

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
AUGUST 9, 2010**

1. CALL TO ORDER

Mayor Rud called a special meeting of the Lonsdale City Council to order at 6:30 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, Kodada, 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 Daleiden and seconded by Pelava to approve the agenda as presented. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

a. Fritz Duban – 626 Main St. N.

Duban stated he had spoken to Councilmember Furrer about adding the cost of mosquito spraying to the City's monthly utility bill as a way to collect the revenue to pay for the service.

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

a. Discuss the 2011 City Budget

Erickson said the cost to implement 800 mHz will be approximately \$140,000.00. Erickson said the Townships will be paying for 66% of the Fire Departments cost of \$89,000.00 for 800 mHz equipment. He said he spoke to Rice County about them financing the City's portion of the cost and was informed that the County will still do that if the City would like. Erickson said the County is still unsure of the financing terms. Erickson said a term of five years and four percent interest will cost the City about \$16,000.00 in interest. He said the City Council will need to decide if they what to use reserves to finance the equipment or have it financed through Rice County so a dollar amount can be included in the 2011 budget. Mayor Rud said the Fire Board will be meeting next and it will be discussed then to see what the Fire Board would like to do as far as the Fire Department expense.

Erickson said capital outlay has been added to the budget since the last meeting based on estimated replacement costs and the equipment's useful life. He said by adding in capital outlay, the budget runs in the negative so the City Council need to decide on an amount that will be budgeted for capital outlay. Mayor Rud asked

the City Council where they wanted to see property taxes at in 2011. Daleiden said the school districts have approved levies that resulted in tax increases over the last several years and he was comfortable with increasing taxes to pay for essential services. Kodada said with Local Government Aid (LGA) decreasing each year, property taxes will need to increase to make up the difference and to not continue to be dependent on LGA. Furrer said she was okay with increasing property taxes \$100.00 on a property valued at \$187,000.00 but added capital outlay has to be included in the budget. Pelava agreed with Furrer. Erickson said that \$20,000.00 has been budgeted for repairs to the 3R Landmark School. The City Council discussed selling the property. Staff was directed to see if the City can sell the property to a private party or a non-profit organization.

Erickson asked the City Council for direction on potential cuts to insurance. Daleiden said he would like to see a task force established to review and make a recommendation to the City Council on health insurance. Pelava said with the police department down to four full time officers maybe it is possible to go without the position. He added that the decision might not be too popular with the citizens. The City Council directed staff to research the possibility of staff cuts in each department before a decision would be made on any cuts to insurance. Skluzacek said she has proposed to the City Council the idea of employees going from 40 to 32 hours each week, cutting hours at the liquor store and going back to quarterly utility billing as ways of saving money. Daleiden said if staff was reduced to 32 hours the moral of the employees would not be good over the next several years. Mayor Rud said if cuts are going to be made they should not be made half way. Furrer said that residents are reading the paper and seeing that Montgomery has reduced its city hall staff and comparing it to Lonsdale. Daleiden another possible savings is to have eligible staff become exempt (salary) to save on comp. time and overtime.

11. OTHER BUSINESS

a. Upcoming Budget Meeting

Mayor Rud said the next budget meeting is scheduled for August 23rd 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 7:33 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator