

**MINUTES  
CITY OF LONSDALE  
SPECIAL CITY COUNCIL MEETING  
JULY 13, 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, Library Director Diana Tallent and Office Manager Janet Jirik

**4. AGENDA**

Mayor Rud asked if anyone had any additions or deletions to the agenda. A motion was made by Daleiden and seconded by Furrer 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**

None

**8. APPROVAL OF THE CONSENT AGENDA**

None

**9. OLD BUSINESS**

None

**10. NEW BUSINESS**

a. Discuss the 2011 City Budget

Erickson reviewed the staff memo contained in the meeting packet. Mayor Rud stated that discussion should focus on 2011 budget priorities and not cuts.

Daleiden stated that residents have indicated to him that trails are important to them and want to see them maintained. He said there might possibly be less new home construction permits in 2011, there needs to be better service controls pertaining to services such as mosquito control. Kodada stated that parks are important to residents and they are well maintained and it should be kept that way. He said street seal coating should be done to maintain and preserve the streets instead of doing nothing and reconstructing them before they need to be.

He said the City Council needs to consider the possibility of staff consolidations for better efficiencies. Furrer said health insurance needs to be looked at and increases kept under control. She said the City's Capital Improvement Plan (CIP) needs to continue but on a smaller scale. Pelava said the CIP should be continued due to the water main breaks over the winter months and cuts to public safety will be a concern to residents. He agreed with all other City Councilmember concerns. Rud said parks are important and that the residents he has spoken to are in support of the City building a water treatment plant and it should be done.

Rud requested that priorities be discussed. Erickson asked what the City Council's goal was for a tax rate in 2011. He said the City could increase the property tax levy by \$208,000.00 in 2011 to recoup the reduction in 2010 Local Government Aid (LGA) and Market Value Homestead Credit (MVHC). Mayor Rud asked if the City Council was comfortable with a property tax increase. Kodada said it will have to happen if the City wants to become less dependant on LGA. Daleiden reviewed LGA and said increasing the property tax levy will increase revenue to the City. Furrer said it is not a popular decision to raise property taxes and asked how much of an increase with the possibility of water rates increasing due to the proposed water treatment plant. Daleiden questioned if the City would be borrowing to finance the water treatment plant. The City Council discussed to advantages and disadvantages of borrow to finance the water treatment plant. Vlasak said that the next proposed area for the CIP has \$1.6 M in water improvements. Skluzacek said that the cost to operate the plant needs to be considered in any rate increase. The consensus of the City Council was to raise the water base fee by no more than \$5.00 / month. Kodada said the City could always pay the bonds off early to save money.

Kodada said the City should not budget \$4,250.00 for the summer recreation program coordinated by Montgomery / Lonsdale Community Education. He said the program should be fee based and not subsidized by the City. Vlasak said he would need to budget for increased park maintenance because new wood chips need to be purchased for the playground equipment areas in the parks and crack filling and fogging the trails. Daleiden asked Vlasak to review a typical day in the public works department. Vlasak said he and his employees discuss what tasks will be completed during the day at the beginning of each day and after that, staff departs to begin working on the discussed tasks. After lunch, employees touch base as to where they are in accomplishing the tasks and leave the shop to get back to work. At the end of the day, a quick status update is given to Vlasak. Mayor Rud asked Schmitz if he had anything to add to the discussion. Schmitz said he was looking for direction from the City Council regarding public safety. Mayor Rud said he wanted to see community policing continued as well as programs such as National Night Out, which Rud said is a good thing. Mayor Rud said staff had a wage freeze in 2010 and asked what would happen in 2011. Kodada said nothing can be decided until the health insurance premium increase is known. Daleiden asked staff to provide an overview of the unemployment process. Erickson explained how the unemployment payment process works for cities. Daleiden said that decisions pertaining to staffing levels can not be pushed off and need to be made in the near future so they have an affect on the 2011 budget. Daleiden discussed non-exempt (hourly and eligible for overtime) and exempt (salary and not eligible for overtime) staff and said giving certain employees exempt status is one way to save money.

Mayor Rud asked Tallent how the library was operating. Tallent said the library is running on a bare bones budget with minimal staff and it cannot go backwards in 2011. She said the County Library Directors will be giving a presentation to the County Board on August 17<sup>th</sup> at 8:30 am for their 2011 budget request. She said the libraries have a united front in support of the libraries financial request. Tallent said the summer reading program has 300 participants compared to Northfield's 400. Mayor Rud asked if hours need to be increased. Tallent said each day there are patrons waiting to get in the door. Mayor Rud asked Janet Jirik about City Hall. Jirik said she receives complaints about the cost and amount of staff time to conduct monthly billing compared to quarterly billing. Daleiden asked how contracting City Planner Ben Baker to Elko New Market was going. Erickson said it is going well. Skluzacek said it generates about \$800.00 per month in revenue. Pelava asked if Vlasak had made progress with Montgomery in discussing shared services. Vlasak said Montgomery is in a difficult financial situation and any possibility of shared services is slim. Daleiden asked if office staff could be shared with Montgomery.

- b. Discuss Water Treatment Plant Financing Options  
The City Council reviewed options of borrowing \$375,000.00, \$750,000.00, \$1,125,000.00 and \$1,500,000.00. The City Council discussed the financial benefits of borrowing funds or not.
- c. Discuss Water & Sewer Rates for 2011  
This item was discussed earlier in the meeting.
- d. Questions & Answers on the Proposed Personnel Policy  
The City Council held general discussion on the proposed Personnel Policy. Daleiden asked if the City has an AWAIR policy, etc. Erickson said the City has all of the OSHA required policies and training, which are provided by SafeAssue.

## **11. OTHER BUSINESS**

- a. Upcoming Budget Meeting  
Mayor Rud said the next budget meeting is scheduled for July 26<sup>th</sup> at 6:00 pm and asked if the date and time worked for everyone. Everyone said yes. Mayor Rud asked the City Council what information they wanted staff to provide for the next meeting. Kodada requested that a total compensation spreadsheet for all employees be provided for the meeting. Vlasak said capital outlay has been taking a hit due to budget cuts over the last two years and funding it appropriately should be discussed. Kodada asked that staff provide a Dental Insurance plan summary and cost. Furrer said that staff should be looking at all options for revenues and expenses.

Skluzacek reviewed the 2009 audit process and said that future Treasurer Reports will be based on the Banyon system and not the typical report they are used to reviewing. She said she is figuring out accrual financing and has reconciled cash through March of 2010.

## **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 7:55 pm.

Respectfully Submitted:

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Joel A. Erickson, City Administrator