

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
MAY 20, 2021**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order in the Lonsdale City Council Chambers at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Members Present: Steve Cherney, Kevin Kodada, Tim Rud, Cindy Furrer and Scott Pelava

Members Absent: None

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

4. APPROVAL OF AGENDA

Mayor Rud asked if there were any additions, deletions or corrections to the Agenda. A motion was made by Pelava and seconded by Furrer to approve the agenda as presented. Roll Call Vote for: Cherney, Kodada, 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. Police Department Project Update

Erickson stated that he was asked at the previous Council meeting to compile an update on the Police Department Project. Erickson said that a pre-construction meeting was held yesterday. He provided details from that meeting, including temporary fence, erosion control, and order delays. He said that the pre-cast panels are now expected to come in July-August and steel is scheduled for October. Erickson said that he was blunt with the contractor on the City's timing expectations. Pelava said that the contractor has allotted plenty of time to complete the job, but he said that there is no control over material delays. He stated that the contractor has already lost \$11,000 because of timing on material orders. Rud said that as-long-as they continue with a good-faith-effort, the contractor can only do so much. Cherney had questions about the contract and legal remedies. Erickson said that the contractor's performance bond is 125% of the contract amount. Erickson stated that Wold Architects has not provided any more ideas/info on value engineering. Rud stated that the Council directed Staff to pursue value engineering savings. Erickson said that Melisa Stein of Wold Architects, Police Chief Schmitz, and himself discussed potential items, outside of the main building structure, that could be eliminated or modified to provide substantial savings, such as the \$100,000 exterior fence/gate. He said that there could be other potential savings like the restroom floor/wall coverings. Furrer asked about the grade of products proposed. Erickson said that the materials are middle-of-the road quality. Furrer and Pelava expressed concern over delaying or cutting the fence out of the project, since it was included with the bid. Kodada wondered if the City could do the project for considerably less money. As requested by the Council, Powell explained how value engineering works. Rud suggested that Pelava continue to be involved with the project. The Council and Staff discussed project cost and budget concerns. The Council agreed to let the project proceed as bid for now and discuss future project savings as the project goes along. Rud stated that the Council did previously charge Staff to look into value engineer and saving money on project. Rud suggested that Pelava continue to be involved with the project. Erickson provided insight from the City Attorney on the use of COVID-19 Relief Funds. The Council directed Erickson to do more research on how the City can take advantage of the funding. Cherney asked if the City has been creative, like other cities, in using the federal funds. Erickson provided creative examples from 2020, in which the City utilized all the funding that was provided. Rud thanked Erickson for the update.

b. Discuss the City's 2022 Annual Budget

Erickson summarized the purpose of the meeting was to discuss short/long term needs of each department and that direction given by the City Council at this meeting will be used by staff to formulate the 2022 Budget. He specifically asked the Council to give him direction on the property tax levy amount.

Library:

Director Marguerite Moran was not in attendance at the meeting. Library Board Liaison Cherney said that the Library would like to see an increase in 7 staffing hours to cover times when Staff may be working alone. Council members noted that both Suzan and Darlene are fairly satisfied with the hours they are working now. Cherney suggested that Moran train a backup employee, incase she is out for an extended period of time.

Lonsdale Liquor:

Liquor Store Manager Moe provided an update on Lonsdale Liquor's profit numbers. She went through goals for margins, inventory, and pricing. She said that the store strives towards a 25% gross profit. Moe stated that the store gives back to the community through financial contributions to projects like Trecka Park and the Police Department. Moe stated that landscaping work, building maintenance, and LED lighting will be a priority in the short-term. She said that a new pallet jack, forklift, and larger beer cave are goals for the next 2-5 years.

Public Works - Streets:

Public Works Director Vlasak said that Public Works is prioritizing street maintenance, including mill and overlays and snowplow truck in the short-term. He said that many of Lonsdale's residential subdivisions were developed during the early-2000s, so he noted that many of those street surfaces will need resurfacing at the same time in the near future. Vlasak stated that the plan for 2022 is Phase II of the 3rd and 4th Avenue SW Street Project. Vlasak said that Public Works is also looking at new loader options due to the current wheel issues. Rud provided suggestions. Vlasak said that facility space and storage are also a need. Vlasak said that due to funds saved, the Dogwood Street Mill & Overlay Project may be able to be expanded. Cherney asked if there is a breakdown of fuel and vehicle costs. Vlasak said that the City has a line-item budget detailing those items. Vlasak also mentioned that there are valve bolts that need to be replaced for water connections in the Heritage Estates development. Powell provided information on the 2021-2022 Street Project.

Police:

Chief Schmitz talked about the Police Department's short-term goals, including technology items, equipment, and squad car replacement. He said that long-term, the Department will need a 7th full time officer to help with Staff burn-out, reducing overtime hours, and keeping continual 24-hour coverage. He said that right now, there are more jobs available than applicants to fill them. Schmitz said that another long-range goal would be a K9 Officer. Rud said that the City needs to continue thinking of what can be done with the old Police Station.

Parks & Recreation:

Baker said that the parking lot at Trcka Park should be completed soon, closing out Phase II of the Trcka Park Project. He stated that Phase III, includes the installation of a playground area north of the new parking lot. Baker said that he purposely did not apply for playground equipment matching-grant funding this year, due to projected restraints on the 2022 Budget. Baker said that Vlasak and Powell are currently working on a trail maintenance plan, which will be a high-ranking priority item over the next 5 years. Vlasak said that the DRS field lights and landscaping timbers should be replaced soon. Kodada noted that the Lonsdale Aces have typically shared in the cost of improvements to the DRS Field. Vlasak said that outfield fencing at the ball parks also need to be replaced in the near future. Baker went through a list of other items to consider, including: basketball hoops, pickleball nets, skate park obstacles, parking lots surfacing, archery range targets, and landscaping/trees. Cherney asked about a splash pad or water amenity. Kodada said that the Park Board did a lot of research on splash pads back 5-6 years ago. Baker said that the lowest cost water-fun feature would probably be adding a sand beach to Hidden Willow Pond for use as a swimming hole. Rud stated that Lonsdale has a pretty awesome parks and trails system.

Planning & Zoning:

Baker said the new DataLink / GIS system is used primarily by the Public Works Department. Vlasak and Powell provided an update on the mapping software. Baker said that the new iWorQ Building Permit software is now up-and-running. He said that Staff has been processing a lot of permits, and he said that the City is on pace to issue more permits than ever before. Baker said that the City's website was updated a few years ago, and it is mostly user-friendly and up-to-date.

Fire Department:

Fire Chief Dave Pfluke said that the Fire Department is currently looking to replace 3 positions and potentially 6-8 more members in the near future. He said that it takes about \$8,000 to train and put a new member onto the Department. He said that lighting is being updated to LEDs. Pfluke talked about new vehicles and equipment that will be replaced over the next few years, including a tanker truck, lift bags, and air compressor. He noted that the replacement items are all listed in the approved Fire Department budget and Capital Outlay. Pfluke said that as Lonsdale's population increases, they have seen a rise in call volume. He said that the surrounding townships have been supportive of the Capital Outlay program. Pfluke plugged the upcoming Lonsdale Fireman's Relief Association's pork chop drive-thru fundraiser.

Administration:

Erickson went through space needs for City Hall, including meeting space, storage, and parking. He said that new windows and an HVAC system are also needed at City Hall. Erickson stated that funds for a new parking lot at City Hall and on the east side of the Fire Hall need to be allocated. He said that in 2004, staffing levels were at 6 full-time employees, and in 2021, the staffing levels are at 4.75 full-time employees. Erickson said that the lease is up on the copy machine, so a new one is required. He noted that a new phone system at City Hall is inevitable due to the poor condition of the current phones.

Human Resources:

Erickson recommend that the Council consider doing a comparable worth study. He raised attention to issues with the current pay scale, recruiting new employees, and part-time employee benefits. He said that a 3.5% wage increase will cost an additional \$54,250. Erickson noted that health insurance costs will rise \$12,000 in 2022.

Cherney said that he has been doing some research, and he asked the Council to consider looking at raising the pay for Council members. Rud said that the Council can discuss that at a future budget meeting.

America Rescue Plan Act:

The Council reviewed projected funding and information on eligible expenses from the America Rescue Plan Act. Erickson said that at the last EDA meeting, the Board discussed requesting \$100,000 for grants of up to \$5,000 for eligible expenses. The Council discussed potential uses for the grant funding. They also talked about auditing, reporting requirements, and potential penalties for misuse. Rud stated that the businesses were already offered CARES Act funding last year, he suggested that the money should be used for the betterment of the city. Pelava stated that the EDA needs guidance from the Council for their BR&E initiative. The Council directed Staff to do more research and see what other cities are doing to take advantage of the one-time funding.

Property Tax Levy & Debt Service:

The Council reviewed the preliminary numbers for the 2022 Property Tax Levy & Impact spreadsheet based on an estimated 4% increase in property values. Erickson said that due to the new Police Department project alone, approximately \$175,000 in debt service will be added to the levy. Erickson said that if the Council wants to keep the tax rate the same, it will generate \$89,650.00 in additional property tax funding, but he asked for direction on how to make up the difference. Cherney said that the budget is too tight, and he asked if the increase has to do with park projects. Erickson said no, explaining that the 2021 Street Project and Police Department Project account for 31% of the debt service levy. Cherney suggested tapping into reserves. Furrer said that Lonsdale's taxpayers should expect a tax increase, due to the construction of a new Police Department. Rud questioned why the large increase property sale prices is not being reflected in the County's tax valuations. Erickson said it is because values are a year behind. Rud suggested that all options for funding the budget may have to be considered. Rud also suggested that taking a break on future street projects may help. He said with the Wastewater Treatment Plant bonds being paid off in 2023, the City can get back on track with street projects and maintenance. Kodada suggested a no-thrills budget for 2022, due to the new debt service and 3.5 % employee wage increase. Kodada said that a \$400,000 increase may have to be considered. Rud said that the Council is going to need time to digest these numbers, and he asked Staff to bring back tax impact numbers to the next budget meeting.

11. OTHER BUSINESS

None

12. ADJOURNMENT

A motion was made by Kodada and seconded by Cherney to adjourn the meeting. Vote for: Cherney, Kodada, Rud, Furrer and Pelava. Roll Call Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 8:01 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator