

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
WEDNESDAY, AUGUST 26, 2009
9:00 A.M. - CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met in a Special Session on Wednesday, August 26, 2009 at City Hall. The following Councilmember's were present: Mayor Jay Andolshek, John Moengen, Steve Roe, Dean Swanson and Rusty Taubert. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, Park and Recreation Director Jon Henke, Public Works Director Ted Strand, Police Chief Bob Hartman, General Manager Paul Hoge and Clerk/Treasurer Darlene Roach. Also in attendance was Ruth Ann Hanson of the Brainerd Lakes Area Chamber of Commerce and City Engineer Dave Reese.

1. Call to order – Mayor Andolshek called the Special Meeting to order at 9:00 A.M. for the purpose of continued discussion of the 2010 budget and to approve bills for payment.
2. Bills for Approval – MOTION 08S2-01-09 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY STEVE ROE TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$9,742.26. MOTION CARRIED WITH ALL AYES.
3. City Administrator Tom Swenson stated that WSN submitted a 2010 Fee Schedule as requested by the Council at the August 19, 2009 Meeting. The 2010 Fee Schedule reflects the same rates as used in 2009.

On Tuesday, August 25th, representatives from Crosslake Communications, Crow Wing Power, WSN and the City met to discuss a possible trail along Manhattan Point Boulevard. The City was approached by a resident inquiring as to what would be needed in order for the City to construct a trail at the end of the point from Camp Knutsen to Whitefish Avenue. Swenson informed the resident that a significant donation would be needed before the City would consider constructing a trail. Subsequently a donation of \$100,000 has been committed to the project. It was requested by Staff that the City Engineer provide the Council with some preliminary costs for surveying and engineering. If the Council agrees to consider a trail, it would be necessary to determine where it would be situated in order to avoid conflicts with any improvement to Manhattan Point Boulevard. The Five Year Capital Improvement Plan, previously approved by the City Council, reflects a reclaim/re-pave improvement of 2.3 miles of Manhattan Point Boulevard in 2013 from CSAH #66 to Camp Knutsen. Based on a review of Manhattan Point Boulevard, it appears the roadway is 23 feet in width. A preliminary range of survey/engineering costs for preliminary design of Manhattan Point Boulevard and trail, bidding of partial trail in 2010 and construction of partial trail in 2010 is \$75,000 to \$80,000. The projected cost for construction of the trail from Whitefish Avenue to Camp Knutsen is \$125,000. City Engineer Dave Reese stated that these numbers do include a contingency. Dave Reese stated that it would be advisable to survey the entire roadway and then design the road and trail together to avoid construction issues later. Reese stated that it would also be important to complete the design part early to allow utility companies time to plan ahead. General Manager Paul Hoge stated that Crosslake Communications would

look at placing conduit under the trail for installation of fiber at a later date. This would cost approximately \$80,000. Hoge also stated that they would be contacting TDS to purchase that portion of the area that is currently serviced by TDS. Discussion ensued regarding what work could be done in 2009 and what would be done in 2010. The Council agreed that surveying could be done in 2009 at a cost of approximately \$20,000 to \$25,000 and could be paid for with 2009 funds. With the proposed donation of \$100,000 along with a possible second donation of \$40,000, if \$30,000 was included in the 2010 budget for engineering, the trail could be constructed in 2010. It was the consensus of the Council to include the \$30,000 in the 2010 budget.

City Administrator Swenson made the recommended changes to the budget as recommended by the Council at the August 19th Special Council Meeting. With the inclusion of \$10,000 for fireworks, there will be a 3.97% increase in expenditures. On the revenue side, a negative amount needs to be included for the loss in Market Value Homestead Credit. Since the City will not levy for the final payment on the 1999 Series B Bonds, the balance of \$159,461 due in January 2010, will be paid out of Debt Service reserves. The Sewer Operating Fund is operating at a loss so funds need to be transferred out of the Sewer Project Fund to absorb any shortfall not covered by an increase in user fees. It was proposed that an increase from \$33.00 to \$36.00 per month for commercial users per 8,000 gallons of metered usage and an increase for residential users from \$33.00 to \$36.00 per month be incorporated into the budget. Approval of a resolution proposing these increases will be acted on at the Regular Council Meeting on September 14th. Using \$18,000 in new construction, the proposed spread levy on the existing tax base is a negative .7%. Councilmember Steve Roe complimented City Administrator Swenson on staying on top of all of the changes in unallotment imposed by Governor Pawlenty and doing a good job on the budget.

Clerk Roach reviewed the results of a financial review of the City's TIF districts that was conducted recently by Dick Aslesen of Northland Securities. In order for the City's Financial Statement to match the TIF Financial Statement, Council action is required on a resolution approving transfers from the General Fund 101 to the Tax Increment Financing Fund 405. Approval of this resolution would authorize the transfer of \$14,113 from Fund 101 to Fund 405; authorize the transfer of \$4,584 from Fund 101 to Fund 405 to fund the close-out shortfall in District 1-2 consisting of cash at 12/31/08 of \$5,110 less 2009 expenses of \$1,400 and less 2009 Excess Increment payment to Crow Wing County Auditor of \$8,294. Council approval of the resolution was requested. MOTION 08S2-02-09 WAS MADE BY STEVE ROE AND SECONDED BY JOHN MOENGEN TO APPROVE RESOLUTION NO. 09-13 APPROVING TRANSFERS FROM THE GENERAL FUND NO. 101 TO THE TAX INCREMENT FINANCING FUND 405. MOTION CARRIED WITH ALL AYES.

MOTION 08S2-03-09 WAS MADE BY JOHN MOENGEN AND SECONDED BY JAY ANDOLSHEK TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 10:20 A.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,

Darlene J. Roach, Clerk/Treasurer



CITY OF CROSSLAKE, MINNESOTA

RESOLUTION NO. 09-13

**A RESOLUTION APPROVING TRANSFERS FROM
THE GENERAL FUND (Fund No. 101) TO THE
TAX INCREMENT FINANCING FUND (Fund No. 405)**

WHEREAS, Northland Securities, Inc. (herein, "NSI"), at the request of the City, has reviewed the Fund Balance of City Fund No. 405 in connection with the preparation of the City's 2008 District Reports for each existing tax increment district which have heretofore been filed with the Office of the State Auditor, and

WHEREAS, NSI has advised in a letter to the City Clerk dated August 24, 2009 (herein, the "August 24 letter"), a copy of which is incorporated herein by reference, that a transfer of \$14,113 needs to occur from the Fund No. 101 to Fund No. 405 so that the fund balance of Fund No. 405 equates to the information filed on the 2008 District Reports, and

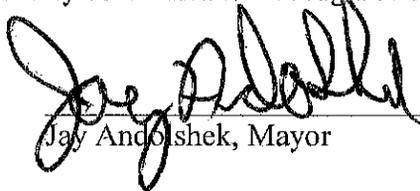
WHEREAS, the City has previously caused District No. 1-2 to be decertified, but a final closeout of the district's finances has not previously occurred, and

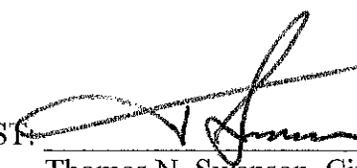
WHEREAS, as explained in the "Excess Increment" section of the August 24 letter, District 1-2 has Excess Increment (as that term is defined in State law) of \$8,294.

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

1. That the Clerk-Treasurer is hereby authorized to transfer \$14,113 from Fund No. 101 to Fund No. 405 for the purposes herein indicated.
2. That the Clerk-Treasurer is hereby authorized to transfer \$4,584 from Fund No. 101 to Fund No. 405 to fund the close-out shortfall in District No. 1-2 consisting of cash at 12/31/08 of \$5,110 less 2009 expenses of \$1,400 and less 2009 "Excess Increment" payment to Crow Wing County of \$8,294.
3. That the "Excess Increment" amount of \$8,294 shall be paid to Crow Wing County by the Clerk-Treasurer as soon as practical

Adopted by the City Council of the City of Crosslake on August 26, 2009


Jay Andolshek, Mayor

ATTEST 
Thomas N. Swenson, City Administrator