

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
WEDNESDAY, DECEMBER 10, 1997
1:00 P.M. - CITY HALL

The Council for the City of Crosslake and the Utilities Commission met in the Council Chambers of City Hall on Wednesday, December 10, 1997. The following Councilmembers were present: Mayor Bob Scott, Donna Keiffer, Charles Miller, Raymond Smyth and Richard Upton. Also present was City Administrator Thomas Swenson, City Attorney Paul Sandelin, Deputy Clerk Darlene Roach, General Manager Kevin Larson and Utilities Commission Members Don Engen, Armond Gease, Karl Skog, Gilroy Arvig, Dorothy Allen and Helen Fraser. There were approximately 17 individuals in the audience.

Mayor Scott called the meeting to order at 1:07 P.M.

Lodging Tax - City Administrator Tom Swenson stated that at the Regular City Council Meeting on Monday, December 8, 1997 the Council tabled the lodging tax issue to the December 10, 1997 meeting pending the results of the Ideal Township Meeting that was also meeting on Monday, December 8, 1997. Mr. Swenson also stated that a letter had been received, from Brian Bittner of Daggett Brook Villas, in response to the Chamber of Commerce letter. Mr. Swenson stated that he understood that at the Ideal Township Meeting, the proposed lodging tax was defeated. He also stated that the City was proposing an administrative agreement with WALA. He stated he was not speaking for the Council but if the lodging tax was approved he did not know if the funds should be administered by WALA or if it would be more appropriate for the Chamber of Commerce to administrate funds. Mr. Swenson also stated that he did not know if the Crosslake lodging establishments would generate sufficient funds to warrant implementing this lodging tax. He stated that adopting the lodging tax would be a Council decision and suggested hearing from individuals in the audience.

Ray Smyth asked Dawn Bittner to speak regarding the impact in Crosslake of the defeated lodging tax in Ideal Township. Dawn Bittner stated that they would like the City Council to support the lodging tax in Crosslake. She stated that just because the tax did not pass at this time in Ideal Township, it may pass in the future so they would like to move forward with this lodging tax in Crosslake.

Mr. Smyth asked if all six of the lodging organizations were located in Crosslake. Ms. Bittner stated that all six were. They are Birch Hill Inn, Lovelands Resort, Lakeside Scenic Motel, Lakeridge, Daggett Brook Villas and Bay View Lodge. Mr. Smyth asked of the six, how many were in support of the lodging tax. Ms. Bittner replied by stating all but two, Lovelands and Lakeridge. The position taken by Bay View Lodge was not confirmed.

WALA was informed by Area Combined Marketing (ACM) that the County was not going to implement a lodging tax in 1998.

Dick Badger, President of WALA addressed the Council. He stated that 6 chambers make up ACM. He also stated that a gentlemen's agreement had been established to give 20% to ACM. Of the facilities in Ideal Township, ten were in favor of the lodging tax and nine were opposed. He stated there was discussion of a fee of \$20.00 per bedroom, times the number of units would be paid to WALA versus the 3% tax.

Councilmember Miller stated he had a problem with turning the tax over to the Chamber as well as a problem turning the tax over to WALA. He stated that he would prefer management of the tax by another organization. He also stated, per City Attorney, legally if Crosslake collects the tax it must be used in Crosslake. City Attorney Paul Sandelin stated that the funds used would have to be monitored.

Dan Leagjeld of Ideal Township stated that the number of resort owners in Ideal Township in opposition to the tax has never dropped below ten. He stated that they did their homework and are wondering why local government is getting into private industry. He also stated that the tax went right to 3% rather than starting at 1%. He stated that they preferred to take advertising money out of their own revenues rather than impose a tax on their resort guests.

MOTION 12S1-01-97 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO WITHHOLD FINAL AUTHORITY ON ESTABLISHING A LODGING TAX UNTIL WALA IS ABLE TO DEVELOP A COOPERATE AGREEMENT WITH THEIR COMMUNITIES. MOTION CARRIED UNANIMOUSLY.

Discussion followed with Councilmember Ray Smyth stating that he was troubled with the City Attorney's comments on the money needing to be used in Crosslake as it becomes a greater issue when Ideal Township did not approve the tax. He stated he was reluctant to be the only community approving the tax.

The Council reiterated, to those present from WALA, that WALA needed to obtain the support of a majority of the communities to approve the lodging tax and to then come back to the Council.

Chairman Fraser called the Utilities Commission Meeting to order.

1. Discussion of Commission Openings - The Utilities Commission requested Jay Andolshek be re-appointed to the commission. MOTION 12S1-02-97 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO APPOINT JAY ANDOLSHEK TO A SECOND TERM ON THE UTILITIES COMMISSION. MOTION CARRIED WITH MAYOR SCOTT OPPOSED.

The Ordinance states that commission appointments are made in January by the Mayor as recommended by the commission.

Discussion followed with Mayor Scott stating he had a problem with Jay Andolshek on the commission due to a conflict of interest in owning a video store.

2. MOTION 12S1-03-97 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO GIVE PRELIMINARY APPROVAL ON APPOINTING HELEN FRASER TO FILL ONE YEAR OF DOROTHY ALLEN'S SECOND TERM. MOTION CARRIED WITH MAYOR SCOTT OPPOSED.
3. MOTION 12S1-04-97 WAS MADE BY RAY SMYTH AND SECONDED BY CHUCK MILLER TO ACCEPT THE RESIGNATION OF DOROTHY ALLEN EFFECTIVE JANUARY 1, 1998 WITH EXPRESSION OF APPRECIATION. MOTION CARRIED WITH MAYOR SCOTT ABSTAINING.
4. MOTION 12S1-05-97 WAS MADE BY RICHARD UPTON AND SECONDED BY RAY SMYTH TO APPROVE KARL SKOG'S APPOINTMENT AS BEING HIS FIRST TERM WHICH WILL EXPIRE IN 2000. MOTION CARRIED WITH MAYOR SCOTT ABSTAINING.

The one position open on the commission will be advertised and applications will be brought to the January Commission Meeting.

5. Brief overview of 1997 Telephone/Cable Company Operation - Kevin Larson gave a review of 1997. Also given was a brief update of the current status of the 5 year plan. Don Engen read the mission statement. He complimented the 5 year plan and the work done by the commission members. Kevin Larson stated that the commission is taking pro-active steps to spend money so as not to give the industry the impression they are not active. He also stated that they will continue to reduce long distance access charges. He stated that they may want to provide service to other areas in the future and partner with other companies.

A map showed where fiber has and is planned to be installed. Thirty three miles of fiber cable is planned to be installed in 1998. Kevin Larson stated that the intent is to have an on-going 5 year plan. He also stated CC & I Engineering has started a 5 year plan for the Cable Company.

6. Review and discussion of "Crosslake Utilities Commission Introduction and Authority - Revised February 1997" - Councilmember Ray Smyth stated that there were no problems with the document and felt the Council had ample time to review it.

There was some disagreement in regards to regular commissions versus the Utilities Commission. Ray Smyth read from the Ordinance saying this commission is different. He stated that the commission should have as much authority to direct functions as permissible under law.

There was discussion that the tension between the City and the Telephone Company needs to be resolved. Councilmember Chuck Miller stated that this atmosphere exists due to the Mayor wanting total control. Mr. Miller also stated that it is not an easy task to get qualified individuals on the commissions. Councilmember Donna Keiffer commended the Commission and Kevin Larson.

MOTION 12S1-06-97 WAS MADE BY RICHARD UPTON AND SECONDED BY RAY SMYTH TO HAVE THE COMMISSION FINE TUNE THE INTRODUCTION AND AUTHORITY AND BRING IT BACK TO THE COUNCIL FOR APPROVAL. THEY WERE ALSO ADVISED TO REVIEW THE ORDINANCE. MOTION CARRIED WITH MAYOR SCOTT ABSTAINING.

Mayor Scott stated he feels he is just doing his job. Councilmember Ray Smyth questioned if the Telephone Company revenues were under the same restrictions as the tax revenues of the City.

7. Recommendation of 1998 General Manager's Employment Agreement - Don Engen presented the 1998 Employment Agreement for the General Manager of the City of Crosslake Telephone and Cablevision Company dated November 10, 1997. In a letter dated December 3, 1997 from CC&I, Categories B and C were reviewed. Mr. Engen stated that two of the incentives have been met. (Error on memo of 1/23/97 - 10% is correct)

Wording will be changed on Employment Agreement Car Allowance from "out of town" to "outside geographic area".

MOTION 12S1-07-97 WAS MADE BY RAY SMYTH AND SECONDED BY CHUCK MILLER TO APPROVE PAYMENT FOR CATEGORIES B AND C OF THE GENERAL MANAGER INCENTIVES AS RECOMMENDED BY THE COMMISSION AND CC&I. MOTION CARRIED WITH MAYOR SCOTT OPPOSED.

Helen Fraser will get an affidavit from Dene Carney regarding correcting the error of 20% to 10%.

MOTION 12S1-08-97 WAS MADE BY CHUCK MILLER AND SECONDED BY RAY SMYTH TO APPROVE REIMBURSEMENT OF TRAVEL EXPENSES CONTINGENT ON RECEIVING AN AFFIDAVIT FROM DENE CARNEY. MOTION CARRIED WITH MAYOR SCOTT OPPOSED.

Building Committee will meet with the City Council on Wednesday, December 17, 1997 at 10:00 A.M. for overview.

The Council discussed the employees request to close early on Christmas Eve and left the decision to City Administrator Thomas Swenson and General Manager Kevin Larson. City Hall employees had also requested approval to close on Friday, December 26, 1997 and to take the time as vacation or as unpaid absence. This was approved by the Council.

8. Bills for Payment - MOTION 12S1-09-97 WAS MADE BY RICHARD UPTON AND SECONDED BY DONNA KEIFFER TO APPROVE ALL BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNTS OF \$2,954.82. MOTION CARRIED UNANIMOUSLY.
9. Mobile Home Parks - Resolution 97-12 - Discussion of adding "MAY" face mobile home park residents "IN SOME LOCALITIES". MOTION 12S1-10-97 WAS MADE BY RAY SMYTH AND SECONDED BY CHUCK MILLER TO APPROVE THE ADOPTION OF RESOLUTION 97-12 WITH THE ADDITION OF THE ABOVE MENTIONED CHANGES. MOTION CARRIED UNANIMOUSLY.
10. Release of TIF Money - MOTION 12S1-11-97 WAS MADE BY RICHARD UPTON AND SECONDED BY CHUCK MILLER TO APPROVE REIMBURSEMENT OF TIF AS PRESENTED; \$8,110.91 TO BE PAID TO RIVERWOOD, \$12,125.93 TO BE PAID TO DAGGETT BROOK AND \$8,675.28 TO BE PAID TO REEDS MARKET. MOTION CARRIED UNANIMOUSLY.

11. Comparable Worth - Tom Swenson read a memo he had prepared for the Council on Comparable Worth. MOTION 12S1-12-97 WAS MADE BY RAY SMYTH AND SECONDED BY CHUCK MILLER TO APPROVE POINT VALUES AS IDENTIFIED IN TOM SWENSON'S MEMO OF DECEMBER 9, 1997 FOR PAY EQUITY. MOTION CARRIED UNANIMOUSLY.

MOTION 12S1-13-97 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO APPROVE THE REVISED JOB DESCRIPTION FOR THE PLANNING & ZONING ADMINISTRATOR. MOTION CARRIED UNANIMOUSLY.

MOTION 12S1-14-97 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO ADJOURN THIS SPECIAL MEETING AT 4:50 P.M. MOTION CARRIED UNANIMOUSLY.

Recorded and edited by:



Darlene J. Roach
Deputy Clerk/Treasurer

CITY OF CROSSLAKE

RESOLUTION NO. 97-12

**Resolution Supporting Minnesota Department of Health
Study of Mobile Home Parks**

WHEREAS, The State of Minnesota has assumed responsibility for the regulation of mobile home parks through the Minnesota Department of Health;

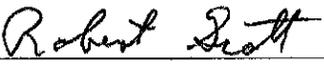
WHEREAS, serious issues may face mobile home park residents in some communities related to general living and housing conditions and public safety;

WHEREAS, the League of Minnesota Cities is proposing legislation which would require the Minnesota Department of Health to conduct a statewide study of mobile home park issues and to develop proposed solutions for these issues.

NOW, THEREFORE BE IT RESOLVED: The Crosslake City Council declares its support for adoption by the Minnesota Legislature of the legislation proposed by the League of Minnesota Cities requiring the Minnesota Department of Health to conduct a statewide study of mobile home parks.

Adopted this 10th day of December, 1997

CITY COUNCIL



Mayor Robert Scott

ATTEST:



Thomas N. Swenson
City Administrator