

Town of Crystal Bay

Regular Board Meeting
Clair Nelson Community Center
6866 Cramer Road Finland, MN 55603

Minutes

January 20th, 2026

- I. **Attendance:** Paul Hartshorn, Michael Nikula, Amy Nikula, Douglas Perfetto, Terri Perfetto, Stacy Breden, Harper Breden, Randy Josephson, Kyle Flack, Dave Geist
- A. Supervisor Hartshorn called the Regular Meeting of the Crystal Bay Town Board to order at 6:00 pm with the Pledge of allegiance.
 - B. In Pursuant with Open Meeting Recording Policy Number 5-2025-04 the Town Clerk will be recording this town meeting including any attendee participation. Once the Agenda is approved the Town Board cannot jump around.
 - C. Once approved the Town Board cannot jump around- if you would like to change agenda order please do so now. MOTION: To approve the January Regular Meeting Agenda Motioned by Hartshorn Supervisor Nikula , Seconded by Supervisor , Passed by unanimous consent.
 - D. MOTION: To approve December Regular Meeting Minutes. Motioned by Supervisor Nikula , Seconded by Supervisor Hartshorn , Passed by unanimous consent.
 - E. MONTHLY TREASURER’S REPORT:
 - i. Income
 - a. Received second half of the General Property Tax levy (\$68,453). Intergovernmental Revenues included Taconite Tax Credit (\$13,261), Rent Royalties (\$1,031), PILT (\$70), and Minnesota Township Aid (\$2,325). Miscellaneous Revenue included savings interest (\$24) and a grant payment (\$5000) for the Housing Project which was applied to the General Fund for overhead costs.
 - ii. Expense
 - a. General Government - Payroll for Supervisors (\$328), Treasurer (\$620), and Clerk (\$5,168). Other government expenses: legal services (\$146), monthly payroll fees (\$90), annual Microsoft fee (\$107), monthly printer expense (\$209), supplies including batteries, ink, paper (\$178), county tax notices (\$218), and insurance payments (\$130 for rental, \$44 for increased garage value). Public Safety - quarterly Fire Dept contract (\$6,000) and annual insurance payment (\$9,737). Public Works: Road & Bridge - Payroll included 77 hours for Road Supervisor (\$2,487), additional contract services (\$1,825), garage supplies (\$21), service on the pick-up (\$1,325), fuel (\$369), and Grader loan interest (\$887).

Culture & Recreation - Town Hall payroll (\$215) and supplies (\$19). Electric bills were paid with the VISA card so will show up in January's report (\$847 +\$68). Housing - ongoing project costs covered by grant funds including payroll (\$739), contract (\$30), mileage reimbursement (\$162),and meeting expenses(\$10). Cemetery - advertising (\$31) Included in the above expenses are EFT payments for Visa (\$1,678), Grader Loan (\$1952) and Payroll Liabilities (\$2,320).

iii. Balance Sheet:

- a. The checking account is at \$182,596. Based on last month's board decision, funds were redistributed from Town Hall Building, Road&Bridge and Emergency Services into the General Fund, so that fund now has a positive balance of \$5,915. This will quickly go negative again but should balance out when the new levy starts in July 2026. Note that the Community Projects Fund contains \$7,347 restricted grant funds and the Capital Buildings Fund expects up to \$36,100 of reimbursement septic costs. Savings accounts total \$37,662, including \$26,330 available in the Rotating Loan Fund. The Township's Grader Loan outstanding balance due is \$133,954. December expenses totalled \$31,096, approximately \$6,500 under budget. Total budget from July2025-January2026 is \$22,000 over budget (\$14,000 of that from the Loader repair). Cash flow projections at current average spending show July 2026 balance of \$116.000

MOTION: To approve the Monthly Treasurer's Report . Motioned by Supervisor Nikula ,
Seconded by Supervisor Hartshorn , Passed by unanimous consent.

- F. MOTION to approve January's bills for a total of \$ \$23,108.54 Motioned by Supervisor ,
Hartshorn Seconded by Supervisor Nikula , Passed by unanimous consent.
- G. MOTION to approve January's regular monthly pay claims for a gross total pay of \$9,817.35
Motioned by Supervisor Nikula , Seconded by Supervisor Hartshorn , Passed by unanimous
consent
- H. Conflict of Interest Affidavits signed for the Clerk and Officer files.
 - 1. Paul Hartshorn; Roads Worker in the amount of \$220.00
- I. Board reviews correspondence from Town

II. Reports (5 minutes each)

A. Clerk's Report :

i. Office Housekeeping

- a. Lise and I will be working on the end of year 1099's and W-2's before the end of the month, I will reach out to employees and officers when they are complete, and you can pick them up.

- b. All regular yearly rental insurance, naming the Town as additional insured, is up to date and will be monitored as they expire throughout the year.
- c. MOUs with Bone Builders and Tuesday Talents has been renewed.
- d. Noting some Tuesday Talent crafters will not sign the MOU form citing they don't think it's fair that they are held responsible for any missing items while people seem to have 24/7 access to the Clair Nelson Center. I cannot make them sign the forms it is just something I ask of them. Some complaints within the group have included people stopping in the room to eat their food or drink their coffee and that is rude. They have concerns about the fridge in meeting room B being dirty, food being left in there for long periods of time and food being left in corners of Room B, full garbage, lights being on in the morning when they arrive, leading them to wonder if someone is in the building and more.
 Tuesday Talents has expressed to me that they feel like they are required to keep the place cleaner than they find it. Often there are no rags in the drawers and there are messy sticky tables. They have asked if I pass their concerns on to Friends of Finland, which I do, yet the group feels confused by the action after they tell me their concerns.
 Tuesday Talents has requested a meeting with a Town Board Member, a Friends of Finland Staff Member and Myself to gain Clarity.
 Some of the communication breakdown is that there are no Managers here on Tuesdays, so they never have anyone to address issues to but me. Maybe asking Kyle or Arlene to check in once a Month on a Tuesday between 10 and 4 would help?
- e. PERA exclusion reporting is due Feb 28th
- f. MATIT 2025 Workers Compensation Report is due Feb 15th
- g. SAM.gov Notice to update our entity for Federal funding should we need it in 2026
- h. Looking into Google Workspace as it would be more secure for online sharing and work.
- i. Submitted 30K reimbursement bill from Eric Warnecke for last July's Septic Payment and a bill from Holden Electric for a temp electrical hook up for Septic in the amount of \$ 1186.42. Both submissions are still pending.
- j. Today's Township Tuesday covered Paid Leave. For Operational Planning the Township should take into consideration a Paid Leave Policy. The Town has adopted a Resolution and that is key for

withholdings, but a Policy will aid the Town should arise.

- k. The Town should also take into consideration the Hiring Policy to be discussed later to aid them in Operational Planning re: future employees or contractors.
 - l. Community Members are asking if I have Public Hours, in response; I have a white board facing the entrance of the Community Center with my Public Office Hours and contact information. They will change Monthly around my personal schedule but are listed 2 months out.
 - m. Last year snapshot of hours on average: 37hrs a week/ currently 33hrs a week. Year to Date the hours are down for this time of year.
- ii. Town Hall (Clair Nelson Center)
- a. Septic Project: Correspondence with MacKenzie Hogfeldt of Lake County. Our system will be operating as a holding tank though the winter. This requires the caps to be cleared off after snowfall and monitoring, then calling for pumping. Harper will be taking care of snow removal and Friends of Finland has agreed to continue to monitor the tanks and call Superior Septic for pumping.
 - b. Roger communicated with Eric then gave me the billings to submit for IRRRB. I will be holding onto the final 25K invoice from Eric, and I advise the town to revisit the final payment to Eric Warnecke in the Spring of 26 after electrical work is completed and I have had a chance to look through the extra costs incurred before presenting them to the Town.
 - c. Emailing with Dave from Superior Septic- I need several invoices split out from the last 3 years of pumping to separate the RV pumping from the Septic so we can hopefully be reimbursed from IRRRB.
 - d. Arlene and I have discussed looking though the Contract between FOF and the Town to revise it now that we have had a year under us. Some things are just not needed or no longer are procedures. Maybe adding in other things. I will have an update as we progress with that.
 - e. Summitt was at the Center Testing our Fire Extinguishers and Alarms. I am in conversation requesting Billing and Service address changes from Friends of Finland to the Township. I am not authorizing payment until they present the billing address accordingly and omit Sales tax and provide the Servicing reports.
- iii. Road & Bridge:

- a. Correspondence with Scott at McCoy the Loader fix was complete and came to \$13,998.46 right under the 14K approval.
 - b. I advertised for 2 weeks the Part Time Roads Worker position. 1 applicant came into my email on the 15th of January. Later in the meeting we will discuss this position. I advise the Town Board to wait until Roger is back in February for full board input and transparency before deciding to hire. If the board should move forward this evening with hiring the applicant this position needs to be a temporary position no more that 6months, due to PERA. Making this a hire date today and not working past July 19th, 2026.
 - c. If the board would like to make this a longer employment offer, then that is a different discussion altogether and should in fact require an interview process for many reasons.
 - d. I had a complaint via phone call; re: ice on Park Hill Road last week. I contacted Doug and he went out and sanded.
 - e. Class B License Exemptions- Talk about later in the meeting.
 - f. Nikolai Road: I contacted Lake County's Recorders Office, had conversations with Judy Martell the Clerk at the time and Tim Melby who had dealings with the Township re: Nikolai Road around that time as well on a separate Abandonment, he had some insight. I also spoke with our Lawyer. At the end of it all. Lake County does have our Township Road Resolution from 9-1989 recorded. Roads are recorded with the County by legal description not by name or map. So, our roads are indeed recorded for what the legal description was in 89/98. The State Statue has since changed- if a Township maintains a road for 6years or more it is considered a Town Road. So, although our Maps help us and the legal discretion is helpful, that isn't necessarily accurate now. With the Abaz's statement from Dec of wanting to honor the road per resolutions, yes, in fact the legal description takes Nikolai Road from Co Rd 6 to the Creek or turnaround area. But the Town has no information in the minutes or road files, and there is no information with the County to suggest a cartway ever existed from the creek or turnaround to the Abaz property. If the Abaz's have any paperwork that states otherwise they were instructed to provide it to me for further investigation otherwise they would need to explore other avenues for legal access past the creek as that is not Township Road. I did relay this to Lise before today.
- iv. Housing: - 10hrs this month
- a. Due to Supervisor Peterson's absence tonight from the meeting, Board Chair, Hartshorn decided it best to Table the Housing reorganization that was set to take place this month.

- b. This means that currently the Township does not have a working Housing Commission.
 - c. We had 6 applicants and 1 interest, I reached out to all of them and let them know the Town Board would revisit in the Spring.
 - d. I reached out to all parties involved in the Feb 2nd Collaborative meeting that was set to take place at the Clair Nelson Center and let them know this would be postponed until the Town reorganized the Commission.
 - e. There is so much going on in my office that I cannot even wrap my mind around a possible reorganization until Spring should the Board deem necessary to carry on with the work.
 - f. I would also like to point out an area of concern in bringing the Commission back. The members are employees and should neither of them decide to go on to unemployment we must use grant funds to pay that, otherwise the statement we have been making since the beginning that this isn't costing the Town money is false. We either change our statement by setting levy dollars aside yearly from the Community Projects Fund to help with this work and then if U.I occurs its covered or not bring a commission back due to this reality.
 - g. During the Housing break I changed the housing email passwords and permissions and any emails are now delivered directly to me at the Clerks email address.
 - h. I was planning to have Ursula Lang from the U of M come and do a wrap up presentation on what the Housing Commission group has accomplished thus far but have decided to wait until Spring for that as well.
 - i. I did speak with Lise about the funds earmarked for Housing. The Town does not have to use them on a Commission, that is just how the Town set it up given we were already organized that way after the Friends of Finland fell back from the project and the Town has to take on sole responsibility. At this time, if I were to advise the Town Board, I am not sure what is best for the Town in re: to Housing.
- v. Fire Department:
- a. I sent a letter off to the Finland Fire Department requesting they provide the Town with a legal document delineating the buildings from the Land by July 21st's meeting. If they choose not to go this route, I asked if they would then provide an inventory list to the Town by Jan 21st and then yearly after, for insurance purposes.
 - b. I emailed Angie Jackson the Insurance Agent I deal with for the Fire Departments Insurance asking her if the Township gets insurance at a discounted rate. She said No.

- c. I then emailed area cities and Townships as well as the County asking what they pay the Finland Fire Department for Fire Protection. I heard back from the City of Silver Bay, they do not have a contract with Finland Fire. Stony River pays \$6,500.00 annually for Fire Protection, Lake County Administrator Matt Huddleston replied for UT-1 the County pays Finland Fire \$9,750.00 but is unaware of a contract. Tofte Clerk talked with Rich Nelson their Fire Chief, there is not a protection service contract directly between Tofte & Finland but that the two entities are able to aid each other via the overarching Minnesota Mutual Aid Agreement that covers departments statewide. No reply from Beaver Bay Township is \$13,000.00 per year with the 3%increase annually.
- d. There are just a lot of questions about said Fire Contract and little communication that makes sense to me. Jim cites the Contract for reasons of increasing the premium should the Town not pay insurances, in #8 of the contracts it states they (the Dept) own the buildings, yet they have no legal paper saying as much. Is this contract sufficient? I am just uncertain how binding this contract agreement is. Is it fair to assume the Town pays a higher cost if they don't pay the Insurance Premium. I think the Town needs some clarity in re: to the Fire Department. We are spending tax dollars and cannot accurately explain the situation. Is it worth it to have our Lawyer look at the Contract?
- e. The unpopular reality is that the Fire Department is on the Town's Property and without proper documentation the Halls are Town Property per legal advice obtained last Spring. Do we then wait until this Spring to ask the big questions hoping the Fire Department responds to our letter? It's just pushing the issue farther down the road again and the Fire Department doesn't have a good Communication track record with the Town.

vi. Resolution 1.2026.01 Town of Crystal Bay Hiring Policy
MOTION: to approve as presented. Tabled

B. Supervisor Updates:

- i. No update

C. Road and Bridge: Doug

- i. Brock Leblanc told our tandem wont pass DOT- We have until Summer
- ii. Loader was used for a bit on Park hill its working good,
- iii. When it warms up pudgy plans to scrape the town roads.

- iv. Paul helped the pudgy plow last time it worked well.
 - v. The fire hall has an ice dam due to a faulty gutter.
- D. Friends of Finland
- i. Regular Activities include:
 - a. Monday's 9:15am Bone Builders & 7:30pm AA
 - b. Tuesday's 8:30am to 4pm Tuesday Talents Craft Group
 - c. Wednesday's 9:15am Bone Builders
 - d. Thursday's 6pm to 9pm Youth Night
 - i. Dec 4th= 24kids
 - ii. Dec 11th = 27kids
 - iii. Dec 18th = 7kids (night of snowstorm)
 - iv. Dec 25th No program (Christmas)
 - e. Friday's 11am to 1pm Toddler Time & 7pm- Friday Night Gaming
 - f. Saturday's Conscious Movement 6:30pm
 - ii. Regular Monthly Activities and Upcoming Events
 - a. NSAP Senior Lunch is on the 2nd Wednesday every month @ 11:30am
 - b. No Monthly Pot luck in January due to Beargrease.
 - c. Beargrease is scheduled to come through Friday checkpoint on January 25th. Friends of Finland will again be having a chili fundraiser during Beargrease starting at 4pm until they sell out.
 - d. Monthly Winters Farmers Markets Dates are: 1/18,2/15,3/22
 - e. Friends of Finland will host a Community Meeting on February 16th, 2026 to invite the community to envision what additions or beautifications to the Clair Nelson grounds they would like to see take place with the Blandin Grant.
 - iii. Building:
 - a. There were 0 paid rentals in December of 2025
 - b. Summit Fire Protection did their annual inspection/ gave Clerk the invoices and switch to Crystal Bay Township for correct billing
 - c. The drain under the ice machine has been thoroughly cleaned out
 - d. Composter has been taken to the garage for the winter /possibly getting rid of this in the Spring.
 - e. The grease trap bin has been thoroughly emptied and cleaned out since we were not able to request a new one though Septic Funding.
 - iv. Request from the Town Board:
 - a. Arlene would like to ask a board member to come down to the center in the next week to figure out where to place some things such as trash receptacles that were written into the Blandin Grant for the grounds. We need to decide the best

place for these things with consideration to plowing/ mowing.

III. Old Business:

- A. Amend Snowplow Resolution 071624: to add;
 - 1. Snow Emergency: The Town Board determines that a Snow Emergency is anything over 12 inches in one snowfall. Crystal Bay Township does not have sufficient staffing for this amount of snow at this time, allowing the part-time road employee to be called out for assistance. Motioned by Supervisor Hartshorn , Seconded by Supervisor Nikula , Passed by unanimous consent.
- B. Part Time Road Worker Applicant
 - 1. Jon Goette sent a letter of interest on Jan 15th by email.

IV. New Business

- A. Reorganization
 - 1. MOTION to approve RESOLUTION 1.2026.01 Mileage Reimbursement
Motioned by Supervisor Hartshorn , Seconded by Supervisor Nikula , Passed by unanimous consent.
 - 2. MOTION ; The Town Board of Crystal Bay , Lake County, Minnesota holds its regular scheduled board meetings on the third Tuesday of each month at 6:00pm at the Clair Nelson Intermodal Transportation Center located at 6866 Cramer Road, Finland, MN 55603. If the date of a regular meeting falls on a holiday or conflicts with an election, the meeting will be held in the following week on the same day, time, and place. If a regular town board meeting must be held at a different date, time, and place than indicated above, or if the town board decides to hold a special board meeting, notice of the meeting will be posted or published in accordance with Township posting or publishing laws. A copy of this schedule shall be kept on file at the town's primary office where its records are kept. This schedule shall remain in effect until changed by motion of the town board. Motioned by Supervisor Hartshorn , Seconded by Supervisor Nikula , Passed by unanimous consent
 - 3. MOTION; The Board of Audit will be on Tuesday February 10th at 6pm at the Clair Nelson Community Center. The clerk will post accordingly. Motioned by Supervisor Hartshorn , Seconded by Supervisor Nikula , Passed by unanimous consent
 - 4. MOTION; the posing of the Annual Meeting date of March 10th at 6pm at the Clair Nelson Center, with an alternative date of March 17th, 2026 at 6pm at the Clair Nelson Community Center. Motioned by Supervisor Harshorn , Seconded by Supervisor Nikula , Passed by unanimous consent
 - 5. MOTION ; North Shore Journal is selected as the official newspaper for Township notices. Motioned by Supervisor Hartshorn, Seconded by Supervisor Nikula , Passed by unanimous consent.
 - 6. MOTION: the entry to the Community Center (Clair Nelson Intermodal Transportation Center) and the bulletin at the Finland Cooperative Store shall be the official posting places for Town business. Motioned by Supervisor Hartshorn , Seconded by Supervisor Nikula, Passed by unanimous consent
 - 7. MOTION: The North Shore Federal Credit Union is designated as the official depository bank for the Town of Crystal Bay with the Clerk, Treasurer, Chair and Vice Chair as signatories. Additionally the Clerk, Road Superintendent Douglas Perfetto and

Supervisor Nikula are approved for use of the Credit Union Share Secured VISA Card.
Motioned by Supervisor Nikula ,Seconded by Supervisor Hartshorn , Passed by
unanimous consent.

- B. The Lake County Committee of the Whole Meeting will be April 21st at 5pm here at the Clair Nelson Center, with our Monthly meeting taking place directly after at 6pm.
- C. The Board of Appeal and Equalization meeting will be on May 14th at 1pm at the Clair Nelson Center proper notice will be posted once received from Lake County.

V. Public Concerns:

- A. Randy Josephson asked if the Board considered putting the Rotating Loan fund into a 6th month CD. Supervisor Hartshorn motioned to roll the full amount of that fund into a 6th month CD. Seconded by Supervisor Nikula passed by unanimous consent.

VI. CLOSE MEETING: MOTION: to adjourn the meeting at 7:11 . until February 17th , 2026 at 6:00 p.m. at the Clair Nelson Community Center. Motioned by Supervisor Nikula , Seconded by Supervisor Hartshorn , Passed by unanimous consent.

_____ date: _____
Paul Hartshorn- Board Chair

_____ date: _____
Michael Nikula- Vice Chair

_____ date: _____
Roger Peterson- Supervisor

Attested to this 17th day of February, 2026

Stacy Breden - Town Clerk