

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
AUGUST 23, 2010**

1. CALL TO ORDER

Mayor Rud called a special meeting of the Lonsdale City Council to order at 6:00 p.m. in the City Council Chamber, 415 Central St. W.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Present: Daleiden, Rud, Furrer and Pelava

Absent: None

Staff Present: City Administrator Joel Erickson, Public Works Director Russ Vlasak, City Treasurer Joyce Skluzacek, Chief of Police Jason Schmitz and Library Director Diana Tallent

4. AGENDA

Mayor Rud asked if anyone had any additions or deletions to the agenda. A motion was made by Furrer and seconded by Pelava to approve the agenda as presented.

Vote for: Daleiden, Rud, Furrer and Pelava. Against: None Vote 4-0. Motion carried.

Kodada attended the meeting at 6:04 pm.

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

a. Discuss the 2011 City Budget

Erickson reviewed the City Hall staffing cuts proposed in his staff report. Mayor Rud asked how long the City would have to pay unemployment to a terminated employee. Erickson replied 26 weeks. Mayor Rud asked the City Councilmembers if they were comfortable with the proposed cuts to the City's contribution to employee's health insurance. Daleiden questioned if staff were looking at the cost of obtaining their own health insurance separate from the City. Kodada said he was comfortable with eliminating paying for dental insurance but said he did not want the entire City contribution to the H S A account eliminated. Furrer said she was comfortable with not paying the dental premium. She said when the City switched to an H S A in 2008, the employees were told the City contribution the H S A might get reduced. She also stated an increase of 10% for health insurance premiums was budgeted.

Erickson reviewed the proposed staff cuts in the Public Works Departments. He said it was the recommendation of the Public Works Director and himself to reduce staffing levels beginning with the part time employees, reducing the amount of mowing done and he provided alternatives to what is currently being

mowed. Mayor Rud asked if the City was receiving funds for cutting private property and if those funds were used to pay for the part time employees. Erickson said the City has about \$21,000.00 in receivables due for mowing private lots in the City. Mayor Rud said the revenue nearly covers the cost of the two part time employees. Erickson said the mowing alternatives discussed at the meeting could be implemented regardless of staffing level decisions. The City Council agreed that even though development is down, there are more streets and parks than ever before to be taken care of, which would make it difficult to reduce the staffing level in the Public Works Department.

Erickson reviewed a proposal to reduce the full time police officers from five to four. He stated the impacts this would have on coverage, over time, etc. Mayor Rud asked what percent the Police Department was of the General Fund. Erickson said it was about 32%. Daleiden asked what year the City went to 24 hour police coverage. Erickson replied 2007. Mayor Rud asked when the fifth full time officer was returning to work due to a leave and if the City saved any money because of the leave. Erickson said the officer is returning to work shortly after Labor Day and the City did save money due to the leave.

Erickson informed the City Council that he had met with Steve Vosejka of the 3R Landmark organization regarding the necessary repairs that need to be made to the 3R Landmark School. He said the City has budgeted \$20,000.00 for 2011 to make as many of the repairs as possible. He said that he will be attending the next 3R Landmark meeting to discuss the repairs and funding for the project.

Erickson said the City's expense to convert to 800 mhz is expected to cost \$140,000.00. He said the Fire District Board met last week and decided to wait to make a decision on using reserves or bonding through Rice County until the City finds out if the AFG grant applied for is awarded or not. Erickson said the Fire Board was leaning towards bonding for the 800 mhz equipment instead of using reserves.

Erickson said staff has been working with Paul Donna of Northland Securities on the possibility of refinancing the City's 2002A Bonds. He informed the City Council that there were three options: (1) keep the bond as is; (2) refinance the Bond or (3) pay the bond off. Erickson said by refinancing the bonds, the City could potentially save up to \$30,000.00. The consensus of the City Council was not to pay the bonds off but rather refinance the bonds with an early call date to have the option to pay the bonds off early.

Mayor Rud asked if any staff were interested in an early retirement package before the City Council decided on any staffing cuts. Daleiden asked what Montgomery did for their early retirement agreements. Mayor Rud said the City's would be modeled after what other cities have agreed to with their employees. Mayor Rud said with development and new homes extremely down, there is less work at City Hall but more work in the Public Works department. Daleiden agreed that building permits were down. Mayor Rud asked if the City Planner is being contracted to Elko New Market eight hours per week. Erickson replied yes. Mayor Rud said the City needs to cut \$90,000.00 at the next budget meeting. Daleiden said some of the cuts can be realized by reductions in the City's contribution to health insurance. Kodada said staff should be looking into severance packages for early retirement, insurance and staff cuts. Daleiden asked if the City was only responsible for twenty-six weeks of unemployment insurance. Erickson replied yes. The City Council discussed the City's obligation as it relates to unemployment, Cobra, etc. Mayor Rud asked if any City Councilmembers had any requests for information from staff for the next budget meeting.

11. OTHER BUSINESS

a. Upcoming Budget Meeting

Mayor Rud said the next budget meeting is scheduled for August 30th at 6:00 pm and asked if the date and time worked for everyone. Everyone said yes.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting.
Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0.
Motion carried. The meeting ended at 7:03 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator