

**MINUTES  
CITY OF LONSDALE  
SPECIAL CITY COUNCIL MEETING  
MAY 16, 2017**

**1. CALL TO ORDER**

Mayor Rud called a special meeting of the Lonsdale City Council to order at 6:12 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 Engineer John Powell, Public Works Director Russ Vlasak, Assistant Fire Chief Dave Pfluke and 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

Erickson said at the first budget meeting, the City Council reviewed property taxes, City Council, Administration, Planning & Zoning, Police, Building Inspection Services, Park & Recreation and Water/Sewer.

#### Property Taxes

Erickson said that at the last meeting, the City Council provided staff direction to reduce the property tax levy by 10%, resulting in the City's Tax Rate reducing by approximately 18%. He said based on this decision, all properties should see a reduction in their City property taxes in 2018.

#### City Council

Erickson said staff contacted the surrounding communities to see what Elected Officials were being paid as a comparison to Lonsdale. He said the surrounding communities pay the following amounts annually:

1. Lonsdale: Mayor - \$3,500 / City Council - \$2,700
2. New Prague: Mayor - 5,100 / City Council - \$3,900
3. Montgomery: Mayor - \$3,000 / City Council - \$2,400
4. Elko New Market: Mayor - \$4,800 / City Council - \$3,600

Erickson said based on the research, Lonsdale pays its Elected Officials less than most of the surrounding communities. He explained that for a pay increase to take effect, an Ordinance will have to be adopted prior to the next City Election, which will then take effect January 1, 2018. He asked the City Council if they wanted to proceed with increasing salaries. Pelava said he was interested in knowing what other Elected Officials in the area are being paid. The consensus of the City Council was to not increase their salaries.

#### Administration

Erickson said at the last meeting, discussion was held on expanding City Hall. He said enclosed are two options for additional space. The City Council directed staff create plans that would allow for City Hall to be doubled in size. There was discussion on whether or not to obtain an architect for the project.

#### Economic Development

Erickson said that the EDA has not received funding since 2009 and a long term funding source is needed to continue with economic development activities. He said the main focus of the EDA is marketing. Pelava asked if there is a formula used by other communities. Erickson said there is not a specific formula used and typically requests are need based. Furrer asked if funding would be available for a specific project. The consensus of the City Council was that if funds are needed for a specific project to make it happen, funds would be made available.

### Library

Erickson said space needs are becoming an issue and the use of the small meeting room should be looked at to increase space for the Library. He said the main use of capital outlay funds has been for shelving, books and computers.

### Fire Department

Erickson said the main capital outlay item is vehicles, which the City and Townships budget for annually. Assistant Chief Pfluke said the next vehicle likely to be replaced will be the rescue squad, followed by a tanker and then pumper. Vlasak said parking should be looked at with an expansion to City Hall. He said there is room on the west side of the building for additional parking because the building was set further to the east than planned due to poor soils. Mayor Rud said the Townships have been good when looking at the budget, specifically, vehicle and equipment replacement. Pfluke said the Townships have been good to work with. He also said compensation will have to be looked at in the coming years. Erickson said the most important thing is a realistic capital outlay budget that includes all vehicles and equipment.

### Street Department

Vlasak reviewed the maintenance completed and proposed for 2017. He said he will be proposing to mill and overlay 3<sup>rd</sup> Ave SW and 5<sup>th</sup> Ave SW. Kodada asked if Rice County would cost share in the project. Vlasak said that next year, staff will be recommending 8<sup>th</sup> Ave NE receive maintenance. He said he is working with the City Engineer on a proposal to core drill several streets in town to determine the cause of the premature aging of the streets. Powell said the work will include a recommendation to treat the cause and not the symptoms of the problem. Furrer asked when 4<sup>th</sup> / 5<sup>th</sup> Ave NW will be reconstructed and if they can be tied to another project. Erickson said they are not planned to be reconstructed soon but could be tied to a project in the SW reconstruction area.

Vlasak said he recently received a quote in the amount of \$350,000 for an 80 foot x 80 foot addition to the PW Building. Powell said an important component that should be looked at is fire suppression give the value of the equipment stored in the building.

Erickson said a large expense that is coming in the near future is that of cleaning the retention ponds constructed with the new developments. He said LGI Homes is working with the MPCA on the extent of the maintenance work needed on the pond on 4<sup>th</sup> Ave NE and Fig St. Powell said the ponds are doing what they are supposed to do, which is collect sediment prior to discharge into the wetland. Furrer asked if there is a maintenance schedule or if not, what is typically. Powell said the ponds typically need to be cleaned every 15-20 years, which the City is approaching. He said the main thing looked at is what is the remaining capacity when determining maintenance priority. Erickson said staff has presented a storm water fee in the past as one option to help fund this upcoming expense but the City Council has not been interested in implementing it. The City Council discussed the storm water fee and agreed it is a tax and should be on the tax levy.

Employee Wages/Benefits

Erickson reviewed the City's pay scale and benefit package. He said on average City employees are paid less than surrounding communities and hiring/retaining employees is becoming more difficult. He said a Comparable Worth Study is what should be done to determine wages and benefits for employees going forward. Vlasak said his employees are regularly asking how they can increase their wages. Powell said there is a wide array of options including on-call pay, shift differential for different duties than typical, vacation, etc. He said the entire compensation package should be looked at. Mayor Rud said it is staff's responsibility to make a proposal to the City Council regarding compensation and benefit package.

Fund Balances

Erickson said he was recommending that several Fund that have a negative fund balance be transferred to the General Fund so the negative fund balances are eliminated so when making financial decisions the best information is being used to make those decisions. He explained why the accounts have negative fund balances. Mayor Rud said that when decisions are being made, the real numbers need to be used. Pelava asked if anyone thought the City should transfer ownership of the Veterans Memorial to the Legion due to issues other cities are having with their Memorials. There was general discussion on this topic.

Garfield Ave

Mayor Rud said several residents have concerns regarding the safety of Garfield Ave and Pondview Dr. SE due to a blind spot. Powell said staff is aware if this concern and will be providing the City Council with a proposed solution and an upcoming meeting.

**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 8:28 pm.

Respectfully Submitted:

---

Joel A. Erickson, City Administrator