

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
AUGUST 2, 2012**

1. CALL TO ORDER

Mayor Rud called a special meeting of the Lonsdale City Council to order at 6:00 p.m. in the City Council Chambers, 415 Central St. W.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Present: Daleiden, Kodada, Rud, Furrer and Pelava

Absent: None

Staff Present: City Administrator Joel Erickson, Liquor Store Manager Lynette Moe, Library Director Diana Tallent and Public Works Director Russ Vlasak

4. AGENDA

Mayor Rud said the agenda went through 10A and asked if there were any additions or deletions to the agenda. A motion was made by Kodada and seconded by Furrer to approve the agenda. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: 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 2013 Annual City Budget

Erickson reviewed the goals and priorities for 2013 discussed at the first budget meeting. Erickson said he received the preliminary 2013 market value for Lonsdale and it has decreased by 12%. He reviewed how the market value relates to the City's tax capacity and Property tax levy. Erickson said by leaving the property tax levy the same, taxes on businesses would increase substantially over residential. Kodada said he would like to see the levy lower. The City Council

discussed any possible options for keeping the levy the same but reducing taxes on businesses. Erickson said the only option is to reduce the levy.

Erickson said he received the City's certified 2013 Local Government Aid (LGA) and it is the same as what the City received in 2012. He said each of the last two years, the City has only budgeted for \$150,000.00 of the \$245,346.00 certified. He said he does not see LGA at least for the next several years being certified below \$200,000.00 and recommended budgeting for \$200,000.00, which would result in each general fund department receiving \$8,333.33 more LGA than in 2012. The City Council agreed to budget \$200,000.00 in LGA.

Erickson said the Economic Development Authority (EDA) has been discussing their budget at their last two meetings. He said the only real change is the expense anticipated for legal fees, which are proposed to increase due to obtaining a judgment for the delinquent loan by Heritage Heating & Air. The City Council said the EDA needs to evaluate the cost of legal fees against that of not receiving the judgment already and to possibly be obtained against Heritage Heating & Air.

Erickson said he and Library Director Tallent had met to review the Library's 2013 budget. He explained the proposed revenues and expenditures. The City Council held general discussion on the revenues and expenditures. Furrer asked what the \$4,750.00 budget for the Villages of Lonsdale was for. Erickson said it is the Library's monthly contribution for utilities, snow plow, lawn mowing, etc.

Erickson said he and Public Works Director Vlasak have meet to review the Park and Recreation department's 2013 budget. The City Council discussed improvements to Kalina Park, Sticha Park and trail maintenance. Vlasak discussed the proposed trail maintenance by applying a slurry mix similar to a seal coat. The City Council liked the idea proposed for trail maintenance and agreed it should be pursued in 2013.

Erickson said he and Liquor Store manager Lynette Moe met to review the Liquor Store's 2013 budget. Erickson said the main source of revenue is the sale of beer, liquor and wine. He said for 2013 those projected revenues are based on current margins and will be amended up or down based on the 2012 margins. He said margins are up dramatically since the beginning of 2012, which has resulted in a net profit of over \$8,000.00 year to date. He said expenses to be a part of the Rolling Ridge Market Place Association have increased and have been accounted for in 2013.

Erickson said the Public Works Director has found a 2003 plow truck similar to the two newer plow trucks at a cost of \$60,000.00. The City Council discussed the plow truck and options available for a smaller sized truck to be used on a more year around basis. The City Council provided staff several options to consider and research for an upcoming meeting.

11. OTHER BUSINESS

- a. A motion was made by Kodada and seconded by Daleiden to schedule a Special Meeting to discuss the 2013 budget for Thursday, August 23, 2012 at 6:00 pm in

the City Council Chambers. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

12. ADJOURNMENT

A motion was made by Daleiden and seconded by Furrer to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried. The meeting ended at 7:55 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator