

**MINUTES  
CITY OF LONSDALE  
SPECIAL CITY COUNCIL MEETING  
AUGUST 26, 2019**

**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 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, Liquor Manager Lynette Moe 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 Pelava and seconded by Cherney to approve the agenda as presented. Vote for: Cherney, Kodada, Rud, Furrer and Cherney. 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 is the fifth meeting pertaining to the City's 2020 budget and property tax levy and will focus on Administration, Planning & Zoning, Liquor, Water, Sewer and Road & Bridge.

#### Property Tax Levy:

Erickson said the proposed property tax levy amount is based on discussion held at prior budget meetings and is proposed to increase by \$22,350 or 1.08%.

#### Administration:

Erickson reviewed the revenues and expenses for Administration. Cherney asked if there were transfers to be made to other departments. Erickson replied no. Erickson reviewed items contained in Professional Services, specifically mosquito control. He said this year with the "Do Not Spray List", he spent more time on mosquito control before it started than the last several seasons combined. He said he does not recommend a "Do Not Spray List" in 2020 due to upset residents that called him and told him such especially since they are paying for it and want it. Cherney said the "Do Not Spray List" should be skipped in 2020. Pelava asked if the City Council could specify a different chemical than Bio-Mist used by Clarke. Erickson said that could happen. He said no contributions are being made since the future of fireworks is unknown at this time. Erickson said no funds are allocated to the proposed City Hall / Police facility. Cherney said he wanted to keep the \$350,000 in the budget. Erickson said that could not happen unless the property tax levy was increased substantially or cuts be made to the budget. Cherney said at a minimum he would like to keep the line item in the budget. Erickson said it would remain. Furrer said she would like to see the \$350,000 allocated to the facility project and not used to fund the 1:1 matching DNR grant the City was recently awarded. Mayor Rud said he does not support taxing residents and holding the funds for a "someday" project. Erickson said staff was directed to look into options for outsourcing payroll services. Erickson said Brokl did contact and discuss this with several companies. He said in the end, the City will only save 13% and the tasks that take the most time, will remain with the City and actually cost more than continuing with payroll in house. Staff was directed to see if QuickBooks could be used by the City as an internal accounting system.

#### Planning & Zoning:

Erickson reviewed the revenues and expenses proposed for Planning & Zoning. Erickson said funds have been budgeted for the next step of implementing DataLink.

#### Police:

Erickson said the Police Department's budget was reviewed at a prior meeting and staff is finalizing the cost for a new squad to be purchased in 2020. He said the LPD will be the Toward Zero Deaths grant program administrator from Rice County for 2020 and reviewed the associated funding for the program.

EDA:

Erickson said the EDA has reviewed and approved it's preliminary budget, no funding is proposed from the property tax levy and the EDA's focus for 2020 is BR&E and marketing.

Library:

Erickson said he has yet to meet with the Library Director regarding the 2020 budget.

Debt Service Funds:

Erickson said all debt service funds have been accounted for.

Parks & Recreation:

Erickson said Park & Recreation was reviewed at the July 15<sup>th</sup> budget meeting with the Park Board. He said since then, \$25,000 has been allocated for trail maintenance, \$35,000 for a new lawn mower and the City will keep the current one, \$5,000 for the summer recreation program with TCU and the fact the Park Fund will run a deficit of \$250,000 due to the 1:1 match required for the MN DNR grant.

2<sup>nd</sup> Ave SW Project:

Erickson said the fund's revenues and expenses are based on a total project cost of \$2,000,000.

Water:

Erickson said connection fees are based on 35 new homes and water sales are based on historical revenues. He recommended the City Council no longer charge a fee to use debt or credit cards rather include the cost in water rates. Erickson reviewed expenses such as repairs and maintenance, professional services, etc. He said based on the proposed budget, the fund is anticipated to run a deficit of \$172,608 and to break even on operations, rates would need to be increased about \$9.00 per month. The City Council held discussion on whether or not rates should be increased or not. Staff was directed to determine the operating profit/loss of the water fund and discussion would continue at the next meeting.

Sewer:

Erickson said like the water fund, connection fees are based on 35 new homes. Erickson reviewed sewer sales, repairs & maintenance, professional services and capital outlay. He said the fund is anticipated to generate an operating profit and did not recommend rates be increased.

Liquor:

Erickson said the main revenue is sales of beer, liquor and wine and the gross profit percentages are based on historical data and 2019 YTD. He said the proposed budget is very similar to 2019 and no major expenses are expected at this time.

Road & Bridge:

Erickson said revenues essentially consist of the property tax levy and LGA. He said the major expense proposed for 2020 is street maintenance, which \$200,000 has been budgeted for to maintain Industrial Dr. SE, Industrial Park Dr. SE, Deer Ridge Dr./Ct. NW. Erickson said staff is working on determining needed staffing levels. Cherney and Rud asked about reorganizing Public Works. Erickson said staff will work on a proposal and present it at an upcoming meeting. Erickson said staff is working to determining the best way to fund expensive capital equipment purchases via financing through the dealership or issuing Capital Equipment Bonds. Erickson said staff is researching the cost of a new larger tractor for pulling the 15 foot mower deck but not for main line plowing. Discussion was held on if a tractor should be purchased for main line plowing. It was discussed that a tractor should be budgeted for in Parks/mowing but not equipment to be used for snow plowing.

**11. OTHER BUSINESS**

a. City Staff Reports  
None

b. City Council Reports  
None

**12. ADJOURNMENT**

A motion was made by Kodada and seconded by Furrer to adjourn the 3-0. Motion carried.  
The meeting ended at 7:34 pm.

Respectfully Submitted:

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Joel A. Erickson, City Administrator