

BUDGET WORKSHOP
CITY OF CROSSLAKE
MONDAY, OCTOBER 24, 2016
10:00 A.M. – CITY HALL

The Council for the City of Crosslake held a budget workshop on October 24, 2016. The following Council Members were present: Steve Roe, Brad Nelson, Mark Wessels, Gary Heacox, and Dave Schrupp. Also present were City Administrator/Consultant Dan Vogt, City Clerk Char Nelson, Finance Director/Treasurer Mike Lyonais, Fire Chief Chip Lohmiller, Public Works Director Ted Strand, Park Director Jon Henke, Echo Publishing Reporter Theresa Bourke and EDA President Patty Norgaard.

1. Mayor Roe called the meeting to order at 10:04 A.M. The Pledge of Allegiance was recited.
2. MOTION 10S1-01-16 WAS MADE BY DAVE SCHRUPP AND SECONDED BY BRAD NELSON TO APPROVE THE BILLS FOR APPROVAL IN THE AMOUNT OF \$20,264.60. MOTION CARRIED WITH ALL AYES.
3. Mike Lyonais gave a brief overview of the 2017 budget updates since the last meeting. The current version has been reduced from 5% to a 3.58% levy increase over the 2016 budget. Brad Nelson asked about health insurance rates. Mr. Lyonais explained that the cost for the overall plan increase by approximately 8%. Single coverage rates decreased and family coverage rates increased. Mark Wessels asked about the engineering cost for the 2017 road projects. Mr. Lyonais stated that the engineering cost has been added to the 2016 budget because some of the work will be started this year. Dan Vogt noted that the \$191,500 quote awarded to WSN for the engineering of the 2017 road projects can be included in the bond issue and that the Council does not need to levy for those dollars. It is included in the budget as a placeholder so that the expense does not get forgotten.
4. Mike Lyonais reviewed the 2016 Capital Outlay – Budget vs Actual report. Staff has approximately \$500,000 left to spend on capital items for 2016. Many items have been purchased or completed but the payment is pending.
5. Chief Lohmiller presented a memo dated October 24, 2016 regarding Self Contained Breathing Apparatus (SCBA) replacement costs. OSHA outlines standards related to safety requirements. The National Fire Protection Assn updates their standards to ensure all SCBA's are meeting the highest safety requirements and regulations. New standards became effective August 1, 2013. 75% of Crosslake Fire Department's cylinders are or will be out of service by the end of this year. Chief Lohmiller included a quote for replacing 20 of the 22 SCBA's for \$140,230.60 from Emergency Response Solutions of Linwood, MN. This company has jurisdiction of this area of Minnesota. Dan Vogt suggested that the Chief try to obtain one additional quote. Chief Lohmiller stated that many area departments may purchase equipment at the same time so the cost could be decreased. The cost of replacing the SCBA's is included in the proposed 2017 Budget. Chief Lohmiller reviewed his capital outlay plan through 2035.

A discussion ensued regarding a new well at the Public Works Facility which would be used by both the Fire Department and Sewer Facility. The current pump at the Fire Hall only pumps 300 gallons per minute. In the winter the fire trucks rely solely on this pump because the lakes are frozen. A bigger, faster well would reduce fill times. Ted Strand stated that the sewer plant could use the pump if reservoirs are built to help with backflow.

Mike Lyonais gave a lengthy presentation regarding sewer rates as they relate to sewer operation costs, capital improvements and bond payments. Mr. Lyonais included the history of funding for the plant and sewer connection costs. The City's general fund has had to subsidize operating costs because user fees have not produced enough revenue.

Mike Lyonais reported that the proposed 2017 Budget includes the purchase of a dump truck for Public Works. Ted Strand stated that Ziegler has a 2015 demo tandem plow truck with approximately 3,500 miles for \$225,000. A new truck would cost over \$300,000. With a third plow truck, the Public Works Department could have three major plow routes rather than two. Plowing would be completed faster and the need for salt/sand could be reduced. Steve Roe stated that he is not in favor of spending that much money to improve the efficiency of plowing and that the City does not need a truck of that size. Mark Wessels thanked Ted for suggesting a third route but agreed with Mr. Roe that it would be difficult for a large truck to turn around on some smaller City roads. Dan Vogt stated that the Public Works staff thought the truck could benefit their department. The truck could be purchased with equipment certificates rather than upfront. Dave Schrupp stated that Bolton & Menk will soon have a report regarding sewer improvements, which could reduce projected costs in the 2017 Budget. Mr. Schrupp asked if a new well or a new truck was more important. Brad Nelson congratulated Ted for finding a good deal on a truck, but that there were more important issues for 2017.

6. Dan Vogt reported that he and Jon Henke have discussed staffing needs at the park. The park currently has a fulltime maintenance worker and a part time maintenance worker. Two workers are needed in the busy summer months. Last winter the park was able to get by with one worker. Dan Vogt noted that an employee could be called back at any time if the workload grows. Jon Henke suggested that the position become a seasonal position rather than a year round part time position. MOTION 10S1-02-16 WAS MADE BY BRAD NELSON AND SECONDED BY DAVE SCHRUPP TO APPROVE A LAYOFF OF THE PART TIME PARK MAINTENANCE WORKER EFFECTIVE DECEMBER 1, 2016. MOTION CARRIED WITH ALL AYES.

Mike Lyonais reminded the Council that a decision regarding the Revolving Loan Funds would need to be made in the coming months. Crow Wing Power is waiting for a recommendation from the Council before they accept or reject the funds for their cooperative loan program.

Mike Lyonais reported that a representative from the League of MN Cities Loss Control Department visited staff and suggested that policies regarding cyber security be adopted by the City. Mr. Lyonais will review the proposed policies with staff and bring a recommendation to the Council.

The Council was reminded that Ordinance No. 335 regarding Public Lake Access will be published and effective on November 1, 2016.

The Council thought that another budget meeting should take place before December. Clerk Nelson will try to coordinate a meeting with Bolton & Menk for November 14th.

7. There being no further business at 11:55 A.M., the Mayor adjourned the meeting.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Charlene Nelson".

Charlene Nelson
City Clerk

BILLS FOR APPROVAL
October 24, 2016

VENDORS	DEPT		AMOUNT
Advanced Diesel Service, DOT inspection	PW		70.53
AW Research, water testing	Sewer		852.50
Baker and Taylor, books	Library		157.54
Brainerd Dispatch, subscription	Library		199.88
Crow Wing County Attorney, 3rd quarter fines	Gov't		1,068.99
Crow Wing County Hwy, reimburse for fence repair	PW		94.00
Crow Wing Power, electric utilities	ALL	pd 10-18	6,508.13
Dacotah Paper, janitorial supplies	Park		310.63
Fire CATT, fire hose and ladder testing	Fire		2,797.15
Forum Communications, community meeting ad	MDT		341.81
Hawkins, chemicals	Sewer		910.50
Kellys Towing, vehicle extraction training	Fire		500.00
Lakes Area Rental, drill, jack hammer rentals	PW		65.00
Lakes Area Rental, bobcat rental	PW		269.00
Lakes Heating & Cooling, install a/c with heat pump	Sewer		3,000.00
League of MN Cities, deductible on claim	Police		250.00
Mikes Tree Company, removal of 5 trees	PW		2,000.00
MN Dept of Labor, boiler check	Park		10.00
MR Sign, address signs	PW		45.89
Northland Press, community meeting ad	MDT		300.00
Reeds Market, job classification study	Gov't		39.63
Riteway, utility bill forms	Sewer		221.30
Robb Reed, soccer official	Park		55.00
Simonson Lumber, concrete crack repair	Sewer		59.08
Ted Strand, reimburse job study cost	Gov't	pd 10-18	127.92
Ziegler, lamp	PW		10.12
TOTAL			20,264.60