

BUDGET WORKSHOP  
CITY OF CROSSLAKE  
THURSDAY, AUGUST 27, 2020  
2:00 P.M. – CITY HALL

The Council for the City of Crosslake held a Budget Workshop on August 27, 2020. The following Council Members were present: Mayor Dave Nevin, John Andrews, Marcia Seibert-Volz, and Aaron Herzog. Dave Schrupp arrived at 2:30 P.M. Also present were City Administrator/Treasurer Mike Lyonais, City Clerk Char Nelson, Fire Chief Chip Lohmiller, Park Director TJ Graumann, Public Works Director Ted Strand, Police Chief Erik Lee, City Engineer Dave Reese, Patty Norgaard, and Catharine Funk. There was one person in the audience.

Mayor Nevin called the meeting to order at 2:00 P.M. and turned the meeting over to Mike Lyonais. Mr. Lyonais gave a recap of the last budget meeting and reported that the health insurance premium renewal for 2021 has come in with an increase of 4.8%. There is another budget meeting scheduled for Thursday, September 10 at 2:00 P.M. The Council could certify the preliminary levy on September 14 at the Regular Council Meeting if it is finalized, however, the Council has until September 30 to certify the levy to the County.

Mr. Lyonais reviewed changes made to the 2021 Budget since the last budget meeting. The biosolids project and the sewer extension project were removed from the Budget, however, it has no impact on the levy because the City planned to bond for those projects. There original budget included a replacement fire truck in the amount of \$650,000. Chip Lohmiller had reported that a truck with a ladder was available for \$879,000, so that increase was incorporated in the updated budget packet. Building repair funds for the Joint Maintenance Facility and road project funds for Wild Wind Ranch Drive will carry over to 2021, as those items were not completed in 2020.

Tom Swenson of 36036 West Shore Drive suggested that staff consider purchasing demo equipment to save additional money.

Aaron Herzog asked Chip Lohmiller why he is looking at a ladder truck because Mr. Lohmiller stated that Crosslake would not need a ladder truck when the apartment buildings were built. Mr. Lohmiller replied that the truck he is looking at is an engine with a ladder, not a true ladder truck and is \$229,000 more than the regular truck already in the budget. Mr. Lohmiller added that because it is a demo, the cost is much lower than brand new and that Ideal Township does not plan to replace their ladder truck when it is no longer running. The engine scheduled to be replaced is a 1997 model. Dave Nevin stated that he is not in favor of buying any new trucks.

Tom Swenson of 36036 West Shore Drive asked if the \$17,000 of PPE could be paid for with COVID-19 funds. Mike Lyonais replied that it can be and that staff is looking at ways to reduce the budget with those funds. Tom Swenson asked about boots in the fire department budget for \$10,080. Chip Lohmiller replied that the amount is correct. All the boots need to be replaced next year due to new standards.

Ted Strand stated that the Public Works Commission met earlier today and voted to complete \$419,000 of road overlays and \$1,086,000 of road reconstruction projects next year. Dave Nevin

stated that the roads are not in very bad shape and that he is opposed to doing any road projects until it is necessary. Aaron Herzog warned that if road repair is put off, it could lead to major expenses if they all fall apart at once.

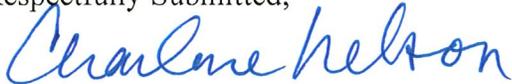
The Public Works Commission also made a recommendation to remove the planned sewer extension project to Moonlite Bay from the 2021 budget and move the project to 2024. Aaron Herzog stated that the City has been told that the septic system at Moonlite Bay will not last and questioned whether the project should be postponed. A brief discussion regarding local option sales tax ensued as it related to the cost of the sewer extension project. Ted Strand stated that the biosolids project could be removed from the 2021 budget but that the Council needs to keep in mind that cost will be coming in the future. Mr. Strand noted that there is \$250,000 in the sewer budget that is necessary for lift station rehabilitation and clarifier repair.

Marcia Seibert-Volz questioned the \$50,000 in the budget for civil defense sirens. Ted Strand replied that the City has two very old sirens and that it is no longer possible to get parts when they need repair. The City needs to consider replacing them.

Marcia Seibert-Volz stated that the City levied 3% more than what was needed for the 2020 budget and stated that she does not think the City should budget for unforeseen expenses. Because the levy was increased last year by 3%, she would like to see this year's levy decrease by 3-5%. Dave Nevin agreed.

MOTION 08SP3-01-20 WAS MADE BY AARON HERZOG AND SECONDED DAVE SCHRUPP TO ADJOURN THE MEETING AT 2:58 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson  
City Clerk