

**SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
TUESDAY, NOVEMBER 26, 1996
9:00 A.M. - CITY HALL**

The Council for the City of Crosslake met in the Council Chambers of City Hall on Tuesday, November 26, 1996 at 9:00 A.M. The following Councilmembers were present: Mayor David Kolesar, Charles Miller, Raymond Smyth, Richard Upton and Jack Webster. Also present was Interim Manager of the Telephone Company, Dene Carney, Utilities Commission Members Dorothy Allen, Jay Andolshek, Gilroy Arvig and Helen Fraser, Tom Farm of Olsen, Thielen & Company, Reporters Christine DuFour and Jean Paul Hudon, State Representative Kris Hasskamp and City Employee Darlene Roach taking the minutes. There were approximately fifty individuals in the audience.

Mayor Kolesar called the special meeting to order at 9:00 A.M. and turned the meeting over to Dene Carney.

Dene Carney stated that the purpose of the meeting was not to discuss selling the Telephone Company but to discuss how changes in legislation have affected the industry and Crosslake Telephone and Cable Company. He stated that the Company has been very successful, has increased in value and could now be threatened by competition since other companies can, under law, lease lines at a reasonable price and sell service to our customers.

The Utilities Commission felt it was important to review the situation and present the findings to the City Council. Dene Carney introduced Tom Farm, President of Olsen, Thielen & Company, who explained the "ins" and "outs" of the 1996 Telecommunications Act and how it relates to urban versus rural companies. He stated there is a large lobbying process being driven by technology. The recent completion of a five year plan for the Telephone Company, which Mr. Farm was involved in, will bring enhanced technology to Crosslake and place the Company in a better position. The purpose of the five year plan was to analyze the state of the industry and where the Crosslake Telephone Company was going. It was not a drive to sell the Company. Dene Carney stated there is some protection written into the law for companies with less than 50,000 subscribers, however, the large companies like AT&T, MCI and Sprint, can offer local service as a toll service to Crosslake subscribers. The 1996 Act allows telephone companies to compete in any way they possibly can.

Bob Olson of Consolidated Telephone Company and a representative of the Emily Telephone Company commented that one means of keeping up with technology was through the sharing of expensive equipment between smaller companies. Crosslake Telephone is currently working with both of these companies with the offering of Internet.

After the presentations by Dene Carney and Tom Farm, the meeting was opened up to questions from the Council. After reviewing several issues, the meeting was opened up to questions from the audience. The rumors that had been circulating in the community regarding whether the City was intending to sell the Company were dispelled by the Council. Any action in regards to the sale of the Telephone Company would require public hearings and a possible referendum.

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The search for a general manager for the Utilities Company is still continuing.

Mayor Kolesar broke the seal on the envelope containing the results of the recount of the election which was done on November 19, 1996. The recount had been requested for the two positions which were open for the four year seat. The results of the recount upheld Chuck Miller as the winner.

The Public Works Commission requested an additional full time employee capable of handling all types of equipment for the Public Works Department. The department currently has two full time employees. Snow plowing is currently done with the assistance of a contract person. Ray Smyth asked where the money would come from for an additional person and felt the issue should be reviewed during the budget meeting.

MOTION 11S2-01-96 WAS MADE BY CHUCK MILLER AND SECONDED BY DICK UPTON TO ADD A FULL TIME PERSON TO THE PUBLIC WORKS DEPARTMENT. MOTION DID NOT PASS WITH MAYOR KOLESAR, RAY SMYTH, DICK UPTON AND JACK WEBSTER VOTING NAY.

The Council approved the closing of City Hall the day following Thanksgiving provided the employees use their personal holiday.

MOTION 11S2-02-96 WAS MADE BY RAY SMYTH AND SECONDED BY DICK UPTON TO ADJOURN THIS SPECIAL MEETING AT 11:30 A.M. MOTION CARRIED UNANIMOUSLY.

Edited by:



**Arlene A. Buchite
City Clerk/Treasurer**