

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
WEDNESDAY, AUGUST 31, 2005
2:00 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 31, 2005 at City Hall. The following Councilmember's were present: Mayor Jay Andolshek, Terry Curtis, Dean Eggena, Dick Phillips and Dean Swanson. 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, Clerk/Treasurer Darlene Roach, City Attorney Paul Sandelin and City Engineer's Dave Reese and Mark Hallan. Jodie Tweed of the Brainerd Dispatch was also in attendance. There were approximately 27 other individuals in the audience.

1. Call to order – Mayor Andolshek called the special meeting to order at 2:00 P.M.

2. Update/Recommendation regarding Playground Improvements – Parks and Recreation Director Jon Henke met with three sales representatives from the playground industry over the past two months. Proposals from each of these companies have been received and reviewed by Staff and the Park Advisory Commission members. It is recommended that the Playground project be approached in three separate phases with the first phase being the equipment and installation, the second phase consisting of engineered wood fiber and geotextile filter fabric and the third phase consisting of landscaping and amenities. It is recommended that Phase 1 and 2 be completed in the fall of 2005 with Phase 3 completed in the spring of 2006. After a very lengthy review of each proposal, the Staff and Commission recommends to the City Council the acceptance of Gametime (Minnesota Wisconsin Playground) as the supplier of choice for the playground equipment. It was the consensus of both Staff and the Advisory Commission to eliminate the proposal from Earl F. Anderson due to cost and lack of supporting documents. Earl F. Anderson did supply park equipment in the park six years ago and problems have occurred which have not been followed up on by the company. The two companies remaining are Gametime (Minnesota/Wisconsin Playground) and Miracle (Webber Recreational Design). Both companies provided very good proposals however Gametime offered more play experiences and equipment for the money. While Miracle's proposal is a very nice aesthetically pleasing plan, it is based on a central clubhouse structure. It was noted that both companies have provided playground equipment in surrounding community's which were visited by Park Director Henke. Drawings of the equipment being proposed were shown to the Council. The proposal from Gametime is approximately \$200 higher than the proposal from Miracle, however the decision was made to select Gametime based on the additional amount of equipment being received. The equipment will be paid for as follows: \$15,000 donation from the Lions Club, \$3,000 donation from Crow Wing Power Community Trust, \$5,000 in budgeted funds with the balance being paid out of park dedication fees. Councilmember Phillips asked if there would be any increased liability and Henke stated that the City would insure the equipment and use of the equipment would be covered by the City's liability insurance coverage.

Councilmember Eggena asked if the City could take something other than the lowest bidder and Henke stated the City is getting seven or eight more items in play experiences from Gametime which would justify the additional cost. MOTION 08S2-01-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DICK PHILLIPS TO AUTHORIZE THE USE OF PARK DEDICATION FUNDS IN THE AMOUNT OF \$34,860 FOR PARK PLAYGROUND EQUIPMENT. MOTION CARRIED WITH ALL AYES. A second motion authorizing the purchase was requested and MOTION 08S2-02-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DICK PHILLIPS TO ACCEPT THE PROPOSAL FROM GAMETIME (MINNESOTA/WISCONSIN PLAYGROUND) FOR PLAYGROUND EQUIPMENT IN THE AMOUNT OF \$49,980. Park Director Henke stated that this price includes tax, delivery and installation assistance since a representative from Gametime will be on site during installation to ensure the equipment is installed properly. MOTION CARRIED WITH ALL AYES. Park Staff also recommends that Gametime be awarded the contract for the engineered wood fiber consisting of 359 cubic yards at a cost of \$6,480 including tax and delivery. MOTION 08S2-03-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN EGGENA TO ACCEPT THE QUOTE FOR ENGINEERED WOOD AND FABRIC TO GAMETIME IN THE AMOUNT OF \$6,480. MOTION CARRIED WITH ALL AYES. Staff also recommends that Gametime be used for 2,250 square feet of geotextile fabric for the playground at a cost of \$1,400 including tax. MOTION 08S2-04-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN EGGENA TO ACCEPT THE QUOTE FROM GAMETIME FOR GEOTEXTILE FABRIC AT A COST OF \$1400. MOTION CARRIED WITH ALL AYES. Park Director Henke thanked the Council, the Lions Club and the Sub-Committee members consisting of, Dennis Palm, Bob Mattson, Fay Miller, Morrie Mikkelson and Gordy Reller, Past President of the Lions Club, for all their efforts.

3. Review/Discussion of Proposed Hotel/Restaurant Development in Town Square – Community Development Director Ken Anderson reviewed a list of issues that the Staff has discussed with the developer. Councilmember Phillips asked why this was coming before the Council before having gone through the Planning and Zoning Commission and asked what the Staff was expecting the Council to do at this meeting. Anderson stated that the Staff was looking for direction on the Specific Implementation Plan (SIP) which needs to be prepared by the City Attorney. The individual projects in the area fall under the General Implementation Plan (GIP), however a separate SIP is required for this project. The SIP has gone through one amendment and this would be the second amendment to the SIP. (A copy of the First Amended General Implementation Plan/Planned Development District for Crosswoods, a copy of the First Amended Specific Implementation Plan/Planned Development District for Crosswoods, a copy of the handout for the Public Hearing for Business District Master Plan held December 1998 and a Crosslake Town Square handout prepared by Crosswoods Development, LLC., along with a copy of Ordinance No. 136 pertaining to Planned Development Districts was included for Council information.) City Attorney Sandelin stated that Chapter 8 of the City Code explains the Council's role in the SIP process. Anderson identified the proposed location for the hotel/restaurant in an area zoned Downtown Commercial at the site of Outlot A in

the previously platted Town Square development. The proposed hotel would consist of a two-story building. A public hearing regarding this proposal will be held by the Planning and Zoning Commission on September 23rd at 9:00 A.M. The items requiring Council direction for Staff and the developer include any plans for possible road extension of Pioneer Drive in the future, proposed shared parking and internal traffic circulation, site ingress/egress, sidewalk/trail improvement and linkages, Swann Drive traffic controls, building height requirements and development plan review steps and approval process.

Discussion ensued regarding any possible future subdividing of the Catholic Church property not having access to Swann Drive or County Road 66 if the proposed alley does not go through on the west side of the site. Jason Brunkhorst, developer of the hotel site, was present to answer any questions the Council may have. Councilmember Swanson stated that many of these items should have been addressed when the property was split. Regarding the Catholic Church, they were given the opportunity to give the City 33' of right-of-way and declined so the utilities were moved to the south side of Swann Drive so he doesn't see a concern about their not having access to the back lot. Councilmember Eggena asked if anyone was opposed to the plan. Darrell Schneider, of 12481 Arrowhead Lane, addressed the Council and stated that he was not opposed, but this is the first the church has heard about the project. Councilmember Curtis noted that the public hearing of September 23rd will require a notification to the adjacent property owners. Mike Stone, owner of the Golf Course, addressed the Council and stated that he has no problem with the concept. City Administrator Swenson stated that once you've determined that the area on the west side can be utilized for parking, how do you later say it's going to be a road. A question was raised as to whether a corner of the area could be used for access to the church property and Pat Trottier of Landecker and Associates, representing the property owner, stated that would be a possibility to consider. Another concern was the number of parking spaces proposed and Councilmember Eggena stated that he feels it is the responsibility of the property owner to make sure there is sufficient parking and that the City should not be involved in requiring a parking space for everyone. Community Development Director Anderson stated that Staff is recommending that they provide some type of drive through parking to accommodate boats and trailers. Discussion ensued regarding installing a four way stop to move traffic on Swann Drive. Councilmember Swenson also suggested a four way stop on Ostlund Avenue. Councilmember Curtis agreed that Swann Drive has become a cut across to County Road 3 and to control traffic would be a good plan. Anderson asked the Council what their thoughts were on requiring a trail system for bicyclists, rollerbladers, snowmobiles and etc. Anderson stated that he observed a lot of walkers from the Corps Campgrounds to Town Square this summer. Mayor Andolshek asked if the developer has any plans for a snowmobile trail and it was noted that State Law does allow snowmobiles on city streets. Jason Brunkhorst stated that he would support a trail system. Councilmember Eggena stated that the City needs to do some research but he would support a trail system. There was discussion regarding parking along Swann Drive, plowing the road curb to curb and whether the City should leave an area unplowed and if the City even wanted snowmobiles on the bituminous. It was the consensus of the Council to be open to a trail system design.

Councilmember Phillips felt it would be a hazard to have snowmobile traffic on Swann Drive. Ken Anderson stated that the City has a height limitation on buildings and whether the Council would be open to a three-story building versus a two-story building to maximize space. Anderson stated that the concerns would be firefighting and aesthetics. It was agreed that input from the Fire Department would be needed. Councilmember Curtis commented that with the price of real estate, the Commission and Council should review building heights since it may be a real issue in the near future. The last item to be addressed by Ken Anderson was the proposed tentative project timetable, which was provided to the Council. Councilmember Eggena stated that he feels it's a good project since the City has been in need of a motel/hotel for a long time. MOTION 08S2-05-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DEAN SWANSON TO AUTHORIZE THE CITY ATTORNEY TO DRAW UP THE SIP AND AMEND THE GIP IF NEEDED. MOTION CARRIED 4-1 WITH COUNCILMEMBER PHILLIPS OPPOSED. Anderson asked if the Council would prefer to schedule a special meeting to discuss the project after the Public Hearing. It was agreed that a special meeting would be held sometime between September 23rd and October 10th.

A short recess was taken until 3:40 P.M. at which time the meeting was reconvened.

4. Discussion of Corps of Engineers Connection to City Sewer- At a meeting held on August 24, 2005, the Council briefly discussed a letter received from the Corps of Engineers regarding their intent to negotiate connection to the City's Municipal Sewer System. In the letter, the Corps requested a meeting with the City. At the Council meeting, the Council agreed that they should meet with WSN and the City Attorney prior to setting a date for a meeting with the Corps of Engineers. A memo dated August 29th to the Mayor and City Council from City Engineer's Dave Reese and Mark Hallan detailed various discussions held between the City and the Army Corps of Engineer beginning in 2001 and continuing to the present. Based on data available during the early stages of the Sewer Project, WSN determined that 55 ERU's would be appropriate for connection to the City's municipal system. This was a reduction from 60 ERU's originally calculated and was based on flow data. City Engineer Mark Hallan stated that the City needs to decide what they want to do and formulate a response. Councilmember Phillips stated that the Corps feels that they are in a position to connect to the City's system and wondered what position the City was in. City Attorney Sandelin stated that under the City's Sewer Ordinance the City can enter into an agreement to determine ERU's based on flows and the City has the ability to set a number. Based on this, the City can treat the Corps differently than other users. City Engineer Dave Reese commented that the Council needs to keep in mind what's fair and equitable and the Corps is proposing to be treated as one commercial customer versus a multi-commercial customer, therefore, WSN would respectfully disagree with the Corps position. The latest data provided to WSN brings the number of ERU's between 30 – 35. The previous number of connections was based on data provided by the Corps of Engineers and may have been obtained from a faulty flow meter. It should be noted however that these flow meters do not include the drop station dumping from RV units. Councilmember Swanson stated that it is his concern that it would require a lot

more chemicals to treat the raw sewage adding to the cost of operation. Councilmember Curtis stated that he has a concern with availability. When the Corps chose not to connect, the availability was offered to other properties who are taking advantage of the opportunity. With the proposed town homes and hotel going online, how do we change direction now and allow the Corps to connect. At what point do we say there is no more capacity. Councilmember Eggena stated that the City has the capacity, but they need to pay their fair share. City Administrator Swenson stated that the MPCA will notify the City when we are reaching capacity. It will be the MPCA who will limit future connections. Public Works Director Ted Strand stated that the current flow runs 30,000 gallons per day during the week and 45,000 – 50,000 gallons on weekends, but what is equitable is the question. MOTION 08S2-06-05 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO REQUEST THE CITY ATTORNEY SEND A LETTER TO THE CORPS TO OBTAIN COPIES OF THE CORPS OF ENGINEERS WASTEWATER TREATMENT OPERATION AND MAINTENANCE COSTS INCLUDING TESTING CHEMICALS. Ted Strand stated that in East Gull Lake, the Corps paid \$157,000 for 30 connections and \$19,000 in annual operating costs. MOTION CARRIED WITH ALL AYES. The Council will schedule another meeting after the information is received from the Corps of Engineers.

5. Continued review/discussion of Proposed 2006 Budget - A letter dated August 26, 2005 from the Brainerd Lakes Area Chamber of Commerce informed the City that they would no longer be sponsoring the 4th of July fireworks or the Santa's Crosslake Kick-Off since they are not considered a benefit to the Chamber businesses and there was limited interest in contributing the amount of finances and volunteer time needed. This decision was made based on a survey asking for input. Ruth Ann Hanson stated that one out of forty nine chambers use funds for fireworks and only 20 – 25% are actively involved in assisting with fireworks. Councilmember Eggena asked the cost of providing the fireworks and Ms. Hanson stated \$13,000, which includes the cost to the pyrotechnic company, advertising and insurance. A letter dated August 29, 2005 from City Attorney Paul Sandelin expressed a difference of opinion between the Attorney General's Office and the League of Minnesota Cities regarding the use of city funds for membership in the Chamber of Commerce. Should the City determine that an expenditure of public funds to the Chamber is one the City wishes to make, the City should condition the conveyance of those funds to be used for promoting, advertising, improving or developing the City's economic development rather than simply an expenditure to be used at the Chamber's discretion. Councilmember Eggena stated that he'd like the City to sponsor the fireworks since it's a community event. He recommended putting \$15,000 in the budget of which \$13,000 would be used for fireworks. Councilmember Phillips stated that the money could be put in but doesn't have to be spent. Councilmember Curtis stated that if you give the money to the Chamber, how do you determine whom you are going to support and whom you don't support. If you take it on as a City project, you can work out the logistics later. Councilmember Swanson stated that he is not against fireworks, but is against putting \$13,000 in the budget for fireworks. Swanson stated that a \$2,000 donation recommended by him to be used towards fireworks was voted down yet \$13,000 is now being added.

Swanson stated that we're cutting corners and then we open the gates. Mayor Andolshek agreed that it could be put in and taken out later. Councilmember Swanson disagreed and stated "how can the Council not agree with \$2,000 but agree with \$15,000?" With the Chamber out of the loop, Swanson asked who was going to be involved if the City takes it over. Councilmember Eggena stated he wanted it on the record that if the City was unable to get volunteers to help with the fireworks display, he would do it himself and pay for it.

Since the last budget meeting, City Administrator Swenson changed the Sewer and Public Works budget to allocate Public Works Director Ted Strand to Sewer and the other three employees to Public Works. Swenson also added \$10,000 to be placed in the dump truck reserve account. This would increase the 2006 budget by 5.3% and bring the proposed spread levy increase on the existing tax base to 3.2% taking into account the market value homestead credit reduction and increase in market value and tax capacity for new construction. Councilmember Eggena stated that he would like to see the police vehicle on a six-year rotation. Police Chief Bob Hartman addressed the Council and stated that he has spoken with Emily and Pequot Lakes regarding the squads that were sold to them and they are experiencing numerous problems. Hartman stated that he has gone out and gotten donations for the department to help offset costs to help the budget and would not jeopardize the life of his officers should a U-Joint or ball joint go out with the high rates of speed these officers must drive in order to save lives. Hartman stated that the Joint Powers Agreement with Mission Township was implemented for the purpose of revenue to be used to purchase a squad car each year for the department. Hartman stated that he would agree to cut \$3,000 in capital expenditures but is passionate about replacing the squad since it is the safety of his officers at stake. Hartman reminded the Council that Crosslake Communications is on a five-year/60,000 mile rotation and they drive nowhere near the speed the officer's drive plus the squads have 90,000 miles at five years. It was the consensus of the Council to stay with the five-year rotation. There were no other changes recommended so City Administrator Swenson will make the change adding the \$15,000 and recalculate for preliminary approval of the proposed 2006 budget and levy at the September 12th Council meeting. Councilmember Eggena thanked the Staff for an excellent job on the budget. He stated that taxes are being kept down and the debt is being lowered. Councilmember Phillips thanked City Administrator Swenson for all his work on the budget. MOTION 08S2-07-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO ADJOURN THIS SPECIAL MEETING AT 4:57 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and respectfully submitted by,



Darlene J. Roach
Clerk/Treasurer