

BUDGET WORKSHOP
CITY OF CROSSLAKE
TUESDAY, AUGUST 8, 2017
6:00 P.M. – CITY HALL

The Council for the City of Crosslake met for a Budget Workshop on August 8, 2017. The following Council Members were present: Mayor Patty Norgaard, Gary Heacox, Dave Schrupp, Brad Nelson and Dave Nevin. Also present were City Administrator/Treasurer Mike Lyonais, City Clerk Char Nelson, Public Works Director Ted Strand, Fire Chief Chip Lohmiller, Police Chief Erik Lee, Park Director Jon Henke, Engineer Mike Rardin and Northland Press Reporter Bill Monroe. There was one person in the audience.

Mayor Norgaard called the meeting to order at 6:00 P.M. and turned the meeting over to Mike Lyonais. Mike Lyonais reviewed the timeline for certifying the levy and suggested dates be set for budget meetings. It was the consensus of the Council to hold Budget Workshops on August 21st and October 23rd at 3:00 P.M., to certify the Preliminary Budget to the County on September 11th at 7:00 P.M., and to approve the 2018 Budget/certify Final Levy on December 11th at 7:00 P.M. MOTION 08S2-01-17 WAS MADE BY GARY HEACOX AND SECONDED BY DAVE SCHRUPP TO HOLD A PUBLIC INPUT MEETING REGARDING THE 2018 BUDGET ON DECEMBER 11, 2017 AT 6:00 P.M. IN CITY HALL. MOTION CARRIED WITH ALL AYES.

Mike Lyonais reminded the Council that there are expensive projects proposed for 2018 between the sewer upgrades and road projects. Mr. Lyonais explained that the Council needs to decide whether to bond and levy for the projects or to use cash from the proceeds of the sale of Crosslake Communications for the major capital items. It was the consensus of the Council to use cash already on hand to pay for the 2017 Road Improvements.

Dave Schrupp stated that he was concerned that the estimate for the sewer improvements was so low compared to the bids that were received and suggested that the Council consider spreading the upgrades out over several years rather than all at once. Mr. Schrupp asked for an explanation for the discrepancy. Ted Strand stated that the electrical portion of the quotes which includes all of the automated features was higher than expected. The contractors also have large workloads at this time. Gary Heacox and Brad Nelson stated that the plant should be upgraded at one time. Ted Strand stated that the City may end up replacing parts twice if the project is done in pieces and that the costs will continue to rise. Brad Nelson suggested bonding for part of the sewer project and using the phone company proceeds for the other part.

Ted Strand reported that the salt/sand building has started to lean to the north and that it has become a safety issue. The estimate to replace the building is \$500,000. Mr. Strand is also obtaining quotes to fix the building.

Dave Schrupp and Brad Nelson stated that they were in favor of using phone company proceeds to acquire land near the sewer plant. A lengthy discussion ensued regarding how to use the proceeds from Crosslake Communications, whether to raise the levy for 2018 and which projects/purchases should be done in 2018.

Mike Lyonais stated that he would put scenarios together for the Council to consider at the next budget meeting on August 21st. Patty Norgaard adjourned the meeting at 7:25 P.M.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Charlene Nelson". The signature is fluid and cursive, with the first name "Charlene" and the last name "Nelson" clearly distinguishable.

Charlene Nelson
City Clerk