

REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, NOVEMBER 13, 2006  
7:00 P.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, November 13, 2006. The following Council Members were present: Mayor Jay Andolshek, Dick Phillips, Terry Curtis, Dean Eggena and Dean Swanson. Also present were City Administrator Tom Swenson, Community Development Director Ken Anderson, Public Works Director Ted Strand, Park and Recreation Director Jon Henke, Police Chief Robert Hartman, Library Committee Chairman Alden Hardwick, General Manager Paul Hoge, City Attorney Paul Sandelin, City Engineer Dave Reese, Council Member Elect Steve Roe, Council Member Elect Irene Schultz, Northland Securities Representative Bill Fahey, Lake Country Echo Reporter Betty Ryan, and Brainerd Dispatch Reporter Renee Richardson. There were approximately seven individuals in the audience in addition to Staff.

**A. CALL TO ORDER** – Mayor Andolshek called the Regular Council Meeting to order at 7:00 P.M. A motion to accept the additions to the agenda was requested. MOTION 11R-01-06 WAS MADE BY JAY ANDOLSHEK AND SECONDED BY DEAN SWANSON TO ACCEPT THE ADDITIONS TO THE AGENDA AS PRESENTED. MOTION CARRIED WITH ALL AYES.

**B. CRITICAL ISSUES** – None.

**C. CONSENT CALENDAR** – MOTION 11R-02-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DEAN EGGENA TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR CONSISTING OF: (1.) MINUTES OF REGULAR COUNCIL MEETING OF OCTOBER 9, 2006; (2.) MINUTES OF SPECIAL COUNCIL MEETING OF NOVEMBER 1, 2006; (3.) CROSSLAKE COMMUNICATIONS BALANCE SHEET / INCOME STATEMENT / DETAIL OF RESERVE BALANCES DATED SEPTEMBER 30, 2006; (4.) CROSSLAKE TELEPHONE BALANCE SHEET FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2006; (5.) CROSSLAKE TELEPHONE INCOME STATEMENT FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2006; (6.) CITY MONTH END REVENUE REPORT DATED SEPTEMBER 30, 2006; (7.) CITY MONTH END EXPENDITURE REPORT DATED SEPTEMBER 30, 2006; (8.) LAKES STATE BANK PLEDGE REPORT DATED OCTOBER 2006; (9.) NORTHERN NATIONAL BANK PLEDGE REPORT DATED OCTOBER 2006; (10.) LAKEWOOD BANK PLEDGE REPORT DATED OCTOBER 2006; AND (11.) FIRST FEDERAL SAVINGS BANK PLEDGE REPORT DATED OCTOBER 2006. MOTION CARRIED WITH ALL AYES.

**D. PUBLIC FORUM** – None.

**E. MAYOR'S REPORT** – None.

## **F. CITY ADMINISTRATOR REPORT –**

1. City Administrator Tom Swenson presented the Certification of Election Results. For Office of Mayor, Jay Andolshek received 1061 votes and Dean Eggena received 248 votes. For Office of City Council, Steve Roe received 912 votes, Irene Schultz received 561 votes, Bradley B. Nelson received 492 votes and Dan Miller received 452 votes. MOTION 11R-03-06 WAS MADE BY DEAN SWANSON AND SECONDED BY TERRY CURTIS TO CERTIFY THE RESULTS OF THE NOVEMBER 7<sup>TH</sup> ELECTION. MOTION CARRIED WITH ALL AYES.
2. City Bills for Approval – MOTION 11R-04-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DICK PHILLIPS TO APPROVE THE BILLS FOR PAYMENT FOR NOVEMBER AS SUBMITTED IN THE AMOUNTS OF \$15,850.58 AND \$2,848.22. MOTION CARRIED WITH ALL AYES.
3. Bill Fahey of Northland Securities appeared before the Council and presented the sale results of the 2006 \$190,000 Equipment Certificates of Indebtedness. Mr. Fahey was pleased to announce that the interest rates dropped from approximately 3.85% to 3.75%. Included in Mr. Fahey's information was the Daily Bond Index which showed the falling interest rate trends in the last three weeks bringing the current interest back down to near all time lows in the past 40 years. MOTION 11R-05-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DICK PHILLIPS TO APPROVE RESOLUTION 06-50 PROVIDING FOR THE ISSUANCE AND SALE OF \$190,000 GENERAL OBLIGATION EQUIPMENT CERTIFICATES OF INDEBTEDNESS, SERIES 2006C AND LEVYING A TAX FOR THE PAYMENT THEREOF. MOTION CARRIED WITH ALL AYES.
4. A letter dated November 3, 2006 from Northland Securities regarding Dissemination Agent Agreement for Continuing Disclosure Reporting was included in the packet for Council review. The Securities and Exchange Commission requires that an Annual Report be prepared and filed by the Bond Issuer with a National Repository. The report contains information about the Issuer similar to that contained in the original Official Statement. The purpose is to have information about the Issuer on file at centralized locations available for review by investors. Dean Eggena asked if there is a charge for Northland Securities to prepare and file the report on behalf of the City of Crosslake. Bill Fahey replied that the average charge for this service is \$2500-\$3500. Tom Swenson added that Monte Eastvold of Northland Securities estimated the charge for the City of Crosslake to be approximately \$1500. Dean Eggena asked if there is a penalty to the City if the City chooses not to file the report. Bill Fahey explained that the City would not be allowed to sell any bonds the following year if the City did not file this report. Dick Phillips asked if Northland Securities had provided this service in the past. Bill Fahey replied that this would be the first time Northland Securities would prepare and file the report for the City of Crosslake. MOTION 11R-06-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN SWANSON TO APPROVE THE DISSEMINATION AGENT AGREEMENT BETWEEN THE CITY OF CROSSLAKE AND NORTHLAND SECURITIES. MOTION CARRIED WITH ALL AYES.

5. Included in the packet for Council information was a letter dated October 20, 2006 from Crow Wing Power regarding the cooperative's municipal meter relief program. The Crow Wing Power board of directors met in October and decided to continue the program for another year.
6. A letter dated November 3, 2006 from the Department of Employee Relations regarding notification to the City of Crosslake of compliance with the Local Government Pay Equity Act was included for Council information.
7. Included in the packet for Council information was a letter dated October 27, 2006 from the Brainerd Lakes Area Chambers of Commerce regarding regional planning.

## **G. COMMISSION/DEPARTMENT REPORTS –**

1. LIBRARY – Minutes of the Library Committee Meeting of October 16, 2006, Minutes of the Fund Raising Committee Meeting of October 16, 2006 and the Financial Report of October 16, 2006 were included for Council information. Alden Hardwick reported that the current amount of pledges and donations total \$448,400. MOTION 11R-07-06 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN SWANSON TO ACCEPT A \$150 DONATION FROM WHITEFISH GOLF CLUB. MOTION CARRIED WITH ALL AYES. Kenneth and Virginia Merrill's gift of hickory wood shelving is progressing well. The wall shelves should be delivered in a few weeks. Nor-Son is ahead of schedule and the Library Committee will soon be giving tours of the building. Gary Tweed and Bill Brekke have volunteered to paint the library. Any additional volunteers would be appreciated. Alden Hardwick reported that Library volunteers have entered 5,600 books into the Sagebrush Computer System. The volunteers are entering books 7 days a week. Pat Tweed, Kim Larson and Mary Hardwick have been leading this effort. Terry Havir and Crosslake Communications have been system advisors. Book donations are still needed. Mr. Hardwick thanked the community for the 11,500 books that have already been donated. The Library is also asking for donations of furnishings.
2. PARK AND RECREATION –
  - a. Crosslake Park Advisory Commission Meeting Minutes of September 25, 2006 were included in the packet for Council information.
  - b. Park and Recreation Director Jon Henke reported that the Community Center is offering its ninth aerobic session of 2006. The session runs Mondays, Tuesdays and Thursdays for five weeks. Membership for this session has been set at \$39.00. The Community Center will be closed Friday, November 10<sup>th</sup> for Veteran's Day and November 23<sup>rd</sup> and 24<sup>th</sup> for the Thanksgiving Holiday. The Community Center Project is on schedule. The roof and siding are finished and the windows have been installed. The sheetrock work is being completed and painting will take place at the end of November. The Annual Halloween Party took place on October 28<sup>th</sup> and was a huge success. Total attendance for the event was over 400 including 158 children. The Park Department thanked all the volunteers that helped with the event and also the event sponsors, Reed's Market, Crosslake Dental, Crosswoods Golf,

Crosslake/Fifty Lakes American Legion and Legion Auxiliary, Whitefish Area Lions Club and the Crosslake Ideal Lions. A special thank you went to the local girl scouts who put together all the treat bags. The Park Department hosted the grand opening of the new Crosslake Park Playground during the Halloween Party. Armond Gease represented the Crosslake Ideal Lions at the event. Mayor Jay Andolshek was also in attendance along with various Park Board Members. Jon Henke also thanked Gordy Reller for making the Playground his Presidential Project for 2005. Senior meals continue to be a very popular program for the Community Center. The program served meals for 463 participants in October. Currently the meals are being served in the Gymnasium until construction is completed. There will be no senior meals served November 10<sup>th</sup> – 17<sup>th</sup> and November 23<sup>rd</sup> – 24<sup>th</sup>. A new Wednesday Night Volleyball session starts November 29<sup>th</sup>. Play starts at 6:30 and ends at 8:45. The fee for the 10 week session is \$15.00. Jon Henke reported that Kenneth and Virginia Merrill donated an electric cart to the Park Department to be used to take elderly or disabled citizens through the walking paths behind the Community Center. The cost of the cart was \$11,523.16 and needs to be added to the City insurance policy once the Council accepts the donation. MOTION 11R-08-06 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN SWANSON TO ACCEPT THE DONATION OF AN ELECTRIC CART FROM KENNETH AND VIRGINIA MERRILL. MOTION CARRIED WITH ALL AYES.

- c. A letter dated November 3, 2006 from WSN regarding a pay request from Nor-son was included in the packet for Council review. MOTION 11R-09-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN SWANSON TO APPROVE PAY REQUEST NO. 3 FROM NOR-SON IN THE AMOUNT OF \$214,192.03 FOR THE COMMUNITY CENTER AND LIBRARY PROJECT. MOTION CARRIED WITH ALL AYES.
- d. Jon Henke presented a staff report dated November 13, 2006 regarding RFP's for the Community Center Addition. RFP #9 is a proposal to change the tongue and groove from cedar to oak in the ceiling of the Library at a cost of \$651.56. RFP #10 is a proposal to add duplex receptacles for four display shelf locations along the north wall of Corridor #102, conduit and pull wires for two low voltage locations and one high voltage location for the future addition of handicap accessible doors for the Library and conduit and pull wires for future drop down screen in meeting room #2 at a cost of \$908.25. RFP #11 is a proposal to replace the two existing plastic laminate window sill in meeting room #1 to match new sills in meeting room #2 at a cost of \$164.72. RFP #12 is a proposal to paint 15 interior metal doorframes at a cost of \$1181.25. RFP #13 is a proposal to extend the stud wall in Corridor #101 thirteen feet to conceal duct work transition and to add 1x6 trim at the ceiling in the weight room at a cost of \$1148.49. The total cost for all RFP's is \$4,054.27. Dick Phillips questioned why the painting of doorframes is so expensive. Jon Henke replied that he was not a painter and did not know why the cost was high and suggested that he may try to paint a doorframe and if it were a disaster, he could have Nor-Son follow through with the proposal. Dean Swanson stated that painting metal is difficult and asked if these

additions were included in the budget. Jon Henke replied that these costs are included in the project cost. MOTION 11R-10-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN SWANSON TO APPROVE RFP'S #9-13 AT A TOTAL COST OF \$4,054,27. MOTION CARRIED WITH ALL AYES. Jon Henke added that the Building Committee is in the process of seeking quotes for the audio/visual additions to the new facility. Specifications have been put together by an engineering consultant. The labor costs for putting the specifications together have been donated to the project. The quotes will be brought forward for approval at a future council meeting.

Terry Curtis asked what the Park Commission decided to do with the Skating Rink. Jon Henke replied that the Commission discussed the issue at its last meeting, but no decisions were made. Mr. Henke added that the Commission debated whether or not the rink should be manned, if both sides of the rink should be open, and whether it was cost effective to repair the sideboards. Jon Henke stated that a recommendation would be brought to the Council in December. Terry Curtis stated that he would like to see at least one side be kept open for the season.

3. PUBLIC SAFETY –

- a. Chief Hartman reported 169 calls in Crosslake in October.
- b. A total of 39 calls were reported in Mission Township in October.
- c. October 2006 Officer Activity Graphs were included for Council information.

Dean Eggena stated that he heard that the cable yard had been broken into and asked for more information. Chief Hartman replied that the cable yard at the Public Works Facility was broken into a few months ago and that the security cameras got a picture of the vehicle. The vehicle information was put on crime alert with the County. Last week, a Crow Wing County Deputy was on a traffic stop at approximately 3:00 A.M. and noticed a vehicle matching the description of the alleged thief drive past him. The Deputy immediately went after the vehicle. After pulling over, some of the passengers of the suspect vehicle got away on foot, but the driver was apprehended. Two other suspects were arrested later. The case is very solid because of the pictures obtained from the security cameras. Dean Eggena questioned if the City has insurance on the property. Paul Hoge replied that the City does have insurance to cover the cost of the copper wiring that was stolen. Dick Phillips asked why the gates at the Public Works Facility were never locked. Ted Strand replied that he would discuss the matter with the Crow Wing County Highway Department to see if changes needed to be made.

Dick Phillips asked why the Crosslake Police Department is not charging administrative fees as other towns in the area are now doing. Chief Hartman replied that he has information regarding this, however, the State Auditor and the Attorney General are in disagreement of whether or not the process is legal. Chief Hartman added that he would like more information from the

State before making a decision and would try to bring additional information to the meeting in December.

Dick Phillips stated that the officer activity graphs included in the packet were good but that they did not include year to date totals and added that the current graph is a waste of time for the Council.

- d. The Fire Department responded to 14 calls in Crosslake in October. Of those, 11 were medical calls and 3 were fire calls.

#### 4. PUBLIC WORKS/CEMETERY/SEWER

- a. Dave Reese reported that Anderson Brothers is completed with the Assessable 2006 Road Improvement Projects with the exception of some minor turf establishment. The wear course on West Shore Drive and the majority of the bike path are done. Completion will be next spring.
- b. Partial Pay Estimate No. 5 for Anderson Brothers was included for Council review. MOTION 11R-11-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY JAY ANDOLSHEK TO APPROVE PARTIAL PAY ESTIMATE NO. 5 FOR ANDERSON BROTHERS CONSTRUCTION FOR WORK COMPLETED ON THE 2006 ROAD IMPROVEMENT PROJECTS IN THE AMOUNT OF \$361,234.92. MOTION CARRIED WITH ALL AYES. Jay Andolshek asked what problems Ideal Township had when paving their end of West Shore Drive. Dave Reese replied that the road was paved when there was a lot of moisture in the base, so skin patches were used for the winter and the road will be looked at again in the spring. Jay Andolshek asked if the road on the Crosslake end had any of these holes. Dave Reese replied that there are a few holes on the Crosslake side. Tom Swenson clarified that the City of Crosslake had no involvement with the Ideal Township section of West Shore Drive.
- c. Letter dated October 24, 2006 to Mr. Ken Retrum from MN DNR regarding maintenance excavation and dredging at East Shore Landing – information only.
- d. A resolution was presented to the Council regarding unpaid sewer charges. Tom Swenson stated that Ordinance 211 relating to sewer regulations requires the City to certify to the County Auditor any delinquent accounts for which a payment has not been received for a period of four (4) months or the outstanding delinquent/past due balance is over \$350.00. As of October 15, 2006, two properties were past due and delinquent. MOTION 11R-12-06 WAS MADE BY DEAN SWANSON AND SECONDED BY DICK PHILLIPS TO APPROVE RESOLUTION NO. 06-51 REGARDING UNPAID SEWER CHARGES TO BE CERTIFIED TO THE COUNTY AUDITOR IN THE AMOUNT OF \$792.00. Dean Eggena asked if these were the same properties that the Council exempted from hooking up to the sewer system. Tom Swenson replied that the Council agreed to exempt the properties from hooking up as soon as the property owner provides certification of abandoning the septic systems. MOTION CARRIED WITH ALL AYES.

- e. The September 2006 Wastewater Treatment Discharge Monitoring Report was included in the packet for Council information.
- f. The October 2006 Wastewater Treatment Discharge Monitoring Report was included in the packet for Council information.
- g. A letter dated November 3, 2006 from the MPCA regarding Annual Discharge Monitoring Reports for Calendar Year 2005 was included for Council information.
- h. A letter dated October 2006 from the MPCA regarding operational awards was included in the packet for Council information. Ted Strand stated that the Crosslake Wastewater Treatment Facility would be considered for an award for the 12-month period from October 1, 2005 through September 20, 2006 for being in substantial compliance with their National Pollutant Discharge Elimination System or State Disposal System Permit. Dean Eggena congratulated Mr. Strand for a job well done.

Dick Phillips asked if there has been a resolution to the ongoing filter problem. Ted strand replied that he would meet with Mark Hallan of WSN on Thursday and report back to the Council in December.

5. PLANNING AND ZONING –

- a. Planning and Zoning Commission/Board of Adjustment Regular Meeting Minutes of August 25, 2006 were included in the packet for Council information.
- b. Planning and Zoning Commission/Board of Adjustment Regular Meeting Minutes of September 29, 2006 were included in the packet for Council information.
- c. Planning and Zoning Commission/Board of Adjustment Special Meeting Minutes of October 6, 2006 were included in the packet for Council information.
- d. The permit summary report for October 2006 was included for Council information. Ken Anderson noted that the number of building permits is down from last year and that this is a trend throughout the area.
- e. A staff report dated November 1, 2006 from Bryan Hargrave regarding a recommendation for Park Dedication on Metes and Bounds Subdivision 2006-015, Lois Eagle was included for Council review. This subdivision created 1 new lot. MOTION 11R-13-06 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN SWANSON TO ACCEPT CASH IN LIEU OF LAND IN THE AMOUNT OF \$5,000.00 FOR PARK DEDICATION PURPOSES ON METES AND BOUNDS SUBDIVISION 2006-015, LOIS EAGLE. Ken Anderson stated that the Eagle's had contacted the Council Members with concerns on the metes and bounds requirements and that the Planning and Zoning Commission met in a Special Meeting earlier this day to revise some of the requirements so that work can begin sooner.
- f. A staff report dated November 13, 2006 from Jim Perry regarding a recommendation for Park Dedication on Metes and Bounds Subdivision 2006-019, Leo Fraser was included for Council review. This subdivision created 2 new lots. MOTION 11R-14-06 WAS MADE BY DICK PHILLIPS AND

SECONDED BY DEAN SWANSON TO ACCEPT CASH IN LIEU OF LAND IN THE AMOUNT OF \$3,666.66 FOR PARK DEDICATION PURPOSES ON METES AND BOUNDS SUBDIVISION 2006-019, LEO FRASER. Tom Swenson asked if this subdivision created an unbuildable lot. Ken Anderson replied that Mr. Fraser owns the land next to the piece of land on the map that looks like an unbuildable lot and would be combined with that to create a buildable lot in the future. MOTION CARRIED WITH ALL AYES.

- g. A staff report dated November 13, 2006 from Jim Perry regarding a recommendation approval of Wild Haven Final Plat was included for Council review. Ken Anderson informed the Council that some minor changes have been recommended and will be explained at his time. Ken Anderson noted that City Code requires that a Final Plat be submitted to a second Registered Land Surveyor to verify that all State Platting Requirements are met. The plat has been reviewed by Randy Quale at WSN and Mr. Quale has recommended that Lot Numbers be rearranged so that contiguous lot numbers touch each other as per State Platting Requirements. Landecker and Associates is in the process of revising the lot numbers to conform to State Statutes. All other State Platting Requirements have been met by the Final Plat. Condition #7 of the Final Plat stipulates that a separate document shall be prepared, conveying to the City of Crosslake a 10-foot easement for public use trail purposes along all public right-of-way prior to signing of the plat. Attorney Sandelin suggested in an email that a legal description is needed prior to preparation of this easement. Condition #8 of the Final Plat stipulates that deed restrictions shall be placed on the properties to require that vegetative clearing within 30 feet of the wetland be limited to a 15-foot access path. Attorney Sandelin suggested that this condition be incorporated into a covenant that would be recorded against the plat. With these changes, Ken Anderson recommended approval of the Wild Haven Final Plat. Terry Curtis stated that he was confused with the language used in Condition #7 because the 10-foot easement for public use trail purposes was worded differently in the Fraser plat that was just approved and the Eagle subdivision had no easement and suggested that the differences be changed so that the same easement or right of way is used on all plats in the same manner. Ken Anderson replied that the State only allows dedication of drainage and utility easements in metes and bounds subdivisions. Terry Curtis asked what is put in a right-of-way. City Engineer Dave Reese replied that usually drainage and utilities are put in right-of-ways. Terry Curtis then asked why the City plays games with the people and why Planning and Zoning just doesn't require an extra 20 feet when approving a subdivision and further questioned how much room the City needed for utilities. Paul Sandelin replied that the location of the road is not always centered, therefore more land is needed. Terry Curtis stated that he was the Liaison to Planning and Zoning and that he doesn't understand the issue and it should be made simpler. MOTION 11R-15-06 WAS MADE BY TERRY CURTIS AND SECONDED BY JAY ANDOLSHEK TO APPROVE SUBDIVISION 2006-021, WILD HAVEN FINAL PLAT INCLUDING THE RECOMMENDED CHANGES TO THE NUMBERING



OF THE PLAT, CONDITION #7 AND CONDITION #8 AS PRESENTED.  
MOTION CARRIED WITH ALL AYES.

- h. A letter dated November 6, 2006 from WSN regarding Duckwood Trail – Plat of Duckwood was included for Council review. MOTION 11R-16-06 WAS MADE BY DICK PHILLIPS AND SECONDED BY TERRY CURTIS TO APPROVE FINAL ACCEPTANCE AND RELEASE OF ANY REMAINING SECURITIES ASSOCIATED WITH THE PLAT IN ACCORDANCE WITH THE DEVELOPMENT AGREEMENT OF DUCKWOOD TRAIL AND THE PLAT OF DUCKWOOD. MOTION CARRIED WITH ALL AYES.
- i. A staff report dated November 3, 2006 from Ken Anderson regarding appointment of Planning and Zoning Commission Members was included in the packet for Council review. MOTION 11R-17-06 WAS MADE BY DEAN SWANSON AND SECONDED BY TERRY CURTIS TO APPROVE PUBLISHING AN ADVERTISEMENT IN THE OFFICIAL NEWSPAPER SEEKING INTERESTED CITIZENS OF CROSSLAKE TO APPLY TO SERVE AS AN ALTERNATE TO THE PLANNING AND ZONING COMMISSION/BOARD OF ADJUSTMENT. MOTION CARRIED WITH ALL AYES.

6. CROSSLAKE COMMUNICATIONS –

- a. The Highlights Report for October was included for Council information. Paul Hoge reported that the 2006 Fiber Project has continued with the main line nearly complete. The fiber splicer is expected to continue well into the winter. The installers for the High Speed Internet service to the Manhattan Beach area will begin their work mid-November. Crosslake Communications has compiled a Disaster Recovery Plan which has been reviewed with staff and a copy is filed at City Hall.
- b. Crosslake Communication's Bills for Approval – MOTION 11R-18-06 WAS MADE BY TERRY CURTIS AND SECONDED BY JAY ANDOLSHEK TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$781,271.35. MOTION CARRIED WITH ALL AYES.
- c. Letter dated November 2, 2006 from Paul Hoge regarding the need that no longer exists for the RUS loan – information only.
- d. Crosslake Communications Customer Counts Report – information only.
- e. Crosslake Communications Advisory Board Regular Meeting Minutes of October 31, 2006 – information only.

7. RECYCLING – October 2006 Recycling Report was included in the packet for information.

8. PERSONNEL COMMITTEE –

- a. A notice dated November 1, 2006 from the Bureau of Mediation Services regarding certification of election results of the Teamsters, Local 346 – information only.

9. ECONOMIC DEVELOPMENT AUTHORITY – None.

H. OLD BUSINESS – None.

I. NEW BUSINESS – None.

J. PUBLIC FORUM – Mayor Andolshek announced that a benefit was being held for Kathy Allen on December 2, 2006 at the Whitefish Lodge and Suites. Interested parties could call City Hall for more information.

K. ADJOURN – MOTION 11R-19-06 WAS MADE BY TERRY CURTIS AND SECONDED BY DEAN EGGENA TO ADJOURN THIS REGULAR MEETING AT 8:45 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,

Charlene Nelson  
Deputy Clerk

Deputy Clerk/ Minutes/11-13-06

**BILLS FOR APPROVAL**  
**13-Nov-06**

VENDORS	DEPT	AMOUNT
Ace Hardware, broom	PW	17.43
Ace Hardware, wd40	P&R	2.97
Ace Hardware, tennis balls	P&R	22.30
Ace Hardware, adapter, couple	P&R	7.43
American Tire Distributors, tires	PW	314.70
Anderson Brothers, class 1	PW	325.92
Anderson Brothers, washed rock	PW	122.14
AW Research, water test	Sewer	118.80
Blue Lakes Disposal, trash removal	ALL	270.64
Brainerd Medical Center, drug testing	PW	61.17
Brothers Motorsports, blade sharpening	PW	5.00
Crosslake Communications, phone, fax, cable, internet	ALL	1,450.91
Crosslake Communications, new computer	PW	735.01
Crosslake Rolloff, recycling	Gov't	2,450.00
Crosslake Sheetmetal, repair timer	P&R	776.44
Crow Wing County Treasurer, e911 address	Gov't	25.00
Culligan, water and cooler rental	PW/Gov't	46.37
Darlene Roach, reimburse mileage	Election	24.48
Election Judges, general election of 11/7	Election	1,520.38
Enterprise Technology, community router service	Police	20.00
Fastenal, bolts	PW	156.69
Foreman Fire Service & Repair, pump recertification tests	Fire	932.00
Holiday Station, wiper fluid	Fire	6.36
Johnson, Killen, Seiler, teamster petition	Gov't	234.00
Keith Anderson, reimburse travel expenses	Fire	188.16
Larson Allen, audit correspondence	Gov't	60.53
Metro Fire, foam concentrate	Fire	390.00
North Memorial EMS Education, emt basic training	Fire	650.00
Pequot Automotive, repair to three vehicles	PW	387.03
Sandelin Law Office, legal fees	ALL	4,210.46
St. Cloud Medical Group, drug testing	PW	154.00
Viking Coke, pop	Gov't	43.13
Viking Electric Supply, twin tube bulbs	Gov't	111.44
Viking Electric Supply, bulbs	Gov't	9.69
<b>TOTAL</b>		15,850.58

**ADDITIONAL BILLS FOR APPROVAL**  
**13-Nov-06**

VENDOR	DEPT	AMOUNT
Ace Hardware, sporting goods	P&R	12.76
Ace Hardware, air filters	P&R	18.66
AW Research, water test	Sewer	102.60
City of Pequot Lakes, citrus fullback	PW	91.67
Jim's Electric, mogul lamp	P&R	383.27
Jon Henke, replenish petty cash	P&R	28.46
League of MN Cities Insurance Trust, deductible	Gov't	250.00
Marco, copier repair contract	P&R	104.21
Marsden, carpet cleaning	PW	653.76
Pequot Auto Parts, filters	PW	281.22
Pepsi, pop	PW	26.81
Ron Schmidt, reimburse travel expenses	Fire	719.85
Sagebrush, barcode labels	Library	174.95
<b>TOTAL</b>		<b>2,848.22</b>

# RESOLUTION NO. 06-50

## EXTRACT OF MINUTES OF A MEETING OF THE CITY COUNCIL OF THE CITY OF CROSSLAKE, MINNESOTA

HELD: NOVEMBER 13, 2006

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Crosslake, Crow Wing County, Minnesota, was duly held at the City Hall on November 13, 2006, at 7:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$190,000 General Obligation Equipment Certificates of Indebtedness, Series 2006C.

The following members were present: Andolshek, Swanson, Eggena, Phillips, Curtis

and the following were absent: None

Member Swanson introduced the following resolution and moved its adoption:

### RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$190,000 GENERAL OBLIGATION EQUIPMENT CERTIFICATES OF INDEBTEDNESS, SERIES 2006C AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City of Crosslake, Minnesota (the "City"), hereby determines and declares that it is necessary and expedient to issue \$190,000 General Obligation Equipment Certificates of Indebtedness, Series 2006C of the City (the "Certificates"), pursuant to Minnesota Statutes, Chapter 475 and Minnesota Statutes, Section 412.301, to finance the purchase of various equipment for the City (the "Equipment"); and

B. WHEREAS, each item of equipment to be financed by the Certificates has an expected useful life at least as long as the term of the Certificates; and

C. WHEREAS, the principal amount of the Certificates to be issued does not exceed one-quarter of one percent (0.25%) of the market value of the taxable property in the City (\$886,789,500.00 times 0.25% is \$2,216,973.75); and

D. WHEREAS, the Certificates are being sold pursuant to a private sale as permitted by Minnesota Statutes, Sections 412.301 and 475.60, Subdivision 2(1); and

E. WHEREAS, it is in the best interests of the City that the Certificates be issued in book-entry form as hereinafter provided; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Crosslake, Minnesota, as follows:

1. Acceptance of Offer. The offer of Northland Securities, Inc. (the "Purchaser"), to purchase the Certificates in accordance with the terms and at the rates of interest hereinafter set forth, and to pay therefore the sum of \$186,675.00, plus interest accrued to settlement, is hereby accepted.

2. Certificate Terms.

(a) Original Issue Date; Denominations and Maturities. The Certificates shall be dated December 1, 2006, as the date of original issue and shall be issued forthwith on or after such date in fully registered form. The Certificates shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations"). The Certificates shall mature, without option of prepayment, on August 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
2007	\$45,000
2008	45,000
2009	50,000
2010	50,000

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Certificates, and to this end:

(i) The Certificates shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Certificate for each maturity of the Certificates; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Certificate shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Certificate.

(ii) Upon initial issuance, ownership of the Certificates shall be registered in a bond register maintained by the Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Certificates neither the City nor the Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Certificates as securities depository (the "Participant") or the person for which a Participant holds an interest in the Certificates shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Certificates, or (B) the delivery to any Participant, any Owner or any other person,

other than the Depository, of any notice with respect to the Certificates, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Certificates, or (D) the consent given or other action taken by the Depository as the Register Holder of any Certificates (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Certificates are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Registrar may treat as and deem the Depository to be the absolute owner of the Certificates for the purpose of payment of the principal of and premium, if any, and interest on the Certificates, for the purpose of giving notices of redemption and other matters with respect to the Certificates, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Certificates, and for all purpose whatsoever. The Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Certificates only to or upon the Holder of the Holders of the Certificates as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Certificates to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Certificate is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, by the Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Certificates (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Certificates, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Certificate issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Certificates.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of

receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Registrar may establish a special record date for such consent or other action. The City or the Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen calendar days in advance of such special record date to the extent possible.

(ix) Any successor Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Certificate if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Certificate that the Beneficial Owners be able to obtain certificates for the Certificates, the Certificates shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Certificates shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Certificates will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 10.

(d) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose. The Certificates shall provide funds to finance the Equipment. The total cost of the Equipment, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Certificates.



4. Interest. The Certificates shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2007, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity</u> <u>Year</u>	<u>Interest</u> <u>Rate</u>
2007	3.70%
2008	3.70
2009	3.75
2010	3.75

5. No Redemption. The Certificates shall not be subject to redemption and prepayment prior to their maturity.

6. Registrar. Northland Trust Services, Inc., in Minneapolis, Minnesota, is appointed to act as registrar and transfer agent with respect to the Certificates (the "Registrar"), and shall do so unless and until a successor Registrar is duly appointed, all pursuant to any contract the City and Registrar shall execute which is consistent herewith. The Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Certificates shall be paid to the registered holders (or record holders) of the Certificates in the manner set forth in the form of Certificate and paragraph 12.

7. Form of Certificate. The Certificates, together with the Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
CROW WING COUNTY  
CITY OF CROSSLAKE

R- \_\_\_\_\_

\$ \_\_\_\_\_

GENERAL OBLIGATION CERTIFICATE OF INDEBTEDNESS, SERIES 2006C

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	August 1,	December 1, 2006	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Crosslake, Crow Wing County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, without option of prepayment, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2007, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Certificate will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Certificate are payable upon presentation and surrender hereof at the principal office of Northland Trust Services, Inc., in Minneapolis, Minnesota (the "Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Certificate will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Certificate is registered (the "Holder") on the registration books of the Issuer maintained by the Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month of such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Holders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Certificate are payable in lawful money of the United States of America. So long as this Certificate is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Certificate and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution. Until termination of the book-entry only system pursuant to the Resolution, Certificates may only be registered in the name of the Depository or its Nominee.

No Redemption. The Certificates of this issue (the "Certificates") are not subject to redemption and prepayment prior to their maturity.

Issuance; Purpose; General Obligation. This Certificate is one of an issue in the total principal amount of \$190,000, all of like date of original issue and tenor, except as to number, maturity, interest rate and denomination, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council of the Issuer on November 13, 2006 (the "Resolution"), for the purpose of providing money to finance the purchase of items of equipment for the Issuer. This Certificate is payable out of the General Obligation Equipment Certificates of Indebtedness, Series 2006C Fund of the Issuer. This Certificate constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Certificates are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Certificates of other Authorized Denominations in equal aggregate principal amounts at the principal office of the Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Registrar. Copies of the Resolution are on file in the principal office of the Registrar.

Transfer. This Certificate is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Registrar upon presentation and surrender hereof to the Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Registrar. Thereupon the Issuer shall execute and the Registrar shall authenticate and deliver, in exchange for this Certificate, one or more new fully registered Certificates in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Certificate, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Certificate and any legal or unusual costs regarding transfers and lost Certificates.

Treatment of Registered Owners. The Issuer and Registrar may treat the person in whose name this Certificate is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Certificate shall be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary.

Authentication. This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Registrar.

Qualified Tax-Exempt Obligation. This Certificate has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution, laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Certificate, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Certificate, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Crosslake, Crow Wing County, Minnesota, by its City Council has caused this Certificate to be executed on its behalf by the facsimile signatures of its Mayor and its Clerk-Treasurer, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: NORTHLAND TRUST SERVICES, INC.

\_\_\_\_\_

Payable at: NORTHLAND TRUST SERVICES, INC.

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

CITY OF CROSSLAKE,  
CROW WING COUNTY,  
MINNESOTA

This Certificate is one of the Certificates described in the Resolution mentioned within.

/s/ Facsimile  
Mayor

NORTHLAND TRUST SERVICES, INC.,  
Minneapolis, Minnesota  
Registrar

By \_\_\_\_\_  
Authorized Signature

/s/ Facsimile  
Clerk-Treasurer

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship  
and not as tenants in common
- UTMA - \_\_\_\_\_ as custodian for \_\_\_\_\_  
(Cust) (Minor)  
under the \_\_\_\_\_ Uniform Transfers to Minors Act  
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Certificate and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the Certificate on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_ Notice: \_\_\_\_\_  
The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Registrar will not effect transfer of this Certificate unless the information concerning the transferee requested below is provided.

Name and Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Include information for all joint owners if the Certificate is held by joint account.)

8. Execution; Temporary Certificates. The Certificates shall be printed (or, at the request of the Purchaser, typewritten) and shall be executed on behalf of the City by the signatures of its Mayor and Clerk-Treasurer and be sealed with the seal of the City; provided, however, that the seal of the City may be a printed (or, at the request of the Purchaser, photocopied) facsimile; and provided further that both of such signatures may be printed (or, at the request of the Purchaser, photocopied) facsimiles and the corporate seal may be omitted on the Certificates as permitted by law. In the event of disability or resignation or other absence of either such officer, the Certificates may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Certificates shall cease to be such officer before the delivery of the Certificates, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. The City may elect to deliver, in lieu of printed definitive certificates, one or more typewritten temporary certificates in substantially the form set forth above, with such changes as may be necessary to reflect more than one maturity in a single temporary certificate. Such temporary certificates may be executed with photocopied facsimile signatures of the Mayor and Clerk-Treasurer. Such temporary certificates shall, upon the printing of the definitive certificates and the execution thereof, be exchanged therefore and canceled.

9. Authentication. No Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Certificate, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Registrar. Certificates of Authentication on different Certificates need not be signed by the same person. The Registrar shall authenticate the signatures of officers of the City on each Certificate by execution of the Certificate of Authentication on the Certificate and by inserting as the date of registration in the space provided the date on which the Certificate is authenticated, except that for purposes of delivering the original Certificates to the Purchaser, the Registrar shall insert as a date of registration the date of original issue, which date is December 1, 2006. The Certificate of Authentication so executed on each Certificate shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Registrar a certificate register in which, subject to such reasonable regulations as the Registrar may prescribe, the Registrar shall provide for the registration of Certificates and the registration of transfers of Certificates entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Certificate at the principal office of the Registrar, the City shall execute (if necessary), and the Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Certificates of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Certificate may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Certificates may be exchanged for Certificates of any Authorized Denomination or Denominations of a like aggregate principal amount and stated

maturity, upon surrender of the Certificates to be exchanged at the principal office of the Registrar. Whenever any Certificates are so surrendered for exchange, the City shall execute (if necessary), and the Registrar shall authenticate, insert the date of registration of, and deliver the Certificates which the Holder making the exchange is entitled to receive.

All Certificates surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

All Certificates delivered in exchange for or upon transfer of Certificates shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Certificates surrendered for such exchange or transfer.

Every Certificate presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or the Holder's attorney duly authorized in writing.

The Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Certificate and any legal or unusual costs regarding transfers and lost Certificates.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Registrar, including regulations which permit the Registrar to close its transfer books between record dates and payment dates. The Clerk-Treasurer is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Certificate delivered upon transfer of or in exchange for or in lieu of any other Certificate shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Certificate.

12. Interest Payment; Record Date. Interest on any Certificate shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Certificate is registered (the "Holder") on the registration books of the City maintained by the Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month of such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Registrar may treat the person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Certificate and for all other purposes whatsoever whether or not such Certificate shall be overdue, and neither the City nor the Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Certificates when so prepared and executed shall be delivered by the Clerk-Treasurer to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Equipment Certificates of Indebtedness, Series 2006C Fund" (the "Fund") to be administered and maintained by the Clerk-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Certificates and the interest thereon have been fully paid. There shall be maintained in the Fund separate accounts, to be designated the "Capital Account" and "Debt Service Account", respectively.

(a) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Certificates, less accrued and capitalized interest. From the Capital Account there shall be paid all costs and expenses of the acquisition of the Equipment including all costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. The moneys in the Capital Account shall be used for no other purposes except as otherwise provided by law; provided that the proceeds of the Certificates may also be used to the extent necessary to pay interest on the Certificates due prior to the anticipated date of commencement of the collection of taxes herein levied.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) accrued interest received upon delivery of the Certificates; (ii) all taxes herein or hereafter levied for the payment of the Certificates and interest thereon; (iii) capitalized interest in the amount of \$1,180.00 (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Bonds on or before February 1, 2007); (iv) all funds remaining in the Capital Account after the payment of all costs of the Equipment; (v) all investment earnings on funds held in the Debt Service Account; and (vi) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest of the Certificates and any other general obligation certificates of the City hereafter issued by the City and made payable from said account as provided by law.

No portion of the proceeds of the Certificates shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Certificates were issued and (ii) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Certificates or \$100,000. To this effect, any proceeds of the Certificates and any sums from time to time held in the Capital Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the certificates payable there from) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by,



guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Certificates to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

16. Tax Levy: Coverage Test. To provide moneys for payment of the principal and interest on the Certificates there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2006	2007	\$55,000
2007	2008	54,500
2008	2009	54,500
2009	2010	54,000

The tax levies are such that if collected in full they, together with other revenues herein pledged for the payment of the Certificates, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Certificates. The tax levies shall be irrevocable so long as any of the Certificates are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

17. Defeasance. When all Certificates have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Certificates shall cease. The City may discharge its obligations with respect to any Certificates which are due on any date by irrevocably depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Certificate should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also at any time discharge its obligations with respect to any Certificates, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, subject to sale and/or reinvestment, to pay all amounts to become due thereon to maturity.

18. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Certificates, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Certificates and any other certificates payable there from, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

19. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed with the County Auditor of Crow Wing County, Minnesota, together with such other information as the Auditor shall require, and to obtain from the Auditor a certificate that the Certificates have been entered in the Auditor's Bond Register and that the tax levy required by law has been made.

20. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Certificates, certified copies of all proceedings and records of the City relating to the Certificates and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Certificates as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

21. Compliance with Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Certificates, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Certificates, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Certificates.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Certificates or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Certificates and in all events within the period ending on the date which is the later of three years after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of bond proceeds to reimburse the Reimbursement Expenditure and, if made within thirty days after the Certificates are issued, shall be treated as made on the day the Certificates are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Certificates stating in effect that such action will not impair the tax-exempt status of the Certificates.

22. Negative Covenant as to Use of Certificate Proceeds and Equipment. The City hereby covenants not to use the proceeds of the Certificates or the Equipment or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Equipment, in such a manner as to cause the Certificates to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

23. Tax-Exempt Status of the Certificates; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Certificates, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Certificates, and (iii) the rebate of excess investment earnings to the United States if the Certificates (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small-issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Certificates are issued by a governmental unit with general taxing powers, (ii) no Certificate is a private activity bond, (iii) ninety-five percent or more of the net proceeds of the Certificates are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City), and (4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Certificates are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

24. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Certificates as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Certificates are issued after August 7, 1986;

(b) the Certificates are not "private activity bonds" as defined in Section 141 of the Code;

(c) the City hereby designates the Certificates as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

(d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2006 will not exceed \$10,000,000; and

(e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2006 have been designated for purposes of Section 265(b)(3) of the Code.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

25. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Certificate proceeds allocable to the payment of issuance expenses to the Registrar on the closing date for further distribution as directed by the Purchaser.

26. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

27. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

The motion for the adoption of the foregoing resolution was duly seconded by Member Phillips and, after a full discussion thereof and upon vote being taken thereon, the following voted in favor thereof: Andolshek, Swanson, Eggena, Phillips, Curtis

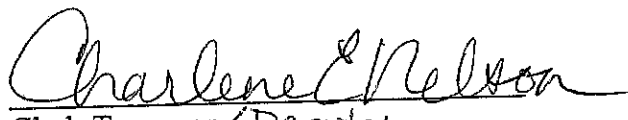
and the following voted against the same: None

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA  
COUNTY OF CROW WING  
CITY OF CROSSLAKE

I, the undersigned, being the duly qualified and Clerk-Treasurer of the City of Crosslake, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to authorizing the issuance and awarding the sale of \$190,000 General Obligation Equipment Certificates of Indebtedness, Series 2006C.

WITNESS my hand on November 13, 2006.

  
Clerk-Treasurer / Deputy

RESOLUTION NO. 06-51

CITY OF CROSSLAKE  
COUNTY OF CROW WING  
STATE OF MINNESOTA

RESOLUTION REGARDING UNPAID SEWER CHARGES

WHEREAS, Minnesota Statute Section 444.075 subd. 3 provides that municipalities may make the charges for connection to sewer facilities and the use charges for such sewer facilities a charge against the owner, lessee, occupant of the property, and may provide a covenant for certifying unpaid charges to the County Auditor with taxes against the property served for collection as other taxes are collected; and

WHEREAS, the City of Crosslake City Code, Section 11.56 and 11.70 provides that each and every sewer service charge levied by and pursuant to this Chapter is hereby made a lien upon the lot or premises served, and all such charges which are on October 15<sup>th</sup> of each year past due and delinquent, shall be certified to the County Auditor as taxes or assessments on the real estate; and

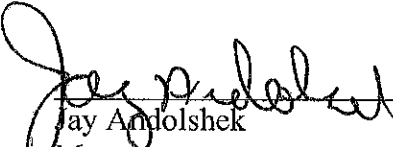
WHEREAS, as of October 15, 2006, the following sewer charges were past due and delinquent:

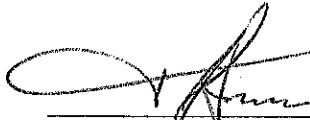
<u>TAX PAYER NAME</u>	<u>REAL ESTATE CODE</u>	<u>AMOUNT</u>
Deloren E Anderson	120163204GC0889	396.00
Deloren & Marilyn Anderson	120212400AHB009	396.00

Total \$792.00

THEREFORE, BE IT RESOLVED that the City of Crosslake City Council hereby certifies as delinquent the following sewer service charges as of October 15, 2006, as taxes or assessments on the real estate identified above:

Adopted by the Crosslake City Council this 13th of November 2006.

  
Jay Andolshek  
Mayor

  
Thomas N. Swenson  
City Administrator

# Crosslake Telephone Company

G.L.B.

## Check Register - General and Construction Account

From September 1, 2006 through September 30, 2006

C #	Vendor ID / Name	Date	Description	Amount
000564	INTERNAL REVENUE SERVICE	09/08/06	FED, FICA, MEDICARE	5,833.05
000565	PERA	09/08/06	PERA EE & ER	2,770.63
000566	MINNESOTA DEPT OF REVENUE	09/08/06	MN INCOME TAX	1,019.19
000567	GREAT WEST LIFE & ANNUITY INSU	09/08/06	DEFERRED COMP	1,977.92
000568	CITY OF CROSSLAKE (SEWER)	09/11/06	SEPTEMBER SEWER	30.00
000569	CROW WING POWER	09/26/06	ELECTRIC SERVICE	3,859.22
000570	INTERNAL REVENUE SERVICE	09/29/06	SEPTEMBER EXCISE TAX	2,104.57
000571	MINNESOTA DEPT OF REVENUE	09/29/06	SEPT SALES & USE TAX	12,559.00
000572	INTERNAL REVENUE SERVICE	09/22/06	FED, FICA, MEDICARE	6,752.08
000573	PERA	09/22/06	PERA EE & ER	3,046.30
000574	MINNESOTA DEPT OF REVENUE	09/22/06	MN INCOME TAX	1,194.71
000575	GREAT WEST LIFE & ANNUITY INSU	09/22/06	DEFERRED COMP	1,977.92
020492	MN CHILD SUPPORT PAYMENT CTR	09/08/06	CHILD SUPPORT WITHHELD	317.02
020493	BRAINERD DAILY DISPATCH	09/12/06	AD FOR TECHNICIAN	127.50
020494	MINNESOTA DEPT OF COMMERCE	09/12/06	2ND QTR INDIR ASSESSMENT	462.68
020495	LAKES PRINTING	09/12/06	SEPTEMBER CROSSTALK	391.71
020496	LARRY EVENSON	09/12/06	2 PR JEANS	21.54
020497	REED'S MARKET	09/12/06	SOAP & CLEANER	23.84
020498	ECHO PUBLISHING & PRINTING INC	09/12/06	EMPLOYMENT AD	26.00
020499	BRAINERD MEDICAL CENTER	09/12/06	EMPLOYEE DRUG TEST	20.39
020500	UNICEL	09/12/06	RECIPR COMP 5/16 - 7/15	277.33
020501	CULLIGAN OF BRAINERD	09/12/06	SEPT/OCT SERVICE	138.40
020502	GOPHER STATE ONE CALL	09/12/06	LOCATES	426.30
020503	OLSEN THIELEN CO LTD	09/12/06	MIC & MART ACTIVITY	989.59
020504	POWER & TELEPHONE SUPPLY	09/12/06	BLOCKING COMPOUND	1,015.97
020505	UNITED PARCEL SERVICE	09/12/06	WEEKLY SERVICE	16.00
020506	CROSSLAKE COMMUNICATIONS	09/12/06	COMMUNITY CENTER VOICE MAIL & PHONE SERVICE	903.22
020507	CITY OF CROSSLAKE	09/12/06	SEPTEMBER CITY FEE	19,583.33
020508	CITI LITES INC	09/12/06	LOCATES	1,378.30
020509	XCEL ENERGY	09/12/06	AUG NATURAL GAS	55.16
020510	BEVCOMM	09/12/06	ANSWERING SERVICE	196.21
020511	MEDTOX LABORATORIES	09/12/06	RANDOM DRUG SCREENING	64.30
020512	MINNESOTA 9-1-1 PROGRAM	09/12/06	911, TAP, TACIP	1,833.00
020513	MN NCPERS LIFE INSURANCE	09/12/06	SEPT LIFE PREMIUM #407202	64.00
020514	BRAINERD LAKES AREA CHAMBER	09/12/06	2007 RELOCATION GUIDE AD	1,105.00
020515	CDW DIRECT, LLC	09/12/06	XEROX PHASER 8550 PRINTER & INK	1,693.61
020516	CENTRAL TRANSPORT GROUP LLC	09/12/06	4 EA DS1'S, 1 T3	4,088.00
020517	PINNACLE PUBLISHING, LLC	09/12/06	TELEPHONE DIRECTORY-1	2,162.89
020518	LAKELAND PUBLIC TELEVISION	09/12/06	ADVERTISING	175.00
020519	AMERICAN TELEVISION & COMM.	09/12/06	AFFILIATE PAYMENT	1,000.00
020520	FOX SPORTS NET NORTH	09/12/06	AFFILIATE PAYMENT	6,787.00
020521	UNICEL	09/12/06	PAGER	6.39
020522	LIFETIME	09/12/06	AFFILIATE PAYMENT	835.80
020523	TV GUIDE NETWORKS INC	09/12/06	AFFILIATE PAYMENT	634.31
020524	DISCOVERY DIGITAL NETWORKS	09/12/06	AFFILIATE PAYMENT	110.16
020525	DISCOVERY HEALTH	09/12/06	AFFILIATE PAYMENT	47.52
020526	JOAN HARRELL	09/12/06	CAFE PLAN REIMBURSEMENT	170.00
020527	PROSTAFF	09/12/06	CUST SERV & ACCTNG TEMP HELP	1,425.60
020528	PAUL DAVIS	09/12/06	NOV AIR TRAVEL CISCO TRAINING	386.60
020529	D&H DISTRIBUTING CO.	09/12/06	UPS FOR PAUL H. COMPUTER, MOUSE & HD FOR RESALE	550.34
020530	7SIGMA SYSTEMS, INC	09/12/06	AUGUST CONSULTING SERV.	2,770.00
020531	CYNTHIA PERKINS	09/12/06	CAFE PLAN REIMBURSEMENT	226.79
020532	CANNON FINANCIAL SERVICES, INC	09/12/06	PMT 24 OF 36 COPIER LEASE	424.94
020533	ZONE TELECOM, INC.	09/12/06	AUGUST ACTIVITY	9,594.78
020534	CROSSLAKE ACE	09/12/06	PVC, SOLDER, CAULT, DUCT TAPE	171.58
020535	NATIONAL CABLE TEL COOP, INC	09/12/06	AFFILIATE PAYMENT	22,101.87
020536	EQUUS COMPUTER SYSTEMS, INC	09/12/06	PC & MONITOR FOR RESALE	1,150.09
020537	GENSOFT SYSTEMS, INC	09/12/06	SEPTEMBER BILLING	7,847.57
020538	KARE 11 TV	09/12/06	AFFILIATE PAYMENT	217.80
020539	PAUL HOGE	09/12/06	CAFE PLAN REIMBURSEMENT, CABLE, PHONE INTERNET REIMB	414.05
020540	FITTV	09/12/06	AFFILIATE PAYMENT	36.72
020541	GLOBAL NET TRAINING SOLUTIONS	09/12/06	CISCO BOOT CAMP FOR PAUL DAVIS	7,890.00
020542	WASTE PARTNERS, INC.	09/12/06	AUGUST TRASH REMOVAL	99.08

020543	CROW WING COUNTY HIGHWAY DEPT.	09/12/06	JUNE UNLEADED & DIESEL FUEL	1,234.37
020544	SHIRLEY MONSON	09/12/06	OFFICE MGR MTG 10/4-10/6	137.00
020546	MTV NETWORKS	09/12/06	AFFILIATE PAYMENT	3,568.07
020547	MART	09/18/06	RETIREMENT DINNER FOR DENNIS	250.00
020548	IBEW LOCAL UNION 949	09/21/06	UNION DUES	321.00
020549	MIN CHILD SUPPORT PAYMENT CTR	09/21/06	CHILD SUPPORT WITHHELD	317.02
020550	LARRY EVENSON	09/28/06	CAFE PLAN REIMB (BAL 505.69)	604.86
020552	ONVOY, INC.	09/28/06	6264 & 0264 PROGRAMS, NETWORK & OPR SERV, BANDWIDTH	10,240.62
020553	DEBORAH FLOERCHINGER	09/28/06	COPAY & MILEAGE REIMBURSEMENT	175.60
020554	PITNEY BOWES INC	09/28/06	EZ SEAL FOR POSTAGE METER	68.14
020555	QWEST COMMUNICATIONS	09/28/06	PARS 9/1/06	115.11
020555	CITI LITES INC	09/28/06	LOCATES	4,135.99
020556	THE OFFICE SHOP	09/28/06	PENS, ERASERS, DICTAPHONE	141.26
020557	DELTA DENTAL PLAN OF MINNESOTA	09/28/06	OCTOBER DENTAL PREMIUM	945.75
020558	SOLIX	09/28/06	B&C STATEMENT	59.95
020559	MEDICA	09/28/06	OCTOBER MEDICAL PREMIUM	11,848.26
020560	AMERIPRIDE LINEN & APPAREL	09/28/06	RUG & TOWEL SERVICE	175.29
020561	NATIONAL CABLE TELEVISION COOP	09/28/06	SHOWTIME PROMOTION POSTAGE	511.82
020562	CDW DIRECT, LLC	09/28/06	HP WIDE CARRIAGE PRINTER, PAPER & INK	3,772.68
020563	NEUSTAR INC.	09/28/06	LNP & SOW CHARGES	90.79
020564	MERRILL LYNCH	09/28/06	AUGUST VISA ACTIVITY	1,756.88
020565	ASSURANT EMPLOYEE BENEFITS	09/28/06	OCTOBER LONG TERM DISABILITY	201.07
020566	MINNESOTA LIFE INSURANCE CO	09/28/06	SEPT LIFE PREMIUM	166.60
020567	PINNACLE PUBLISHING, LLC	09/28/06	2006 DIRECTORY MISC. CHARGES	11,233.74
020568	NORCON BORING INC	09/28/06	FTTH PRESURVEY, CONTRACT PLOWS	7,481.00
020569	UNIVERSAL SERVICE ADMIN CO.	09/28/06	SEPT FUSC CHARGES	1,571.95
020570	LIFETIME	09/28/06	AFFILIATE PAYMENT	838.32
020571	JOAN HARRELL	09/28/06	CAFE PLAN REIMB (BAL 393.17)	789.50
020572	DIGITRACE	09/28/06	RECALIBRATE EQUIP, FCC PROOF OF PERF. TESTING	3,861.77
020573	MCS JANITORIAL SERVICE	09/28/06	SEPT OFFICE CLEANING	585.75
020574	PROSTAFF	09/28/06	CUST SERV & ACCTNG TEMP HELP	1,933.47
020575	SANDELIN LAW OFFICE	09/28/06	TELEPHONE CONV W/ NORTHLAND	31.25
020576	PAUL DAVIS	09/28/06	DSL REIMB 9/13-10/12	49.95
020577	D&H DISTRIBUTING CO.	09/28/06	80GB HD FOR RESALE	58.75
020578	CORNERSTONE GROUP	09/28/06	WEBSITE COMPASS 2ND-4TH QTR	3,294.74
020579	SPRINT	09/28/06	CELL PHONES	282.27
020580	EQUUS COMPUTER SYSTEMS, INC	09/28/06	MONITOR FOR RESALE	217.02
020581	NATHANIEL J. PLANTE	09/28/06	DSL REIMB 9/13-10/12	49.95
020582	KARE 11 TV	09/28/06	AFFILIATE PAYMENT	215.70
020583	CBT, INC.	09/28/06	POSTAGE FOR CABS	29.36
020584	PAUL HOGE	09/28/06	COPAY REIMBURSEMENT	180.00
020585	DAVID SHULER	09/28/06	PERM DISCONNECT	25.22
Total for General Account				<b>219,147.71</b>

001016	VANTAGE POINT	09/12/06	2006 O/S PLANT INSPECT & EXPENSES	20,290.56
001017	APA CABLES & NETWORKS, INC.	09/12/06	FIBER SPLITTER PANEL, VAULTS, JUMPERS, SPLITTERS	36,977.50
001018	CALIX NETWORKS	09/12/06	CIRCUIT EQUIPMENT	54,237.45
001019	IPG PHOTONICS CORPORATION	09/12/06	O/S PLANT FTTH CATV EQUIP	40,548.04
001020	VANTAGE POINT	09/28/06	2006 OSP INSPECTION	20,024.78
001021	APA CABLES & NETWORKS, INC.	09/28/06	1X6 LGX SPLITTER	452.61
001022	CALIX NETWORKS	09/28/06	BUSINESS EXPANSION MODULES	5,494.47
001023	MLASKOCH EXCAVATING & UTILITY	09/28/06	2006 OSP LABOR & MATERIAL	384,098.23
Total for Construction Account				<b>562,123.64</b>

**Total all accounts**

**781,271.35**