

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, AUGUST 26, 2002
9:00 A.M. – CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Monday, August 26, 2002 at 9:00 A.M. The following Councilmembers were present: Mayor Darrell Swanson, Sandy Eliason, Chuck Miller, Irene Schultz and Dean Swanson. Also present was City Administrator Tom Swenson, Clerk/Treasurer Darlene Roach, Public Works Director Ted Strand, Police Chief Bob Hartman, Park and Recreation Director Jon Henke, Community Development Director Paul Larson and George Riches.

1. Mayor Swanson called the Special Meeting to order at 9:00 A.M. and stated that the purpose of the meeting was to review the proposed 2003 expense budgets for each Department.

2. George Riches presented an update of the roof and insulating project being proposed for the Emergency Services Center and City Hall. City Administrator Tom Swenson and George Riches met with two interested bidders for the roof project to view various portions of the building and their components. As a result of this walk-through, an addendum to the bid specifications will be prepared which will incorporate some changes as well as clarifications. There will be a number of minor clarifications including: (1) Timing – it was determined that the outside work should be done as soon as possible, but the inside work could be completed over the winter months possibly in December or January; (2) Addition of a matching flashing along the brick on the South side of the building to correct the water problem in the Police Department; (3) Clarify the experience of the applicants from requiring 25,000 square feet of application within the last two years to standing seam experience; (4) Clarify that the whirly birds and vents be removed and ridge vents installed; (5) Installation of new fixtures in the overhang in the front of the building versus moving the light fixtures from the soffit to the overhang and installation of lights on the rear of the building; (6) Clarify cleaning of the air infiltration system currently installed in the building when feasible; and (7) Installation of 5/8 inch sheetrock to hold the vapor barrier in place. It was determined that showing some flexibility in the completion date could have a positive affect on the bid. Councilmember Miller asked if the sheetrock would need to be taped and George Riches stated one coat should be added just to seal the edges. It is thought that probably 99% of the ceiling tiles will be reuseable. Cleaning of the ductwork will involve using an air compressor to blow out the duct work wherever possible. Mayor Swanson asked if the current roof was a design flaw when the building was constructed and George Riches stated it was more a question of mis-judgement in someone trying to cut down on the cost. Councilmember Miller stated that there would be no advantage in saying who said what and when at the time. Was it the architect, the engineer, the lumberyard or the Mayor. Trying to find the answer to this will also cost money. He stated that the City got a \$450,000 building. City Administrator Swenson stated that at the

time it was an economic issue, but the record needs to show that a discussion was held to try and determine the reason for the retrofit now and that budget constraints at the time did not allow for spending additional funds. At this point it is a problem that needs to be corrected. Public Works Director Ted Strand stated that the City could save money over the long term on heating and cooling expenses with the insulated roof. Councilmember Schultz commented that if the tiles look bad after they have been removed, they should be replaced. Mayor Swanson agreed with Councilmember Schultz. City Administrator Swenson stated that the tiles will be utilized as best they can, otherwise they will be replaced with new tiles. George Riches stated that the number of OSB boards that have been damaged is unknown until the roof is exposed, so replacement of these boards will be on a time and materials basis. George Riches estimated the cost of the project somewhere between \$150,000 to \$175,000. MOTION 08S1-01-02 WAS MADE BY CHUCK MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE AN ADDENDUM TO THE BIDDING SPECIFICATIONS AS PROPOSED. MOTION CARRIED WITH ALL AYES. The addendum will be issued this date with bids due in by 2:00 P.M. on August 30th. Councilmember Swanson asked that the Council be provided with color samples for the roof.

3. Memo from Jim Miller of the League of Minnesota Cities dated August 16, 2002 gave an overview of the problems cities face in preparing 2003 budgets given the budget deficit at the State level. City Administrator Tom Swenson stated that there doesn't appear to be any more easy fixes at the State level and 2003 funding from the State could be cut significantly. Tom Swenson stated that Crosslake is in a better position than most surrounding cities since the City doesn't receive any Local Government Aid. The cut in Homestead Credit could be around \$35,000, which is less than other cities, since the higher valued homes in Crosslake don't qualify for homestead credit from the State.
4. City Administrator Swenson reviewed the proposed wages and benefits that were used in the Department budgets. A handout was distributed which showed the current wage, and the proposed step increase (plus 2%) for the Union employees. There was some discussion regarding the step plus the 2% and what happens when someone gets to the top of the step schedule. It was noted that the Step System was put in place at the request of the Union. The proposed wages for the police officers and department heads were also reviewed. Comparable worth points were listed for comparison purposes. Also, the percent of increase was noted on the handout. The Chamber of Commerce has requested \$2,000 for fireworks and \$2,000 for maintenance of their information booth building for 2003. BLADC is requesting \$1,250 from the City and \$1,250 from the Economic Development Authority. It was felt that the City does obtain value from BLADC and Julie Hofius does attend all EDA meetings. The Initiative Foundation has requested a commitment of \$1000 for five years. Previously, the City committed to \$715 for three years. It was the consensus of the Council to not make a five-year commitment, but to include \$1,000 for 2003.

5. Ted Strand – Public Works Department/Cemetery – Each line item in the budget was reviewed. It was noted that 50% of Ted's salary and benefits are charged to Public Works with the other 50% charged to the Sewer Operating Fund. A total of \$22,250 is being proposed in Capital Inventory items, which resulted in some discussion. Of the items proposed, it was consensus that the chop saw and floor jack would be cut if necessary. Approval was requested to purchase a grader. A quote was received from Zeigler in the amount of \$147,155 less \$16,400 in trade in for the old grader. There was some discussion regarding purchase of a used grader and it was the consensus of the Council to buy new versus used. The current grader is in need of costly repairs and the Council agreed it would not be prudent to continue putting money into the old grader. MOTION 08S1-02-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO APPROVE THE PURCHASE OF A CATERPILLAR, MODEL 135H MOTOR GRADER AS PROPOSED ON THE EQUIPMENT SPECIFICATION QUOTE DATED AUGUST 2, 2002 AND BASED ON THE STATE OF MINNESOTA BID PROGRAM OF WHICH THE CITY IS A MEMBER. MOTION CARRIED WITH ALL AYES. Mayor Swanson asked if there was anything budgeted for trees at the Cemetery. Ted Strand stated that Staff will be thinning out trees from the Park property (former Steffen property) which can be transplanted at the Cemetery. A tree spade will be rented to move the trees. The Sewer Operating Budget was also reviewed. The proposed budget for Public Works shows an increase from \$384,033 in 2002 to \$404,861 in 2003. The proposed Cemetery Budget shows an increase from \$1,200 in 2002 to \$14,300 in 2003 due to the purchase of additional property for the Cemetery. The proposed Sewer Fund budget shows an increase from \$38,903 in 2002 to \$42,286 in 2003.
6. Jon Henke – Proposed 2003 Park and Recreation Budget – Park and Recreation Director Jon Henke stated that the budget in the Park and Recreation Department is down \$6,000. Several capital outlay items were reviewed.

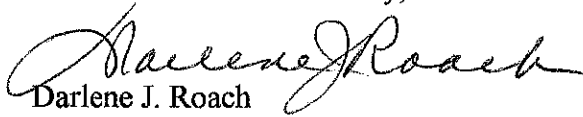
At 10:45 A.M., the Council declared a recess until 11:15 A.M.

7. Bob Hartman – Proposed 2003 Police Department Budget – Chief Hartman stated that it has become necessary to have two cars on patrol on Friday and Saturday nights. Due to this, approval was requested to hire a part-time police officer in 2003. The part-time officer would fill in for sick days, vacation time and work weekends. Former Police Chief John Backdahl has expressed an interest in this position and Chief Hartman is supportive of utilizing John in this position. The Council agreed that this is a good option. Chief Hartman requested approval to place on order a 2003 squad car in order to take receipt of the vehicle in January. The 1998 squad including equipment will be sold, possibly to Pequot Lakes or Deerwood, somewhere around \$11,000 to \$11,500. MOTION 08S1-03-02 WAS MADE BY CHUCK MILLER AND SECONDED BY SANDY ELIASON TO APPROVE THE ORDERING OF A 2003 SQUAD CAR FOR DELIVERY IN JANUARY 2003. MOTION CARRIED WITH ALL AYES. The proposed budget shows an increase from \$297,346 in 2002 to \$323,338 in 2003.

8. Paul Larson – Proposed 2003 Planning and Zoning Budget – Community Development Director Paul Larson joined the meeting. The Council expressed a concern over the number of appeals that are going to the City Council. The Council requested that Staff continue to make recommendations regarding application requests, against the advise of the City Attorney. The Council position is that the City pays Staff to make recommendations based on their training in this area. The proposed Planning and Zoning Budget shows an increase from \$209,829 in 2002 to \$213,782 in 2003.
9. City Administrator Tom Swenson reviewed the remainder of the proposed budgets. There is no change proposed in the Council's budget. An increase of approximately \$4,000 is proposed in Administration. Since there is no election in 2003, the budget for Elections is down from \$4600 to \$150. The proposed 2003 Audit/Legal Budget is down \$3,400 from 2002. The proposed 2003 General Government budget is up from \$140,540 in 2002 to \$205,100 in 2003 in order to replenish reserves and budget for the upcoming repairs to the roof. Approximately \$55,000 in reserves will be used to fund part of the roof project. The proposed 2003 Fire Department budget is \$120,923 compared to \$119,825 in 2002. The Ambulance Budget and Recycling Budgets will remain the same in 2003 as in 2002. Prior to determining the Debt Service budget, another pay request from Anderson Brothers is needed in order to calculate the city's portion of the bond payment against the 2002 road project. There was some discussion regarding possibly issuing a private placement due to the local banks having an excess of funds available. There was also some discussion regarding the true-up and it was agreed that further discussion would be held during the joint meeting scheduled for Tuesday, August 27th.

MOTION 08S1-04-02 WAS MADE BY CHUCK MILLER AND SECONDED BY DEAN SWANSON TO ADJOURN THIS SPECIAL MEETING AT 12:57 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,


Darlene J. Roach
Clerk/Treasurer

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