

REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
OCTOBER 13, 1997  
7:00 P.M. - CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, October 13, 1997. The following Councilmembers were present: Mayor Robert Scott, Donna Keiffer, Charles Miller, Raymond Smyth and Richard Upton. Also present was City Administrator Tom Swenson, City Attorney Paul Sandelin, Reporters Tom Waller and Christine Dufour and Deputy Clerk Darlene Roach. There were approximately 33 individuals in the audience.

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

**CRITICAL ISSUES -**

1. Dawn Bittner, Whitefish Area Lodging Association member and the Director of the Whitefish Area Lodging Association were present to request Council approval on implementing a lodging tax in Crosslake. It was noted that six resort owners in Crosslake would be affected if the lodging tax was implemented. Some of the six owners are in favor of the tax while others are opposed to the tax. The Council allowed each resort owner the opportunity to express their thoughts on the issue. Other communities on the Whitefish Chain have imposed the tax and others are being approached by the Lodging Association. The purpose of the tax is to promote tourism. Of the total amount collected, five percent would be used for administrative costs, by either the City or by another municipality under a joint powers agreement. Ninety five percent would be used to promote the area. If the tax were approved, an additional three percent would be added to the cost of lodging. Some of the resort owners were concerned with waiting for the County to implement the lodging tax as they felt the larger resort owners and convention centers would be the focus of the advertising and smaller operations, such as those in Crosslake, would receive minimal promotion. A letter from John Zesbaugh of the Chamber of Commerce was read by Mayor Scott. It requested that no action on the tax be taken at this time.

MOTION 10R-01-97 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO TABLE THE ISSUE UNTIL THE NOVEMBER MEETING AND TO HAVE THE CITY ATTORNEY GO THROUGH THE PROPOSED ORDINANCE TO DETERMINE IF ANYTHING IS LACKING. MOTION CARRIED UNANIMOUSLY.

2. Crosslake Family Clinic/RUS Loan - Don Engen, President of the Lakes Area Medical Development Association (LAMDA) addressed the Council and explained in detail the plans underway to construct a \$450,000 clinic in Crosslake on land donated by Lakes State Bank. Once constructed, the facility would be leased to St. Joseph's Medical Center for a period of ten years with all costs paid by St. Joseph's. Of the \$450,000, approximately \$150,000 will be raised through donations and pledges and the balance obtained through a loan from the US Department of Agriculture Rural Economic Loan

and Grant Program. In order to apply for the loan, the Crosslake Telephone Company would be required to fund \$60,000 in addition to the \$300,000 loan. If approved, the loan would not require repayment to RUS but would stay in the community as a revolving fund for other projects. Council approval was requested to allow the Telephone Company to apply for the loan. MOTION 10R-02-97 WAS MADE BY CHUCK MILLER AND SECONDED BY DONNA KEIFFER TO ADOPT A RESOLUTION TO APPROVE THE TELEPHONE COMPANY'S PROCEEDING WITH THE APPLICATION TO APPLY FOR THE LOAN. (See Resolution attached to these minutes). MOTION CARRIED UNANIMOUSLY.

3. Crosslake Game and Fish Club Request for Transient Merchant Permit - Roy Schafer, President of the Game and Fish Club was present at the meeting to request approval for the Game and Fish Club to hold flea markets on the following dates in 1998: June 6<sup>th</sup> and June 20<sup>th</sup>; July 4<sup>th</sup> and July 25<sup>th</sup>; August 8<sup>th</sup> and August 22<sup>nd</sup> and September 5<sup>th</sup>. When the Council inquired as to the flexibility of changing some of the dates to non-holiday weekends, Mr. Schafer stated the dates had already been established and published by the Chamber of Commerce, and would be very difficult to change. Attorney Sandelin suggested that the Council look at the Transient Merchant Ordinance to determine if there would be any basis for not approving the permit. There was discussion among the Council whether it was a public safety issue. Councilmember Keiffer stated that the Public Safety Commission had reviewed the issue on two occasions and did not feel that safety was an issue. Cindy Kulzer and Allison Stevie, employees of North Ambulance, addressed the Council and stated that they did not feel the flea market posed any kind of safety issue since they had not experienced any difficulty in responding to emergencies. Erik Swanson addressed the Council in support of the Game and Fish Club's request and stated that other areas, such as the Corp of Engineers Campground, created congestion. Brad Nelson of C & C Boatworks, expressed his opposition to the location of the flea market and read an excerpt from the July 1996 minutes of the Chamber of Commerce where non-holiday dates were suggested to the Club. He also read a portion of the Ordinance which showed that public inconvenience could be a reason for not approving the permit. He asked the Council to not forget about "tax paying people".

MOTION 10R-03-97 WAS MADE BY RAY SMYTH AND SECONDED BY DICK UPTON TO APPROVE THE TRANSIENT MERCHANT PERMIT FOR ALL DATES EXCEPT JULY 4, 1998 AND SEPTEMBER 5, 1998 BUT THAT TWO OTHER DATES SELECTED BY THE GAME AND FISH CLUB BE INCLUDED IN THE APPROVAL.

MOTION 10R-04-97 WAS MADE BY RAY SMYTH AND SECONDED BY DONNA KEIFFER TO TABLE WITH A REQUEST THAT CHIEF JOHN BACKDAHL GIVE EITHER A WRITTEN OR VERBAL OPINION TO THE ORDINANCE ITSELF AT NEXT MEETING. MOTION CARRIED UNANIMOUSLY.

CONSENT CALENDAR - MOTION 10R-05-97 WAS MADE BY DONNA KEIFFER AND SECONDED BY RAY SMYTH TO APPROVE ALL ITEMS ON THE CONSENT CALENDAR CONSISTING OF: (1) MINUTES OF AUGUST 18, 1997 SPECIAL COUNCIL MEETING WITH A CHANGE ON THE FIRST PAGE LAST SENTENCE TO READ "payment of urgent bills"; (2) MINUTES OF SEPTEMBER 4, 1997 SPECIAL COUNCIL MEETING; (3) MINUTES OF SEPTEMBER 8, 1997 REGULAR COUNCIL MEETING WITH A CHANGE ON PAGE 5 ITEM C. SECOND SENTENCE TO READ " This Commission will be reviewing guidelines for the use of the Community Center." ; (4) MINUTES OF SEPTEMBER 16, 1997 SPECIAL COUNCIL MEETING; (5) MINUTES OF SEPTEMBER 26, 1997 SPECIAL COUNCIL MEETING; (6) MINUTES OF SEPTEMBER 27, 1997 SPECIAL COUNCIL MEETING; (7) TELEPHONE COMPANY FINANCIAL REPORTS FOR JULY AND AUGUST, 1997; (8) CABLE COMPANY FINANCIAL REPORT FOR JULY AND AUGUST, 1997; (9) CITY MONTH END EXPENDITURES - AUGUST 31, 1997; (10) CITY MONTH END REVENUES - AUGUST 31, 1997. MOTION CARRIED UNANIMOUSLY.

**CITY ADMINISTRATOR REPORT -**

1. Bills for Payment - MOTION 10R-06-97 WAS MADE BY RAY SMYTH AND SECONDED BY DICK UPTON TO APPROVE ALL BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNTS OF \$26,380.90 AND \$4,868.80. MOTION CARRIED UNANIMOUSLY.
2. Enhanced 911 Update - Dean Swanson reported that the Crow Wing County Board of Commissioners recently approved a single quadrant system for Enhanced 911 in the County. They are now considering going out for bids for the addressing system. MOTION 10R-07-97 WAS MADE BY DICK UPTON AND SECONDED BY RAY SMYTH TO GIVE PRELIMINARY APPROVAL TO OUR DESIRE TO BE INCLUDED IN THE COUNTY PROPOSAL SUBJECT TO FINAL APPROVAL BEING GRANTED UPON RECEIPT OF THE SPEC INFORMATION. MOTION CARRIED UNANIMOUSLY.
3. Memo from City Administrator and 9/29/97 letter from MN Telephone Association regarding providing consulting services for the City's safety program. City Administrator Swenson commented that the City is out of compliance with the required safety requirements in regards to manuals and documentation and suggested the City contract with the same company that the Crosslake Telephone Company is utilizing in order to save in the cost of the program. MOTION 10R-08-97 WAS MADE BY RAY SMYTH AND SECONDED BY DICK UPTON TO UTILIZE MINNESOTA TELEPHONE ASSOCIATION TO PROVIDE SAFETY SERVICES TO THE CITY OF CROSSLAKE. MOTION CARRIED UNANIMOUSLY.

CORRESPONDENCE -

- a. A thank you letter from Lakes Area Booster Club for a donation from the City was included in the Council packet as an information item.
- b. A letter from the Minnesota Pollution Control Agency dated September 8, 1997 regarding Certification of 1997 Intended Use Plan Projects and 9/29/97 reply from Mayor Scott was included for Council information.
- c. MAOSC Small Cities Update - The August/September issue was included for Council information.
- d. MN Association of Small Cities Housing Seminar. Anyone interested in attending the upcoming seminars in October should contact the City Administrator.
- e. MN Emergency Medical Services Regulatory Board Notice of Completed Application from North Ambulance Service Pine River was an information item. Any opposition to the application required written recommendations or comments. None were expressed.
- f. A letter from Northern National Bank listed the City's current collateral standing.
- g. An engineering report from Widseth Smith Nolting dated October 3, 1997 was included for Council information.
- h. A facsimile from Brothers Motorsports showed that a deposit had been made to Quick Construction in Brainerd on building improvements for the Old Fire Hall.
- i. A letter from Crow Wing County regarding Community Health Services in Crow Wing County was included as an information item.
- j. A September 19, 1997 memo to the City Council from the City Administrator increased the hourly wage for election judges for the October 7<sup>th</sup> Special Election to \$5.15 per hour to comply with the minimum wage requirement for public sector employees. City Administrator Swenson recommended that effective October 13, 1997 an increase to \$6.00 per hour be approved. MOTION 10R-09-97 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH THAT EFFECTIVE OCTOBER 7<sup>TH</sup> ELECTION JUDGES BE PAID \$5.15 PER HOUR AND EFFECTIVE OCTOBER 13, 1997 THE HOURLY WAGE BE INCREASED TO \$6.00 PER HOUR. MOTION CARRIED UNANIMOUSLY.
- k. A letter from City Attorney James Gammello stated that June Wallace had requested the firm of Gammello and Sandelin to represent her in vacating a portion of Staley Lane in the plat of Staley Shores. Attorney Sandelin stated that if there was any objection by the Council in this representation, the firm would request Mrs. Wallace seek another attorney. MOTION 10R-10-97 WAS MADE BY RAY SMYTH AND SECONDED BY CHUCK MILLER TO REQUEST THAT GAMMELLO AND SANDELIN P.A. NOT REPRESENT JUNE WALLACE IN THE MATTER OF THE ROAD VACATION. MOTION CARRIED UNANIMOUSLY.
- l. A September 25, 1997 letter from the Crow Wing County Assessor requested that the City respond by November 21, 1997 if they wished to transfer their local board

duties for the Board of Review to the County. MOTION 10R-11-97 WAS MADE BY CHUCK MILLER AND SECONDED BY DONNA KEIFFER TO HAVE THE CITY RETAIN THE BOARD OF REVIEW IN CROSSLAKE. MOTION CARRIED UNANIMOUSLY.

- m. A facsimile to the Corps of Engineers from City Attorney Paul Sandelin regarding Willwood Lane was included for Council information.
- n. A September 29, 1997 letter to Kris Hasskamp from City Attorney Sandelin regarding Willwood Lane was included for Council information.
- o. An October 12, 1997 letter from City Attorney Steven Qualley indicated that after he had reviewed the recent pictures and documents provided, it was unclear as to who was responsible for the roof damage to the Emergency Services Center. He stated that if the City wished to pursue the matter to recover damages, someone would need to be hired who would be willing to provide an opinion regarding the damage. The Council declined spending additional money to try and recover the damages.
- p. An update on the Universal Hiring Grant from the U.S. Department of Justice was provided to the Council.
- q. A letter to Moss & Barnett dated September 19, 1997 from City Attorney Sandelin indicated that all fully executed documents had been received from the Crosslake Telephone Company for investment in Wireless North LLC.

**MAYOR'S REPORT** - Mayor Scott reported on the results of the recent referendum with 186 voters in favor of issuing government obligation bonds to pave the granular surfaced roads and 500 opposed to the issuing of bonds. He indicated that a lot of questions remain unanswered. What is the position of the 728 residents who did not vote, why did 500 vote no and where does the Council go from here? Councilmember Miller read excerpts from a 1976 Court Decree dealing with the City's obligations in maintaining roads. Councilmember Smyth suggested that the policy be revisited by the Public Works Commission and that the community be heard from. He suggested that a range of options be identified fairly soon. Two immediate issues are the Central Business District Road and Wilderness Park Road. City Administrator Swenson expressed a concern with prolonging the decision since engineering fees are being incurred. MOTION 10R-12-97 WAS MADE BY RAY SMYTH AND SECONDED BY DICK UPTON TO REFER THE MATTER TO THE PUBLIC WORKS COMMISSION TO TAKE A LOOK AT THE ISSUE IN LIEU OF THE RESULTS OF THE ELECTION AND TO REPORT BACK TO THE COUNCIL AT THE NEXT MEETING WITH SOME OPTIONS AND COSTS. MOTION CARRIED UNANIMOUSLY.

**COMMISSION REPORTS -**

**1. PLANNING AND ZONING -**

A public hearing is scheduled for Tuesday, October 28, 1997 to discuss the 156' commercial setback on County Road #3. The Planning and Zoning Commission meetings

in November and December have been rescheduled to the third Friday of the month at 9:00 A.M. due to the Thanksgiving and Christmas Holidays.

2. LONG RANGE CAPITAL PLANNING - No update.
3. UTILITIES - Kevin Larson presented Highlights for the month of September for the Telephone and Cable Company. Don Engen and Kevin Larson reviewed the work the True-Up Committee has done in examining the financial status of the Company in regards to the costs involved in the five year plan. It is expected that the amount of borrowing by the Telephone Company to complete the project will be approximately \$300,000 to \$350,000 which is down from the original projection of \$650,000. In order to keep the financing to a minimum, it was recommended that City be paid a true-up of \$50,000 for 1997, payable in 1998, and then waived until the year 2000 at which time it could again be reviewed and adjusted accordingly. MOTION 10R-13-97 WAS MADE BY RAY SMYTH AND SECONDED BY CHUCK MILLER TO ACCEPT THE \$50,000 TRUE-UP FIGURE FOR 1997 TO BE PAID IN 1998 WITH FUTURE TRUE-UP AMOUNTS REVIEWED DURING THE BUDGET PROCESS. MOTION CARRIED WITH MAYOR SCOTT OPPOSED.
4. PUBLIC WORKS - A proposal for engineering services for a drainage study for Rushmoor Boulevard was received from the City's engineering firm. The Public Works Commission reviewed the proposal and questioned spending \$1,500 for the study. It was decided that the dry well could be improved without any disruption to the property owners yards. The reason for the proposal was due to a property owner experiencing runoff accumulating on his property and erosion of his yard as the water flows across the lot into Rush Lake.

The clearing and grubbing of the Central Business District Road was also discussed by the Public Works Commission and a recommendation was made to hire a person on a seasonal basis to assist with snow plowing and the clearing and grubbing of the downtown road. MOTION 10R-14-97 WAS MADE BY RAY SMYTH AND SECONDED BY DONNA KEIFFER TO AUTHORIZE ADVERTISING TO HIRE A PERSON FOR SNOW PLOWING AND CLEARING AND GRUBBING. MOTION CARRIED WITH MAYOR SCOTT OPPOSED.

The Public Works Commission has discussed the work still needed to bring Egret Road up to City specifications before the road will be accepted by the City for maintenance and snowplowing. It was the consensus of the Commission that no maintenance, including snowplowing, will be done until the road is completed and accepted by the City.

Residents of Wilderness Road who were in attendance at the September 15, 1997 Public Works Commission meeting requested that the City not come onto their property

with any construction. However, they had no problem with the City using the property as a turnaround for equipment. The blacktop will end at the beginning of the Wilderness Park property. It was recommended that an agreement be drawn up and signed by the Wilderness Park Association and the City. MOTION 10R-15-97 WAS MADE BY CHUCK MILLER AND SECONDED BY DONNA KEIFFER TO APPROVE THE CITY ATTORNEY PREPARING AN EASMENT FOR THE PROPERTY OWNERS ON WILDERNESS ROAD ALLOWING THE CITY ACCESS TO THEIR PROPERTY FOR THE PURPOSE OF TURNING AROUND EQUIPMENT. MOTION CARRIED UNANIMOUSLY.

5. PUBLIC SAFETY - Donna Keiffer reported that the Fire Department responded to three medical emergencies and two fire calls in September. The Police Department reported 84 incidents in September in Crosslake and 17 in Mission Township. The first warning siren is scheduled to be installed on October 14, 1997 with the rest following shortly thereafter.

Mike Amsden requested approval to purchase two sets of turnout gear which has been budgeted. MOTION 10R-16-97 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO APPROVE THE PURCHASE OF TWO COMPLETE SETS OF TURNOUT GEAR AT A COST OF \$1,050 PER SET. MOTION CARRIED UNANIMOUSLY.

6. PARK AND RECREATION - The Commission recommended contracting the services of Donna Keiffer to instruct morning aerobics for ten weeks, three sessions per week at a cost of \$515. MOTION 10R-17-97 WAS MADE BY RAY SMYTH AND SECONDED BY DICK UPTON TO APPROVE RESOLUTION 97-09 TO CONTRACT SERVICES WITH DONNA KEIFFER FOR AEROBICS FOR \$515. MOTION CARRIED WITH DONNA KEIFFER ABSTAINING.

Rob Larson reported on the Archery Program which started October 13, 1997 at the Community Center. The program is administered by the 4H and the Minnesota Extension Service. Rob requested approval to proceed with signing the Use Agreement. MOTION 10R-18-97 WAS MADE BY RAY SMYTH AND SECONDED BY DONNA KEIFFER TO AUTHORIZE ROB LARSON'S SIGNING OF THE USE AGREEMENT FOR THE ARCHERY PROGRAM. MOTION CARRIED UNANIMOUSLY.

Ray Smyth reported that the Park and Recreation Commission is working on guidelines for use of the Community Center Building and should have a recommendation at the November Council Meeting. The Picnic Shelter Committee is making good progress and a report from this Committee is expected in November

7. PERSONNEL - City Administrator Tom Swenson requested approval to offer employment for the position of clerical/receptionist, to be shared between the Police, Planning and Zoning and City Administration, to three of the top six candidates based on willingness to accept the offer. Fifteen applications were received for the position. Teri Hastings, Darlene Roach and Tom Swenson interviewed the top six candidates on Friday, October 10<sup>th</sup> and each were given a typing and ten key test. As a result of the interview and testing, it was requested that the position first be offered to Teri Cotter, second to Jill Ness and third to Cindy McCulloch. MOTION 10R-19-97 WAS MADE BY CHUCK MILLER AND SECONDED BY DONNA KEIFFER TO APPROVE THE HIRING OF TERI COTTER, JILL NESS OR CINDY MCCULLOCH FOR THE POSITION OF CLERICAL/RECEPTIONIST. MOTION CARRIED UNANIMOUSLY.

Ray Smyth recommended that Rob Larson's bi-weekly salary be increased to \$1115 from \$1060 retroactive to April 1, 1997 and that effective January 1, 1998, it be increased to \$1153.50 bi-weekly. MOTION 10R-20-97 WAS MADE BY RAY SMYTH AND SECONDED BY DICK UPTON TO INCREASE ROB LARSON'S SALARY TO \$29,000 ANNUALLY FROM \$27,560 RETROACTIVE TO APRIL 1, 1997 AND EFFECTIVE JANUARY 1, 1998 INCREASE THE SALARY TO \$30,000 ANNUALLY. MOTION CARRIED UNANIMOUSLY

NEW BUSINESS - A model right-of-way ordinance has been reviewed by City Attorney Paul Sandelin. Based on the amount of utility work underway in the City, Sandelin suggested that the City adopt an Ordinance to recover expenses incurred in the right-of-way. Planning and Zoning will review and make a recommendation on adopting a Right-of-Way Ordinance.

Councilmember Miller suggested that Planning and Zoning be directed to research the opening of previously platted streets in the City and the liability of doing so.

RECYCLING - A total of 116.96 tons has been recycled year-to-date.

MOTION 10R-21-97 WAS MADE BY RAY SMYTH AND SECONDED BY CHUCK MILLER TO ADJOURN THE REGULAR MEETING AT 10:45 P.M. MOTION CARRIED UNANIMOUSLY.

Recorded and transcribed by:



Darlene J. Roach  
Deputy Clerk

**CITY OF CROSSLAKE**

**RESOLUTION NO. 97-09**

**WHEREAS**, the City of Crosslake desires to enter into a contract with Donna Keiffer to provide aerobics instruction three times per week for a ten week period at a cost of \$515.

**WHEREAS**, the City Council of the City of Crosslake had determined that the contract price is as low as or lower than the price at which the aerobics instruction services could be obtained elsewhere.

**BE IT RESOLVED** by the City Council of the City of Crosslake, that the City agrees to contract with Donna Keiffer to provide aerobics instruction three times per week for a ten week period at a cost of \$515.

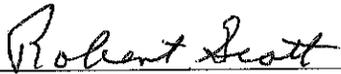
Ray Smyth moved for the adoption of the foregoing resolution. Said resolution was duly seconded by Dick Upton and after a full discussion thereof, and upon a vote being taken thereon, the following voted in favor thereof:

Mayor Scott	Dick Upton
Ray Smyth	Chuck Miller

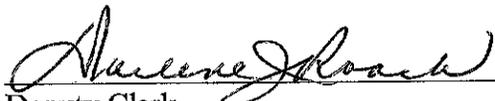
and the following voted against the same:

Donna Keiffer abstained

WHEREUPON said resolution was declared to be passed and adopted by the City Council this 13<sup>th</sup> day of October, 1997.

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
Deputy Clerk

**AFFIDAVIT**

STATE OF MINNESOTA )  
 )ss.  
COUNTY OF CROW WING )

The undersigned, Donna Keiffer, being first duly sworn upon oath state as follows:

1. My name is Donna Keiffer, and
2. I am a City Council Member for the City of Crosslake, and
3. I would like to provide instruction for morning aerobics classes for the Parks & Recreation Department of the City of Crosslake. There are to be three sessions per week for a ten -week period, resulting in 30 sessions, and
4. The price for the services is \$515 and
5. The reasonable value of these services is \$515, and

That to the best of my knowledge and belief, the contract price is as low as, or lower than, the price at which the aerobics instruction could be obtained from other sources.

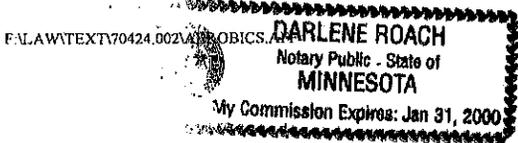
Further affiant sayeth naught, save that this Affidavit is made for the purposes of identification of a fair and reasonable fee for aerobic instruction.

*Donna Keiffer*  
\_\_\_\_\_  
Donna Keiffer

Subscribed and sworn to before me  
this 13<sup>th</sup> day of Oct, 1997.

DRAFTED BY:  
Steven R. Qualley, Attorney #240370  
Gammello & Sandelin, P.A.  
308 First Street, P.O. Box 298  
Pequot Lakes, MN 56472

*Darlene Roach*  
\_\_\_\_\_  
Notary Public, Crow Wing County, MN  
My Commission Expires: 1-31-2000



# *City of Crosslake*

HC 83, BOX 203  
CROW WING COUNTY  
CROSSLAKE, MINNESOTA 56442

## CERTIFIED COPY OF EXCERPTS FOR THE MINUTES OF THE CITY OF CROSSLAKE REGULAR MEETING OF OCTOBER 13, 1997

Donald H. Engen, President, Lakes Area Medical Development Association (LAMDA), appeared before the Crosslake City Council, to provide a detailed explanation of the loan request to be made to the Crosslake Telephone Company under the provisions of the US Department of Agriculture Rural Economic Development Loan and Grant Program.

A summary of his presentation, made also to the Crosslake Utilities Commission, was distributed to the Mayor and each Council person, and is included as an attachment to the October 13, 1997, City of Crosslake Council official meeting minutes.

Following a discussion, a motion was made by Charles Miller and seconded by Donna Keiffer that the following resolution be adopted:

Whereas, the City of Crosslake currently has no medical care facility;

Whereas, the Lakes Area Medical Development Association has committed to the construction of a medical facility in Crosslake;

Whereas, a grant obtained under USDA Rural Economic Development Loan and Grant Program to establish a Revolving Loan Fund would make the Crosslake Family Clinic possible, and, in addition, provide a long-term financing tool to assist the City of Crosslake in:

1. developing our city and area economy
2. creating new job opportunities for our residents
3. expanding the economic and tax base of the City

Therefore, be it resolved that the Crosslake Telephone Company:

Apply to USDA Rural Development for a grant in the amount of \$300,000 under the Rural Economic Development Loan and Grant Program to be used for the establishment and capitalization of a Revolving Loan Fund;

Approve a contribution to the Revolving Loan Fund from general funds of the Crosslake Telephone Company of the amount equal to 20% of the grant obtained to add to the capitalization of the Fund, if the grant is approved by USDA;

Approve a loan from the Revolving Loan Fund to Lakes Area Medical Development Association for the purpose of construction of a medical care facility, with the terms of the loan to be as follows:

1. \$360,000 loan amount
2. 0% interest rate
3. Not to exceed 10 years amortization with payments of \$36,000 annually. First payment to be due on or before 1999.
4. Collateral to be the building and property on which the Crosslake Family Clinic is built. Estimated overall cost is \$450,000.

Adopt a detailed Rural Development Loan Plan setting forth the administrative policies, criteria and guidelines for operation of a Crosslake Telephone Company Revolving Loan Fund;

Authorize Helen Fraser, Chair, Crosslake Utilities Commission, to execute necessary documents and papers for the application to USDA Rural Development, including, but not limited to:

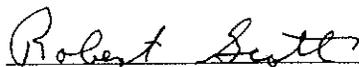
1. Federal Form 424
2. Form AD-1047, Certification regarding Debarment, Suspension, and other Responsibility Matters
3. Form AD-1049, Certification regarding Drug Free Workplace
4. Certification regarding lobbying.

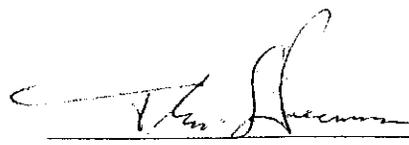
Authorize Helen Fraser, Chair, Crosslake Utilities Commission, to request grant funds from USDA Rural Development for the Crosslake Telephone Company Revolving Loan Fund in accordance with the Rural Development Plan.

The City of Crosslake Mayor and City Council members are unaware of any material conflict of interests that would result in any personal gain to the Mayor, members of the City Council, or members of the Utilities Commission. Any conflict of interest, potential conflict of interest or any appearance of a conflict of interest will be disclosed within the RUS application. This project is not in violation of section 1703.20, Ineligible uses of zero-interest loans and grants or section 1703.21, Limitations on the use of zero-interest loan and grant funds.

Motion Carried: Adopted on the 13<sup>th</sup> day of October, 1997.

CITY OF CROSSLAKE:

  
Robert Scott, Mayor

  
Thomas N. Swenson, City Administrator

D1

BILLS FOR PAYMENT			
13-Oct-97			
VENDOR	DEPT	AMOUNT	
Mermaid Enterprises - Gasoline	Fire	\$103.80	
Mermaid Enterprises - Gasoline	Police	\$107.50	
Pine River Oil - Diesel/Unleaded	PW	\$927.55	
Widseth Smith Nolting	P&Z	\$1,023.61	
Widseth Smith Nolting	PW	\$2,011.19	
Portage Sand & Gravel - Class 5	PW	\$1,285.15	
Crosslake Auto - Tow junk car	Fire	\$26.63	
Kahler - Asst Chief Hotel Expenses	Fire	\$260.70	
Simonson Lumber - Lock, parts	Fire	\$21.30	
Moonlite Square - Gasoline	Fire	\$15.90	
Reed's Market - Gasoline	Fire	\$30.99	
Thomas Swenson - Mileage	Adm	\$233.54	
Xerox Corp - 3 months copier ma	Police	\$59.50	
Greg Larson - Baseballs	Park	\$757.40	
Gammello & Sandelin - Retainer	Adm	\$500.00	
Chuck Srock - 400 Gal propane	PW	\$427.60	
Rob Larson - Mileage	Park	\$17.96	
Rohlfing - 2 Ink Cartridges	Park	\$62.41	
Oriental Trading - Halloween supply	Park	\$247.80	
George Riches - Comm exp	P&Z	\$50.00	
Darrell Swanson - Comm exp	P&Z	\$75.00	
Be Gunelson - Comm exp	P&Z	\$75.00	
Jack Webster - Comm exp	P&Z	\$75.00	
Nancy Koch - comm exp	P&Z	\$50.00	
Rural Cellular - Squad cellular	Police	\$83.14	
PERA - Employee payroll deduct	EMP	\$60.00	
Blue Lakes - Garbage pickup	Govt	\$32.38	
Joe Utschmid - Mileage	Park	\$12.61	
Joe Utschmid - Mileage	Park	\$12.30	
Joe Utschmid - Mileage	Park	\$13.24	
Crosslake Rolloff - Recycling	Recycle	\$1,500.00	
Crosslake Auto - 2 headlamp bulbs	PW	\$23.43	
Crosslake Auto - Oil, filter, lube	Police	\$54.24	
Crow Wing Coop - Lights	PW	\$27.16	
Crow Wing Coop - Warming House	Park	\$34.24	
Crow Wing Coop - Lights	Park	\$259.72	
Crow Wing Coop - Warehouse	PW	\$38.07	
Crow Wing Coop - Lights	Govt	\$373.00	
NSP - Warming House	Park	\$21.30	
NSP - Comm Ctr	Park	\$51.80	
NSP - Garage	PW	\$31.63	
NSP - ESC	Govt	\$29.83	
Kack Drug - Cassette Tape	Adm	\$1.69	
Crosslake Telephone - RUS Loan	Gen Ob	\$925.93	
Crosslake Telephone - Phone bill	All	\$605.02	

Fitness Whole-Exercise Manual		Park		\$16.15
Joos Electric - Install outlet/water	pump	Park		\$116.32
Echo - Official Ballot		Election		\$46.20
Echo - Notice of Election		Election		\$36.96
Firemens Relief Assn - State Aid	Passthru	None		\$12,987.00
Ace Hardware - Battery/wastebasket misc		Park		\$26.23
Ace Hardware		PW		\$23.97
Simonson - hook, bolt knife, blades		PW		\$14.22
Robert Scott - Mileage & lodging		Council		\$312.33
The Office Shop - Office Supplies		Police		\$57.40
The Office Shop - Office Supplies		Park		\$39.49
The Office Shop - Office Supplies		P&Z		\$36.42
The Office Shop - Office Supplies		Adm		\$31.95
				\$26,380.90

