

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
JULY 20, 2015**

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 Street West.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Present: Daleiden, Rud, Furrer and Pelava

Absent: Kodada

Staff Present: City Administrator Joel Erickson, Chief of Police Jason Schmitz and Public Works Director Russ Vlasak

Others Present: None

4. AGENDA

Mayor Rud asked if there were any additions, deletions or corrections to the agenda.

A motion was made by Pelava seconded by Furrer to approve the agenda as presented. Vote for: Daleiden, Rud, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. 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 City's 2016 Annual Budget

Erickson said this is the first meeting pertaining to the City's 2016 budget. He said the 2015 property tax levy was increased by \$227,570 or 13.8% over 2014 and he has informed department heads to prepare for a 0% levy increase.

Daleiden said in 2015 additional staff in Public Works were hired and he questioned how staffing in the police department was. Chief Schmitz said

recently, the part time position has had a tenure of less than one year. He said himself and Administrator Erickson have been discussing adding a sixth full time officer and eliminating as much part time staffing as possible. Schmitz said the increased cost is \$13,000.00 annually. He said a way to reduce the cost in the first year is to have the sixth full time officer start in April or May of 2016. Pelava said the increased cost would be off set with less cost in training new officers and equipment costs.

Erickson said if the City intends to construct Area No. 5 – Phase II, the decision needs to be made to proceed and if staff should solicit engineering RFP's or negotiate with WSB & Associates, Inc. He recommended negotiating with WSB & Associates because they did the feasibility study for all of Area No. 5 and are currently the engineers for Phase I. Mayor Rud asked if the current project is on budget with the contaminated material found in 2nd Ave SE. Erickson said the project is on budget but the costs to remedy the contaminated material is unknown at this time. Daleiden suggested including additional costs in future phases to account for situations like 2nd Ave SE. Erickson reviewed the scope of work and project area for Phase II. Public Works Director Vlasak recommended extending Delaware St. SE further to the east to catch drainage from between Simon Brothers and Malecha Trucking. He also said that Florida St. SW and 2nd Ave SW are in very poor condition and should be included in Phase IV. Daleiden said the best time to get bids is December and into January. Erickson asked what the Council wanted staff to do. Mayor Rud said to get the best price from WSB & Associates, Inc. and bring it back to the City Council.

Erickson said street maintenance will be worked on by staff for an upcoming meeting. Vlasak said in 2016, it is proposed to seal coat Heritage Estates and Singing Hills Dr. SE that was overlaid several years ago. He said in 2017, there are some areas in the Rolling Ridge subdivision that need to be milled and overlaid due to pavement failure.

Erickson said an addition to City Hall was discussed during the 2015 budget process but due to other needs, no funds were budgeted. He said something should be done in the next several years. Furrer asked if there is anything in the meantime that could be done to provide the City Planner his own office. Erickson said the simplest thing to do would be to building a wall and divide the conference room in half. Mayor Rud said if the plan is to keep the current City Hall for a while, plans for an addition should be looked into so a cost is at least known. Pelava asked if there was a leak at the Police Department. Chief Schmitz said there is a leak where the wall and roof meet over the garage.

Erickson said there are funds that were budget in 2015 that will not be budgeted for in 2016. He said the one item budgeted for in 2015 was a Laserfische program for document storage. He said it would be nice to have but the staff to implement and use the program, simply is not there.

Erickson said the City Council has discussed a storm water management fee in the past but did not like the idea because it is too much like a tax. He said it would provide another fund source for street reconstruction projects. Erickson said for example, there are over \$100,000 in drainage related expenses for the Area No. 5

project. Vlasak said the fee could also be used to finance the cost that will be incurred to clean the retention ponds associated with all of the new developments. There was no interest by the City Council to pursue a storm water management fee.

Erickson said an infrastructure project staff has been working on is what to do with Lift Station No. 1. He said staff has obtained a preliminary cost estimate to update the lift station and install a generator and WSB has provided a proposal to do cost estimating and cost benefit analysis on a gravity line to Lift Station No. 2, which was the original intent with building Lift Station No. 2 so deep. Mayor Rud said gravity flow was the original intent. Vlasak said the cost estimate for upgrading the lift station is \$170,000 and gravity flow is estimated between \$200,000 and \$230,000. Mayor Rud recommended not doing the study and rather getting a construction cost estimate, which should be within 20% of the actual cost.

Erickson said a positive note is that several debt service funds will be paid off in 2017, which will free up nearly \$500,000 from the property tax levy. He said most likely, those funds will be needed to pay for future debt service funds relating to future street and utility improvement project.

Erickson explained the process to change the salaries for elected officials. He said since the City is having an election this year, any increase would need to be approved prior to the election and become effective January 1, 2016. The Council agreed that their wages were comparable to the surrounding communities.

Erickson said it is proposed to increase staff wages by 3.5% in 2016. He said since sending out the packet for this meeting, insurance renewal rates were received and the increase is 1.5%. He recommended accepting the minimal rate increase and sign up with Preferred One for another year. Erickson explained the differences in coverage between the 2014/2015 plan and the 2015/2015 plan.

There was discussion on the Police Department, specifically the starting wage and turnover in that position. The City Council reviewed wages from several cities that are currently advertising for full time officers. Furrer said the staff at the Library have also requested an wage increase due to surrounding community library staff being paid more than Lonsdale. Pelava asked if the City still provides a wage increase for Public Work staff that obtain licenses. Vlasak said it used to be that way but not anymore. Mayor Rud suggested an in house wage performance be completed.

Erickson said the water fund had a fund balance of \$2,682,310 as of June 30th. He said the fund had an operating loss of \$1,297 in 2014 but a net cash increase of \$69,891 because of WAC fees paid by new homes. He said when a street and utility project is done, the water fund pays for the cost of the new watermain and services above what assessments do not cover. He said in Area No. 5, the water fund expense is estimated at \$324,000 plus interest. He said staff will continue to review rates but a slight increase is expected to be proposed by staff.

Erickson said the sewer fund has a fund balance of \$2,061,610 as of June 30th. He said the fund had operating revenue of \$338,481 in 2014 but a net decrease in

cash of \$1,103 due to bond payments for the wastewater treatment plant, the DRS sewer project and a new truck. Mayor Rud asked if the City plans to continue with the purchase of aerators. Vlasak said not at this time because there is one extra new one with only running one pond.

Erickson said with the amount of turnover of part time officers and the lowest paid full time officer recently, staff has been discussing adding a sixth full time officer and eliminating as many part time hours as possible. Mayor Rud asked if it could be made to work financially to add a sixth full time officer. Erickson said yes. Chief Schmitz reviewed the amount of training time it takes to adequately train a new officer. Furrer asked if we currently have twenty-four hour coverage. Schmitz replied yes but if a full time officer would resign now, there would not be twenty-four hour coverage. Pelava asked if forfeiture funds could be used to purchase capital outlay equipment and those funds be used to finance more staff. Schmitz replied yes. Daleiden said he would be comfortable increasing the starting wage to be comparable with the City of Crystal. Mayor Rud said staff should work towards making a sixth full time officer work. Furrer questioned if a comparable worth study should be completed citywide. There was general discussion on how increasing wages in the Police Department will affect other departments and the fact they might request their wages be increase because the Police Departments might be. Mayor Rud reiterated making a sixth full time officer work because we are growing and will continue to do so.

Erickson said between now and the next budget meeting, staff will be working on the Public Works Departments budget. He said he has met with the Library Director and no major changes are expected for 2016. He also said he needs to review how excess TIF revenue can be used.

b. Consider Approval to Change the Time of the August 3, 2015 Special Meeting to 7:00 PM

Mayor Rud requested the Special Meeting scheduled for August 3, 2015 at 6:00 pm be rescheduled to 7:00 pm due to the Lonsdale Little League Picnic. A motion was made by Daleiden and seconded by Furrer to reschedule the August 3, 2015 Special Meeting to 7:00 pm. Vote for: Daleiden, Rud, Furrer and Pelava. Against: None Vote 4-0. Motion carried.

11. OTHER BUSINESS

Department Reports:

None

12. ADJOURNMENT

A motion was made by Furrer and seconded by Daleiden to adjourn the meeting. Vote for: Daleiden, Rud, Furrer and Pelava. Against: None Vote 4-0. Motion carried. The meeting ended at 7:37 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator