

SPECIAL COUNCIL MEETING
MONDAY, AUGUST 30, 2004
1:00 P.M. – CITY HALL

Pursuant to proper notice and call, the City Council met in a special session on Monday, August 30, 2004 at 1:00 P.M. The following Councilmembers were present: Mayor Darrell Swanson, Dean Eggena, Bettie Miller, Dick Phillips and Irene Schultz. Also present was City Administrator Tom Swenson, Park and Recreation Director Jon Henke, Sergeant Erik Lee, Public Works Director Ted Strand, Community Development Director Ken Anderson and Clerk/Treasurer Darlene Roach. There were two individuals in the audience.

1. Mayor Swanson called the meeting to order at 1:00 P.M.

2. The first item on the agenda was to review a Wash Bay Addition to the Joint Public Works Facility. A letter dated August 27, 2004 from County Highway Engineer Duane Blanck stated that the Joint Powers Board along with the Crow Wing County Board of Commissioners recommend awarding the bid for a wash bay addition at the Joint Public Works Facility to C. L. Reed Construction in the amount of \$139,764.00. This bid is approximately \$30,000 higher than a previous bid received in May, however at that time the County Auditor determined that the bid was not in order with the competitive bidding statutes which resulted in the bids being rejected and the wash bay re-bid. It was noted that the project is \$200,000 under budget after taking into account the purchase of the wash bay at \$139,764.00. MOTION 08S2-01-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO ACCEPT THE BID FOR A WASH BAY ADDITION FOR THE JOINT PUBLIC WORKS FACILITY FROM C. L. REED CONSTRUCTION IN THE AMOUNT OF \$139,764.00. MOTION CARRIED WITH ALL AYES.

3. Reimbursement of Crosswoods Sanitary Sewer – At a previous Council meeting held on August 25th, discussion ensued regarding the reimbursement of sanitary sewer costs to Crosswoods Development. At that meeting, reimbursement to Crosswoods Development was tabled to the next Council meeting. Since that time, City Administrator Swenson reviewed minutes of prior Council meetings where action was taken by the City Council to reimburse these costs. These documents were provided to the Council for their review. At a meeting held on August 28, 2003, a draft letter prepared by City Attorney Paul Sandelin, to be sent to Crosswoods Development, was reviewed by the Council. This letter indicated that the City would reimburse the costs for sewer infrastructure servicing Crosswoods Phase I. A motion was made by Councilmember Chuck Miller and seconded by Councilmember Eggena to authorize the City Attorney sending the letter as drafted to Crosswoods Development regarding the reimbursement of sewer improvements. This motion passed unanimously. The draft letter stated that the City would agree to pay \$90,181.04 within thirty days of the sanitary sewer plant coming on line; the main sewer line from Crosswoods Development is connected to the municipal sanitary sewer collection system; and sewage is being treated at the sanitary sewer wastewater plant. In addition, the City would require that Crosswoods Development

pressure test and televise the sanitary sewer main. At the time of connection to the municipal sanitary sewer system all connection and user charges shall be due and payable by the property owner(s) within Crosswoods Development per the Sewer Ordinance in effect. Mayor Swanson asked where this project stood and it was noted that everything has been completed with the exception of televising the sewer lines. Councilmember Eggena stated that he remembers reviewing this issue, but had thought it was the road that Crosswoods Development was being reimbursed for. City Administrator Swenson stated that the road project was part of the TIF Developer's Agreement. There was some discussion regarding what type of precedent this was going to set for other developers in the City such as Doug Nelson's property. Councilmember Schultz stated that it is the Developer's Agreement with the City that authorizes the reimbursement making it different from other developer's within the City. Councilmember Phillips stated that he must have been asleep at the wheel during this discussion as well, because he could not believe that the City would agree to pay for the installation of sewer lines on private property. Councilmember Eggena asked if the Council could negotiate with Jim Anderson and reimburse the cost under the TIF. Public Works Director Ted Strand, City Administrator Swenson and Councilmember Eggena reviewed the location of the sewer lines on the map. There was some discussion regarding what televising the lines would accomplish and Strand stated that the City would then have a visual of the services should a problem arise in the future. Councilmember Eggena stated that if the reimbursement is a part of the Development Agreement, the City needs to honor the payment, but Eggena requested that the City Attorney review the Developer's Agreement and notify the Council of his findings by way of letter.

4. Review 2005 Budgets by Department - A continuation of the proposed 2005 budget continued from the August 25th budget meeting. Discussion began with the Park and Recreation Department. Director Jon Henke stated that the big item is capital outlay and reviewed each of the items individually. Henke stated that the purchase of additional Mity-Lite tables would allow one employee to set up and take down tables for functions. A snowplow to clear parking and skating rinks is also being recommended. Henke stated that these two items could possibly be purchased with excess funds not utilized in wages for the Park Maintenance position if the Council was in agreement. Mayor Swanson asked if there was any park dedication funds budgeted and it was stated that there are no park dedication monies budgeted since it is unknown how many dollars would be paid in park dedication fees by developers. Councilmember Eggena stated that he would like to designate some of the capital items to be paid for with park dedication funds. Tennis court resurfacing would be one of these items. Henke stated that he would like to see at least \$5,000 budgeted for the tennis court replacement fund since budgeting for this would help the City when applying for grants since it would show that the City does support this effort. There was some discussion regarding the type of surface that would be put down on the tennis court. Henke stated that what is being recommended is a combination of material between clay and grass. It is a little slower surface to play on but is cooler and a less expensive way of repairing the courts versus replacing them. It was the consensus of the Council that the proposed budget of \$5,000 for playground equipment could be paid for out of park dedication funds. A new mower is being proposed which would be heavier than the current New Holland Mower. The trade-in

value of the older mower is approximately \$11,500. The mower is used year round for mowing, sweeping bike paths, clearing snow and maintaining the skating rink. A quote has been obtained from Northwood Turf and Power for a John Deere 1445 with hard cab, heater, defroster and wipers including a 72 inch mower deck, 60 inch rotary broom and 60 inch snow blower attachment. Councilmember Eggena stated that the New Holland Mower cost \$24,000 and has only been used three years. That's \$8,000 a year for a mower. He recommended buying a heavier, long lasting mower that is a quality mower that will last for many years. Councilmember Schultz agreed that a quality mower should be purchased if the current one is replaced. It was agreed that Jon contact the John Deere dealer to determine what they can provide based on the Park's needs for a long lasting durable machine. The purchase of lime for the ball field was discussed. The cost for lime is \$11.00 per ton but shipping is \$23.00 per ton. It is estimated that 400 tons of lime would be needed to bring the field levels up to where they should be. Henke stated that he would also like to install warning tracks to both fields as recommended by the League of Minnesota Cities. In summation, it was agreed that the tables would be purchased in 2004, the snowplow would be removed from the budget, the playground equipment reduced to \$5,000, mower replacement left at \$10,000 with Jon Henke obtaining quotes for the next meeting and \$5,000 budgeted for ball field lime with the warning track paid for out of park dedication funds.

There is no change being recommended for the Council budget. Except for wage and benefit increases, the proposed Administration budget remains the same as last year except for capital expenditures of \$3,600 for a fire proof file cabinet and \$2500 for computer equipment. There are no elections in 2005 so there are no budgeted items. The Audit/Legal budget is increased due to the adding of Larson Allen and Olson Thielen for accounting services. Legal fees remain the same as in 2004, however labor legal fees are increased by \$4,500 due to the AFSCME contract up for renewal in 2005. The General Government budget remains approximately the same except for capital outlay expenditures of \$40,000. The Fire Department budget remains about the same with the addition of a treasurer who would be paid \$25.00 per month. Ambulance expenditures are the same as in 2004 at \$13,736.

The sale of the Public Works garage was discussed. On September 1st, the purchase price will be reduced to \$137,000 since it has been decreasing \$5,000 per month for the past four months.

Recycling remains the same for 2005 at \$29,400. The debt service fund budget was reviewed. This fund contains all of the payments (principal and interest) on the bond issues for the upcoming year.

At 3:10 P.M. a recess was taken.

Community Development Director Ken Anderson joined the meeting to review the proposed zoning permit fee increases. Anderson has compared the fees in Crosslake with those charged by the County. He stated that the County looks at the footprint or ground cover for determining fees. There was some discussion regarding metes and bounds

subdivisions and Councilmember Eggena stated that neither Aitkin or Crow Wing County require approval on metes and bounds and questioned why Crosslake does. He stated that the law allows subdividing one parcel into three parcels every five years. There was some discussion regarding how park dedication comes into play for metes and bounds subdivisions. Community Development Director Anderson stated that the City does allow lot line adjustments whereas Staff signs off on the deed or legal description for these types of situations. Discussion ensued regarding the two methods of calculating fees and Anderson was directed to look at how accessory structures play into this structure. Anderson was also directed to look at an ordinance amendment regarding temporary camping and trailers situated on lots. The issue of fees will be reviewed again at the next meeting.

Councilmember Eggena and Public Works Director Ted Strand reviewed the equipment in the Public Works Department since the last meeting and recommend that \$24,000 be left in the Public Works Budget.

The sewer connection charge revenue and user fee income was reviewed by City Administrator Swenson and based on connections to-date, the number of connections was increased from 120 connections to 140 connections as of January 1, 2005. There was some discussion regarding splitting the Public Works Department and Sewer Department and Strand stated that his department has started noting time spent between the Sewer and Public Works departments. Councilmember Eggena stated that he would like to see an amount budgeted to hire a consultant to work on establishing a Waste Management District.

The next budget meeting was set for Tuesday, September 7th at 1:00 P.M.

MOTION 08S2-02-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY IRENE SCHULTZ TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 4:35 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach
Clerk/Treasurer

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