

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
JUNE 3, 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 and City Treasurer Joyce Skluzacek

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, 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 2010 Budget Reduction

Mayor Rud asked Erickson to provide a history as to why the City needs to make the necessary cuts to balance the City's 2010 budget. Erickson said that due to the state's recent budget deficit, the city had its State Aid reduced by \$208,666.00. Erickson explained Local Government Aid (LGA) and the Market Value Homestead Credit (MVHC). He said LGA has been reduced by approximately \$144,000 and MVHC has been reduced by approximately \$64,000.00. Mayor Rud said employee salaries are a difficult subject to discuss but they need to be addressed and staff is probably looking at a second year of a wage freeze. Kodada said a wage should happen at a minimum. Mayor Rud asked what capital outlay was budgeted for in 2010. Erickson said there was \$70,000.00 budgeted for an overlay of the older portion of Singing Hills Dr. SE and the Hwy 19 Sidewalk Improvement Project. Erickson reviewed several funding options to finance the Singing Hills Dr. SE overlay project. Mayor Rud asked the City Council if they felt moving forward with financing a water treatment plant was a good idea given the necessary budget cuts that need to be made. Kodada said the project should move ahead but possibility at a slower pace. Daleiden said the project is a health issue and concern of some residents and it needs to be constructed. Kodada asked staff several questions pertaining to proposed cuts to the Park Department. Mayor Rud asked if the C.S.A.H. #33 trail would be paved this year. Staff replied yes. Daleiden said he would like to

receive citizen input on what the priorities of the City should be and where cuts should or should not be made. Mayor Rud said several scenarios have been done that would require staff to take one week off unpaid or work 20% less and receive 20% less pay. The savings from these options would be approximately \$16,000.00 and \$167,000.00 respectfully. Furrer suggested the City Council lead by example and take another pay reduction similar to what might be experienced by City staff. Kodada said the parks are used so much that it would be a shame to reduce maintenance to them. Erickson said there are several options for generating additional revenue. He said they have not been popular in the past but include a street light utility fee, a storm water management fee and street improvement districts. Furrer asked if the City has thought about changing to even year elections to reduce the cost of the City printing so many ballots that go unused. She said the City could share in the cost of ballots and printing with everyone else on the ballot. Erickson said it was discussed in the past but at the time the City Council wanted to continue with odd year elections so the focus was only on the City. Erickson reviewed several "programs" such as the compost site, the food shelf and mosquito control and their associated cost to the City. Kodada asked how the building permit process is completed and how long it takes for an applicant to receive a building permit. Erickson reviewed the process and stated it takes between a couple of day and couple of weeks to obtain a building permit. The City Council reviewed revenues that will be generated but were not accounted for in the 2010 budget due to their approval after the budget was adopted. Kodada suggested the employee and not the City pay the dental insurance premium. Mayor Rud stated staff should publicize the upcoming Meeting with the Mayor as an avenue to solicit public comment on what should be City priorities. Daleiden said Meeting with the Mayor is a good thing but can get out of control and a meeting with the full City Council should be held to solicit public comment. A motion was made by Kodada and seconded by Furrer to schedule a Special City Council meeting for Thursday, June 17, 2010 at 6:00 pm in the City Council Chambers to review budget cuts to the 2010 budget. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

11. OTHER BUSINESS

None

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 7:19 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator