

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
APRIL 25, 2017**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 7:00 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: J. Daleiden, K. Kodada, T. Rud, C. Furrer, and S. Pelava

Members Absent: None

City Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, City Engineer John Powell, Public Works Director Russ Vlasak, Police Chief Jason Schmitz, Liquor Store Manager Lynette Moe, City Treasurer Tami Brokl

4. APPROVAL OF AGENDA

Mayor Rud asked if there were any corrections, additions, or deletions to the agenda.

A motion was made by Pelava and seconded by Furrer to approve the agenda as presented. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: 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

None

10. NEW BUSINESS

a. Discuss the Proposed 2018 City Budget

Property Taxes

Erickson commented on items that could affect the 2017 City Budget and property taxes, including: 1) retired Idaho Street Debt Service - \$400,000, 2) retired 8th Avenue NW Debt Service - \$62,000, and 3) that fact that most properties should see a reduction in their City property tax portion based on the proposed 2018 Valuations. The Council reviewed the Preliminary Property Tax Levy & Impact spreadsheet, which showed past and proposed tax rates and the effect on five residential homes and three businesses. Erickson explained that with a tax rate of 0.58212, or a 10% reduction in the tax levy, each of the homes and businesses listed on the spreadsheet would experience a reduction in the City portion of their property taxes.

The entire Council agreed that City Staff should formulate a budget around a 10% reduction. They stated that the City can only do its part to try and keep taxes low. Rud stated that Staff should also make sure that there is still enough money to address critical needs, such as a City Hall expansion, Police Department solution, and addition to the Public Works maintenance shop building. Kodada stated that it would be great if taxes could be reduced.

City Council

The Council stated that they were willing to go with electronic packets/tablets and a service such as Drop Box, if it is more convenient for City Staff. In regard to Council compensation, Pelava stated that it would be interesting to know where Lonsdale's Council pay ranks compared to other area cities.

Administration

Erickson explained that the Council really needs to consider an expansion to City Hall and the Council Chambers. He said that there is limited space for storage and current staff and definitely no room for any future hires at City Hall. Rud stated that an expansion to City Hall should be a top priority, and he encouraged Staff to layout a vision and obtain cost estimates on an addition project. Furrer said that the flow of lobby area should be worked on. Vlasak agreed that an expansion to City Hall is necessary, but he wondered if the parking lots would be large enough. The Council agreed that an expansion may be better idea compared to a brand new facility at a different site.

The Council also directed staff to look into hiring a future Staff person to help with code enforcement, Community/Economic Development, GIS mapping, building permits, and various administrative duties. Erickson noted that the current Building Inspector may retire in 2-3 years, which would most likely reduce the City's revenue. He explained that Metro Inspection firms may charge twice as much as current contract prices to the Building Inspector. Erickson highlighted technology needs at City Hall, and he asked the Council to consider eliminating the credit card transaction fee. He stated that numerous residents and contractors have expressed their displeasure with the extra credit card fee.

Planning & Zoning

Erickson provided a brief overview on the City's Planning & Zoning Department and GIS mapping system. Erickson stated that last year Rice County went through a reorganization and the GIS Intern Program was eliminated. He also stated that the City will be creating new ordinances or updating existing regulations based on the 2016 Comp Plan. Erickson and the Council discussed ordinance enforcement. The Council agreed that a Code Enforcement Officer or a CSO may be needed.

Erickson informed the City Council that large-scale home builders such as Loomis Homes and LGI Homes have been purchasing lots around town, and he stated that those types of builders typically erect lower-valued homes geared towards first-time home owners. The Council and Staff discussed design standards, home values, and enforcement of neighborhood covenants.

Police Department

Erickson stated that Staffing levels, at 6 full-time and 2 part-time employees, seems to be adequate for the next several years. He said that some building improvements have been made to the existing facility; however, he stated that a long-term building solution is needed for the Police Department. Rud stated that a plan-of-action is needed for City Hall, the Police Department, and the Public Works Department. Erickson explained that it takes \$4,200 to get a computer and the necessary software up a running inside of a squad car. He said that if the City increases its enforcement, that more money will be needed for additional Staff time and attorney work. Erickson said that the vehicle replacement is budgeted for every year. Police Chief Schmitz didn't have anything further to add.

Liquor Fund

Erickson said that there is only \$100,000 remaining before the Sewer Fund is fully repaid. He said that \$4,200 is being transferred each month and the liquor store should be paid off by December 31, 2018. The Council briefly discussed where the store's revenues may be distributed once the loan is paid off, including: parks, streets, store improvements, and signage. Lonsdale Liquor Manager Moe stated that she would like to expand the beer cave into the warehouse or to the south. Moe said that the liquor store will also need to start converting away from the R-22 and to a more efficient refrigerant system in the near future. She said that her Staff is doing a good job. The Council discussed the impact that Sunday Liquor will have on the liquor store. Moe said that it costs about \$350/hr. to operate the store. The Council encouraged Staff to track the numbers for Sunday Liquor once it begins. Erickson provided information on plans for the Rolling Ridge Market Place Association.

Water Fund

Erickson said that the Well No. 5 Project will be constructed in 2017-2018. Powell talked about the true value of the pumps and control panel. Vlasak said that it will cost \$29,000 to seal the old Well No. 2, and he said that Well No. 3, located by Lonsdale Tool, will be on standby for emergency backup. Erickson said that the next major capital improvement will be a new \$1 million water tower out in the Business Park. Powell and Vlasak talked about water system pressure and future capacity needs. Erickson explained that the City's Water Fund makes more money when there is a dryer summer, when people are irrigating their lawns and using more water. He noted that debt service will increase with continued street projects.

Sewer Fund

Erickson said that removal of Lift Station No. 1, located near the lumber yard, is a top priority for the Sewer Department. He asked the Council for direction on whether or not they want to see that project completed within the next few years. Vlasak talked about the costs associated with hauling bio-solids. He said that they City currently has an agreement with a local farmer which allows bio-solids to be spread over his fields for free if the work is completed by May 15th. Vlasak noted that it does cost the City about \$15,000 to haul the bio-solids. Vlasak suggested that a backup plan or City-owned land should be considered. Fuurer said that the City should look into getting a right-of-first refusal agreement on nearby targeted properties. Daleiden asked about MPCA permitting. Erickson and Vlasak provided information on the deep sewer issues taking place along 4th Avenue NE. They said that one proposed plan could cost approximately \$250,000 to solve the problem. Staff said that property owners are currently responsible for picking up the tab to correct any blocked sewer pipes.

Parks & Recreation

The Council reviewed a Parks and Recreation budget sheet and associated maps/pictures while Baker went through and described each individual project/item. The Council talked about solutions for the Willow Creek Heights Trail. Baker informed the Council of the need for more space/land for soccer fields and a potential hockey rink. He explained that soccer is currently using the outfield areas of baseball fields located at Trender Memorial Park and Sticha Park. Baker stated that the main priorities of the Park Board are: 1) soccer field space, 2) full-size hockey rink, 3) enclosed park pavilion, and 4) splash pad. He noted that each of those items are big-ticket items, and it may take specific one-time funding to actually get those project completed. The Council suggested that a portion of future liquor store revenues should go towards park funding. The Council encouraged City Staff to layout a vision and grading/site plan for the Main Street South property that could accommodate soccer/football/lacrosse fields and a potential hockey rink and parking lot. Powell said there should be a way to use the retention pond to irrigate the fields.

Overview

Erickson explained the difficulty in determining needs vs. wants when it comes to prioritizing what the City should actually spending time and money on. There was brief discussion on mosquito spraying and blight nuisance issues. Kodada suggested that the City should be creating a nice clean environment and focusing on what the City typically provides in terms of service. The Council suggested that City Staff should write a guest column about the City's current excellent financial standing and plans to potentially reduce the tax levy by 10% in 2018.

11. OTHER BUSINESS

a. Staff Reports

None

b. Council Reports

None

12. ADJOURNMENT

A motion was made by Kodada and seconded by Daleiden to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 8:12 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator