council in attendance namely, Mayor Swanson and Councilmember's Eggena, Miller and Schultz.

Attested to by:



Thomas N. Swenson
City Administrator



Darrell E. Swanson
Mayor