

REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, OCTOBER 9, 2006  
7:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, October 9, 2006. The following Council Members were present: Mayor Jay Andolshek, Dick Phillips, Terry Curtis, Dean Eggena and Dean Swanson. Also present were City Administrator Tom Swenson, City Clerk/Treasurer Darlene Roach, Community Development Director Ken Anderson, Public Works Director Ted Strand, Park and Recreation Director Jon Henke, Police Chief Robert Hartman, Library Committee Chairman Alden Hardwick, General Manager Paul Hoge, City Attorney Paul Sandelin, City Engineer Dave Reese, League of MN Cities Attorney Bill Everett, Lake Country Echo Reporter Betty Ryan, Brainerd Dispatch Reporter Renee Richardson, and Northland Press Reporter Paul Boblett. There were approximately thirteen individuals in the audience in addition to Staff.

- A. CALL TO ORDER** – Mayor Andolshek called the Regular Council Meeting to order at 7:00 P.M. A motion to accept the additions to the agenda was requested. MOTION 10R-01-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DICK PHILLIPS TO ACCEPT THE ADDITIONS TO THE AGENDA AS PRESENTED. MOTION CARRIED WITH ALL AYES.

The Mayor announced that the Public Meeting would be closed to discuss pending legal action with the League of MN Cities Insurance Trust Attorney Bill Everett. MOTION 10R-02-06 WAS MADE BY DEAN SWANSON AND SECONDED BY TERRY CURTIS TO CLOSE THE REGULAR MONTHLY MEETING AT 7:03 P.M. MOTION CARRIED WITH ALL AYES. Jay Andolshek, Dick Phillips, Terry Curtis, Dean Eggena, Dean Swanson, Tom Swenson, Attorney Everett and Attorney Sandelin left the Council Chambers to a closed conference room.

The Regular Monthly Meeting resumed at 8:05 P.M.

- B. CRITICAL ISSUES** – None.
- C. CONSENT CALENDAR** – MOTION 10R-03-06 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR CONSISTING OF: (1.) MINUTES OF SPECIAL COUNCIL MEETING OF AUGUST 30, 2006; (2.) MINUTES OF SPECIAL COUNCIL MEETING OF SEPTEMBER 6, 2006; (3.) MINUTES OF SPECIAL COUNCIL MEETING OF SEPTEMBER 8, 2006; (4.) MINUTES OF REGULAR COUNCIL MEETING OF SEPTEMBER 11, 2006; (5.) MINUTES OF SPECIAL COUNCIL MEETING OF SEPTEMBER 20, 2006; (6.) CROSSLAKE COMMUNICATIONS BALANCE SHEET / INCOME STATEMENT / DETAIL OF RESERVE BALANCES DATED AUGUST 31, 2006; (7.) CROSSLAKE TELEPHONE BALANCE SHEET FOR THE EIGHT MONTHS ENDING AUGUST 31, 2006; (8.) CROSSLAKE TELEPHONE INCOME

STATEMENT FOR THE EIGHT MONTHS ENDING AUGUST 31, 2006; (9.) CITY MONTH END REVENUE REPORT DATED AUGUST 31, 2006; (10.) CITY MONTH END EXPENDITURE REPORT DATED AUGUST 31, 2006; (11.) LAKES STATE BANK PLEDGE REPORT DATED SEPTEMBER 2006; (12.) NORTHERN NATIONAL BANK PLEDGE REPORT DATED SEPTEMBER 2006; (13.) LAKEWOOD BANK PLEDGE REPORT DATED SEPTEMBER 2006; AND (14.) FIRST FEDERAL SAVINGS BANK PLEDGE REPORT DATED SEPTEMBER 2006. MOTION CARRIED WITH ALL AYES.

**D. PUBLIC FORUM** – Council Member Curtis apologized for comments he made during a budget meeting on Friday, September 8, 2006. He stated that in an unguarded moment, his sarcastic comments were inappropriate and uncalled for and he regretted making them. Mr. Curtis previously supported Police Chief Bob Hartman and the Police Department at a budget meeting on September 6, 2006 and voted for such support in the 2007 budget. Mr. Curtis stated that it is his intention to continue that support.

**E. MAYOR'S REPORT** – None.

**F. CITY ADMINISTRATOR REPORT** –

1. City Bills for Approval – MOTION 10R-04-06 WAS MADE BY DEAN SWANSON AND SECONDED BY JAY ANDOLSHEK TO APPROVE THE BILLS FOR PAYMENT FOR MAY AS SUBMITTED IN THE AMOUNTS OF \$98,629.96 AND \$10,161.45. MOTION CARRIED WITH ALL AYES.
2. City Administrator Swenson presented a memo dated October 4, 2006 regarding the 2006 Tax Rate Comparison of 29 Area Cities. It was noted that for taxes payable in 2006, Crosslake was 4<sup>th</sup> lowest in “Average City Tax Rate” and 3<sup>rd</sup> lowest in “Average Total Tax Rate”.
3. The quarterly newsletter of the Paul Bunyan Scenic Byway Association was included for Council information.

**G. COMMISSION/DEPARTMENT REPORTS** –

1. LIBRARY – Minutes of the Library Committee Meeting of September 18, 2006, Minutes of the Fund Raising Committee Meeting of September 18, 2006 and the Financial Report of September 18, 2006 were included for Council information. Alden Hardwick reported that the current amount of pledges and donations total \$448,006. Mr. Hardwick stated that recent donations include \$6000 from Ronda and Larry G. Hopkins to be used for children’s furniture, \$505 from the Mission Outreach of the Presbyterian Church from concert proceeds, \$400 from Jack Stone from the golf tournament prize, \$100 from Whitefish Automotive, \$100 from Moonlite Bay and \$500 from First Federal Savings 2007 pledge. MOTION 10R-05-06 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN SWANSON TO ACCEPT THE \$500 PLEDGE FROM FIRST FEDERAL SAVINGS, \$100 DONATION FROM WHITEFISH AUTOMOTIVE AND \$100 DONATION FROM MOONLITE BAY. MOTION CARRIED WITH ALL AYES.

A letter dated October 2, 2006 from Kenneth and Virginia Merrill regarding donation of library shelving was included for Council review. The Merrill's would like to donate wood library shelving to hold up to 18,000 books for the new Crosslake Library. They would purchase the shelving from Beaman Woodworking and it would be installed by mid February. The price is approximately \$50,000. Pictures of the shelving were included in the packet. The Merrill's asked that the library design committee oversee the procurement of the shelving, defining the detail specifications and follow-up on the construction progress. MOTION 10R-06-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DEAN EGGENA TO ACCEPT THE GIFT OF SHELVING AT A VALUE OF APPROXIMATELY \$50,000 FROM KENNETH AND VIRGINIA MERRILL FOR THE CROSSLAKE LIBRARY AND TO PROVIDE THE MERRILL'S A RECEIPT AFTER INSTALLATION RECOGNIZING THE SHELF DONATION IN THE AMOUNT THAT THEY PAID. MOTION CARRIED WITH ALL AYES.

The Library Committee Members have been learning the Sagebrush computer system and they have entered a few books. The portable storage container donated from Dennis Morris will be installed at the warming house this week. Over 10,000 books have been bar coded for the Library. Volunteers are still welcome to help cover books on Mondays and Wednesdays. Darlene Joyce presented four sessions on Genealogy. Mr. Hardwick thanked Crosslake Lutheran Church for hosting the sessions. The Library Committee plans to have other speakers on many different topics. Dick Phillips asked if DVD's and VHS movies were donated. Alden Hardwick replied that they have received movies, as well as CD's and books recorded on tapes.

2. PARK AND RECREATION –

- a. Crosslake Park Advisory Commission Meeting Minutes of August 28, 2006 were included in the packet for Council information.
- b. Park and Recreation Director Jon Henke reported that the Community Center is offering its ninth aerobic session of 2006. The session runs Mondays, Tuesdays and Thursdays for four weeks. The Community Center is once again open seven days a week. Regular hours are from 8 A.M. to 8 P.M. Monday through Thursday, 8 A.M. to 5 P.M. on Friday, 10 A.M. to 4 P.M. on Saturday and 1 P.M. to 5 P.M. on Sunday. The Community Center Project is on schedule. Shingling will be completed this week. The slab has been poured and the interior work will start soon. The Community Center will host a candidate forum on Thursday, October 19<sup>th</sup> from 6:30 P.M. to 9:00 P.M. Positions included in the forum from Crosslake will include the Mayor and two City Council seats. The forum will also include candidates for the County Commissioners seat for District 2 and the Sheriff candidates. The Chamber of Commerce is sponsoring the forum. The Crosslake Community Center will host their annual Spooktacular Halloween Party on Saturday, October 28<sup>th</sup> from 1 P.M. to 3 P.M. There will be games, prizes and treats for all that attend. Costumes are encouraged. Volunteers are needed. The dedication for

the new playground equipment will take place during the Halloween Party. Gordy Reller and the Crosslake/Ideal Lions club will be recognized. The Whitefish Area Lions Club will host their annual craft and bake sale Saturday, October 21<sup>st</sup> from 9 A.M. to 3 P.M. at the Community Center.

- c. A memo dated September 29, 2006 regarding a request for proposal approval was included in the packet for Council review. Nor-son is proposing a \$300 credit for a change in the plumbing plans for the Community Center addition. Nor-son has requested that Wirsbo Aquapex Tubing be utilized. All above ground plumbing shall remain rigid copper as specified. MOTION 10R-07-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DEAN EGGENA TO APPROVE THE UTILIZATION OF WIRSBO AQUAPEX TUBING IN THE PLUMBING PLANS FOR THE COMMUNITY CENTER ADDITION AT A SAVINGS OF \$300. MOTION CARRIED WITH ALL AYES.
- d. A letter dated September 26, 2006 from WSN regarding a pay request from Nor-son was included in the packet for Council review. MOTION 10R-08-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DEAN EGGENA TO APPROVE PAY REQUEST NO. 2 FROM NOR-SON IN THE AMOUNT OF \$91,560.73 FOR THE COMMUNITY CENTER AND LIBRARY PROJECT. MOTION CARRIED WITH ALL AYES.

### 3. PUBLIC SAFETY –

- a. Mrs. Keith Fitzpatrick of the Camp Cuyuna Boy Scout Camp appeared before the Council to report the installation of 4 warning sirens at the camp. Mrs. Fitzpatrick informed the Council that Camp Cuyuna currently has one emergency siren installed and depending on the weather condition, cannot be heard through out the camp. The camp received a donation of four new sirens that would be installed at the Administration building, Nature Center, Ranger home and Family Camp. The new sirens will all be connected and can be sounded by three separate switches. The Camp Director will control the switches. The sirens will only be used following the guidelines dictated from the camp's emergency procedures.
- b. Chief Hartman reported 164 calls in Crosslake in September.
- c. A total of 23 calls were reported in Mission Township in September.
- d. September 2006 Officer Activity Graphs were included for Council information. Dick Phillips requested that a year to date graph be included in future packets.
- e. A card of appreciation dated September 30, 2006 from Mary Jane Rowe to Officer Eric Swanson thanking him for his assistance and gratitude to the Police Department was included for Council information.
- f. In a memo dated 10/09/06, Chief Hartman requested permission to order the 2007 Crown Victoria squad car from the Elk River Ford Motor Company, as they submitted the lowest quote. The Ford Crown Victoria is the Minnesota State Law Enforcement vehicle by allocated bid. The purchase price is \$20,159.00. The delivery and billing date will be after January 1, 2007. The lag time between ordering and receiving is approximately 90 days. MOTION 10R-09-06 WAS MADE BY DEAN SWANSON AND SECONDED BY

JAY ANDOLSHEK TO APPROVE THE ORDERING OF THE 2007 CROWN VICTORIA POLICE SQUAD AT A COST OF \$20,159. Dick Phillips questioned if the purchase was included in the 2007 budget. Chief Hartman replied that \$24,000 was included in the 2007 budget for a new squad car. Dean Eggena suggested waiting until January 2007 to order the vehicle because a new Council will be in place at that time and noted that the Council had until December 2006 to decrease the budget. Terry Curtis questioned what the past practice of the Council has been. Dean Eggena stated that past practice has varied. MOTION CARRIED 3-2 WITH EGGENA AND PHILLIPS OPPOSED.

- g. Assistant Fire Chief Jeff Cripps reported that the Fire Department responded to 19 calls in Crosslake in September. Of those, 14 were medical calls and 5 were fire calls.
- h. The Fire Department requested approval to accept a donation from the American Legion Post 500 for \$2,000 to be used for outfitting a rescue van. MOTION 10R-10-06 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN EGGENA TO ACCEPT THE DONATION OF \$2,000 FROM THE AMERICAN LEGION POST 500. MOTION CARRIED WITH ALL AYES.

4. PUBLIC WORKS/CEMETERY/SEWER

- a. Dave Reese reported that Anderson Brothers is on time with the 2006 Road Improvement Projects. WSN and Anderson Brothers have made a punch list, mainly dealing with turf establishment on the 5 roads being assessed. Tom Swenson stated that road assessment hearings will be scheduled soon and a special Council Meeting will need to be held to pass the required resolution.
- b. Partial Pay Estimate No. 4 for Anderson Brothers was included for Council review. MOTION 10R-11-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO APPROVE PARTIAL PAY ESTIMATE NO. 4 FOR ANDERSON BROTHERS CONSTRUCTION FOR WORK COMPLETED ON THE 2006 ROAD IMPROVEMENT PROJECTS IN THE AMOUNT OF \$376,721.70. MOTION CARRIED WITH ALL AYES.
- c. Tom Swenson reported that a resident came into City Hall and stated that the Post Office would not recognize his address on Urbans Point Road because the road name on record with the City is Urban Point Road. The resident stated that he and the neighbors have used Urbans Point Road in the past and that the street name sign also reads Urbans Point Road. The resident requested that the City fix the problem. Attorney Sandelin drafted an Ordinance Amendment changing the Master Road Name Index to read Urbans Point Road. MOTION 10R-12-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DEAN EGGENA TO APPROVE ORDINANCE AMENDMENT NO. 238 OF CHAPTER 6 OF THE CITY CODE RELATING TO URBANS POINT ROAD AND TO APPROVE THE PUBLICATION OF THE AMENDMENT IN SUMMARY FORM. MOTION CARRIED WITH ALL AYES.

- d. Ted Strand reported that he has received quotes for sand to be used for snowplowing from Crosslake Construction Demolition Debris Facility for \$6.00 per yard and from Anderson Brothers for \$7.00 per yard. Because Council Member Eggena is President of Crosslake Construction Demolition Debris Facility, the City Auditor requires an affidavit by Dean Eggena indicating the name of the officer and office held, an itemization of the commodity furnished, the contract price, the reasonable value, the interest of the officer in the contract and that to the best of his knowledge and belief the contract price was as low or lower than the price at which the commodities of services could have been obtained from the other sources. MOTION 10R-13-06 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY DICK PHILLIPS TO APPROVE RESOLUTION NO. 06-37 SETTING FORTH ESSENTIAL FACTS REGARDING THE PURCHASE OF SAND FOR THE PUBLIC WORKS FACILITY WITHIN THE CITY OF CROSSLAKE. MOTION CARRIED 4-0. COUNCILMEMBER EGGENA ABSTAINED FROM VOTING.
- e. A memo dated October 4, 2006 regarding the expenses incurred on East Shore Boulevard at the Nordling property was presented for Council review. As requested by the Council, a listing of the expenses to the City for a repair to a sewer line break at 34885 East Shore Boulevard was attached to the memo. The damage occurred when Contractor Ray Schrupp was on site attempting to connect the property owner to municipal sewer. The total cost incurred by the City for the repair was \$19,197.37. MOTION 10R-14-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN SWANSON TO BILL THE CONTRACTOR IN THE AMOUNT OF \$19,197.37 FOR EXPENSES INCURRED TO REPAIR DAMAGE TO THE SEWER LINE AND STREET AT 34885 EAST SHORE BOULEVARD. MOTION CARRIED WITH ALL AYES.
- f. The August 2006 Wastewater Treatment Discharge Monitoring Report was included in the packet for Council information.

5. PLANNING AND ZONING –

- a. The permit summary report for September 2006 was included for Council information.
- b. A letter dated September 28, 2006 from the U.S. Department of Homeland Security regarding a Crow Wing County Flood Map Scoping Meeting was included for Council information. The meeting will be held on October 12, 2006 at 10 A.M. at the County Services Center. Community leaders are encouraged to attend the meeting. The meeting will provide a forum to assess the flood mapping needs of this community and to discuss and obtain any local data that will assist in producing the most accurate Digital Flood Insurance Rate Maps possible.
- c. A letter dated September 19, 2006 from the Minnesota Pollution Control Agency to Mr. Dean Eggena regarding completion of corrective actions at Crosslake Demolition was included for Council information.
- d. A staff report dated October 9, 2006 from Ken Anderson regarding a recommendation for Park Dedication on Metes and Bounds Subdivision 2006-

017, Bill Coffman was included for Council review. This subdivision created 1 new lot. MOTION 10R-15-06 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO ACCEPT CASH IN LIEU OF LAND IN THE AMOUNT OF \$5,000 FOR PARK DEDICATION PURPOSES ON METES AND BOUNDS SUBDIVISION 2006-017, BILL COFFMAN. Dean Eggena stated that he thought the subdivision already was done and questioned if the park dedication recommendation was for a lot split that took place in 1993. Ken Anderson replied that a lot split did take place in 1993, however, the park dedication recommendation is for a lot split taking place in 2006. Per request from Dean Eggena, Ken Anderson outlined the 1993 lot split on the overhead map. MOTION CARRIED WITH ALL AYES.

e. A staff report dated October 9, 2006 from Ken Anderson regarding a recommendation for Park Dedication on Metes and Bounds Subdivision 2006-018, Bill Coffman was included for Council review. This subdivision created 2 new lots. MOTION 10R-16-06 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO ACCEPT CASH IN LIEU OF LAND IN THE AMOUNT OF \$10,000 FOR PARK DEDICATION PURPOSES ON METES AND BOUNDS SUBDIVISION 2006-018, BILL COFFMAN. MOTION CARRIED WITH ALL AYES.

f. A staff report dated October 9, 2006 from Ken Anderson regarding the Clarence Ostlund abandoned building complaint was included for Council review. Dean Eggena reported that he visited the property and found the building in safe condition, noting that it was not leaning or leaking, it had no broken windows and padlocks secured the entries. Mr. Eggena added that the building does not look nice but it is safe. Dick Phillips asked where the owner was. Dean Eggena replied that the owner died a few years ago and the house is now in the daughter's name and the daughter lives out of town. Dean Eggena asked Ken Anderson what his background was and did his background allow him to determine whether or not a building was in safe condition. After describing his education, Ken Anderson read the City ordinance that states the Zoning Administrator shall determine if a structure is a safety hazard and put pictures of the structure on the overhead, noting a broken window and deterioration. Ken Anderson added that the Planning and Zoning Commission agreed with his opinion and that a complaint from a neighbor started the process. Dick Phillips stated that he drove past the structure and thought that the problems with the structure were minor infractions and would not feel comfortable removing the building. Jay Andolshek suggested tabling the matter indefinitely. MOTION 10R-17-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY JAY ANDOLSHEK TO TAKE NO ACTION ON THE COMPLAINT OF THE ABANDONED CLARENCE OSTLUND BUILDING. MOTION CARRIED WITH ALL AYES.

MOTION 10R-18-06 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO DIRECT THE PLANNING AND ZONING COMMISSION TO LOOK AT THE LANGUAGE OF CHAPTER 8.50, SUBD. 5.15 OF THE CROSSLAKE CITY CODE RELATING TO

ABANDONED BUILDINGS. Dean Eggena stated that he didn't think Ken Anderson should have the power to tear down structures. Terry Curtis thanked Ken Anderson for not going ahead and tearing down this building, although the ordinance gives him the power to do that. Attorney Sandelin added that it is an old ordinance and has been in the codebook for a long time. MOTION CARRIED 3-2 WITH ANDOLSHEK AND SWANSON OPPOSED.

- g. A staff report dated October 9, 2006 from Ken Anderson regarding a recommendation to televise Planning and Zoning Commission meetings was included in the packet for Council review. The Planning and Zoning Commission would like to have their meetings broadcast on local access Channel 12. If the City Council authorizes televising the meetings, it needs to be determined when and how many times the meetings should be televised and if someone should be hired to run the camera system. Dick Phillips stated that he was glad the commissioners changed their minds about televising their meetings and thought it was a good step forward. Ken Anderson suggested televising the meetings on the Tuesday following the Regular Planning and Zoning Meetings, which is normally on the 4<sup>th</sup> Friday of every month. Mr. Anderson noted that the Planning and Zoning staff is not available to run the camera. Dean Eggena suggested that an alternate member of the Planning and Zoning Commission run the camera. Dick Phillips agreed. MOTION 10R-19-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO TELEVISION THE PLANNING AND ZONING COMMISSION MEETINGS ON THE TUESDAY FOLLOWING THE REGULAR MEETINGS AT A TIME TO BE DETERMINED. MOTION CARRIED 4-1 WITH ANDOLSHEK OPPOSED.
- h. A memo dated October 9, 2006 from Jim Perry regarding Subdivision 2006-003, C.I.C. #1034, Crosswoods Second Supplemental and Approval of Specific Implementation Plan (S.I.P.) was included in the packet for Council review. Ken Anderson showed on an overhead map, the proposed West Alley with a 55-foot right-of-way. The applicant would dedicate the alley to the public, while keeping it privately maintained. If the City were to take over maintenance of the road, a 66-foot right-of-way would be required. Ken Anderson noted that a 20-foot easement exists along the south of the West Alley on property owned by Jim Anderson, and to the west of the West Alley on property owned by Jim Cotten. The easement on the Cotten property has been dedicated to the City of Crosslake for drainage, utility and roadway purposes. The easement on the Anderson property is currently dedicated to the City for drainage and utility purposes. The City Attorney has created deeds which would add roadway to the dedication language, giving the City more than the 66-foot of roadway needed to meet City road standards, should the City ever choose to take over maintenance. MOTION 10R-20-06 WAS MADE BY DEAN SWANSON AND SECONDED BY JAY ANDOLSHEK TO APPROVE SUBDIVISION 2006-003, C.I.C. #1034 PLAT SUBJECT TO THE TEN CONDITIONS AS PRESENTED IN RESOLUTION NO. PZ-2006-025. Attorney Sandelin explained that the easement could not be used for private use. Dean Eggena noted that the plan limits storage of snow on

Outlot B and asked where the snow will be stored. Ken Anderson showed on the map where the snow will be stored on Outlot E. Terry Curtis questioned why Planning and Zoning limits where the snow should be stored. Ken Anderson explained that Outlot B contains a stormwater pond and the sand and salt used on the roads could damage the pond if the plowed snow is stored there. Jim Anderson added that his plans are to develop Outlot B as a landscaped, public area and would not want any snow stored in this area. Dick Phillips questioned who would maintain the stormwater pond. Jim Anderson replied that he would maintain it for the first five years and then turn the maintenance over to the City. MOTION CARRIED WITH ALL AYES.

MOTION 10R-21-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DICK PHILLIPS TO APPROVE THE SPECIFIC IMPLEMENTATION PLAN (S.I.P.) WITH THE FOLLOWING REVISIONS: NO SNOW STORAGE ON OUTLOT B; DEVELOPER WILL MAINTAIN STORMWATER POND FOR 5 YEARS; AND CONSTRUCTION BEGIN DATE IS MAY 15, 2007. MOTION CARRIED WITH ALL AYES. Attorney Paul Sandelin will prepare the easement deed.

- i. A staff report dated October 9, 2006 from Ken Anderson regarding an Ordinance Amendment relating to pre-existing lots was included for Council review. The City Council initiated an ordinance amendment to establish 1972 and later as the year after which pre-existing lots of record may be built, developed, and sold as conforming lots whether or not the lot width and lot size meet the current minimums established in the respective zoning districts and shoreland rules. The Planning and Zoning Commission held a public hearing on September 29, 2006 and reconvened on October 6, 2006 to consider the matter. The change to the ordinance that the Planning and Zoning Commission passed reads as follows: *8. Exception: Platted lots that are part of or included in a plat and/or lots created through a metes and bounds subdivision, approved by the City of Crosslake and recorded with the Crow Wing County Recorder after November 21, 1972 shall be considered a "buildable lot(s)" without meeting the conditions set forth in Subd. 3(A) (1) and (3) herein.*

Ken Anderson noted that an email from Mike Peloquin of the MN DNR Waters Division was received earlier in the day stating that he was not in agreement with the City's Ordinance Amendment. Dean Eggena argued that the DNR had 30 days to respond or comment on any plats created in the City after 1972 and that the DNR never objected to one. MOTION 10R-22-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO ADOPT ORDINANCE NO. 239 AMENDING CHAPTER 8 OF THE CITY CODE RELATING TO PLATTED PRE-EXISTING LOTS AND TO APPROVE THE PUBLICATION OF THIS ORDINANCE IN SUMMARY FORM. Terry Curtis noted that this amendment supports previous correspondence that this Council has had with the DNR regarding pre-existing lots. Dean Swanson asked the attorney what recourse the DNR will have

against the City. Attorney Sandelin replied that the DNR could commence a legal action against the City for violating the shoreland act. MOTION CARRIED 4-1 WITH SWANSON OPPOSED.

6. CROSSLAKE COMMUNICATIONS –

- a. The Highlights Report for September was included for Council information. Paul Hoge reported that the new All-In-One Communication Package will not be available to consumers until January 1, 2007.
- b. Paul Hoge requested approval to offer high speed internet service to a portion of Manhattan Beach, noting that there have been many requests for this type of service. The initial cost to the City would be approximately \$36,215 and Mr. Hoge thought that this amount could be recouped within two years. Northgate Lane would be the northern most road that the service could be added. Dean Eggena suggested asking permission from the City of Manhattan Beach before proceeding. MOTION 10R-23-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DICK PHILLIPS TO ALLOW THE EXPANSION OF HIGH SPEED INTERNET SERVICE TO PORTIONS OF MANHATTAN BEACH UPON APPROVAL FROM MANHATTAN BEACH OFFICIALS. MOTION CARRIED WITH ALL AYES.
- c. Crosslake Communication's Bills for Approval – MOTION 10R-24-06 WAS MADE BY DEAN EGGENA AND SECONDED BY JAY ANDOLSHEK TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$750,568.93. MOTION CARRIED WITH ALL AYES.
- d. Crosslake Communications Customer Counts Report – information only.
- e. Crosslake Communications Advisory Board Regular Meeting Minutes of September 26, 2006 – information only.

7. RECYCLING – September 2006 Recycling Report was included in the packet for information. Recycling Liaison Phillips reported that he has received complaints from residents on the conditions at the recycling center and asked the Mayor or City Administrator to contact the owner and request that he add Class 5 to the area for better road conditions.

8. PERSONNEL COMMITTEE –

- a. A memo dated September 26, 2006 from the Personnel Committee regarding a recommendation to hire a part-time call in employee at the Community Center was included in the packet for Council review. The additional part-time call in employee would work as a building attendant to cover hours when regular employees are unavailable due to vacation, sickness, etc. By adding as additional person, there would be at least three individuals who could be called to cover shifts as needed. MOTION 10R-25-06 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO APPROVE THE HIRING OF VICKY OLSON AS A PART-TIME CALL IN PERSON AT A RATE OF \$7.75 PER HOUR. MOTION CARRIED WITH ALL AYES.
- b. A letter dated October 5, 2006 from the Bureau of Mediation Services regarding a petition filed by the Teamsters, Local 346, Duluth, Minnesota was included for Council information.

9. ECONOMIC DEVELOPMENT AUTHORITY – None.

**H. OLD BUSINESS** – None.

**I. NEW BUSINESS** – None.

**J. PUBLIC FORUM** – None.

**K. ADJOURN** – MOTION 10R-26-06 WAS MADE BY DEAN EGGENA AND SECONDED BY JAY ANDOLSHEK TO ADJOURN THIS REGULAR MEETING AT 10:26 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,

Charlene Nelson  
Deputy Clerk

Deputy Clerk/ Minutes/10-9-06

**BILLS FOR APPROVAL**  
**9-Oct-06**

| <b>VENDORS</b>                                      | <b>DEPT</b> | <b>AMOUNT</b> |
|---|-------------|---------------|
| Abra True Value, filters, batteries                 | PW          | 14.63         |
| Abra True Value, cable, wire, winch                 | PW          | 23.76         |
| Abra True Value, westinghouse merc                  | PW          | 14.15         |
| Ace Hardware, marking paint                         | PW          | 14.89         |
| Ace Hardware, battery, sand paper                   | PW          | 20.82         |
| Ameripride, mats, paper towels                      | PW          | 164.72        |
| Anderson Brothers, 5.7%                             | PW          | 85.56         |
| Ann Swenson, election judge training                | Election    | 30.00         |
| Armond Gease, reimburse for sound system            | P&R         | 75.00         |
| AW Research, water test                             | Sewer       | 118.80        |
| AW Research, water test                             | Sewer       | 118.80        |
| AW Research, water test                             | Sewer       | 118.80        |
| Better Containers, halloween supplies               | Police      | 32.56         |
| Brothers Motorsports, engine oil                    | P&R         | 10.80         |
| Cascade Computers, battery backup for server        | Gov't       | 197.24        |
| Cascade Computers, 2 monitors                       | Admin       | 594.28        |
| Cascade Computers, computer                         | Admin       | 1,426.55      |
| Char Nelson, reimburse mileage                      | Election    | 24.03         |
| City of Crosslake, sewer utilities                  | PW/Admin    | 210.00        |
| Comfort Suites, lodging for conference              | Fire        | 452.43        |
| Council #65, union dues                             | ALL         | 304.20        |
| Crosslake Communications, phone, fax, dsl, cable    | ALL         | 3,318.64      |
| Crosslake Rolloff, recycling                        | Gov't       | 2,450.00      |
| Crow Wing County Alarm Registration, annual renewal | P&R         | 10.00         |
| Crow Wing County Highway Department, fuel           | ALL         | 5,976.83      |
| Crow Wing County Treasurer, auditor's database      | P&Z         | 38.34         |
| Dacotah Paper, can liners                           | Gov't       | 57.40         |
| Darlene Joyce, library lectures                     | Library     | 693.00        |
| Deatons Mailing Systems, ink for meter              | P&Z/Admin   | 85.20         |
| Deferred Comp                                       | ALL         | 226.92        |
| Delta Dental, dental insurance                      | ALL         | 1,298.25      |
| Demco, tape, jacket covers                          | Library     | 529.16        |
| Donna Keiffer, aerobics                             | P&R         | 264.48        |
| Echo Publishing, p and z meeting notice             | P&Z         | 63.00         |
| Echo Publishing, ordinance 236                      | P&Z         | 28.00         |
| Echo Publishing, ordinance 235                      | Police      | 35.00         |
| Echo Publishing, ad for speaker                     | Library     | 103.00        |
| Fire Instruction & Rescue, car fire                 | Fire        | 450.00        |
| Fire Instruction & Rescue, satz house burn          | Fire        | 700.00        |
| Fire Instruction & Rescue, rathmanner live burn     | Fire        | 700.00        |
| Firemen's Relief Association, fire state aid        | Fire        | 38,966.00     |
| Fortis, disability                                  | ALL         | 275.44        |
| Granite City Ready Mix, recycled concrete           | PW          | 201.29        |
| Greg Larson Sports, soccer balls                    | P&R         | 72.15         |
| Houston Ford, oil change                            | Police      | 25.94         |

|   |           |                  |
|---|-----------|------------------|
| Light Depot, bulbs                                    | PW        | 288.58           |
| Light Depot, recycle bulbs                            | PW        | 126.32           |
| Marsden Bldg Maintenance, office cleaning             | PW        | 596.40           |
| Mastercard, Fleet Farm, bushings                      | PW        | 9.22             |
| Mastercard, Fleet Farm, recovery strap, ratchet, tape | PW        | 110.41           |
| Mastercard, Fleet Farm, pliers, yoke, shovels         | PW        | 106.91           |
| MCS Cleaning, september cleaning                      | Gov't     | 772.13           |
| Medica, health insurance                              | ALL       | 17,906.14        |
| Mid American Research Chemical, wipe out              | PW        | 294.20           |
| Mike Amsden, reimburse uniform expense                | PW        | 39.66            |
| Mike Amsden, reimburse travel expenses                | PW        | 117.79           |
| Mills Motors, repair truck                            | PW        | 4,640.86         |
| MJ's Sportshop, soccer uniforms                       | P&R       | 123.00           |
| MN BCA, remote access device                          | Police    | 45.00            |
| MN Benefits   | Admin     | 109.92           |
| MN Life, life insurance                               | ALL       | 424.00           |
| MN/WI Playground, wood chips                          | P&R       | 1,885.78         |
| Moonlite Square, fuel                                 | Fire      | 17.75            |
| MR Sign, address number signs                         | PW        | 57.19            |
| Napa Auto Parts, battery                              | PW        | 72.73            |
| NCPERS-Life Insurance                                 | ALL       | 144.00           |
| North Ambulance, subsidy                              | Ambulance | 1,103.00         |
| North American Salt Company, road salt                | PW        | 4,867.03         |
| P&Z Commissioners, 3rd quarter meetings               | P&Z       | 750.00           |
| Pepsi, pop  | PW        | 66.62            |
| Pequot Auto Parts, antifreeze, windshield wash        | PW        | 123.71           |
| PERA  | ALL       | N/A              |
| Quill, copy paper, ink cartridges                     | P&Z/Admin | 205.31           |
| Quill, binder clips                                   | P&Z/Admin | 6.77             |
| Quill, minute paper                                   | Admin     | 98.11            |
| Quill, copy paper, folders, batteries                 | P&Z/Admin | 127.86           |
| Reed's Market, water, oil                             | PW        | 11.19            |
| Reed's Market, supplies for house burn                | Fire      | 25.01            |
| Reed's Market, food and supplies for house burn       | Fire      | 124.91           |
| Reed's Market, sentence to serve                      | P&R       | 17.71            |
| Simonson Lumber, props for halloween party            | P&R       | 10.96            |
| Simonson Lumber, nails, ac syp                        | Fire      | 27.67            |
| State and Federal Taxes                               | ALL       | N/A              |
| Team Laboratory, ice melt                             | PW        | 961.16           |
| Tom Swenson, vehicle expense                          | Admin     | 400.00           |
| Unicel, cell phone charges                            | Police    | 294.29           |
| US Bank, administration fees                          | Gov't     | 215.63           |
| Viking Coca Cola, pop                                 | P&R       | 136.43           |
| Xcel Energy, gas utilities                            | ALL       | 263.79           |
| Ziegler Cat, mirror                                   | PW        | 39.75            |
| Ziegler Cat, maintenance                              | PW        | 245.00           |
|   |           |                  |
|   |           |                  |
| <b>TOTAL</b>  |           | <b>98,629.96</b> |

**ADDITIONAL BILLS FOR APPROVAL**  
**9-Oct-06**

| VENDOR  | DEPT     | AMOUNT           |
|---|----------|------------------|
| Ace Hardware, antifreeze                              | P&R      | 9.55             |
| B&B Products, replace rear light stick                | Police   | 200.00           |
| Cascade Computers, replace fan, add memory            | P&Z      | 124.82           |
| Cascade Computers, server                             | Gov't    | 2,720.42         |
| Crow Wing County Treasurer, e911 addresses            | Gov't    | 100.00           |
| Culligan, water and cooler rental                     | PW/Gov't | 70.37            |
| Discount Stump Grinding, grind 7 stumps               | PW/Gov't | 159.75           |
| Krause Lock & Key, keys                               | PW       | 9.64             |
| League of MN Cities, regional meeting registration    | Admin    | 35.00            |
| Pine Peaks Lodge, lodging for event                   | Library  | 85.99            |
| Quill, pencils  | Admin    | 8.50             |
| Sandelin Law Office, legal fees                       | ALL      | 3,050.06         |
| Ziegler Cat, cutting edges, end edges, edge as, bolts | PW       | 3,587.35         |
|   |          |                  |
| <b>TOTAL</b>  |          | <b>10,161.45</b> |

RESOLUTION NO. 06-37  
CITY OF CROSSLAKE  
RESOLUTION SETTING FORTH ESSENTIAL FACTS REGARDING THE  
PURCHASE OF SAND FOR  
THE PUBLIC WORKS FACILITY WITHIN THE CITY OF CROSSLAKE

WHEREAS, the City of Crosslake maintains roads during the winter months by means of applying a mixture of salt and sand and;

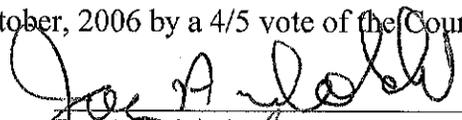
WHEREAS, the City of Crosslake purchases the salt and sand independent of each other and;

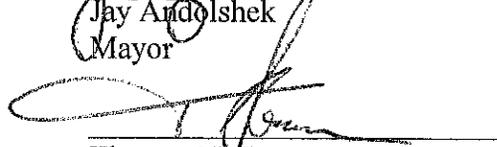
WHEREAS, City Staff has contacted suppliers of sand for the purpose of obtaining quotes for sale and delivery of said sand and;

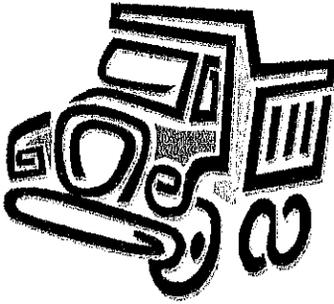
WHEREAS upon receipt of said quotes, Staff has determined that the contract price from Dean Eggena, President of Crosslake Construction Demolition Debris Facility, Inc. is lower than the price obtained from Anderson Brothers and;

THEREFORE, be it resolved that upon receipt of an affidavit by Dean Eggena of Crosslake Construction Demolition Debris Facility, Inc. indicating; (1.) the name of the officer and office held; (2.) an itemization of the commodity furnished; (3.) the contract price; (4.) the reasonable value; (5.) the interest of the officer in the contract; and (6.) that to the best of his knowledge and belief the contract price was as low or lower than the price at which the commodities of services could have been obtained from other sources and upon presentation to the Clerk of the City of Crosslake, City Council authorizes the ordering and delivery of sand to the Public Works Facility for the 2006-2007 season.

Approved by the City Council this 9<sup>th</sup> day of October, 2006 by a 4/5 vote of the Council.

  
Jay Andolshek  
Mayor

  
Thomas N. Swenson  
City Administrator



**CROSSLAKE CONSTRUCTION  
DEMOLITION DEBRIS FACILITY, INC.**

13116 Fawn Lake Road  
P.O. Box 400  
Crosslake, MN 56442-0400

218/692-4175 Telephone    218/692-4182 Fax

October 12, 2006

City of Crosslake  
37028 County Road 66  
Crosslake MN 56442

To Whom it May Concern:

Dean A. Eggena is the President and C.E.O. of Crosslake Construction Demolition Debris Facility, Inc. and is 100% Shareholder of that Minnesota Corporation and also serves as a Councilman on the Crosslake City Council.

Crosslake Construction Demolition Debris Facility, Inc. will furnish and deliver 1000 Cubic Yards of Washed Sand to the Joint Maintenance Facility in Crosslake at a price of \$ 6.00 per Cubic Yard, plus applicable Sales Tax.

To the best of my knowledge and belief the contract price was as low or lower than the price at which the commodities of services could have been obtained from other sources in the Crosslake Area, and upon presentation to the Clerk of the City of Crosslake, City Council authorizes the ordering and delivery of sand to the Public Works Facility for the 2006-2007 season.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean A. Eggena". The signature is fluid and cursive, written over a white background.

Dean A. Eggena, President

# Crosslake Telephone Company

G.L.C.

## Check Register - General and Construction Account

From August 1, 2006 through August 31, 2006

| Check #         | Vendor Name                    | Date     | Description  | Amount    |
|-----------------|--------------------------------|----------|--|-----------|
| General Account |                                |          |  |           |
| 000551          | LIBRARY OF CONGRESS            | 08/31/06 | 1ST HALF COPYRIGHT FEE                             | 1,874.65  |
| 000552          | INTERNAL REVENUE SERVICE       | 08/11/06 | FED, FICA, MEDICARE                                | 6,781.82  |
| 000553          | PERA                           | 08/11/06 | PERA EE & ER                                       | 3,037.49  |
| 000554          | MINNESOTA DEPT OF REVENUE      | 08/11/06 | MN INCOME TAX                                      | 1,200.17  |
| 000555          | GREAT WEST LIFE & ANNUITY INSU | 08/11/06 | DEFERRED COMP                                      | 1,977.92  |
| 000556          | CITY OF CROSSLAKE (SEWER)      | 08/10/06 | JULY SEWER   | 30.00     |
| 000557          | CROW WING POWER                | 08/26/06 | ELECTRIC SERVICE                                   | 4,079.22  |
| 000558          | INTERNAL REVENUE SERVICE       | 08/31/06 | AUGUST EXCISE TAX                                  | 2,056.79  |
| 000559          | MINNESOTA DEPT OF REVENUE      | 08/31/06 | AUGUST SALES & USE TAX                             | 12,534.00 |
| 000560          | INTERNAL REVENUE SERVICE       | 08/25/06 | FED, FICA, MEDICARE                                | 6,863.49  |
| 000561          | PERA                           | 08/25/06 | PERA EE & ER                                       | 2,943.01  |
| 000562          | MINNESOTA DEPT OF REVENUE      | 08/25/06 | MN INCOME TAX                                      | 1,217.33  |
| 000563          | GREAT WEST LIFE & ANNUITY INSU | 08/25/06 | DEFERRED COMP                                      | 1,977.92  |
| 020373          | MN CHILD SUPPORT PAYMENT CTR   | 08/10/06 | CHILD SUPPORT WITHHELD                             | 317.02    |
| 020374          | LAKES PRINTING                 | 08/14/06 | CUST APPRECIATION POSTCARDS & POSTAGE              | 1,076.33  |
| 020375          | NMN INC                        | 08/14/06 | PEN HOLDERS FOR OPEN HOUSE                         | 637.74    |
| 020376          | ECHO PUBLISHING & PRINTING INC | 08/14/06 | 1500 #10 WINDOW ENV PLUS TX                        | 81.26     |
| 020377          | CROSSLAKE ROLLOFF              | 08/14/06 | JULY/AUG DIRECTORY RECYCLE                         | 110.00    |
| 020378          | GOPHER STATE ONE CALL          | 08/14/06 | JULY LOC ATEs                                      | 328.00    |
| 020379          | ONVOY, INC.                    | 08/14/06 | 6264 PROGRAM, 0264, NETWORK & OPR SERV, BANDWIDTH  | 11,796.98 |
| 020380          | POWER & TELEPHONE SUPPLY       | 08/14/06 | BLOCKING COMPOUND                                  | 1,167.22  |
| 020381          | UNITED PARCEL SERVICE          | 08/14/06 | WEEKLY SERVICE & MISC SHIPPING                     | 86.03     |
| 020382          | CROSSLAKE COMMUNICATIONS       | 08/14/06 | AUGUST PHONE SERVICE, COMM CENTER VOICE MAIL       | 846.90    |
| 020383          | DEBORAH FLOERCHINGER           | 08/14/06 | MILEAGE REIMBURSEMENT                              | 122.86    |
| 020384          | CITY OF CROSSLAKE              | 08/14/06 | AUGUST FEE   | 19,919.33 |
| 020385          | CITI LITES INC                 | 08/14/06 | LOCATES  | 1,240.40  |
| 020386          | THE OFFICE SHOP                | 08/14/06 | POSTERS FOR OPEN HOUSE, FILE POCKETS, CORR TAPE    | 59.05     |
| 020387          | BEVCOMM                        | 08/14/06 | ANSWERING SERVICE                                  | 219.26    |
| 020388          | SETON IDENTIFICATION PRODUCTS  | 08/14/06 | NAME BADGES  | 49.01     |
| 020389          | MINNESOTA 9-1-1 PROGRAM        | 08/14/06 | 911, TAP, TACIP                                    | 1,843.86  |
| 020390          | ROHLFING                       | 08/14/06 | SUPPLIES FOR OPEN HOUSE                            | 59.32     |
| 020391          | NORTHERN LAKES EMBROIDERY      | 08/14/06 | SHIRTS FOR OPEN HOUSE                              | 422.00    |
| 020392          | NATIONAL CABLE TELEVISION COOP | 08/14/06 | SPLICE ADAPTERS, SPLICE KITS, GELSEAL, REPAIR DCTS | 1,892.84  |
| 020393          | CENTRAL TRANSPORT GROUP LLC    | 08/14/06 | 4 EA DS1'S, 1 T3                                   | 4,088.00  |
| 020394          | NEUSTAR INC.                   | 08/14/06 | LNP & SOW CHARGES                                  | 57.22     |
| 020395          | PINNACLE PUBLISHING, LLC       | 08/14/06 | TELEPHONE DIRECTORY-12                             | 1,871.00  |
| 020396          | LAKELAND PUBLIC TELEVISION     | 08/14/06 | ADVERTISING  | 175.00    |
| 020397          | NORCON BORING INC              | 08/14/06 | FTTH PRESURVEY, CONTRACT PLOWS                     | 1,166.50  |
| 020398          | AMERICAN TELEVISION & COMM.    | 08/14/06 | AFFILIATE PAYMENT                                  | 1,000.00  |
| 020399          | MTV NETWORKS                   | 08/14/06 | AFFILIATE PAYMENT                                  | 7,033.96  |
| 020400          | TV GUIDE NETWORKS INC          | 08/14/06 | AFFILIATE PAYMENT                                  | 633.24    |
| 020401          | DISCOVERY DIGITAL NETWORKS     | 08/14/06 | AFFILIATE PAYMENT                                  | 109.65    |
| 020402          | DISCOVERY HEALTH               | 08/14/06 | AFFILIATE PAYMENT                                  | 47.30     |
| 020403          | PROSTAFF                       | 08/14/06 | CUST SERV & ACCTNG TEMP HELP                       | 1,853.28  |
| 020404          | BUSINESS JOURNAL               | 08/14/06 | BUSINESS JOURNAL 1 YR 10/06-07                     | 89.95     |
| 020405          | SANDELIN LAW OFFICE            | 08/14/06 | RE: BOND ISSUE                                     | 202.28    |
| 020406          | D&H DISTRIBUTING CO.           | 08/14/06 | DLINK PCI, KEYBD, VPN FIREWALL & H.D. FOR RESALE   | 473.43    |
| 020407          | AT&T - DALLAS TX               | 08/14/06 | PARS 8/1 BAN 1499                                  | 3,752.25  |
| 020408          | 7SIGMA SYSTEMS, INC            | 08/14/06 | JULY CONSULTING SERVICE                            | 2,420.00  |
| 020409          | THELEN HEATING & ROOFING, INC. | 08/14/06 | INST FANS & DUCTS TO RESTRMS                       | 1,700.00  |
| 020410          | CYNTHIA PERKINS                | 08/14/06 | CAFE PLAN REIMBURSEMENT                            | 50.00     |

|        |                                |          |  |           |
|--------|--------------------------------|----------|--|-----------|
| 020411 | CANNON FINANCIAL SERVICES, INC | 08/14/06 | PMT 23 OF 36 COPIER LEASE                        | 424.94    |
| 020412 | CROSSLAKE ACE                  | 08/14/06 | PVC, CAULK, WIRE, BUSHINGS                       | 377.94    |
| 020413 | NATIONAL CABLE TEL COOP, INC   | 08/14/06 | AFFILIATE PAYMENT                                | 21,713.96 |
| 020414 | EQUUS COMPUTER SYSTEMS, INC    | 08/14/06 | KEYBOARD FOR RESALE                              | 31.65     |
| 020415 | ABRA TRUE VALUE                | 08/14/06 | 4" PIPE & CAPS                                   | 56.30     |
| 020416 | GENSOFT SYSTEMS, INC           | 08/14/06 | AUGUST BILLING                                   | 7,216.33  |
| 020417 | PAUL HOGE                      | 08/14/06 | COPAY, CAFÉ PLAN, CABLE PHONE INTERNET REIMBURSE | 227.14    |
| 020418 | FITTV                          | 08/14/06 | AFFILIATE PAYMENT                                | 36.55     |
| 020419 | UPS                            | 08/14/06 | UPS PMT PLAN LTR OF AGREEMENT                    | 50.00     |
| 020420 | MART CUST SERVICE GROUP        | 08/14/06 | REG FALL CUST SERV CONF 9/14                     | 60.00     |
| 020421 | D.G. TOWING & REPAIR           | 08/14/06 | 4 TIRES FORD LIC 908-499                         | 514.73    |
| 020422 | Clara Mueffelman               | 08/14/06 | PERM DISCONNECT                                  | 27.11     |
| 020423 | Zona Hofmann                   | 08/14/06 | PERM DISCONNECT                                  | 15.16     |
| 020424 | Joseph Wech                    | 08/14/06 | PERM DISCONNECT                                  | 22.74     |
| 020425 | Kurt Johnson                   | 08/14/06 | PERM DISCONNECT                                  | 54.83     |
| 020426 | Earl A Otterness               | 08/14/06 | PERM DISCONNECT                                  | 31.23     |
| 020427 | Leslie R Zimm                  | 08/14/06 | PERM DISCONNECT                                  | 7.82      |
| 020428 | Norm Geiger                    | 08/14/06 | PERM DISCONNECT                                  | 83.93     |
| 020429 | Frank Justin                   | 08/14/06 | PERM DISCONNECT                                  | 18.48     |
| 020430 | IBEW LOCAL UNION 949           | 08/24/06 | UNION DUES                                       | 326.93    |
| 020431 | MN CHILD SUPPORT PAYMENT CTR   | 08/24/06 | CHILD SUPPORT WITHHELD                           | 317.02    |
| 020432 | BUSINESS FORMS PLUS            | 08/28/06 | 2200 ACCTS PAYABLE CHECKS                        | 352.96    |
| 020433 | ECHO PUBLISHING & PRINTING INC | 08/28/06 | CERT. OF ASSUMED NAME                            | 47.25     |
| 020434 | OLSEN THIELEN CO LTD           | 08/28/06 | AUDIT REPT, 479, MN REPT, 499Q                   | 7,998.00  |
| 020435 | POWER & TELEPHONE SUPPLY       | 08/28/06 | 20 EA PRO 6 PEDS                                 | 841.31    |
| 020436 | UNITED PARCEL SERVICE          | 08/28/06 | MISC. SHIPPING                                   | 23.71     |
| 020437 | QWEST COMMUNICATIONS           | 08/28/06 | PARS 8-1-06                                      | 98.68     |
| 020438 | CITI LITES INC                 | 08/28/06 | LOCATES  | 1,386.10  |
| 020439 | THE OFFICE SHOP                | 08/28/06 | COMPUTER PAPER                                   | 90.60     |
| 020440 | DAKOTA SUPPLY GROUP            | 08/28/06 | ENCAPSULANT                                      | 1,001.93  |
| 020441 | DELTA DENTAL PLAN OF MINNESOTA | 08/28/06 | SEPT DENTAL PREMIUM                              | 945.75    |
| 020442 | SOLIX                          | 08/28/06 | B&C STATEMENT                                    | 679.49    |
| 020443 | MEDICA                         | 08/28/06 | SEPT MEDICAL PREMIUM                             | 11,848.26 |
| 020444 | AMERIPRIDE LINEN & APPAREL     | 08/28/06 | RUG & TOWEL SERVICE                              | 180.42    |
| 020445 | OPASTCO MEMBERSHIP             | 08/28/06 | MEMBERSHIP 10/1 - 9/30/07                        | 3,543.41  |
| 020446 | NATIONAL CABLE TELEVISION COOP | 08/28/06 | SPLITTERS, RG11 AND CABLE TIES                   | 2,175.63  |
| 020447 | MERRILL LYNCH                  | 08/28/06 | REIMB ACCT FOR JULY ACTIVITY                     | 575.22    |
| 020448 | ASSURANT EMPLOYEE BENEFITS     | 08/28/06 | SEPT LONG TERM DISABILITY                        | 193.51    |
| 020449 | MINNESOTA LIFE INSURANCE CO    | 08/28/06 | AUGUST LIFE PREMIUM                              | 177.40    |
| 020450 | NORCON BORING INC              | 08/28/06 | CONTRACT PLOWS                                   | 6,824.11  |
| 020451 | UNICEL                         | 08/28/06 | PAGER  | 6.59      |
| 020452 | QINTAR TECHNOLOGIES            | 08/28/06 | AMPLIFIERS                                       | 271.15    |
| 020453 | MIKE'S ELECTRIC                | 08/28/06 | EXHAUST FANS WIRING                              | 298.50    |
| 020454 | MCS JANITORIAL SERVICE         | 08/28/06 | AUG CLEANING SERVICE                             | 585.75    |
| 020455 | PROSTAFF                       | 08/28/06 | CUST SERV & ACCTNG TEMP HELP                     | 712.80    |
| 020456 | MTA                            | 08/28/06 | NETSMARTZ WORKSHOP KITS                          | 188.32    |
| 020457 | PAUL DAVIS                     | 08/28/06 | REIMB FOR WEB DESIGN SOFTWARE                    | 133.19    |
| 020458 | D&H DISTRIBUTING CO.           | 08/28/06 | VPN CLIENT SOFTWARE FOR RESALE                   | 316.84    |
| 020459 | IMAGING PATH                   | 08/28/06 | AUGUST COPIES                                    | 230.57    |
| 020460 | SPRINT                         | 08/28/06 | CELL PHONES                                      | 234.72    |
| 020461 | EQUUS COMPUTER SYSTEMS, INC    | 08/28/06 | PC FOR RESALE                                    | 2,093.70  |
| 020462 | NATHANIEL J. PLANTE            | 08/28/06 | DSL REIMBURSE 8/13-9/12 & MILEAGE                | 103.35    |
| 020463 | CBT, INC.                      | 08/28/06 | CHANGE NSF WORDING                               | 109.27    |
| 020464 | PAUL HOGE                      | 08/28/06 | COPAY REIMBURSEMENTS                             | 225.00    |
| 020465 | UPS                            | 08/28/06 | WEEKLY SERVICE                                   | 48.00     |
| 020466 | KGP TELECOMMUNICATIONS         | 08/28/06 | CROSS CONNECT PANNEL FOR C7                      | 878.38    |
| 020467 | George L Effinger              | 08/28/06 | PERM DISCONNECT                                  | 59.47     |
| 020469 | ROGER KNUTSON                  | 08/28/06 | PERM DISCONNECT                                  | 44.45     |
| 020470 | DWIGHT GILLMAN                 | 08/28/06 | PERM DISCONNECT                                  | 8.43      |
| 020471 | EMILY SCHULDT                  | 08/28/06 | PERM DISCONNECT                                  | 16.81     |
| 020472 | JOHN R CARLSON MASONRY         | 08/28/06 | PERM DISCONNECT                                  | 6.84      |
| 020473 | AVAILABLE MORTGAGE             | 08/28/06 | PERM DISCONNECT                                  | 50.89     |

|                              |                            |          |                 |                   |
|------------------------------|----------------------------|----------|-----------------|-------------------|
| 020474                       | DENNIS & LYNN DISCHINGER   | 08/28/06 | PERM DISCONNECT | 29.56             |
| 020475                       | MEL JENDERSEE              | 08/28/06 | PERM DISCONNECT | 7.89              |
| 020476                       | JOSEPH & DEBORAH MORRIS    | 08/28/06 | PERM DISCONNECT | 92.93             |
| 020477                       | SCOTT SCHUPP               | 08/28/06 | PERM DISCONNECT | 36.55             |
| 020478                       | LOVELAND LLC               | 08/28/06 | PERM DISCONNECT | 22.54             |
| 020479                       | WILLIAM & MARGO ULRICH     | 08/28/06 | PERM DISCONNECT | 18.08             |
| 020480                       | JACOB HOLDING              | 08/28/06 | PERM DISCONNECT | 41.99             |
| 020481                       | MATTHEW & TONYA STATE      | 08/28/06 | PERM DISCONNECT | 9.33              |
| 020482                       | GARY JACOBSON              | 08/28/06 | PERM DISCONNECT | 6.33              |
| 020483                       | HARVEY R PETERSON          | 08/28/06 | PERM DISCONNECT | 22.54             |
| 020484                       | JENNIFER & CHARLTRAEGER    | 08/28/06 | PERM DISCONNECT | 127.44            |
| 020485                       | STELLA FISHER              | 08/28/06 | PERM DISCONNECT | 8.39              |
| 020486                       | TIMOTHY A KLEIN            | 08/28/06 | PERM DISCONNECT | 47.87             |
| 020487                       | JODI ENGDAHL               | 08/28/06 | PERM DISCONNECT | 26.29             |
| 020488                       | ROBERT V CARLSON           | 08/28/06 | PERM DISCONNECT | 22.54             |
| 020489                       | STEVEN SCHOLTES            | 08/28/06 | PERM DISCONNECT | 60.18             |
| 020490                       | MAURICE & CATHLEEN YOUAKIM | 08/28/06 | PERM DISCONNECT | 37.33             |
| 020491                       | CARL KOTTKE                | 08/28/06 | PERM DISCONNECT | 12.52             |
| 020545                       | DAKOTA SUPPLY GROUP        | 09/12/06 | FIBER JUMPERS   | 262.94            |
| <b>Total General Account</b> |                            |          |                 | <b>193,687.07</b> |

Construction Account

|                                   |                               |          |                             |                   |
|-----------------------------------|-------------------------------|----------|-----------------------------|-------------------|
| 001013                            | VANTAGE POINT                 | 08/15/06 | FTTH PRECONSTRUCTION WORK   | 16,983.97         |
| 001014                            | CALIX NETWORKS                | 08/15/06 | 2006 FTTH EQUIPMENT         | 156,996.42        |
| 001015                            | MLASKOCH EXCAVATING & UTILITY | 08/16/06 | 2006 O/S PLANT CONSTRUCTION | 382,901.47        |
| <b>Total Construction Account</b> |                               |          |                             | <b>556,881.86</b> |

**Total all Accounts**

**750,568.93**