

CROSSLAKE UTILITIES COMMISSION/JOINT CITY COUNCIL MEETING
Tuesday, November 26, 2002
CROSSLAKE CITY HALL

The Regular Meeting of the Crosslake Utilities Commission was called to order by Chairperson Ted Silva at 7:30 a.m. Members present: Ted Silva, Hank Duitsman, Armond Gease, Clyde Fish, Judy Cotten, and Gerry Brine. Members absent: Bill Smith. Also present were General Manager Dennis Leaser, Office Manager Debby Floerchinger, Operations Manager Jared Johnson, Liaison Darrell Swanson, City Administrator Tom Swenson, Helen Fraser and Gilroy Arvig.

Actions Taken:

- 1) **The Utilities Commission recommends to the City Council cancellation of the Seven Year Cable Plan.**

The Minutes of the October 29, 2002 Regular Meeting were reviewed. Ted Silva moved to accept the Minutes. Second by Judy Cotten. All in favor. Motion carried.

The October 2002 Telephone Financial and Statistical Reports were reviewed. Armond Gease moved to approve the October, 2002, Financial and Statistical Reports. Second by Gerry Brine. All in favor. Motion carried.

- 1) Switch Update. Jared Johnson reported that November was a very busy month. The staff has been busy installing framework, the main distribution frame is installed and preparation is under way for the delivery of the switch in December. There will be considerable activity by outside vendors starting next week. There has been no impact on service and we really don't expect any.

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The October 2002, Cable Financial and Statistical Reports were reviewed. Clyde moved to accept the October Cable Financial and Statistical Reports. Second by Armond Gease. All in favor. Motion carried.

- 1) Pay Per View Report and Digital Update. The October Digital TV Report was reviewed with the Commission.
- 2) Seven Year Cablevision Plan Cancellation. Dennis reported on the Seven Year Cablevision Plan. It has been determined that it is in the best interest of Crosslake Cablevision, to cancel the plan due to several factors including:

- Discovering that a high percentage of our plant is able to handle Digital TV,
- The 14.328 miles of cable previously installed still needs to be placed into service, and
- The success of our DSL replaces the need for cable modems.

We plan to continue a rigorous maintenance program to improve the cable TV system and to bring it up to 750Mhz Cable TV standards. Hank Duitsman moved to recommend to the City Council cancellation of the Seven-Year Cablevision Plan. Second by Judy Cotten. All in favor. Motion carried.

- 3) A proposal for a rate increase for Cable TV was discussed. After lengthy discussion it was tabled. A special meeting was scheduled for Tuesday, December 3rd at 7:30 a.m. at Crosslake Communications.

The meeting was recessed at 8:50.

Council members Sandy Eliason, Irene Schultz and Chuck Miller joined the Commission for a Joint Council /Commission Meeting. Dean Swanson was absent. Also present were council-elect members Dean Eggena and Dick Phillips. Mayor Swanson called the Council Meeting to order at 9:00 a.m.

The Commission Meeting was also resumed at 9:00 a.m. Judy Cotten had left the meeting.

- 1) 2002 Budget Review Year To Date. Dennis Leaser reviewed the budgets to date for both the Telephone and Cable Companies.
- 2) Switch Update. Jared Johnson reported that we are in the process of preparing for the new central office switch. We are on schedule and on budget so far and don't anticipate any problems. The switch is scheduled to be delivered on December 4th with installation starting on December 11th. Our goal is to make the cut-over transparent to the customers.
- 3) 2002 Financial Review Year to Date. Debby reviewed the financial reports for the Telephone Company, Cable Company, a combined report and forecasts for yearend figures.
- 4) Proposal for Rate Increase for Cable TV. Dennis reported that the Commission was not ready to make a recommendation to the Council.
- 5) Seven Year Cablevision Plan Cancellation. Dennis reviewed with the Council the recommendation from the Commission to cancel the Seven Year Cablevision Plant Upgrade. MOTION 11S2-01-02 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO CANCEL THE SEVEN YEAR CABLEVISION PLAN. MOTION CARRIED WITH ALL AYES.

- 6) Crosslake Communications Present and Future Planning. Dennis reviewed with the Council and Commission some of the marketing and packaging ideas that the staff has been working on. He also reported that we are looking at personnel training needs and an upgrade to a position.

Councilmember Elect Dean Eggena questioned if we had looked at inserting local advertising on our system. Discussion ensued in which it was explained that we currently have Charter Communications doing the ad insertion for us due to the cost of having our own setup.

Our next joint meeting will be in February, 2003 when we review the Audits.


There will be a special Commission Meeting on Tuesday, December 3, 2002 at 7:30 a.m.

The next Regular Commission meeting has been moved to December 20, 2002, at 7:30 a.m. at Crosslake Communications.

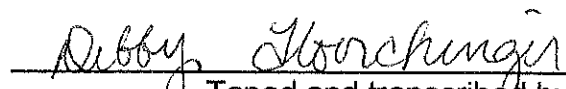
A motion was made by Clyde Fish and second by Hank Duitsman to adjourn the Commission meeting at 10:47 a.m. All in favor. Motion carried.

MOTION 11S2-02-02 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO AJOURN THE SPECIAL JOINT COUNCIL/COMMISSION MEETING AT 10:47 A.M. MOTION CARRIED WITH ALL AYES.

Cc: Gerry Brine
Judy Cotten
Hank Duitsman
Clyde Fish
Armond Gease
Ted Silva
Bill Smith
Darrell Swanson, Mayor
Charles O. Miller
Irene Schultz
Dean Swanson
Sandy Eliason
Thomas Swenson
Paul Sandelin



Ted Silva
Utilities Commission Chair



Taped and transcribed by,
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