

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
JUNE 17, 2019**

1. CALL TO ORDER

Mayor Rud called a special meeting of the Lonsdale City Council to order at 6:01 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: Steve Cherney, Kevin Kodada, Tim Rud, Cindy Furrer and Scott Pelava

Members Absent: None

City Staff Present: City Administrator Joel Erickson, City Engineer John Powell 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 Furrer and seconded by Kodada to approve the agenda as presented.

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

a. None

10. NEW BUSINESS

a. Discuss the City's 2020 Budget and Property Tax Levy

Erickson said this was the second meeting on the City's 2020 budget and property tax levy. He said at the last budget meeting, the City Council reviewed long term needs of each City department. He reviewed the short term needs of each department as follows:

1. Administration:

Erickson said new windows and repairs to the City Hall HVAC system are needed. Cherney said staff should have these repairs made in 2019. Mayor Rud suggested staff obtain quotes and follow the typical process. Erickson said technology such as computers need to be replaced as needed and said all operating systems will need to be updated to Window 10 because Microsoft no longer provides support to operating systems older than Windows 8. Mayor Rud asked about the Vet's Memorial. Erickson said the damage recently was done to the "Plaza" and not the Vet's Memorial itself. He said there are four pavers still available for sale but after that, an addition will be necessary to accommodate future pavers. Mayor Rud said it seems like the Lonsdale American Legion is interested in donating to the expansion when necessary. Furrer asked if staff was satisfied with the audit process performed by Schlenner Wenner. Erickson and Brokl said they were satisfied with the service provided. Cherney asked if an audit was required and if not, it should be skipped to save money. Erickson said he would research the topic but said he believes an audit is required to receive state aid funds. Mayor Rud said regardless, it is good to have an audit completed each year. Cherney requested staff look into the cost of hiring a part time clerk or a staff member that could be on call to help when necessary and recommended staff research the cost of outsourcing payroll.

2. Planning & Zoning:

Erickson said staff is researching the cost/benefit of purchasing/utilizing Building Permit software. He said in 2020, it will cost the City between \$5,000 and \$7,000 to utilize Data Link and to allow for staff to manipulate the data in 2020. He said the cost of code enforcement continues to increase and vehicle replacement will be necessary in the next two years or so.

3. Police:

Erickson said staff has done a good job of budgeting for capital replacement of vehicles and necessary equipment.

4. Economic Development:

Erickson said the EDA will be reviewing their proposed 2020 budget at their upcoming meeting.

5. Library:

Erickson reviewed Library funding and the City's required contribution to the Library. He said he anticipates meeting with the Library Director shortly because a funding request will be made to Rice County in July.

6. Debt Service:

Erickson said as the City continues to reconstruct streets, cost associated with debt service will increase. He said the next bonds to be paid off are those associated with the Wastewater Treatment Plant in 2023.

7. Parks & Recreation:

Erickson said the Park Board will be attending the July budget meeting to discuss their needs. He said Verizon has terminated their land lease with the City so less revenue will be received that is allocated to the Park Fund. The City Council suggested contacting another service provider to see if they are interested in leasing land for a tower from the City. There was discussion on needed repairs to the trail behind Willow Creek Dr. SE. Furrer asked what the City charges for park rental. Erickson replied \$30.00. Furrer suggested determining the cost to the City for clean up afterwards to make sure costs are being covered. Mayor Rud commented on grant funds received by the City over the years, donations and the fact that parks/recreation add to the City's overall quality of life amenities.

8. Water:

Erickson said the last time rates were increased was in 2018 and to offset an operating loss of \$100,300, the base fee would need to be increased by \$5.58/month or the per 1,000 gallon rate increased by \$1.00. Mayor Rud asked if depreciation is included as an operating expense. Erickson replied yes it is accounted for in the financial statements but there is not an actual payment for depreciation made. Depreciation in 2018 was noted at \$126,641.00. The City Council agreed it would be difficult to increase taxes and water rates.

9. Sewer:

Erickson said the sewer fund did not have an operating loss in 2018 and said the last time rates were increased was in 2014. He said the long term need of the sewer fund is hauling/applying of bio-solids. The City Council discussed repairs and maintenance to the sewer plant and whether or not to replace expensive equipment such as the jetter/vac or to contract for those services. Cherney and Kodada asked the City Engineer about the effectiveness of utilizing UV light during the treatment process. Mayor Rud asked what happens when the sewer plant bonds are paid off. Erickson replied maintenance. Kodada asked what the life expectancy of the treatment plant is. City Engineer Powell said typically 30 years. Pelava asked about maintenance work for Well No. 4. Erickson provided an update and said the item will be coming to the City Council within the month. Mayor Rud said if rates are increased, he recommended any tax impact be as close to zero as possible. Cherney said he wants to see a budget based on needs and not wants. He asked what percent of the budget is proposed to change in 2020. Erickson said not accounting for inflation about 20% of the budget will change. Cherney recommended keeping the tax rate the same. Mayor Rud requested staff provide three tax impact scenarios for consideration at the next budget meeting.

10. Liquor:

Erickson said with the building paid off, the next priorities are maintenance and continuing to maintain as high as possible the gross profit percentage.

11. Road & Bridge:

Erickson said the short term goals are continued street maintenance and longer term goals are street reconstruction projects. He said equipment such as a street sweeper, etc. will need to be replaced in the near future. The City Council discussed contracting out services such as street sweeping and jetting to reduce capital outlay expenses.

12. Capital Improvement Plan:

Erickson said staff and WSB have meet on updating the City's CIP and work on this is underway.

13. Fire Department:

Erickson said the Fire Department's budget was approved earlier in the year.

11. OTHER BUSINESS

a. City Staff Reports

None

b. City Council Reports

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. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 7:30 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator