

**City of Crosby
Council Meeting
Monday, December 11, 2023
6:00 p.m.**

Pursuant to due call and notice thereof, the regular meeting of the Crosby City Council was held on Monday, December 11, 2023, at 6:00 p.m.

Members Present: Mayor Cash; Members Traylor, Heglund, Lewis and Jarvela

Members Absent: None.

Staff Present: Matthew Hill, Administrator Clerk Treasurer; Dianne Howard, Administrative Assistant; Mike Van Horn, Police Chief; Abby Smith, Head Librarian; Joe McLaughlin, GM of HCC and Jay DeCent, Fire Chief

- 1. Call Regular Meeting to Order**
- 2. Pledge of Allegiance**
- 3. Approval of Agenda, Mayor Cash stated that we will be deleting Item G. as it is a duplicate of Item L.**

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER LEWIS TO APPROVE THE AGENDA WITH THE DELETION OF ITEM G., WHICH IS A DUPLICATE OF ITEM L.

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

- 4. Consent Agenda**
 - A. Approval of Minutes from November 27, 2023, Regular Meeting
 - B. Approval of Claims
 - C. Adopt Resolution 2023-26-1211 Accepting Donations
 - D. Approval of gambling permit for Fishing Contest Raffle
 - E. Approval of payment to Cuyuna Lakes Chamber of Commerce for services provided per agreement.
 - F. Approval of renewal of 2:00 a.m. Liquor License for Midway Bar.

MOTION BY MEMBER HEGLUND AND SECONDED BY MEMBER JARVELA TO APPROVE THE CONSENT AGENDA WITH THE EXCEPTION OF (A.)

**APPROVAL OF MINUTES FROM NOVEMBER 27, 2023 REGULAR MEETING
BEING MOVED TO NEW BUSINESS (8.M.)**

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

5. Truth in Taxation Public Hearing

A. Open Truth in Taxation Public Hearing—Mayor Cash stated that the Truth in Taxation Public Hearing provides an opportunity for city residents to inquire about the proposed budget for 2024 and the proposed levy. The final budget and levy must be certified to the County Assessor by December 30, 2023. This Public Hearing is not for the discussion of property values as this is determined by the County Assessor.

Mayor Cash went on to explained that citizens will be welcome to come up, state their name and address and concerns that they have with the levy. She stated that there will be a workshop meeting coming up on Monday, December 18 at 6:00 p.m. to review their comments. and December 27th will be the vote on the final levy if it is ready.

**MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER
HEGLUND TO OPEN UP THE TRUTH IN TAXATION PUBLIC HEARING.
A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS
TRAYLOR, HEGLUND, LEWIS AND JARVELA. THOSE VOTING NAY:
NONE. MOTION CARRIED.**

Mary Hautajarvi--422 2nd Street S.E. Ms. Hautajarvi stated that her taxes went up over \$900.00 this year; \$652.00 of this was to the City of Crosby. She stated that the increase was not related to the valuation of her property as it accounted for only \$30.00 of the increase.

Jeff Aumock, owner of A J Metalworks at 660 Superior Avenue. His business is located on a little over a ½ an acre and his taxes have gone up approximately 59.02% this year, which will account for a \$400.00 tax increase this next year. Mr. Aumock has been a business owner here for 10 years.

Ed Jedlicka, 1002 Pine Street, has been a citizen of Crosby for 4 years. Within 3 years, his property taxes have gone up 84%. He does not understand why there was that high of an increase. He had to put his house up for sale as it busted his budget. When he first moved in his taxes were \$500 a year; now they are over \$1100 a year.

Paul Heglund, 502 West Main, has lived here his entire life. He stated that his taxes just keep going up and up.

Mary Hautajarvi asked for the floor again. She stated that her taxes continue to go up but during the last snowstorm, 2nd Street wasn't plowed or sanded. She asked what the citizens are getting for this increase in taxes.

Mayor Cash clarified that infrastructure is not paid for with property taxes but through utility bills and with any received grants or bond money that help to offset larger projects.

Mayor Cash then explained how the tax formulas work.

B. Close Public Hearing.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER HEGLUND TO CLOSE THE PUBLIC HEARING.

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

6. Public Comments

7. Unfinished Business

8. New Business

A. Consider approval of 2023 COLA and pay for non-union staff and step adjustments—
Finance Committee

The Personnel Committee recommends that the Council approves a 3% increase for all non-union employees along with the attached step placements for all employees based on labor contracts and the Personnel Policy. Those that are at the top of their steps will receive a 3% increase. All employees have met the “meets expectations” standard for step increases.

Exception: The Finance Committee recommends that the part-time staff at the Library are moved to Grade 2, Step 5, to get them to approximately \$15.00/hour.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER LEWIS TO APPROVE 2023 COLA AND PAY FOR NON-UNION STAFF AND STEP ADJUSTMENTS.

A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: HEGLUND. MOTION CARRIED.

- B. Consider approval of Resolution 2023-27-1211 designating Crosby City Hall as the official polling place—Administrator Hill

Consider approval of Resolution 2023-27-1211 to establish the polling precinct in Crosby. The State of MN required governing bodies to designate, by resolution, a polling place by December 31st of each year.

MOTION BY MEMBER JARVELA AND SECONDED BY MEMBER LEWIS TO APPROVE RESOLUTION 2023-27-1211 DESIGNATING CROSBY CITY HALL AS THE OFFICIAL POLLING PLACE.

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

- C. Discussion on adding a credit card fee to the Fee Schedule—Finance Committee

The City of Crosby incurs approximately 3-5% fees when accepting credit/debit cards for payments instead of a paper check or cash. The advantage to accepting these cards is the guaranteed payment and the ease of auto-payment for recurring charges.

Possible areas this will affect are campground fees, building permits, licenses, and other miscellaneous billing. It could also affect the utility account payments. This would not affect payments made to cash or check.

The objective would be to pass on user fees to the actual user instead of taxpayers.

The discussion on adding a credit card fee to the Fee Schedule was tabled to the Monday, December 18, 2023, Workshop Meeting.

- D. Discussion on adding a statement fee to utility billings—Finance Committee

A printed, mailed utility bill currently costs the City \$0.66 in postage—and will be \$0.68 in 2024.

The bills sent by email have minimal costs. The bills that are printed and mailed are estimated to cost between \$1.00-\$1.25 per statement per month. Approximately 900 utility bills are prepared each month.

The Finance Committee recommends considering one of the following options starting in 2024:

Option 1: Increase base fee of each category water/sewer/storm refuse by \$0.15 each per month—total increase to all utility users of \$0.60 per month.

Option 2: Charge those receiving a paper statement a fee to cover the handling costs. This would be added to the fee schedule starting in 2024. Cost to those receiving a paper statement would be set somewhere between \$1.00-\$1.25 per statement per month.

The objective would be to help keep the utility costs down by avoiding paper statements and passing on the cost of paper statements only to those who request a paper statement.

The discussion on adding a statement fee to utility billings was tabled to the Monday, December 18, 2023, Workshop Meeting.

E. Discussion on adding a non-resident fee for the Hallett Community Center—Finance Committee

The Hallett Community Center is funded by the Hallett Foundation, membership fees, other donations and a tax levy of \$20,000 per year to the owners of property within the Crosby city limits. No other city or township provides funding for the Hallett Center.

The Finance Committee is recommending members of the Hallett Center who do not pay City of Crosby property taxes or rent property within the city limit pay an annual fee of \$6.00 as a non-resident fee to be applied toward the operating expenses like the contribution by the taxpayers of Crosby property starting in 2024.

The objective is to spread the operating costs of the Hallett Center more effectively to the actual users who reside outside of Crosby city limits.

Member Lewis was concerned if we lose customers, will it be worth it? GM, McLaughlin stated that a lot of their customers have insurance supported memberships, so it does not greatly affect them financially. Mayor Cash stated that the proposed increase would be \$6.00 annually.

The discussion on adding a non-resident fee for the Hallett Community Center was tabled to the Monday, December 18, 2023, Workshop Meeting.

F. Discussion on adding a non-resident fee for the Jessie F. Hallett Library—Finance Committee

Currently, only the City of Crosby property taxes support the Hallett Library.

Other surrounding cities/townships pay library support to the Crow Wing County Library. Crosby taxpayers do not pay toward the Crow Wing County Library.

The Jessie F. Hallett Library offers 9 computer workstations for library users. The cost to maintain the operating systems has increased substantially over the years. There are also “hot spots” available for check out.

The annual purchases of books/periodicals are funded by The Friends of the Library. The levy to the taxpayers is for payroll, utilities and computer needs. The Hallett Foundation contributes \$50,000 per year for operations and often contributes for special projects requested.

The objective is to more effectively spread the operating costs of the Library to the actual users who reside outside of Crosby city limits.

Ms. Smith is all for exploring this, but she believes it would require a lot of research and communication. They rely on the goodwill of their patrons and 75% of their supporters are out of town. Ms. Smith stated that it may be worth exploring this but we should take our time as we do not want to alienate anyone and this is a big risk.

Mayor Cash stated that there still needs to be a balance. It is not fair to expect the residents and businesses of Crosby to pay for the entire \$100,000 operational donation, but we need to hear from the residents of Crosby.

Member Traylor said that we need to discuss this further, but he does agree with Ms. Smith. The \$100,000 operational donation is used for wages, operational costs, and equipment. Moving forward, expenses would have to be kept in check.

The discussion on adding a non-resident fee for the Jessie F. Hallett Library was tabled to the Monday, December 18, 2023, Workshop Meeting.

- G. Deleted as it was a duplicate of L. Consider approval of purchase of MSA bottles for the Fire Department.
- H. Consider approval to hire new Library Aide for Jessie F. Hallett Library—Abby Smith

After advertising, scoring applications, and interviews, the Library would like to hire Jean Walberg as the new Library Aide. The position that was approved to be filled by the Council at the October 23rd Meeting.

Jean Walberg would be hired at Grade 2, Step 2, then moved to Step 5 in 2024 as the Council approved the Library Aides increase.

MOTION BY MEMBER LEWIS AND SECONDED BY MEMBER JARVELA TO APPROVE THE HIRE OF NEW LIBRARY AIDE FOR JESSIE F. HALLETT LIBRARY.

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

- I. Consider approval of membership rate increase at the Hallett Center of Crosby—
HCC GM, Joe McLaughlin

They are looking to increase their membership rates by \$3,00. This will allow them to stay competitive in the market. Inquiries were made to area fitness centers that offered a pool including the YMCA in Brainerd, St. Cloud, and Duluth.

This increase would be across the board and yet would keep us competitive. It would help with utility costs. They would grandfather the current members in with the increase. New members would be subject to the increase effective January 1, 2024. The increase in membership rates would be activated for grandfathered memberships when their memberships are renewed in 2024.

MOTION BY MEMBER LEWIS AND SECONDED BY MEMBER HEGLUND TO APPROVE MEMBERSHIP RATES BY \$3.00 AT THE HALLETT CENTER OF CROSBY.

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

- J. Consider approval of Renewal of Service and Maintenance Contract with SCR for heating and air conditioning systems—Administrator Hill

The City of Crosby has had an agreement with SCR for several years for maintenance of the heating and air conditioning systems.

Changes would be to add the Library, well house and water treatment plant.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER JARVELA TO APPROVE RENEWAL OF SERVICE AND MAINTENANCE CONTRACT WITH SCR FOR HEATING AND AIR CONDITIONING SYSTEMS.

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

K. Consider approval of land purchases for alley improvement project—Administrator Hill

The City Council approved Engineering and the City Attorney to move forward with the necessary processes to complete the sewer line replacement in the alley north of 3rd Street between 1st Avenue N.E. and Cross Avenue N.

After surveys were completed, it was identified that to fit the new sewer line, City Engineer recommended purchasing an additional 5 feet along the north side of the alley.

The City Attorney has created a quit claim deed on behalf of the City of Crosby to purchase the needed 5 feet of land. The property owners have verbally approved that the City purchase the property from them and have agreed to pricing.

The request is for the City Council to approve the purchase of the 5 feet from the property owners along the north side of the alley. This would be land from Jamie and Laura Lee in the about of \$2055.00, and the Harrison family in the amount of \$1675.00.

MOTION BY MEMBER LEWIS AND SECONDED BY MEMBER TRAYLOR TO APPROVE THE PURCHASE OF LAND FROM JAMIE AND LAURA LEE IN THE AMOUNT OF \$2055.00, AND THE HARRISON FAMILY IN THE AMOUNT OF \$1675.00 TO ENSURE THAT THE CITY HAS THE SPACE AVAILABLE TO MAKE THE NECESSARY IMPROVEMENT TO THE SEWER LINE.

A VOICE VOTE: THOSE VOTING ANY: MAYOR CASH; MEMBERS TRAYLOR, HEGLUND, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

L. Consider approval of purchase of MSA bottles for the Fire Department—Finance Committee/Jay Decent, Fire Chief

The City Council approved the use of \$39,000 from the State of Minnesota Public Safety allocation for the purchase of purchasing new MSA air cylinders for the fire fighters. The current stock of bottles is set to expire at the end of 2024. The \$39,000 will get about ½ of the cylinders needed by the end of 2024.

The Finance Committee recommends, in partnership with the Leadership of the Fire Department, that the Fire Department is also approved to purchase the second half of the air cylinders split by use of the Equipment Fund (current balance \$100,000) and the Donations Fund (current balance \$100,000).

The Finance Committee also recommends that the purchase be made as soon as possible to make sure that the Fire Department can receive the quantity discounts available to them. If they wait until 2024, the price will go up.

This will maintain the best level of equipment for the support of our fire fighters.

This purchase of 60 air bottles would be made via \$39,000 from the State Public Safety Aid, \$19,500 from the Fire Department Equipment Fund, and \$19,500 from the Fire Department Donations Fund.

These air bottles should last for approximately 15 years. The Fire Department will start to budget for replacement air bottles moving forward.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER HEGLUND TO APPROVE THE PURCHASE OF 60 AIR BOTTLES, WITH \$39,000 FROM THE STATE PUBLIC SAFETY AID, \$19,500 FROM THE FIRE DEPARTMENT EQUIPMENT FUND, AND \$19,500 FROM THE FIRE DEPARTMENT DONATIONS FUND.

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

M. Council minutes correction. The November 27, 2023, council minutes should have read accordingly: Absent: Members Lewis and Traylor.

MOTION BY MEMBER LEWIS AND SECONDED BY MEMBER HEGLUND TO ACCEPT THE COUNCIL MINUTES CORRECTION FOR NOVEMBER 27, 2023, WITH THE FOLLOWING CORRECTION: ABSENT: MEMBERS LEWIS AND TRAYLOR.

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

9. Reports

A. Police Chief's Report

Member Heglund inquired about a large trailer that is currently across from Bergee's house and has been there for over a week. He went on to state that there is also a fish house on the corner that is sticking out into the road. He would like these checked on.

B. Fire Chief's Report

Mayor Cash asked how bingo went. Chief DeCent stated that it was good. Member Lewis asked if they were able to get their ice training done. Chief DeCent clarified that they had.

C. Library Report

Ms. Smith explained that there are not as many activities this time of year as patrons' schedules are full with the holidays. They are getting closer to their goal for Jingle Books and this will run for 3 more weeks. Santa will be coming to Story Hour on December 20th. There will be a variety of offerings coming up for winter break with a movie marathon, game days and winter crafts. Mayor Cash asked how Halloween went. Ms. Smith said it went well. They had about 40 people for Halloween crafts. They also took part in Trunk or Treat.

D. Hallett Center Report

GM McLaughlin reported that the new hot water heaters and pool heaters are showing significant savings in energy cost. Last year the bill for the water heaters and pool heaters was estimated at \$9188. The bill for this last cycle was just received and came in at \$4944. This is providing HCC with substantial savings. In addition, after receiving their rebate for the new water heaters and levy money, the HCC made money back. Research is currently being done to see if we could be issued a rebate for our pool heaters as well since they are so efficient. GM McLaughlin is currently looking into possibly getting bids for the heater in the Zamboni garage as well, since the heaters are very efficient, the savings is substantial, and a lot of water is used in the garage in the winter.

E. Public Works Report

City Administrator Hill reported as Public Works Foreman Lueck just returned from overseas and was not able to attend this evening's meeting. Interviews will be held tomorrow for the open laborer/driver position in Public Works. Four candidates will be interviewed by the Personnel Committee, Public Works Foreman Lueck and City Administrator Hill. They will then bring a candidate to Council at the meeting on Monday, December 27th for approval. Member Heglund said that last Wednesday, Thursday and Friday there were two pickups down at the warming house. Member Heglund wanted to know what they were doing. Administrator Hill stated that they were replacing all of the windows and putting in plexiglass to protect the windows. Member Heglund stated that he thought there were too many personnel involved and that it took too many days to complete the project. Administrator Hill stated that he would investigate this, but he does not disagree. Member Heglund wanted to continue to discuss plowing and sanding. He stated that the Public Works truck was sanding on Sunday morning, but they were not pushing the slush off. Member Heglund stated that there will be ice on the streets for a week or better. Mayor Cash stated that the snow

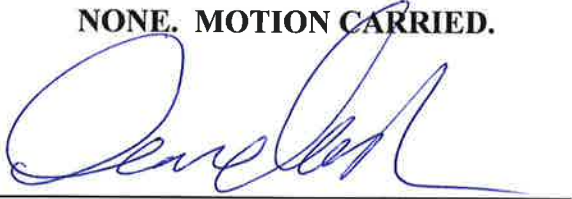
plowing policy says that snowfalls of under 2 inches is up to the discretion of the City Administrator and the Public Works Foreman. She went onto share that she had talked with other neighboring towns and they are dealing with same difficulties that we are as this was a nuisance snowfall. Member Lewis stated that it is going to warm up quickly this week, which will help with melting. This snowplowing issue will be discussed further at the workshop on Monday, December 18th.

F. Mayor/Committee Reports: none.

10. Adjournment.

**MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER LEWIS TO
ADOURN AT 7:51 P.M.**

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



Diane Cash, Mayor



Dianne Howard, Administrative Assistant