

Pursuant to due call and notice thereof, the Workshop of the Crosby City Council was held on Monday, March 28, 2022, at 5:00 PM at City Hall.

**Members Present:** Mayor Cash (arrived at 5:08), Members Ryan, Heglund, Traylor and Jarvela

**Members Absent:** None

**Staff Present:** Matthew Hill, Administrator Clerk Treasurer; Samantha Wodarz, Administrative Assistant; Katheryn Carpenter, Hallett Community Center Manager; Abby Smith, Librarian;

Call Special Meeting to Order

Acting Mayor Traylor called the workshop of the Crosby City Council to order at 5:02 PM

1. Jessie F. Hallett Memorial Library

A. Budget

Administrator Hill – Going off a statement from the Hallett Trust last September, they will not be around forever, and they should start looking at additional funding from other sources. Hill has had many conversations since then and it has been very productive and getting a jump start on this. Confirmed they will be receiving the \$50,000 from Hallett Trust Grant, and \$2,000 from local surrounding communities' donations. (Mayor Cash arrived) The budget for the library thru February is on. Salaries, wages, and benefits are slightly below budget; professional services were a little high due to new common computers, and utilities have gone up, e-books and periodicals purchases will be a wash as Friends of the Library will reimburse the cost. Librarian Smith added that the wages will be over budget as an intern will work full-time, through Sourcewell, over the summer; Sourcewell will be reimbursing the intern's wages after completions.

2. Hallett Center of Crosby

A. Budget-

The budget for Hallett Center is on track; memberships, enrollment fees, user fees are all above, they are hoping special events will pick up as they already have a couple scheduled in April. Good position with the income; a little bit skewed since they don't have ice time in summer; salary is under due to lack of employees.

Hallett Community Center's Foundation is going to help with computers and clean up network connections and panel.

Checking account fees are high due to more members, so more checks are being processed.

Katheryn discussed upcoming programs; opened registration for spin classes and kids spring soccer. Kids camp enrollment will start May 1st when they learn how many staff member they will have. The fee will be a weekly fee, instead of a monthly fee; it was about \$83.00 a week, now it will be \$150.00 for nonmembers and about \$130.00 for members. This will help offset the cost of supplies and enable better engagement. They are looking at fall programs to include fall soccer and hockey. The price per child in soccer's \$40.00 for members and \$50.00 for nonmembers.

#### **B. Capital Improvement Plan**

Capital improvements for equipment will be covered this year through the Hallett Trust Grant they received last fall. The grant will also cover replacement of the interior doors; \$15,000 with a \$10,000 match for doors project and replacement of 3 workstation computers. 2023 we are looking at office and technology updates; 2024 equipment updates along with starting the phasing of locker room changes thru 2026, some pool updates as well. In 2037, there is an estimated cost of \$105,000 for strength training equipment, last set lasted from 1999-2019; there is about a 20-year life expectancy on strength equipment.

Katheryn stated that they are working with Life Fitness to start a preventative maintenance subscription with them. Life Fitness will come up 2 times a year to do preventative maintenance on all cardio and strength equipment to help with the longevity of the equipment. In 2028 we are looking at \$350,000 to \$450,000 for a hockey chiller system.

#### **C. Chiller system replacement plan**

We contract with Commercial Refrigerate Systems, out of Virginia Mn. they come in annually to do preventive maintenance, shut down and help us start up the ice compressor in the fall. Ice arena was put in 1999; uses the R22; refrigerate, lasts about 30 years. That gives our facility another 7 to 10 years. Currently there is no drop in option for a new system. We currently have the newest system for the R22; they no longer produce R22 but there is currently a good supply of it. Within the next 15 years, alternative refrigerate systems are going to be phased in and can be used in our system.

We know how much it will cost; with changing times we hope there will be a drop in system before our needs to be replaced. There is time, but it a large cost and we should be looking at it now.

### 3. Financial Support options

#### A. Increase levy

We are in a good spot no. We should not have to look at a levy for a couple years. With the Hallett Trust, Northern Lakes Lighting Youth Hockey donations, and the Spalj family donations, along with the IRRR grants, we have and continue to have great partnerships with these organizations.

#### B. 1% sales tax (see attached letter from Dale Lueck for the City of Aitkin)

Aitkin is in the process of passing a 1% local sales tax, every other community around us will have one; the City should be looking at a City sales tax as well. The dollars raised come back to the city and needs to be dedicated to something; with the capital improvement plan and facilities study to be done by the end of the summer, along with the things that were identified at the Hallett Community Center and the Library. We should have a good package to present to the state. We will also need community approval; we need to outreach with in the community and with the retailers. Example, if an average person in Crosby were to spend \$500.00 on a taxable item it will be \$60 additional per year.

#### C. Hallett Trust-

Administrator Hill had a conversation with Sally, executor of the Hallett Trust and representor of the board. Sally stated we can count on the Hallett Trust grants perpetuity for operational cost for as long as they exist. The Hallett community center and the library should not have to look at a levy for at least a couple of years; it depends on how cost and pricing of things go.

Member Heglund wants to thank Matthew Hill for all his work; his discussion is down to earth, and every one can understand it. Member Heglund also inquired about the pickle ball program at the Hallett Community Center.

Katheryn stated they have all the equipment for pickle ball. she is working with the Pickle Ball association to do taping of courts, and volunteers to teach pickle ball. In return their members who are nonmembers of the Hallett will not have to pay a fee. There will be waivers that will need to be signed to eliminate liability. There will be fees, such as a day pass for nonmembers and a rental fee for the paddles.

Librarian Abby Smith added that they are working with the initiative foundation along with Sally from the Hallett Trust to set up an endowment. This will go towards long term sustainability. You will see them start to fund raise as they

need \$20,000 to start with. Mayor Cash and Abby went over the library's budget losses and surpluses since 2016. 2022 there looks to be an estimated \$38,000 loss with very little capital improvement, and they only have 3 to 4 years left in the reserve. The using of the reserve has been due to the Hallett Trust grant going from \$155,000 a year in 2017 to \$50,000.

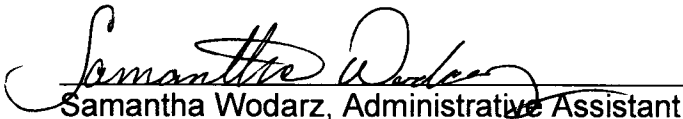
**4. Adjournment**

**MOTION BY MEMBER RYAN AND SECONDED BY MEMBER TRAYLOR TO  
ADJOURN AT 5:48 PM.**

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



Diane Cash, Mayor



Samantha Wodarz, Administrative Assistant