

BUDGET WORKSHOP
CITY OF CROSSLAKE
THURSDAY, SEPTEMBER 10, 2020
2:00 P.M. – CITY HALL

The Council for the City of Crosslake held a Budget Workshop on September 10, 2020. The following Council Members were present: Mayor Dave Nevin, John Andrews, Marcia Seibert-Volz, Aaron Herzog, and Dave Schrupp. 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, and Council Candidate Patty Norgaard. There was one person in the audience.

1. Mayor Nevin called the meeting to order at 2:00 P.M.
2. The Mayor read a Proclamation for National Assisted Living Week September 13-19, 2020. MOTION 09SP2-01-20 WAS MADE BY AARON HERZOG AND SECONDED BY JOHN ANDREWS TO AUTHORIZE MAYOR NEVIN TO SIGN THE PROCLAMATION FOR NATIONAL ASSISTED LIVING WEEK. MOTION CARRIED WITH ALL EYES.
3. The Council discussed the need to increase sewer user fees. The Public Works Commission recommended that the Council increase the fee by \$2. It was the consensus of the Council to increase sewer user fees from \$50 per month or ERU to \$52 per month or ERU. The City Clerk will provide a resolution for approval at the 9/14/20 meeting.
4. Ted Strand presented a quote for a 2020 Western Star Single Axle Cab and Chassis with Plow in the amount of \$212,610.05. The City has an opportunity to get grant funds of approximately \$20,000 for a plow truck that monitors road salt usage. Ted Strand has reached out to Melissa Barrick of Soil and Water Conservation District to find out the application process and is waiting to hear back. The purchase price is from the MN State Contract. MOTION 09SP2-02-20 WAS MADE BY JOHN ANDREWS AND SECONDED BY AARON HERZOG TO APPROVE THE PURCHASE OF THE 2020 WESTERN STAR 4700 4X2 TRUCK AND PLOW EQUIPMENT AT A COST OF \$212,610.05. Dave Nevin asked if Mr. Strand what other equipment he intended to purchase. Dave Schrupp noted that the 2020 Budget includes the purchase of a new water truck and asked if Mr. Strand could get a few more years out of the water truck before it is replaced. Ted Strand replied that the air brakes are bad but everything else works well. Mr. Schrupp suggested using \$10,000 from the water truck budget to repair the brakes on the water truck and using \$35,000 toward the purchase of The Western Star. Marcia Seibert-Volz suggested that \$20,000 from the miscellaneous items account in the Public Works 2020 Budget could be used for the purchase of the truck too. The 2020 Budget includes \$50,000 for a new sweeper which will not be purchased in 2020 because staff is waiting for a better model to become available and can be used toward the purchase of this truck. Dave Nevin asked if equipment was assigned to one driver. Ted Strand replied that he tries to have one driver per truck so that it is well maintained. MOTION CARRIED WITH ALL EYES.

5. Mr. Strand stated that there is \$51,000 in the proposed 2021 Budget for a new pickup. The truck to be replaced is a 2007 GMC hand-me-down from the phone company with 130,000 miles. Mr. Strand stated that it is falling apart. Dave Nevin asked what other trucks his department currently has. Ted Strand listed the types of the five pickups they have. MOTION 09SP2-03-20 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO APPROVE THE PURCHASE OF A 2021 CHEVY SILVERADO 3500HD 4WD CREW CAB FROM KARL CHEVROLET IN THE AMOUNT OF \$47,080 WITH FUNDS FROM THE 2020 BUDGET. Ted Strand noted that he would move his existing plow to the new plow. MOTION CARRIED WITH ALL AYES.

6. Chip Lohmiller reported that a request from the State of Oregon came for mutual aid for fighting wildfires. The State of Minnesota will negotiate a contract with Oregon for compensation. Mr. Lohmiller stated that there are a few guys who have volunteered to drive Tender 4 or Engine 2 for a deployment of 15-17 days. MOTION 09SP2-04-20 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE THE RELEASE OF PERSONNEL AND EQUIPMENT TO PROVIDE MUTUAL AID TO THE STATE OF OREGON FOR FIGHTING WILDFIRES. Chip Lohmiller noted that Oregon provides liability insurance. MOTION CARRIED WITH ALL AYES.

Chip Lohmiller asked the Council if they had questions regarding the Buyer's Guide for Aerial Apparatus that was included in the packet. Marcia Seibert Volz asked when the last ISO inspection was done and what the current rating is. Chip Lohmiller replied that the last ISO inspection was in 2017 and the City has a rating of 6. Aaron Herzog asked how this piece of equipment could affect insurance rates. Mr. Lohmiller replied that having the aerial apparatus could lower the ISO rating to 5 and that businesses would probably see more benefit on their insurance than residential properties. A discussion ensued regarding the use of ladders and rescues from second or third floors, the age of equipment and operating budget. Mr. Lohmiller noted that Engine 2 is a 1997 and would be kept as a backup. The cost of the aerial truck is \$879,000. The city could replace the existing truck with the same model as Engine 1 at a cost of \$650,000. Dave Nevin noted that Mr. Lohmiller stated that more training would be required if they get a truck with a ladder. Mr. Lohmiller replied that the firefighters train twice a month and that there wouldn't be more classes, just more training in that specific area. MOTION 09SP2-05-20 WAS MADE BY JOHN ANDREWS AND SECONDED BY DAVE SCHRUPP TO APPROVE THE PURCHASE OF AN AERIAL FIRE APPARATUS AT A COST OF \$879,000. Marcia Seibert-Volz stated that she would prefer to purchase the truck after the next bond issue is paid off. Mike Lyonais noted that the next bond will be paid off in 2023 and that this truck will probably not be available at this price in 2023. Tom Swenson noted that the first payment on the equipment certificates would likely be in 2022. MOTION CARRIED 4-1 WITH NEVIN OPPOSED.

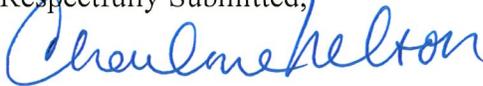
MOTION 09SP2-06-20 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY JOHN ANDREWS TO USE ANY MONEY EARNED, MINUS THE COST OF SALARIES AND EXPENSES, ON THE MUTUAL AID AGREEMENT WITH THE STATE OF OREGON FOR THE PURCHASE OF THE TRUCK. MOTION CARRIED WITH ALL AYES.

7. TJ Graumann presented a quote for a 2021 Chevy Silverado 2500 Crew Cab at a cost of \$35,718.54. The installation of a plow would be approximately \$4,500. Mr. Graumann explained that a second truck is needed for the Park Department because he has two full time maintenance workers and with COVID, it is important that they don't drive in the same vehicle. The 2021 proposed Budget includes \$45,000 for a truck. Aaron Herzog asked where the Park Department plows. Mr. Graumann replied that they plow the community center, city hall, firehall and help Public Works with some roads. Dave Nevin stated that a crew cab seemed excessive for the park. Marcia Seibert-Volz suggested that Mr. Graumann check the cost of a different style truck. Dave Schrupp noted that the truck needs to have enough weight to push snow. John Andrews stated that Council should listen to staff's recommendations. Aaron Herzog asked Mr. Graumann to bring a second quote to the next meeting on September 14.
8. Mike Lyonais reported that this was the fourth budget meeting and reminded the Council that the preliminary levy needs to be certified to the County by September 30. Mr. Lyonais reviewed changes made to the proposed budget since the last meeting. Marcia Seibert-Volz asked what the consultant fees were for in the amount of \$15,000. Mike Lyonais replied that the City has used and will use a consultant for the implementation of sales tax. Ms. Seibert-Volz suggested that the amount be reduced to \$5,000.

Tom Swenson asked if the Council was taking public comment and the Mayor invited him to the podium. Mr. Swenson had questions on twenty-eight line items of the budget. Staff provided answers to all questions. MOTION 09SP2-07-20 WAS MADE BY JOHN ANDREWS AND SECONDED BY DAVE SCHRUPP TO APPROVE THE 2021 LEVY AT THE SAME TAX RATE AS 2020. MOTION CARRIED 4-1 WITH SEIBERT-VOLZ OPPOSED. Mike Lyonais stated that he would prepare a resolution for the Council to approve at the next meeting on September 14.

9. MOTION 09SP2-08-20 WAS MADE BY DAVE NEVIN AND SECONDED JOHN ANDREWS TO ADJOURN THE MEETING AT 4:45 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson
City Clerk