

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
SEPTEMBER 15, 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: Kodada, Rud, Furrer and Pelava

Absent: Daleiden

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

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 Kodada and seconded by Pelava to approve the agenda as presented. Vote for: Kodada, Rud, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. 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. Discuss the City's Preliminary 2015 Budget

Erickson said this was the fifth meeting on the 2015 preliminary property tax levy and budget. He said the items to be discussed included: public works staffing levels, review of debt service funds, property tax impacts, trail maintenance and street maintenance. Erickson asked if the City Councilmembers had any priorities and/or goals that have not been discussed to be included in the 2015 budget.

Erickson said based on the proposed budget, he was recommending the tax levy be increased to \$1,900,000.00, which was higher than discussed at prior budget meetings. He said the main reason for the recommendation was due to the amount of street maintenance that will need to be done to streets prior to them being reconstructed. Erickson said that LGA is being budgeted at 100% of what was certified by the Department of Revenue.

Erickson said that \$50,000.00 more than what is need to make the 2015 bond payments is included in the budget to begin reducing the deficit in the Idaho St. Debt Service Fund. He said the reason there is a deficit, is because the developer of the Legacy Meadows Subdivision did not pay the special assessments levied against four lots in the development.

Erickson said at prior budget meetings, the City Council decided to include funding for two full-time Public Works employees. He said staffing levels will consist of six full time and two seasonal employees.

Erickson said funds for repairs to 10th Ave NW and Florida St SW are included in the 2015 budget. He said after reviewing all the streets in the older section of town, funds will have to budgeted each year for maintenance until they get reconstructed. He said several of the streets will not last more than two years. Vlasak agreed and said more funds will be needed for street maintenance in the coming years. Kodada asked if reserves from the Road and Bridge Fund could be used. Erickson replied yes.

Mayor Rud said he would like to keep the 2015 tax rate the same as in 2014. Mayor Rud said not everything will be able to be included in the budget and spending needs to be controlled. Erickson recommended that Florida St. SW be repaired, no full-time staff be hired and only half of 10th Ave NW be milled and overlaid. Kodada suggested the tax levy be increased to \$1,880,020.00. He also said to save money, the full-time public works employees could be hired in May and not in January.

Erickson said another item the City will need to begin budgeting for is trail maintenance. Specifically, the trail north of Willow Creek Dr. SE. He said the estimated cost to repair this section of trail is \$90,000.00. Erickson said this section was redone about five years ago and needs to be redone again. Kodada asked if the trail could be paved by staff. Both Kodada and Mayor Rud said with more staff, more work needs to be done in house and not by hired contractors. Kodada asked if the \$90,000.00 for trail maintenance was included in the budget. Erickson replied yes. Kodada recommended the levy be set at \$1,800,000.00 and reserves be used if needed. Mayor Rud agreed. Mayor Rud asked the City Council what direction to proceed in. Furrer said \$1,900,000.00 was out of the question. Kodada said that \$1,800,000.00 was manageable. Mayor Rud agreed and said with a lot sale in the Business Park, that would help as well.

Erickson said he has received the health insurance increase for 2015, which was 30%. He said included in the proposed budget is a 3.5% wage increase for staff and the 30% health insurance premium increase. Erickson explained the reasons

for the substantial increase. Mayor Rud said he would rather take care of current employees before hiring additional employees.

Kodada said he was comfortable with setting the preliminary property tax levy at \$1,880,020.00. He also said the next budget meeting should have Public Works as its main focus.

11. OTHER BUSINESS

a. None

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting.

Vote for: Kodada, Rud, Furrer and Pelava. Vote against: None. Abstained: None.

Vote: 4-0. Motion carried. The meeting was adjourned at 7:23 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator