

CROSSLAKE COMMUNICATIONS COMMISSION/JOINT CITY COUNCIL MEETING
TUESDAY, SEPTEMBER 30, 2003
CROSSLAKE COMMUNITY CENTER

The Regular Meeting of the Crosslake Communications Commission was called to order by Chairperson Ted Silva at 7:33 a.m. Members present: Ted Silva, Steve Roe, Bill Smith, Gerry Brine, Clyde Fish and Hank Duitsman. Members absent: Judy Cotten. Also present were General Manager Dennis Leaser, Office Manager Debby Floerchinger, Operations Manager Jared Johnson, Liaison Darrell Swanson, City Administrator Tom Swenson, and Gilroy Arvig.

Recommendations:

- 1) **The Crosslake Communications Commission recommends to the City Council approval of the Crosslake Communications Commission Introduction and Authority.**

The Minutes of the August 26, 2003 Regular meeting were reviewed. Bill Smith moved to accept the Minutes. Second by Gerry Brine. All in favor. Motion carried.

The August 2003 Combined Financial and Statistical Reports were reviewed in detail along with the Digital Reports. Dennis explained that there are several small cable operators who are still trying to work out a deal with InDemand. About 1/3 of the operators have dropped InDemand, 1/3 have not signed the agreement and the rest didn't have InDemand. We are still looking into any other options for Pay-Per-View that may be available. In reviewing the Digital Cable report, Darrell noted that we have remained flat since last year. Steve Roe moved to approve the August 2003 Combined Financial and Statistical Reports. Second by Clyde Fish. All in favor, motion carried.

COMMUNICATIONS

- 1) Rewrite of Utilities Commission Policy Changes Approval. Dennis reported that the updated Policy had been included with the minutes of the last meeting. Ted, Clyde and Tom Swenson were the only people who had changes to the Policy. Those changes have been incorporated into the newest draft. Dennis also said that he had checked with the League of Minnesota cities in regard to the Employee Recognition. The League had sent him some information on the topic. There is no firm way to deal with the issue of employee recognition for anniversaries. They felt that a plaque was fine. There will be no more gift certificates or open houses. Dennis said that employee recognition will be handled through the personnel policies and the paragraph was taken out of the Utilities Commission Policy. Steve felt that the mission statement should make some reference to quality service. The Commission felt that since the mission statement had already been approved by the Council that it should be left alone. Clyde Fish moved to

recommend to the City Council approval of the Crosslake Communications Commission Introduction and Authority. Second by Hank Duitsman. All in favor, motion carried.

- 2) Outside Plant Update. Jared reported that it has been a busy summer because of the sewer project. We have taken a few cable hits in the last couple of weeks due to the sewer crew rushing to get the road back open. We also ran fiber down East Shore Boulevard. With the fiber we have down 103, we will be able to hook up to the West Shore Drive AFC site. We have received requests for cable service in the Mission area and have started to research an expansion in that area. An expansion in that area would add a possibility of about 120 homes. There were questions raised about adding more to Mission when CTC was talking about going in that area. Dennis feels that since CTC will be offering cable over the phone lines, it will be a digital product and we feel that the majority of customers down there will be analog. We feel that satellite is a bigger threat than CTC.

PERSONNEL

- 1) Outside Plant Reduction. Dennis said that we will be reducing one technician who was brought on for Cable TV. Since we have not experienced the growth we expected, we do not have enough work for five technicians through the winter. Dennis has already notified the union and the employee of the cut back. His last work date will be November 7, 2003.

OTHER BUSINESS

- 1) Internet Service Provider and Network Engineer. Jared Johnson presented information to the Commission on the concept of becoming an Internet Service Provider along with an immediate need for a network engineer. We have been requested by the Commission to look into whether it would be feasible for Crosslake Communications to become its own Internet Service Provider. Jared explained that Crosslake Communications currently has over 900 Internet customers (consisting of both dial up and DSL). By becoming our own Internet Service Provider, it would foster economic development in Crosslake, improve customer service and create two new high tech positions. There are four components to consider in becoming an Internet Service Provider. They are
 - a. Timeline
 - b. Personnel
 - c. Equipment
 - d. Revenue

Jared projected that it would take approximately two years to launch our ISP service which would include in year one hiring a network engineer to handle our existing work and to begin the design, cost research and preparation for the ISP implementation. Year two would consist of hiring a computer technician and the purchase, installation and cut over of the equipment. Our current personnel are not trained to support and maintain the existing network infrastructure. We are already experiencing time demands to support our current Internet customers and equipment. We currently have an immediate

need for a security firewall and authentication equipment to reduce virus and hacker attacks. The cost to start our own Internet Service is estimated at \$200,000.

The revenue projections were based on September 2003 customer counts with an 18% increase built into DSL and keeping Dial-up Customers with no growth. At year one and not raising rates, the net shows a positive \$45,000. By the end of year 3, it is projected we would net \$168,874.

Jared recommended to the Commission hiring a Network Engineer and creating a two year time line to launch becoming our own Internet Service Provider.

Steve Roe moved to recommend to the Personnel Committee starting the process to hire a Network Engineer. Second by Gerry Brine.

Commission members expressed concerns about the Network Engineer. Bill Smith asked about salary and benefit costs. The Commission requested that a job description be prepared and brought back to the Commission. The motion was tabled until a future meeting.

The meeting was recessed at 8:52 to prepare for the strategic planning meeting to be held jointly with the City Council.

Council members Irene Schultz, Dean Eggena, Dick Phillips and Chuck Miller joined the commission for a Joint Council/Commission meeting. Mayor Swanson called the Special Joint Meeting to order at 9:04 a.m.

The Commission meeting also resumed at 9:04 a.m. Randy Young from MART, Larry Thompson and Brian Enga from Vantage Point, Armond Gease, Cindy Holden, Bill Gordon and Ron Schmidt joined the meeting.

Dennis Leaser welcomed and introduced the City Council, Utilities Commission, and guests. He also thanked Randy Young, Larry Thompson and Brian Enga for assisting with our meeting.

The purpose of today's meeting is to take a brief look at our accomplishments since the last planning meeting and take a long look into the future and what is ahead for Crosslake Communications.

Clyde Fish left the meeting at 9:30 a.m.

Dennis reviewed the results from the October 17, 2001 Planning Session with the Council and Commission. The cooperation of the Council and Commission was acknowledged and the groups were thanked for their support. Some of our accomplishments since the last meeting include:

- Removing old central office switch and replacing it with the new Nortel switch.
- Installation of the Oasis software.
- New voice mail system was installed.
- Upgraded AFC sites for GR303 and ADSL capabilities
- Placement of new copper and fiber in new developments.

- Putting into service new cable plant
- Additional Cable TV programming
- Installation of Emergency Alert System
- Growth of DSL and Internet customers
- The City's E-Commerce Ready Certification by the State of Minnesota
- Implementation of the Scheduler/Dispatcher position
- Completion of building addition and move of cable TV headend into it
- Moved satellite dishes off of the roof and reinstalled on the ground
- Paved rear parking lot after installing 6 inch conduit under it for future growth
- Replacement of two service vehicles
- Purchase of heavy equipment including cable trencher, directional boring and vacuum extraction machines
- Fiber cross connect panel purchased
- New office Avaya phone system
- Office furniture, computers and main server upgraded.
- Combined financial reporting for telephone and cable companies
- Increased operating revenues
- Reduced debt
- Established new reserves
- New operating transfer procedures to City implemented
- Rewrite of Utilities Commission Management Policy
- Negotiated three-year labor contract with IBEW
- Sale of Cable TV signal to Emily Telephone
- Offer Bundled Services to customers
- County provided radio control warning siren installed.

Randy Young was introduced. Randy is the Executive Director of MART (Minnesota Association of Rural Telephone Companies) and our main lobbyist for the Minnesota House and Senate. Randy is also a subscriber of Crosslake Communications. Randy said he feels that Crosslake Communications is excellently positioned for strong economic development. The more we can keep our customers here, the more they will spend here making for a healthy community. Crosslake Communications offers a lot of benefits to the customers because of the technology that is offered here.

Randy talked about the current legislative picture. He said that the industry thought there would be less government regulation after the reform of 1996. We have, in fact, seen more regulation. There are currently a lot of uncertainties in the legislature. The industry is working together this year by means of the MTA, MART and Minnesota Independent Coalition to lobby as one voice to establish legislation. This group, now called the M3, has put a steering committee together. M3 is looking at Universal Service funds to protect high cost companies as we see a reduction of access charges. Senator Kelly would like to see the Universal Service Fund reduced or eliminated. Randy said that this will be short session which will also put pressure on the legislature.

At this point, Dennis reviewed with the Council a recommendation from the Commission for the approval of the re-write of the Crosslake Communications Commission Management Policy. Copies of the Amended Policy were included in the Council's packet for review. MOTION

09S6-01-03 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DICK PHILLIPS TO APPROVE THE AMENDED CROSSLAKE COMMUNICATIONS COMMISSION INTRODUCTION AND AUTHORITY. MOTION CARRIED WITH ALL AYES.

Chuck Miller left the meeting at 10:30 a.m.

Larry Thompson from Vantage Point was introduced. Larry is the CEO and founder of Vantage Point Solutions, which offers telecommunications consulting, professional engineering services and outside plant engineering. Larry reviewed with the Commission and Council the current various product offerings of Crosslake Communications. He also explained some of the trends affecting Crosslake Communications including telephone and cable subscribers, Internet Access, revenues, and Minutes of Use. His observations concluded that more revenues are being generated by unregulated services (such as DSL, Cable TV, Phone System sales, etc.) and that Cable TV programming costs are rising rapidly. He also concluded that Crosslake Communications is customer focused, highly residential, somewhat seasonal, very affluent and services an older population. Larry's presentation included a look into the needs of the future including increased bandwidth, interactive TV, Everything on Demand (EoD) and Gaming on Demand.

Larry explained that future telco revenue will include what is called "Triple Play Opportunities" – the offering of voice, data and video together. He feels that in order to survive in the new world, telcos will need to diversify and expand service offerings, provide the best possible service and maximize the settlement process. Specialized equipment which provides voice, data and video at the customers home via fiber was also demonstrated.

Jared Johnson then presented information on becoming an Internet Service Provider to the Council. Two years ago we had 36 DSL subscribers and today we have over 200. The system has outgrown our employee knowledge base. Jared explained that one of our immediate needs is a network engineer to support this network. We also need to put in additional equipment and software to protect us and our customers from hacker attacks. Jared then reviewed the presentation with the Council that he had made earlier with the Commission.

Dean Eggena left the meeting at 12:00 p.m.

Larry Thompson then posed questions to the group such as:

- How will we ensure that our network keeps up with demands?
- How will we replace eroding revenues?
- How will we stay ahead of competition?
- What services will we provide over the next 5 years?
- Should Crosslake place fiber closer to the subscribers?

Larry's strategy suggestions include: developing a network to meet future demands, investing in our local loop, augment staff in areas of future protocols and technologies and continuing to pursue areas to increase operational efficiencies and customer service. He suggests considering changing our local loop strategy to have a single network for voice, data and video and moving more toward Internet protocols through the network.

Dennis thanked Larry and the Council and Commission for their time. We will be presenting more information at future meetings to help position Crosslake Communications for the future.

Hank Duitsman moved to adjourn the Crosslake Communications Commission meeting at 12:40 p.m. Second by Gerry Brine. All in favor.

The Council took a brief recess until 1:00 p.m.



Ted Silva

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
TUESDAY, SEPTEMBER 30, 2003
1:00 P.M. – COMMUNITY CENTER

The Special Council Meetings resumed at 1:00 P.M. The following Councilmembers were present: Mayor Darrell Swanson, Chuck Miller, Dean Eggena, Irene Schultz and Dick Phillips. Also present were City Administrator Tom Swenson, Community Development Director Ken Anderson, City Attorney Paul Sandelin and City Engineer Dave Reese. There were five individuals in the audience.

1. Mayor Swanson called the meeting to order at 1:05 P.M.
2. Tom Swenson stated that at its meeting of September 15, 2003 a motion was approved by the Public Works Commission to recommend to the City Council the appointment of Dean Swanson to the vacancy on the Public Works Commission. Mr. Swenson also added that there has been a vacancy since January of 2003 and that there have been problems of getting a quorum at the meetings. MOTION 09S6-02-03 WAS MADE BY IRENE SCHULTZ, SECONDED BY DEAN EGGENA TO APPROVE THE APPOINTMENT OF DEAN SWANSON TO THE VACANCY ON THE PUBLIC WORKS COMMISSION. Councilman Phillips questioned how the public knows that there is a vacancy on a commission. Tom Swenson explained that each commission is allowed to handle the filling of vacancies at their discretion with final Council approval. Some commissions advertise, some do not.

Councilman Chuck Miller joined the meeting at 1:07 P.M.

Dean Eggena stated that State Statute says that each City can decide how many members they want on their commissions to create a quorum. Mr. Eggena suggested that the Public Works Commission reduce the quorum size to 3 instead of 5. It was the consensus of the Council that because it is only the Public Works Commission that is in need of members, that Tom Swenson discuss these possibilities with the Public Works Commission and let the Council know at a later date if changes need to be made. AYES: ALL.

3. A letter dated September 11, 2003 from City Attorney Sandelin regarding the position of the property owners for the acknowledgments received to date in the Brita Lane / Pine View Lane road improvements matter was reviewed by the Council. Of the 28 property owners, only 11 responded to City Attorney Sandelin's request to respond to him regarding whether or not they are in favor of having these roads paved. In order to proceed with the project, approval of 100% of the property owners was necessary.

Also reviewed by the Council was Change Order No. 1 from Tri-City Paving changing the substantial completion date on the road projects from September 15, 2003 to October 10, 2003 and deleting Brita Lane / Pine View Lane from the contract.

A discussion ensued regarding what the property owners of Brita Lane / Pine View Lane who would still like to upgrade the roads can do now. Paul Sandelin stated that they can upgrade the roads on their own, at their own cost, however, if the property owners want the road to be maintained by the City, the road needs to be up to City standards and easements to the City would be required. Mayor Swanson suggested that this information be outlined in a letter and sent to the property owners.

Councilman Eggena stated that leaving the property owners with such choices doesn't solve the problem. Mr. Eggena believes that this situation could happen again in the future, perhaps with West Shore Drive, and he thinks that the ordinance should be changed to address the problem. Mr. Eggena suggested that if 35% of the property owners sign a petition requesting the City to improve their road, and there is no easement for the City to proceed, that the City begin condemnation of the road. Attorney Sandelin stated that a condemnation could be costly to the City. Tom Swenson stated that the condemnation costs would be added to the assessment, which would be paid by the property owners 100%. Dean Eggena agreed that the extra costs be paid by the property owners. Mayor Swanson questioned whether the City could just assume that the language in the Brita Lane / Pine View Lane plat, which is granting the easements to the property owners instead of the City and restricting the City from proceeding with the paving of the road, was technically wrong. Attorney Sandelin responded that a condemnation would be the legal way to handle the technicality. Mayor Swanson questioned what percentage of the property owners on Brita Lane / Pine View Lane signed the original petition. Tom Swenson responded that property owners representing between 35% and 50% of the front footage signed the original petition.

Councilmember Schultz recommended that regardless of the proposed ordinance changes, a letter should still be sent to the property owners now, letting them know that their road would not be paved this year.

Councilmember Phillips questioned why it only takes 35% of the property owners to sign a petition to have the road paved. He thought that was a low percentage, because he has heard from many citizens that the City paved roads and the property owners didn't want it done. He questioned what these citizens were referring to. A discussion ensued regarding the history of blacktopping the roads. Tom Swenson explained that in 1997, the City wanted to pave all the roads. The City had a referendum and asked the citizens if they wanted the roads paved. The referendum didn't pass. The Public Works Commission then lowered the percentage of signatures needed for a petition from 75% to 35%. If the petitioned street was already one that the City maintained, the City would split the cost 50/50 with the property owners. However, if the street was not currently maintained by the City and the property owners wanted to have the City maintain it, the property owners would be required to pay 100% of the cost of improving the road to City standards.

MOTION 09S6-03-03 WAS MADE BY CHUCK MILLER, SECONDED BY DEAN EGGENA TO APPROVE CHANGE ORDER NO. 1 FOR TRI-CITY PAVING CHANGING THE SUBSTANTIAL COMPLETION DATE OF THE 2003 ROAD PROJECTS FROM SEPTEMBER 15, 2003 TO OCTOBER 10, 2003 AND DELETING BRITA LANE / PINE VIEW LANE FROM THE CONTRACT. AYES: ALL.

Mayor Swanson stated that the number of complaints from people whose road was paved and was unhappy were very few. A discussion ensued regarding the road policy. Attorney Sandelin stated that it is a policy, not an ordinance that would have to be changed. Tom Swenson suggested that the issue of changing the road policy be taken back to the Public Works Commission and discussed and a recommendation be given to the Council at a future Council Meeting. Mr. Swenson stated that the proposed letter to the property owners on Brita Lane / Pine View Lane include the fact that the Public Works Commission is looking at a new road policy to address this matter.

A brief discussion ensued regarding what percentage of signatures should be required on a petition to condemn a road. Councilmember Schultz and Phillips thought 35% was too low. Tom Swenson stated that if 50% of the property owners were required to sign the petition, there may be less chance of someone taking the matter to court. Attorney Sandelin stated that the Public Works Commission should make this decision. Sandelin added that 35% or 50% would not make a difference in court, because they would be looking at the Council's decision. MOTION 09S6-04-03 WAS MADE BY CHUCK MILLER, SECONDED BY DICK PHILLIPS TO DIRECT THE PUBLIC WORKS COMMISSION TO REVIEW THE CURRENT ROAD POLICY AND TO DISCUSS ANY CHANGES THAT SHOULD BE MADE TO ELIMINATE FUTURE PROBLEMS REGARDING OWNERSHIP AND THAT THE PUBLIC WORKS COMMISSION PREPARE A RECOMMENDATION TO THE COUNCIL AT A FUTURE MEETING. AYES: ALL.

4. Included in the packet for Councilmember's review was a letter dated September 29, 2003 from Attorney Paul Sandelin to the Mayor and City Council regarding the Golden Rule Estates appeal. Golden Rule has commenced a court action challenging the number of connection and user charges to be charged to the Golden Rule property. Golden Rule is a residential development and contains 49 mobile home units. The City will be charging one connection and user charge per mobile home unit, based upon the Sewer Ordinance. The property owners in Golden Rule think this is unfair, because they are not using the property year-round. Attorney Sandelin stated that to charge the Golden Rule property based upon a metered system or to charge Golden Rule something less than one connection and user charge per unit is not recommended as it would not only be inconsistent with the Sewer Ordinance but would also be inconsistent with how the Ordinance is being applied to other residential property within the City. The Sewer Committee has reviewed the Golden Rule settlement offer and recommends that it be rejected. Attorney Sandelin does not feel that Golden Rule will be successful in their lawsuit. MOTION 09S6-05-03 WAS MADE BY DICK

PHILLIPS, SECONDED BY CHUCK MILLER TO REJECT THE PROPOSED SETTLEMENT FROM GOLDEN RULE ESTATES. AYES: ALL.

Ken Anderson joined the meeting at 1:45 P.M. along with a member of the audience.

5. A reimbursement agreement for sewer main expenses between Paul and Dixie Hiniker and the City of Crosslake was included for Council review. Sewer Chairman Dean Swanson stated that a motion was approved by the Sewer Committee at its meeting on September 10, 2003 to recommend to the City Council that the Mayor and City Administrator be authorized to execute the agreement on behalf of the City of Crosslake. Included in the agreement is that the Hinikers and the City agree to split the cost of the sewer extension on a 50/50 basis. A discussion ensued regarding the process of letting people who are close to the sewer corridor hook up to the system if they are not in Phase 1. Dave Reese stated that the MPCA would have to review any changes. MOTION 09S6-06-03 WAS MADE BY IRENE SCHULTZ, SECONDED BY DEAN EGGENA TO APPROVE THE REIMBURSEMENT AGREEMENT FOR SEWER MAIN EXPENSES BETWEEN PAUL AND DIXIE HINIKER AND THE CITY OF CROSSLAKE. AYES: ALL.
6. Attorney Sandelin outlined a proposed easement deed to extend the sanitary sewer collection line adjacent to Crosslake City Hall and on property owned by Bigwood Enterprises. Bigwood Enterprises agrees to provide the City with an easement deed for the location of the sanitary sewer collection line within an easement approximately 40 feet in width and 430 feet in length. In exchange for this the City agrees that the cost of the installation of the collection line within the easement would not be assessed to Bigwood Enterprises. MOTION 09S6-07-03 WAS MADE BY DEAN EGGENA, SECONDED BY CHUCK MILLER TO ACCEPT THE EASEMENT DEED FROM BIGWOOD ENTERPRISES AS PRESENTED. AYES: ALL.
7. Attorney Paul Sandelin explained to the Council that up until this point, the City has not been successful in finding a place for a lift station on Edgewater Lane. Roger Roy does not want to sell any of his land, but he is willing to grant the City a permanent easement at \$0.40 a square foot. Mayor Swanson noted that the City thought they had a right of way in that area, but found out recently it had been vacated. Mayor Swanson gives credit to Attorney Paul Sandelin for finding the error and directing the City to purchase the required easement. Tom Swenson stated that this situation ties into the recent Public Access Debate and how the City really never knows when a public piece of land will be needed for public use in the future. MOTION 09S6-08-03 WAS MADE BY DEAN EGGENA, SECONDED BY DICK PHILLIPS TO APPROVE THE \$0.40 PER SQUARE FOOT PAYMENT FOR LIFT STATION EASEMENT TO ROGER AND CAROL ROY. AYES: ALL.
8. Tom Swenson briefly reviewed the proposed Resolution establishing the increased fee schedule for the Crosslake Wastewater System, which will be

effective January 1, 2006. This date was chosen so that people can prepare for the increase. The increase for a commercial connection will increase from \$5,500 to \$6,500 and for a residential connection from \$3,000 to \$4,000.

Included for Council consideration were changes to the Ordinance Amending Chapter 11 of the Crosslake City Code relating to Wastewater Regulations. Attorney Sandelin outlined the changes for the Council. A discussion ensued regarding the abandonment of onsite systems. Under this section in the ordinance, a new sentence was added that reads, "At the discretion of the City Public Works Director, and as an option to the property owner, upon connection to the City Wastewater System, the property may utilize a chamber within his/her abandoned septic tank for purposes of housing a self contained lift station/grinder pump as part of his/her connection to the City Wastewater System." Councilmember Eggena stated that he was approached by Mr. Callahan, who is in the Phase 1 area, because Mr. Callahan would like to keep his holding tank. Mr. Eggena added that Mr. Callahan had recently put a new septic system on his property and that the tank could still be useful and that approximately 90% of the property owners in the Phase 1 area had newer systems. Mr. Eggena didn't think that changing the ordinance to address the problem would be as effective as taking each case on an individual basis. Mayor Swanson informed the Council that property owners in the Phase 1 area were not mandated to upgrade their septic systems and didn't believe that 90% was an accurate figure. Dave Reese stated that the abandonment of onsite systems is a matter of policy and established conformity. It was put in place so that all solids were emptied into the sewer system, not individual tanks. Mr. Reese suggested that the language could be simplified. Sewer Chairman Dean Swanson added that Mr. Callahan attended the last sewer meeting and that they worked out a plan that Mr. Callahan was happy with and as a result of that conversation, added this sentence to the ordinance, to allow other property owners to also use the abandoned septic tank to house a self contained lift station/grinder pump. Mayor Swanson stated that this section should go back to the Sewer Committee for further review and clarification.

A brief discussion ensued regarding a change proposed to the Residential Users section of the ordinance. The portion added reads, "If a landowner has multiple connection charges for one parcel of property and the City, upon application by the landowner, has agreed to eliminate a connection charge for the property, it shall be within the discretion of the City to allow the landowner to apply all connection charge payments received by the City for the connection charge that has been eliminated to any remaining connection charge balance due to the City for that parcel. Under no circumstances will the City refund to the property owner connection charge payments received by the City." Dean Eggena felt that this was arbitrary and didn't think it would work in every situation. Dean Swanson responded that it is only referring to properties that have a separate structure that is to be removed. Tom Swenson clarified the intent by stating that removing a building is different than changing the use of a building. Mayor Swanson suggested that the Sewer Committee review this section again before a change is made. MOTION 09S6-09-03 WAS MADE BY DEAN EGGENA, SECONDED BY DICK PHILLIPS TO DIRECT THE SEWER COMMITTEE TO REVIEW

THE SUGGESTIONS PROPOSED BY THE COUNCIL AND TO BRING THIS ORDINANCE AND RESOLUTION BACK TO THE COUNCIL AT A LATER DATE. AYES: ALL. Dean Eggena thanked Dave Reese, Dean Swanson and the entire Sewer Committee for doing a great job on a difficult project.

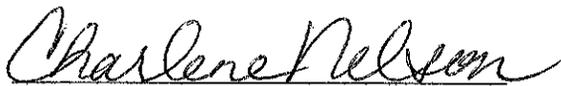
9. George Riches prepared drawings and surveys of proposed City Hall building additions. Possible building additions could go to the north end of the existing building, creating space in the Emergency Service Center for the Fire Department and the Police Department or to the east of the existing building, creating more storage and office space. It was the consensus of the Council that adding on to the north side of the building would be best. Therefore, it would be necessary to complete the canopy at the east entrance of the existing building. MOTION 09S6-10-03 WAS MADE BY CHUCK MILLER, SECONDED BY DARRELL SWANSON TO APPROVE THE CONSTRUCTION OF A CANOPY ON THE EAST SIDE OF THE CITY HALL BUILDING BY CROSSLAKE CONSTRUCTION AT A COST OF \$41,769.00 AND GUTTERS ADDED TO THE ROOF OF THE EMERGENCY SERVICES CENTER AT A COST OF \$900.00. THE SIDEWALK ON THE EAST SIDE OF CITY HALL SHALL BE EXTENDED TO THE END OF THE CANOPY AND THE CITY SHALL EXCHANGE EVENLY TO CROSSLAKE CONSTRUCTION EXTRA BRICK FROM THE LAST PROJECT FOR THE EXPENSE OF THE SIDEWALK EXTENSION. THE PROJECT IS TO BE COMPLETED IN FALL OF 2003. COUNCILMEMBERS MILLER, SWANSON, AND SCHULTZ VOTED AYE. COUNCILMEMBER PHILLIPS VOTED NAY. COUNCILMEMBER EGGENA ABSTAINED FROM THE VOTE. MOTION CARRIED.

10. MOTION 09S6-11-03 WAS MADE BY IRENE SCHULTZ, SECONDED BY DEAN EGGENA TO APPROVE THE BILLS FOR APPROVAL IN THE AMOUNT OF \$51,124.02. Councilmember Phillips questioned some of the bills including Fortis-disability insurance, MN Benefits-life insurance, MN Life-life insurance and NCPERS-life insurance. Tom Swenson explained that these bills are paid every month and are employee benefits or optional employee deductions. AYES: ALL. Councilmember Phillips left the Council Meeting at 3:20 P.M.

11. Community Development Director Ken Anderson had sent out copies of the proposed Comprehensive Plan to the Council Members last week so that they would have time to review it before today. Mr. Anderson stated that this has been a year-long process of community meetings. After reviewing the plan, Ken Anderson feels that some changes may still be necessary. Darrell Swanson, Dean Eggena, Dean Swanson and Ken Anderson attended a Wastewater Sewer Management Class. They will be adding some information to this section of the plan. Mr. Anderson would like to see a section included on a transportation plan and would like a map included. After the inconvenience caused by County Road 66 being shut down recently, Mr. Anderson thinks alternate traffic routes should be addressed. Mr. Anderson also suggested an aviation plan and historic preservation plan be added. Mayor Swanson directed Mr. Anderson to identify a process for the Council to work through the Comprehensive Plan and an adoption date. Mayor Swanson suggested that the Council Members bring their calendars

to the 10-13-03 Regular Council Meeting so that Mr. Anderson and the Council could set dates and times of these meetings. Audience member, Carl Taubert, who is part of the HCP group that steered the comprehensive plan process commented that he is happy that the Council is willing to take a closer look at the plan and that the HCP is happy with the suggestions that Mr. Anderson has made. Dean Eggena suggested that a flood plain plan be included too.

12. MOTION 09S6-12-03 WAS MADE BY CHUCK MILLER, SECONDED BY DEAN EGGENA TO ADJOURN THE SPECIAL COUNCIL MEETING AT 3:45 P.M. AYES: ALL.



Charlene Nelson
Deputy Clerk

Administration: Charlene: Deputy Clerk: My Documents: Minutes: 9-30-03.

**BILLS FOR APPROVAL
30-Sep-03**

VENDORS	DEPT	AMOUNT
Ace Hardware, pvc conductor	PW	68.00
Ace Hardware, pipe cleaner, cement pipe, pvc couple, pvc elbow	PW	16.02
Andy Anderson, p and z 3rd quarter meetings	P&Z	50.00
Carla Backstrom, reimburse mileage to class	P&Z	52.80
Cascade Computers, upgrade server	ALL	1,068.94
Cascade Computers, new cd drive	Admin	104.12
Cellular One, cell phone charges	PW	28.45
Cellular One, cell phone charges	Police	243.56
Council #65, union dues	ALL	205.10
Crosslake Communications, phone, fax, internet, cable	ALL	1,173.87
Crosslake Rolloff, recycling	Gov't	2,450.00
Crow Wing Power, electric utilities	ALL	1,840.45
Deferred Comp	ALL	1,051.96
Delta Dental, dental insurance	ALL	1,192.20
Echo Publishing, public hearing 9-26	P&Z	108.00
Echo Publishing, employment ad	P&Z/Sewer	51.00
Eric Johnson, contract for deed	P&R	19,066.95
Fire Instruction & Rescue Education, live burn	Fire	800.00
Fitzharris Ski and Sport, soccer shirts	P&R	130.00
Foreman Fire Service, pump recertification tests	Fire	1,055.10
Fortis, disability	ALL	177.22
Frontline Plus Fire & Rescue, firecoat and pants	Fire	1,080.00
George Riches, p and z 3rd quarter meetings	P&Z	25.00
Gerry Leinfelder, p and z 3rd quarter meetings	P&Z	25.00
Houston Ford, oil change	Police	23.79
Houston Ford, brakes, cooling, electrical	Police	662.56
Jack Huber, p and z 3rd quarter meetings	P&Z	50.00
Jeff Boozell, refund permit fee	P&Z	34.00
League of MN Cities, membership dues	Gov't	1,495.00
Martin Communications, compact microphone	Police	41.00
Martin Communications, poor rx and buzzing in speaker	Police	87.50
Mastercard, travel expenses for meals during class	Police	32.26
Mastercard, travel expenses for lodging during class	Police	121.02
Medica, health insurance	ALL	11,084.71
MN Benefits	Admin	100.92
MN Commerce Department, notary fee	Admin	40.00
MN Life, life insurance	ALL	198.10
Moonlite Square, fuel	P&Z	27.91
Nancy Koch, p and z 3rd quarter meetings	P&Z	75.00
NCPERS-Life Insurance	ALL	128.00
North Ambulance, subsidy	Ambulance	1,103.00
Office Max, transcriber	P&Z/Admin	212.99
Office Max, ink cartridge	P&R	46.85
PERA	ALL	N/A
Richard Dietz, p and z 3rd quarter meetings	P&Z	75.00
Roger and Carol Roy, sewer easement	Sewer	1,500.00

Simonson Lumber, firecode sheetrock	Fire	24.58
State and Federal Taxes	ALL	N/A
Terry Curtis, p and z 3rd quarter meetings	P&Z	50.00
Tom Swenson, vehicle allowance	Admin	400.00
Triangle Oil, diesel fuel	PW	300.33
Triangle Oil, unleaded gasoline	PW	628.29
Uniforms Unlimited, radio holder	Police	26.30
United Rentals, braces	PW	189.57
Viking Electric, light bulbs	Gov't	148.80
Xcel Energy, gas utilities	ALL	152.80
TOTAL		51,124.02