

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
THURSDAY, NOVEMBER 21, 2019
9:00 A.M. – CITY HALL

The Council for the City of Crosslake held a Special Meeting on November 21, 2019. The following Council Members were present: Mayor Dave Nevin, Gary Heacox, Aaron Herzog, Dave Schrupp and John Andrews. Also present were City Administrator/Treasurer Mike Lyonais, City Clerk Char Nelson, Park Director TJ Graumann, Public Works Director Ted Strand, Fire Chief Chip Lohmiller, Police Chief Erik Lee, and Zoning Administrator Jon Kolstad. There were six people in the audience.

1. Mayor Nevin called the meeting to order at 9:00 A.M.
2. MOTION 11SP1-01-19 WAS MADE BY JOHN ANDREWS AND SECONDED BY GARY HEACOX TO APPROVE BILLS FOR APPROVAL IN THE AMOUNT OF \$43,837.87. MOTION CARRIED WITH ALL AYES.
3. Mike Lyonais reviewed the proposed 2020 Budget with the Council. The budget includes a 9% levy increase, allowing for approximately \$112,000 in undesignated funds, should any unforeseen expenses develop in 2020. The proposed budget does include support to the Initiative Foundation, Chamber of Commerce, Crosslakers projects, fireworks, and BLAEDC. Mr. Lyonais provided a lengthy explanation of funds that were reallocated, projects that have been delayed, and how much money will be carried over from 2019's budget to 2020. Other changes include the elimination of recycling expense and revenue due to the County taking over that program, removing cemetery survey expenses, and projecting out the cost of squad car purchases over six years. Dave Nevin asked if the Council could see sales of surplus equipment. Mr. Lyonais replied that Council could stop in the office to see information or look at the monthly revenue report.

Mr. Lyonais reviewed the Crow Wing County tax calculation for the preliminary levy increase of 9%. Mr. Lyonais explained that the levy amount divided by the taxable market value equals the tax rate. The tax rate increase, with a 9% levy increase, over last year is .307%. The value of new construction was 16,510,065. Mr. Lyonais provided another scenario of increasing the levy by 6.15%. This would just cover expenses with no cushion for unknowns. Dave Schrupp suggested that the Council could use savings to cover any unknown expenses. Aaron Herzog stated that \$100,000 could be spent fast if there were a problem in Public Works or Sewer. The Council reviewed tax rate comparisons with neighboring communities.

Dave Schrupp asked if Wild Wind Ranch Drive was in the plan for reconstruction in 2020. The City had budgeted for that in 2019, but the project was not completed. Ted Strand stated that the project should be moved to 2020. Mr. Lyonais stated that he would add the project to the budget. Dave Schrupp recognized that operating costs were reduced since the first draft of the budget.

Aaron Herzog, Gary Heacox and John Andrews were in favor of increasing the levy by 9%. Dave Schrupp and Dave Nevin thought the Council should spend cash and lower the levy. Mr. Herzog noted that the City obtained a low interest rate on bonds because of the amount of savings that the City has.

4. Mike Lyonais reviewed the capital projects proposed for years 2021 through 2035 totaling approximately \$34M. If the City implemented a half percent sales tax, revenue over that 15-year period would be approximately 4M. There are more projects than the sales tax could fund, which is needed to determine the local sales tax option percentage and projects. The Sales Tax Committee recommended that the City implement a local sales tax at ½% for 25 years for the City of Crosslake wastewater collection and treatment facilities which supports the comprehensive plan and capital budget. John Andrews added that the quality of the lakes and drinking water are important to everyone in Crosslake. Aaron Herzog noted that the tax revenue cannot be used to offset assessments and connection fees. Ted Strand explained that the life expectancy of a wastewater treatment facility is twenty years and that is why he added 7M in year 2029 for upgrades. Gary Heacox noted that the sewer fees do not generate revenue. Dave Nevin was in favor of a 1% sales tax and Mike Lyonais noted that the resolution could include language such as “up to 1%”. The Sales Tax Committee was not in favor of 1% because the chances of having that approved by the residents of Crosslake is less likely than at ½%. Aaron Herzog noted that the City could request an increase in the future.

MOTION 11SP1-02-19 WAS MADE BY JOHN ANDREWS AND SECONDED BY GARY HEACOX TO ACCEPT THE RECOMMENDATION OF THE SALES TAX COMMITTEE. MOTION CARRIED WITH ALL AYES.

MOTION 11SP1-03-19 WAS MADE BY JOHN ANDREWS AND SECONDED BY AARON HERZOG TO HOLD A WORKSHOP ON FRIDAY, DECEMBER 6, 2019 AT 10:00 A.M. FOR THE PURPOSE OF DETERMINING THE PROJECTS TO BE INCLUDED IN THE LOCAL SALES TAX OPTION RESOLUTION. MOTION CARRIED WITH ALL AYES.

MOTION 11SP1-04-19 WAS MADE BY GARY HEACOX AND SECONDED BY AARON HERZOG TO APPROVE THE 2020 BUDGET AS PRESENTED WITH A 9% LEVY INCREASE. MOTION CARRIED WITH ALL AYES.

5. There being no further business at 10:42 A.M., MOTION 11SP1-05-19 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO ADJOURN THE MEETING. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson
City Clerk

BILLS FOR APPROVAL
November 21, 2019

VENDORS	DEPT		AMOUNT
Baker & Taylor, books	Library		47.65
BCA, background check	Library	pd 11-15	15.00
Bolton & Menk, moonlite bay sewer extension	Sewer		12,180.50
Brainerd Hydraulics, couplers, hose	PW		230.96
Brock White, poly reinforced liner	Park		186.70
Corey Nelson, uniform reimbursement	Park		171.92
Dacotah Paper, janitorial supplies	Park		647.42
Emergency Response Solutions, adapters, cylinders	Fire		1,003.63
Fastenal, cable ties	PW		89.39
Frontier Precision, drone training	Fire		350.00
Hawkins, chemicals	Sewer		287.04
Heartland Tire, loader tire repairs	PW		724.53
IP Networks, annual software maintenance	Park		95.00
Jefferson Fire & Safety, water rescue kit	Fire		778.00
Joe Chase, uniform reimbursement	PW		48.69
Johnson, Killen & Seiler, labor attorney fees	Gov't		129.00
Lakes Area Rental, pro mark helmet system	Park		82.95
Lakes Area Rental, spark plug, air filter	Park		8.33
MR Sign, address number signs	PW		91.46
Napa, fuel filters	PW		94.14
Napa, gumout	Park		9.58
National Fire Protection Assn, membership dues	Fire		175.00
Northwedge, 15 yards compost	Park		300.00
Premier Auto, oil change	Park		53.50
Premier Auto, mount and balance tires	Police		80.00
Premier Auto, mount tire	Park		22.72
Susan Mitchell, reimburse payment	Park		10.00
Target Solutions, safety training	ALL		3,469.99
TJ Graumann, mileage reimbursement	Park		57.42
Upland Advertising, welcome crosslake banners	Gov't		2,280.00
Viking Electric, bulbs	Park		125.16
WSN, water quality improvements	PW		9,815.05
WSN, pedetrian and parking study	PW		1,001.25
WSN, general engineering fees	Gov't		1,172.30
WSN, daggett bay road	PW		364.80
WSN, big pine trail	PW		1,034.80
WSN, perkins road	PW		6,188.25
Ziegler, battery	PW		415.74
TOTAL			43,837.87