

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
WEDNESDAY, AUGUST 22, 2007  
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 22, 2007 at City Hall. The following Councilmember's were present: Mayor Jay Andolshek, Irene Schultz, Dean Swanson and Rusty Taubert. Councilmember Steve Roe was absent. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, Park and Recreation Director Jon Henke, Public Works Director Ted Strand, Police Chief Bob Hartman, General Manager Paul Hoge, who joined the meeting at 9:40 a.m., and Clerk/Treasurer Darlene Roach. Also in attendance was Lake Country Echo Reporter Betty Ryan.

1. Call to order – Mayor Andolshek called the special meeting to order at 9:00 A.M.
2. Memo from Personnel Committee Regarding Non-Union Wage and Benefit Adjustment Recommendation for 2008 - City Administrator Tom Swenson commented that wages play an important part in each department budget since the wage drives other elements such as FICA, PERA, disability and etc., so until the wage is set, it is difficult to determine the other components. Swenson read a memo from the Personnel Committee, which recommended that the estimated 2008 wages for AFSCME and Teamster Employees along with the Personnel Committees recommendations for management employees be approved. The AFSCME contract includes a 3% wage increase and any step increase that the employee may be eligible for. The City is currently in negotiations with the Teamsters for the police department officers and for purposes of budget a 3% increase is being proposed along with the current wage schedule in effect for any applicable step increase. Management wages show the comparable worth point assignment, the City Administrators recommendation and the recommendation of the Personnel Committee. It was noted that these recommendations were the same amounts. A page showing comparisons with other surrounding cities was included for Council information. A copy of a letter to Business Agent Ginger Thrasher regarding wage schedule changes for two positions in the Park and Recreation Department was included for Council information. MOTION 08S2-01-07 WAS MADE BY DEAN SWANSON AND SECONDED BY JAY ANDOLSHEK THAT THE MANAGEMENT SALARIES, NON-UNION, AFSCME EMPLOYEES AND TEAMSTER'S PROPOSED WAGES BE APPROVED AND INCLUDED IN THE 2008 BUDGET. Mayor Andolshek stated that the only motions that will be considered at the budget meetings will be motions pertaining to 2008 wages and the 2008-2009 fire contracts as they pertain to the percent of tax capacity. These numbers are needed in order to proceed with other portions of the budget. MOTION CARRIED WITH ALL AYES.
3. Review 2008 Requests for Funding - Two letters were received from the Chamber of Commerce requesting funding for 2008. The first letter was a request for \$2,000 towards the upkeep and maintenance of the Crosslake Welcome Center. The second request was for \$12,250 to fund the 2008 fireworks. A letter from the Initiative Foundation requested \$1,000 in financial support. A letter from BLADC requested \$2,100 in 2008 to assist with operating needs and a request to

consider an appropriation for the 2020 Economic Development Program. When BLADC appeared before the Council in January, a request for funding for the new 2020 program that was being implemented was presented. Since there was no funding in the 2007 budget for this program, City Administrator Swenson asked for Council direction on what the Council wishes regarding whether this should be included for funding. Discussion ensued regarding increasing the amount to BLADC to include money for the 2020 program or keep the funding separate. It was the consensus of the Council to give a total of \$2,500 and to issue two separate checks to BLADC. Councilmember Swanson suggested possibly scaling back the fireworks. City Administrator Swenson noted that Manhattan Beach is in their budget cycle as well and in order for them to get an idea as to what the fire contract would cost, a letter was sent by City Administrator Swenson to Mayor Allen proposing an increase in the percent of tax capacity from 3% in 2007 to 3.5% in 2008. The Council agreed that the City of Manhattan Beach and Township of Fairfield are getting a good deal for what they pay. MOTION 08S2-02-07 WAS MADE BY IRENE SCHULTZ AND SECONDED BY JAY ANDOLSHEK TO CHANGE THE MANHATTAN BEACH AND FAIRFIELD CONTRACTS TO 3.5% OF TAX CAPACITY FOR THE CONTRACT PERIOD BEGINNING APRIL 1, 2008. MOTION CARRIED WITH ALL AYES.

City Administrator Swenson began review of the 2008 budget with Council expenditures which reflect an increase of \$100 over 2007. This increase was for travel expenses. An amendment to increase Council wages effective January 1, 2009 will be reviewed at the next budget meeting since adoption of the amendment requires a 5/5ths vote of the City Council and Councilmember Roe was not in attendance at the meeting. The next area reviewed was Administration which reflects an increase due to wages and benefits. It was noted that health insurance increased a minimal amount in 2007 compared to previous years. For purposes of budgeting for 2008, a flat 10% increase for health insurance was used for all departments. Capital expenditures for administration included \$2,300 (1/3 of the cost) for a new phone system with the cost shared by Administration, Planning and Zoning and the Police Department. A reserve amount of \$2,000 will be set-aside for the purchase of a copier and \$1,000 in reserve for computer equipment. City Administrator Swenson explained the past years policy of setting aside money for major purchases. Since there was no election in 2007, only \$500 was included in the budget, however in 2008 there is \$5,700 in the budget for judge wages and travel expenses, operating supplies and equipment maintenance. Audit/Legal Services was increased from \$44,500 to \$50,000 due to Union negotiations with AFSCME and Teamsters. City Administrator Swenson asked for direction on whether the Council wanted Staff to go out for RFP's for professional services. After considerable discussion regarding legal services and engineering services, it was the consensus of the Council that only RFP's will be requested for legal services in the October/November timeframe. Since most of the City's projects have been completed, it was the consensus of the Council that projects could be bid on an individual basis, but City Engineer Dave Reese has a considerable amount of knowledge about the City and the Council is comfortable with Widseth Smith Nolting. The budget for General Government is up due to an increase in insurance costs and the \$20,000 cost for the Transportation Plan. Animal Control was increased to \$5,000 and is based on a cost per capita which is

paid to Crow Wing County. The \$23,500 budget for Capital Outlay included \$10,000 for replacement of a furnace/air conditioner unit, \$10,000 for siding, \$2,000 for speakers for the Council Chambers and \$1,000 for miscellaneous. The budget for Ambulance Services stayed the same at \$13,736. The Public Works Department reflects wages for the three AFSCME employees since Public Works Director Ted Strand's wages are budgeted in the Sewer Operating Department. The budget reflects a decrease in street maintenance materials but an increase in bridge materials. There is \$26,000 in reserve plus \$3,000 in the 2007 budget for bridge repair. The Joint Maintenance Facility expenses are shared 53/47% with the County. The principal and interest amounts are principal and interest payments on the front-end loader and the Challenger mower. The Capital Outlay expenditures include \$10,000 for the purchase of a self-propelled broom with the balance to be financed, \$5,000 for the mower replacement fund, \$30,000 for a ¾ ton 4x4 pickup with plow and another \$25,000 for a ¾ ton 4x4 pickup without a plow. City Administrator Swenson suggested eliminating the \$25,000 truck and transferring Ted Strand's pickup to the Park Department for use at the Community Center and transferring a truck from the Telephone Company for Ted Strand. There was no budget change proposed for the Cemetery. Ted Strand did get an estimate of \$16,000 to survey the new addition at the cemetery. No money was put in the budget for this since there are no plans to improve the addition at this time. The \$2,000 in the cemetery budget under Capital Outlay is for trees/seed or irrigation. The proposed Park and Recreation budget totals \$334,538 and includes \$21,000 for Capital Outlay. There was some discussion regarding adding a part-time maintenance worker at 25 hours per week when Ron Harkin, who is a current employee at the Park under a General Mills retirement program, leaves this position. This program will terminate in January, 2008 and the amount of work in this department has increased drastically due to the addition of the Library, the expansion of the Community Center and the addition of a trail system around the property. The \$21,000 included for Capital Outlay adds an additional \$10,000 to the current tennis court reserve of \$20,000. The courts were built in 1972 and need replacing. Another \$4,000 is budgeted for a thigh machine, \$2,000 for playground landscaping/irrigation, \$3,000 for nine frisbee golf standards and \$2,000 for a laptop computer. There was some discussion regarding the #103 property and blacktopping Perkins Road. Henke stated that the Department has a concept for improvement to this property but there are no budgeted funds. Discussion ensued regarding park dedication funds and the need to use these funds to repay reserves used for the Community Center expansion. It was noted that there hasn't been much collected in park dedication fees this year. The Library expenses are segregated for tracking purposes and the budget for the Library increased from \$4,000 to \$6,000 for 2008. Recycling expenses remain the same in 2008. The Debt Service budget is based on principal and interest payments due to various projects where bonds have been issued. The TIF budget is down, due to the decertification of Daggett Brook Villas. The Economic Development Authority budget includes principal and interest payments on the Emergency Services Center and the Joint Public Works Facility. The Sewer Operating Fund includes \$5,000 for replacement of a pump/motor if needed. The Sewer Sinking Fund has in excess of \$700,000 in reserves, which could be used to pay off the \$1,055,000 bond which is being repaid by the Sewer Connection Charges. The Sewer Operating Fund however is running in a deficit and City

Administrator Swenson proposed a \$3.00 monthly increase in user charges, which if approved would increase estimated total sewer operating revenues to \$167,505 in fees not including the assisted living facility. There was considerable discussion regarding raising the user fees.

Bills for approval – MOTION 08S2-03-07 WAS MADE BY DEAN SWANSON AND SECONDED BY IRENE SCHULTZ TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$4,518.48. MOTION CARRIED WITH ALL AYES.

MOTION 08S2-04-07 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DEAN SWANSON TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 11:35 A.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,



Darlene J. Roach  
Clerk/Treasurer

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**BILLS FOR APPROVAL**  
**22-Aug-07**

<b>VENDORS</b>	<b>DEPT</b>	<b>AMOUNT</b>
Ace Hardware, photoelectronic control	PW	23.42
Ace Hardware, coupling, nipple	PW	6.69
Ace Hardware, hx bolts	PW	21.82
Ace Hardware, glue	P&R	3.50
Ace Industrial, tape, tape measures	PW	249.30
AW Research, water test	Sewer	170.10
AW Research, water test	Sewer	13.50
California Contractors, traffic cones	PW	239.40
Chief Supply, nitrile exams, antiseptic	Police	58.85
Dacotah Paper, paper towels	Gov't	177.37
Department of Labor & Industry, accessibility class	P&Z	70.00
Foreman Fire Service, repair front mount pump	Fire	243.00
Hawkins, aqua hawk, ferric chloride	Sewer	800.48
Ikon Office Solutions, fax rental	P&Z/Admin	154.87
Kim Larson, reimburse for transportation to training	P&R	75.00
Martin Communications, replace wet pager	Fire	121.67
Mastercard, Amaco, fuel	P&Z	32.00
Mastercard, Barnes and Noble, books	Library	40.24
Mastercard, Sandia, signature panel, barcode	Library	60.49
Menards, no groove soffit	PW	53.79
Menards, 4x8 pine	PW	57.56
Northwood Turf & Power, belt, I-hammer, bolt, nut	PW	307.20
Northwood Turf & Power, oil change, air filter	P&R	173.30
Pepsi, pop	PW	45.48
Postmaster, refill postage meter	P&Z/Admin	1,000.00
Scholastic, books	Library	28.98
Unicel, cell phone charges	PW	110.66
Viking Coca Cola, pop	P&R	150.80
Viking Electric Supply, bulbs	PW	29.01
<b>TOTAL</b>		<b>4,518.48</b>