

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
AUGUST 23, 2012**

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: Daleiden, Kodada, Rud, Furrer and Pelava

Absent: None

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

4. AGENDA

Mayor Rud said the agenda went through 9A and asked if there were any additions or deletions to the agenda. A motion was made by Pelava and seconded by Furrer 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

a. Discuss the Annual 2013 City Budget

General:

Erickson said this was the third meeting on the 2013 budget. He reviewed the proposed resolution adopting the 2013 preliminary budget and property tax levy. He said the proposed levy is \$1,649,135.00 of which, \$1,199,219.00 is for the General Fund departments and \$449,916.00 is for debt service. Mayor Rud asked how the proposed tax levy affects residential properties. Erickson said based on the preliminary numbers provided by Rice County, residential properties are basically the same and businesses will see an increase in their property taxes.

Wages & Insurance:

Erickson said he was proposing a 3.5% increase in wages and the same cost participation formula for health insurance. He said he budgeted for a 15% increase in health insurance premiums. Mayor Rud asked how health insurance is being funded with a proposed increase and the same levy amount. Erickson said it is divided proportionately between each department. Mayor Rud asked what the staffing plan was for Public Works, specifically if seasonal employees will continue to be used and when. Vlasak said he plans to call Vlasak and Jirik prior to the other part time employees for snow removal because it will save money. Mayor Rud asked how staffing was at the liquor store. Erickson said Edwards has resigned and he reviewed the hours worked by current staff. Furrer asked if the 3.5% increase was also proposed for the library staff. Erickson said it is included in the budget but technically should be approved by the Library Board. The City Council held general discussion on the library.

Administration:

Erickson said he budgeted a 5% increase for workers compensation and general liability insurance based in the recommendation of the League of Minnesota Cities. Furrer asked if the settlement with Christiansen will have an effect in the City's premium. Erickson said it could but felt the City's insurance company agreed to the settle to limit their future liability.

Erickson said it is proposed to budget \$20,000.00 for the 3 R Landmark School. He said in 2013, there will be \$60,000.00 for repairs to be made. The City Council held general discussion on the 3 R Landmark School.

Planning & Zoning:

Erickson said that \$7,000.00 is proposed to be budgeted for GIS services from WSB & Associates, Inc. The City Council discussed what GIS options were available to the City. Mayor Rud said the City should have CAD software to be dependent and do as much as possible in house. Kodada said more should be budgeted for GIS and the City should get its own software.

Police Department:

Erickson said the Police Department budget was reviewed at the last meeting but the Chief was unable to attend. He said the only big change includes making Candis Parkos full time. Erickson said the cost of doing so is \$18,000.00. Mayor Rud asked Schmitz how valuable Parkos was. Schmitz said Parkos is very valuable due to amount of training the City has invested in her. Schmitz summarized Parko's duties. Pelava said with the City planning to utilize more part time police officers, making Parkos full time will be of value and provide stability between the part time officers. Furrer said making Parkos full time will not increase the budget with one less full time police officer in 2013.

EDA:

Erickson said the EDA Board held their meeting last week and agreed with the City Council to no longer pursue collection of the delinquent loan of Heritage Heating & Air. The City Council reviewed the loans currently outstanding.

Park & Recreation:

Erickson said this department was reviewed at the last budget meeting. He said the topic for discussion is trail maintenance. He said staff has obtained a cost of \$3.00 per square yard for the slurry sealcoating proposed. Erickson said that 1/3 of the trail system will be done in 2013. He said the City Council will have to decide how to fund the remaining 2/3's of the trail system in future years. The City Council agreed to proceed with the slurry sealcoat and having it done as early as possible in 2013 to see how it holds up the remainder of the year. Pelava asked about the status of the WELCO retaining wall and trail. Vlasak said that the retaining wall will be removed and the hill graded next week. Erickson reviewed the proposed plan for the removal and financing of the project.

Road & Bridge:

Erickson said with the exception of street maintenance, the expenses are proposed to be the similar to 2012. He said street maintenance is proposed to be increased due to patching in the southwest section of town and repairs that need to be made to Idaho St. S. Kodada said making patching a priority is a good idea because residents at improvement hearings say they want their streets maintained. Erickson reviewed the proposed streets for seal coating.

Water:

Erickson said WAC revenues are based on 15 new homes and water sales are projected at \$410,000.00, based on 2012 sales YTD. He said chemicals are projected at \$38,000.00 and electrical has increased to account for the water treatment plant. Erickson said capital outlay has been reduced by \$20,000.00 based on the capital outlay spreadsheet and debt service has increased to account for the water treatment plant payments.

Sewer:

Erickson said revenues are based on the same criteria as the water fund. He said the refunds and reimbursements will have to be eliminated because that is the liquor fund repayment and is not accounted for in the line item budget. Erickson said expenses are similar to 2012. He said a portion of Jirik's salary comes out of the sewer fund and chemicals and electrical are proposed to decrease based on 2012 YTD. He said capital outlay is budgeted at \$51,190.00. Erickson both water and sewer will need to be revised prior to approving the final budget in December.

Vlasak proposed the City complete the DRS sanitary sewer connection in 2013. The City Council reviewed the proposed project. Vlasak said the project bids have come in between \$30,000.00 and \$90,000.00. The City Council agreed that if the project comes in closer to the \$30,000.00 amount, it seems to make sense to complete the project.

Mayor Rud asked if a fourth meeting on the 2013 annual city budget needed to be scheduled for September 6, 2012. Kodada said with health insurance rates being provided to the City in the next several days and the DRS sewer connection being bid out, one more meeting should be held prior to approval of the preliminary budget and property tax levy. A motion was made by Kodada and seconded by Pelava to schedule a special meeting for September 6, 2012 at 6:00 pm in the City

Council Chambers to discuss the 2013 annual city budget. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

10. NEW BUSINESS

None

11. OTHER BUSINESS

a. Area No. 2 Street and Utility Improvement Project

Mayor Rud said the City Council should discuss the removal and replacement of curb and spraying all the curb with a curing compound. Erickson said he received a quote in the amount of \$10,000.00 to spray a curing compound on all of the curb in the project area so it all looks the same. Erickson said staff has walked the project and is proposing to remove more curb than has been taken out and use the \$10,000.00 instead of applying the curing compound. He said the only issue with that recommendation is that the City told residents the curbs would be sprayed with the curing compound. The City Council discussed how much more curb would be taken out and if staff could spray the curing compound on the curbs. The City Council agreed to use the \$10,000.00 to replace as much curb as possible and to have staff spray the curing compound on the curbs.

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 7:55 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator