

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
WEDNESDAY, AUGUST 18, 2010  
9:00 A.M. - CITY HALL

The Council for the City of Crosslake met in a Special Session on Wednesday, August 18, 2010 at City Hall. The following Councilmember's were present: Mayor Jay Andolshek, Steve Roe, Dean Swanson and Rusty Taubert. Absent was John Moengen. Also present was City Administrator Tom Swenson, Park and Recreation Director Jon Henke, Police Chief Bob Hartman, General Manager Paul Hoge and Clerk/Treasurer Jennifer Max. Absent were Community Development Director Ken Anderson and Public Works Director Ted Strand. Also in attendance was Darrell Schneider.

1. Call to order – Mayor Andolshek called the special meeting to order at 9:00 A.M.
2. Bills for Approval – MOTION 08S-01-10 WAS MADE BY RUSTY TAUBERT AND SECONDED BY DEAN SWANSON TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$17,516.64. MOTION CARRIED WITH ALL AYES.
3. The Council reviewed a recommendation from the Personnel Committee regarding hiring for the position of Library Coordinator. City Administrator Tom Swenson noted the City sent out 18 applications, of which 12 were returned for consideration. The 12 applications were then assigned points based on education, experience and veterans preference. The Personnel Committee selected two individuals for interviews on August 11<sup>th</sup>. Following the interviews, the Personnel Committee unanimously recommended Kim Larson for the position of Library Coordinator. MOTION 08S-02-10 WAS MADE BY STEVE ROE AND SECONDED BY RUSTY TAUBERT THAT THE POSITION OF LIBRARY COORDINATOR BE OFFERED TO KIM LARSON STARTING AT STEP 1 OF THE AFSCME UNION CONTRACT, BENEFITS AS STATED IN THE UNION CONTRACT WITH A STARTING DATE OF AUGUST 23, 2010. MOTION CARRIED WITH ALL AYES.

Councilmember Moengen arrived at 9:12 A.M.

Mayor Andolshek commented that the process for reviewing the budget would be for the Council to review what is being proposed, engage in discussion and provide comments but hold voting on items until the entire budget is reviewed. The exception would be wage information that could be approved at this meeting since other parts of the budget such as PERA, FICA, disability, etc. are based on a percent of wages.

4. A memo dated August 18, 2010 from the Personnel Committee contained a recommendation to the Council to adopt the 2011 Management Salaries as proposed and the estimated wages for AFSCME and Teamster Employees be included in the proposed 2011 budget. For AFSCME employees, a 1.75% cost of living adjustment was included in addition to any step increase for employees not on Step 10. In the Public Works and Sewer Departments, on call and overtime

estimates were included in the budget. In the Police Department, a 1.50% cost of living adjustment was included as well as a step increase for two officers not on Step 10. Overtime and shift differential were also included in the projection. For management wages, it was recommended that a 1.75% increase be approved. City Administrator Swenson noted that once the wages are established, other benefits that are based on salary can be calculated. MOTION 08S-03-10 WAS MADE BY JAY ANDOLSHEK TO APPROVE THE MANAGEMENT SALARY INCREASE OF 1.75% FOR 2011 AS RECOMMENDED BY THE PERSONNEL COMMITTEE. MOTION FAILED FOR LACK OF A SECOND. The Council agreed to come back to this item after reviewing the budget as a whole to make a decision.

5. City Administrator Swenson stated that a letter was received from Crisis Line and Referral Service which requested that \$250 be included in the 2011 budget as a donation to the organization. Chief Hartman stated that the Police Department does use the service and they have been very helpful.

A letter from Couri, Macarthur & Ruppe informed the City that their hourly rate for 2011 will increase from \$140 to \$145 per hour for general legal work and from \$155 to \$160 per hour for all development work. The City Council meeting rate will remain the same at a flat fee of \$350 per Council meeting.

A letter from Johnson, Killen & Seiler informed the City that their hourly rate for 2011 will increase from \$175 to \$185 per hour for labor negotiations and from \$185 to \$195 for other labor and employment matters.

A funding request from Brainerd Lakes Area Development Corporation (BLADC) proposed a decrease of 3% for 2011 due to the financial challenges facing local units of government. With the 3% reduction, \$2,000 is being requested for BLADC operations and \$475 for the 2020 program for a total of \$2,475.

A letter from the Initiative Foundation contained a funding request of \$1,000 for 2011. This amount has remained the same for several years. This donation would include a dollar-for-dollar match from the McKnight Foundation.

A letter from Ruth Ann Hanson of the Brainerd Lakes Area Chamber of Commerce requested a donation of \$2,000 for the upkeep and maintenance of the Crosslake Welcome Center. A second request from the Chamber was for funding in the amount of \$10,000 for the 2011 fireworks.

6. The Council reviewed the expenditure budgets by department and compared the proposed 2011 expenditures with the 2008 actual expenditures, 2009 actual expenditures and 2010 budgeted amounts. The Council budget of \$30,666 is a slight decrease in 2011 compared to 2010. City Administrator Swenson noted that the biggest increase in all of the department budgets was health insurance premiums. Premiums are based on age, and since several employees and their spouses will move into the next age group in 2011, the premiums increased accordingly. For 2011, a 10% increase in health premiums is being budgeted.

The Administration budget will increase from \$306,658 to \$317,278 with the major increase being health insurance. Since there will be no election in 2011, the election budget will decrease from \$5,550 in 2010 to \$250 in 2011. Audit/Legal decreased from \$49,000 in 2010 to \$45,000 in 2011 due to not having to implement GASB 45 and also lower audit fees with the additional work that the Clerk is able to complete in-house. The majority of the increase in the Planning and Zoning Department was health insurance. The General Government budget reflects an increase in ordinance codification services from \$500 to \$5,000. In Capital Outlay for General Government, \$10,000 was included for siding reserve, \$20,000 for land acquisition and \$1,500 for miscellaneous expenses. In the Police Department, the major increases were health insurance and consultant fees to have the Police Department Policy book completely updated. The Capital Outlay reserve included \$5,000 for radios due to the upcoming change in radio frequency to 800 megahertz. This change will be mandatory no later than 2013. The capital expenditures also included \$28,000 for a squad and Chief Hartman requested Council approval to order the 2011 squad prior to September 10, 2010 in order to receive a \$1,500 discount. Delivery would be after January 1, 2011. It was the unanimous consensus of the Council to approve ordering the 2011 squad in order to receive the discounted pricing. The Fire Department budget decreased slightly from \$177,860 in 2010 to \$176,239 in 2011. The ambulance budget will remain the same in 2011 as in 2010 at \$13,736. The Public Works Department showed an increase of \$13,000 as a result of increased costs for bridge materials and capital outlay for road projects for 2011. City Administrator Swenson noted that the overall budget for road projects is budgeted at \$238,000 which will cover most of the cost of the 2011 Daggett Pine Road and Harbor Lane improvements without having to issue bonds. Another increase for 2011 is in miscellaneous expense which increased due to \$750 going to the Sentence to Serve program. The Cemetery budget would remain consistent with 2010 with a small decrease in the capital outlay account. Parks and Recreation Director Jon Henke stated that the Park and Recreation budget shows an increase of \$7,893 overall from 2010 due to increased health insurance costs, sales tax expense and new woodchips for the playground area. The Library Budget increased by \$45,000 due to the new position of Library Coordinator that mostly includes wages and health insurance. The Recycling Budget remains the same as in 2010. Debt Service expenditures are based on the bond payments that are payable in 2011. City Administrator Swenson informed the Council that the City will be making the final payment on the 2002 Community Center Refunding bond issue in 2011; however no revenue will be levied for this payment. The Debt Service reserves contain the funds for this final payment. The Sewer Operating Fund has a slight increase in health insurance but also a similar decrease in the cost of sludge disposal, resulting in no change from 2010. Capital expenditures include \$2,500 for replacement of a pump/motor.

7. Projected revenues for 2011 were reviewed with the Council and reflected consistent budget estimates in revenue in planning and zoning permits and fees from 2010 due to increased activity in the current year. An increase of \$2,000 was budgeted for Police Contracts which Chief Hartman noted has been agreed upon by Mission Township. City Administrator Swenson also informed the Council that the City would also need to levy for the loss of \$29,926 in market

The Council re-visited the issue of the non-union wage adjustment recommendation for 2011 as recommended by the Personnel Committee. MOTION 08S-04-10 WAS MADE BY RUSTY TAUBERT AND SECONDED BY STEVE ROE TO APPROVE THE WAGES AS RECOMMENDED BY THE PERSONNEL COMMITTEE FOR 2011 AT AN INCREASE OF 1.75% FOR MANAGEMENT AND TO USE THE ESTIMATED WAGES FOR HOURLY EMPLOYEES FOR PURPOSES OF THE BUDGET. MOTION CARRIED WITH ALL AYES.

It was the consensus of the Council to cancel the next scheduled budget meeting on August 25<sup>th</sup> and hold a final budget review meeting on September 1<sup>st</sup>.

There being no further discussion, MOTION 08S-05-10 WAS MADE BY DEAN SWANSON AND SECONDED BY JOHN MOENGEN TO ADJOURN THIS SPECIAL MEETING AT 11:13 A.M. MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,



Jennifer Max  
Clerk/Treasurer

Deputy Clerk/Minutes/8-18-10 Special.doc

**BILLS FOR APPROVAL**  
**18-Aug-10**

<b>VENDORS</b>	<b>DEPT</b>	<b>AMOUNT</b>
Ace Hardware, weed killer	PW	15.90
Ace Hardware, mole bait	P&R	6.19
Ace Hardware, briquettes, brush	P&R	11.73
Ace Hardware, pail, tape, bits, roller, fasteners	PW	120.83
Ace Hardware, wire	P&R	3.33
Ace Hardware, roof brush	P&R	4.80
Ace Hardware, pvc pipe and elbow	P&R	1.89
Ace Hardware, plumbing	P&R	10.63
Adeline Baumann, primary election and training	Election	88.00
AW Research, water test	Sewer	131.40
AW Research, water test	Sewer	131.40
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Brock White, crafc0 melter rental	PW	2,885.63
Cindy Myogeto, primary election and training	Election	88.00
Crow Wing County Landfill, trash removal	P&R	24.23
Crow Wing County Recorder, recording fees	PW	230.00
Crow Wing Power, electric service	ALL	6,977.38
Dayna Jillson, primary election and training	Election	76.00
DG Towing, oil change	Police	32.05
Diane Dorr-Ruzin, primary election and training	Election	92.00
Fastenal, wasp killer	PW	43.44
First Systems Technology, verify and calibrate effluent weir	Sewer	1,050.50
Ginny Arvig, primary election and training	Election	92.00
Houston Ford, replace intake gaskets and spark plugs	Police	709.42
Johnson Killen & Seiler, personnel matters	Gov't	198.50
Judy Clement, primary election and training	Election	94.00
Kathy Allen, mileage, primary election and training	Election	105.00
Katie Demcho, primary election and training	Election	88.00
Ken Anderson, primary election and training	Election	150.00
Laurie Hartman, primary election and training	Election	92.00
Marie Strand, primary election and training	Election	150.00
MCS Janitorial, august cleaning	Gov't	774.84
Med Compass, annual hearing test	ALL	742.00
Mike's Electric, repair underground wire due to lightning	Gov't	182.00
MR Sign, street name and address number signs	PW	152.07
Nancy Addington, primary election and training	Election	88.00
Nancy Hathaway, primary election and training	Election	96.00
Nancy Koch, primary election and training	Election	84.00
Ordell Buntje, mileage, primary election and training	Election	119.00
Reed's Market, ice cream	Library	29.05
Royal Chemical, aff fire foam	Fire	334.75
Royal Chemical, aff fire foam	Fire	334.54
Royal Chemical, aff fire foam	Fire	334.79
Sandra Melberg, primary election and training	Election	88.00
Ted Strand, primary election and training	Election	96.00

The Office Shop, ink cartridge, binder clips	Police		31.92
Viking Electric Supply, bulbs	PW		100.02
Viking Electric Supply, bulbs	P&R		94.01
<b>TOTAL</b>			<b>17,516.64</b>