

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
JULY 23, 2018**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 6:04 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 and Cindy Furrer

Members Absent: Scott Pelava

City Staff Present: City Administrator Joel Erickson, City Treasurer Tami Brokl, Public Works Director Russ Vlasak and Chief of Police Jason Schmitz

4. APPROVAL OF AGENDA

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

A motion was made by Kodada and seconded by Cherney to approve the agenda as presented. Vote for: Cherney, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. 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 2019 Budget – Joel Erickson

Property Tax Levy / Rate:

Erickson said based on discussion at the last budget meeting, staff calculated the property tax levy by keeping the tax rate the same as 2018. He said that would increase revenue by \$243,000. Erickson said the City Council lowered the tax rate in 2018 by \$210,000 or 17.64%. The Preliminary 2019 Property Tax Levy and Impact spreadsheet was reviewed and discussed. He explained how the Homestead Market Value Exclusion is calculated for homes up to \$400,000. The Council agreed the levy should be set at \$2,107,000 for 2019.

City Council:

Erickson said the first department in the budget is the City Council. He asked if any Councilmember intended to attend the 2019 LMC Conference in Duluth. No one indicated their desire to attend. Erickson asked if the City Council wanted to increase their salaries. He explained the process and that a City Council cannot just increase their compensation. He explained that it needs to be approved prior to an election but takes effect January 1st following the election. He said an increase would take effect January 1, 2020. Cherney said he attended the LMC Newly/Recently Elected Officials conference and cities smaller than Lonsdale were being paid much more for Mayor and City Council. Mayor Rud said that any increase should be justified and comparable to the surrounding communities. Cherney said compensation should be a flat monthly fee, regardless of City Council meeting attendance because there is more done by the Mayor and City Councilmembers besides attending the regular meetings.

Police Department:

Erickson said staff has met and reviewed the proposed budget for the Police Department. He also said staff has reached a tentative agreement on the Collective Bargaining Agreement (CBA) for Police Officers. He said the main goal of the negotiations was to close the wage gap between Lonsdale and other agencies to reduce the revolving door of officers. Erickson reviewed the agreement as follows:

- Increased wage scale to \$24.15/hr. - \$35.91/hr., which is expected to increase costs by \$94,000 annually;
- Reduction in vacation to reduce the number of hours to be filled by part time officers;
- Severance compensation was reduced by half, resulting in a potential savings of \$71,820;
- No change to health insurance compensation;

Erickson said the contract is not cost neutral to the City but by increasing compensation, it is expected to save money because officers will not terminate employment with the City as much. He said each time an officer quits employment, it costs the City \$6,000 to complete the hiring process and get an officer on the street by themselves. Cherney asked why vacation would be reduced and that does not seem right. Erickson said it was agreed to reduce vacation to help reduce the number of part time hours given the large

increase in wages. He said in the last CBA, a worked shift was increased from 10 hours to 12 hours, which results in an additional 26 days off per year to each officer. Kodada asked if the wage increase was included in the proposed property tax levy. Erickson replied yes.

Erickson reviewed the revenues and expenses of the Police Department with the City Council. Cherney asked if employees are provided or compensated for personal cell phone use. Erickson said several employees have cell phones provided and others use their personal cell phones without compensation. Cherney asked Vlasak if he/staff preferred using radios or cell phones. Vlasak said that both work and it is easier to use radios in equipment such as plow trucks but cell phones are easier to use day to day. The Council agreed employees should be compensated for work use on personal cell phones.

Erickson said with the Police Officers expected to receive a large wage increase, a current vacancy and a recent resignation in Public Works, Erickson said he drafted a proposed pay scale that takes into account the wage difference shown in the salary survey based on information for the League of MN Cities. He said the proposal was reviewed by the Human Resource Committee. He said based on that discussion, at this time, he was only recommending the pay scale be approved and employees be placed on it afterwards. Erickson said the importance of this is two employees need to be hired in Public Works and response has been poor to the current job posting at the current pay scale even though starting pay will be based on qualifications. Mayor Rud said in the past when an employee obtained a license that the City can utilize, they received a wage increase. Cherney asked if job descriptions were revised to increase pay or based on the work being done. Erickson they were drafted based on the working being done. Furrer said there has not been a wage increase recently for employees obtaining licenses. Kodada asked if a temp agency can be used to fill seasonal positions. Cherney asked who sits on the Human Resource Committee. Mayor Rud replied himself, Councilmember Pelava and the City Administrator. Mayor Rud said his concern is the cost to make each position's wage comparable with surrounding communities will cost \$250,000. Erickson said the main approval tonight was the proposed pay scale, which was done. He said he would work with Human Resources to place each employee on it.

11. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting. Vote for: Cherney, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. Motion carried. The meeting ended at 7:35 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator