

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
WEDNESDAY, DECEMBER 19, 2007
9:00 A.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Wednesday, December 19, 2007. The following Council Members were present: Mayor Jay Andolshek, Steve Roe, Rusty Taubert, Irene Schultz and Dean Swanson. Also present were City Administrator Tom Swenson, Clerk/Treasurer Darlene Roach, Community Development Director Ken Anderson, Public Works Director Ted Strand, Park and Recreation Director Jon Henke, Police Chief Robert Hartman, and Lake Country Echo Reporter Betty Ryan. There was one person in the audience.

1. Mayor Andolshek called the Special Council Meeting to order at 9:00 A.M.
2. Bills for Approval – MOTION 12S01-01-07 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY IRENE SCHULTZ TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$19,401.46. MOTION CARRIED WITH ALL AYES.
3. A memo dated December 18, 2007 from Darlene Roach regarding bills for approval was included in the packet for Council review. Approval was requested to pay all invoices received between December 19th and December 31st, with retroactive Council approval. In order to pay for products and services obtained in 2007 with 2007 budgeted funds, it is necessary to continue paying bills through year-end. A listing of all bills paid during this time would be given to the Council for approval at the first Council Meeting in January. MOTION 12S01-02-07 WAS MADE BY IRENE SCHULTZ AND SECONDED BY STEVE ROE TO APPROVE THE PAYMENT OF ALL INVOICES RECEIVED BETWEEN DECEMBER 18, 2007 AND DECEMBER 31, 2007 WITH RETROACTIVE COUNCIL APPROVAL. Steve Roe asked if these would be normal, regular bills. Tom Swenson replied that they would be. MOTION CARRIED WITH ALL AYES.
4. A memo dated December 13, 2007 from Darlene Roach regarding approval of bills with due dates was included in the packet for Council review. The City is incurring penalties and interest on certain bills, which are received after the Regular Council Meeting and are due before the next Council Meeting. In an effort to prevent incurring these charges, approval is requested to pay these bills on a timely basis with retroactive approval of the City Council at its next meeting. Examples of these bills include, but are not limited to, Crow Wing Power, Unicel and Blue Lakes Disposal. MOTION 12S01-03-07 WAS MADE BY IRENE SCHULTZ AND SECONDED BY JAY ANDOLSHEK TO APPROVE PAYMENT OF BILLS THAT WOULD INCUR PENALTIES AND INTEREST ON A TIMELY BASIS WITH RETROACTIVE APPROVAL OF THE CITY COUNCIL AT ITS NEXT MEETING. Steve Roe asked if the terms of bills were changing because he was seeing this same problem at home. Tom Swenson stated that it is not different than how the Council approves

bills for Crosslake Communications. At its Regular Council Meeting in December, the Council approved Crosslake Communication's bills paid in October. Dean Swanson stated that a bill should not be paid if it is questionable. MOTION CARRIED WITH ALL AYES.

5. A memo dated December 18, 2007 from Darlene Roach regarding payment of bills via Internet submission was included in the packet for Council review. Approval was requested that effective with the first payroll in January, 2008, all electronic processing payments for Federal Withholding, State Withholding, PERA, Deferred Comp, etc. be processed real time and printed out on a "dummy check". The funds will be debited from the City's account electronically via Internet submission as they have been done for a number of years, but will be recorded on the books via check processing. These "dummy checks" would require signatures by two of the four signatories, the same as all other checks issued by the City, but would allow for better tracking of payments since they would be done real time versus a journal entry. The auditor is agreeable with this process. MOTION 12S01-04-07 WAS MADE BY STEVE ROE AND SECONDED BY IRENE SCHULTZ TO APPROVE ELECTRONIC PROCESSING OF PAYMENTS FOR FEDERAL WITHHOLDING, STATE WITHHOLDING, PERA, DEFERRED COMP, ETC. AND TO APPROVE REAL TIME PROCESSING ON A "DUMMY CHECK". MOTION CARRIED WITH ALL AYES.

6. A memo dated December 17, 2007 from Tom Swenson regarding year-end fund transfers was included in the packet for Council review. The fifteen line items were read by Tom Swenson and involved the General Fund (101), the Capital Improvement Fund (401) and the Sewer Project Fund/Sewer Operating Fund. These transfers are typically done each year at the last meeting of the year since the transfers involve monies expended or budgeted and monies unspent in the current year's budget. After each item was reviewed, discussion ensued regarding #4, #13 and #14. #4 reads that \$2,800 from Capital Outlay Animal Control be transferred to General Fund Animal Control Account to pay for non-budgeted Animal Control expenses related to contracting with Crow Wing County for Animal Control Services. Dean Swanson stated that he did not understand the purpose of this transfer. Tom Swenson replied that the Council budgeted \$2,000 in 2007 for animal control services. Crow Wing County offered the City an Animal Control Agreement in 2007 and the City signed the agreement and paid \$4,700. Mr. Swenson explained that the transfer of \$2,800 from the Reserve Account to the General Fund is proposed to pay back what was actually spent in 2007. Steve Roe asked if animal control expenses were budgeted for 2008. Tom Swenson replied that it was, however, Crow Wing County may be discontinuing the service. Chief Hartman stated that the Police Department has been happy with the contract with the County. Steve Roe asked why the service would stop. Tom Swenson replied that there appears to be internal problems at the County regarding continuing Animal Control Services. #13 reads that \$985 from General Fund Park 80 Acre Development Account be transferred to Capital Outlay Fund 80 Acre Development Reserve Account. Dean Swanson stated that he thought the 80 acres had already been paid for. Tom Swenson replied that the property is paid

for and the money in the account would pay for the development of trails, etc. #14 is related to the purchase of a combination refrigerator/freezer for the Community Center to be utilized by the Senior Nutrition Program. Irene Schultz asked if the Community Center had received enough money to purchase the refrigerator/freezer. Jon Henke replied that they are still about \$1,000 short, so this money will sit in a reserve account until more donations are received. MOTION 12S01-05-07 WAS MADE BY STEVE ROE AND SECONDED BY DEAN SWANSON TO APPROVE ALL FUND TRANSFERS AS PRESENTED IN THE MEMO DATED DECEMBER 17, 2007 FROM CITY ADMINISTRATOR (COPY ATTACHED TO THESE MINUTES). MOTION CARRIED WITH ALL AYES.

7. A memo dated December 18, 2007 from Tom Swenson and Darlene Roach regarding year-end transfers related to Library Operations and year-end journal entries/fund transfers related to the Library/Community Center Project was included in the packet for Council review. Library expenses through December 10, 2007 totaled \$28,716.47. The Library Budget for 2007 was \$4,500. Library expenses were \$24,216.47 over budget. Library revenues totaled \$18,300.02, leaving a balance of \$5,916.45 still over budget. MOTION 12S01-06-07 WAS MADE BY STEVE ROE AND SECONDED BY DEAN SWANSON TO APPROVE THE TRANSFER OF \$5,916.45 FROM THE 420 ACCOUNT TO THE 101 GENERAL FUND TO PAY BACK EXPENSES. MOTION CARRIED WITH ALL AYES.

The balance of the 420 account at Lakes State Bank after the above transfer is made totals \$18,387.39. This includes interest accrued through December 19th. Tom Swenson stated that the auditor suggested closing this account and keeping the money in a reserve account. Steve Roe asked if the Commission was in agreement with the transfer. Jon Henke replied that the Park and Recreation/Library Commission was in favor of the transfer. Tom Swenson added that future donations would be tracked in revenues and would be reconciled at the end of each year. MOTION 12S01-07-07 WAS MADE BY STEVE ROE AND SECONDED BY DEAN SWANSON TO TRANSFER \$18,387.39 FROM THE 420 ACCOUNT TO THE 401 CAPITAL IMPROVEMENT ACCOUNT AND TO CLOSE THE 420 ACCOUNT AT LAKES STATE BANK. MOTION CARRIED WITH ALL AYES.

MOTION 12S01-08-07 WAS MADE BY IRENE SCHULTZ AND SECONDED BY JAY ANDOLSHEK TO APPROVE THE TRANSFER OF ANY DONATIONS OR PLEDGES PAID IN 2007 BETWEEN DECEMBER 19 TO DECEMBER 31 TO THE 401 CAPITAL IMPROVEMENT FUND ACCOUNT. MOTION CARRIED WITH ALL AYES.

Approval was requested to transfer \$216,430 from the 101 General Fund to the 420 Library Project Fund to credit Park Dedication Funds transferred out of the 401 Capital Improvement Fund at year-end 2006 to reimburse payments made by the General Fund for the Community Center Expansion. Darlene Roach stated that this transfer will correct a journal entry. MOTION 12S01-09-07 WAS MADE BY DEAN SWANSON AND SECONDED BY STEVE ROE TO APPROVE THE

TRANSFER OF \$216,430 FROM THE GENERAL FUND TO THE LIBRARY PROJECT FUND TO CREDIT PARK DEDICATION FUNDS TRANSFERRED OUT OF THE CAPITAL IMPROVEMENT FUND AT YEAR-END 2006 TO REIMBURSE PAYMENTS MADE BY THE GENERAL FUND FOR THE COMMUNITY CENTER EXPANSION. MOTION CARRIED WITH ALL AYES.

MOTION 12S01-10-07 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY IRENE SCHULTZ TO APPROVE THE TRANSFER OF \$18,816.67 IN PARK DEDICATION FUNDS RECEIPTED IN 2007 FROM THE GENERAL FUND TO THE LIBRARY PROJECT FUND TO APPLY AGAINST THE OUTSTANDING BALANCE OWED ON THAT PORTION OF THE EXPANSION TO BE PAID WITH PARK DEDICATION FUNDS AS DIRECTED BY THE COUNCIL IN 2006. Steve Roe asked why the money wasn't put in that account when it was received. Tom Swenson replied that it takes Council action to move the money to the Library Project Fund and that it is simpler to track the funds throughout the year and then request one transfer at the end of the year. Irene Schultz noted that Park Dedication receipts are down from previous years. MOTION CARRIED WITH ALL AYES.

MOTION 12S01-11-07 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY IRENE SCHULTZ TO APPROVE THE TRANSFER OF ANY PARK DEDICATION FUNDS RECEIVED BETWEEN DECEMBER 19 TO DECEMBER 31 INTO THE LIBRARY PROJECT FUND TO APPLY AGAINST THE OUTSTANDING BALANCE OWED ON THAT PORTION OF THE EXPANSION TO BE PAID WITH PARK DEDICATION FUNDS. MOTION CARRIED WITH ALL AYES.

MOTION 12S01-12-07 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY IRENE SCHULTZ TO TRANSFER \$371.47 FROM THE CAPITAL OUTLAY FUND PARK DEDICATION FEES TO THE LIBRARY PROJECT FUND TO APPLY AGAINST THE OUTSTANDING BALANCE OWED ON THAT PORTION OF THE EXPANSION TO BE PAID WITH PARK DEDICATION FUNDS. MOTION CARRIED WITH ALL AYES.

8. A memo dated December 18, 2007 from City Administrator regarding a proposed settlement of a damage claim related to a sewer connection was included in the packet for Council review. Attached to the memo was a copy of an e-mail dated 12/18/07 from Attorney Jeff Egge regarding a proposed settlement on the Nordling sewer connection claim on East Shore Boulevard. Tom Swenson stated that he is in agreement with Attorney Egge that the proposed settlement of \$12,798.24 is a reasonable settlement for the City. Tom Swenson also recommended approval of payment to the Attorney for litigation costs and expenses under the format outlined in their proposal to represent the City in this matter, i.e. an hourly rate plus expenses not to exceed 1/3 of the recovery. Steve Roe asked why the City had to pay anything. Tom Swenson replied that the City would be taking a risk to let the matter go to court. The plaintiff could argue that the City did not properly locate the end of the service

and even though that is untrue, the court could go either way with it. The legal cost to the City would also increase. MOTION 12S01-13-07 WAS MADE BY DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO APPROVE THE PROPOSED SETTLEMENT OFFER ON THE NORDLING SEWER CONNECTION CLAIM, TO AUTHORIZE TOM SWENSON TO EXECUTE THE NECESSARY DOCUMENTS AND TO AUTHORIZE PAYMENT TO IVERSON REUVERS LAW FIRM. MOTION CARRIED WITH ALL AYES.

Ken Anderson requested that the Council hold a Special Meeting on the morning of December 27th for the purpose of approving Park Dedication fees for the Leo Fraser subdivision, which would be reviewed by the Planning and Zoning Commission on December 21st. Mr. Fraser would like to close on the property December 27th and record the subdivision on December 28th. Steve Roe urged the Planning and Zoning Department to be sure that people understand the timeline involved for this process when the application is pulled. Tom Swenson noted that Mr. Fraser would be required to pay Park Dedication fees, attorney fees and engineering fees on the 27th before the subdivision could be signed by the City. It was the consensus of the Council to hold a Special Council Meeting on December 27, 2007 at 9:00 A.M.

9. MOTION 12S01-14-07 WAS MADE BY IRENE SCHULTZ AND SECONDED BY STEVE ROE TO ADJOURN THIS SPECIAL MEETING AT 9:55 A.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,



Charlene Nelson
Deputy Clerk

Deputy Clerk/ Minutes/12-19-07

BILLS FOR APPROVAL
19-Dec-07

VENDORS	DEPT	AMOUNT
Abra True Value, ball valve, elbows	Fire	28.88
Ace Hardware, nipple, elbow, plumbing	Fire	15.51
Ace Hardware, rags, hand cleaner, battery, extention cord	Fire	85.15
Ace Hardware, chain, rod, tail light, connector	PW	72.97
Ace Hardware, nipple, coupling	P&R	5.94
Ace Hardware, nipple, hex	P&R	4.66
Ace Hardware, propane, lighter, emergency candle	PW	36.18
Ace Hardware, uniform	PW	86.84
AW Research, water test	Sewer	102.60
B&B Products, gun mount	Police	222.59
Braun Intertec, roadway and embarkment distress	PW	1,385.00
Briggs and Morgan, tif services	TIF	3,100.00
Bruce Dovenmuehle, reimburse for uniform expense	PW	100.00
City of Breezy Point, taser cartridges	Police	284.25
Crosslake Communications, usb cable	P&Z	84.67
Crow Wing County Treasurer, database download	P&Z	38.27
Crow Wing County Treasurer, notmotion/letg license	Police	3,910.00
Crow Wing Power, electric service	ALL	5,426.88
Darlene Roach, reimburse petty cash	ALL	52.85
Echo Publishing, public hearing notice of 12-21	P&Z	79.20
Echo Publishing, artwork	Police	10.00
Hawkins, ferric chloride	Sewer	677.61
Holiday Station, battery	Police	10.63
Jon Henke, reimburse petty cash	P&R	13.59
Lakes Area Rental, saw chain, wrench	PW	19.52
Little Falls Machine, sander hinge	PW	188.42
Little Falls Machine, washer, nuts	PW	82.51
MCS Cleaning Service, december cleaning	Gov't	772.13
Menards, pliers, wrench	P&R	26.57
Northern Safety Technology, pins, socket, flasher	Fire	104.25
Plotter Pros, printer	P&Z	1,335.27
Quill, ink cartridge	Admin	38.33
Quill, paper, note pads, envelopes, folders, steno books	P&Z/Admin	202.05
Quill, audit covers	Admin	22.03
Quill, minute paper	Admin	50.52
Reed's Market, sentence to serve	PW	101.27
Reed's Market, sentence to serve	PW	63.92
Reed's Market, sentence to serve	PW	63.79
Zee Medical, refill first aid kit	PW	54.87
Ziegler Cat, elements, filters	PW	163.10
Ziegler Cat, oil	PW	278.64
TOTAL		19,401.46

MEMO TO: City Council
FROM: City Administrator
DATE: December 17, 2007
SUBJECT: Year-End Fund Transfers

I recommend the following fund/account transfers:

- 1.) \$1,000 from General Fund Fire Department Capital Outlay Account to Capital Outlay Fund Hovercraft Reserve Account per the 2007 Budget.
- 2.) \$500 from General Fund Ordinance Codification Account to Capital Outlay Fund Ordinance Codification Account.
- 3.) \$1,750 from General Fund Emergency Management Account to Capital Outlay Fund Emergency Management Reserve Account.
- 4.) \$2,800 from Capital Outlay Animal Control to General Fund Animal Control Account to pay for non-budgeted Animal Control expenses related to contracting with Crow Wing County for Animal Control Services.
- 5.) \$1,000 from General Fund Healthy Community Program Account to Capital Outlay Fund Comprehensive Plan Reserve Account.
- 6.) \$2,000 (\$1,000) from General Fund Administration Capital Outlay and (\$1,000) from Planning and Zoning Capital Outlay to Capital Outlay Fund Copier Replacement Account per the 2007 Budget.
- 7.) \$355,246 from Capital Outlay Fund West Shore Drive Reserve Account to West Shore Drive Project Fund.
- 8.) \$9,200 from General Fund General Government Capital Outlay to Capital Outlay Fund Municipal Building Reserve Account (\$5,000) Generator and (\$4,200) Siding Replacement – Note \$10,000 was included in the 2007 budget for the Siding Replacement Reserve but \$5,800 was used for painting the municipal building.
- 9.) \$15,000 from Capital Outlay Fund Municipal Building Reserve Account to the General Fund General Government Capital Outlay Account to cover repairs to the irrigation system (\$7,000) and new entry and hallway tile (\$8,000).
- 10.) \$5,276.68 from Capital Improvement Police Equipment Account to General Fund Police Capital Outlay to reimburse the purchase of (one) Datalux Computer.

- 11.) \$7,779.32 from Capital Improvement Fund Police Restitution/Forfeiture Account to General Fund. (see attached breakdown of 2007 Restitution/Forfeiture expenses and revenues)
- 12.) \$2,000 from General Fund Planning and Zoning Capital Outlay to Capital Outlay Fund Planning and Zoning Mapping/Aerial Photo Reserve Account per the 2007 budget.
- 13.) \$985 from General Fund Park 80 Acre Development Account to Capital Outlay Fund 80 Acre Development Reserve Account.
- 14.) \$2,800 from General Fund Park and Recreation Donations to Capital Outlay Fund Park Donation Reserve Account to reserve donations received from the American Legion, Crosslake Lutheran Church, Fish and Game and the Whitefish Area Lions to be used for the purchase of a combination refrigerator/freezer.
- 15.) \$15,379 from Sewer Project Fund to Sewer Operating Fund per the 2007 budget.