

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
AUGUST 30, 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, 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 Kodada 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. Gary Skluzacek – 601 Railway St. SW

Skluzacek said the City should not increase the property tax levy by 5% but rather make the necessary cuts. He said all departments can make cuts and the City should look at department's historical spending.

b. Janet Jirik – 207 Tomah Court

Jirik said the City Council should be looking at reducing staffing levels at City Hall to 32 hours per week and not eliminate one position because that will make it difficult for staff to complete payroll, building permits, accounts payable with one less staff person. She said staff person has submitted a proposal to reduce their hours to part time and with that, reducing dependent insurance coverage, all staff going to 32 hours week, the saving is nearly \$95,000.00.

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

a. Discuss the 2011 City Budget

Erickson reviewed his staff report, which included a list of proposed cuts totaling \$96,000.00. Mayor Rud provided a history on recent budget cuts, State Aid unallotments, decreasing property values and increasing health insurance premiums. Daleiden said in a real world situation, the City would eliminate the dental insurance premium and the H S A contribution completely. He said that is what he would like to see and not reducing the dependent health insurance premium contribution at this time. Daleiden said these expenses have a large impact on the City's budget and he would like to see the proposed 5% property

tax levy increase reduced to 3 or 4%. Kodada said he was comfortable with eliminating the contribution for dental insurance and previously mentioned cuts but would rather see the H S A contribution only reduced by half, seal up the 3 R Landmark School and establishing a 3 year trail maintenance program because the trails were not built all at once. Mayor Rud reviewed the proposed cuts in Erickson's staff report. Daleiden commented on staff submitting proposals for early retirement or a reduction of hours. Daleiden asked the number of hours per week in which an employee qualifies for benefits. Erickson replied 40. Daleiden asked for a show of hands from the audience that would like to see mosquito control cut. Pelava asked what the results of staff going to 32 hours per week would be. Daleiden said staff would more than likely need to share job responsibilities amongst themselves. Mayor Rud asked if the City Planner was contracted to Elko New Market for 8 hours per week. Erickson replied yes. Furrer asked what the proposed increase to health insurance premiums was for the coming year. Erickson said the increase is 16.5%. Mayor Rud asked if there was a state plan the City could join. Erickson said he was not aware of a state plan but there are cooperatives the City could join. Daleiden suggest the City Council go forward with the plan to cut staff and look at job duty sharing. Kodada recommended the City Council make a staff cut, reduce the City's contribution to employee's H S A by half and eliminate the City's contribution to dental insurance. The City Council reviewed the City's responsibility pertaining to unemployment. Pelava asked if part time staff could make an unemployment claim. Erickson said it has happened in the past. Daleiden said the City Council should provide staff direction on how to proceed. Furrer said she does not want to see staff dictating to the City Council terms of any early retirement or reduce hours agreement. There was general discussion on the H S A. Mayor Rud said the H S A is to pay for insurance deductibles and not for anything else. Mayor Rud said the H S A should be eliminated and staffing levels at City Hall need to be reorganized with only 12 new construction permits pulled this year. Mayor Rud suggested eliminating the dental insurance premium, the H S A contribution and making staff cuts. There was general discussion on the proposed property tax levy. Mayor Rud asked if the City Council needed any more information from staff on the 2011 budget.

11. OTHER BUSINESS

None

12. ADJOURNMENT

A motion was made by Daleiden and seconded by Kodada to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried. The meeting ended at 7:08 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator