

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, SEPTEMBER 29, 2014
7:00 P.M. – CITY HALL

The Council for the City of Crosslake held a Special Council Meeting in the Council Chambers of City Hall on Monday, September 29, 2014. The following Council Members were present: Mayor Darrell Schneider, Steve Roe, Gary Heacox, John Moengen and Mark Wessels. Also present were City Administrator/Consultant Dan Vogt, City Clerk Char Nelson, Finance Director/Treasurer Mike Lyonais, General Manager Paul Hoge, Public Works Director Ted Strand, City Attorney Brad Person, Northland Press Reporter Kate Perkins, and Echo Publishing Reporter Dan Determan. There were approximately twenty one people in the audience.

Mayor Schneider called the meeting to order at 7:00 P.M.

Attorney Person reported that Dan Vogt, Paul Hoge and he on Friday, September 19th after the Council hired CTC for managerial services of Crosslake Communications. Attorney Person, Dan Vogt, Paul Hoge, John Moengen, and Kevin Larson were charged with determining how to move forward and what the management team would look like after CTC came in to take over the management of Crosslake Communications. John Moengen and Kevin Larson were not available to meet. It was agreed that there was no need for two general managers and that in light of the Council decision to retain CTC for management services, Paul Hoge's services would no longer be needed. Subsequent to the meeting, Attorney Person asked Labor Attorney Steve Fecker to work out a proposal for a severance package for Paul Hoge. Mr. Hoge was placed on administrative leave with pay pending Council action relative to his employment status.

Steve Roe stated that Dan Vogt and Attorney Person overstepped their authority as they were not authorized to relieve Paul Hoge of his duties. Attorney Person reported that Paul Hoge did not come to the meeting with the intention of resigning his position, but understood that change was likely in light of the Council's decision the night before. Attorney Person and Dan Vogt asked for Council direction at this time.

Mayor Schneider read a memo dated September 18, 2014 from the Mayor to the City Council regarding concerns of Crosslake Communications management. The memo summarized results from the recent studies conducted by Vantage Point and Charlesmead and stressed the importance of hiring someone to help the Council develop alternative systems of operation at reduced costs. Mark Wessels noted that there would be approximately \$400,000 in savings since Paul Davis, Jared Johnson, and Paul Hoge would no longer be employed.

MOTION 09S3-01-14 WAS MADE BY MARK WESSELS AND SECONDED BY JOHN MOENGEN TO CONTINUE WITH ACTION FROM THE 9/18/14 MEETING BY TERMINATING PAUL HOGE'S EMPLOYMENT. Steve Roe stated that this was a terrible mistake. Mark Wessel noted that the Council received no written plan on how to improve operations from Paul Hoge or the Crosslake Communications Advisory Board even though finances from operations continue to decline. MOTION CARRIED 4-1 WITH STEVE ROE OPPOSED.

Attorney Person asked if the Council were favorable to offering a severance package to Mr. Hoge and offered to work with Paul Hoge to finalize a settlement hoping to have a proposal at the next Council meeting if the Council so chose. Attorney Person stated that he would work with CTC to draft an agreement for services and bring to the next Council meeting for approval. Attorney Person would include the goals of a written 5-year plan, long term management plan, timeline for bond payoff, elimination of operating transfer to City, and cost cutting measures into the terms of the agreement with CTC.

Steve Roe asked who at Crosslake Communications has the knowledge to finish the CSAH 3 project and to begin the CSAH 36 project. John Moengen replied that CTC is capable of handling all the projects at Crosslake Communications. Kevin Larson's goals include turning the company around, adding new products and increasing revenue. Mr. Larson will present updates to the Council at their regular meetings. Mark Wessels stated that management should have written information available regarding incomplete work on the road projects. Attorney Person noted that Paul Hoge has been very helpful and expected cooperation to continue.

MOTION 09S3-02-14 WAS MADE BY MARK WESSELS AND SECONDED BY GARY HEACOX TO PROVIDE A SEVERANCE PACKAGE TO PAUL HOGE AND TO DIRECT BRAD PERSON AND DAN VOGT TO MEET WITH PAUL HOGE TO FINALIZE A SETTLEMENT. MOTION CARRIED WITH ALL AYES.

Dan Vogt reported that Kevin Larson planned to hold an employee meeting this week with Crosslake Communications staff. Steve Roe stated that an employee of Crosslake Communications should manage the operations, not CTC. Mark Wessels noted that at the meeting of 9/18/14 the Council made a motion to hire CTC as manager of Crosslake Communications.

There being no further business, MOTION 09S3-03-14 WAS MADE BY JOHN MOENGEN AND SECONDED BY DARRELL SCHNEIDER TO ADJOURN THE MEETING AT 7:53 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,



Charlene Nelson
City Clerk
Deputy Clerk/Minutes/9-29-14