

CROSSLAKE COMMUNICATIONS COMMISSION/JOINT CITY COUNCIL MEETING
TUESDAY, FEBRUARY 24, 2004
CROSSLAKE CITY HALL

The Regular Meeting of the Crosslake Communications Commission was called to order by Chairperson Ted Silva at 8:00 a.m. Members present: Ted Silva, Bill Smith, Dave Fischer, Clyde Fish, Steve Roe and Gerry Brine. Members absent: Hank Duitsman. Also present were General Manager Dennis Leaser, Office Manager Debby Floerchinger, Operations Manager Jared Johnson, Network Engineer Paul Davis, Liaison Darrell Swanson, City Administrator Tom Swenson and Helen Fraser.

Actions Taken:

- 1. The Crosslake Communications Commission recommends to the City Council that we utilize the services of financial institutions, legal firms, engineers, accountants and consultants as listed on the attached.**
- 2. The Crosslake Communications Commission recommends to the City Council approval of the 2004 Budget.**

The Minutes of the January 27, 2004 Regular Meeting were reviewed. Clyde Fish moved to accept the Minutes, second by Gerry Brine. All in favor, motion carried.

The January 2004 Combined Financial and Statistical Reports were reviewed. Bill Smith moved to accept the January 2004 combined Financial and Statistical Reports. Second by Dave Fischer. All in favor, motion carried.

1. Commission Elections. Ted stated that according to Crosslake Communications Management Policy, Commission members at the second meeting of each year shall elect the Chairperson. A motion was made by Bill Smith to nominate Ted Silva. Second by Clyde Fish. All in favor, motion carried. Ted Silva selected Gerry Brine as Vice Chair. Gerry's appointment was accepted by a unanimous ballot.
2. Name Legal Firms, Financial Institutions, Engineers, Accountants and Consultants. The list was reviewed by the Commission. After discussion, it was agreed that Olsen Thielen would be removed from the list as a Consultant. It was also agreed that if we would use any new banks, we would modify the list. Gerry Brine moved to approve the list as modified. Second by Steve Roe. All in favor. Motion carried.
3. 2004 Budget. Dennis reviewed 2003 accomplishments with the Commission. The budget for 2004 was again reviewed with the Commission. The Commission felt that expenses should not be included in the narrative next year. Clyde Fish felt the revenues had been underestimated.

PERSONNEL

4. Accountant Position. Dennis reported that two individuals had been interviewed for the accountant position. A recommendation will be made at the next Personnel meeting to hire Cynthia Perkins from Ironton. It is our hope to have her start on March 15th.

Council members Irene Schultz and Dean Eggena joined the Commission for a Joint Commission/Council meeting at 9:00 a.m. Richard Phillips and Chuck Miller were absent. Mayor Swanson called the Council meeting to order at 9:00 a.m. Pat Powers from Olsen Thielen and Cindy Holden also joined the meeting.

1. 2003 Crosslake Communications Audit Review. Pat Powers from Olsen Thielen was present to review the 2003 Combined Audit with the Commission and City Council. Pat reported that the audit provided a clean opinion. Dean Eggena questioned Pat on whether we had enough FDIC insurance on our investments. Pat explained that the pledged collateral is reviewed in the audit. Dean said he would feel better if the collateral was reviewed quarterly. Pat said that is something Olsen Thielen could do.

MOTION S2-01-04 WAS MADE BY DEAN EGGENA AND SECOND BY IRENE SCHULTZ THAT A QUARTERLY REVIEW OF THE INVESTMENTS BE PERFORMED FOR THE CITY AND COMMUNICATIONS COMPANY. MOTION CARRIED WITH ALL AYES.

There was also considerable discussion on our tower. It was agreed that a committee would be formed to look into options for the replacement of the tower.

MOTION S2-02-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DARRELL SWANSON TO LOOK INTO ALTERNATIVES TO REPLACING THE TOWER AND TO COME BACK WITH A STUDY.

Jared suggested that we look at replacing the existing tower immediately and then look at the City's needs 10-15 years out. The committee will determine the best way to replace the current tower and come back to the Commission next month with some suggestions. A decision can then be made on how to proceed. MOTION CARRIED WITH DARRELL SWANSON WITH AN AYE AND IRENE SCHULTZ WITH A NAY.

Pat Powers said that there were no issues noted with compliance. As noted previously, due to the size of the company there is a lack of segregation of duties. Pat stated that we meet the accounting standards and the State of Minnesota accounting requirements.

Pat presented the Commission and Council with a letter stating what the maximum 2005 Operating Transfer to the City will be based on the Crosslake Communications' Utilities Management Policy based on the 2003 audit.

5. 2004 Crosslake Communications Budget. Dennis stated that the capital budget had been reviewed with the council members individually.

MOTION S2-03-04 WAS MADE BY IRENE SCHULTZ TO APPROVE THE 2004
CROSSLAKE COMMUNICATIONS BUDGET. SECOND BY DEAN EGGENA.
MOTION CARRIED WITH ALL AYES.

Ted Silva pointed out that the monies from the sale of the RCC stock has now been depleted. Any future additions will come out of revenues or depreciation. Dennis suggested that any monies left over at the end of the year be put into the technology fund. Everyone agreed.

**The next regular Crosslake Communications Commission meeting will be
Tuesday, March 30, 2004 at 7:30 a.m. at Crosslake Communications.**

A motion was made by Bill Smith and second by Gerry Brine to adjourn the meeting at 10:57 a.m.

There being no further comments, MOTION S2-04-04 WAS MADE BY DEAN EGGENA
AND SECONDED BY IRENE SCHULTZ TO ADJOURN THIS SPECIAL COUNCIL
MEETING AT 10:57 A.M. MOTION CARRIED WITH ALL AYES.



Ted Silva, Commission Chairperson