

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
WEDNESDAY, JULY 21, 2021
4:00 P.M. – CITY HALL

The Council for the City of Crosslake held a Special Meeting on Wednesday, July 21, 2021. The following Council Members were present: Mayor Dave Nevin, John Andrews, Dave Schrupp, Aaron Herzog and Marcia Seibert-Volz. Also in attendance were City Administrator Mike Lyonais, City Clerk Char Nelson, Park Director TJ Graumann, Police Chief Erik Lee, Zoning Administrator Jon Kolstad, Public Works Director Ted Strand, Fire Chief Chip Lohmiller and City Engineer Phil Martin. There were two people in the audience.

1. Mayor Nevin called the meeting to order at 4:00 P.M. and turned the meeting over to Mike Lyonais. Marcia Seibert Volz asked to have the VRBO meeting at the next regular meeting.
2. Mike Lyonais reported that the City will receive \$89,362 through the Small Cities Assistance Program from the State. The City has two years to use the funds and can be used for road projects and related costs. The City received half of the amount this week and will receive the second half in December.

Mike Lyonais reported that the League of MN Cities will be conducting a webinar on July 26 to explain how the American Rescue Plan Act funds can be used. The amount of funds that the City will receive is approximately \$105 per person, based on the 2019 Census.

Mike Lyonais provided a handout of Summary Revenues, detailing the items included in "Other Revenues". Before the Council considered the amendments to the 2021 Budget, Mr. Lyonais proposed the replacement of two computers.

MOTION 07SP3-01-21 WAS MADE BY AARON HERZOG AND SECONDED BY JOHN ANDREWS TO APPROVE THE PURCHASE OF A LAPTOP COMPUTER FOR ADMINISTRATION AT AN ESTIMATED COST OF \$1,900. MOTION CARRIED WITH ALL AYES.

MOTION 07SP3-02-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE THE PURCHASE OF A DESK TOP COMPUTER FOR THE FIRE DEPARTMENT, USING FUNDS FROM THE 2021 FIRE DEPARTMENT'S SMALL POWER TOOLS BUDGET. MOTION CARRIED WITH ALL AYES.

Mike Lyonais reviewed changes to revenue and stated that the City normally levies approximately \$800,000 for capital expenses. The City levied \$458,000 in 2021 for road projects but the projects were delayed until 2022. Mr. Lyonais stated that the Council could reserve that money for next year's road projects or use it to pay for the overage on the firehall project of \$610,000. MOTION 07SP3-03-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY AARON HERZOG TO DESIGNATE \$458,000 FROM THE 2021 BUDGET AND USE FOR ROAD PROJECTS IN 2022. Dave Schrupp stated that they could leave those funds in the general fund to compensate for overages in other areas. Marcia

Seibert-Volz stated that it was for roads and should stay as roads. John Andrews suggested waiting and deciding later where to put it because there is no rush to make a decision. MOTION CARRIED 3-2 WITH SCHRUPP AND ANDREWS OPPOSED. Mike Lyonais stated that there will be more changes in the next few months.

Marcia Seibert-Volz asked about the increase of expense for crack sealing. Mike Lyonais replied that the Council approved that change on May 3, 2021 during the Joint Council/Public Works Commission Meeting and that Ms. Seibert-Volz was not in attendance at that meeting. Ted Strand stated that he asked for Council approval at that meeting in order to keep the quoted price of crack sealing. MOTION 07SP3-04-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY JOHN ANDREWS TO APPROVE THE 2021 BUDGET AMENDMENTS FOR CONSIDERATION ON THE DOCUMENT DATED JULY 21, 2021. MOTION CARRIED WITH ALL AYES.

3. Mike Lyonais reported that he has very preliminary tax rates from the County for 2022. Mr. Lyonais stated that the number he is interested in, is the change in estimated market value in dollars because that is what the tax rate is applied to. There is an estimated increase of 117,000,000 in market value from 2021 to 2022. The County estimates the the taxable tax capacity will increase by \$15,898,843 because they are seeing an increase in value of approximately 10-13% on lakeshore property. Marcia Seibert-Volz asked if the County would be raising all of the property values by 8.5%. Mike Lyonais replied that each property would have a different rate but that overall the values would range from 10-13%.

Mike Lyonais reported that the State has a program called PRISM (Property Record Information System of Minnesota) where the County submits their estimated market values in detail and Mr. Lyonais provided a copy of the report to the Council.

Mike Lyonais lead a discussion on preliminary 2022 Budget challenges. Dave Schrupp asked for a report to show how existing cash has been spent in the last 5 years and stated that the Council should not keep spending cash. A brief discussion ensued regarding sewer operating costs and the amount the City supplements to that fund. Mr. Lyonais stated that next years proposed capital projects will cost approximately \$6.8M.

4. MOTION 07SP3-05-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY AARON HERZOG TO ADJOURN THE MEETING AT 4:58 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson
City Clerk