

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
DECEMBER 8, 2022**

1. CALL TO ORDER

Mayor Pro-Tem Kodada called a meeting of the Lonsdale City Council to order at 7:01 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

Members Present: David Webb, Kevin Kodada, Cindy Furrer and Scott Pelava

Members Absent: Tim Rud

City Staff Present: City Administrator Joel Erickson and City Engineer Nick Guilliams

4. APPROVAL OF AGENDA

Kodada asked if there were any additions, deletions or corrections to the agenda. Kodada said there was another business added for a cigarette license. A motion was made by Pelava and seconded by Furrer to approve the agenda with the addition. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

5. APPROVAL OF MINUTES

- a. Consider Approval of the Minutes From the November 10, 2022 Regular Meeting
A motion was made by Pelava and seconded by Webb to approve the minutes from the November 10, 2022 Regular Meeting. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

8. APPROVAL OF THE CONSENT AGENDA

- a. Consider Approval to Issue a Cigarette License to Mackenthun's Fine Foods, Casaey's General Store and Dollar General for 2023
Kodada said that Mackenthun's, Casey's General Store and Dollar General have applied for Cigarette Licenses and asked if anyone wanted the item pulled for discussion. A motion was made by Furrer and seconded by Webb to approve the requested Cigarette Licenses. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Discussion and Public Input on the Proposed 2023 City Budget and Property Tax Levy
Erickson said in the past, it was required to hold a public hearing or Truth-N-Taxation (TNT) hearing but the law changed several years ago and now, it is only required to have an agenda item to discuss the 2023 budget and property tax levy. He said it is required even though all the budget meetings were open to the public. Erickson reviewed the following items: the proposed tax levy of \$2,875,000, which is increasing by 17.59%, changes in market value, taxable market value, tax capacity and tax rate since 2017, proposed tax increases between \$2.28 and \$301.79 for 2023, the proposed wage increase of 5.30% and insurance costs and revenues/expenses for each department. Kodada said the City Council has been discussing the budget since June and has a good handle on it. He invited any residents that wanted to, to speak on the proposed budget and tax levy.

Ryan Skluzacek – 447 Singing Hills Dr. SE

Skluzacek said he meets a lot of people in his business and he can see them changing their spending habits. He said wages are not increasing as much as the cost of goods and he does not see much for cutbacks in the proposed 2023 budget. He said he sees new mowers, squad cars, etc. and maybe they are more efficient. He said people are hurting and he would like to see more cutbacks. Skluzacek asked if grant funds were used to purchase the skate park. Kodada said it is used and was purchased from the City of Shakopee for less than \$1,000. Skluzacek said with every new amenity, there is associated maintenance that needs to be accounted for. He said he does not benefit from amenities such as mosquito control and he does it himself if he is having people over. He questioned if the City changed to salt during the winter because the grass near his street is dying.

Joe Krammer – 400 Singing Hills Dr SE

Krammer said Erickson did a good job and has a good understanding on a micro level. He questioned anticipating less revenue than expenses in 2023 and questioned why? Pelava said Erickson reviewed this in his presentation and it is because of the timing of when the City received the revenues for expenses proposed in 2023. Krammer said it is not a deficit, correct? The City Council said the budget is balanced. Krammer questioned the notice for the TNT hearing. The City Council said the notice was included in the County's proposed 2023 taxes notice. Krammer questioned if new equipment such as plow trucks, etc. are necessary because they look pretty new. The City Council said the newest plow truck is a 2005 and recently, several trucks have been blasted and repainted. Krammer said after looking at the information, he is impressed and it makes sense.

Richard Knutson – 213 Hawaii St. SE

Knutson said he saw the proposed taxes and put something together. He said he moved to town in 2019 and since then, taxes and his value have increased by 57%. He said his wages have not increased by that amount. He did say he appreciates the City and they do a good job. Knutson urged the City to tighten their belt like everyone else has to. Kodada said it is unfortunate inflation has increased so much over the last two years. Pelava summarized the budget process and the estimates that are needed to be made months in advance. Knutson said like any business, the City needs to forecast revenues and expenditures.

Mike Romig – 402 Birch St. NE

Romig said he has lived in Lonsdale for nearly 20 years and it is getting expensive to live in town. He said he hopes the City is taking into account residents that have lower incomes, etc. when determining the budget, etc. He commented on a gentrification project in North Carolina. He said he hopes the City Council takes a good look at the cost to live in Lonsdale. Romig commented on the effect of decisions made by politicians has on increased costs of goods, etc. He commented on how are residents going to survive with rising costs like getting a second job. Romig said he hopes the City Council really looks at the cost to live in Lonsdale when making decisions on the budget, tax levy, etc. He questioned how the value of properties is determined. He asked if there was way to get an actual value instead of by Rice County. He commented on new developments and the sale price of the new homes and if the residents will actually get the value they paid when they sell. He said eventually, the only people that will be able to live here are those that can afford it.

Kodada asked if anyone else wanted to comment on the proposed budget and/or property tax levy.

b. Consider Approval of Resolution 2022-53, a Resolution Setting the Fiscal Year 2023 Final City Budget and Final Property Tax Levy

Erickson said the staff report was given and residents were given an opportunity to provide comments on the proposed 2023 budget and property tax levy. He said now is the time to decide to approve the proposed budget and property tax levy or wait until a later date and incorporate some of the comments and concerns just raised. Kodada said it is a fine line between keeping the status quo and establishing more amenities, which some residents want. He said it takes a certain amount of funding to operate the City and development needs to continue so there are more properties to spread the cost over. Kodada said the City does a good job of getting as many amenities as the budget allows. He said the skate park has been in the making for 15 years and so far, costs have been minimal. Pelava said that Sticha Park is more than a green space park, which currently has amenities. Kodada said he understands it is probably easier for working families than it is for retirees as costs continue to increase. He said there were seven meetings held and the budget was reviewed in detail and there are more needs than are in the proposed budget. He said Public Works could use another full time employee but less expensive seasonal employees have been budgeted for. Pelava said the increase is approximately \$400,000, mainly consists of wages/benefits and the City is probably paying employees

less than surrounding cities. Kodada said the new police facility is now in the budget and was a long time coming. Furrer said she appreciated the comments provided and encourages residents to attend budget meetings. She said if mosquito control is cut, we would have a mutiny on our hands. There was discussion on home values, comparables and that affording a home is becoming difficult. A motion was made by Pelava and seconded by Furrer to approve Resolution 2022-53. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

c. Consider Approval of Resolution 2022-54, a Resolution Approving the Salary and Wage Plan for 2023

Erickson said this is an annual resolution adopted for the upcoming calendar year. He said this year, the City Council agreed to an increase of 5.30% and the first several steps were removed and added to the top end. He reviewed the increase social security recipients will receive in 2023. He summarized the cost of wages and recommended approval of it. Kodada said the lower wages were removed and added to the top end due to Lonsdale's location to the metro and it is necessary to attract and retain quality employees. Furrer agreed and said it is difficult to hire for Lonsdale Liquor given the hours, etc. and this is the best the City do at this time. Webb agreed with Furrer. Kodada said the seasonal and part time employees could very well be full time employees. Pelava commented in recent increases in PD wages. Furrer said many employees do not receive benefits as a way to save costs. A motion was made by Furrer and seconded by Webb to approve Resolution 2022-54. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

d. Consider Approval of Application for Payment No. 2 in the Amount of \$9,965.49 to Crane Creek Asphalt for the 2022 Mill & Overlay Project

Guilliams said the project is complete as well as punch list items. He said during construction, additional curb was added to the contract, which increased the overall cost by 3%. He said at the next meeting, the final payment will be presented for consideration. Kodada asked if that is when the warranty will begin. Guilliams replied yes. A motion was made by Pelava and seconded Furrer to approve Payment No. 2 in the amount of \$9,965.49 to Crane Creek. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

e. Consider Approval of Application for Payment No. 2 in the Amount of \$2,143.67 to Crane Creek Asphalt for the 2022 Trail Improvements Project

Guilliams said the project is complete along with punch list items. He said the pay request is for minor adjustments to contract items. Guilliams said the project will be proposed to be finalized at the next meeting. Kodada said the project turned out good. A motion was made by Webb and seconded by Pelava to approve Payment No. 2 in the amount of \$2,143.67 to Crane Creek. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

11. OTHER BUSINESS

a. Staff Reports

Public Works Director

None

City Engineer

Guilliams said the plans for the 2023 trail project are nearly complete and will be presented to the City Council at the next meeting. He wished everyone a Merry Christmas.

City Administrator

Erickson said he will be hosting the County Administrator's meeting, conducting interviews for Planner and Public Works employee and attending the TCU Legislative meeting next week. He reminded everyone of the City pot luck luncheon on the 21st.

City Planner

None

b. Council Reports

Council Member Webb

Webb said the liquor store will be host a tasting event on Saturday.

Council Member Kodada

Kodada said the Chamber did a great job with Frosty Fest. He said he will have an update on the Planning Commission and Park Board at the next meeting. He said he expects the City will be reviewing a residential development plat in early 2023. He wished everyone a Happy Holidays.

Council Member Furrer

Furrer said the EDA will be meeting next week.

Council Member Pelava

Pelava said Frosty Fest was a huge success. He thanked the community for attending.

Mayor Rud

None

12. ADJOURNMENT

A motion was made by Furrer and seconded by Pelava to adjourn the meeting. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried. The meeting ended at 8:15 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator