

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
JUNE 17, 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, Public Works Director Russ Vlasak, City Engineer John Powell, Chief of Police Jason Schmitz, Library Director Marguerite Moran 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 Kodada and seconded by Cherney 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. Discuss the City's 2022 Annual Budget

Erickson reviewed the last budget meeting and said the tax rate, levy and impact were also discussed and staff was directed to bring several options to the meeting for discussion and consideration. Mayor Rud asked what scenario represents a balanced budget. Erickson said a tax rate of 60.273. Cherney said he ruled out all options except for the 55.900. Kodada said he preferred a tax rate of 58.078. The City Council held general discussion on the increase in home values. Erickson said that values for 2022 were set in April of 2021 and are always a year behind. Mayor Rud said some increase is needed. Erickson reviewed the debt service funds and said \$100,000 could be used from debt service fund reserves. He said he is working with Baird on upcoming debt refinancing. The City Council agreed to use reserves from debt service funds. Kodada said the current residents should realize the benefit of the debt service fund balances because they paid the special assessments creating the fund balance. Erickson said for 2022, the City Council could choose to not budget \$58,000 in 2022 for payment in 2023 for the 2021 street project bonds. He said the effect of this would be collecting the revenue in the year of the expense meaning the fund would show a month-to-month deficit 10 of 12 months. The City Council agreed to not levy the \$58,000 in 2021.

Erickson said another option to reduce debt is to consider assessing for mill and overlays. There was general discussion on whether or not to assess for mill and overlays. Vlasak said the new developments will need the same maintenance at the same time because they were constructed within several years of each other. Mayor Rud said it comes down to prioritizing needs for the short and long term. Vlasak said there are equipment needs in Public Works, specifically parks for grounds maintenance. Powell reminded the City Council that at a population of 5,000, the City will receive State Aid funds for street maintenance. Erickson reviewed information provided on GO Street Reconstruction Bonds including creation of a 5 year CIP, allowing for a 30 day reverse referendum, overall project timeline and projects that can be funded.

Erickson said he was requested to provide more information on the American Rescue Plan Act and how the funds would impact the budget. He summarized a legal opinion from the City Attorney, specifically that the City needs to be able to point to a connection between how the funds were spent on COVID-19 mitigation measures. He said several components of the new PD facility should qualify such as separation between the public and staff, larger spaces for the public and staff to social distance, separate bathrooms for the public and staff, etc. Mayor Rud asked if value engineering was still being considered. Erickson said he was initially directed to work through the value engineering process and then was directed to build the project as bid. He reviewed the project's estimated cost, funds received for construction and that the project will need to be funded with \$200,000 of reserves. He recommended that value engineering be used to reduce the project cost and reliance on the use of reserves as much as possible. Cherney said he was okay with using reserves/COVID-19 funds but will not support cutting \$200,000 from the project cost. Kodada asked if there was any value to the current PD facility. Erickson said possibly \$100,000. There was discussion on the Foodshelf or SkyWarn using the current facility. Cherney asked Moran if the Library would fit in the current PD. Erickson said the City is getting rid of the facility due to its condition. Moran said she did not know enough about the building to make a recommendation. Mayor Rud asked if Value Engineering was still being considered. Erickson said he was going to ask that question. Pelava said the architect needs to

know as soon as possible if it is going to be pursued because pricing is constantly changing and the contractor needs lead time to purchase materials. There was discussion on the rear perimeter fence such as cost, getting another quote, constructing it at a later date, if it is even needed and purpose. Schmitz provided information on security and storage of forfeited vehicles. Erickson said if it is for security reasons, the entire building should be fenced in. Cherney said it was a safety issue with pedestrians/bikers and squads entering/exiting the facility. Pelava said he supports the fence but it is a matter of if it is needed now or later. Cherney said everyone approved the project and it should be installed now because something always comes up and takes priority. Mayor Rud asked if we would rather have the fence or \$100,000 for other department needs. Vlasak said for plowing/maintenance, he preferred not having the fence. Mayor Rud asked if we want to save the \$100,000 or do it later. Kodada said he was fine with not installing it. Erickson said in his conversations with Wold, given the current market, it is unlikely we will be able to save money as the project progresses because any changes might take longer to receive the product or it might not be available. Furrer asked how much was in reserves. Cherney said \$9,000,000. Erickson said in the General Fund, there is a fund balance of \$2,000,000, which is subsidizing the deficits in the Business Park, Road & Bridge and Park Funds. He said reserves in the enterprise funds would have to be used. Furrer asked why the liquor store could not fund the project deficit? Mayor Rud said those funds have typically paid for park expenses. Furrer said maybe parks need to be put on hold for a while. Mayor Rud questioned if a \$100,000 fence is a priority over what has been discussed earlier in the meeting. Cherney asked Schmitz if the fence will add to the safety of the officers and/or public. Schmitz replied no but it does provide a deterrent from people going to that area. There was discussion on squad cars safely exiting the facility. Cherney said he would backoff if it is not a safety concern. Furrer asked what the plan was for storing impounded vehicles. Erickson said there is plenty of space for storage of forfeited vehicles at the wastewater treatment plant. The consensus of the City Council was to not install the rear perimeter fence with the initial construction.

Erickson said a solar panel project was presented at the April 8, 2021 meeting and he said the City Council said it would be discussed at a budget meeting. He said he continues to be contacted for an update. Mayor Rud said the City has received several calls from residents and businesses about not wanting to look out the window and see solar panels and that a new business/taxes are more important than solar panels. The consensus of the City Council was to not pursue the project because it is more important to have a business in town than solar panels.

Erickson said there is an election every year in town. He said to change City elections to even-years, an ordinance would need to be adopted 180 days prior to the filing period opening and typically terms are extended. Cherney said his concern is the Mayor's term is 2 years and it should be 4 years. Mayor Rud said the main reason to switch is to save money and Rice County will no longer be doing Absentee Ballots for the City in odd-years. Erickson said with an election this year, now is the time to discuss Elected Official compensation. Cherney said he looked at it this several years and would like staff to provide information at the next budget meeting.

Cherney said at the last budget meeting, he said the library is looking for additional staff hours and with Moran here, he asked her for her input. Moran said the budget is tight but she is looking for an additional 9-10 hours per week because there is only one staff there Friday

afternoons and Saturdays. She said it is difficult to operate the library with one staff person. Cherney asked if the additional hours would increase benefits. Moran said no. Mayor Rud asked if anyone had anything else to discuss. Erickson said he went through the items he needed to. There were no other items brought up.

11. OTHER BUSINESS

None

12. ADJOURNMENT

A motion was made by Cherney and seconded by Kodada 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 7:13 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator