

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
JULY 25, 2011**

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: Kodada, Rud, Furrer and Pelava

Absent: Daleiden

Staff Present: City Administrator Joel Erickson, City Treasurer Joyce Skluzacek, Public Works Director Russ Vlasak, Chief of Police Jason Schmitz and Library Director Diana Tallent

4. AGENDA

Mayor Rud said there is one item on the agenda and asked if there were any additions or deletions to the agenda. A motion was made by Kodada and seconded by Pelava to approve the agenda. Vote for: Kodada, Rud, Furrer and Pelava. Against: 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 2012 Annual Budget

Erickson said this was the second budget meeting of the year.

City Council:

Erickson began reviewing City Council expenses and stated wages had been increased to account for additional meeting relating to projects such as a street reconstruction project in 2012 and planning for the 2013 street reconstruction project. He said the ordinance adopted to reduce City Councilmember

compensation will expire at the end of 2011 and 2012 compensation will need to be determined and approved. He said training and education was increased for attendance at the League of Minnesota Cities annual conference.

Planning and Zoning:

Erickson reviewed Planning and Zoning and stated there were no significant changes proposed.

Police Department:

Erickson said fuel was increased and legal fees have been decreased. Erickson said it is scheduled to purchase a new squad in 2012 to replace the 2007 squad. He said funds have been budgeted for three years for the purchase. He stated that improvements to the building such as the installation of a kitchen sink and new flooring in the work area have been budgeted for because there is no kitchen sink to wash dishes, etc. and the flooring needs to be replaced. Erickson said 800 MHz has to be funded in 2012. He said Rice County has decided not to bond for communities to purchase the equipment. Vlasak said that 800 MHz equipment for the civil defense sirens may increase the cost to the City. Erickson also said a new computer in the squad has been budgeted for as well.

Economic Development Authority (EDA):

Erickson said at the last EDA meeting, the Board reviewed their 2012 budget. He stated the Board requested funding from the property tax levy in the amount of \$50,000.00. The City Council reviewed the EDA's fund balance and decided not to provide funding for the EDA through the property tax levy. Erickson said the EDA is currently planning the next round of the Lonsdale 1st program that will run between November 1st and December 31st.

Library:

Erickson reviewed revenues for the Library and general discussion was held on the property tax levy and Rice County Maintenance of Effort funding. Library Director Diana Tallent stated the Library's budget should remain relatively flat. She said shelving is needed behind the circulation desk. Kodada asked the amount of LGA the City will receive in 2012. Erickson said about \$245,000.00 has been certified but only \$150,000.00 will be budgeted. Mayor Rud asked what impact a decrease in County funding would have on the City. Erickson said the two options available to the City would be to: (1) reduce expenses or (2) use the property tax levy. Mayor Rud said the Library has been a huge success and the City should fund any decrease in Rice County funding. Mayor Rud asked how the Summer Reading Program was going. Tallent said there were 396 kids registered, which was similar to Northfield.

Debt Service:

Erickson reviewed the fund balances of the 80th St. Project, 8th Ave NW Project and the 7th Ave NW Project. He said the 8th Ave NW and 7th Ave NE funds had fund balances as of 12/31/2010 but the 80th St. Project would run a deficit in 2012 because special assessments are not being paid. He said to prevent a deficit, the City would need to increase the property tax levy by \$40,000.00.

Park and Recreation:

Erickson said recently, a meeting was held regarding improvements to the Jaycee Park ball fields and the projected cost is \$25,000.00 - \$30,000.00. He said staff is working on updating the project cost and will bring the costs back to the City Council at the next budget meeting. Mayor Rud asked if Rice County has provided the City an update on the process to sell the Highway Department Shop. Erickson said no. Mayor Rud said the City purchasing the building would be an asset to the City to remove the stock piles of dirt and expand the Jaycee Park. Mayor Rud asked the City Councilmembers their thought on the City purchasing the property. The City Council agreed purchasing the property would be a benefit to the City.

Water Department:

Erickson said with a street and utility reconstruction project scheduled for 2012 and possibility 2013, the City will need to budget for water main, service lines and engineering. He said if a project is going to take place in 2013, planning expenses will also need to be budgeted for. Erickson said the water treatment plant will be on-line in the Spring of 2012 and operational expenses such as additional chemical and electricity will have to be budgeted for. Erickson suggested a rate study should be completed, which could be done by a consultant or in-house. Erickson said before the next budget meeting, staff will meet to review the revenues and expenses for the water department.

Sewer Department:

Erickson said he did not expect many differences in revenues or expenses in 2102 compared to 2011. He said the wastewater treatment plant PFA loan payment will have to be evaluated to make sure the fund does not run a deficit in 2012. Erickson and Vlasak reviewed the purchase of an aerator in 2012. Vlasak said to date, two new aerators have been purchase to replace the original aerators for the aeration basin. He reviewed the reasons for the replacement of the aerators and said he has obtained a quote for the purchase of a third aerator.

Liquor Department:

Erickson said he will be meeting with the Liquor Store Manager to complete the 2012 budget. He said the main focus will be to continue to keep the store profitable.

Road and Bridge:

Erickson said he wanted to make sure communication between the City Council and staff was clear on capital outlay purchases. Vlasak said he would like to increase the street maintenance budget to provide for more cracking filling and sealcoating. Kodada said the City should do as much street maintenance as possible.

11. OTHER BUSINESS

- a. None

12. ADJOURNMENT

A motion was made by Kodada and seconded by Pelava to adjourn the meeting. Vote for: Kodada, Rud, Furrer and Pelava. Against: None Vote 4-0. Motion carried. The meeting ended at 7:30 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator