

Town of Crystal Bay

Regular Board Meeting
Finland Community Center

Minutes

September 17th, 2024

I. **Attendance:** Stacy Breden, Mike Nikula, Paul Hartshorn, Charles Cook, Randy Josephson, Terri Perfetto, Douglas Perfetto, BJ Kohlstedt, Sandy Gunnink, Rachel Flemming, Roger Peterson, Elaine Loeffler, David Geist, Kaare Melby.

- A. Supervisor Hartshorn called the Regular Meeting of the Crystal Bay Town Board to order at 7:00pm Pledge of allegiance.
- B. MOTION: To approve September's Regular Meeting Agenda. Motioned by Supervisor Nikula, Seconded by Supervisor Peterson, Passed by unanimous consent.
- C. MOTION: To approve August's Regular Meeting Minutes. Motioned by Supervisor Peterson, Seconded by Supervisor Nikula, Passed by unanimous consent.
- D. Treasurer Report:

1. **Income:** We received two intergovernmental revenue payments this month:

- a. Taconite Production Tax - \$15,684 was the second of two tax payments mining companies pay in lieu of property taxes that is distributed to cities and towns in the Taconite Assistance Area. Crystal Bay receives a portion based on its proximity to the mining and the amount of production from those mines. Our total revenue from this source in 2024 is \$37,788.
- b. Payment in Lieu of Taxes - this is a state payment based on the loss of tax base from natural resources lands. Lake County has almost 340,000 acres of County and DNR administered land and will receive over \$1.5 million of PILT funds in 2024. Crystal Bay has received \$12,119 of this.

1a. **Miscellaneous revenue included:**

- a. Finland Co-op patronage rebate of \$46.47.
- b. Five election registration fees of \$2 each.

2. **Expense:**

- a. General Government - Supervisor (\$1134) and Treasurer (\$844) monthly payroll were as expected. Clerk monthly payroll (\$9075) is less than last month but still over budget. Publicity (\$202) was for election filing notices, and Travel & Supplies (\$396) were for general meeting and office needs.
- b. Public Safety - Volunteer Fire Department Workers Comp Insurance (\$515).
- c. Road & Bridge - Equipment expenses (\$2914) include \$2100 of equipment maintenance with the remainder spent on fuel. Contractor service (\$1375) was Roses Rd repair. Payroll (\$13,734) includes \$7,125 of accumulated comp time that was paid out to remove the liability from Township books. Road Supervisor August hours were 198 regular and 23 overtime. This summer's road work has been carefully recorded so that as much as possible will be eligible for reimbursement by FEMA due to the flooding event.
- d. Clair Nelson Center - includes lawyer fees for contract consultation (\$2808), septic maintenance (\$2660) and contractor payments to community members for their work on the ballfield (\$8225). The ballfield project total cost so far is

\$10,000 and is expected to be reimbursed by a grant.

- e. Housing - ongoing project costs this month (\$737). There is still \$3000 in remaining grant funds on the township books, plus up to \$8000 still available from the State as part of the existing MN Age-Friendly grant and \$5000 available from the University for the Empowering Small MN Communities grant.
- f. Cemetery - payroll (\$204) and maintenance (\$92).

3. Summary

- a. August total expenses \$46,000 (includes one-time comp time pay out)
- b. Average monthly expense \$26,000 (year-to-date)
- c. Average budgeted monthly expense \$20,000
(This budget attempted to extend cash flow out to the 2025 levy receipt, which will include an additional \$25,000 to help buffer the general fund.)

4. August things to note in the Balance Sheet:

- a. Overall checking is \$136,509. At the current rate of spending, this will last four months.
- b. \$3,000 is restricted for the housing project.
- c. \$10,000 should be reimbursed for the ballfield project.
- d. The only significant revenue expected before the end of the year is the second half of the 2024 levy (\$65,000).
- e. Without attention to budget constraints, Township cash will be depleted before the mid-2025 levy payment.
- f. The FEMA reimbursement will help replenish the General Fund and Road & Bridge Fund, but the amount and timeline is uncertain.
- g. Until that reimbursement arrives, there will not be sufficient buffer in the Township checking account to meet expected and unexpected expenses (e.g. road materials, legal fees, etc.) during the first half of 2025.

MOTION to approve Treasurer's Report Motioned by Supervisor Nikula , Seconded by Supervisor Peterson , Passed by unanimous consent.

E. Review & Approve September's regular monthly bills for a total of \$19,017.63

- 1. MOTION to approve September's monthly bills Motioned by Supervisor Peterson , Seconded by Supervisor Nikula , Passed by unanimous consent.

F. Review & Approve September's regular monthly pay claims for a total of \$10,092.01

- 1. MOTION to approve August's regular monthly pay claims Motioned by Supervisor Peterson , Seconded by Supervisor Nikula , Passed by unanimous consent.

G. Conflict of Interest Affidavits signed for the Clerk and Officer files.

- 1. Paul Hartshorn for Town Hall Grounds in the amount of \$187.50
- 2. Mike Nikula for Triangle mowing in the amount of \$25.00
- 3. Lise Abazs for Home Solutions in the amount of \$337.50

H. . Board reviews correspondence from Town

II. Reports (5 minutes each)

A. Clerks Report: Stacy (full report attached to final minutes)

B. FEMA Financial Update from BJ Kohlstedt

1. Crystal Bay's reimbursement request to FEMA is at a total of \$79,731.45 this includes the cost of Riverside Drive. If the board chooses mitigation on Riverside Drive then those costs will come out of this total. Riverside cost \$19,636.00, which would be separated out into another project.

2. Damage + Cat Z total is 83,718.02 Administration CatZ is reimbursed at 5% for a current total of \$3986.57

C. Budget Update: Lise (full report attached to filed minutes)

We have 195K to work with until June of 2025, the only place we have room to cut is in payroll.

We need to be diligent on hours for Clerk (General Fund) and (Road Superintendent) Road and Bridge.

We've averaged over 30K a month spending over the last 6 months. We don't have a cushion to get us through in an emergency. We need to be vigilant on our budget.

Question from Township Resident Randy Josephson: Is the levy looking at being raised @ March of 2025 Annual Meeting? Lise: "The intention of raising just the General Fund for FY25 at the March 2024 Annual meeting was to ask for a Levy raise in the Road and Bridge Fund for FY2026, from my understanding at March 2024 annual meeting."

D. Supervisor Update

1. Supervisor Nikula is going to talk to Blandin Foundation about the grounds grant that was put on hold with Friends of Finland this July.

E. Road and Bridge: Doug

1. Trout unlimited put the second culvert in with our materials. 120 yards of dirt, and they did all the installation work.
2. Roads that still need work: Breezy needs some dirt before winter, Riverside Drive needs culverts replaced and drainage ditches cleared out, that can wait until next summer.
3. Equipment will be prepped for winter and grading roads will be happening before the snowfall.
4. Doug plans to work 2 or 3 days a week after grading is done and equipment is ready for winter.

F. Cemetery:

1. Elli Sundholm Miller has a buy back of blocks 2-8 in Plot number 169 for a total of \$7.00
2. Working on Interments forms with Stacy to document the ones sold properly.
3. There will be an ad in the paper to remove memorials and flowers by October 15th. The ad will run from September 20th-October 11th.

G. Cemetery Project: Supervisor Nikula

1. Vaughn and Gary Olson are working on the Kiosk over the winter. In the Spring it will be set in place for the Community. Supervisor Nikula states "all work is being volunteered."

H. Clair Nelson Community Center: Friends of Finland (full report attached to final minutes)

I. Finland Home Solutions Grants and Partnerships Coordinator: Rachel

1. In September Rachel worked with Lise to get her up to speed on the housing project and discussed where we want the project to go. Rachel worked with ESMC (Empowering Small Minnesota Communities) to figure out what needs to be done to continue with the project and how to get the contract signed. Rachel also created a document that lists a few places that can help people who need housing repair assistance.
2. Supervisor Nikula would like the Township to remove itself from the Home Solutions Project. Supervisor Peterson and Hartshorn agree the better place would be the Friends of Finland. Lise speaks to Home Solutions credit: "We are operating on a MN Age Friendly Grant currently and there are plenty of funds to further the project. We need to have our ducks in a row for when an opportunity arises in our Township. One perk to keeping the Home Solutions Project in the Township is in the event of approaching the County the Township (Local Government) would be already in the loop. Contracts go through June with the ESMC."

J.. Finland Home Solutions Community Outreach Coordinator Lise

1. There is a plan in January 2025 to have a community gathering to give the public an update on the project thus far.
2. MOTION: Crystal Bay Township will sign the ESMC Contract with the University of Minnesota. Motioned by Supervisor Peterson, Seconded by Supervisor Hartshorn, Supervisor Nikula not in favor. Motion carried.

III. Old Business

A. FEMA: Riverside Drive Decision/ Update (Stacy)

1. Does Crystal Bay Township want to request Mitigation on Riverside Drive?

An engineer could come out and access the road and come back with an estimate on what they think it would cost to mitigate the road. Crystal Bay Township wouldn't necessarily get all of that estimate paid for by FEMA.

2. If Crystal Bay decides to ask for Mitigation on Riverside Drive or any other roads it will put a pause on the release of the funds we are asking for to reimburse ourselves for the work we did after the disaster. We were given the ballpark of 12 to 18 months for release of funds, hopefully sooner. But, again mitigation can prolong that release.
3. Since August's Meeting Crystal Bay has been assigned a PDMG (Project Manager) Stacy and BJ meet with Phil Grooms weekly to get our projects completed by the due date of October 28th, 2024 MOTION: TO NOT PERFORM MITIGATION ON RIVERSIDE DRIVE Motioned by Supervisor Peterson , Seconded by Supervisor Nikula , Passed by unanimous consent.

B. Septic Update:

1. Eric Warnecke and Andy Morris finished the pipe work on the Septic so we are back to using 3 tanks as holding tanks and pumping accordingly. Biffies will be picked up at the end of month.
2. Last word from IRRRB was funding would potentially come though in November or December of 2024.

C. Friends of Finland Update:

1. We have an extension in place until October 22nd, of 2024.
 2. Supervisor Peterson attended the FOF Meeting/ he would like to see the Town more involved in the building. He suggested crunching numbers and contacting FOF to see what the Clair Nelson Center actually costs per month.
 3. Inventory is not complete as the Clerk is awaiting the garage inventory list.
- Currently turned in is: Youth Night, Bone Builders, Tuesday Talents and F.O.F Building contents.

D. MOU discussion:

1. MOTION: To accept the current MOU with the amendment to the building permit that the shelter is moved a quarter of a turn to allow for easier removal of trailer. Motioned by Supervisor Peterson , Seconded by Supervisor Nikula , Passed by unanimous consent
Supervisor Nikula requested to be present when the trailer is dropped. Doug also said he would like to be present when the trailer is dropped off..

E. Discuss scope of work and price point to ask for assistance from Lake County in interim for 6/18/24 FLOOD B.J. will return to September's meeting with more figures to continue the discussion

Table until October

IV. New Business

- A. MOTION to approve Cannabis Resolution #091724 determining it is in the public interest to consent to Lake County managing restrictions for cannabis businesses as set forth by Minnesota Statutes section 342.22 Motioned by Supervisor Hartshorn , Seconded by Supervisor Nikula, Passed by unanimous consent.
- B. MOTION to approve the buy back of blocks 2-8 in plot 169 for \$1.00 each totaling \$7.00.Motioned by Supervisor Nikula , Seconded by Supervisor Peterson , Passed by unanimous consent.
- C. Hand out Procurement Policy draft to Supervisors to look over for discussion at a later date.

V. Public Concerns:

The board chair reads the rules for public concerns: everyone will have 2 minutes maximum to speak. Please use your time to address the Town Board on your concerns pertaining to the Township. The Board of Supervisors will not tolerate this time to be used to defame anyone's character and reserves the right to ask you to pass on your time if you choose to do so.

A. Dave Geist addresses the Town Board Supervisors:

"I really appreciated the work that Lise put into the budget report, thank you. I appreciate how the board worked together during budgeting talks. I volunteered at Youth Night and appreciated the energy with the Youth and hope to volunteer again. I do not like the term, witch hunt, referring to this summer's events. Supervisor Nikula apologized for using that term previously. Supervisor Hartshorn apologizes to the

residents for not stopping the personal attacks over the past few months at the Township Meetings.

VI MOTION: to adjourn the meeting at 8:41 pm until October 15th , 2024 at 7:00 p.m. at the Finland Community Center.

Motioned by Supervisor Hartshorn , Seconded by Supervisor Nikula , Passed by unanimous consent.

Paul Hartshorn- Board Chair

Michael Nikula- Vice Chair

Roger Peterson - Supervisor

Attested to: this 15th day of October, 2024

Stacy Breden - Clerk

Clerk's Report

Regular Board Meeting

September 17th, 2024

Come to our regular monthly meetings to stay up to date on all Township matters or stop into the Clerk's office with questions or concerns. Tuesday's May-October, 2024 11am to 3pm. Yes, I am a notary- no there is no fee.

- Open Enrollment is over: Names you will see on the ballots this November are:
Seat A- Roger Peterson/ Seat B- Mike Nikula, Charles Cook/ Treasurer- Lise Abazs
Clerk- Stacy Breden
- Clerk hours for this pay period. (August 17th – September 15th) are 180 for the month averaging 45 hours a week. Down from 232 for last pay period July 15th – August 18th
- My public winter hours November – April will be Tuesday's 11am-2pm due to my family's schedule. Monthly meetings on Tuesday's I will be in longer, but those hours will vary. I am in the building an average of 3 days a week and some Thursday evenings.
I will repost my winter hours online and at the Coop and in the Lobby here.
I have been playing around with my schedule in hopes of working less.. Judy Martell inquired with me about donating some time to help me file. Also, Lori Jacobs inquired about Deputy Clerking.
- The Legal Counsel found out from the State of MN there apparently is not a rule that requires breakaway signs on 55 miles an hour road. Here's the response and attached is their memo/manual: "All MASH compliant signs are not breakaway. Some are bendable. Speed has no bearing on the structure requirements.
We only must meet the MASH requirements when replacing signs or installing signs."
- I am waiting to hear what Lake County says on whether they will allow our employees to join their pool of employees for Random Drug and Alcohol testing and what that would cost should the board choose to join in.
- Wednesday the 11th I attended a Lake County Hazard Mitigation Meeting.
It was their Final Meeting. I requested that Crystal Bay Township be listed to receive help on roads for the 5-year period this plan spans. Currently this is the wording they offer in the Lake County Plan they are working on.
The Lake County Highway Department continues to work with township governments within the county to address road maintenance and improvements to reduce impacts from high rain events. The townships of Beaver Bay, Crystal Bay, Fall Lake, Silver Creek, and Stony River provide input to the county highway dept on localized areas of concern. There is the town bridge fund and as township bridges reach replacement criteria, we can assist in developing plans and accessing those funds for replacement. The county may seek to apply for future FEMA grant funding to support eligible flood risk reduction projects in townships as they are identified and as funding may be available.
- The Lake County Hazard Mitigation Plan helps Townships with Mitigation 404. Which requires an approved and adopted HMP. This then funds mitigation projects for both damaged and non-damaged facilities. Examples given: Wildfire Mitigation, Flood Risk Reduction.
- I had a PERA Mistake in September for August but won't be resolved until October when we give September's financials.

- Current Projects in the Clerk's Office include:
 - FEMA Roads Project with BJ
 - Friends of Finland Contract
 - Septic Project
 - Procurement Policy
 - Compensation Policy **UPDATE**
 - Town Board Rules of Procedures Resolution
 - Emergency Action Plan
 - Policy for Document Retrieval

Friends of Finland Report to Crystal Bay Township

9/16/2024 Meeting

Financial Report on the Town money to date:

In August 2024, Friends of the Finland Community received and deposited a \$100 donation for "Outdoor Improvements". On September 11, 2024 the donation was transferred to Crystal Bay Township by check number 5181 for \$100 per the extension agreement terms.

As of August 2024, Friends of the Finland Community is using general operating donations and foundation grants to cover the expenses of the Clair Nelson Center building as the Township contributions have been allocated through the end of the year already.

Not including the expenses for the Pizza Oven project that has its own funding, the building has cost on average \$6,000 per month this year.

Operations Report:

- Work will begin this week on installing the footings for the pavilion awnings. The project will be complete before the end of the month.
- Fabrication of the roof flashing for the pizza oven is in progress. This project should also be complete before the end of the month. We plan to have a community event in celebration of the completion of this project next month.
- Hours of operation and Guidelines for using the CNC have been posted at the front doors and around the building.
- Billing for the septic pumping has been transferred to the Township. Septic system will continue to be monitored, and the pumping scheduled, by FoF. RV dump revenue is now going to the Township.
- There was 1 private event at the CNC in the month of August.
- The septic pipes interconnecting the 3 holding tanks for the building have been repaired.

Bathrooms at the CNC are open for full regular use.

Youth Program Update:

Our attendance #s for August were a little lower but that is normal the month before school due to families being busy or out of town. We held a Family Night on August 15 where the kids and their families did handprints together (displayed in the lobby). We have been given the opportunity to purchase items from the Farmers Market for snacks throughout the night,

Everyone seems to enjoy this. We have finalized the new Code of Conduct for Youth Program Staff and Volunteers and will be sharing this with parents so they are aware of what is included in this policy (also there is a copy of this here for anyone as well). Sign out at the end of the night has been going well with the majority of parents coming in to sign out kids at the end of the night. Parent surveys and a copy of the Code of Conduct can be picked up at any time on the front table in the lobby.

August 2024 weekly youth attendance #s:

August 8 Canceled

August 15 Family Night 19 Youth/5 Staff/1 Snack/1 Core Staff

August 22 17 Youth/5 Staff/1 Snack/1 Core Staff

August 29 26 Youth/5 Staff/1 Snack/1 Core Staff