

SPECIAL COUNCIL MEETING  
CITY OF CROSSLAKE  
THURSDAY, JULY 29, 2021  
2:00 P.M. – CITY HALL

The Council for the City of Crosslake held a Special Meeting on Thursday, July 29, 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 Sergeant Eric Swanson, Zoning Administrator Jon Kolstad, Fire Chief Chip Lohmiller, Echo Publishing Reporter Nancy Vogt, County Commissioner Bill Brekken, and County Land Services Staff Gary Griffin, Jake Frie, and Sam Bedard. City Engineer Phil Martin and Northland Press Report Paul Boblett attended via Zoom. There were approximately 40 people in the audience and on Zoom.

1. Mayor Nevin called the meeting to order at 2:00 P.M.
2. Dave Nevin asked if anyone in the audience would like to speak regarding vacation rentals. Jeff Pfaff of 13721 Sandy Shores Lane stated that the vacation rental in his neighborhood has been a problem since day one. It is advertised to be used for parties. They have had issues with illegal fireworks, parking, garbage, camping, foul language, and boating after dark. Mr. Pfaff stated that he has read the County Ordinance regarding short term rentals and noted that it states, “no more than two licenses per parcel.” Mr. Pfaff stated that the property in question has 3 buildings that are used for sleeping quarters. Mr. Pfaff stated that he tried calling the County Complaint Hotline but was put on hold for 20 minutes and then he hung up.

Rob Chapman of 35073 County Road 3 stated that he lives next door to the property in question and that he has spoken to the property owners each time there is an issue and although they are nice people, the problem continues. The property sleeps up to 16 people, so there are usually between 11-14 cars and trailers parked all over. Mr. Chapman stated that there is not enough regulation and that he called the complaint line twice, got a recording, left messages and never heard back.

Deanne Furan of 36015 Echo Drive stated that she and her husband own two short term rentals in Crosslake and that what these people have been dealing with is unacceptable. The Furan’s have strict guidelines and if not followed, they will not rent to the people again. The Furan’s communicate with the neighbors and let them know what is expected from the renters. Ms. Furan suggested that licenses be taken away from property owners whose renters cause problems in neighborhoods. Ms. Furan stated that they pay the required 1% lodging tax and questioned how many short-term rental owners actually do that. Ms. Furan stated that short term rentals bring a lot of business to the community.

Fire Chief Chip Lohmiller stated that other requirements that should be considered are inspections to ensure there are egress windows in basements, carbon monoxide detectors, fire alarms, and fire extinguishers. Property owners should make sure the address is visible so emergency personnel can locate the residence.

Mark Lindner of 16543 Pine Lure Drive stated that there is a short-term rental in his neighborhood and has the same issues as described by others. Mr. Lindner stated that the septic at

the property is not large enough for this type of use and asked why the County is allowing them until November to upgrade the system.

Land Services Director Gary Griffin addressed the Council and stated that he thinks there is miscommunication regarding short term rentals. Mr. Griffin stated that the County wants to be a good partner with the City, but encouraged residents to send their complaints to the County, rather than the City Council. The County cannot fix problems if they are not aware of them. To date 95 short-term rentals have registered with the County, 22 of them are pending approval. Mr. Griffin acknowledged that there was a gap in follow-up to complaints but they have added staff and are working to improve the service. Mr. Griffin stated that he met with Sheriff Goddard and was told that the Sheriff's Department would not respond to complaints of noise and parking unless the Crosslake Police Department was unavailable. Dave Nevin stated that the City should get service from the County Sheriff because Crosslake is located in the County and that a large police presence from both Crosslake and the Sheriff may help deter problems. Mr. Griffin stated that 400 rentals have been licensed throughout the County and that there have been 13 complaints so far, 4 from Crosslake.

Dave Schrupp stated that VRBO's should have the same regulations as hotels. Mr. Schrupp stated that these are businesses and should not be allowed in residential neighborhoods. Aaron Herzog stated that there must be egress windows in bedrooms and Dave Nevin asked if the homes were inspected prior to licensing. Mr. Griffin stated that there is no inspection process. Aaron Herzog stated that they should consider limiting the number of rentals in the City. Sergeant Eric Swanson stated that the Crosslake Police Department has begun tracking VRBO complaints and although Crosslake has a contract with Mission Township, it is not 24/7 coverage so the County Sheriff would have to respond to some complaints from there. Dave Schrupp asked for a list of the licensed rentals in Crosslake.

County Commissioner Bill Brekken thanked the Council for having them and stated that this is the first year with the short-term rental ordinance and they are working through the issues. Mr. Brekken stated that the MN Department of Health has oversight of these rentals but is not doing it. Because these rentals are not going away, the problem solving will continue to evolve. Discussion continued regarding the response to complaints.

Kista Brunkhorst of Whitefish Lodge and Suites stated that safety should be a huge concern and asked if the VRBO's are insured as rentals. Mark Lindner asked if they were taxed the same as a residential home. Tim Berg of 12038 Harbor Lane stated that he is on the board of WALA (Whitefish Area Lodging Association) which advertises for the area. All lodging businesses, including short-term rentals, are supposed to collect 1% tax and submit to WALA to help pay for costs associated with its website and advertising. Of the 95 rentals that are licensed with the County, only 4 are paying the 1% tax.

Dave Nevin asked how the City could put more regulations on the short-term rentals. Gary Griffin stated that the City could have a more restriction ordinance for short-term rentals but the County would still license them.

3. Dave Nevin stated that the cost of the crosswalk signals and installation has increased due to the cost of concrete, engineering and plans. Mr. Nevin asked if the County would help pay for them. Marcia Seibert-Volz asked why there was a cost for design since the County has many crosswalks

throughout the County. City Engineer Phil Martin stated that the Council wanted the crosswalk signals now rather than wait for a combined project with the County in 2026. The County Engineer told the Council that the City would have to pay the cost if they installed crosswalk signals this year. Mr. Martin stated that he had told the Council that he thought their estimate of \$20,000 for the signals was low. Two of the existing ramps do not meet ADA requirements. In order for the County to continue to receive state aid, certain standards are required. If you make improvements along the highway, upgrades to the current standards are required. Mr. Martin stated that there is no book on the shelf with plans for crosswalks because each one is unique. The set of plans for the proposed crosswalks is 10 pages long.


Mike Lyonais stated that the Council put a placeholder in the last budget amendment of \$20,000 for the crosswalks and suggested that the cost be taken out of the road project funds. MOTION 07SP4-01-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE THE COST OF TWO CROSSWALK SIGNALS, DESIGN, AND INSTALLATION AT A COST OF \$36,723 AND TO REDUCE THE ROAD PROJECT FUNDS BY SAID AMOUNT. MOTION CARRIED WITH ALL AYES.

4. The Council reviewed a change order from Hytec for the air testing at the firehall. Mike Lyonais reported that he asked Andy Pickar for a report on the results and was told there is no report because it was an onsite inspection done by Servpro and Hytec. MOTION 07SP4-02-021 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO TABLE ACTION ON THE CHANGE ORDER UNTIL FURTHER EXPLANATION FROM HYTEC IS RECEIVED. MOTION CARRIED WITH ALL AYES.

Mike Lyonais provided quotes from Braun Intertec and IEA, Inc. for indoor air quality testing of the firehall to ensure the mold problem is solved. Dave Nevin stated that he would like to see a quote from Servpro. MOTION 07SP4-03-21 WAS MADE BY DAVE NEVIN AND SECONDED BY DAVE SCHRUPP TO TABLE THE MATTER UNTIL A QUOTE FROM SERVPRO IS RECEIVED. MOTION CARRIED WITH ALL AYES.

5. Dave Schrupp stated that he went to the Public Works garage and looked at the old City Hall sign. Mr. Schrupp stated that it is not in great shape and some of the letters needed repair but thought parts of it could be used until a new sign is made. Dave Nevin stated that Hytec purchased new letters. MOTION 07SP4-04-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY JOHN ANDREWS TO DIRECT HYTEC TO PUT UP CITY HALL SIGN. MOTION CARRIED WITH ALL AYES.
6. MOTION 07SP4-05-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO ADJOURN THE MEETING AT 3:55 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,

  
Charlene Nelson  
City Clerk