

BUDGET WORKSHOP  
CITY OF CROSSLAKE  
THURSDAY, JULY 16, 2015  
2:00 P.M. – CITY HALL

The Council for the City of Crosslake held a budget workshop on July 16, 2015. The following Council Members were present: Mark Wessels, Gary Heacox, Brad Nelson and Dave Schrupp. Mayor Steve Roe was absent. Also present were City Administrator/Consultant Dan Vogt, City Clerk Char Nelson, Finance Director/Treasurer Mike Lyonais, General Manager Kevin Larson, Local Manager Debby Floerchinger, Public Works Director Ted Strand, Police Chief Bob Hartman, and Fire Chief Chip Lohmiller.

Acting Mayor Wessels called the meeting to order at 2:05 P.M.

MOTION 07S-01-15 WAS MADE BY DAVE SCHRUPP AND SECONDED BY BRAD NELSON TO APPOINT NEIL LUZAR ACTING ASSISTANT FIRE CHIEF EFFECTIVE JULY 1, 2015. MOTION CARRIED WITH ALL AYES.

Mike Lyonais led a discussion regarding Capital Planning and Funding Policy recommendations from David Drown. Mr. Drown had attended a Council meeting on May 11, 2015 and gave a presentation to the Council regarding the City creating a policy to outline the process to establish a Capital Fund and to maintain funds for future road projects. Mr. Lyonais reviewed this information with the Council again. The proposed Capital Budget had minor changes due to a revision to the Capital Improvement Plan by Dave Reese and Ted Strand. A lengthy discussion ensued regarding taxable market values and assessments on road projects. The consensus of the Council agreed that road projects needed to get done. Brad Nelson suggested that bonding is a good idea so that future Councils must continue with a policy. Gary Heacox stated that the levy would need to be increased substantially if the road projects were completed without issuing debt. Mark Wessels noted that interest rates are low right now. MOTION 07S-02-15 WAS MADE BY DAVE SCHRUPP AND SECONDED BY BRAD NELSON TO DIRECT STAFF TO PROVIDE THE COUNCIL A PLAN ON HOW TO FUND THE 2016 AND 2017 BUDGETS WHICH WOULD INCLUDE ROAD PROJECTS. MOTION CARRIED WITH ALL AYES. Dan Vogt stated that staff will assume the budget will include revenue from the phone company operating transfer.

Mike Lyonais reported that City Hall is now connected to fiber. As CTC I.T. helped with the transition and installation of the server, it was found that the current backup system was not reliable. MOTION 07S-03-15 WAS MADE BY MARK WESSELS AND SECONDED BY GARY HEACOX TO APPROVE THE PURCHASE OF A BARRACUDA BACKUP SYSTEM AND ONE-YEAR SUBSCRIPTION AT AN ESTIMATED COST OF \$3,500. MOTION CARRIED WITH ALL AYES.

Mike Lyonais reported that the State approved bridge funding during this year's session and that the City could receive up to \$61,000 for 2016 road construction.

Kevin Larson addressed the Council to ask them to consider eliminating the phone company operating transfer beginning in 2016. This transfer has been used to offset the City's tax levy. Mr. Larson updated the Council on equipment purchases that need to be made to replace some electronic devices that have an end of life in 2017. The \$1.1 million of equipment must be changed out. If the Council eliminated the transfer, that money could be used towards the purchase of replacement equipment. If the Council does not eliminate the transfer, the cost will be taken from the phone company's reserves. Dan Vogt suggested building the proposed budget around the elimination of the transfer and that the Council could see how that would look at the next budget meeting. Brad Nelson stated that he has changed his mind and is in favor of eliminating the transfer after hearing all of the facts at the Advisory Board meeting. Kevin Larson reminded the Council of the Joint Meeting to be held on Tuesday, July 28<sup>th</sup> at 9:00 am. The meeting will provide information on broadband service along with the telecommunications industry and where it is heading. It will review what it takes to build an infrastructure that is ready for the future needs of the citizens of Crosslake. Staff is seeking feedback from the Council on what their vision is for the phone company.

MOTION 07S-04-15 WAS MADE BY DAVE SCHRUPP AND SECONDED BY BRAD NELSON TO APPROVE THE PURCHASE OF SHINGLES TO REROOF THE GARAGE AT THE COMMUNITY CENTER AT A COST NOT TO EXCEED \$1,500. Mike Lyonais noted that the budget included \$5,000 for this project and volunteers are being used to do the construction. MOTION CARRIED WITH ALL AYES.

Dan Vogt reported to the Council that he would be out of the state for the months of January, February and March of 2016 and asked what the Council wanted his role to be. Mr. Vogt noted that he currently does most of his correspondence with staff via phone and email. He accepts calls from staff all hours of the day and any day of the week. Mr. Vogt stated that he would be willing to continue corresponding via phone and email while he is gone and that he would fly home for the meeting in February. Mark Wessels replied that he thinks Mr. Vogt is doing a fantastic job and that he has saved the City money with his consulting services. Mr. Wessels would like to retain Mr. Vogt's services for next year. Brad Nelson suggested that the City try working with Mr. Vogt remotely to see if it works. If there are no issues, Mr. Vogt should be retained. Gary Heacox agreed with both Mark Wessels and Brad Nelson. Dave Schrupp stated that he gets worried when the time period is so long, but that he is willing to try this arrangement.

The next budget workshop is scheduled for Thursday, August 6, 2015 at 2:00 pm in City Hall. There being no further business at 3:37 P.M., MOTION 07S-05-15 WAS MADE BY BRAD NELSON AND SECONDED BY MARK WESSELS TO ADJOURN THE MEETING. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson  
City Clerk