

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
NOVEMBER 17, 2014**

1. CALL TO ORDER

Mayor Rud called the meeting to order at 6:00 p.m. in the City Council Chambers, 415 Central St. W., Lonsdale, MN 55046

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 Tami Brokl

Others Present: None

4. AGENDA

Mayor Rud said there was one item on the agenda and asked if there were any additions 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. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

a. None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

a. Review of the City's Preliminary 2015 Budget

Erickson said this was the sixth budget meeting held and the purpose of the meeting is to review everything prior to its approval at the December 11, 2014 meeting. Erickson reviewed the following items:

1. Property Tax Levy:
 - a. Preliminary levy set at \$1,880,020.00 but recommended it be reduced to \$1,876,705 to keep the tax rate of 73.409 the same as 2014;
 - b. The levy has not been increased in three years;
 - c. Local Government Aid is budgeted at 100%;
 - d. Review of the tax map provided by Rice County showing parcel specific increases or decreases;

2. Administration:
 - a. Laserfische scanning/document storage software proposed to be purchased;
 - b. Purchase of new computer for Utility Billing

3. Planning & Zoning:
 - a. Summer GIS intern shared with Rice County;
 - b. Citizen survey in conjunction with the 2016 Comprehensive Plan update

4. Police Department:
 - a. Budgeted \$5,500.00 for a mobile speed trailer

5. EDA:
 - a. No changes

6. Library:
 - a. No major changes;
 - b. Rice County funding will remain at the 2014 amount of \$20,940.00

7. Debt Service (Idaho St. S.):
 - a. Budgeted an additional \$50,000 above the 2015 debt service amount to reduce the fund's deficit

8. Parks:
 - a. Budgeted for the Linking Lonsdale trail project and grant funds of \$89,000.00;
 - b. Reviewed a proposed deficit because of the use of remaining development funds dedicated to parks
 - c. \$90,000.00 budgeted for reconstruction of the trail north of Willow Creeks Heights Dr. SE

Furrer asked if the City was going to reconstruct the trail every 5-7 years due to damage caused by animals or if there are other construction options available. Erickson said the City will be facing the problem again in five to eight years. Furrer asked if the animals are accessing underneath the trail at new points. Erickson said yes. Kodada asked if the City was allowing a trapper to trap beavers and muskrats again this year. Vlasak said yes but the MN DNR is recommending animal friendly diversion improvements be made to waterway with this type of problem. Kodada suggested that the city supplement the price of pelts when the market is down because it would make it worth the trappers time and be much cheaper to pay the trapper than replace

the trail. He asked about the cost of the boardwalk sections because the trail would then be off the ground or some other type of permanent solution.

9. Water:

- a. \$350,000.00 water tower reconditioning project has been budgeted for;
- b. Fund deficit due to water tower project using budgeted reserves and anticipation that half of the new homes constructed in 2015 will defer the WAC fees associated with a building permit

10. Sewer:

- a. Deficit due to annual debt service for the wastewater treatment plant;
- b. \$40,000.00 budget for replacement of the HVAC system in the pretreatment building due to corrosion by gases and poor design

Vlasak said the damper broke and gases were backing up into the building corroding the equipment. He said he has turned the damage into insurance to see if it will be covered for replacement. Furrer asked if the gases backing up are/will cause health problems. Vlasak said no.

11. Road & Bridge:

- a. Reviewed the hiring of two full time employees with a start date of July 1, 2015;
- b. Street repairs on 10th Ave NW estimated at \$150,000.00 and Florida St. SW estimated at \$35,000.00;
- c. No sealcoating is proposed in 2015;
- d. Discussed the need for and financial impact of future street and utility reconstructions expected over the next twenty years

Mayor Rud asked if staff knew what the schools and the County were setting their levies at and what their tax rates would be. Erickson said he did not have that information. Mayor Rud said selling land in the Business Park would help a lot. Erickson reviewed the specific reasons for the tax increase and also cost savings and efficiencies implemented over the last several years. Mayor Rud said residents want the streets maintained. Pelava asked if staff had calculated the cost savings for items such as having meetings go paperless. Erickson said no. Kodada asked if, when bid, the Linking Lonsdale project will include city forces installing the storm sewer. Erickson said the project can be bid two ways. One with the contractor doing all of the work and one with the contractor not doing the storm sewer and if the cost savings is substantial, then staff would recommend city staff install the storm sewer.

Mayor Rud asked if the City Council was okay with the proposed tax increase. Furrer said the City has a simple budget and there are no frills included. She said if the City wants to continue to improve and be progressive, the additional funds are needed. Daleiden said the more improvements the City makes, the more attractive of a place to live Lonsdale becomes and home values increase. Pelava asked if the new computer for utility billing will also include new billing software. Erickson said no, it only replaces the computer, which was purchased in 2007/2008.

11. OTHER BUSINESS

a. 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. Vote against: None.

Abstained: None. Vote: 5-0. Motion carried. The meeting was adjourned at 6:41 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator