

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
WEDNESDAY, DECEMBER 28, 2005  
9:00 A.M. – CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met in a Special Session on Wednesday, December 28, 2005 at 9:00 A.M. at City Hall. The following Councilmember's were present: Mayor Jay Andolshek, Terry Curtis, Dean Eggena, Dick Phillips and Dean Swanson. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, Public Works Director Ted Strand, Park Director Jon Henke, General Manager Dennis Leaser and Clerk/Treasurer Darlene Roach. Also present was Renee Richardson of the Brainerd Dispatch and Bryan Clapper of the Lake Country Echo. City Attorney Kirk Adams joined the meeting at 9:08 A.M.

1. Call to Order - Mayor Andolshek called the special meeting to order at 9:00 A.M.
2. Bills for Approval – MOTION 12S1-01-05 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$29,637.04 AND TO APPROVE STAFF CONTINUING TO PAY 2005 BILLS CONTINGENT ON RECEIVING RETROACTIVE COUNCIL APPROVAL IN JANUARY, 2006. MOTION CARRIED WITH ALL AYES.
3. Memo dated December 15, 2005 from Clerk/Treasurer Roach regarding Tax Increment Financing reimbursement for Daggett Brook Villas – Clerk Roach has verified that all property taxes owed by Daggett Brook Villas for the second half tax settlement have been paid to the City from the County. Based on this, approval was requested to reimburse 90% of incremental tax revenue to Daggett Brook Villas. MOTION 12S1-02-05 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO APPROVE THE RELEASE OF \$8,295.28 TO BRIAN BITTNER OF DAGGETT BROOK VILLAS FOR TAX INCREMENT FINANCING REIMBURSEMENT. MOTION CARRIED WITH ALL AYES.
4. Memo dated December 15, 2005 from Clerk/Treasurer Roach regarding Tax Increment Financing reimbursement for Crosswoods Development – Clerk Roach has verified that all property taxes owed by Crosswoods Development have been paid to the County for the second half tax settlement which was paid to the City on December 1<sup>st</sup>. Based on this, approval was requested to reimburse 90% of the incremental tax revenue to Crosswoods Development. MOTION 12S1-03-05 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY DEAN SWANSON TO APPROVE THE RELEASE OF \$3,411.19 TO CROSSWOODS DEVELOPMENT FOR TAX INCREMENT FINANCING REIMBURSEMENT. MOTION CARRIED WITH ALL AYES.
5. A memo dated December 21, 2005 from City Administrator Swenson recommends various year-end fund transfers. The fifteen line items were read by City Administrator 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 City Council since they involve monies expended or budgeted and unspent in the current year's budget. Councilmember Eggena asked for an explanation on Item #12 which was a request to transfer \$1,900 from the General Fund to the Capital Outlay Fund Animal Control Account to be set aside for future animal control expenditures. There was some discussion regarding how much money should be accumulated in the Capital Fund for this expense. Chief Hartman stated that he would prefer to keep money in reserve versus contracting with Hart and paying an annual contract fee. Councilmember Curtis stated that this debate is going on at the County level as well because of the cost of utilizing the services of HART. The Council agreed to approve the transfer and continue moving any excess funds into the Capital Reserve Account. There was some discussion regarding the City's need for a generator and City Administrator Swenson commented that over the past few years, he has been recommending that the City build up reserves for the purchase of a generator for City Hall in case of emergency. There was some discussion regarding the transfer of funds from the Sewer Project Fund into the Sewer Operating Fund to offset expenses and the Operating Fund is becoming increasingly self supporting in that approximately \$20,000 less is being requested for transfer than was budgeted. MOTION 12S1-04-05 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE THE YEAR END FUND TRANSFERS AS RECOMMENDED BY CITY ADMINISTRATOR SWENSON IN HIS DECEMBER 21, 2005 MEMO TO THE CITY COUNCIL. MOTION CARRIED WITH ALL AYES.

6. A memo dated December 21, 2005 from the Personnel Committee recommends the acceptance of the resignation of General Manager Dennis Leaser effective February 28, 2006. Mr. Leaser has agreed to offer his expertise to the City on a consulting basis at a rate of \$75 per hour after February 28th. MOTION 12S1-05-05 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO ACCEPT THE RESIGNATION OF DENNIS LEASER EFFECTIVE FEBRUARY 28, 2006 AND TO APPROVE A RATE OF \$75 PER HOUR TO DENNIS LEASER ON A CONSULTING BASIS AFTER FEBRUARY 28<sup>TH</sup> AND AUTHORIZE STAFF TO BEGIN THE HIRING PROCESS. Councilmember Phillips stated that he was sorry to see Leaser leave in that he was a great asset to the community and a strong leader. Councilmember Eggena stated that Leaser will be difficult to replace. MOTION CARRIED WITH ALL AYES.
7. A memo dated December 21, 2005 from the Personnel Committee recommends that Planner-Zoning Coordinator Bryan Hargrave be removed from probationary status and placed on regular full time status retroactive to December 6, 2005. MOTION 12S1-06-05 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN SWANSON TO APPROVE REMOVING PLANNER-ZONING COORDINATOR BRYAN HARGRAVE FROM PROBATIONARY STATUS AND PLACED ON REGULAR FULL TIME STATUS RETROACTIVE TO DECEMBER 6, 2005. MOTION CARRIED WITH ALL AYES.
8. A memo dated December 21, 2005 from the Personnel Committee recommends to the City Council that the Non Union 2006 Wage Recommendations be approved.

The amounts shown for City employees are the same amounts included in the 2006 Budget and approved by the City Council on December 12, 2005. The Crosslake Communications budget is currently in process. MOTION 12S1-07-05 WAS MADE BY DEAN EGGENA AND SECONDED BY TERRY CURTIS TO APPROVE THE WAGE RECOMMENDATIONS FOR NON-UNION EMPLOYEES FOR 2006 AS PRESENTED. Discussion ensued regarding why the Operations Manger's name was not included in the memo and General Manager Leaser explained the reason for not requesting an amount at this time. There was also discussion regarding why there was no increase in 2006 for the General Manager position and the Council agreed that when this position is filled the wage and benefit package will be a negotiated item. Councilmember Curtis stated that the recommendation was brought forward by the Personnel Committee after considerable consideration and questioned whether it is appropriate to discuss these items at the Council level. MOTION CARRIED WITH ALL AYES.

9. A Staff Report dated December 21, 2005 from Park Director Jon Henke requested approval of the Lutheran Social Services Senior Nutrition Program Site User Agreement. The agreement details each party's responsibility in regards to this service which will commence on January 3, 2006. Councilmember Phillips asked whether the City Attorney should review the agreement and Henke stated that it is a basic agreement which allows either party to cancel upon thirty days notice. The Council suggested adding the statement "only served during normal working hours" to Section XI. Other; in the contract. MOTION 12S1-08-05 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY DEAN EGGENA TO AUTHORIZE THE MAYOR SIGNING THE LSS SENIOR NUTRITION PROGRAM SITE USE AGREEMENT – 2006 WITH THE ADDITION OF VERBAGE TO SECTION XI. "ONLY SERVED DURING NORMAL WORKING HOURS" TO THE AGREEMENT. MOTION CARRIED WITH ALL AYES.

At 9:40 A.M. Clerk Roach left the meeting to commence banking activities based on Council action taken during this meeting and Deputy Clerk Charlene Nelson resumed minute taking.

At 9:45 A.M., the Special Council Meeting reconvened.

Councilman Phillips questioned at whose request was the next item on this agenda. Chief Hartman replied that he requested the ordinance amendment relating to the regulation of pawnbrokers be on this agenda, as the moratorium on pawnbrokers ends on December 31, 2005. Councilman Phillips asked if there was a moratorium on antique shops too. Chief Hartman explained that the moratorium in place was only for pawnbrokers, however, as he gathered the information for the ordinance amendment, other law enforcement agencies suggested that he add second hand shops and antique shops to the ordinance because it is difficult for law enforcement to distinguish between the different types of shops. City Attorney Adams stated that the moratorium included tattoo parlors, pawn shops, and currency exchange shops and that the moratorium could not be extended at this time and that it needed to be acted upon now.

Councilman Eggena suggested that the Council pass this ordinance today and make changes to it at a later date if necessary. Chief Hartman stated that he looked at ordinances from all over the state and that the State is in favor of a state-wide automated pawn system. Councilman Curtis reminded the Council that public input was taken several months ago when the moratorium was put into place. City Attorney Adams also suggested that the Planning and Zoning Commission regulate where in town these sort of businesses can be.

City Attorney Adams stated that the proposed ordinance in front of the Council today relating to the regulation of pawnbrokers was taken from the City of Minneapolis City Code and is a tried and tested ordinance. The biggest question City Attorney Adams and Chief Hartman had was deciding how to collect and how much to charge for the annual license fees. Chief Hartman stated that Bill Hafenstein of the Minneapolis Police Department suggested having a one-time fee of \$1050, which also covers the training of officers. The Minneapolis PD breaks even at this price and does not make any profit from this fee. Chief Hartman suggested that Crosslake set a one-time fee or possibly an annual fee at \$1500 to cover the cost of mileage to deliver transactions to the State. He added that the charges from the State would not begin until a pawn shop was opened. The pawn shop would enter every transaction of pawned items into the automated pawn system on the computer. The State would charge the City approximately \$1.00 per transaction and the City would in turn charge the pawn broker approximately \$1.50-\$2.00 per transaction. A fee is only incurred when an item is pawned. Ken Anderson added that a pawn broker could also manually send its transactions to the State, if a computer was not available.

Councilman Eggena questioned if the Council could pass just one of the four proposed ordinances in front of them today and not get into trouble for picking on the pawnbrokers. City Attorney Adams replied that it was up to the Council, but cautioned that it is difficult to determine between pawn shop, and second hand shop and an antique shop. Teddy Nelson, a citizen and antique dealer in the audience, stated that the definition of an antique is that the item must be over 100 years old, period. City Attorney Adams questioned how a person knows the age of an item. Mayor Andolshek asked the attorney if he suggested passing the second hand shop and antique shop ordinances so that they would also be on the automated pawn system and the attorney replied yes. Councilman Eggena suggested taking the time later to determine the difference between the types of shops, and first see if anyone even comes to town who is interested in opening a shop. Chief Hartman replied that most problems with stolen merchandise are with pawn and second hand shops, not antique shops. Councilman Swanson questioned who would determine if a shop was a pawnbroker or a second hand shop. Councilman Eggena stated that he could not vote for an ordinance regulating second hand shops or antiques shops and stated that if those type of stores become a problem in the future, the City can deal with it then. City Attorney Adams explained that the proposed ordinance did not regulate the sale of clothing or books, only video equipment, TV's, electronics, etc. Councilman Curtis stated that there are stores out there that sell recycled athletic equipment, computers, etc. Councilman Eggena questioned if an antique shop sold an old guitar for \$150, would they have to report that. Attorney Adams said no. Councilman Eggena questioned who would determine that and stated it would be a waste of time to have this type of ordinance in Crosslake.

Chief Hartman stated that pawn shops and second hand shops are very similar and that this ordinance would allow him to investigate the owner if a new business came to town and that the Council would have the ability to deny or allow the business to open. Councilman Curtis suggested the Conditional Use Permit could also require a business to be a part of the automated pawn system. Councilman Swanson questioned if this ordinance has worked well in Minneapolis. Chief Hartman and City Attorney Adams were not sure. Mayor Andolshek questioned if the Council could adopt only the ordinance relating to the regulation of pawnbrokers.

Teddy Nelson told the Council that antique dealers are nothing like pawn brokers and that she does not buy anything from someone she doesn't know and that the antique dealers in this area work together to prevent stolen merchandise from being sold. Ken Anderson stated that if Teddy had her records in an automated system, stolen goods would be easier for the police to locate. Councilman Eggena stated that he would rather the thief get away than give up liberties of the people. Mayor Andolshek asked if the pawnbroker ordinance would have an effect on any current business in town. Ken Anderson replied no. Councilman Eggena stated that there was nothing in the proposed ordinance relating to pawnbrokers that would be detrimental to any business today and that he has no problem adopting this ordinance. Mayor Andolshek asked if the Council could accept this ordinance today and discuss the fees associated with it at a later date. Chief Hartman replied that he could check with other cities to see what their fees are and then have the Council adopt that at a later time.

MOTION 12S1-09-05 WAS MADE BY DEAN EGGENA, SECONDED DICK PHILLIPS TO ADOPT ORDINANCE NO. 226 RELATING TO THE REGULATION OF PAWNBROKERS. MOTION CARRIED WITH ALL AYES. City Attorney suggested approving a resolution for the fees today and then change it by resolution later, if needed. Chief Hartman suggested an initial fee of \$1500.00, a modem transaction fee of \$2.00 and a manual transaction fee of \$3.00. MOTION 12S1-10-05 WAS MADE BY DICK PHILLIPS, SECONDED BY DEAN EGGENA TO APPROVE RESOLUTION NO. 05-34 STATING THAT THE INITIAL START-UP FEE FOR A PAWNBROKER WILL BE \$2000, THE AUTOMATED TRANSACTION FEE WOULD BE \$2.00 AND THE MANUAL TRANSACTION FEE WOULD BE \$3.00. MOTION CARRIED WITH ALL AYES. Tom Swenson suggested that because of the length of the ordinance, it be published in summary form. MOTION 12S1-11-05 WAS MADE BY DEAN EGGENA, SECONDED BY DICK PHILLIPS TO PUBLISH THE ORDINANCE RELATING TO THE REGULATION OF PAWNBROKERS IN SUMMARY FORM. MOTION CARRIED WITH ALL AYES.

Councilman Swanson directed staff to find out if the City of Minneapolis has had any problems with the ordinance. Mayor Andolshek asked staff to notify the Council if the ordinance applies to any business in Crosslake. Councilman Phillips asked Chief Hartman to compare the ordinance to other out-state towns too. Chief Hartman replied that Staples and Brainerd have adopted this ordinance already. City Attorney Adams recommended that the Council direct the Planning and Zoning Commission to discuss a location of these types of businesses. It was the consensus of the Council to direct the Planning and Zoning Commission to determine which Zoning Class these businesses should be located in.

Councilman Curtis questioned whether the state and/or county health departments were involved with ordinances for body art and tattoo parlors and how could it be dealt with at the city level, because no one on this Council may be qualified to determine what the regulations should be. Councilman Eggena replied that that is why the City does not need an ordinance to regulate this. Councilman Phillips suggested that the Council could take a field trip to Sturgis to learn about tattooing and body piercing. Ken Anderson stated that he also had some questions regarding ordinances for tattoo parlors.

MOTION 12S1-12-05 WAS MADE BY DEAN SWANSON, SECONDED BY DEAN EGGENA TO ADJOURN THE MEETING AT 10:57 A.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted,



Darlene J. Roach  
Clerk/Treasurer

Charlene Nelson  
Deputy Clerk

SHARED: SPECIAL COUNCIL MTG-Dec 28, 2005.doc

**BILLS FOR APPROVAL**  
**28-Dec-05**

VENDOR	DEPT	AMOUNT
Abra True Value, bits	PW	14.15
Ace Hardware, tape, bulbs, air freshner	PW	19.53
Ace Hardware, glue	P&R	2.49
Ace Hardware, clamps, adapter, nipple	P&R	5.27
Ace Hardware, couple, clamp	P&R	7.14
Ace Hardware, general hardware	P&R	2.00
Ace Hardware, adapter, elbows, union, pvc pipe, valves	PW	64.08
AW Research, water test	Sewer	197.10
AW Research, water test	Sewer	197.10
Brainerd Medical Center, lab collection fee	PW	20.39
Brothers Motorsports, replaced gasket and fuel bowl	PW	80.18
Bryan Hargrave, reimburse travel expenses for class	P&Z	381.36
Business Forms And Accounting, W2's	Admin	141.06
California Contractors, safety glasses	PW	118.80
Career Clothes, uniform	Police	107.60
Chief Supply, batteries	Police	94.95
Country Works, labels and copies	Library	22.68
Crosslake Communications, reimburse 50% pera rate inc	Gov't	744.75
Crosslake Portable Welding, air tube	PW	165.00
Ehlers & Associates, disclosure reporting	Gov't	1,550.00
Fairfield Township, greer lake road project	PW	6,971.85
Hawkins Water Treatment, aluminum sulfate	Sewer	176.51
Holiday Station, propane	Cemetery	39.92
Holiday Station, propane	Cemetery	15.96
Holiday Station, propane	Cemetery	15.96
Honey Wagon, pump and clean trap	PW	205.00
Houston Ford, oil change	Police	25.86
Irene Schultz, 4th quarter meetings	P&Z	25.00
Ken Anderson, reimburse meeting expenses	P&Z	6.70
Marco, copier maintenance contract	P&R	379.26
Martin Communications, repair knobs	Fire	58.89
Mastercard, Better Roads/Aggregate, subscription	PW	24.00
Mastercard, Inland Ind Supply, battery charger	PW	159.70
Mastercard, Office Max, cd's, ink	PW	76.66
Med Compass, medical exams	Fire	2,005.00
Menards, stove pipe, batteries	PW	146.82
Meyer Midwest, smart lock cylinder	PW	380.74
Michael Winkels, 4th quarter meetings	P&Z	100.00
Mid American Research Chemical, wash n' wax	PW	103.68
Molly's Cleaning Service, december cleaning	Gov't	772.13
MR Sign, street name signs	PW	99.34
Nancy Addington, 4th quarter meetings	P&Z	50.00
Nancy Koch, 4th quarter meetings	P&Z	100.00
Pequot Lakes Youth Sports, soccer tournament	P&R	39.51
Peter Abler, 4th quarter meetings	P&Z	75.00
Reed's Market, coffee, tissues, plates, vinegar	Gov't	66.86
Roach's Lawn & Marine, battery	Fire	53.20

Roger Lynn, 4th quarter meetings	P&Z	75.00
Samaritan Tires, tires	Police	428.47
St. Cloud Restaurant Supply, dishwasher and accessories	P&R	5,358.02
St. Cloud Restaurant Supply, kitchen dishes, cups, utensil	P&R	640.07
Superior Lamp, bulbs	PW	728.49
Teri Jo Flynn Gammon, 4th quarter meetings	P&Z	75.00
The Door Doctor, adjusted and oiled door	P&R	55.00
The Office Shop, audio cassettes	Police	22.05
Thelen Heating & Roofing, pressure washer exhaust	PW	1,671.50
UCT, wireless lappel mic	Gov't	292.87
Unicel, cell phone charges	PW/P&Z	106.41
Unicel, cell phone charges	Police	333.76
USA Bluebook, solenoid valve, meter, gloves, electrode	Sewer	1,474.55
Viking Coca Cola, pop	Gov't	43.13
Whitefish Auto, oil change, wipers, repair heater	P&R	139.70
Xcel Energy, gas utilities	Sewer/ PW	2,083.84
<b>TOTAL</b>		<b>29,637.04</b>

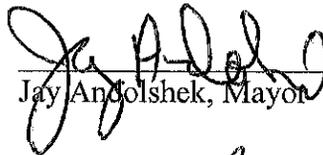
**RESOLUTION NO. 05-34**  
**RESOLUTION ESTABLISHING FEES RELATED TO**  
**THE REGULATION OF PAWNBROKERS**

WHEREAS, the City Council of the City of Crosslake approved Ordinance No. 226 on December 28, 2005 regulating the operation of Pawnbrokers within the City of Crosslake; and

WHEREAS, said Ordinance allows for the collection of fees relating to the administration, oversight and licensing of Pawnbrokers.

NOW, THEREFORE, BE IT RESOLVED that the initial annual license fee shall be \$2,000.00 with an additional billable transaction fee of \$2.00 per automated transaction and \$3.00 per manual transaction.

Adopted this 28th day of December, 2005.

  
Jay Andolshek, Mayor

  
Thomas N. Swenson, City Administrator