

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
AUGUST 9, 2017**

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: Joe Daleiden, Kevin Kodada, Tim Rud, Cindy Furrer and Scott Pelava

Members Absent: None

City Staff Present: City Administrator Joel Erickson, Public Works Director Russ Vlasak and City Treasurer Tami Brokl

4. APPROVAL OF AGENDA

Mayor Rud said there was one item on the agenda and asked if there were any additions, deletions or corrections to the agenda.

A motion was made by Kodada and seconded by Pelava to approve the agenda as presented.

Vote for: Kodada, Daleiden, 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 Proposed 2018 City Budget

Erickson said this was the seventh meeting on the preliminary 2018 City Budget. He said based on past discussions, the City Council has directed staff to base the preliminary budget on reducing the property tax levy by 10%. He reviewed specific properties and how a reduction in the tax levy of 10% affects those properties. He said with several exceptions, all property owners in Lonsdale will see a reduction in the City portion of their property taxes.

Erickson said the last departments to have their budgets reviewed were the Enterprise Funds consisting of Water, Sewer and Liquor. He said in regards to the Water Fund, the budget is based on:

- 60 new homes
- Termination of the WAC/SAC Deferred Payment Agreement
- Water sales is based on historical data and 2017 YTD
- City Treasurer's revised wage allocation
- \$100,000 budgeted for repairs and maintenance to Well No. 4, general maintenance and water main breaks
- Professional services increased due to anticipated cost increases
- Depreciation of \$134,375
- Upgrades to the SCADA System
- Sealing of Well No. 2
- Debt service payments
- Water rates were also reviewed

The City Council discussed terminating the Deferred Payment Agreement as soon as possible and requested staff take the necessary steps to conduct the required public hearing to terminate the Deferred Payment Agreement.

In regards to the Sewer Fund, the following items were discussed:

- Sewer sales continue to be strong and not recommended to be increased
- City Treasurer's revised wage allocation
- \$40,000 being budgeted for maintenance consisting of \$20,000 for manhole sealing and \$20,000 for general maintenance
- Professional Services increased due to anticipated cost increases
- \$38,000 budgeted for capital outlay for water meters, SCADA system upgrades
- \$550,000 budgeted for decommissioning of Lift Station No. 2
- Debt service payments

In regards to the Liquor Fund, the following items were discussed:

- Revenues are based on historical data and 2017 YTD
- Cost of Goods: beer, liquor and wine
- Building repairs and maintenance to be determined by staff over the next several months
- The “Due To” the sewer fund approx. \$70,000 will be paid off in December of 2018
- The City Council reviewed the 2017 YTD spreadsheet used by staff and the Liquor Store Committee to track revenues, expenses and to make recommendations

11. OTHER BUSINESS

a. Staff Reports

None

b. Council Reports

None

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 6:32 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator