

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
NOVEMBER 18, 2013**

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 Chambers, 415 Central St. W.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Present: Rud, Kodada, Daleiden, Furrer and Pelava

Absent: None

Staff Present: City Administrator Joel Erickson, City Treasurer Tami Brokl and Public Works Director Russ Vlasak

4. AGENDA

Mayor Rud said the agenda went through 10A and asked if there were any additions, deletions or corrections to the agenda. A motion was made by Daleiden and seconded by Furrer to approve the agenda as presented. Vote for: Rud, Kodada, Daleiden, 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

a. Discuss the City's 2014 Annual Budget

The City Council continued its discussion on the City's 2014 budget. The City Council discussed:

Prior Meetings:

0% property tax levy increase;

Wage increase of 3.5% and health insurance increase of 2%;

Continue with street repairs and maintenance;

Area 5 of the City's CIP; and

Park projects proposed for 2014 and future years

2014 Fee Schedule:

Erickson said the City Council should review the proposed 2014 Fee Schedule. He said staff is looking to have most of the fees remain the same. He said staff is researching an "Erosion Control Inspection Fee" of around \$100.00 for enforcement of erosion control measures. Erickson said staff is recommending that items 1-17 under "Equipment Fees" be increased by 3.5% and that another fee be added to account for "weed whipping/trimming of properties in violation of City Code 91.04 (tall weeds/grass)". Erickson said the City currently does not have a fee for this and one should be added. He said that "Development Fees" are specific to "Legal" and "Engineering" fee increases and that the "Administrative Fee" be increased by 3.5% to \$96.25 / hour.

GIS Software:

Erickson said the City has budgeted funds over the last several years for the purchase of a GIS system and the City Council has directed staff to draft a proposal so the City is self-sufficient as it pertains to GIS. Erickson stated that staff has determined the cost for an ultimate GIS program is near \$40,000.00 and to get a program up and running with map making capabilities, the cost is \$8,000.00. He said that staff will be presenting the GIS proposal and purchase of Phase I items and services at an upcoming meeting.

Line Item Budget:

Erickson said the City Treasurer and himself have reviewed each line item of the 2014 budget and are comfortable with them and asked if there were any questions.

Liquor Fund:

Erickson summarized the Liquor Fund to date as follows:

1. YTD revenues and expenses are on track with the budget;
2. YTD gross profit percentage of 25.40%, an increase of 10% over 2012;
3. YTD operating profit of \$46,491.66;
4. YTD depreciation of \$24,699.20;
5. YTD net profit of: \$21,792.46

He said the staff has done a good job of making sure gross margin percentages goals are being achieved and is the main reason for the success of the store.

Erickson said with the current fund balance of \$130,000.00, a transfer of \$30,000.00 could be made and the fund would still have a sufficient fund balance to operate with. He said historically, the liquor fund increases substantially in November and December of each year, which could provide for another transfer to the sewer fund or park fund.

Water Fund:

Erickson recommended the City Council review the 2012 financial statements pertaining to the water fund and discuss if a rate increase should be imposed or not. He said the last time the water rates were increased were in 2011, which was a requirement to obtain PFA funding for the water treatment plant without having to use more than dire reserves. The City Council discussed a rate increase in detail.

Sewer Fund:

The City Council reviewed the 2012 financial statements pertaining to the sewer fund. Erickson said that to cover the debt service, 90 homes need to be constructed. If 90 homes are not constructed, rates are used to fund the debt service. He said that in all enterprise funds, depreciation is being funded either fully or to a large extent. The consensus of the City Council was to raise the per 1,000 gallon sewer rate by \$2.00 to account for increased electrical expenses for running the two aeration basins, bio-solids and future capital outlay such as sewer mains and services associated with reconstruction projects.

10. NEW BUSINESS

None

11. OTHER BUSINESS

None

12. ADJOURNMENT

A motion was made by Daleiden and seconded by Furrer to adjourn the meeting. Vote for: Rud, Daleiden, Furrer and Pelava. Against: None Vote 4-0. Motion carried. The meeting ended at 7:36 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator