

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
JULY 27, 2020**

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, Public Works Director Russ Vlasak, Chief of Police Jason Schmitz 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 Furrer 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

None

10. NEW BUSINESS

- a. Discuss the City's 2021 Annual Budget – Short/Long Term Needs and Line Item Budget
Erickson said this was the third budget meeting of the season. He summarized what would be discussed during the meeting and touched on the updated Capital Improvement Plan (CIP) and the 3rd/4th Ave SW Street and Utility Improvement Project. Vlasak said the City has not been budgeting enough funding to replace existing equipment and reviewed the Equipment CIP. He said the number one priority is a new tractor and second is replacement of the 2007 van. The City Council discussed needing to prioritize necessary equipment purchases. Erickson asked the City Council if they intend to keep expenses planned for 2021 at or near the same as 2020. Mayor Rud said the City has been bonding for projects lately and should wait until the sewer plant is paid off to increase expenses for equipment. Rud asked if the sewer plant would be paid off in 2023. Erickson replied yes with no payment in 2024. Erickson said when the sewer plant is paid off, the City Council has the option to reduce the sewer portion of the utility bill and increase the property tax levy to fund prioritized capital equipment and residents would be minimally impacted, if at all. Furrer asked if a new vac truck at \$300,000 was necessary. Kodada said for a purchase to be justified, the equipment needs to have been and continue to be used on a regular basis. Vlasak said he was not recommending a new vac truck be purchased, rather a newer one. There was discussion held on purchasing a vac truck or contracting with a company that provides the service. Pelava asked if equipment purchased would be kept for back up after new(er) equipment was purchased. Discussion focused on plow trucks and that fifteen years is old enough for that type of equipment. Cherney asked if an equipment depreciation schedule had ever been created. Erickson said the equipment replacement schedule in the packet and being reviewed is the replacement schedule. He said the City adopted GASB #34, which established the useful life of equipment. Erickson said staff has done a good job on budgeting for pick-up trucks and mowers but more expensive equipment has not been budgeted for. Cherney asked Vlasak what did not get done due to a lack of equipment. He said the City should rent equipment/contract for services if equipment is/would not be used that much. Vlasak said there is nothing that is not getting done due to a lack of equipment. Rud said a five year capital equipment plan based on prioritized needs, incorporating paying off the sewer plant should be created by staff. The City Council held general discussion on how to finance equipment in all departments.

Erickson said staff is finalizing the updated CIP and that a decision on what streets will be included in the 2021 street project is needed. He said the City Council needs to provide staff direction on whether or not 3rd and 4th Ave SW will be reconstructed at the same time, bid as one project with work being completed over a two year period and phasing the project east/west or north/south. Erickson said a decision is needed because WSB will have to dedicate the necessary staff to complete the plans/specification by the end of the year for bidding in January 2021. After discussing the project, the City Council said that if there were a savings of \$200,000 or more, the projects would be bid and constructed as one project. If not, then there would be two separate projects. Erickson said he would work with the City Engineer to estimate the savings.

Erickson said the City Council budget was based on 24 regular and 15 special meetings. He asked the City Council if anyone wanted to attend the LMC annual conference in Rochester in June of 2021. Cherney asked what the cost to attend is. Erickson said between \$600 and \$1,000 for registration, hotel and meals. The City Council choose not to attend the 2021 conference.

Erickson reviewed the Police Department revenues and expenses. The City Council reviewed the line items in detail. Cherney questioned the expenses that make up Professional Services and questioned \$350 for purchase of a tazer. Erickson said the police budget will have a surplus of \$25,000 because of budgeting half of the new squad to be purchased in 2021. Chief Schmitz reviewed the department's equipment. The City Council discussed the "Defund the Police" efforts nationwide and the effect it could have on future budgets. The City Council said they are not going to defund the police, especially when it is in the plans to construct a new police facility.

Erickson said the City's Local Government Aid (LGA) has not been certified so what is in the budget is the 2020 amount, which will be updated when the 2021 amount is certified. Cherney questioned if the State was providing the City the correct amount of LGA and if staff has ever verified the amount/formula. Erickson said the City has been fortunate over the last several years due to a large increase in LGA. He reviewed several of the variables used in the formula to determine each cities LGA.

Erickson asked if the City Council wanted any specific information or items for the next budget meeting scheduled for August 6, 2020. Rud requested three property tax levy amount/impact scenarios for the next 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. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 7:47 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator