

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
SEPTEMBER 6, 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 there was one item on the agenda and asked if there were any additions or deletions to the agenda. A motion was made by Daleiden 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 fourth meeting on the 2013 budget and the last prior to adoption of the City's preliminary property tax levy. 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.

Health Insurance:

Erickson said he had received the renewal rates for health insurance, which increased 17% and have been incorporated in the 2013 preliminary budget. He said he contacted the City's insurance broker and the process to go to market has

started. He said he anticipates the proposals in four to six weeks. Mayor Rud asked what the increase equated to in dollars. Erickson said about \$15,000.00. Mayor Rud asked with keeping the property tax levy the same what other expenses were cut. Erickson said each line item was looked at closely and saving was realized. Vlasak said capital outlay has also been reduced to realize savings. He reviewed options for reducing the City's contribution to the Health Savings Account (HSA) and/or reducing the proposed 3.5% wage increase. Erickson summarized the changes in employee health insurance funding since 2009. The City Council held general discussion on the City's contribution for employee health insurance.

Police Department:

Erickson summarized the staffing situation in the Police Department. He reviewed the process and cost for getting a part time officer on the street working by themselves. Erickson recommended the City Council consider the long term a solution for staffing issues by hiring a full time police officer. Mayor Rud asked the cost of hiring a full time police officer. Erickson said the cost difference between 2012 and 2013 is \$18,000.00. The City Council agreed the City needs 24 hour police coverage. Police Chief Jason Schmitz reviewed staffing levels and provided an update on the process of current backgrounds being done on two applicants for two part time police officer positions. The City Council held discussion on full time officers compared to part time officers. The City Council agreed to budget for five full time police officers in 2013.

Based on the recommendation of Police Chief, the City Council discussed freezing the wage for part time police officers at \$17.64/hr. because it is competitive with surrounding agencies and for the fact a part time officer could have a higher wage than a starting full time police officer. Staff was directed to determine the cost savings by freezing part time wages in the Police Department and all part time employees.

Public Work Licenses:

Public Works Director Russ Vlasak informed the City Council that public works employees are questioning how to obtain a step increase and if that could be done by obtaining additional licenses. Mayor Rud said in the past that was done but with tight budgets over the last several years, it has not been done. The City Council agreed that if an employee obtained a license that benefits the City, an increase would be considered.

Tri-City United Community Education Funding Request:

Erickson said he received a funding request from Tri-City United Community Education for 2012 and 2013. He said the request was for \$1,000.00 to \$2,000.00 and in 2013 for \$5,000.00. Erickson reviewed the funding the City has provided in past years. He recommended not providing funding because the fees paid should cover the expenses associated with the programs. The City Council discussed the request and decided not to make a financial contribution to Tri-City United Community Education in 2012 or 2013.

Financial Planning:

Erickson said he will be obtaining quotes for a five year financial plan for the City that takes into account the City's property tax levy, investments and future expenditures such as the City's capital improvement projects. Mayor Rud asked what the City's fund balance was. Erickson replied approximately \$6,500,000.00. Mayor Rud said when taking office, the City had a fund balance of \$5,000,000.00 and the city has done a good job of managing the City's finances over the last nine years.

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: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0.

Motion carried. The meeting ended at 7:17 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator