

SPECIAL EMERGENCY COUNCIL MEETING
CITY OF CROSSLAKE
THURSDAY, SEPTEMBER 11, 2003
9:00 A.M. - CITY HALL

With all Councilmembers assembled for the purpose of a Special Council Meeting to continue discussions regarding the 2004 proposed budget, for which proper notice and call has been given, the Council deemed it necessary to discuss a situation related to the Sewer Project on an emergency basis on this the 11th day of September, 2003. Present at the meeting was: Mayor Darrell Swanson, Chuck Miller, Dean Eggena, Dick Phillips and Irene Schultz. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson, Police Chief Bob Hartman, General Manager Dennis Leaser, City Engineer Dave Reese, and Clerk/Treasurer Darlene Roach. Also in attendance was Sewer Committee Chairman Dean Swanson, Lake Country Echo Reporter Betty Ryan, Todd Hammerlund of Hammerlund Construction, Cindy Holden and Sue Swanson.

Mayor Swanson called the meeting to order at 9:00 A.M. and stated that the first order of business was to discuss a matter that came up at the Sewer Committee Meeting yesterday, which requires immediate Council action.

Sewer Committee Chairman Dean Swanson stated that at its meeting of September 10th, the Sewer Committee discussed the need to have the directional boring under the river and under the channel done while County Road 66 is closed in order to avoid having to tear up County Road 66 again in the Spring.

City Engineer Dave Reese stated that previously an 8" force main was bored under the channel, however the head broke off at the end of the guard rail about 21' down. Both the contractor and the boring company agree that the conditions are rocky and more complicated than their original bid. Reese distributed a handout prepared by the contractor containing information regarding additional costs associated with the boring. After reviewing the other contractors bids for the boring, it was determined that the average cost per lineal foot was \$37.00 which reflects the difficulty the other bidders recognized at the time of bid. The quote that was obtained for the boring was from Spalj Construction in Deerwood at a cost of \$50.25 per lineal foot. Spalj Construction has a 55,000 pound machine with a rail system that allows rocks and cobble to be chipped out of the way. WSN has spoken with Mark Anderson of Spalj Construction and he was 99% sure that they could accomplish the boring. This boring machine is scheduled to be mobilized to Green Bay, Wisconsin within the week, so Council action is required immediately if the project is to be done yet this Fall when the road is shut down. Although the boring could be done in the Spring, it would involve closing down one lane of County Road #66 and the blacktop removed. The Sewer Committee is recommending that the Council approve contracting with Spalj Construction for this work with the material price of the pipe to be reimbursed by the City and the contractor absorbing the balance of the cost. The net cost to the City for the boring is \$37,700 which will be paid out of the contingency fund. Hammerlund did obtain a second quote of \$35.00 per lineal foot, but this quote included the same type of equipment that was previously used unsuccessfully. MOTION 09S4-03-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO APPROVE THE RECOMMENDATION FROM

THE SEWER COMMITTEE TO HIRE SPALJ CONSTRUCTION TO PERFORM THE NECESSARY BORING AT A COST OF \$50.25 PER LINEAL FOOT. Councilmember Phillips asked how much of the contingency fund was left and Mayor Swanson indicated about \$40,000 of the \$380,000 has been used. Todd Hammerlund asked the Council if there needed to be any discussion on the 99% guarantee and Councilmember Eggena didn't feel anyone would give a 100% guarantee. Dennis Leaser stated they may give a 100% guarantee, but it will cost you more. City Administrator Swenson stated that this action would require approval of a change order at a later date. MOTION CARRIED WITH ALL AYES. The Council directed the City Engineer to revise the contract along with the assistance of the City Attorney and to come back to the Council for approval. The detour for County Road 66 will start on Friday morning and announcements will be broadcast on Channel 12, KLKS, 102.9 and in the Shopper.

The Council engaged in discussion regarding the budget. City Administrator Swenson had prepared a revised spreadsheet reflecting the \$25,000 decrease in expenditures as recommended at the previous meeting. This reduction brings the proposed spread levy increase on the existing tax base to 4.4%. The second option, discussed at a previous budget meeting using \$60,000 from the sale of the Public Works Facility to buy down the levy at 5.9% and the third option, using City Administrator Swenson's reductions at 9.4%. A resolution approving the 2003 Tax Levy Collectible in 2004 was prepared for Council review and action. Councilmember Eggena stated that he would be happy with the 4.4%, but has one small change to discuss. Councilmember Phillips also supported the 4.4% levy increase. Councilmember Miller was not in favor of this option and stated it would represent the bare bones. He stated that he would support a 5.9% levy increase. Councilmember Schultz agreed with going with a higher percent. Schultz stated that when you sell an asset you look good for one year but the next year you look bad, so she recommended being somewhere around 7%. Mayor Swanson brought up the sale of the building and the lack of initiative the City has taken to sell the building due to the City needing to use the facility until the new one is operational. Councilmember Eggena felt that the City has a year to pursue the sale of the building and getting the asking price should not be a problem. Discussion ensued regarding selling a city asset to buy down the levy, what effect new construction will have on future years and looking at increasing license fees as a means of offsetting the \$5,000 cut in the Police Department Budget.

Councilmember Eggena commented on the salary proposed for the Park and Recreation Director as compared to the other Department Heads. He stated that everyone received a \$3,000 increase with the exception of Jon Henke and he has heard some grumbling. City Administrator Swenson stated this information was incorrect, that increases for Department Heads were \$2,000, \$2,500 and \$3,000 and that Jon Henke was not the only Department Head that received \$2,000. City Administrator Swenson stated that more goes into salary projections than across the board increases. Raises need to be consistent with Comparable Worth Points assigned to the position as reflected on the State Job Match List. If the City doesn't follow the State Guidelines, the City can be determined to be out of compliance with Pay Equity and a fine is imposed. Councilmember Miller commented that if the Council doesn't consider a comparable increase for Jon he will be unhappy since it is more a recognition of his work than a compensation issue. Mayor Swanson stated that it is not about Jon, it is about the comparable worth points assigned to his position. The Council agreed that they would revisit this issue in January.

There was some discussion regarding when the City would engage in overlay projects for West Shore Drive and Daggett Pine Road and the need to continue to put money in reserve to pay for these projects.

City Administrator Swenson reminded the Council that whatever they buy down this year, they will pay for next year. It was the recommendation of the City Administrator that the Council adopt the 5.9% levy increase. Mayor Swanson stated that he would like the record to reflect that the \$60,000 that is bought down this year will need to be made up next year. Councilmember Eggena stated that he would rather go 5% this year and increase the levy by 7% next year. He feels he can explain that to the taxpayers. City Administrator Swenson asked how the fire truck, that the Council authorized the Fire Department to obtain bids on, would be paid for. Swenson stated that it is the reserves that have allowed the City to replace old equipment without having a huge impact on the levy. Councilmember Eggena stated that Crosslake is one of the fastest growing communities and if our taxes get too high as compared to other surrounding communities, we'll lose our tax base to those municipalities. Councilmember Schultz stated that Crosslake is not a retirement community. She stated that we need the business tax base to offset the residential property taxes. Councilmember Eggena disagreed by stating he feels Crosslake is a retirement community.

Mayor Swanson stated that a means of saving money would be to not install the canopy on the rear of City Hall. City Administrator stated that without reserves, the roof project and canopy would not be a reality. Councilmember Miller, George Riches and City Administrator Swenson met with Todd Eggena to review the options for adding gutters over the Ambulance overhang and two options for extending the canopy on the east side of the building. The first option would be to wait and see how and where the snow comes off the roof in this area before deciding on a course of action. The second option is to accept the proposal to install gutters over the Ambulance overhang and also authorize installation of a 12' foot section of gutter and down spout over the east entrance to City Hall at a total cost of \$1200. If nothing is down at this time, the rear entrance could be blocked off and used as an emergency exit only. Councilmember Miller stated that several alternatives were reviewed and the Committee is recommending that a 12' gutter be added above the Ambulance garage at a cost of \$1200. Councilmember Eggena stated that he sees this as a safety issue and sees no reason to close an entrance. He stated that the City would be creating an obvious hazard. During the cold weather, if a warm day comes along, all the frozen ice and snow would melt and slide off the roof right in front of your emergency exit. Eggena stated that the steel roof was an excellent idea, but the Council stopped short of doing it properly. Councilmember Schultz stated there are a lot of steel buildings in the area and they don't all have a canopy. It was agreed that the Council would consider the budget discussion before making a recommendation on the roof, which was an agenda item for later in the meeting.

Councilmember Eggena commented that he wanted to go back and look at the Police Department budget. Eggena questioned whether five officers were necessary and why each officer had a take home car. Chief Hartman explained that the officers are all called in for emergency situations and having the squad immediately available allows for quicker response. The officer goes on duty the minute he gets in his vehicle and has the emergency equipment, lights and sirens available to him. Also, the State POST (Police Officer Standards & Training) Board requires that part-time officers be supervised at all

times. This would defeat the purpose of going to part-time officers since you'd have to also have a full time officer on duty. The part-time officer budget for 2004 includes funding to help cover an additional officer on Friday, Saturday and Sunday evenings to help cover the bar closings. Also, the City is experiencing more break-ins that require an investigative officer. Chief Hartman stated that it is his intent to cover the City 24/7 which is almost impossible to do with five officers. There was some discussion regarding the number of officers per capita and it was determined that five appears to be average for the population of a city covering 37 square miles. Councilmember Phillips inquired about instruction fees and Chief Hartman stated that each officer is required to maintain 48 credits of education each year. A portion of the cost of this training is reimbursed by POST and there is an offsetting amount on the revenue side. MOTION 09S4-04-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO APPROVE RESOLUTION NO. 03-33 ADDING \$5,000 BACK INTO THE POLICE BUDGET AND \$5,000 BACK INTO LAND RESERVES. A citizen entered the Council Chambers and addressed the Council and expressed her dissatisfaction with County Road 66 being closed on Friday, September 12th without any advance notice. After the resident left the Chambers, Councilmember Phillips asked some additional questions related to the Cemetery and Library budgets. AND TO ADOPT THE LEVY. MOTION CARRIED WITH ALL AYES.

MOTION 09S4-05-03 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILIPS TO APPROVE THE PRELIMINARY BUDGET OF \$2,859,278 IN EXPENDITURES AND \$2,859,278 IN PROJECTED REVENUES. MOTION CARRIED WITH ALL AYES.

Discussion resumed on the roof project. Councilmember Phillips recommended that the back entrance be closed off and designated an emergency exit. Councilmember Eggena disagreed. He stated that it would be embarrassing to not have done it right the first time, and to not correct the problem when it is a safety issue. He stated that the City could put a temporary shed up, but the City does have the money to fix it properly. Councilmember Schultz asked what would happen to the canopy if the building gets added onto. City Administrator Swenson stated that is one of the reasons the architect is recommending the City wait to see if the expansion would be to the rear of the building. Councilmember Eggena stated he would like to see the building extended further north which would allow for more parking spaces. Mayor Swanson suggested that the issue be put off until additional information can be obtained. A special meeting was set for September 17th at 6:00 P.M. for the purpose of discussing the canopy and a liquor license transfer.

MOTION 09S4-06-03 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN EGGENA TO ADJOURN THIS SPECIAL MEETING AT 11:17 A.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by


Darlene J. Roach
Clerk/Treasurer

RESOLUTION NO. 03-33
RESOLUTION APPROVING 2003 TAX LEVY
COLLECTIBLE IN 2004

Be it resolved by the Council of the City of Crosslake, County of Crow Wing, Minnesota, that the following sums of money be levied for the current year, collectible in 2004, upon taxable property in the City of Crosslake, for the following purposes:

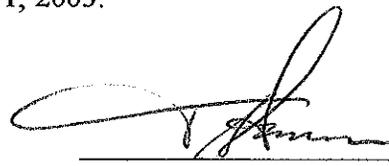
General Property Tax Levy	1,274,110
Community Center Levy 2002	64,900
Emergency Services Center	43,439
1999 Series A	96,000
1999 Series B	16,900
2001 Series A	32,123
2002 Series A	19,600
2003 Joint Facility Levy	124,696
2003 Series A Disposal	213,100
2003 Road Projects	<u>25,000</u>
Total Levy	1,909,868

The City Administrator is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Crow Wing County, Minnesota.

Adopted by the City Council on September 11, 2003.



Darrell E. Swanson
Mayor



Thomas N. Swenson
City Administrator