

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, JANUARY 7, 2019
6:00 P.M. – CITY HALL

The Council for the City of Crosslake met in a special session on Monday, January 7, 2019. The following Council Members were present: Mayor Dave Nevin, Gary Heacox, and John Andrews. Dave Schrupp was present via Skype. Also present were City Administrator Mike Lyonais, City Clerk Char Nelson, Public Works Director Ted Strand, Police Chief Erik Lee, Park Director TJ Graumann, Fire Chief Chip Lohmiller, Land Service Specialist Jon Kolstad, City Attorney Brad Person, City Engineer Phil Martin, Northland Press Reporter Bill Monroe, and Echo Publishing Reporter Erin Bormet. There were approximately fifty-seven people in the audience.

Before the meeting was called to order, Gary Heacox presented former Mayor Patty Norgaard with a “Friend of the City” certificate and thanked her for her service and dedication to the City.

1. Mayor Nevin called the meeting to order at 6:00 P.M. and the Pledge of Allegiance was recited.
2. MOTION 01S-01-19 WAS MADE BY JOHN ANDREWS AND SECONDED BY GARY HEACOX TO APPROVE RESOLUTION NO. 19-01 ACCEPTING COUNCIL MEMBER NEVIN’S RESIGNATION AND DECLARING A VACANCY. MOTION CARRIED WITH ALL AYES.
3. Mayor Nevin nominated Aaron Herzog to fill the vacancy on the City Council. MOTION 01S-02-19 WAS MADE BY JOHN ANDREWS AND SECONDED BY GARY HEACOX TO APPOINT AARON HERZOG TO FILL VACANCY ON CITY COUNCIL. MOTION CARRIED WITH ALL AYES. Aaron Herzog took the Oath of Office and took a seat at the Council table.
4. Mayor Nevin reported that he mailed over a thousand survey cards during his campaign and that 165 were filled out and mailed back to him. 70% of the responses put the municipal sewer expansion as high priority and 60% were in favor of purchasing the property adjacent to City Hall. Mayor Nevin invited Amy Wannebo to the meeting to discuss sewer districts.

Amy Wannebo of Lakes Area Septic Design and Inspection addressed the council and gave an overview of what sewer districts are and how they work. A sewer district would require that septic systems be pumped and inspected on a regular basis. Currently, septic inspections are done when there is a property transfer, when zoning permits are issued, or when there is a problem. Septic inspections involve making sure the pumps work, the tank is air tight and sized correctly, and soil separation is adequate. Ms. Wannebo runs into a few septic failures each year.

Darrell Shannon of 17014 Shamrock Road is a big proponent of sewer districts and added that in Ottertail, septic systems are pumped and inspected every three years. The City of Ottertail pays for these services with funds generated by the users.

Dick Elmquist of 13543 Loveland Harbor stated that he is in favor of sewer districts and was part of one near Mankato. The cost of membership was \$10,000.

Public Works Director Ted Strand stated that he owns property in Ottertail and loves being part of the sewer district.

Phil Martin stated that Bolton & Menk conducted a study to determine what areas of the City would benefit from municipal sewer expansion. Five corridors were identified. It is recommended that expansion be considered when road projects are constructed in those areas. Mr. Martin emphasized that there is no timeframe to complete the expansion.

Dave Nevin noted that the sewer plant is at 50% capacity and there is room to add to it. Mr. Nevin asked how the City determines the cost of creating sewer districts. Darrell Swanson of 37804 Dream Island Road stated that the City's professional contractors could help determine the cost and asked the City to consider different ways to pay for these types of projects, such as adding a local sales tax.

Bob Perkins of 35333 County Road 37 stated that he is a member of the Water Quality Taskforce which was created after the MN Design Team visited Crosslake. The group discovered that 25% of septic systems failed 18 years ago when the septic systems of lakeshore properties were inspected. The Water Quality group suggested that property owners be held accountable to have their systems inspected every three years as State Law requires. Mr. Perkins stated that he was in favor of a local sales tax.

Mark Wessels of 13336 East Shore Road stated that he was a member of the Long Range Planning Committee in 1999 and that they considered creating sewer districts then. Mr. Wessels stated that the septic systems on seasonal properties are not maintained.

It was the consensus of the Council to create a water quality/sewer committee to determine whether the municipal sewer system should be expanded and how sewer districts could help the City and what those costs would be. Interested citizens could fill out applications to become a member of the committee.

5. Dave Nevin reported that the City hired Five Bugles to complete a space needs study for the Fire Department, Police Department and Administration. The current Emergency Services building is 17,000 square feet. The first proposal from Five Bugles came back with a 42,000 square foot building and then reduced it to 39,000. The proposed cost for a new building is \$10-15M.

Chip Lohmiller reported that a space needs study was done in 2009 and the results were the same as what Five Bugles determined. The Fire and Police Departments' needs are growing. The Fire Chief reviewed their needs. There are approximately 350 calls for service each year, with approximately 280 being medical calls. In the summer, the Fire Department responds to approximately 7 calls per day and his firefighters are paid per call, not hourly. Chief Lee gave a brief overview of what the Police Department needs are. The current size of the Police Department is 1,600 square feet and the proposed study raises that to 10,000 square feet.

Bob Perkins suggested that the Council sell the idea of a new building to the public so that they understand the needs.

Mark Wessels stated that 40,000 square feet is much bigger than what is needed. Mr. Wessels suggested that the Fire and Police Departments remodel the current building and that the property next door be purchased for administration.

Tom Swenson of 36036 West Shore Drive stated that it doesn't make sense to purchase the property to the south, however the property to the north is selling for \$59,000 and the Police Department could build a new building there. Council Chambers could be added to the back of this building.

Dave Nevin asked about the large addition of ambulance quarters that was done several years ago. Theresa Haines of North Ambulance reported that the new quarters are just large enough to house staff and vehicles and that there is no extra room there. Ambulance staff work 24 hour shifts and need a place to rest, bathe, and eat.

Dave Nevin suggested that a committee be formed of citizens and council, not staff, to determine the needs of a new or remodeled building. Several audience members stated that staff should be a part of the committee so that citizens know what they need.

Dick Elmquist stated that the tax payers should not have to pay \$17M for new City Hall.

6. Dave Nevin reported that of the 165 surveys that were returned to him, 60% responded that they were in favor of the City purchasing the adjacent property to the south of City Hall. The cost is \$900,000 for two buildings and five plus acres of land.

Doreen Gallaway of 36080 Johnnie Street stated that it is important for fire and police to be on the main drag but that administration could be housed anywhere. Ms. Gallaway was not in favor of purchasing the adjacent property.

Ted Strand reported that the City once owned the property to the south and sold it for \$200,000 to pay for current building. It did not make sense to purchase it back for \$900,000.

Bob Perkins asked the Council to not rule out the possibility of purchasing the properties to the north or south until the new committee has time review the options.

Doug Oster 13600 County Road 16 reminded the Council that Hytec inspected the buildings next door and said they were in good condition. Mr. Oster added that the value of the property is in the land, not the buildings.

7. Darrell Swanson stated that the City should consider adding a local sales tax to help fund projects. The City attempted to implement a sales tax 18 years ago and the State denied the request. Mr. Swanson added that the City has proceeds from the sale of the phone company that could be used for the upcoming projects.

Dave Nevin asked that Brad Person and Mike Lyonais bring information to the Council next week regarding the possibility of adding a local sales tax.

Tim Berg of Bay View Lodge asked the Council to consider regulating Vacation Rentals By Owner (VRBO). The City of Pequot Lakes recently adopted an ordinance regulating VRBO's and Mr. Berg stated that the City could earn revenue by issuing permits for them. Mr. Berg stated that VRBO's are competition to the resorts and that they should be required to pay lodging tax.

John Gleason of 37471 County Road 66 stated that the fire and police departments have a legitimate need for space and asked why the council would expand the sewer before building a new City Hall.

Mic Tchida of the Public Works Commission responded that Moonlite Bay and Moonlite Square have a great need for municipal sewer because their septic systems are failing. John Gleason replied that the sewer system only affects a small number of residents, but that everyone in town is serviced by fire and police. Bob Perkins added that people come here because of the water quality and that makes the needs of the police and fire greater, so the sewer needs are entwined together with building needs.

When asked what the City has in reserves, Mike Lyonais replied that the City has approximately \$8M in savings which was mostly from the sale of the phone company. Mr. Lyonais stated that it is ok for a City to be financially healthy.

8. Darrell Swanson stated that he is not in favor of using Skype because it is difficult to interact with the member at the other end.

Peter Graves of 14131 Sugarloaf Road wanted to discuss the need for funding of pickleball courts at the Community Center. Dave Nevin asked that this topic be brought to a future meeting. Dick Elmquist stated that the pickleball players should be careful about taking over the tennis courts.

9. There being no further business at 7:48 P.M., MOTION 01S-03-19 WAS MADE BY GARY HEACOX AND SECONDED BY AARON HERZOG TO ADJOURN THE MEETING.

Respectfully Submitted,



Charlene Nelson
Administrative Assistant/City Clerk

RESOLUTION 19-01

CITY OF CROSSLAKE
COUNTY OF CROW WING
STATE OF MINNESOTA

RESOLUTION ACCEPTING COUNCIL MEMBER RESIGNATION
AND DECLARING A VACANCY

WHEREAS, Crosslake City Council Member Dave Nevin has resigned effective on January 7, 2019.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CROSSLAKE, MINNESOTA AS FOLLOWS:

1. The council accepts Dave Nevin's resignation as described above.
2. The council declares that a vacancy exists on council effective January 7, 2019.

Passed by the City Council of Crosslake, Minnesota this 7th day of January, 2019.



Dave Nevin, Mayor

Attested:



Charlene Nelson, City Clerk