

REGULAR COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, AUGUST 11, 2003
7:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, August 11, 2003 at 7:00 P.M. The following Councilmembers were present: Mayor Darrell Swanson, Dean Eggena, Chuck Miller, Irene Schultz and Dick Phillips. Also present was City Administrator Tom Swenson, City Attorney Paul Sandelin, City Engineer Dave Reese, Public Works Director Ted Strand, Park and Recreation Director Jon Henke, Police Chief Bob Hartman, General Manager Dennis Leaser, Community Development Director Ken Anderson, Clerk/Treasurer Darlene Roach and Lake Country Echo Reporter Betty Ryan. There were approximately twelve individuals in the audience not including Staff.

A. CALL TO ORDER – Mayor Swanson called the meeting to order at 7:03 P.M. and asked for a motion to accept the additions to the Agenda. MOTION 08R-01-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE ADDITIONS TO THE AGENDA AS PRESENTED. MOTION CARRIED WITH ALL AYES.

B. CRITICAL ISSUES – None

C. CONSENT CALENDAR - MOTION 08R-02-03 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR CONSISTING OF: (1) MINUTES OF SPECIAL COUNCIL MEETING OF JULY 14, 2003; (2) MINUTES OF REGULAR COUNCIL MEETING OF JULY 14, 2003; (3) MINUTES OF JOINT UTILITIES/COUNCIL MEETING OF JULY 29, 2003; (4) MINUTES OF PUBLIC HEARING OF JULY 29, 2003; (5) CROSSLAKE COMMUNICATIONS TELEPHONE AND CABLEVISION COMPANY STATISTICAL REPORT DATED JUNE 30, 2003; (6) CITY MONTH END REVENUE REPORT DATED JUNE 30, 2003; (7) CITY MONTH END EXPENDITURE REPORT DATED JUNE 30, 2003. MOTION CARRIED WITH ALL AYES.

D. PUBLIC FORUM – Crosslake Resident Kathy Swanson addressed the Council and expressed her concern in regards to a statement made by a member of the City Council which, in her opinion, misrepresented the facts. It was her belief that a vote taken by the Council in regards to the 2:00 A.M. closing was swayed based on incorrect information presented by a Councilmember.

E. MAYOR'S REPORT - Mayor Swanson reported that the Centennial parade went very well and thanked the Chamber and members of the Community for their support of the event.

F. CITY ADMINISTRATOR REPORT --

1. Bills for Approval -- MOTION 08R-03-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNTS OF \$91,325.13 AND \$13,621.71. Councilmember Philips inquired about the legal bills and whether the City was staying under budget in this category. City Administrator Swenson stated that there is a department for legal services in addition to individual department budgets for legal services and when the bills are paid they are charged appropriately. However, on the bills for approval the amounts are combined into one total amount. MOTION CARRIED WITH ALL AYES.
2. Memo dated July 22, 2003 from City Administrator Swenson requested that the Council set a date for the Truth in Taxation Hearing. MOTION 08R-04-03 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DEAN EGGENA TO SET THE DATE FOR THE TRUTH IN TAXATION MEETING FOR MONDAY, DECEMBER 1, 2003 AT 6:00 P.M. AT CITY HALL WITH A CONTINUATION HEARING, IF NECESSARY FOR MONDAY, DECEMBER 8, 2003 AT 6:30 P.M. AT CITY HALL. MOTION CARRIED WITH ALL AYES.
3. Memo dated August 6, 2003 from City Administrator Swenson regarding schedule for budget meetings -- It was the recommendation of City Administrator Swenson that Friday, August 22, 2003 at 1:00 P.M., Thursday, August 28, 2003 at 10:00 A.M. and September 4, 2003 at 9:00 A.M. be set to review the proposed revenues and expenditures for 2004. The City is required to certify its preliminary levy to the County Auditor by September 15, 2003. MOTION 08R-05-03 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO ADOPT THE SCHEDULE AS PROPOSED BY THE CITY ADMINISTRATOR FOR THE BUDGET MEETINGS. MOTION CARRIED WITH ALL AYES.
4. Letter from Clarence Jensen requesting Repurchase of Cemetery Lots -- MOTION 08R-06-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO REPURCHASE BLOCK NO. 21, LOT 4, GRAVES G AND H FROM CLARENCE JENSEN FOR \$30.00. MOTION CARRIED WITH ALL AYES.
5. Memo dated August 1st from City Administrator Swenson regarding the use of funds received from the recent sale of three Gendreau Lots. City Administrator Swenson recommended that the proceeds from the sale of the three lots, less legal expenses, be used to pay off the Contract for Deed which the City entered into with DM Investments for the purchase of 3 + acres of land adjacent to Pinewood Cemetery. The balance owed on the property is \$30,990.88. Payoff of this Contract for Deed would save the City \$4,436.50 in interest costs at a rate of 7% interest on the outstanding balance. MOTION 08R-07-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DICK PHILLIPS TO DIRECT THE CITY ATTORNEY TO PREPARE THE NECESSARY LEGAL DOCUMENTS TO COORDINATE THE PAY OFF OF THE CONTRACT FOR DEED FOR THE CEMETERY PROPERTY. MOTION CARRIED WITH ALL AYES.

6. A letter dated April 30, 2003 from the Minnesota Department of Administration estimated the City's population at 1,961 and the number of households at 941 as of April 1, 2002.
7. The American Legion Post 500 Semi-Annual Charitable Gambling Report reflected expenditures of \$7,121.47 for the period of January 1, 2003 through June 30, 2003.
8. The July 2003 Small Cities Update was included in the packet for Council information.
9. A letter dated August 6, 2003 from Henry Fisher, Regional Planner of the Minnesota Office of Environmental Assistance, informed the City that a Public Notice for the Crow Wing County Solid Waste Management Plan Update be posted in a public place in the City for public information.
10. The Spring/Summer edition of the Crow Wing County Historical Society's Historian newsletter was included for Council information.
11. Lakes State Bank Pledge Update dated July 31, 2003 was included for Council information.
12. Lakewood Bank Pledge Update dated July 31, 2003 was included for Council information.
13. Northern National Bank Pledge Update dated July 31, 2003 was included for Council information.
14. A letter dated August 8, 2003 from Mission Township Board Chairman Robert Young informed the City that the Township would like to continue with the law enforcement coverage for 2004. In addition, the letter informed the City that the Township has no plans to pave the Township's portion of Fawn lake Road at this point in time. The Township does acknowledge that the road needs paving and will consider this project again in the 2005 budget. MOTION 08R-08-03 WAS MADE BY DICK PHILLIPS AND SECONDED BY IRENE SCHULTZ TO APPROVE THE POLICE CONTRACT WITH MISSION TOWNSHIP FOR 2004 IN THE AMOUNT OF \$40,000. MOTION CARRIED WITH ALL AYES.

G. COMMISSION REPORTS –

1. **ECONOMIC DEVELOPMENT AUTHORITY** – General Manager Dennis Leaser, Chairman of the CTC Revolving Loan Fund Executive Committee, informed the Council that at a meeting held on August 5th, a motion was approved to recommend to the Economic Development Authority that a loan up to \$20,000 be made to an applicant in participation with Bremer Bank in accordance with the CTCRLF policy. This loan would carry an interest rate of 5 ¼ percent over five years with a .25% service fee paid to Bremer Bank and a personal guarantee by the applicant. Subsequent to this meeting, at a meeting of the EDA held on August 6, 2003, a motion was approved by the EDA recommending Council approval on the loan. General Manager Leaser introduced Julie Hofius of Brainerd Lakes Area Development Corporation, who was actively involved with the applicants in requesting the loan. Ms. Hofius stated that she has been working with the applicants, Dan and Kirsten Seidl in regards to their plan to lease space to operate a retail store featuring home décor and gifts in the Town Square Development. Ms.

Hofius introduced Kim Ellingson from Bremer Bank, who was present to represent the bank's position of 36% of the loan. The City's contribution would represent 9% of the loan and the Seidl's would contribute 55% or \$110,000 in equity to the project and would personally guarantee the loan. MOTION 08R-09-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE A LOAN OF \$20,000 TO DANIEL AND KIRSTEN SEIDL AT 5 ¼% INTEREST OVER FIVE YEARS, WHICH INCLUDES A .25% SERVICING FEE TO BREMER BANK. Dan and Kirsten Seidl addressed the Council and stated that they look forward to the opportunity to offer their services and product in interior design to the residents of Crosslake and feel that the Town Square is an excellent venue for this. It is their intent to open the business next spring. Kim Ellingson of Bremer Bank stated that it is the position of the bank that the Seidl's are a good credit risk and from their perspective recommend approval of the loan. MOTION CARRIED WITH ALL AYES. City Attorney Sandelin will prepare the business subsidy agreements. General Manager Leaser stated that these funds were originally received as grant money from RUS to be used in the service area for business opportunities. It was noted that the City relies on BLADC to work with applicants until such time as a request comes to the City for review and approval. The minutes of the July 2, 2003 meeting were included for Council information.

2. **SEWER COMMITTEE** – Chair Dean Swanson addressed the Council and stated that there was a glitch in the sewer project last week when someone turned off the dewatering pumps causing some delays. Residents were advised to not turn off the pumps. City Engineer Dave Reese presented an update on the plant and collection system. He stated that the contractor is currently working on the collection system in the area of East Shore Boulevard and will proceed down East Shore Road. He stated that everything is on schedule for both the collection system and the treatment facility. A pay request from KHC Construction has been reviewed and certified by WSN for payment in the amount of \$103,480. MOTION 08R-10-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE PAY REQUEST #5 FOR KHC CONSTRUCTION IN THE AMOUNT OF \$103,480. Councilmember Eggena asked if the pay request included any change orders and City Engineer Reese stated that it did not include any change orders. MOTION CARRIED WITH ALL AYES. A pay request from Hammerlund Construction has also been reviewed and certified for payment by WSN in the amount of \$274,418.85. MOTION 08R-11-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE PAY REQUEST #2 FOR HAMMERLUND CONSTRUCTION IN THE AMOUNT OF \$274,418.85. Councilmember Eggena asked if this pay request included any change orders and he was informed that it did not include any change orders. He then asked if there wasn't an addition after the bidding process and City Administrator Swenson stated that there is one being reviewed by the Sewer Committee which will be brought to the Council at a future meeting. MOTION CARRIED WITH ALL AYES. Councilmember Phillips asked the City Engineer if the trickle of water that is currently flowing through the dam will be enough water to keep the collection system flowing into the river and City Engineer Reese stated that the treatment plant is equipped to maintain a steady flow. Reese stated that when the permit was

written, the MPCA reviewed the flows through the dam and determined that this was an adequate situation. Councilmember Eggena asked if the rumor was true that the City was canceling the project north of the bridge and City Engineer Reese stated that there was no truth to the rumor. Public Works Director Ted Strand stated that there were also other rumors regarding leaks in the collection pipes that were also untrue.

3. PUBLIC WORKS -

- a. Resolution Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations under the Internal Revenue Code – City Administrator Swenson recommended approval of the resolution to allow the City to reimburse itself for expenses incurred on the road projects prior to the issuance of bonds. MOTION 08R-12-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DICK PHILLIPS TO ADOPT RESOLUTION NO. 03-32 ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE. MOTION CARRIED WITH ALL AYES.
- b. The minutes of the Public Works Commission Meeting of June 16, 2003 were included for Council information.
- c. A letter dated July 31, 2003 from WSN regarding Greer Lake Road and that part of the road using Park Road Account Funds was included for Council information.
- d. A letter dated July 23, 2003 from Duane Blanck to Richard Phillips regarding County Road #103 was included for Council information.
- e. A letter dated July 22, 2003 from Duane Blanck to Meredith Sommers regarding County Road #16 relating to speeding and signs was included for Council information.
- f. A letter dated August 11, 2003 from City Attorney Paul Sandelin regarding the 2003 road improvement to Brita Lane, Pine View Lane and Shafer Road was discussed. Attorney Sandelin summarized the contents of the letter and stated that unlike other plats, the Johnson's Pine View Plat contains road dedication language which states that "the roads within the plat are dedicated for the use of the owners of the lots in said plat" versus being dedicated to the public. Based on this language, and the fact that the City has never maintained any of the streets within the plat that are included in the scope of this project, the City cannot proceed unless the City receives the right-of-way from the property owners. Attorney Sandelin recommended that the City advise the contractor of the status of the right-of-way issue and not proceed until this issue is resolved. Attorney Sandelin has contacted the City's insurance carrier and advised the LMCIT of the situation and they recommended that the City not proceed with the improvement until the right-of-way issue is resolved. It was noted that this was a petitioned project by 50% of the front footage property owners. The Council inquired whether there was a possibility of obtaining the necessary right-of-way from the landowners in time to complete the project during this construction season. City Engineer Dave Reese stated that this is unfortunate and unusual

dedication language and the possibility exists that not all property owners would be willing to provide an easement to the City. If the City chose condemnation, the process would take at least ninety days. It was the recommendation of WSN, that this portion of the improvement process be removed by way of change order and resumed possibly during the next construction season. Councilmember Eggena inquired of the condemnation process taking 90 days and City Attorney Sandelin stated that the City could do a quick-take condemnation. In any case, appraisals would be required. City Administrator Swenson inquired as to how far the City proceeds and spends taxpayer dollars if the easements are not provided to the City. City Attorney Sandelin stated that title work will need to be done to verify who holds title to the approximately 20 parcels contained in the plat. Councilmember Eggena suggested that a letter be sent to the property owners requesting that they provide the City with an easement. Mayor Swanson suggested that City Engineer Reese contact Tri-City Paving and advise them of the situation. Reese stated that he has spoken with Dan Surma and he indicated that postponing the project would not be a problem. City Engineer Reese stated that under MNDOT guidelines, paving operations can be done through October 15th. City Administrator Swenson agreed that a letter could be sent to the property owners advising them of the problem and if the property owners can get together and provide the City with an easement for the right-of-way, there is a possibility the work could still be done this year, otherwise it may have to be put off until next year. There was some discussion regarding establishing a timeline as to when the City would need the easements. City Administrator Swenson asked whether another improvement hearing would be required if the project was postponed until 2004. Councilmember Eggena inquired whether the property owners could do a re-plat. City Attorney Sandelin stated that a re-plat could be done, however that would still require everyone's signature since they are the fee owners. MOTION 08R-14-03 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO AUTHORIZE THE CITY ATTORNEY SENDING A LETTER TO THE PROPERTY OWNERS GIVING THEM THE OPPORTUNITY TO CONVEY RIGHT-OF-WAY TO THE CITY BY SEPTEMBER 30TH. IF THE RIGHT-OF-WAY IS NOT CONVEYED BY THAT DATE, THE PROJECT WOULD BE CONSIDERED FOR NEXT YEAR IF ALL RIGHT-OF-WAYS ARE RECEIVED BY DECEMBER 31, 2003 WITH THE CONDITION THAT THE CITY ENGINEER WORK WITH TRI-CITY PAVING. MOTION CARRIED WITH ALL AYES. City Engineer Dave Reese stated that at the next regular meeting, the Council could entertain a motion requesting a change order with Tri-City Paving.

4. UTILITIES -

- a. General Manager Dennis Leaser presented highlights for July, 2003. He stated that Staff has been busy with all of the construction that is taking place within the City. He stated that work is going well with the Sewer

Project contractors and stated that Hammerlund Construction is very good to work with. The annual customer survey was mailed out in the August statements and 400 surveys have been received back through August 11th. The annual open house was held on Saturday, August 9th with approximately 500 people in attendance. The theme this year was "Your Hometown Choice Providing Local Support and Service". Over 300 servings of apple pie and ice cream were served during the open house and drawings were held which were donated by various telephone and cable sponsors. The Cable TV Tracking Report was included for Council information. The Five Year Joint Planning Meeting is scheduled for September 30th at 9:00 A.M. at the Community Center.

5. **PUBLIC SAFETY** – Chief Hartman stated that the Police Department reported 238 calls in Crosslake and 23 calls in Mission Township in July. The Police Department recently received a donation of \$3,000 from the Crow Wing Power Community Trust Board and acceptance of these funds was requested. The money will be used towards the purchase of an audio/visual system for the squad cars. MOTION 08R-15-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO ACCEPT WITH APPRECIATION THE DONATION OF \$3,000 FROM CROW WING POWER COMMUNITY TRUST TO BE USED TOWARDS THE PURCHASE OF AUDIO-VISUAL SYSTEMS FOR THE SQUAD CARS. MOTION CARRIED WITH ALL AYES. Chief Hartman noted that DNR Game Warden Cary Shoutz was unable to attend this meeting to discuss the ATV issue due to a conflict, however Mr. Shoutz felt that the City should, at a minimum, adopt the language set forth in State Statute. Chief Hartman stated that he has forwarded Chapter 169 of MN Statute regarding the ability of city's to establish permits for operation of ATV's on road right-of-way. In reviewing this legislation, Attorney Sandelin stated that the City has the ability to limit or restrict use of ATV's and that the Council needs to decide what issues they wish to address. It was noted that most of the complaints in the City deal with driveway damage. Chief Hartman read some of the major highlights of State Statute. Councilmember Eggena stated that the language pertaining to ATV's follows the same laws that pertain to snowmobiles. Based on this, he questioned whether the City should try and further legislate. After engaging in further discussion, and based on the number of complaints, it was the consensus of the Council that State Statute would suffice within the City. Chief Hartman advised residents to contact the DNR with any complaints since they are the enforcement agency within the City for this type of activity. Chief Hartman stated that the other issue he has been involved in relates to parking on West Shore Drive in the area of the public access. He stated that Mayor Swanson, Public Works Director Ted Strand and himself met with various property owners along West Shore Drive to listen to their concerns regarding the number of vehicles and boat trailers parking along the road in the area of the boat access. Chief Hartman stated that with the population growth, added use of public accesses is also increasing. While there is currently parking allowed on both sides of the road, he agrees that the situation is a dangerous one and agrees with the residents that parking should be restricted to one side of the road. City Administrator Swenson agreed that parking

should be restricted to the East side of the road and that the City work with the DNR to do some brushing in the area of the public access for better visibility when driving out of the access area onto West Shore Drive. MOTION 08R-16-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE ORDINANCE AMENDMENT NUMBER 184 RESTRICTING PARKING TO ONE SIDE OF THE ROAD ON WEST SHORE DRIVE. Councilmember Phillips inquired as to what distance parking would be restricted. Chief Hartman stated that the City will need to do signage along the road and by all driveways. Councilmember Eggena suggested that possibly the City purchase some off lake land for parking. Chief Hartman stated that he will review this possibility with Game Warden Shoutz and also talk to the Corps regarding available property for parking. MOTION CARRIED WITH ALL AYES. Regarding the possible use of Corps of Engineers property, MOTION 08R-17-03 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS THAT THE PUBLIC SAFETY COMMITTEE CONTACT THE CORPS OF ENGINEERS TO LOOK AT THE POSSIBILITY OF ESTABLISHING ADDITIONAL PARKING FOR THE BOAT LANDING ON WEST SHORE DRIVE IN CONJUNCTION WITH THE DNR. MOTION CARRIED WITH ALL AYES. The Fire Department responded to 13 medical calls and 5 fire calls in July for a total of 18 calls for the month.

6. PLANNING AND ZONING --

- a. Community Development Director Ken Anderson reported that 83 permits were issued in July for a valuation of \$2,273,455. This brings the year-to-date number of permits to 389 with a valuation of \$11,313,961. This compares to 247 permits issued year-to-date 2002 with a valuation year-to-date of \$10,016,254.
- b. The Crow Wing County Permit summary ranks Crosslake second to Breezy Point in the number of permits issued year-to-date through June 2003.
- c. A letter dated July 31, 2003 was received from Attorney Lonny Thomas informing the City of an appeal of the Planning and Zoning Commission's decision on a variance application from Dan White and Betsy Hoffman. Community Development Director Ken Anderson requested that a date for the appeal hearing be set. MOTION 08R-18-03 WAS MADE BY DEAN EGGENA AND SECONDED BY CHUCK MILLER TO SCHEDULE THE APPEAL HEARING FOR DAN WHITE AND BETSY HOFFMAN FOR THURSDAY, SEPTEMBER 4TH AT 10:00 A.M. AT CITY HALL. MOTION CARRIED WITH ALL AYES.
- d. Staff Report dated August 11th regarding Sundance Ridge Condominiums -- Community Development Director Ken Anderson requested Council approval on the preliminary plat for Sundance, Inc. with conditions as recommended by the Planning and Zoning Commission. At its meeting of July 25, 2003, the Planning and Zoning Commission approved a conditional use permit and variance application with conditions for construction of units consisting of eighteen rental condominium units and a recreation building for Sundance, Inc. at the site of the former Starkka property. In addition to

the conditions stipulated by the Commission, Staff is recommending some additional conditions. City Administrator Swenson requested clarification on the sewer charges referenced in condition no. 22. Swenson stated that during Sewer Committee meeting discussions, the understanding between the Developer and the Sewer Committee was that each unit would pay a monthly service fee in addition to the nineteen connection fees. Fees will not be based on water usage by the development as a whole. It was agreed that this requirement will be included as a condition. Swenson also asked whether the City Attorney has reviewed the rental language in the Developer's Agreement as stipulated in condition number 31. Community Development Director Ken Anderson stated that Attorney Sandelin has provided language that will be included as a condition which "requires that all units within the development must be offered for rent or lease a minimum of 5 times per year consistent with the definition of "leaseback by owner" under Chapter 8 of the Crosslake City Code. Unit owners and the Association shall provide to the City on January 31st of each year a written report for the preceding year identifying each unit within the development and the number and duration of rental or lease activity for each unit. The unit owners and the association shall also provide to the City, as requested, written evidence of a management agreement identifying the rental management agent for the development". Anderson stated that the Developer is in agreement adding this language as a condition of approval. Since the Planning and Zoning Commission meeting of July 25th, the Developer has made some minor changes to the Planned Unit Development. These changes do not affect the use, density, or impervious coverage that the conditional use permit and variance were granted for. These changes include a foyer/entry way on the duplexes and a stairway from the backside of the four plexes. After discussing the platting procedure for Flexible Common Interest Community condominium plats with the City Surveyor, City Attorney and Developer, staff recommends that the conditions outlined by the Planning and Zoning Commission and the additional six staff recommendations be included as conditions of preliminary plat approval by the Council. Stuart Swenson, Project Manager for Sundance, Inc., addressed the Council. He stated that the developer understands that the units need to be rental properties since the zoning is classified as Waterfront Commercial. Stuart Swenson stated that Grandview Lodge will manage the rentals for the development. Councilmember Eggena commented that the Developer could have been allowed to construct 29 units under the current zoning guidelines, however, chose to limit the development to 18 units. MOTION 08R-19-03 WAS MADE BY DEAN EGGENA AND SECONDED BY CHUCK MILLER TO GRANT APPROVAL OF SUBDIVISION 2003-010, PRELIMINARY PUD, COMMON INTEREST COMMUNITY NO. 1058 FOR SUNDANCE RIDGE CONDOMINIUMS WITH THE FOLLOWING CONDITIONS: (1.) ALL OF THE FOLLOWING FEES ARE PAID TO THE CITY PRIOR TO SIGNING OF THE FINAL PLAT INCLUDING: (A.) PARK DEDICATION FEE OF \$23,780.00; (B.) CITY ENGINEER AND CITY SURVEYOR REVIEW FEES; AND (C.) CITY ATTORNEY REVIEW FEES. (2.)

ALL OF THE FOLLOWING ARE COMPLETED AND/OR SUBMITTED PRIOR TO THE SIGNING OF THE FINAL PLAT: (A.) CITY ATTORNEY APPROVES THE TITLE OPINION FOR THE PLAT; (B.) CITY ATTORNEY APPROVES THE DECLARATION; (C.) CITY SURVEYOR APPROVES THE FINAL PLAT BASED ON CONFORMANCE WITH STATE PLATTING LAWS. (3.) THE COMMERCIAL PLANNED UNIT DEVELOPMENT IS BASED ON THE PROPOSED COMMERCIAL USE, WHICH WILL REQUIRE ALL UNITS TO BE PLACED IN A RENTAL POOL AND A MINIMUM OF 5 RENTALS/LEASES PER YEAR OF ANY ONE UNIT OR A COMBINATION OF UNITS, WHICH SHALL BE PART OF THE DECLARATION. (4.) THE COMMERCIAL PLANNED UNIT DEVELOPMENT FOR 18 UNITS AND THE RECREATIONAL FACILITY IS APPROVED BASED ON THE FACT THAT CITY SEWER WILL BE AVAILABLE. IF THE DEVELOPER PROCEEDS WITH CONSTRUCTION PRIOR TO CONSTRUCTION AND HOOK UP OF CITY SEWER, IT IS AT THEIR OWN RISK IN THE EVENT THAT CITY SEWER BECOMES UNAVAILABLE. (5.) ANY CHANGES TO THE DECLARATION OR CIC ARE APPROVED BY THE CITY COUNCIL. (6.) BUILDINGS 5 AND 6 CANNOT BE CONSTRUCTED UNTIL CITY SEWER IS AVAILABLE AND READY FOR HOOKUP. (7.) THE BUILDING SHALL BE DESIGNED BY A LICENSED ARCHITECT AND MUST MEET ALL APPLICABLE STATE AND FEDERAL DISABILITY LAWS. (8.) ALL FOUR UNIT OR LARGER BUILDINGS AND BUILDINGS OPEN TO THE PUBLIC SHALL MEET THE REQUIREMENTS OF THE UBC. (9.) ALL PARKING MUST MEET STATE AND FEDERAL DISABILITY LAWS. (10.) ANY TRASH RECEPTACLES MUST BE LOCATED TO THE REAR OR SIDE OF THE PROPERTY AND BE ENCLOSED WITH FENCING SIMILAR IN MATERIAL TO THE PRINCIPAL STRUCTURE. (11.) A DETAILED SIGNAGE PLAN MUST BE SUBMITTED THAT MEETS ORDINANCE STANDARDS. (12.) ANY PROPOSED LIGHTING MUST MEET ORDINANCE STANDARDS. ANY PROPOSED LIGHTING ON THE LAKESIDE OF THE PROPOSED BUILDING SHALL BE LOW INTENSITY TO MINIMIZE POSSIBLE LIGHT POLLUTION ONTO THE LAKE, YET PROVIDE ADEQUATE LIGHTING FOR SAFE ACCESS. (13.) ALL FIRE PROTECTION FOR THE FACILITY MUST MEET THE STATE FIRE MARSHALL REQUIREMENTS. (14.) ANY EXISTING ONSITE SEWAGE TREATMENT SYSTEMS SHALL BE PROPERLY ABANDONED AND/OR EXCAVATED AND REMOVED FROM THE SITE ACCORDING TO MPCA STANDARDS IF APPLICABLE. (15.) ALL EXISTING WELLS ON THE PROPERTY MUST BE SEALED BY A LICENSED WELL DRILLER TO PREVENT GROUNDWATER CONTAMINATION FROM SURFACE SOURCES. (16.) NO MARINE FUELING FACILITY SHALL BE LOCATED ON THE SITE WITHOUT APPROVAL OF AN AMENDED CONDITIONAL USE PERMIT. (17.) A MAXIMUM OF TEN BOAT SLIPS WILL BE ALLOWED ON ONE CENTRALIZED DOCK MEETING ALL REQUIREMENTS OF THE CROW WING COUNTY DOCK ORDINANCE AND APPROVED BY THE CROW WING COUNTY SHERIFF'S OFFICE. (18.) APPROPRIATE DEMOLITION PERMITS MUST BE APPLIED FOR PRIOR TO THE DEMOLITION OF EXISTING BUILDINGS. (19.) SILT FENCING AND OTHER EROSION CONTROL TECHNIQUES MUST BE UTILIZED IN AREAS ADJACENT TO LAKES AND WETLANDS ON SITE DURING DEMOLITION AND REMOVAL OF EXISTING IMPROVEMENTS ON SITE AND

CONSTRUCTION OF NEW FACILITIES. (20.) EXISTING VEGETATION MUST BE MAINTAINED TO SCREEN THE BUILDING FROM THE LAKE. (21.) IF ANY PROPOSED BUILDINGS ARE LOCATED WITHIN ZONE A OF THE CITY FLOOD INSURANCE MAP (FIRM) ESTABLISHED BY FEMA, THE ELEVATION AT LOWEST FLOOR NEEDS TO BE AT OR ABOVE THE REGULATORY FLOOD PROTECTION ELEVATION AND A CERTIFICATE OF ELEVATION MUST BE SUBMITTED WHEN CONSTRUCTION IS COMPLETE. (22.) EACH UNIT WILL BE REQUIRED TO PAY ONE COMMERCIAL CONNECTION CHARGE (FOR A TOTAL OF EIGHTEEN) AND THE RECREATIONAL FACILITY WILL BE REQUIRED TO PAY ONE COMMERCIAL CONNECTION CHARGE. EACH UNIT (18) AND THE RECREATIONAL FACILITY (1) WILL ALSO PAY A SEPARATE MONTHLY USER FEE BASED UPON METERED USE IN ACCORDANCE WITH THE APPLICABLE ORDINANCE. (23.) THE CROW WING COUNTY HIGHWAY ENGINEER HAS FOUND THE PROPOSED ENTRANCES ACCEPTABLE FROM CSAH 66, HOWEVER, ANY REMOVAL OR REPLACEMENT OF THE CONCRETE CURB AND GUTTER AND THE BITUMINOUS WALKWAY/BIKE PATH SHALL BE THE RESPONSIBILITY OF THE DEVELOPER AND WOULD BE ADDRESSED THROUGH THE CROW WING COUNTY HIGHWAY ENTRANCE PERMIT. (24.) THERE SHALL BE NO FUTURE CONVERSIONS OF THIS COMMERCIAL PLANNED UNIT DEVELOPMENT CIC TO A RESIDENTIAL PLANNED UNIT DEVELOPMENT CIC IF DENSITY REQUIREMENTS CANNOT BE MET. (25.) THE DEVELOPER IS RESPONSIBLE FOR OBTAINING A NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) GENERAL STORM WATER PERMIT FROM THE MINNESOTA POLLUTION CONTROL AGENCY PRIOR TO ANY CONSTRUCTION ACTIVITY. (26.) THE DEVELOPER SHALL REIMBURSE THE CITY FOR ALL REASONABLE ADMINISTRATIVE COSTS, INCLUDING ENGINEERING AND LEGAL SERVICES, ASSOCIATED WITH THE REVIEW OF THIS APPLICATION. (27.) BEST MANAGEMENT PRACTICES ARE USED DURING AND AFTER CONSTRUCTION TO PREVENT EROSION. (28.) LOT CORNERS ARE STAKED BY A LICENSED LAND SURVEYOR. (29.) WETLAND DELINEATION IS COMPLETED AND INCLUDED ON PRELIMINARY PLAN AND IF THERE ARE ANY CHANGES IN DENSITY THE APPLICATION HAS TO GO BACK TO THE PLANNING AND ZONING COMMISSION FOR REVIEW AND APPROVAL. (30.) UPDATED PRELIMINARY PLAN NEEDS TO BE SUBMITTED PRIOR TO BEING PLACED ON THE CITY COUNCIL AGENDA. (31.) THE FOLLOWING RENTAL LANGUAGE IS INCLUDED AS A CONDITION OF APPROVAL AND IDENTIFIED IN THE DECLARATION: "IT IS REQUIRED THAT ALL UNITS WITHIN THE DEVELOPMENT MUST BE OFFERED FOR RENT OR LEASE A MINIMUM OF 5 TIMES PER YEAR CONSISTENT WITH THE DEFINITION OF "LEASEBACK BY OWNER" UNDER CHAPTER 8 OF THE CROSSLAKE CITY CODE. UNIT OWNERS AND THE ASSOCIATION SHALL PROVIDE TO THE CITY ON JANUARY 31 OF EACH YEAR A WRITTEN REPORT FOR THE PRECEDING YEAR IDENTIFYING EACH UNIT WITHIN THE DEVELOPMENT AND THE NUMBER AND DURATION OF RENTAL OR LEASE ACTIVITY FOR EACH UNIT. THE UNIT OWNERS AND THE ASSOCIATION SHALL ALSO PROVIDE TO THE CITY AS REQUESTED WRITTEN EVIDENCE OF A MANAGEMENT AGREEMENT IDENTIFYING THE RENTAL

MANAGEMENT AGENT FOR THE DEVELOPMENT.” AND THE FOLLOWING STAFF RECOMMENDATIONS: (32.) THE DEVELOPMENT SHALL BE COMPLETED IN THREE PHASES WHICH INCLUDE THE FOLLOWING: (A.) PHASE I: UNITS 1-4 AND THE RECREATIONAL BUILDING; (B.) PHASE II: UNITS 5-10; (C.) PHASE III: UNITS 11-18; AND (D.) CONSTRUCTION MAY OCCUR IN MULTIPLE PHASES SIMULTANEOUSLY. (33.) THE DEVELOPER IS PROPOSING TO FILL THE PORTION OF WETLAND LOCATED TO THE SOUTH OF THE FOUR PLEXES. THE DEVELOPER HAS APPLIED FOR THIS PERMIT WITH THE SOIL AND WATER CONSERVATION DISTRICT AND AN APPROVED PERMIT MUST BE SUBMITTED TO THE CITY PRIOR TO ANY FILLING. (34.) PRIOR TO A DEMOLITION PERMIT BEING ISSUED FOR THE EXISTING STRUCTURE, THE CITY ATTORNEY MUST REVIEW AND APPROVE THE TITLE OPINION FOR THE SUBJECT PROPERTY AND ALL APPROPRIATE PERMITS MUST BE APPLIED FOR AND APPROVED BY THE MPCA AND APPROVAL DOCUMENTATION SUBMITTED TO THE CITY. (35.) BEFORE ANY BUILDING PERMITS ARE ISSUED FOR ANY PHASE, A SEWER PLAN, WATER PLAN, EROSION CONTROL PLAN AND LANDSCAPING PLAN MUST BE SUBMITTED FOR THE PHASE BEING APPLIED FOR AND APPROVED BY THE CITY. AN APPROVED AND SIGNED DEVELOPMENT AGREEMENT MUST BE ON FILE ALONG WITH AN APPROVED LETTER OF CREDIT OR PERFORMANCE BOND. (36.) PRIOR TO FINAL PLAT APPLICATION FOR EACH PHASE, CONSTRUCTION MUST BE SUBSTANTIALLY COMPLETE FOR THAT PHASE AS DETERMINED BY THE PLANNING AND ZONING ADMINISTRATOR/CITY ATTORNEY IN ACCORDANCE WITH LOCAL ORDINANCES AND STATE STATUTE. (37.) CONDITION NO. 1 OF THIS REPORT, WHICH WAS APPROVED BY THE PLANNING AND ZONING COMMISSION SHALL BE REVISED TO READ: (A.) ALL OF THE FOLLOWING FEES ARE PAID TO THE CITY PRIOR TO THE CITY ISSUING THE FIRST BUILDING PERMIT FOR THE PROJECT: (A.) PARK DEDICATION FEE OF \$23,780.00; (B.) CITY ENGINEER AND CITY SURVEYOR REVIEW FEES; AND (C.) CITY ATTORNEY REVIEW FEES. MOTION CARRIED WITH ALL AYES.

7. PARK AND RECREATION – Park and Recreation Director Jon Henke presented his highlights report for the Park Department. Approval was requested to contract with Donna Keiffer for the seventh session of aerobic instruction beginning September 2nd through October 9th at a cost of \$374.68. MOTION 08R-20-03 WAS MADE BY IRENE SCHULTZ AND SECONDED BY CHUCK MILLER TO APPROVE CONTRACTING WITH DONNA KEIFFER FOR AEROBICS FROM SEPTEMBER 2ND THROUGH OCTOBER 9TH AT A COST OF \$374.68. MOTION CARRIED WITH ALL AYES. A four hour refresher course for seniors will be held on October 8th from 8:30 A.M. – 12:30 P.M. AAA handles all registrations for this driver training class. The Park Department requested that the Council set a date and time for a workshop to discuss what direction the City should take in regards to the various public water accesses located throughout the City. After this working session has been held, a public hearing will be scheduled to take public input. The Council set the date for the joint workshop for August 19th at 1:00

P.M. at City Hall. Approval to set the date for the public hearing was also requested. MOTION 08R-21-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO SET THE DATE FOR THE PUBLIC HEARING RELATED TO PUBLIC ACCESSES WITHIN THE CITY FOR SEPTEMBER 17TH AT 7:00 P.M. AT CITY HALL. MOTION CARRIED WITH ALL AYES. The Community Center will offer Donna Dewberry's one stroke painting technique class this September. Certified instructor Renee K. Alden will teach the class. Registrations will be taken by calling Renee through September 8th. The youth soccer program will start September 9th and run through October 18th. The program will take place on Tuesdays and Saturdays and will cost \$20.00 for the program which includes a t-shirt. Wednesday night volleyball will start on September 17th and end November 19th. Play begins at 6:30 P.M. and ends at 8:45 P.M. Membership for the first ten week session is \$15.00. The Crosslake/Ideal Lions Club Oktoberfest celebration will take place September 27th from noon to 6:00 P.M. The event will include German music, food and festivities. On October 4th the Whitefish Area Lions Club will host a doll show at the Community Center. The Club will also hold their annual craft sale on October 18th at the Community Center. Seats are still available for the Minnesota Twins Trip on August 18th and anyone interested in attending the game should contact the Park Department. The minutes of the July 29, 2003 Commission Meeting were included for Council information.

8. RECYCLING - Councilmember Phillips reported that 26.71 tons of recyclables were collected in July for a year-to-date total of 116.24 tons.
9. LIBRARY - Co-Chair Sandy Eliason stated that the minutes of the July 21, 2003 Library Committee Meeting were included for Council information. She stated that Alden Hardwick and Bob Mattson are reviewing a request to utilize the former City Hall building as a site for the proposed library and their report will be presented to the Council at a later date. Bookmarks were ordered to promote the library and each Councilmember received one in their Council packet. A "Friends of the Library" group has been formed with Paula Karl spearheading the book club. It was reported that a total of \$1,075 was receipted at the book sale which was held at the picnic shelter during the Art Show. Sandy thanked Jon Henke and Joe Ulschmid for hauling all of the books from the garage, where the books were stored, to the Picnic Shelter for the sale. Sandy stated that the fund drive continues with donations and pledges coming in.
10. PERSONNEL -The Personnel Committee will meet on Tuesday, August 12th at 1:00 P.M. to work on salaries for the 2004 budget.
11. CHARTER SCHOOL - Councilmember Schultz reported that 85 students are now enrolled for the 2003 - 2004 school year. At this time it is unknown if the school will be ready for occupancy by the beginning of the school year.
12. LONG RANGE CAPITAL PLANNING COMMISSION - Nothing

H. OLD BUSINESS - Chief Hartman addressed the Council and stated that during Public Forum at the July meeting, Gene Cournyea expressed concern with the cleanup of meth labs in the City. Chief Hartman stated that he has been made aware of State and Federal Funds that are available for this type of cleanup. Also, Crow Wing County is in the process of adopting an ordinance dealing with the cleanup of property after a meth lab has been identified.

I. NEW BUSINESS - None

J. PUBLIC FORUM – None

K. ADJOURN - MOTION 08R-22-03 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO ADJOURN THIS REGULAR COUNCIL MEETING AT 9:48 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach
City Clerk/Treasurer

Shared - REGULAR COUNCIL MEETING – August 11, 2003

BILLS FOR APPROVAL

11-Aug-03

VENDORS	DEPT	AMOUNT
Ace Hardware, hardware	P&R	15.30
Armond Gease, portable pa and speakers	P&R	347.30
Auto Glass Specialists, repair window	P&R	241.09
Brainerd Lakes Area Chamber of Commerce, 03-04 contribution	Gov't	2,000.00
Briggs and Morgan, professional services	Sewer	3,580.00
City of Pequot Lakes, reimburse halloween safety bags	Police	150.58
Complete Title, closing costs sundance inc	Sewer	2,762.32
Council #65, union dues	ALL	205.10
Crosslake Communications, phone, fax, internet, cable	ALL	1,209.61
Culligan, water and cooler rental	Admin/PW	51.12
Dacotah Paper, can liners	Gov't	49.10
Deferred Comp	ALL	1,051.96
Delta Dental, dental insurance	ALL	1,192.20
Echo Publishing, 7/29 public hearing	Admin	41.30
Echo Publishing, ordinance 181	P&R	27.00
Echo Publishing, ordinance 182	PW	30.38
Evergreen Electric, wiring for new sprinkler pump	P&R	636.21
Evergreen Electric, wiring for outlets in press box	P&R	156.75
Fire Instruction & Rescue Education, trench rescue	Fire	600.00
Fortis, disability	ALL	177.22
George Riches, architect services	Gov't	1,137.50
Greg Larson Sports, connexion z core	P&R	257.73
Heartland Tire Service, service call, tires, rims	Fire	292.35
Holiday of Crosslake, fuel	ALL	152.02
Houston Ford, oil change	Police	22.73
Houston Ford, steering problem	Police	60.95
Houston Ford, oil change	Police	23.10
Ideal Contractor Supply, marking stick	PW	21.04
Ikon Office Solutions, fax machine and maintenance	Admin/P&Z	2,017.10
Jefferson Fire & Safety, firepower hose	Fire	945.51
Johnson Candy and Tobacco, candy for parade	Gov't	99.60
L & M Steel, brackets	P&R	39.94
Mastercard, Fleet Farm, fence	P&R	90.05
Medica, health insurance	ALL	11,084.71
Medtox, drug of abuse screen	PW	61.50
MN Benefits	Admin	100.92
MN Life, life insurance	ALL	198.10
Minnesota Telecom Alliance, safety program	Gov't	1,327.50
Molly's Cleaning Service, july cleaning	Gov't	745.50
Moonlite Square, fuel	Fire	34.50
Moonlite Square, fuel	Police	42.10
NCPERS-Life Insurance	ALL	128.00
North Ambulance, subsidy	Ambulance	1,103.00
Northern Lakes Nursery, red limestone	PW	154.43
Office Max, keyboard, folders, rolodex	P&Z	95.82

Pequot Auto Parts, filters	PW	25.82
PERA	ALL	N/A
QPR, asphalt	PW	434.16
Quill, shredder, toner, tape, clips, diskettes	ALL	385.83
Reed's Market, sentence to serve	PW	20.07
Reed's Market, coffee, tissues, towels	Gov't	65.24
Reed's Market, baseball party	P&R	12.62
Reed's Market, baseball party	P&R	9.25
Simonson Lumber, fencing	Cemetery	1,180.12
Simonson Lumber, press box	P&R	1,213.67
Simonson Lumber, washers and bolts	P&R	3.93
Simonson Lumber, nutsetter bit	P&R	5.35
State and Federal Taxes	ALL	N/A
The Office Shop, receipts, notebooks, cassettes, 11x17 paper	ALL	98.08
Tom Swenson, vehicle allowance	Admin	400.00
Triangle Oil, unleaded gasoline	PW	472.64
Triangle Oil, diesel fuel	PW	89.70
Triangle Oil, unleaded gasoline	PW	305.86
Whitefish Automotive, oil change	Police	23.60
Widseth Smith Nolting, engineering fees	ALL	51,662.25
Xcel Energy, gas utilities	ALL	156.70
TOTAL		91,325.13

ADDITIONAL BILLS FOR APPROVAL
11-Aug-03

VENDOR	DEPT	AMOUNT
Ace Hardware, street dance supplies	Fire	54.35
Baxter Park Department, babe ruth pony league	P&R	70.00
Brandanger Office Supply, name plate	P&Z	14.79
Century Electric, change ballasts	Gov't	750.00
Chief Supply, battery, hot and cold packs	Fire	98.60
Frontline Plus Fire & Rescue, uniforms	Fire	1,894.00
Jefferson Fire & Safety, battery and charger kit	Fire	265.00
Little Pine Livery, hitch wagon	Gov't	200.00
Martin Communications, durus case monitor	Fire	16.77
Sandelin Law Office, attorney fees	ALL	10,197.95
The Office Shop, laminating sheets, cassettes, 8 1/2 x 14 paper	Admin/P&Z	60.25
TOTAL		13,621.71

RESOLUTION NO. 03-32

RESOLUTION ESTABLISHING PROCEDURES
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND
REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the City Council (the "Council") of the City of Crosslake, Minnesota (the "City"), as follows:

1. Recitals.

- a. The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.
- b. The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).
- c. The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.
- d. The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Administrator to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees.

Each Declaration shall comply with the requirements of the regulations, including without limitation the following:

- a. Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A, which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.
- b. Each Declaration shall (1) contain a reasonable accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.
- c. Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City does not reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.
- d. The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City had made Declarations.


3.. Reimbursement Allocations. The designated City officials shall also be responsible for making the reimbursement allocations described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

3. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Adopted this 11th day of August, 2003 by the Crosslake City Council.



Thomas N. Swenson
City Administrator



Darrell E. Swanson
Mayor

EXHIBIT A

Declaration of Official Intent

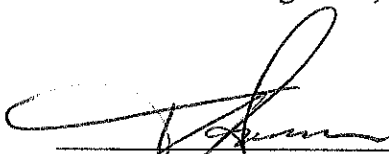
The undersigned, being the duly appointed and acting City Administrator of the City of Crosslake, Minnesota (the "City"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the City as follows:

1. The undersigned has been and is on the date hereof duly authorized by the Crosslake City Council to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City.
2. This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed:

SEE ATTACHED EXHIBIT A-1 (description of road projects)

3. The City reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Bonds") to be issued by the City after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$512,000 is the maximum principal amount of the Bonds, which will be issued to finance the Project.
4. Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.1502(d)(3) of the Regulations.
5. As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: August 11, 2003



City Administrator
City of Crosslake, Minnesota

EXHIBIT A-1

- ABC Drive from the intersection of C.S.A.H. 16, north, approximately 1130 feet; (\$68,850)
- Greer Lake Road from the entrance to Greer Lake Campground, north, to Lot 18, Greer Lake Homesites Addition; (\$90,850)
- Brita Lane from the intersection of C.S.A.H. 36 to the intersection of Pine View Lane, the entire length of Pine View Lane and approximately 200 feet of Shafer Road from the intersection of Pine View Lane, west, to the existing bituminous surface; (\$175,000)
- Wildwood Drive from the intersection of C.S.A.H. 3 to the end of the road (Block One, Lot 19) and Wildwood Trail from the intersection of Wildwood Drive to the end of the road (Block Four, Lot 9) and Whitebirch Lane from the intersection of Wildwood Drive (Block One, Lot 7) to the intersection of Wildwood Drive (Block One, Lot 18); (\$177,300).