

BUDGET WORKSHOP  
CITY OF CROSSLAKE  
MONDAY, SEPTEMBER 19, 2022  
2:00 P.M. – CITY HALL

The Council for the City of Crosslake held a Budget Workshop on September 19, 2022. 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, Police Chief Erik Lee, and Zoning Administrator Pete Gansen. There were five people in the audience.

Mayor Nevin called the meeting to order at 2:00 P.M.

Mike Lyonais presented the 2023 health insurance renewal which is 5% higher than 2022. For budgeting purposes, Mr. Lyonais had estimated the increase to be 10% in prior budget models. The renewal must be approved by 10/14/22. Marcia Seibert-Volz and Aaron Herzog suggested that the renewal be put on the agenda of the regular meeting of 10/10/22.

Mike Lyonais stated that the Council tabled approval of the August 2022 Balance Sheet at the last regular meeting because they wanted to discuss the \$33,000 reserve for Public Works buildings. Mr. Lyonais stated that the Council put \$56,500 in reserves in 2020 for building repairs that were to be done in conjunction with the County. Not all repairs have been completed. The cost of the wash bay column repairs will be deducted from this fund this year.

Mike Lyonais reported that Pat Wehner is obtaining quotes for permanent glass for the Planning & Zoning and Administration counters and for a new Council table and chairs.

A discussion ensued regarding bonding and the purchase of the fire truck. Marcia Seibert-Volz asked if the fire truck company would accept a final payment in 2024. Chip Lohmiller replied that they would, however, they would charge 4.19%. Marcia Seibert-Volz stated that the Council should wait to buy the truck until they had cash to pay for it. MOTION 09SP3-01-22 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY DAVE NEVIN TO CANCEL THE ORDER FOR THE FIRE TRUCK. John Andrews stated that it would be good for the businesses if we had a truck that held extra water. Chip Lohmiller stated that the purchase of this truck has been on the capital outlay plan for 15 years. Mike Lyonais stated that the interest on the bond to pay for the truck will be approximately \$51,000. If the Council waits, the trade in value of the two older vehicles will be less and the cost of the new truck will be more. Marcia Seibert-Volz suggested budgeting \$105,000 for the next five years instead. Dave Schrupp stated that the cost of the truck will be much higher in five years. MOTION FAILED 2-3 WITH SCHRUPP, ANDREWS, AND HERZOG OPPOSED.

The discussion regarding bonding continued. Mr. Lyonais asked if the Council wanted to carry the County's portion of the project through bonds or pay with cash. The bonds can be reduced by ARPA grant, connection charges, and SWCD grants, which are still pending. MOTION 09SP3-02-22 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY DAVE NEVIN TO REDUCE THE BOND ISSUE BY \$500,000 AND TO REPLENISH THE CITY RESERVE

ACCOUNT IN TWO YEARS WHEN THE COUNTY PAYS THE CITY FOR THE CSAH 66 CONSTRUCTION PROJECT. MOTION CARRIED WITH ALL AYES.

Mike Lyonais stated that the bonds could be reduced if the Council assesses for the road improvements. John Andrews stated that the assessment policy is flawed and noted that Manhattan Point Blvd and Anchor Point Road were not assessed. Public Works Commissioner Tom Swenson stated that there are a lot of roads to be fixed in the City and the benefitting property owners should have to pay something. Dave Schrupp replied that when Tom Swenson was City Administrator, the City assessed road projects that were gravel and improved to blacktop. The Council said then that the property owners would never have to pay assessments again. The Council will hold a meeting on September 28, 2022 at 4:00 P.M. in City Hall to certify the Preliminary Levy and to make decision on road project assessments.

A discussion ensued regarding hiring additional staff for 2023. MOTION 09SP3-03-22 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY DAVE NEVIN TO REMOVE \$225,348 OUT OF THE 2023 BUDGET FOR ADDITIONAL STAFF. John Andrews stated that the Fire Department, Police Department, and Administration need help. Marcia Seibert-Volz stated that the Council just gave staff a considerable increase and the work should get done, they will just have to prioritize. The Council discussed the full-time fire chief position and Chip Lohmiller stated that he is not promoting this position for himself and wasn't sure he would even apply for the position when it is finalized. Dave Schrupp noted that there is \$250,000 in the 2023 Road Improvement Budget and that there are no road projects scheduled to be done. Mr. Schrupp suggested using \$100,000 from that budget for additional staff and the remainder for fixing the detour roads. Tom Swenson noted that the reserve account for bridges also had a balance that could be used for roads. MOTION FAILED 1-4 WITH NEVIN, HERZOG, SCHRUPP, AND ANDREWS OPPOSED.

Marcia Seibert-Volz suggested that the Sewer Plant Maintenance Budget be reduced from \$100,000 to \$50,000. MOTION 09SP3-04-22 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO LEAVE THE SEWER MAINTENANCE BUDGET AT \$100,000 FOR 2023. MOTION CARRIED 4-1 WITH SEIBERT-VOLZ OPPOSED.

The Mayor adjourned the meeting at 4:25 P.M.

Respectfully Submitted,

  
Charlene Nelson  
City Clerk