

BUDGET WORKSHOP
CITY OF CROSSLAKE
MONDAY, AUGUST 22, 2016
5:00 P.M. – CITY HALL

The Council for the City of Crosslake held a budget workshop on August 22, 2016. The following Council Members were present: Brad Nelson, Mark Wessels, Gary Heacox, and Dave Schrupp. Also present were City Administrator/Consultant Dan Vogt, City Clerk Char Nelson, Finance Director/Treasurer Mike Lyonais, Public Works Director Ted Strand, Police Chief Bob Hartman, Park Director Jon Henke, and EDA President Patty Norgaard.

Deputy Mayor Wessels called the meeting to order at 5:07 P.M. The Pledge of Allegiance was recited.

MOTION 08S1-01-16 WAS MADE BY BRAD NELSON AND SECONDED BY GARY HEACOX TO APPROVE THE BILLS FOR APPROVAL IN THE AMOUNT OF \$34,370.00. MOTION CARRIED WITH ALL AYES.

Dan Vogt reported that he met with staff and together they formed the agenda for discussion. Mr. Vogt turned the meeting over to Finance Director Mike Lyonais to review the proposed budget.

Mike Lyonais stated that the proposed 2017 Budget includes a 5% increase over 2016. Part of the increase is made up of a request from Ted Strand for a new dump truck for the Public Works Department in the amount of \$225,000 and potential costs for the Dream Island Bridge if State funding does not come through.

Mayor Roe arrived to the meeting at 5:15 P.M.

Mike Lyonais stated that the draft budget includes the assumption that operating costs are funded with the levy and capital projects would be funded with bonds. A 5% levy increase would raise the overall tax rate by .40%. The County estimates that property values will increase 2-3% for 2017. A 1% increase to the levy generates approximately \$33,500.

Dan Vogt suggested that the Council consider budgeting for storm cleanup as there have been damaging storms the last few years. The Council just approved a \$16,000 bill for storm damage cleanup which was not in the budget. There are approximately 100 trees still hanging or leaning that will need to be taken down.

In regards to the budget, Dave Schrupp suggested that each department have a “replacement fund” for equipment that will need to be replaced in the future. Jon Henke wants to put aside \$10,000 per year for HVAC replacement. If the funds are not used in a given year, the money is re-appropriated. Steve Roe stated that there is no credit for the lapse of funds. Mike Lyonais stated that priorities change during the year and the reserves need to be flexible. The Park did not budget for flooring in 2016 but the need for replacement happened this summer. Now he has less money to spend on other projects. Mark Wessels stated that the Council changes every two years and that money set aside today for an item could be used for something else by a new Council.

Dave Schrupp suggested that the reserve funds be tracked by each department and that the department heads prioritize their needs throughout the year.

Dan Vogt suggested the Council consider creating a storm damage policy which could include requesting mutual aid. Ted Strand stated that most residents are very happy that there is a place for them to bring their brush. Mr. Strand added that there is a piece of land next to the shop that is for sale for approximately \$85,000 which the City could purchase and use to store such debris in the future. The estimated cost to remove the hanging and leaning trees is \$30,000. Mark Wessels agrees that a policy should be made and approves the hiring of local contractors to help with cleanup. Brad Nelson was not in favor of the City picking up storm debris that residents hauled to the road and suggested that there be a fee for using the collection site. Dan Vogt asked Mr. Strand to obtain at least two quotes for tree removal and to bring the quotes to the meeting next week.

The Council discussed the service that the Public Works Department provides to the Corps of Engineers campground every spring at no charge to help with cleanup and leaf hauling. Ted Strand reported that they haul approximately 30-40 truckloads of leaves from there each year. The Council agreed that the City should continue this service to the campground.

The Council discussed sewer rates and whether there should be an annual increase. Last year the rate increased \$8. Mark Wessels was not in favor of an increase for 2017. The Council agreed that an annual increase should be discussed during the 2018 Budget meetings.

Dan Vogt reported that staff is obtaining quotes for the installation of a keyless entry system at City Hall. Staff would like to make improvements to the security of the building. There is \$20,000 in the 2016 budget and an additional \$20,000 in the proposed 2017 budget that could be used towards this project.

It was the consensus of the Council to eliminate the newsletter that Crosslake Communications produces and mails with their bills which will be an approximate savings of \$13,000 per year. Staff will update the City website with announcements, events and schedules.

Dan Vogt asked the Council to consider the need for a fulltime administrator versus his service as a consultant and to discuss this item at next budget meeting. Mr. Vogt suggested that the Council include opinions of staff when making a decision. If the Council would like to retain his services, Mr. Vogt would be available to return from Florida every month throughout the winter if City pays for travel. He could also attend via Skype. Mark Wessels stated that he is in favor of using a consultant for administrative services. Dave Schrupp stated that there should be a person wearing the City Administrator "hat" that is present every day.

The Council was asked to consider doing all of the road projects in the 5-year road plan in 2017. The Council has authority to bond up to \$2.6 million for road projects. Interest rates are still low. The bonds would not cover any changes to the width of the roads or trails.

There being no further business at 6:55 P.M., MOTION 08S1-02-16 WAS MADE BY MARK WESSELS AND SECONDED BY DAVE SCHRUPP TO ADJOURN THE MEETING. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Charlene Nelson".

Charlene Nelson
City Clerk

BILLS FOR APPROVAL
August 22, 2016

VENDORS	DEPT	AMOUNT
Equity Builders, lawn mowing	Cemetery	1,200.00
Equity Builders, sewer plant upgrades	Sewer	16,295.00
Whitefish Professional Services, storm damage cleanup	PW	16,875.00
TOTAL		34,370.00