

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
TUESDAY, SEPTEMBER 9, 2003  
1:30 P.M. - CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met in a special session on Tuesday, September 9, 2003 at 1:30 P.M. at City Hall. The following Councilmembers were present: Mayor Darrell Swanson, Dean Eggena, Dick Phillips and Irene Schultz. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, Public Works Director Ted Strand, Park and Recreation Director Jon Henke and Clerk/Treasurer Darlene Roach. There were two individuals in the audience.

Mayor Swanson called the meeting to order at 1:31 P.M. and turned the meeting over to City Administrator Swenson.

City Administrator Swenson stated that he has taken Councilmember Eggena's suggestion of buying down the levy with the proceeds of the sale of the Public Works garage and recalculated the numbers based on a reduction of \$60,000. This reduction changes the previous percentages on the spreadsheet from the prior budget meeting as follows: 1.) the proposed levy increase is reduced from \$271,034 to \$211,034 and 15.8% to 12.3%; 2.) the proposed spread levy increase is reduced from \$205,915 to \$145,915 and 12.01% to 8.5%; and 3.) the proposed spread levy increase on exiting tax base is reduced from \$160,915 to \$100,915 and 9.4% to 5.9%. City Administrator Swenson reminded the Council that this \$60,000 is a one-time only revenue and will not be there the following year. Councilmember Schultz commented that the Council needs to be cautious not to levy too low where it will cost more next year and be a burden to the taxpayers. Councilmember Eggena stated that the other option is to quit spending so much money.

There was some discussion regarding the proposed library and what effect it would have on taxpayers. Councilmember Phillips stated that he still has a problem with the \$40,000 increase in the Police Department budget. Councilmember Eggena agreed and felt the Council needed to review the budget in more detail. Phillips stated he does not have a problem with the Administration or Fire Department budgets but does have a problem with the Police Department budget. Mayor Swanson stated that \$10,000 of the increase is in health insurance. Swenson stated that there are mitigating circumstances in that two employees in the Department are getting married and another is having a child. Phillips stated mitigating circumstances or not, in the private sector this would not be acceptable. He suggested looking at three fulltime and two part-time officers. Councilmember Eggena stated that the Department Head must not take his budget serious if he plans vacation during budget time. City Administrator Swenson stated that Chief Hartman did prepare his budget before he left which he did review with the Council. Councilmember Eggena stated his absence was still very disappointing. Swenson stated that Sergeant Lee would have been present to answer any questions, but he was called for jury duty.

Councilmember Eggena stated that he agrees with City Administrator Swenson's numbers for the recalculation using the sale of the Public Works facility to buy down the levy, but he would like to see another \$25,000 in cuts which would bring us to around

5%. Councilmember Eggena reviewed some of the various line items. The increase in PERA in the Administration budget is due to the City paying the employee portion of PERA for the General Manager and City Administrator under a previous agreement which had not been budgeted for in the past. In the Planning and Zoning Department budget, engineering fees and attorney fees seem high according to Councilmember Eggena and he did not feel their attendance at meetings was necessary. If the City needs an opinion on an issue, the attorney or engineer could be called. Community Development Director Ken Anderson stated that historically the Board has requested the insight of these individuals during meetings to avoid making improper decisions or the need to table an issue. Anderson stated that he would not be comfortable without them in attendance. Clerk Roach stated that some of the expenses incurred in attorney fees and engineering fees are reimbursed by the developer, so the revenue side needs to be looked at in addition to the expense side. Anderson mentioned Lommel Properties, Johnson Variance and White Variance as examples for needing the engineer and attorney present at meetings. Most recently, the White variance was tabled because legal representation was not in attendance. City Administrator Swenson stated that one may think their saving money, but to correct a problem after an error has been made can be more costly. Councilmember Eggena stated that at the Planning and Zoning level, it's not case law decision it is a planning and zoning decision that can be appealed to the Council and to District Court and sometimes the attorney's complicate the issues rather than expedite the issues. Councilmember Eggena inquired about the \$1500 to BLADC. Swenson stated that representatives attend the EDA meetings and review loan applications for the Revolving Loan Fund and assist businesses. Regarding the Central Minnesota Initiative Foundation, Swenson stated that even though the City donates \$1,000, the City gets money in return as was the case with the Comp Plan where they gave the City a \$10,000 grant. Councilmember Eggena asked about the money budgeted for Emergency Management. Swenson stated that this line item was reduced from \$12,000 to \$2,000 since the emergency sirens were paid off in 2003 but an amount was budgeted for repair and maintenance of the sirens. Regarding the \$5,300 for the Safety Program, City Administrator Swenson stated that these programs are required by OSHA and the City actually saves money on this program since we piggyback off the safety program in place for the Telephone Company. Cobra was discussed and this is an expense with an offsetting revenue. Eggena asked for the detail included in the donation category. City Administrator Swenson stated \$2,000 goes to the Chamber, \$2,000 is donated for the fireworks, \$100 to each school for Grad Blast, \$500 for the Paul Bunyan Scenic Byway Association, and \$100 to the County Historical Society. The \$20,000 in capital outlay land is to reimburse the reserves for land that was purchased by the City. Mayor Swanson stated that he has suggested previously that the \$20,000 to replenish reserves could be eliminated. City Administrator Swenson advised the Council to be careful about not replenishing reserves when they are used for a purpose approved by the Council at the time.

Councilmember Eggena asked about the donation category in the Park and Recreation budget. Park and Recreation Director Jon Henke stated that if organizations donate money for programs, the Department spends that amount of money on programs.

Councilmember Schultz felt that the \$3,500 budgeted for trees and grass at the Cemetery could be put off for another year.

Mayor Swanson stated that he would not support operating the City with less employees as a means of lowering the levy, but would agree to look at the overlay and road construction budgets as a way of cutting expenditures. With upcoming overlays needed on West Shore Drive and Daggett Pine Road, however, some amount needs to be put into reserve for these projects. Mayor Swanson stated if the Council agrees that \$25,000 needs to be cut, the numbers should be reworked for review at the next budget meeting scheduled for Thursday, September 11<sup>th</sup>. Hopefully at that time a resolution can be prepared to adopt the preliminary levy.

Mayor Swanson stated that at the regular Wednesday meeting scheduled for September 10<sup>th</sup>, discussion will be held between Mayor Swanson, City Administrator Swenson, the engineers and contractor regarding the possible closure of County Road 66. Councilmember Eggena stated that he would be in favor of holding an emergency Council meeting. Staff will contact legal counsel for direction in calling the special emergency meeting.

There being no further comments, MOTION 09S2-01-03 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO ADJOURN THIS SPECIAL MEETING AT 2:30 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach  
Clerk/Treasurer

Shared: SPECIAL COUNCIL MEETING – September 9, 2003