

BUDGET WORKSHOP
CITY OF CROSSLAKE
WEDNESDAY, AUGUST 25, 2021
3:00 P.M. – CITY HALL

The Council for the City of Crosslake held a Budget Workshop on August 25, 2021. 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 Zoning Administrator Jon Kolstad. There was one person in the audience.

Mayor Nevin called the meeting to order at 3:00 P.M.

Erik Lee reported that Sergeant Eric Swanson has resigned and his last shift will be August 31, 2021. Chief Lee provided a brief summary of his plans to fill open positions. Dave Nevin asked if there was an urgency to fill the positions. Chief Lee replied that after August 31st, the department will be down to 4 officers and stated that the part-time officers have full-time positions in other cities, so it is very difficult to find someone to fill in. Adam Casanova, recently hired part-time officer, is working 40 hours a week. Chief Lee stated that he would like the Council to consider hiring a part-time administrative assistant to be at the front desk of the office to take phone calls and greet people that walk in. There have been complaints that no one is available at the new building. Marcia Seibert-Volz suggested using part-time officers for now. Erik Lee stated that it would be very difficult to carry on with part-time rather than full-time officers. Marcia Seibert-Volz stated that this is a budget meeting and that this topic should not be discussed because it was not noticed. Aaron Herzog stated that the matter could be discussed at the Special Meeting on September 3, 2021.

Chip Lohmiller presented a proposal for wage increases for the firefighters. Mr. Lohmiller proposed that the pay for fire calls increase from \$15 to \$20, which would coverage mileage since firefighters use their own vehicles to respond to medical calls. Mr. Lohmiller asked that duty crew wages increase from \$30 to \$60. The proposed wage increases are estimated at \$40,000 over 2021. Aaron Herzog stated that the proposal should be included in the 2022 Budget. Dave Schrupp asked how the rates compare to other cities. Chip Lohmiller replied that the new wages would be right in line with other cities. Aaron Herzog asked if a pay increase would help to recruit firefighters. Chip Lohmiller replied that it could, but other issues include lack of housing in Crosslake and burn out of the job.

Chip Lohmiller suggested that the City consider adding a full time EMS/Public Safety Director. This position could be in charge of emergency management, building code inspections and fire code inspections. Mr. Lohmiller stated that he does many fire code inspections now for businesses in Crosslake and puts in many hours related to emergency management. Mr. Lohmiller stated that there should be fire code checks on VRBO's also. Aaron Herzog stated that staff should do some research on this type of position and bring more information back to the Council. Dave Schrupp suggested that the Council hold a special meeting just for VRBO discussion. Chip Lohmiller added

that the Police and Fire Departments need administrative help and suggested that one position could help in both departments.

Mike Lyonais and Ted Strand reported that the lease with Crow Wing County Highway Department for the Joint Maintenance Facility ends in 2023 and that the Council needs to begin the process now of determining whether the City or the County will buy out and keep the complex. Ted Strand stated that the Council reallocated \$20,000 from his budget in July and now the County would like to proceed with upgrading the security at the facility with electronic card access. Mr. Strand stated that he will need those funds back to pay for the City's portion of the project. Midwest Security, who has done the security systems in City Hall and Fire Hall, would do the work so that all the buildings use the same equipment. A discussion ensued regarding ownership of the Public Works buildings. Ted Strand stated that he is running out of storage space. Mike Lyonais stated that if the City bought out the County in 2023, there would be enough storage space for the City's needs, but added that the County is not looking to move out. Dave Nevin stated that he wants to be part of the discussion with the County regarding the end of the lease. MOTION 08SP3-01-21 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO REALLOCATE \$20,000 BACK TO THE PUBLIC WORKS DEPARTMENT FOR SECURITY UPGRADES AT THE JOINT MAINTENANCE FACILITY. MOTION CARRIED WITH ALL AYES.

MOTION 08SP3-02-21 WAS MADE BY JOHN ANDREWS AND SECONDED BY DAVE SCHRUPP TO DIRECT MIKE LYONAIIS TO SIGN THE LETTER OF INTENT WITH THE COUNTY TO PROCEED WITH SECURITY UPGRADES. MOTION CARRIED WITH ALL AYES.

Mike Lyonais reviewed debt service levies and the timing of when bonds will be paid off. The Council will need to decide how to pay for the proposed projects for 2022. Aaron Herzog asked if the interest rates were changing. Mike Lyonais replied that there is a slight upward movement of rates and suggested that combining the road projects and the sewer project in one bond could result in better interest rate.

A lengthy discussion ensued as Mike Lyonais reviewed the 2022 proposed budget with the Council. Mike Lyonais noted that the \$458,000 the Council assigned for 2022 road projects has been reduced by the costs of the Perkins Road settlement and crosswalk upgrades.

Marcia Seibert-Volz noted that the Police Department currently has 4 officers and asked why the budget includes funds to replace squads so that there are 6. Chief Lee replied that he intends to fill the two vacant positions so that there are 6 officers in the department.

Mike Lyonais reviewed a timeline for budget meetings and for the Council to set the preliminary and final levies. The Council agreed to change the date of the next Budget meeting to Thursday, September 9, 2021 at 2pm since Marcia Seibert-Volz was unavailable on September 8.

Marcia Seibert-Volz asked questions about proposed expenses in the 2022 fire department budget.

Mike Lyonais stated that he is working with Banyon Data Systems to create reports that would include a list of reserved accounts.

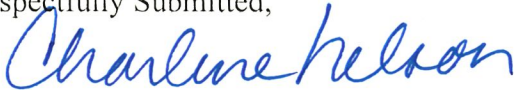
Tom Swenson of the Public Works Commission suggested that the Council start talks with the County now regarding the buyout provision for the Public Works Building.

Mike Lyonais provided the Council with the Braun Intertec report for the air sampling that was done at the Fire Hall.

Dave Nevin stated that he wants to discuss the possibility of adding the paving of Brita Lane and purchasing the land behind Andy's to the 2022 Budget. Marcia Seibert-Volz stated that there is \$175,000 in the proposed budget for purchasing land behind the Public Works building and asked if that was needed. Ted Strand stated that the City has talked about acquiring that land for the expansion of wastewater treatment.

MOTION 08SP3-03-21 WAS MADE BY AARON HERZOG AND SECONDED DAVE SCHRUPP TO ADJOURN THE MEETING AT 4:35P.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson
City Clerk