

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
THURSDAY, SEPTEMBER 25, 2008  
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 Thursday, September 25, 2008 at City Hall. The following Councilmember's were present: Mayor Jay Andolshek, Steve Roe, Dean Swanson and Rusty Taubert. Councilmember Irene Schultz was absent. Also present was City Administrator Tom Swenson, Public Works Director Ted Strand, General Manager Paul Hoge and Clerk/Treasurer Darlene Roach. Also present was Ken Korczak from the Lake Country Echo.

1. Call to order – Mayor Andolshek called the special meeting to order at 1:00 P.M.
2. City Administrator Swenson stated that bids for the Crosslake Communications Cold Storage Building were opened on Tuesday, September 23<sup>rd</sup> and reviewed for conformance to plans, specifications and advertisement by Mark Hallan of WSN. In a letter dated September 23, 2008, WSN recommended that Hy-Tec Construction of Brainerd, Inc. be awarded the bid as the lowest responsible bidder at \$79,750.00. Swenson noted that Alternate #2 contained a deduct for the installation of ballards both inside and outside the building in the area of the four overhead doors. It is the recommendation of the General Manager and the City Administrator that these ballards not be installed since the building will be used mainly for storage. If it is decided at a later date that the ballards are needed, Staff could install them. This would deduct \$5,073.00 from the Hy-Tec Construction bid bringing the cost to \$74,677. There was some discussion regarding why Alternate #2 should be deducted and not installed at the time of construction. MOTION 09S1-01-08 WAS MADE BY DEAN SWANSON AND SECONDED BY JAY ANDOLSHEK TO AWARD THE BID TO HY-TECH CONSTRUCTION OF BRAINERD, INC. WITH THE ADDITION OF ALTERNATE #2 TO DELETE THE INSTALLATION OF THE BALLARDS IN THE AMOUNT OF \$5,073 BRINGING THE BID AMOUNT TO \$74,677. MOTION CARRIED WITH ALL AYES.
3. City Administrator Swenson requested approval of a donation from Crow Wing Power in the amount of \$75,536.75 to cover the cost of a generator for the Emergency Services Center/City Hall Building including installation and an update of the electrical wiring panels in the building. This donation was applied against the one percent safety and lighting program allocation. MOTION 09S1-02-08 WAS MADE BY DEAN SWANSON AND SECONDED BY RUSTY TAUBERT TO ACCEPT WITH APPRECIATION THE DONATION OF \$75,536.75 FROM CROW WING POWER. MOTION CARRIED WITH ALL AYES. Mayor Andolshek thanked City Administrator Swenson for all his work in obtaining this donation.
4. A memo from Clerk Roach reviewed some contingencies that were suggested as a result of a visit to Crosslake Roll-Off and Recycling Services by Clerk Roach and John Matalla of the Crow Wing County Solid Waste Office which would coincide with the 10% monthly increase requested by Leigh Reiner. The County's position on recycling is that every effort should be made to increase volumes and visibility

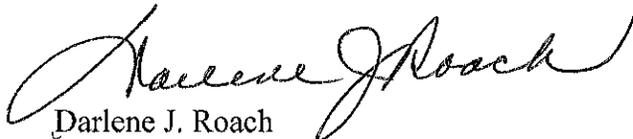
for the recycling program in order to continue receiving SCORE Funds. The three items referenced in the memo were reviewed by the Council consisting of the addition of Class 5 to the driveway and parking area; the inclusion of plastics in the recycling program; and to provide bins for recycling during community events. Discussion ensued regarding whether the City should consider going out for requests for proposals since other haulers have expressed an interest in the program, whether a contract should be entered into between the City and hauler and whether the recycling bins should be made mandatory. It was agreed that Staff should work with the City Attorney on developing a contract to protect both the City and the hauler. MOTION 09S1-03-08 WAS MADE BY DEAN SWANSON AND SECONDED BY STEVE ROE TO SEND A LETTER TO CROSSLAKE ROLL-OFF AND RECYCLING SERVICES STATING THAT RECEIVING A 10% INCREASE FOR 2009 WILL BE CONTINGENT UPON CLASS 5 BEING ADDED TO THE DRIVEWAY AND PARKING AREA AT THE DROP-OFF SITE; THAT PLASTICS BE ACCEPTED AT THE DROP-OFF SITE BEGINNING JANUARY 1, 2009; THAT RECYCLING BE ENCOURAGED BY PROVIDING RECYCLING BINS THROUGHOUT THE DOWNTOWN AREA DURING COMMUNITY EVENTS AND FOR STAFF TO WORK WITH THE CITY ATTORNEY TO PREPARE A CONTRACT TO PROVIDE RECYCLING SERVICES FOR THE PROTECTION OF THE RECYCLER AND THE CITY. MOTION CARRIED WITH ALL AYES.

5. Fire Chief Keith Anderson and Fire Relief Association Treasurer John Moengen were present to review the possible purchase and financing of a used fire pumper truck. The Department has been approached by a member of the community who is willing to participate in the cost of purchasing a used fire truck to replace the 1974 pumper truck. Fire Department members have been researching the availability of a used pumper truck and have located a 1995 pumper truck at a cost of \$125,000. A videotape of the truck was shown to the City Council and Moengen pointed out the various features of the truck including a 1,250 GPM pump and a 1,000 gallon water tank. It was pointed out that this size pump and water tank could possibly improve the Fire Department's ISO Rating which is the basis for determining homeowners' insurance rates. Since the cost of the truck exceeds \$100,000 and because the truck is no longer in the possession of the Fire Department, but has been sold to a broker, State Law requires that the City go out for sealed bids. Council approval on an advertisement for bids was requested. It was noted that the broker currently in possession of the pumper truck would have the option to submit a sealed bid. Since the amount of the donation is currently unknown, the amount that the City would be required to finance is also unknown, therefore City Administrator Swenson contacted Briggs and Morgan, the City's bond attorney, who prepared a resolution which would allow the City to issue equipment bonds to finance the balance of a fire pumper truck rolling in the amount expended from reserves on the recently purchased Kodiak Rescue Truck. According to Northland Securities, equipment certificates are currently being issued with interest rates between 3 ½% - 4%. MOTION 09S1-04-08 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY STEVE ROE TO APPROVE RESOLUTION NO. 08-29 ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE. MOTION CARRIED WITH ALL AYES. Following this motion, MOTION 09S1-05-08

WAS MADE BY JAY ANDOLSHEK AND SECONDED BY DEAN SWANSON TO AUTHORIZE ADVERTISING FOR SEALED BIDS FOR A PUMPER TRUCK TO REPLACE THE 1974 PUMPER TRUCK. MOTION CARRIED WITH ALL AYES. Councilmember Roe suggested that all documentation contain the vehicle's identification number for future reference.

6. Approval of a resolution appointing an additional election judge was requested. MOTION 09S1-06-08 WAS MADE BY DEAN SWANSON AND SECONDED BY STEVE ROE TO APPROVE RESOLUTION NO. 08-30 OF AN ADDITIONAL ELECTION JUDGE TO SERVE FOR THE 2008 GENERAL ELECTION TO BE HELD NOVEMBER 4, 2008. MOTION CARRIED WITH ALL AYES.
7. Bills for approval – MOTION 09S1-07-08 WAS MADE BY DEAN SWANSON AND SECONDED BY RUSTY TAUBERT TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$36,407.02. MOTION CARRIED WITH ALL AYES.
8. Adjourn – MOTION 09S1-08-08 WAS MADE BY STEVE ROE AND SECONDED BY JAY ANDOLSHEK TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 1:43 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,

  
Darlene J. Roach  
Clerk/Treasurer

SPECIAL COUNCIL MEETING – Sept. 25, 2008.doc

RESOLUTION NO. 08-29  
CITY OF CROSSLAKE  
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 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of 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 (as the issuer of or the primary obligor under the bonds) 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 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 reasonably 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 doesn't reasonably expect that reimbursement bonds will be issued 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 has made Declarations.

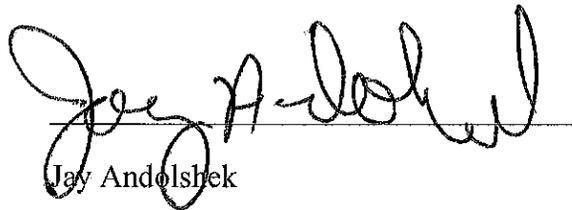
3. Reimbursement Allocations. If the City is acting as the issuer of the reimbursement bonds, the designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally written allocations that evidence the City's use of the applicable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

4. 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 on this 25<sup>th</sup> day of September, 2008.



Thomas N. Swenson  
City Administrator



Jay Andolshek  
Mayor

**CERTIFICATION**

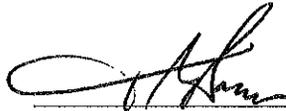
The undersigned, being the duly qualified and acting Administrator of the City of Crosslake, Minnesota, hereby certifies the following:

The foregoing is true and correct copy of a Resolution on file and of official, publicly available record in the offices of the City, which Resolution relates to procedures of the City for compliance with certain IRS Regulations on reimbursement bonds. Said Resolution was duly adopted by the governing body of the City (the "Council") at a special meeting of the Council held on September 25, 2008. The Council meeting was duly called, regularly held, open to the public, and held at the place at which meetings of the Council are regularly held. Councilmember Andolshek moved the adoption of the Resolution, which motion was seconded by Councilmember Roe. A vote being taken on the motion, the following members of the Council voted in favor of the motion to adopt the Resolution: Jay Andolshek, Steve Roe, Rusty Taubert and Dean Swanson

and the following voted against the same: None.

Whereupon said Resolution was declared duly passed and adopted. The Resolution is in full force and effect and no action has been taken by the Council which would in any way alter or amend the Resolution.

WITNESS MY HAND officially as the Administrator of the City of Crosslake, Minnesota, on September 25, 2008.



Thomas N. Swenson  
City Administrator

EXHIBIT A

Declaration of Official Intent

The undersigned, being the duly appointed and acting 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 City Council of the City 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:

PURCHASE OF A 1994 CHEVROLET KODIAK RESCUE TRUCK C4500 AS OUTLINED  
IN THE ATTACHED SALES AGREEMENT

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 after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$60,000 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 1.150-2(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: September 25, 2008.



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Thomas N. Swenson  
City Administrator

# SALES AGREEMENT

Be it known that the City of Crosslake, Minnesota (hereinafter "Buyer") agrees to purchase from the Community Fire Company located in North Grosvenor Dale, Connecticut (hereinafter "Seller") the following described item:

1994 Chevrolet Kodiak Rescue Truck, C4500 (GVW 23,500), including the items described on the attached Exhibit A (collectively, "Truck")

The parties agree to the following terms and conditions:

1. Seller will sell the Truck to Buyer for \$65,000. Buyer has already paid Seller \$3,000 down payment, which shall be credited against the \$65,000 purchase price. Upon payment of the purchase price by Buyer, Seller shall deliver to Buyer a title for the Truck, with signatures of the parties necessary for transfer of the Title to Buyer. Buyer shall take possession of the Truck and title immediately upon full payment of the purchase price.
2. The parties agree that the Truck will remain in the same condition as shown in the pictures sent to the Buyer on August 1, 2008 and as seen by Cargill Chevrolet on August 11, 2008, except that the Seller shall, at its expense, have the front brake pads replaced, align the front wheels, and service the parking brake. The odometer reading of 10,800 miles shall remain substantially the same at time of purchase by Buyer, except for miles Seller puts on the Truck in getting it serviced or in using it in the normal course of its business prior to full payment by Buyer.
3. The Buyer may terminate this contract if, upon inspection by Buyer, the Truck is not in the condition represented and required by this contract. In such case, Seller shall refund Buyer's down payment within 10 days of termination.
4. Seller shall pay any broker's commission or fee due to any third party. Buyer shall not be responsible for payment of any such commission or fee.

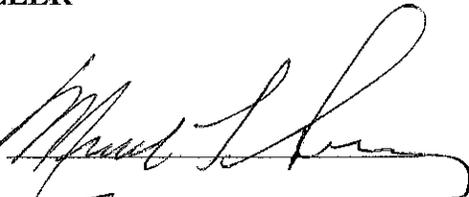
ACCEPTED BY:

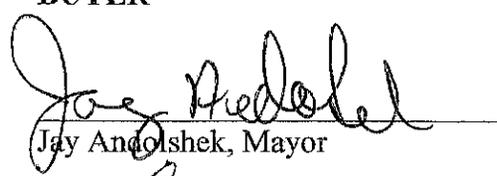
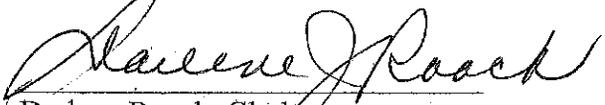
**Community Fire Company,  
North Grosvenor Dale, Connecticut**

**City of Crosslake, Minnesota**

**SELLER**

**BUYER**

By:   
Its: TREASURER

  
Jay Andolshek, Mayor  
  
Darlene Roach, Clerk

## **Exhibit A**

1. 12' walk-in rescue body with 6 exterior rescue compartments
2. 4- SCBA Seats
3. 8 KW Portable Generator
4. 10,000# winch
5. On board cascade system which includes a Bauer Compressor CRS2 1 Bottle Defrag Chamber, gauges, bottle holders & 4-6000# bottles.
6. All electrical accessories including emergency lighting and 1000 watt tripod telescoping light. (excluding the emergency communications radio)
7. All keys for truck and compartments, and all owners' manuals for truck and equipment attached if available.
8. Copies of DOT certificates and current license information.
9. Copies of all repair work done in the past if possible
10. Documentation of the new brake repair job documenting OEM replacement parts and front end alignment.

RESOLUTION 08-30  
FOR THE APPOINTMENT  
OF AN ADDITIONAL ELECTION JUDGE TO SERVE FOR THE 2008  
GENERAL ELECTION TO BE HELD NOVEMBER 4, 2008

WHEREAS, the City of Crosslake does hereby resolve to appoint election judges for the 2008 General Election to be held on the 4<sup>th</sup> day of November, in the City of Crosslake in Precinct 1 and Precinct 2;

AND WHEREAS, the City of Crosslake does hereby appoint an additional person namely **Ruth Hoag** to serve as an election judge according to Minnesota State Statute 204B.19;

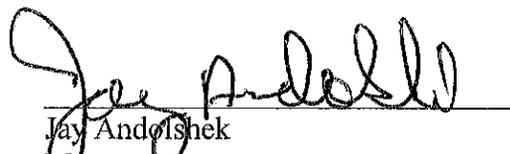
BE IT RESOLVED, that the City Council of the City of Crosslake, Minnesota go on record as appointing the above named person as an Election Judge to handle the 2008 General Election. This approval was acted on at a Special Council Meeting held on September 25, 2008.

COUNCIL VOTING AYE - 4

COUNCIL VOTING NAY - 0

ATTEST:

  
Darlene J. Roach  
City Clerk/Treasurer

  
Jay Andolshek  
Mayor

**BILLS FOR APPROVAL**  
**25-Sep-08**

VENDORS	DEPT		AMOUNT
Abra, marking paint	PW		11.11
Abra, bolts	PW		0.81
Ace Hardware, waxing bonnets, wax, batteries, hose	PW		159.88
Ace Hardware, wire, washer, locknut	PW		57.89
Ace Hardware, metal sprayer	PW		78.79
Ace Hardware, batteries	P&R		8.51
Ace Hardware, primer, pvc conduit	P&R		25.09
Ace Hardware, batteries	P&R		12.55
Ace Hardware, trowel, hoe	P&R		5.94
Ace Hardware, paint thinner	P&R		10.11
Ace Hardware, paint, rollers, marking spray	P&R		45.75
Alex Air Apparatus, high pressure line, coupling, caps	Fire		547.00
Alex Air Apparatus, class b foam	Fire		287.13
Alex Air Apparatus, coupling with relief valve	Fire		215.00
Ameripride, mats	PW		115.95
AW Research, water test	Sewer		121.05
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Birchdale Fire & Security, add camera to current system	PW		511.20
Brainerd Absolute Trailer Sales, ball and pintle combo	PW		157.57
Cascade Computers, upgrade security, locate spyware	Police		127.50
Chemsearch, car brite, brilliance aerosol	PW		368.14
Crow Wing County Landfill, trash removal	Library		21.15
Crow Wing County Recorder, file 28 resolutions	P&Z		1,288.00
Crow Wing Power, electric service	ALL	pd 9-19	6,224.49
Cummins Npower, planned maintenance agreement	Gov't		483.79
Cummins Npower, planned maintenance agreement	PW		463.69
Dacotah Paper, cups	Gov't		35.68
Demco, tape, jacket covers	Library		445.72
East Side Oil, filters, anti-freeze recycling	PW		95.00
Election Judges, primary election services	Election		1,356.00
Fastenal, safety glasses	PW		33.94
Fastenal, v belts	PW		21.88
Foreman Fire Service, pump recertification tests	Fire		1,186.00
Greg Larson Sports, vests, arm bands	P&R	pd 9-19	44.94
Greg Larson sports, goal	P&R	pd 9-19	83.19
Hawkins, aqua hawk	Sewer		278.02
Hawkins, ferric chloride	Sewer		1,005.51
Houston Ford, tire repair	Police		16.49
Lakeland Fireplace Plus, edge flats, edge corners	Library		601.41
Lakes Area Rental, blade sharpening	PW		60.77
League of MN Cities, regional conference	Adm/Counc		80.00
Marco, copier lease	ALL		368.12
Mastercard, Barnes and Noble, books	Library		49.91
Mastercard, Fleet Farm, uniform	PW		72.39

