

Pursuant to due call and notice thereof, the Regular Meeting of the Crosby City Council was held on Monday, April 25, 2022, at 6:00 P.M.

**Members Present:** Mayor Cash, Council Members Traylor, Ryan, Heglund and Jarvela

**Members Absent:** None

**Staff Present:** Matthew Hill, Administrator Clerk Treasurer; Samantha Wodarz, Administrative Assistant; Joe Langel, City Attorney; Phil Martin, City Engineer; Brittney Cotner, Planning and Zoning

**1. Call Regular Meeting to Order**

Mayor Cash called the meeting of the Crosby City Council to order at 6:00 P.M.

**2. Pledge of Allegiance**

Mayor Cash led with the Pledge of Allegiance.

**3. Approval of the Agenda**

**MOTION BY MEMBER JARVELA AND SECONDED BY MEMBER RYAN TO APPROVE THE AGENDA AS PRESENTED.**

**A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH, MEMBERS RYAN, HEGLUND, TRAYLOR AND JARVELA. THOSE VOTING NAY: NONE.**

**MOTION CARRIED.**

**4. Consent Agenda**

A. Approval of Minutes from April 11, 2022, Regular Meeting

B. Approval of Claims

C. Approval of request for cemetery lot buyback

D. Approval of Special Event application for Cuyuna Christmas/Snow Many Smiles

E. Approval of Special Event application for Art Gallery at JFH Memorial Library

F. Approval of Special Event application for Trailside Tavern

G. Approval of Special Event application for Twin City Powerboat Association power boat races

H. Approval of Special Event application for Birthday Party petting zoo at Crosby Memorial Park

**MOTION BY MEMBER HEGLUND AND SECONDED BY MEMBER JARVELATO APPROVE THE CONSENT AGENDA.  
A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH, MEMBERS RYAN, HEGLUND, TRAYLOR AND JARVELA. THOSE VOTING NAY: NONE.  
MOTION CARRIED.**

## **5. Public Comments**

Member Heglund talked about his concerns on the amount of money we are spending on the administration; stating we gave Matthew Hill a 17% raise and a \$10,000 raise to run public works when we had an assistant working foreman. He tallied it out to be a raise of \$6.55 an hour; the taxpayers are payers who pay for that, and he thinks it is wrong and they need to know. Member Heglund also wanted to touch on the Pickleball Association stating we should put money towards it. They are getting a lot of money from different places in the towns of Deerwood and Crosby. He thinks the city should support and donate also. He believes that pickleball is going to be almost as big as biking, bringing people into town. He wanted to know how he would go about making a motion for the council to donate. Administrator Hill stated that Mr. Miller can request funding for his future pickleball court; he has not done that yet. City Attorney Langel stated it would not be a proper use of city funds.

## **6. Unfinished Business.**

### **A. Discussion on requested data regarding City Planner – Administrator Hill**

Administrator Hill provided data, including a job description and cost that are associated with hiring a City Planner.

-Code enforcement cost the city \$12,107 and Planning & Zoning administration, via Sourcewell, cost us \$16,989 for a total of \$29,096.42 for the year of 2021. The code enforcement fines and fees netted the city a little over \$20,000, which were paid directly to the city or through certification through property taxes for those that did not pay.

-For a City Planner we are looking at salary range \$30.98 to \$39.24 an hour, which is an estimated \$63,000 a year for an entry level position. With the additional cost of bringing city planner in and insurance we are looking at around \$80,000 for the year; that is about \$55,000 over our expenditure of what we are currently doing.

Administrator Hill touched on the idea of the city planner being incorporated into a labor position. For being a union worker, the planner would be paid at the planner rate when they are working as a City Planner and then being paid

a laborer rate when working as a laborer, which is about a third less pay, based on our pay scales/grids.

Heglund stated as for a union worker, if you are on a high pay scale you will still get that pay when working as a laborer. He believes a city planner would be a good choice, at the rate Crosby is growing. We had a public works laborer resign and we do not have to fill that position right now, we can hire another part time person for the season. He believes that the City Planner will pay for most of the wages in just writing grants.

Member Ryan's idea was that he would like to combine the position with the building inspector as well. The building inspector currently makes his own wages, and we show a very small profit, we would profit more keeping it in house and he agrees with Heglund that with grant writing the position will pay for itself. It would also be nice to have a building inspector in house instead of once a week; ordinance enforcement would also be better if we had someone here more than once a week. The state of Minnesota recommends that if a city grows 11% or more a year economically that we have a city planner; it is a guideline and we have been meeting this for last few years.

Administrator Hill stated that the nuisance inspection is once a week, but Scott Sadusky (building inspector) is here a lot doing the state inspections, with all the work happening at the schools and hospital. Having the conversation is important. He is open to supporting which ever direction the council wants to go.

Member Jarvela personally feels that we do not need a city planner.

Mayor Cash's concerns are that we are seeing a double-digit inflation, we did not get any annexing; there won't be a big plat for someone to design, because we don't have 20 to 40 acres to develop on, we are pretty much land locked. The staff we currently have cost us \$30,000 a year now and having planning and zoning active and can handle a lot of stuff, she personally does not see any gain in it to spend another \$50,000, unless it's in just the nuisance area. Nuisance enforcement still runs into the legal problems, when people don't comply, legal process is an expensive and a long process regardless of whether we have someone writing the complaints. Ryan questions if they as a council need to put more money towards legal fees and whatever we need to move forward.

Heglund questioned what it would hurt to have planning and zoning look at this and come back to the council with input?

Administrator Hill replied that it is because we are currently contracted with Sourcewell, that heads the planning and zoning department, it is not something that is part of their job description, and they will not be willing to do. The personnel committee would be a good place to discuss the position and bring back to the council with ideas.

Member Traylor is all for getting someone to help at the shops but he is not on the other scope of it.

Ryan does not believe that a city planner ties in with public works, the shop is a whole different matter. We will be looking at public works and getting them properly staffed.

Mayor Cash stated when we get to the financial statement, we will see that public works came in almost \$100,000 under budget, being extremely short staffed, it was embarrassing not being able to get streets plowed. There are currently 5 people in the public works department, some have a lot of vacation time and there are always emergencies; she would not like us to take a step backwards and not hire a replacement for what we had.

Member Heglund disagrees, for two years our equipment has been broken down sitting in the shop, it does not matter if we had 20 guys if equipment is broken, we can't use it. Mayor cash replied that in November and December we had two people working; Ryan interrupted saying this is a whole separate issue. Hill stepped in stating that this council can move forward with the City Planner in some matter or not. It's up to the Council if they want to see it moved forward or not at a committee level.

Traylor doesn't think they need to even investigate if they are not sure which way it is even going.

Mayor Cash thinks with the economy, the high inflation, and home interest rates going up we will see a slowdown and it will free up more time of what the people are currently doing; perhaps not. We have 3 options, we can have a workshop, the personnel committee look at it, or table it.

Ryan said to table it and keep it on the back burner; members Traylor and Jarvela agreed and Heglund disagreed. Member Heglund stated that he does not have a problem with Planning and Zoning nor the personnel committee but if tabled it will just be kicked around like many other topics.

No motion and tabled for future discussion.

## **7. New Business**

### **A. 2021 Audit Review – Mary Reedy, Clifton Larson Allen**

Mary Reedy started out stating that the financials are like prior years and no unusual transaction. Financial statements are accurate throughout the year, month to month. They did have a little bit of a hard time getting stuff from the Hallett Community Center, which is expected with a lot of overturns. The audit and the state reporting form did get submitted on time with the March 31<sup>st</sup> deadline. Material weakness they found was segregation of duties is an issue. Minnesota League Compliance- The state aid for the fireman relief program we received must be flowed into the Fire Relief Fund within 30 days, it is a state statute, they have talked to Mr. Hill and should be compliant next year. -Combined over all government funds we saw a slight drop in federal funds and private grants went from 4% to 6%. The Capital outlay went down from

27% to 12%, due to projects that were not completed and will show up next year.

-General funds-- we saw an increase of about \$237,000 from last year, proceeds from the sales of assets were about \$15,000. Therefore, right now we have an unrestricted cash balance of about 4 million, disbursements are at about 2.8 million per year.

-Library fund-- receipts were decreased through grants, intergovernmental revenue went down, disbursements slightly decreased from last year. Receipts were over budgeted by \$38,000, spent that and more with disbursements being over budget by \$47,000; \$28,000 was capital related. The current year fund balance is at about \$101,000 and \$75,000 of that was the advance from the Hallett Trust given in December, that we restrict all for operational budget for the following year.

-Hallett Community Center-- receipts did increase, and the cash disbursements increased. The Hallett was closed for most of 2020 and they reopened in 2021 so we are seeing net change for the cash funds for last year of -\$14,000, so they are sitting at a -\$145,000 in their fund.

-Debt service funds are all compliant now and we have a positive balance of receipts of about \$8,000 and it can be moved to the general fund.

-Project funds-- all projects were combined to show a balance of a -\$899,00. The general fund will subsidize this until the grants and special assessments come in; there is currently about 4.2 million in the general fund.

-Water fund operations-- revenues decrease, service charges increased, the operations increase, and a drop in investment was about \$60,000.

-Sewer funds revenue decreased, charges of services were up, and the interest income decreased \$16,000; there was also a slight increase in repairs and maintenance.

-Storm drainage receipts decreased, interest income decreased, and disbursements decreased with changes in personal services.

-Deputy register fund increased, since Brainerd was closed, we saw an increase of revenue of about \$45,000 giving a total cash of \$124,000.

-Rain collectors since 2017 a lot of negative, in 2021 up to \$33,000.

-City debt-- continue paying down bonds, last bond payment will be in 2040 and in 2024 the lease will be paid off.

- Cash investment balances-- cash increased in governmental funds of about \$300,000, slight decrease business type.

-General fund receipts are over by about \$450,000, licenses and permits over by \$83,000, intergovernmental was over by about \$179,000, we did get those state fiscal recovery funds of a \$127,000 another payment of \$127,000 will come in June, they were not budgeted.

Charges for services were over by about \$44,000 that was with park and rec at \$23,000 and the cemetery at \$12,000. Miscellaneous was over budgeted by \$123,000 that consisted of donation and contributions of about \$69,000 and reimbursements about \$49,000. The disbursements were about \$158,000 over budget, lease capital outlay was over by \$50,000. Building in

section was over by \$65,000, looking at the revenue they brought in was \$83,000. Highway and streets under by \$93,000 and the other categories were over by \$50,000.

Continue to monitor HHC, capital improvement net income about \$142,000, and fire equipment fund has a cash balance at about \$94,000.

#### B. ARPA update – Administrator Hill

Update to ARPA funds, under the treasury final rule that took effect April 1, any city with under 10 million dollars in funding from the federal government automatically has their funding directed as revenue loss. We have not spent any of the funds, and what this allows the city to do is use the funds towards anything except for principal and interest payments if it's not already being reimbursed by the federal government. We need to set what the funds are going to be used for by 2024 and have it spent by 2026. We have a lot of projects on our plate this year, therefore we will have a good idea of where these funds will be spent.

We did receive our first distribution of the funds last year in the amount of \$126,931 and will receive the 2<sup>nd</sup> this June for a total of \$253,862.

The funds can only be used for future use, for example we cannot use the funds for the loss revenue of memberships at the Hallett Center. We can use the funds as capital funds at the Hallett Center for example, a new roof, doors, and windows. We can use the funds by leveraging for matching funds for grant opportunities toward our larger projects such as the sewer and water. By the end of summer, we should have the completed facility study by and along with the department head input; they can put together a proposal to the council for approval of where these dollars are spent.

Mayor Cash finds it odd that we get ARPA funds due to loss revenue, but we cannot contribute it towards loss revenue. Mayor Cash asked the council to think about contributing the \$144,000 losses of the Hallett Center out of the other general fund, not the ARPA. It would be nice for them to start fresh, and it does not have to be the whole amount. Members Heglund and Traylor like the idea, Ryan would like a workshop.

Tabled for now and plan for a workshop in the future for the use of ARPA funds.

#### C. Consider Approval of Water Emergency and Conservation Plan – Administrator Hill

Part of the PFA loan Application was to get a new water plan in place. Bolten and Menk has it completed it and we just need to certify it.

**MOTION BY MEMBER JARVELA AND SECONDED BY MEMBER RYAN TO APPROVE WATER EMERGENCY AND CONSERVATION PLAN. A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH, MEMBERS RYAN, HEGLUND, TRAYLOR AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.**

D. Consider Approval of Anderson Brothers quote for new roads in Cemetery – Administrator Hill

The city did budget for resurfacing 2 of the streets in the cemetery of \$45,000. This was a quote from last summer, however, this year it is \$57,136. We need to reduce or allocate additional \$12,136 out of a different fund or wait to bid later in the year for a lower price. Heglund thinks we should do the whole thing; it is in terrible shape and needs to be done; it's been long overdue, and it might be more next year. Mayor Cash asked for a motion to take the additional cost out of our capital improvement fund.

**MOTION BY MEMBER HEGLUND AND SECONDED BY MEMBER RYAN TO APPROVE ANDERSON BROTHERS QUOTE FOR NEW ROADS IN CEMETERY, TAKING THE ADDITIONAL FUNDS OUT OF OUR CAPITAL IMPROVEMENT FUNDS. A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH, MEMBERS RYAN, HEGLUND, TRAYLOR AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.**

## 8. Reports

### A. Engineer's Report

#### Report Submitted

Only update was the 2020 home improvement project that contractor Al Dechantel was working on; we had a concern with wastewater backing up in the pipe. They were there today, 4/25, and appears they ground down the pipe lip. This will allow the wastewater to flow over instead of backing up. Engineer Phill Martin said they had Nelson Sanitation doing the videoing and cleaning and we requested photos or recording of the integrity of the pipe. We have held off on paying for the project until it was done.

Project out for bid May 6<sup>th</sup>, many comments, lack of materials is what he is hearing. There will be a delay in getting some material as it won't be available until October; we will not lose the grant; just have to renew it next year if we decide to delay and do it next year.

Sewer connection at Sanctuary-- in 2017, the property was vacant, contractor hooked up the sanitary sewer, they are claiming it's not hooked up to the city line. The contractor did not connect the correct one due to not being able to get in contact with the owner, therefore could not access it. The service connected in 2017 can be reconnected to our service line, the current owner of the property must add 4-inch water line for the building to be up to the fire code. They will have the contractor see if he can investigate and connect the sewer since they must dig 8 to 9 feet for the water line. Recommended that we wait to see who is at fault once the area is dug up then determine who is at fault and costs.

#### B. Planning and Zoning Administrator's Report

Report Submitted

Brittany Cotner, 5 out of 6 members are new and they all showed up to the meeting. She is optimistic about the group, they are picking it up fast, already asking questions, and already diving into ordinance amendments.

#### C. Mayor/Committee Reports

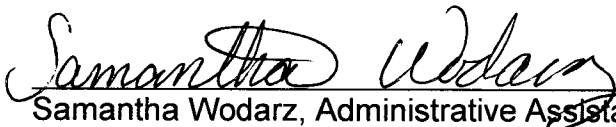
### 9. Adjournment

**MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER JARVELA TO ADJOURN AT 7:10 P.M.  
A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH, MEMBERS, RYAN, HEGLUND, TRAYLOR AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.**



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Diane Cash, Mayor



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Samantha Wodarz, Administrative Assistant