

BUDGET WORKSHOP  
CITY OF CROSSLAKE  
MONDAY, AUGUST 8, 2022  
1:00 P.M. – CITY HALL

The Crosslake City Council held a Budget Workshop on Monday, August 8, 2022. The following Council Members were present: Mayor Dave Nevin, Aaron Herzog, John Andrews, Dave Schrupp and Marcia Seibert-Volz. Also present were City Administrator Mike Lyonais, City Clerk Char Nelson, Fire Chief Chip Lohmiller, Police Chief Erik Lee, and Park Director TJ Graumann.

1. Dave Nevin called the meeting to order at 1:00 P.M.
- 2.a. It was the consensus of the Council to remove this item from the agenda and to add it to the agenda of the Regular Meeting this evening.
- 2.b. Mike Lyonais reported that due to the recent resignations of two police officers, the Public Safety Commission discussed the issue of police officer retention and made a recommendation that the City Council move officers up on the current wage scale. Marcia Seibert-Volz asked why the City is making adjustments now, because everyone was happy with the contract when it was settled in December.

Aaron Herzog stated that the Public Safety Commission discussed retention of officers and suggested that the three full-time officers be moved on the current pay scale. Mr. Herzog noted that Adam Casanova, who recently resigned, was offered \$6.00 more per hour to start at Baxter Police Department. Marcia Seibert-Volz stated that the officers should have known that their wages weren't high enough when the contract was negotiated. Dave Nevin suggested that the Council meet to discuss the proposed wages. MOTION 08SP1-01-22 WAS MADE BY DAVE SCHRUPP AND SECONDED BY AARON HERZOG TO HOLD A CLOSED MEETING TO REVIEW A RECOMMENDATION FROM POLICE CHIEF AND CITY ADMINISTRATOR ON POLICE OFFICER WAGES TO PROPOSE TO LABOR UNION. MOTION CARRIED WITH ALL AYES.

- 2.c. Mike Lyonais reported that he received a request from AFSCME Union to add a new job class for Lead Wastewater Operator/Heavy Equipment Operator. Mr. Lyonais stated that the City is using Nate Deshayes' Class B sewer license as official signature on paperwork and that he is the main operator at the plant. Public Works Director Pat Wehner does not have time to be in the plant for several hours a day.

Marcia Seibert-Volz stated that she is not favor of the request and that the City should remove premium pay for sewer licenses if they want to replace with this. Mike Lyonais stated that the union asked for a lead operator position, above the license premium pay, at \$2.00 more per hour. Marcia Seibert-Volz stated that the City hired Patrick to be the lead in the plant. Ms. Seibert-Volz stated that she is only in favor if the union gets rid of the premium pay for sewer licenses, otherwise it can be considered when the contract ends.

Chief Lee stated that some of the labor issues could have been avoided had the department heads been included in union negotiations for their staff.

MOTION 08SP1-02-22 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE A LEAD WASTEWATER OPERATOR/HEAVY EQUIPMENT OPERATOR POSITION IN THE AFSCME UNION AND AN INCREASE OF \$1.75 PER HOUR. MOTION CARRIED 4-1 WITH SEIBERT-VOLZ OPPOSED.

- 3.a. MOTION 08SP1-03-22 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO SET THE DATE FOR THE TRUTH IN TAXATION MEETING FOR MONDAY, DECEMBER 12, 2022 AT 6:00 P.M. IN CITY HALL. MOTION CARRIED WITH ALL AYES.

- 3.b. Mike Lyonais reported that Jim Anderson contacted him last week and asked if the City would be interested in applying for a grant from the Initiative Foundation in the amount of \$7,500 to make a video to promote Crosslake. Mr. Anderson told Mr. Lyonais that the application was due within a few days and that he thought the video would be a good tool to show the growth of Crosslake. Mr. Lyonais stated that he and Mr. Anderson worked on the application together and submitted it last week.

MOTION 08SP1-04-22 WAS MADE BY AARON HERZOG AND SECONDED BY MARCIA SEIBERT-VOLZ TO APPROVE REQUEST FROM INITIATIVE FOUNDATION OF \$1,650 FOR 2023 SUPPORT. MOTION CARRIED WITH ALL AYES.

MOTION 08SP1-05-22 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE THE REQUEST FROM THE BRAINERD LAKES AREA CHAMBER OF COMMERCE OF \$3,500 FOR ITS CROSSLAKE OFFICE FOR 2023. MOTION CARRIED WITH ALL AYES.

MOTION 08SP1-06-22 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY AARON HERZOG TO APPROVE THE REQUEST FROM THE BRAINERD LAKES AREA CHAMBER OF COMMERCE OF \$15,000 FOR CELEBRATE AMERICA-CROSSLAKE ANNUAL FIREWORKS DISPLAY FOR 2023. MOTION CARRIED WITH ALL AYES.

- 3.c. Mike Lyonais reviewed the Crow Wing County Mini Summary Report from the MN Department of Revenue which showed cities and townships market values and noted that Crosslake makes up 12.2% of the County's market value. The 2023 Draft Proposed Budget Summary dated 8/8/22 includes a 3.31% increase over 2022. Mr. Lyonais stated that the Council must decide whether to increase or decrease from there. Mr. Lyonais reported that one bond would be paid off next year which the City has already levied for. Aaron Herzog asked if the Sewer Utility Fund would break even or if the City would have to use funds from the phone company proceeds to make it balance. Mike Lyonais replied that it is set up to break even and if it does not, the City would transfer funds from the General Fund. Mike Lyonais stated that there is approximately \$2,000,000 left in proceeds from the sale of the phone company. MOTION 08SP1-07-22 WAS MADE BY AARON HERZOG AND SECONDED BY MARCIA SEIBERT-VOLZ TO DIRECT THE CITY ADMINISTRATOR TO PROVIDE A LINE ITEM BALANCE OF THE PROCEEDS ON

JANUARY 1, 2023 SO THAT THE COUNCIL CAN TRACK THE FUNDS. MOTION CARRIED WITH ALL AYES.

- 3.d. Mike Lyonais reported that the Public Works Commission recommended that the Council increase the road maintenance budget in 2023 and concentrate on maintaining roads rather than repairing them. Mr. Lyonais stated that the City Engineer has asked Casper Construction for a quote to add the repairs of the local detour roads to the Sanitary Sewer Extension Project.

Dave Schrupp stated that the Council needs to make a prediction now and that they can work on lowering the levy by year end.

4. Chip Lohmiller reported that his capital plan has included the replacement of Tender 3 in 2023. Mr. Lohmiller found a 3,000-gallon tender to replace it, which would help keep the ISO rating down and would work well for the department at an approximate cost of \$575,000. Mr. Lohmiller stated that the department would sell two pieces of equipment for about \$125,000, reducing the cost of the tender to \$450,000. Mr. Lohmiller stated that another large truck is not in the capital plan until 2030. John Andrews stated that he is in favor of the purchase. Marcia Seibert-Volz stated that the City should wait until 2024 to purchase the truck. Chip Lohmiller stated that the cost will increase. John Andrews stated that the department will spend more in repairs on the older equipment. Dave Schrupp stated that this is a Public Safety item and that he trusts Mr. Lohmiller to make the right decisions. Aaron Herzog stated that the truck should be left in the budget for now.

Chip Lohmiller requested to purchase new iPads and mounts using 2022 carryover funds. MOTION 08SP1-08-22 WAS MADE BY AARON HERZOG AND SECONDED BY JOHN ANDREWS TO APPROVE THE REASSIGNMENT OF FUNDS CARRIED OVER FROM 2022 TO BE USED TOWARD THE PURCHASE OF IPADS AND MOUNTS FOR THE FIRE DEPARTMENT. MOTION CARRIED WITH ALL AYES.

Chip Lohmiller reported that the Firefighters Relief Association purchased a utility truck for \$63,442.55. Mr. Lohmiller had previously reported that the truck would cost \$56,342.55, but the truck at that price did not work for them. The Fire Department received a \$10,000 grant from Sourcewell to make up the difference and to use for lighting and accessories. Mr. Lohmiller reported that Crosslake was the recipient of the Firehouse Sub Grant in the amount of \$32,670.

Mr. Lohmiller reported that the department has reached record high number of calls this year and the firefighters are getting burned out. Mr. Lohmiller stated that the Council should look at other fire department models, instead of volunteer on-call, such as full-time chief or full-time staff to alleviate some of the burden.

5. A brief discussion took place regarding grants and transferring funds. MOTION 08SP1-09-22 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY AARON HERZOG TO TRANSFER THE \$259,000 OF ARPA FUNDS FROM THE GENERAL FUND TO THE SEWER FUND. MOTION CARRIED WITH ALL AYES.

Dave Schrupp noted that most City departments have requested additional staff and asked that an estimated cost for staffing be brought to the next budget meeting for discussion.

Marcia Seibert-Volz stated that the 2022 Budget should be adjusted to reflect the salary changes.

6. MOTION 08SP1-10-22 WAS MADE BY AARON HERZOG AND SECONDED BY MARCIA SEIBERT-VOLZ TO ADJOURN THE MEETING AT 2:55 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson  
City Clerk