

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
FRIDAY, AUGUST 22, 2003  
1:00 P.M. - CITY HALL

Pursuant to due notice and call, the Council for the City of Crosslake met in a special session on Friday, August 22, 2003 at 1:00 P.M. at City Hall. The following Councilmembers were present: Mayor Darrell Swanson, Dean Eggena, Dick Phillips and Irene Schultz. Councilmember Miller was absent. Also present was City Administrator Tom Swenson, Community Development Director Ken Anderson (who arrived at 1:20 P.M.), Public Works Director Ted Strand, Park and Recreation Director Jon Henke, Police Chief Bob Hartman and Clerk/Treasurer Darlene Roach. There was one individual in the audience.

Mayor Swanson called the meeting to order at 1:03 P.M. and stated that the purpose of the meeting was to hear the first presentation of the proposed budget with the department heads. It was noted that Councilmember Miller was absent, but a quorum of the Council was in attendance. The meeting was turned over to City Administrator Swenson.

City Administrator Swenson stated that the proposed wages and benefits for the Department Heads and Police Officers are based on a recommendation by the Personnel Committee at a meeting held on August 12<sup>th</sup>. The wages for the Union employees are based on the Union Contract, which was approved by the City Council at an earlier meeting. These recommended wages were used to calculate benefits that are based on a percent of earnings. For purposes of medical benefits, a 12% increase was calculated along with any age group increases (i.e. birthday that places the employee or spouse in a different category) or addition of spouse or dependent.

For purpose of comparison on expenditures, the Council was provided with 2001 actual expenditures, 2002 actual expenditures, 2003 adopted budget and 2004 proposed expenditures. A July 2003 year-to-date expenditure report was also provided to the Council.

City Administrator Swenson presented the Administration budget, which includes Capital Outlay expenditures for a copier and a four-drawer fireproof file cabinet. One quote was received for a copier from Ikon at a cost of \$13,000 to \$14,000. This cost would be split between Administration and Planning and Zoning. Currently there is \$3,500 in reserve to be used towards the purchase of a copier.

City Administrator Swenson presented the Election budget, which reflects an increase from 2003 since there was no election, but a decrease from 2002. In 2002, the City purchased a precinct counter with 50% of the cost from grant funds received by the City from the State.

City Administrator Swenson presented the Audit/Legal budget. He stated that the City just completed the third year of a three-year contract with Mathias Justin for auditing services and the City should go out for proposals for this service. Mayor Swanson asked if the City was required to take the lowest bid and Swenson stated that the City is not

required to accept the lowest bid on professional services. Civil legal services and labor legal services were budgeted at the same amount as in 2003.

City Administrator Swenson presented the General Government budget which reflects a decrease in 2004 primarily due to completion of the roof project. A proposal from People's Security was received to tie the Fire Department alarm system into the City Hall security system. In a conversation between Tom Swenson and Doug Harren, Crow Wing Power will agree to fund this cost through their Electric Credit Program to Cities. Additionally, Crow Wing Power has agreed to install three green streetlights on County Road 66 near the entrances to City Hall and the ESC. Emergency Management expenses are down due to the last payment having been made on the four sirens that were purchased and installed throughout the City. An expenditure of \$2,000 was left in the budget for maintenance and repairs on the sirens. An expenditure of \$5,000 was budgeted for animal control. Chief Hartman explained how the City has tried to work with HART Brainerd and Northland Pet Lodge in Crosslake on animal control. HART is very expensive in that they charge a base rate per capita. In addition, the City would pay any vet bills and boarding bills not paid by the pet owner. It was agreed that this item would be discussed at the next budget meeting. A \$1,000 line item was budgeted for Comp Plan expenses. In Capital Outlay, \$1,500 was budgeted as a miscellaneous item in anticipation of the need to purchase or repair one of the air conditioning units at City Hall. Ted Strand explained the problem that is occurring with the pump in the fire department. He stated that he has been replacing the starter on the pump every year and when it goes out, the building is without water until the starter can be replaced. The cost to install a variable frequency drive for the pump would be approximately \$6,500. Councilmember Eggena suggested possibly installing a second well. It is unknown whether plumbing changes would be required for a second well. Discussion ensued regarding the City being a member of the Chamber of Commerce. Councilmember Eggena felt they are a special interest group. He stated that he would not be opposed to giving the Chamber a donation, but does not support being a member of the Chamber. Ruth Ann Hanson will be invited to attend the next budget meeting.

Community Development Director Ken Anderson reviewed the Planning and Zoning budget. Anderson explained the Department's intent to prepare an educational zoning bulletin, to mail to all property owners. A total of \$2,600 was budgeted for this line item. The Capital Outlay budget was the other line item that saw a significant increase and the \$9,725 included the purchase of a fire proof file cabinet, a literature organizer, zoning/street/sewer collection maps for the Council Chambers and 50% of the cost for a new copier.

Police Chief Bob Hartman presented the Police Department Budget. The largest increase in the Police Department Budget was in wages and benefits. Hartman explained that the Department is on a five-year rotation for vehicles and the Capital Outlay Budget includes \$27,000 for a new vehicle. He has spoken with Emily and Pequot Lakes regarding the 1999 squad and both cities have expressed an interest in purchasing this squad. The car would be sold with all accessories with the exception of the radar unit and should be worth between \$8,000 and \$9,000. The part time budget was increased by \$9,000 to allow for an officer to be assigned as an investigative officer involved with solving the increasing number of thefts and burglaries that are occurring as well as providing additional coverage on weekends and holidays.

City Administrator Swenson presented the Ambulance Budget, which has remained the same for the past few years.

Public Works Director Ted Strand presented the Public Works Budget. It was noted that Ted's salary is split between Public Works and Sewer. Various line items in this budget were increased due to the new Joint Public Works Facility, however the County will be responsible for 53% of the cost of these line items. The Capital Outlay Budget of \$156,500 includes the purchase of a One Ton dump truck/plow and sander, \$65,000 for a used/rebuilt street sweeper, \$28,500 for a used snow blower for the front-end loader, and \$13,000 for an asphalt roller. In addition to these items, \$70,000 is budgeted for road construction, \$70,000 for overlays, \$15,000 for crackfilling, \$10,000 for vehicle replacement reserve and \$1,000 for building expenses on the current facility.

Public Works Director Ted Strand presented the Cemetery Budget, which decreased by \$1,800. It was agreed that a cemetery refund line item will be added to allow for the re-purchase of cemetery lots by the City.

Park and Recreation Director Jon Henke presented the Park and Recreation Department Budget which increased \$16,925 overall with the majority of the increase in wages and benefits. The Capital Outlay Budget included the purchase of an air conditioning unit, a copy machine, meeting room chairs, \$10,000 towards replacement of the gym floor, \$1,000 for a vacuum cleaner and \$3,000 to replace the carpet in both meeting rooms.

City Administrator Swenson stated that the Recycling Budget remains the same as in 2003.

City Administrator Swenson reviewed the debt service payments for the various bonds that have been issued. A letter dated May 6, 2003 from Kathy A. Lewis, Attorney for the Minnesota Department of Natural Resources, stated the DNR's position regarding the assessment they received for the parcel of property owned by them along Pine Bay Road/Wolf Trail. They requested that the City abate the assessment placed on this parcel. It is the position of the DNR, that the easements that they will be conveying to Crow Wing County for Wolf Trail and Greer Lake provides value that should be taken into account by the City. MOTION 08S1-01-03 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO NOTIFY THE CROW WING COUNTY AUDITOR'S OFFICE THAT THE CITY HAS ABATED THE ASSESSMENT FOR THE DNR ON THE PINE BAY ROAD/WOLF TRAIL ASSESSMENT. MOTION CARRIED WITH ALL AYES.

City Administrator Swenson reviewed the anticipated revenues that the City will be receiving in 2004. Mayor Swanson inquired as to when zoning fees were last increased and it was the consensus of the Council that the Planning and Zoning Department review the Planning and Zoning fees. It was also agreed that the Park Department should review user fees. Regarding the subscriber fees paid to the City by Crosslake Communications, Mayor Swanson and City Administrator Swenson recommended changes to the Utilities Policy at a recent meeting that would distribute City fees and the true-up based on all gross revenues including such items as interest income, leases and etc., not just the gross

revenues of the Telephone Company. The Council agreed that this was the intent of the Council at the Joint Utilities/Council Meeting held on July 29<sup>th</sup>.

Councilmember Eggena commented on the availability fees associated with the Sewer Project and how taxpayer money is being used to subsidize the payoff of bonds. It was agreed that this would be reviewed at a later meeting.

MOTION 08S1-02-03 WAS MADE BY IRENE SCHULTZ AND SECONDED BY DEAN EGGENA TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 5:17 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by:

A handwritten signature in cursive script, reading "Darlene J. Roach".

Darlene J. Roach  
Clerk/Treasurer

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