

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
WEDNESDAY, AUGUST 20, 2008  
9:00 A.M. - CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met in a Special Session on Wednesday, August 20, 2008 at City Hall. The following Councilmember's were present: Mayor Jay Andolshek, Steve Roe, Dean Swanson and Rusty Taubert. Councilmember Irene Schultz was absent. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, Public Works Director Ted Strand, Police Chief Bob Hartman, General Manager Paul Hoge and Clerk/Treasurer Darlene Roach. Also in attendance was Ruth Ann Hanson of the Brainerd Lakes Area Chamber of Commerce.

1. Call to order – Mayor Andolshek called the special meeting to order at 9:00 A.M.
2. Bills for Approval – MOTION 08S-01-08 WAS MADE BY DEAN SWANSON AND SECONDED BY RUSTY TAUBERT TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$15,448.34. MOTION CARRIED WITH ALL AYES.
3. City Administrator Swenson stated that a letter was received from Crisis Line and Referral Service which requested that \$250 be included in the 2009 budget as a donation to the organization. Chief Hartman explained that the Police Department does use the service and they have been very helpful in working with them. Staff will meet the officers at the hospital and take over the situation allowing the officer to be released back into service. The Council agreed that they would consider a donation for 2009.
4. A letter from Couri, Macarthur & Ruppe informed the City of an increase in the hourly rate for general legal work to \$140 per hour and an increase to \$155 per hour for all development work. The City Council meeting rate will also increase to a flat fee of \$350 per Council meeting. The Council agreed that this is a good firm and worth the money spent.
5. A letter from the Crow Wing County Historical Society requested a donation. This organization has not been funded for five or six years, however the Council felt a donation of \$100 would be appropriate and would be considered in the overall budget review.
6. A funding request from Brainerd Lakes Area Development Corporation (BLADC) included an increase from \$2,100 to \$2,175 from the City as well as a contribution of \$500 for the 2020 Economic Development Program. This represents an increase of \$175 for 2009.
7. A letter from the Initiative Foundation contained a funding request of \$1,000 for 2009. This amount has remained the same for several years. It was noted that the City did receive a grant of \$10,000 from the Initiative Foundation for the Healthy Community Partnership Program.

8. A request for funding from the Paul Bunyan Scenic Byway Association was reviewed. The City has funded this organization in the amount of \$500 annually.
9. A letter from Leigh Reiner of Crosslake Roll-Off & Recycling Services requested a 10% increase due to the increasing fuel costs and cost of doing business in general. Mr. Reiner has not requested an increase since 2002. Since the City has requested an increase in Score Funding, it was determined that the increase is justified.
10. Ruth Ann Hanson of the Brainerd Lakes Area Chamber of Commerce requested a donation of \$2,000 for the upkeep and maintenance of the Crosslake Welcome Center and \$12,500 to support the 4<sup>th</sup> of July fireworks display. Considerable discussion ensued regarding this funding and City Administrator Swenson presented a history of funding for this event. In a survey of Chamber members, it was determined that the return on investment by the members was not as great as that for the St. Patrick's Day Parade and other Chamber events and did feel that they could financially support the fireworks. The Chamber's position on this event is that it is a community event more than a business investment. Councilmember Swanson stated that he was going to support the funding, but did not agree with the Chamber's position. The Council felt that the City contributes a considerable amount of Staff time assisting with organizing posting signs and cleanup for the St. Patrick's Day parade which is appreciated but not taken into consideration as a funding item by the Chamber. Chief Hartman commented that the increase in the number of calls in July from 135 to 250 certainly indicates that there are more people in the City supporting the local businesses. Public Works Director Strand stated that the sewer usage went from 40,000 gallons per day to 75,000 gallons per day another sign of increased usage. The Council was informed that the City, under State Statute, cannot be members of a Chamber of Commerce, but the City does provide assistance to the Chamber as needed. Councilmember Roe asked Ruth Ann what the average dues are for members and she stated that it is comparable with other cities depending on the size of the business. City Administrator Swenson stated that the preliminary budget includes \$10,000 for fireworks which is the same amount as 2008 funding.
11. City Administrator Swenson stated that after the audit, Councilmember Swanson, Clerk Roach and himself met with Tom Koop and Mary Ready to discuss whether the City should continue to utilize two auditing firms. It was the consensus of everyone in attendance that with the work that has been done on the conversion to GASB 34, completion of nine years of road improvement projects, completion of the library project and expansion to the Community Center, completion of the Wastewater Treatment Facility, along with implementation of the billing system, and the Joint Public Works Facility, the majority of the complex accounting work has been completed. Based on this, the amount used in the budget was \$31,000 based on a letter of understanding received from Larson Allen to perform all auditing work for the City. MOTION 08S-02-08 WAS MADE BY STEVE ROE AND SECONDED BY DEAN SWANSON TO AUTHORIZE THE EXECUTION OF THE AGREEMENT WITH LARSON ALLEN DATED JULY 30, 2008. MOTION CARRIED WITH ALL AYES.

12. A memo dated August 13, 2008 from the Personnel Committee contained a recommendation to the Council to adopt the 2009 Management Salaries as proposed and the estimated wages for AFSCME and Teamster Employees. The Teamsters have one year remaining on their contract so the proposed wage for the police officers is 2% plus a step increase per the contract with an amount estimated for overtime. The AFSCME Contract expires on December 31, 2008, however negotiations have not begun so the same 2% wage rate increase was used for the AFSCME employees as for the Teamsters employees. The proposed management wages were listed on the attachment along with comparable worth points and comparisons with four surrounding communities. The Telephone Company management employees were included for approval also, but are not a part of the City's budget. Swenson noted that wages play a huge part in calculating FICA, PERA and other benefits so until these amounts are set, the other benefits cannot be calculated accurately. MOTION 08S-03-08 WAS MADE BY RUSTY TAUBERT AND SECONDED BY STEVE ROE TO APPROVE THE WAGES AS PROPOSED BY THE PERSONNEL COMMITTEE IN A MEMO DATED AUGUST 13, 2008. MOTION CARRIED WITH ALL AYES. The Council Members thanked the Personnel Committee for all their efforts in preparing the 2009 wages for inclusion in the budget.

City Administrator Swenson reviewed the expenditure budgets by department and compared the proposed 2009 expenditures with the 2006 actual expenditures, 2007 actual expenditures and 2008 budgeted amounts. The Council wages will increase effective January 1, 2009 and will be reflected in the expenditures at the next meeting. The biggest increase in the department budgets is wages and benefits. Swenson stated that the health insurance experience modification factor increased to 1.25 which is the highest rating that can be given. PERA will also increase in 2009. Since there are no elections in 2009, there will be minimal election expenditures. Audit/Legal remained the same for auditing and civil legal fees and labor legal fees decreased \$4,000. The majority of the increase in the Planning and Zoning Department was in wages and benefits. The expense budget for surveyor was increased but the revenue was increased by a corresponding amount since the developer reimburses the City for these fees. It was noted that the copier used by Administration and Planning and Zoning is a leased machine so the expenditure increased by the amount of the lease payment. The General Government budget reflects a decrease due to the completion of the transportation plan. Public Works Director Strand stated that the fire alarm system in City Hall/ESC is non-functioning and \$10,000 has been included in capital outlay for replacement of the system. Councilmember Swanson requested that a couple of quotes be obtained before replacing the system. Councilmember Roe asked why \$10,000 was put into capital outlay for siding on the building since it was painted in 2007. Swenson stated that the painting was a temporary fix and at some point the building will need to have the siding replaced so money is being put in reserve for future use. The Police Department budget contains an increase mostly in wages and benefits. The \$37,000 budgeted for capital expenditures included \$29,000 for a vehicle, \$5,000 for a 800 MHZ radio reserve and \$3,000 for computer equipment. The Fire Department increase in services is for payments made to firefighters for calls and meetings attended and \$10,000 is included to

replenish a portion of the reserves which were used to purchase the Kodiak Truck. The Fire Department is working to get into compliance on all of their SCBA Units so \$9,000 has been budgeted for replacement of old units. An additional \$8,800 has been budgeted for turnout gear, boots, helmets and air bottles. The Public Works Department included an increase in wages and in the area of engineering. Since most of the engineering expense in the past has been reflected in the project funds, there haven't been many engineering expenses in the Public Works Department, therefore this area is being increased since most of the engineering work to be done in 2009 will be in maintenance and upkeep of roads. Councilmember Taubert stated that he feels the City needs to think about planting trees along County Road #66 to create an aesthetic venue. Public Works Director Strand and General Manager Hoge stated that fiber optics, gas lines and other utilities could pose a problem. Taubert agreed but felt this should be something looked at in the future. A balloon payment of \$30,000 in 2009 for the Sweepro Broom is a large portion of the capital outlay for the Public Works Department. The budget also contains \$10,000 for the down payment on a tractor replacement since Strand would like to replace the New Holland Tractor which was purchased in 2001. If approval is given to purchase a new tractor, the Parks and Recreation Department would like to transfer the used Public Works tractor to their department. The cost for a replacement tractor is \$35,000 without trade-in and approximately \$19,000 with trade-in. Councilmember Swanson asked if there was any other money in reserve for a tractor and he was told there were no other funds in reserve for the purchase of a tractor. Considerable discussion ensued regarding the purchase of another tractor and transferring the old one to the Parks Department if it is in need of repair. It was agreed that this issue would be reviewed at the next meeting when Parks and Recreation Director Henke is available. Approval was requested to purchase a riding lawn mower this year with money already in the budget except for \$2,000 which is included in the budget for 2009. An advance on the \$2,000 was requested. MOTION 08S-04-08 WAS MADE BY DEAN SWANSON AND SECONDED BY JAY ANDOLSHEK TO AUTHORIZE PUBLIC WORKS TO TRADE IN THE OLD LAWN MOWER AND PURCHASE A REPLACEMENT MOWER OFF THE STATE BID CONTRACT AT A COST OF \$6,500 PLUS TAX. MOTION CARRIED WITH ALL AYES. Public Works Director Ted Strand discussed purchasing forks for an existing tractor instead of the Telephone Company purchasing a dedicated fork lift for the few times one is needed. The capital budget included \$5,000 for a forklift/loader bucket. The Cemetery budget included \$2,500 to upgrade the well pump from a ½ horsepower to a full horsepower pump. The Sewer Operating Budget included increases in wages and benefits. The revenues are improving to offset the operating costs due to several new users and a rate increase, however funds may be needed from the Sewer Project Fund for at least one more year to offset operating costs. The Parks and Recreation Department increase is due in part to a change in the part-time maintenance position to full-time status. With the addition of the library and the expansion of the trails, there is enough work for two full-time maintenance employees, especially in the winter when one of the employees assists with snowplowing. The Debt Service expenditures are based on the bond payments due in 2009. The Series B Revenue Bonds in the Sewer Fund were paid off in 2008 representing a decrease of \$121,135 from 2008. The Council reviewed the

various revenue account estimates contained in the General and Debt Service Funds. Councilmember Roe requested that the Council be provided a listing of all equipment for the Public Works and Parks and Recreation Departments for the meeting to be held next week. Also, an updated list of capital reserves will be provided to the Council. The next meeting to discuss the budget will be held on Wednesday, August 27, 2008 at 9:00 a.m. There being no further discussion, MOTION 08S-05-08 WAS MADE BY STEVE ROE AND SECONDED BY RUSTY TAUBERT TO ADJOURN THIS SPECIAL MEETING AT 12:25 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,



Darlene J. Roach  
Clerk/Treasurer

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**BILLS FOR APPROVAL**  
20-Aug-08

VENDORS	DEPT	AMOUNT
Abra, poly fpt	PW	12.08
Ace Hardware, drill bits, nuts	P&R	12.48
Ace Hardware, edger cement	P&R	5.31
Ace Hardwarer, trowel cement	P&R	8.51
Ann Swenson, reimburse mileage, training	Elections	75.10
AW Research, water test	Sewer	121.05
AW Research, water test	Sewer	121.05
AW Research, water test	Sewer	121.05
Crosslake Communications, reimburse for drug test	PW	39.50
Dacotah Paper, mop heads, paper towels, toilet tissue	Gov't	401.12
HarBo Wood Waste Reducers, tub grinding	PW	2,449.50
Hawkins, ferric chloride, aqua hawk	Sewer	1,715.28
Judy Cotten, reimburse mileage, training	Elections	49.25
Marco, copier lease	ALL	368.12
Marco, maintenance agreement	P&R	829.17
Marco, overage of copies	P&R	56.73
Mastercard, Barnes & Noble, books	Library	147.76
Mastercard, Int'l Code Council, accessibility code software	P&Z/Admin	156.13
Mastercard, Shade Tree, 50% awning	P&R	1,750.00
Mastercard, Spa Partners, wipes, dispenser	P&R	170.73
Menards, valve, sprinkler wire, station timer, riser	PW	307.02
MN State Fire Chiefs Assn, 2008 annual conference	Fire	160.00
MN Telecom Alliance, safety program dues	Gov't	1,815.00
Napa Auto Parts, grease gun	PW	320.57
Northland Press, window envelopes	Admin	90.00
Northland Press, filling affidavits of candidacy	Gov't	42.00
Northland Press, annual disclosure of tax increment	Gov't	49.00
Oasis Oil, fuel for generator	Gov't	1,010.63
Pepsi, pop	PW	74.43
Reed's Market, coffee, juice, dessert	P&R/Library	31.63
Road Equipment Parts Center, dot inspection, brake system	PW	944.18
Shade Tree, 50% awning	P&R	1,726.77
The Office Shop, ink cartridge, batteries	Admin/Gov't	81.55
The Office Shop, pen, label tape, correction tape	P&Z/Admin	18.61
The Office Shop, ink cartridges	Admin	71.34
Watt Automotive, oil change	Police	32.92
Zee Medical Service, 1st aid kit supplies	PW	62.77
<b>TOTAL</b>		<b>15,448.34</b>