

CROSSLAKE COMMUNICATIONS ADVISORY BOARD/CITY COUNCIL MEETING
WEDNESDAY, MARCH 14, 2007
CROSSLAKE CITY HALL

The Regular Meeting of the Crosslake Communications Advisory Board was called to order at 7:30 a.m. by Vice Chair Dave Fischer. Members present were Dave Fischer, Mike Winkels, Jeff Kittleson, Kristi Kraemer and Alternate Mike Myogeto. Absent was Armond Gease. Also present were General Manager Paul Hoge, City Administrator Tom Swenson, Office Manager Debby Floerchinger, Accountant Cyndi Perkins, Network Engineer Paul Davis, Operations Manager Jared Johnson and Helen Fraser.

Actions Taken:

- 1) **The Advisory Board recommends to the City Council that we utilize the services of financial institutions, legal firms, engineers, accountants and consultants as listed on the attached.**

The Minutes of the January 30, 2007 meeting were reviewed. Mike Winkels moved to accept the January 30, 2007 Minutes as presented. Second by Jeff Kittleson. All in favor, motion carried.

The January, 2007 Financial Statements were reviewed. Mike Winkels moved to accept the January 2007 Financial Statements. Second by Mike Myogeto. All in favor, motion carried.

COMMUNICATIONS

- 1) Name Legal Firms, Financial Institutions, Engineers, Accountants and Consultants. The list for 2007 was reviewed by the Commission. Jeff Kittleson moved to recommend to the City Council approval of the 2007 List of Professional Organizations Assisting Crosslake Communications. Second by Mike Winkels. All in favor, motion carried.
- 2) Outside Plant Update. Jared Johnson reported that we are currently dealing with the water in the ditches and the problems it is causing with our equipment. We have had taken a few hits from the work that Crow Wing Power is performing on Anchor Point Road. We have also been working with the City on the Ostlund Project. Jared also reported that he met with the fiber splicer yesterday. They will begin testing in the second phase next week.
- 3) Cable TV Expansion Update. Jared reported that we have started the Cable TV expansion. We are currently scheduled to have our NASRAC equipment installed April 16th and cut over on April 23rd. We are also working on the addition of programming on our expanded basic lineup as well as adding a High Definition package. We hope to add the expanded basic channels around May 1st. There was discussion about the need to raise cable rates when we launch the new channels. Paul agreed that we will bring the costs to the Board for a recommendation.

- 4) Cable TV Price Complaint. Paul Hoge read a letter from a customer regarding an article the customer had read in Consumer Reports regarding receiving cable programming via ala carte. The Board directed Paul to respond back to the customer explaining why we cannot offer specific channels to each customer.
- 5) Certificate of Authority Update. Paul reported that we have been checking our tariff to see if we need to amend any language to include the new territory but could not find anything in the existing tariff that specified a serving area. It appears that we will not need to make any changes to our tariff.
- 6) All In One Home Package. Paul reported that we had a bill insert go out in the March bills and he has been calling customers. We have had a great response to the new package.

PERSONNEL

- 1) Medica Rate Increase. Paul reported that our Medica rates increased 24% for 2007. This increase was due to an increase in our experience rating due to claims. The employees have been notified of the increase.
- 2) Employee Concessions. Paul reported that since we have employees being reimbursed for employee concessions in several different ways, Cyndi is working on getting the reimbursement on the paychecks monthly.

OTHER BUSINESS

- 1) MTA Convention Discussion. The people who had attended the MTA Convention shared with the Board what they had learned. All who had attended felt the Convention provided excellent information and networking opportunities.
- 2) Day on the Hill. Paul Hoge reported on the issues that were discussed including 911 and municipal telephone companies.
- 3) MTA Safety Award. Dave Fischer reported that Crosslake Communications was presented with the MTA Small Company Safety Award at the MTA Convention. Dave congratulated the staff on receiving this award.

The Meeting was recessed at 8:30 for a short break.

Council members Jay Andolshek, Irene Schultz, Steve Roe and Dean Swanson joined the Advisory Board for a Joint Advisory Board/City Council meeting. Mayor Andolshek called the Council Meeting to order at 9:00 a.m.

The Advisory Board meeting resumed at 9:00 a.m. Kristi Kraemer left the meeting. Pat Powers from Olsen Thielen Co., Ltd. joined the meeting.

1) REVIEW/APPROVE 2007 LIST OF PROFESSIONAL ORGANIZATIONS ASSISTING CROSSLAKE COMMUNICATIONS.

Paul Hoge reviewed the 2007 List of Professional Organizations Assisting Crosslake Communications. MOTION 3S1-01-07 WAS MADE BY JAY ANDOLSHEK, SECOND BY STEVE ROE TO APPROVE THE ATTACHED LIST OF PROFESSIONAL ORGANIZATIONS ASSISTING CROSSLAKE COMMUNICATIONS. MOTION CARRIED WITH ALL AYES.

2) REVIEW/APPROVE 2006 CROSSLAKE COMMUNICATIONS AUDIT REVIEW

Pat Powers from Olsen Thielen was present to review the 2006 Audit for Crosslake Communications. Pat reported that it was a clean audit with no irregularities. Pat also reviewed accompanying letters regarding control deficiencies. Dean Swanson asked if the company has made any improvements. Pat indicated that the Company has improved through processes they have in place. Mayor Andolshek asked about a comparison with other telephone companies. Pat was asked to notify Paul Hoge when those comparisons would be available. Jeff Kittleson moved to recommend to the City Council approval of the 2006 Audit. Second by Mike Winkels. All in favor, motion carried. MOTION 3S1-02-07 WAS MADE BY DEAN SWANSON, SECOND BY IRENE SCHULTZ TO APPROVE THE 2006 AUDIT. MOTION CARRIED WITH ALL AYES.

Jeff Kittleson moved to adjourn the meeting at 10:20 a.m. Second by Mike Winkels. All in favor, motion carried.

MOTION 3S1-03-07 WAS MADE BY STEVE ROE AND SECOND BY DEAN SWANSON TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 10:20 A.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by:



Debby Floerchinger
Crosslake Communications Office Manager

**2007 LIST OF PROFESSIONAL ORGANIZATIONS
ASSISTING CROSSLAKE COMMUNICATIONS**

Legal Firms:

Sandelin Law Office (General Matters)
Moss & Barnett (Cable TV & Regulatory Issues)
Johnson, Killen & Seiler, P.A. (Labor Law)
Cinnamon Muehler (Cable TV Issues)
Briggs and Morgan (Bond Counsel)
Dorsey & Whitney (Certificate of Authority)

Engineers:

CC&I Engineering
Vantage Point

Accountants:

Olsen Thielen & Co., Ltd.

Consultants:

CC&I Engineering
GenSoft (CBT)
Vantage Point
7Sigma

Financial Institutions:

Lakes State Bank
Lakewood Bank
Northern National Bank
First Federal Savings
Merrill Lynch
Northland Securities