

REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, NOVEMBER 8, 2004  
7:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, November 8, 2004. The following Councilmembers were present: Mayor Darrell Swanson, Dean Eggena, Bettie Miller, Irene Schultz and Dick Phillips. Also present was City Administrator Thomas N. Swenson, Community Development Director Ken Anderson, City Attorney Paul Sandelin, City Engineer Dave Reese, Public Works Director Ted Strand, Park and Recreation Director Jon Henke, Police Chief Bob Hartman, Clerk/Treasurer Darlene Roach and Lake Country Echo Reporter Betty Ryan. Also in attendance was Mayor Elect Jay Andolshek, Councilmembers Elect Dean Swanson and Terry Curtis and Sid Inman of Ehlers & Associates. There were several individuals in the audience in addition to Staff.

**A. CALL TO ORDER** – Mayor Swanson called the meeting to order at 7:00 P.M. and asked for a motion to accept the additions to the agenda. MOTION 11R-01-04 WAS MADE BY BETTIE MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE ADDITIONS TO THE AGENDA AS PRESENTED. MOTION CARRIED WITH ALL AYES.

**B. CRITICAL ISSUES** – None

**C. CONSENT CALENDAR** - MOTION 011R-02-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR CONSISTING OF: (1.) MINUTES OF SPECIAL COUNCIL MEETING OF SEPTEMBER 30, 2004; (2.) MINUTES OF REGULAR COUNCIL MEETING OF OCTOBER 11, 2004; (3.) MINUTES OF SPECIAL COUNCIL MEETING OF OCTOBER 18, 2004; (4.) MINUTES OF SPECIAL COUNCIL MEETING OF OCTOBER 21, 2004; (5.) CROSSLAKE COMMUNICATIONS TELEPHONE AND CABLEVISION COMPANY STATISTICAL REPORT DATED SEPTEMBER 30, 2004; (6.) CITY MONTH END REVENUE REPORT DATED SEPTEMBER, 2004; AND (7.) CITY MONTH END EXPENDITURE REPORT DATED SEPTEMBER, 2004. MOTION CARRIED WITH ALL AYES.

**D. PUBLIC FORUM** – None

**E. MAYOR'S REPORT** – Mayor Swanson congratulated the individuals who won the election on November 2<sup>nd</sup>.

**F. CITY ADMINISTRATOR REPORT** –

1. Bills for Approval – MOTION 11R-03-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE THE BILLS FOR

PAYMENT AS SUBMITTED IN THE AMOUNT OF \$425,332.80 and \$2,022.63. Councilmember Eggena questioned a disbursement to David Anderson and Community Development Director Ken Anderson stated that Mr. Anderson is drawing down funds incurred in constructing the road in Anderson Estates. A cashier's check was presented to the City in lieu of a letter of credit and when the City Engineer approves the expenditure, the City issues a check to Mr. Anderson. MOTION CARRIED WITH ALL AYES.

2. Memo dated November 8, 2004 from Clerk Roach included the results of the November 2<sup>nd</sup> election. For Office of Mayor, Jay Andolshek received 667 votes followed by 558 votes for Hank Duitsman and 261 votes for Irene Schultz. For Office of City Council, Terry Curtis received 863 votes, Dean Swanson received 741 votes and Bettie Miller received 671 votes. MOTION 11R-04-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY IRENE SCHULTZ TO CERTIFY THE RESULTS OF THE NOVEMBER 2<sup>ND</sup> ELECTION. MOTION CARRIED WITH ALL AYES.
3. Letters dated October 12<sup>th</sup> from Pat Powers, CPA with Olsen Thielen included two reports related to deposit collateralization dated March 31<sup>st</sup> and June 30<sup>th</sup>. Mayor Swanson asked if these reports were what the Council had requested from Olson Thielen and it was the consensus of the Council that the minutes of the meeting indicating the intent of the Council be reviewed at a subsequent meeting.
4. A letter dated October 20<sup>th</sup> from Crow Wing Power informed the City that seven meters within the City will not be charged the normal monthly service fee for 2005. This program saved the City \$840 in 2004 and \$3,720 over the past nine years. In addition, the City receives special lighting credit based on gross revenues and for 2004, the City will have received a credit of approximately \$24,038 toward the street lighting program.
5. A notice of the Paul Bunyan Scenic Byway Annual Meeting on November 3<sup>rd</sup> was included for Council information. Mayor Swanson commented that he did attend this meeting and spoke with Corps of Engineers representatives who were present at the meeting in regards to the Sewer Project.
6. A newsletter dated October 2004 from Region Five Development Commission was included for Council information.
7. Lakes State Bank Pledge Update dated September 2004 was included for Council information.
8. Lakewood Bank Pledge Update dated September 2004 was included for Council information.
9. Northern National Bank Pledge Update dated September 30, 2004 was included for Council information.

#### **G. COMMISSION REPORTS –**

1. PUBLIC SAFETY – Chief Bob Hartman reported 148 calls in Crosslake and 34 calls in Mission Township in October. Council approval of a donation in the amount of \$2500 from David and Kathleen Andersen for the purchase of a bullet proof vest for Sgt. Lee was requested. MOTION 11R-05-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO ACCEPT WITH

APPRECIATION THE DONATION OF \$2500 FROM DAVID AND KATHLEEN ANDERSON TO BE USED FOR A BULLETPROOF VEST FOR THE TACTICAL TEAM. MOTION CARRIED WITH ALL AYES. A letter from Chief Tim Leonard of the Cuyuna Police Department informed the City that the City of Cuyuna agrees to purchase the 2000 Ford Crown Victoria for \$7,000. This purchase includes all equipment permanently attached with a purchase date in mid November. MOTION 11R-06-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO APPROVE THE SALE OF THE 2000 FORD CROWN VICTORIA TO CITY OF CUYUNA FOR \$7,000. MOTION CARRIED WITH ALL AYES. The Fire Department responded to 8 medical calls and 1 false fire alarm in October for a total of nine calls. A thank you letter was received from the Crow Wing County Health Department for use of the fire hall on September 23<sup>rd</sup> for a Child Passenger Seat Inspection Clinic. North Ambulance reported 46 callouts in October.

2. **SEWER COMMITTEE** - The Minutes of the October 6<sup>th</sup> Committee Meeting were included for Council information. Chair Dean Swanson stated that the Council received a letter from Golden Rule Estates requesting that their monthly fees be waived until Spring since the residents vacated their properties early to allow for construction within the park for installing the sewer system. City Attorney Paul Sandelin stated that the Sewer Ordinance specifies that user charges go into effect upon connection. City Administrator Swenson stated that he had spoken with a representative from Golden Rule and informed them they could save the expense of user fees by connecting in the Spring. It was Golden Rule's choice to do the work this Fall. The City Attorney will send a letter advising them of the Council's decision to not waive the user charges.
3. **UTILITIES** – General Manager Dennis Leaser presented the Highlights Report for the month of October. Leaser stated that a cutover to the new antenna has been completed and the old antenna will be disassembled and removed within the next week or two. Two more cell companies have been added to the tower which will increase revenues from \$30,000 to \$60,000. The Company is also looking at high definition TV capability along with adding more channels to the current system. The equipment to be our own Internet Service Provider is nearly complete and will be available upon completion of a fiber ring by Consolidated Telephone Company before moving all traffic over. Staff is researching the possibility of a new long distance carrier for Crosslake Long Distance. Onvoy and World Alliance are being looked at. The addition of another expanded calling area for long distance is also be looked at. This would allow Crosslake subscribers to call Consolidated and Emily Telephone Exchanges at no cost. Work on the 2005 budget has begun. The minutes of the October 26, 2004 Commission Meeting were included for Council information.
4. **PARK AND RECREATION** – Park and Recreation Director Jon Henke reminded everyone that the Community Center gym is reserved each weekday morning from 8:00 to 9:00 a.m. for walking. Another session of aerobic instruction will begin on November 15<sup>th</sup> and run through December 20<sup>th</sup>. Approval was requested to contract with Donna Keiffer for this instruction at a cost of \$330.60. MOTION 11R-07-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO

AUTHORIZE DONNA KEIFFER TO PROVIDE AEROBIC INSTRUCTION FROM NOVEMBER 15<sup>TH</sup> TO DECEMBER 20<sup>TH</sup> AT A COST OF \$330.60. MOTION CARRIED WITH ALL AYES.

All the volunteers and local service clubs were thanked for their participation in the annual Halloween Party. Reed's Market was also thanked for their donation of cookies for the event. Approximately 300 community members attended the party. The Community Center now offers free internet use. Sessions are limited to ½ hour per person. Yoga is offered two days a week on Monday evenings at 5:15 P.M. and on Wednesday mornings at 10:00 A.M. The Center offers adult volleyball every Wednesday night from 6:30 – 8:45 P.M. A new session starts December 1<sup>st</sup> and runs until February 16<sup>th</sup>. Cost for the ten week session is \$15.00. The Community Center will be closed on November 11<sup>th</sup> for Veterans Day and November 25<sup>th</sup> and 26<sup>th</sup> for the Thanksgiving Holiday. The minutes of the September 27<sup>th</sup> Commission Meeting were included for Council information. Councilmember Phillips inquired as to how the snowmobile trail was coming along and Henke stated that all of the limbs have been trimmed. He also stated that fourteen letters were sent to property owners with only two replies being received back but everyone is hoping for the best.

5. PUBLIC WORKS – Several more petitions were received on the Milinda Shores Bridge project which were included for Council information. City Engineer Dave Reese stated that WSN has looked at the area which is proposed to extend the roadway and have determined, along with City Staff, that this may not be the best solution due to the wetlands in this area. The soil borings that were approved by the Council previously were not conducted after a review of the property showed this location less than ideal for construction of a roadbed. This review, along with a very local sentiment of the surrounding property owners, resulted in the following motion. MOTION 11R-08-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO CANCEL THE MILINDA SHORES ROAD/BRIDGE PROJECT AND ALL WORK ORDERED IN CONJUNCTION WITH THE PROJECT AT THIS TIME. There was some discussion regarding whether any work on the bridge should take place and it was the consensus of the Council that any needed work could be done at a later date. The DNR suggested that approval to dredge be ceased if the work begins to undermine the bridge structure. The City will need to continually monitor the situation to make sure the abutments aren't moving. Councilmember Schultz asked how frequently the bridge is checked by the County and City Engineer Dave Reese stated that a bridge inspection is conducted every two years with a report submitted to the City. MOTION CARRIED WITH ALL AYES. A handout showing work completed by WSN on a bridge over the Turtle River was included for Council information. City Engineer Dave Reese stated the 2004 road projects have been completed. Striping has been completed on Daggett Pine Road and the grass is growing. Some work will need to be completed in the Spring so Reese is recommending that \$5,000 of retainage be held until the seeding and ditch repair has been completed. A pay request in the amount of \$41,214.27 was recommended for approval. MOTION 11R-09-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO APPROVE THE PAY REQUEST FROM ANDERSON BROTHERS IN THE AMOUNT OF \$41,214.27. Councilmember Eggena stated that any

drainage issues in the Spring may be at the expense of the City since Anderson Brothers did the work per the plans and specifications. City Engineer Reese stated that discussions have been held regarding possibly adding a couple of sumps to improve drainage along Daggett Pine Road. MOTION CARRIED WITH ALL AYES. Since expenses to Daggett Pine Road came in higher than what was proposed in the feasibility study, Ehlers & Associates suggested that a new resolution be adopted which contains the corrected numbers. Based on this recommendation, MOTION 11R-10-04 WAS MADE BY BETTIE MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE RESOLUTION NO. 04-44 ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE. MOTION CARRIED WITH ALL AYES. Sid Inman stated that a Pre-Sale Report was prepared by Ehlers & Associates for the sale of G.O. Bonds in the amount of \$1.1 million dollars to finance 8 projects in 2003 and 2004. The bonds will have a ten-year term and will be non-rated but publicly bid. The bids will be awarded on December 6<sup>th</sup> with a closing date of December 28<sup>th</sup>. MOTION 11R-11-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO ADOPT RESOLUTION NO. 04-45 PROVIDING FOR THE SALE OF \$1,100,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2004. MOTION CARRIED WITH ALL AYES. A memo from WSN regarding the Reed Area Stormwater Project and Wetland Improvements contained a recommendation to reimburse the developer for the City's share of the cost for these improvements. The land owner took the initiative to complete the project prior to the permit expiration date. The City had previously agreed to pay a portion of the cost due to the benefit to the City in the area of Swann Drive. After reviewing costs, WSN has determined that the City's portion of the cost is 20.31% or \$7,388.41. MOTION 11R-12-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE PAYMENT TO BILL REED IN THE AMOUNT OF \$7,388.41 FOR THE CITY'S PORTION OF THE STORMWATER IMPROVEMEMNT ALONG SWANN DRIVE. Councilmember Phillips asked where this would be paid from and City Administrator Swenson stated from Public Works road maintenance. MOTION CARRIED WITH ALL AYES. Public Works Director Ted Strand stated that all the road plowing equipment is ready to go and ample salt and sand mix is on hand.

6. LIBRARY – Chair Alden Hardwick stated that Library Committee Member Jim Stevenson's father passed away recently and the family requested that memorials be made to the Crosslake Library Fund. Over \$500 in memorials were received and the Stevenson family was thanked for their generosity. Alternate library building sites are being explored and the Council will be updated when more information is available. Another fundraiser is being considered and obtaining a speaker with WWII experience may be a possibility. A potential contributor for a library building has expressed his interest to members of the Committee and a meeting will be scheduled as needed. The next regular Committee meeting is set for November 15<sup>th</sup> at 4:00 P.M.

## 7. PLANNING AND ZONING –

- a. The minutes of the Planning and Zoning Commission and Board of Adjustment Regular meeting of September 24, 2004 were included for Council information.
- b. Community Development Director Ken Anderson presented the Permit Summary's from March 2004 to October 2004. The total valuation year-to-date is \$21,590,520.
- c. The developer of Gordon Circle has requested that the roads within the Golden Circle Development be accepted by the City. Staff has identified several outstanding items yet to be completed and a letter from City Engineer Dave Reese identifies several areas of concern. Anderson stated that he sent a letter to Mr. Peterson on July 15<sup>th</sup> which details the work remaining to be done in order to be in compliance with the conditions specified in the plat approval. The developer was asked to complete this work within 15 days of receipt of the letter. As of this date, the work has not yet been completed. City Attorney Paul Sandelin stated that the City could withhold the issuance of building permits for the developer as a means of enforcement. Councilmember Eggena asked if the performance bond is still in place and Anderson stated that it is. Eggena's concern is that the performance bond will run out before the work is completed. By not accepting the roads, the property owners are the ones who suffer. City Attorney Sandelin suggested notifying the developer that he is in default and that if the work is not done immediately, the performance bondholder will be put on notice that the developer is in default. Councilmember Eggena asked if the City could suspend any further sale of lots and City Attorney Sandelin stated that the City could record the agreement putting the buyer's on notice of the default. MOTION 11R-14-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO NOTIFY THE BOND COMPANY THAT THE DEVELOPER IS IN DEFAULT OF THE DEVELOPER'S AGREEMENT AND THE COST TO REMEDY THE DEFAULT AND THAT THE CITY WILL PLACE A NOTICE WITH TITLING OF UNSOLD LOTS THAT THERE IS A DEFAULT ON THE PART OF THE DEVELOPER AND THAT THE ROAD NOT BE ACCEPTED UNTIL THE SITUATION IS REMEDIED. MOTION CARRIED WITH ALL AYES.
- d. A request has been received from Richard Carlson for consideration of two proposed road designs for roads within the Bald Eagle Pass Development. The first proposal, Option A would consist of a 40' right-of-way with a ten-foot utility easement on each side. The second proposal would reflect a 56' right-of-way with no easement. The City policy currently requires a 66' right-of-way. Kevin McCormick of Landecker & Associates was present to answer any questions. Mayor Swanson asked why there was no recommendation from the Public Works Commission. Anderson stated that neither the Public Works Commission or Planning and Zoning Commission

has reviewed the proposal since it is the understanding of Mr. Carlson that ultimately it is the City Council that would approve any change to the current policy. Anderson stated that what Mr. Carlson is requesting is an urban type street with curb & gutter and storm sewers. If the Council does not agree with either of the proposed options, Mr. Carlson will need several variances. City Administrator Swenson stated that there is no spec for this type of road for the Public Works Commission to review and asked City Engineer Dave Reese if he wished to comment on the road designs. City Engineer Reese stated that the developer is proposing sanitary sewer in the roadbeds and if the City is going to maintain publicly dedicated right-of-way, they need to be built to City specs. It is WSN's position that the roads should be constructed at a width of 66'. Councilmember Eggena stated that this is the only time a developer has requested a smaller width road who's putting in curbing and ditching and questioned if ditching was needed. Reese stated that the developer is proposing an 18' roadway width and if it extends to other property it should be wider. When parking along the curb is allowed, a 36' roadway is recommended and if parking is allowed on both sides of the road, 44' is recommended. Councilmember Eggena stated that he is totally opposed to private roads, but if the City doesn't have specifications for this type of road design maybe it needs to go to the Public Works Commission for a recommendation. MOTION 11R-15-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO INSTRUCT THE PUBLIC WORKS COMMISSION TO COME UP WITH AN URBAN ROAD DESIGN INCLUDING ALL SITUATIONS. MOTION CARRIED WITH ALL AYES.

- e. Recommendation to approve Zoning Map Amendment 2003-013 – David and Carolyn Carlson requested an amendment to the Zoning Map which would allow them to sell 7 acres of their property to a neighboring property owner and retain 3 acres for their use. The rezoning request would be a change from RR, Rural Residential density to an R-1, Low Density Residential zoning district. It was noted that there are other properties in the vicinity that are zoned R-1. The Planning and Zoning Commission recommends approval of the rezoning request with one dissenting vote on the Commission. A 4/5ths vote of the Council is required in order to effect the change. MOTION 11R-16-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE THE REZONING REQUEST FOR DAVID AND CAROLYN CARLSON. MOTION CARRIED WITH ALL AYES.
- f. Recommendation related to Planned Unit Development for Whispering Pines – The Planning and Zoning Commission reviewed a request for a Conditional Use Permit Application to allow the applicants to remove a mobile home and install a double wide home at the same site. The property is part of the old Whispering Pine Resort that has twelve properties with partnership ownership of the property. This type of development requires approval of a Planned Unit Development CUP and the City currently has a moratorium on PUDs fronting on a lake which includes the subject property.

After considerable discussion at the Commission level, a motion was made recommending to the City Council that it affirm Whispering Pines is an existing planned unit development, not subject to the present moratorium on new planned unit developments and to direct the Community Development Director to work with the Association and accept an application to formalize the planned unit development status. MOTION 11R-17-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO AFFIRM WHISPERING PINES AS AN EXISTING PLANNED UNIT DEVELOPMENT. Of the twelve structures, four are mobile homes with the remainder being cabins. Community Development Director Anderson stated that he understands the Council motion to mean that the applicant needs an application, survey and all the other requirements including a public hearing. Councilmember Eggena disagreed and stated that these items would not be required until they request a permit. Anderson stated that the applicant would need to go through a Common Interest PUD in order that lot lines can be identified since we don't currently have any standards. The Council directed Anderson to put the Association on notice that any further requests would require the PUD application, however the applicant, at this time, does not need to go through the process in order to remove the mobile home and install a double wide home on the same site. MOTION CARRIED WITH ALL AYES.

- g. Update on Status of Moratorium on Lakeshore Planned Unit Developments – The moratorium that the Council imposed on Planned Unit Developments for lakeshore properties is scheduled to expire on December 31, 2004. Under State Statute, the moratorium could be extended an additional eighteen months. Community Development Director requested Council direction on how to proceed. MOTION 11R-18-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO APPROVE AN ORDINANCE AMENDMENT EXTENDING THE MORATORIUM FOR AN ADDITIONAL 18 MONTHS. MOTION CARRIED WITH ALL AYES. The Council approved the extension with the understanding that it could be lifted once the Comprehensive Plan is adopted. City Attorney Sandelin will check if a public hearing is required to extend the moratorium.
- h. Recommendation related to the Park Dedication Ordinance – A joint Park and Recreation Commission and Planning and Zoning Commission meeting was held on November 4<sup>th</sup> to discuss the Park Dedication ordinance. Three recommendations in the form of motions were made during this joint meeting. Community Development Director Ken Anderson read each of the three motions. The first motion recommended for Council approval would retain a park dedication fee based upon 10% of the properties estimated market value for land with a minimum fee of \$1,000 per lot/unit and a maximum of \$10,000 per lot/unit. Currently there is a \$500 per lot fee with a maximum of \$10,000. Park and Recreation Director Jon Henke recommends a \$2,500 fee per lot. The second motion recommended for Council approval would establish a 90-day deadline to pay the required park dedication fees on a metes and bounds subdivision. The third motion

recommended to the Council that no park dedication fee shall be paid on the remnant parcel of an approved subdivision with an existing, permanent residential dwelling on the remnant parcel. This motion carried on a 5 to 4 vote. City Administrator Swenson asked what the consequence would be if the fee was not paid within the 90 day deadline and Anderson stated that the subdivision request would be null and void. Councilmember Eggena commented that the Council sent this issue to the two commissions for a recommendation. Three questions arose from park dedication discussion which included how fast can the park system grow, is the park dedication fee system in place now and can park dedication fees be used to finance park expense and what is ineligible. It was the consensus of the Council that a separate meeting be held to discuss this issue. MOTION 11R-19-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO TABLE THE DISCUSSION OF PARK DEDICATION FEES TO A SPECIAL COUNCIL MEETING. It was agreed that the new Councilmembers need to be involved in the discussion. MOTION CARRIED WITH ALL AYES. The meeting was set for Friday, November 12<sup>th</sup> at 10:00 A.M.

- i. Recommendation on Limitation to Commission Member Eligibility – The Planning and Zoning Commission approved a motion recommending to the City Council that all future commissioners and alternates to be appointed be permanent residents of the City with a homesteaded residential property classification. Discussion ensued regarding giving seasonal residents an opportunity to be a part of the process since they can't vote, yet they represent 55% of our property ownership. Mayor Swanson and Councilmember Eggena stated that they would not support a change requiring commissioners to be homesteaded property owners. It was the overall consensus of the Council to leave the selection of commissioners as it currently is with no requirement to be a homesteaded property owner. .
8. RECYCLING – Councilmember Phillips reported that the recycling numbers continue to be down over the previous year. A total of 167 tons of recyclables has been collected year to date.
9. ECONOMIC DEVELOPMENT AUTHORITY – The minutes of the October 6, 2004 meeting were included for Council information.
10. CHARTER SCHOOL – Councilmember Schultz reported that conferences are being held this week at the school. A fundraiser was held recently which earned \$3,000 for the school. A mock election was held on Election Day at the school and the results of this mock election resulted in President Bush winning 2-1.
11. PERSONNEL – General Manager Leaser presented various recommendations approved at a Personnel Committee Meeting held on November 5<sup>th</sup>. The first recommendation was to remove Terry Kinkaid from probationary status and placed on regular full-time status and moved from Step 6 to Step 7 of the 2004 Union Contract effective November 15, 2004. MOTION 11R-20-04 WAS MADE BY

IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO REMOVE TERRY KINKAID FROM PROBATIONARY STATUS AND PLACED ON REGULAR FULL-TIME STATUS AND MOVED FROM STEP 6 TO STEP 7 OF THE UNION CONTRACT EFFECTIVE NOVEMBER 15, 2004. MOTION CARRIED WITH ALL AYES. The second recommendation was to remove Carie Fuhrman from probationary status and placed on regular full-time status and moved from Step 4 to Step 5 of the Union Contract effective November 15<sup>th</sup>. MOTION 11R-21-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO REMOVE CARIE FUHRMAN FROM PROBATIONARY STATUS AND PLACED ON REGULAR FULL-TIME STATUS AND MOVED FROM STEP 4 TO STEP 5 OF THE UNION CONTRACT EFFECTIVE NOVEMBER 15<sup>TH</sup>. MOTION CARRIED WITH ALL AYES. The third recommendation was to hire James Ritter to the position of Sewer/Equipment Operator on Step 10 of the Union Contract. MOTION 11R-22-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO OFFER JAMES RITTER THE POSITION OF SEWER/EQUIPMENT OPERATOR ON STEP 10 OF THE UNION CONTRACT. Councilmember Eggena asked how much additional cost will be incurred by the City if this individual is hired. Councilmember Phillips stated that this individual would be paid 50 cents more per hour than the Heavy Equipment Operator. This amounts to \$1,040 per year but the City is getting someone who also has the necessary sewer licenses but can also operate heavy equipment. Councilmember Phillips stated that he visited Pequot Lakes, Breezy Point and Pine River to review how many operators they utilize based on number of hookups. His research showed that these City's have two full-time equivalents for their sewer operations. Phillips stated that another option would be to contract for this position. Public Works Director Strand stated that he has looked into this and the cost would be more than what the City would pay for an employee. Councilmember Eggena asked why the City has to hire someone out of Plymouth to grade and plow snow in Crosslake. Clerk Roach read the minutes of the August 17<sup>th</sup> meeting where the City Council approved the hiring of a Sewer/Equipment Operator. MOTION CARRIED 4-1 WITH COUNCILMEMBER EGGENA VOTING NAY. The fourth recommendation was to approve the job description for an Internet Help Desk Technician as well as comparable worth points of 238 assigned to this position in Group III of the Union Contract and to authorize the hiring for this position. MOTION 11R-23-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE THE JOB DESCRIPTION, ASSIGNMENT OF 238 COMPARABLE WORTH POINTS AND TO AUTHORIZE HIRING FOR THE POSITION OF INTERNET HELP DESK TECHNICIAN. MOTION CARRIED WITH ALL AYES. The Personnel Committee recommended to the City Council that the increase in Health and Dental insurance of \$273 per month for Dennis Leaser and his spouse through Qwest be paid by the City in lieu of coverage under the City's health and dental plans. MOTION 11R-24-04 WAS MADE BY IRENE SCHULTZ AND SECONDED BY BETTIE MILLER TO APPROVE PAYMENT IN THE AMOUNT OF \$273 PER MONTH TO DENNIS LEASER FOR PAYMENT OF HEALTH AND DENTAL INSURANCE PROVIDED BY QWEST IN LIEU OF COVERAGE UNDER THE

CITY'S HEALTH AND DENTAL PLANS. MOTION CARRIED WITH ALL  
AYES.

12. LONG RANGE CAPITAL PLANNING – Nothing

**H. OLD BUSINESS** – None

**I. NEW BUSINESS** – None

**J. PUBLIC FORUM** – None

**K. ADJOURN** – MOTION 11R-25-04 WAS MADE BY BETTIE MILLER AND  
SECONDED BY DICK PHILLIPS TO ADJOURN THIS REGULAR MEETING AT  
9:45 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach  
Clerk/Treasurer

Shared/REGULAR COUNCIL MEETING – November 8, 2004

**BILLS FOR APPROVAL**

8-Nov-04

VENDOR	DEPT	AMOUNT
Abra Landscaping, install tree	Sewer	224.00
Ace Hardware, light bulbs	PW	5.72
Ace Hardware, markers, magnifier	PW	10.30
Ace Hardware, halogen bulbs, duck tape, stabilizer	PW	66.26
Ace Hardware, sparyer, drain stopper	PW	6.16
Ace Hardware, electrical supplies	P&R	0.80
Ace Hardware, glue, tacks	P&R	5.19
Ace Hardware, elbow	PW	7.43
Ace Hardware, batteries	PW	17.56
Ace Hardware, carpet cleaner	P&R	27.14
Ace Hardware, caulk, pvc	P&R	5.52
Aitkin Implement, parts	PW	43.98
Allen Eliason, general election	Election	28.00
Ameripride, mats	PW	97.55
Anderson Brothers, equipment rental	PW	1,901.03
Anderson Crane, roller chain, links	PW	277.38
Anderson Crane, browning bearings	PW	251.90
Ann Swenson, general election	Election	70.00
Annandale Tactical Training Center, targets, ammo	Police	109.00
Arlene Courmeya, general election	Election	71.75
A W Research, water test	Sewer	132.00
Blue Lakes Disposal, trash removal	ALL	156.64
Brit Enterprises, nozzle	PW	24.13
Cellular One, cell phone charges	Police	213.09
Cindy Larson, general election	Election	70.00
City of Baxter, youth tournament	P&R	90.00
City of Crosslake, sewer utilities	Govt/PW	60.00
Council #65, union dues	ALL	197.66
County Recorder, filing fees	P&Z	39.00
Crosslake Communications, phone, fax, dsl, cable	ALL	1,280.74
Crosslake Roll Off Services, recycling	Gov't	2,450.00
Crow Wing County Highway Dept., fuel	ALL	2,340.85
Darlene Roach, reimburse mileage	Election	15.00
Dave Andersen, second release of portion of security funds	P&Z	31,550.00
Deferred Comp	ALL	1,186.00
Delta Dental, dental insurance	ALL	1,285.00
Dick Dietz, 3rd quarter p and z meetings	P&Z	125.00
Doris Fraser, general election	Election	42.00
Echo Publishing, notice of hearing margaret lane	PW	75.00
Echo Publishing, notice of hearing edgewater lane	PW	75.00
Echo Publishing, notice of hearing gendreau road	PW	75.00
Echo Publishing, notice of hearing east shore road	PW	75.00
Election Systems and Software, traffic complaint books	Police	148.73
Fastenal, flashlights, batteries	PW	77.76
Fire Instruction & Rescue, firefighter 1 class	Fire	495.00
Foreman Fire Service and Repair, pumper certification	Fire	1,069.50

Fortis, disability	ALL	236.71
George Riches, 3rd quarter p and z meetings	P&Z	25.00
Ginny Arvig, general election	Election	98.00
Granite City Ready Mix, recycled concrete	PW	254.96
Ground Specialties, grave thawer	Cemetery	5,058.75
Hillyard, vacuum bags	P&R	19.57
Jean Erickson, general election	Election	70.00
Jim Stevenson, general election	Election	33.25
Johnson Candy, halloween party supplies	P&R	131.37
Jon Henke, reimburse petty cash	P&R	37.76
Judy Cotten, general election	Election	173.25
Kathy Allen, general election	Election	70.00
Keith Anderson, reimburse travel expenses	Fire	296.27
L&M Steel Supply, grind clean plate	Sewer	123.54
Lakes Area Rental, bobcat	PW	239.63
Little Falls Machine, sheave with bushing, cable, pin	PW	112.58
Marco, copier contract and supplies	Admin/P&Z	2,992.90
Marie Strand, general election	Election	68.25
Mastercard, Fleet Farm, uniform	PW	147.94
Mastercard, Kohls, uniform	PW	79.96
Mastercard, Walmart, halloween party supplies	P&R	328.97
Medica, health insurance	ALL	12,678.23
Menards, laths, driveway marker, antifreeze, flashlights	PW	92.86
Mills Motors, diesel oil change	PW	79.88
MN Benefits	Admin	100.92
MN Life, life insurance	ALL	319.20
MN Telecom Alliance, safety program	Gov't	1,265.00
Mollys Cleaning, october cleaning	Gov't	745.50
Nancy Koch, 3rd quarter p and z meetings	P&Z	75.00
NCPERS, life insurance	ALL	96.00
North Ambulance, subsidy	Ambulance	1,103.00
Northland Securities, auditors certificate	Gov't	303.84
Northland Trust Services, admin fees for bond issue	Gov't	728.00
Olaf Olsen, 3rd quarter p and z meetings	P&Z	50.00
Ordell Buntje, general election	Election	70.00
Paul Bunyan Scenic Byway Assn, donation	Gov't	500.00
Peoples Security, annual lease	Gov't	331.64
PERA	ALL	N/A
Peter Abler, 3rd quarter p and z meetings	P&Z	125.00
Quill, markers, bookends	Admin/P&Z	8.23
Quill, files, cassettes, minute paper	Admin/P&Z	228.89
Quill, laser toner cartridges	Police	109.25
Reed's Market, tissues, water	Govt/Elections	25.08
Roger Lynn, 3rd quarter p and z meetings	P&Z	50.00
Ruth Hoag, general election	Election	70.00
Sandelin Law Office, legal services	ALL	6,325.14
Simonson Lumber, quikrete	Gov't	41.43
State and Federal Taxes	ALL	N/A
Terry Curtis, 3rd quarter p and z meetings	P&Z	125.00
Tom Swenson, vehicle allowance	Admin	400.00
Triangle Oil, kerosene and hydraulic oil	PW	485.08

US Bank, payoff series 1994 bond	Gov't	340,685.00
Viking Coca Cola, pop	P&R	61.34
Xcel Energy, gas utilities	ALL	357.10
Ziegler, replace hydraulic hose/lines	PW	285.12
Ziegler, cutting edge, bolt, nut	PW	238.64
<b>TOTAL</b>		<b>425,332.80</b>



RESOLUTION NO. 04-44

RESOLUTION ESTABLISHING PROCEDURES  
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND  
REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the City Council (the "Council") of the City of Crosslake, Minnesota (the "City"), as follows:

1. Recitals.

a. The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.

b. The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

c. The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

d. The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Administrator to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees.

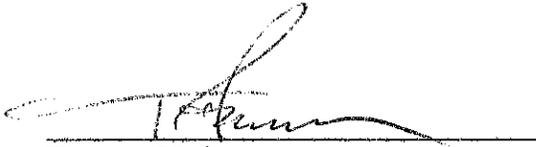
Each Declaration shall comply with the requirements of the regulations, including without limitation the following:

- a. Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A, which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.
- b. Each Declaration shall (1) contain a reasonable accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.
- c. Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City does not reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.
- d. The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City had made Declarations.

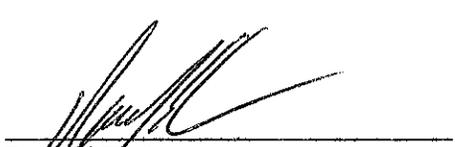
3.. Reimbursement Allocations. The designated City officials shall also be responsible for making the reimbursement allocations described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

3. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Adopted this 8<sup>th</sup> day of November, 2004 by the Crosslake City Council.



Thomas N. Swenson  
City Administrator



Darrell E. Swanson  
Mayor

## EXHIBIT A

### Declaration of Official Intent

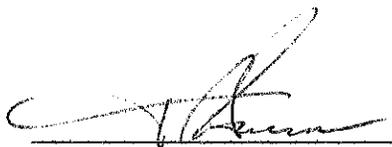
The undersigned, being the duly appointed and acting City Administrator of the City of Crosslake, Minnesota (the "City"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the City as follows:

1. The undersigned has been and is on the date hereof duly authorized by the Crosslake City Council to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City.
2. This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed:

SEE ATTACHED EXHIBIT A-1 (description of road projects)

3. The City reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Bonds") to be issued by the City after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$829,729 is the maximum principal amount of the Bonds, which will be issued to finance the Project.
4. Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.1502(d)(3) of the Regulations.
5. As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: November 8, 2004



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City Administrator  
City of Crosslake, Minnesota

## EXHIBIT A-1

- East Shore Boulevard from the intersection of East Shore Road, north, to the end of the road; (\$50,112)
- Gendreau Road from the intersection of C.S.A.H. 36, south, to the intersection of Shafer Road; (\$60,780)
- Edgewater Lane within Lindquist Addition and adjacent to Block One, Lots 1 through 8; (\$34,671)
- Margaret Lane from the intersection of C.S.A.H. 66, west and south, to the end of the cul-de-sac; (\$24,361)
- Daggett Pine Road from the intersection of Ox Lake Landing to Daggett Lane; (\$659,805).

Resolution No. 04-45

Council Member Eggena introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of  
\$1,100,000 General Obligation Improvement Bonds, Series 2004**

- A. WHEREAS, the City Council of the City of Crosslake, Minnesota, has therefore determined that it is necessary and expedient to issue \$1,110,000 General Obligation Improvement Bonds (the "Bonds"), to finance the construction of improvements for eight areas in the City of Crosslake: Greer Lake, ABC Drive, Wildwood / Whitebirch, Gendreau Road, Edgewater Lane, East Shore Blvd., Margaret Lane, and Daggett Pine; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc. in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with *Minnesota Statutes*, Section 475 and 429.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Crosslake, Minnesota, as follows:

1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 5:30 p.m. December 6, 2004, for the purpose of considering sealed proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member Schultz and, after full discussion thereof and upon a vote being taken thereon, the following Council Members voted in favor thereof: Mayor Swanson, Council Member Miller, Council Member Phillips, Council Member Schultz and Council Member Eggena.

And the following voted against the same: None.

Whereupon said resolution was declared duly passed and adopted.

Dated this 8<sup>th</sup> day of November, 2004.

  
Darlene J. Roach  
Clerk / Treasurer