

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
SEPTEMBER 10, 2018**

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 and Public Works Director Russ Vlasak

4. APPROVAL OF AGENDA

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

A motion was made by Pelava and seconded by Kodada 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 2019 Budget

Tax Levy/Impact:

Erickson reviewed the proposed preliminary property tax levy and how it affects taxes on several home and businesses in Lonsdale. He said based on the preliminary tax levy, a tax increase is expected for residential properties but a decrease for commercial/industrial properties. He said the preliminary tax levy was set based on discussion at previous budget meetings. Erickson said as a follow up to questions at the last budget meeting, he included in the packet a Profit & Loss sheet for each department, a graph displaying revenues and expenditures to show when the City receives its main revenues and tax rates for each taxing jurisdiction in Rice County.

City Council:

Erickson said funds have been budgeted for training/education and that Council salaries were based on 24 regular and 10 special meetings. Cherney suggested restructuring Council compensation to a per month payment instead of attendance at Council meetings. He said a Councilmember could work on City matter throughout the course of the month and because of a missed meeting, their pay be reduced. Mayor Rud said he ran for office to improve the community and looks at it more like giving back than pay. Kodada agreed. Mayor Rud said he was questioned by a local contractor about requiring a building permit for a water heater because some cities do not require a permit and instead rely on the contractor being a licensed contractor. Erickson said he would discuss this with the City's Building Official and follow up.

Administration:

Erickson reviewed the revenues and expenses. Cherney said he was recommending that at a minimum, the \$350,000 budgeted in 2018 for the City Hall expansion project be made whole for 2019. Kodada asked how much of the \$350,000 was still available. Erickson replied approximately \$309,500. Mayor Rud said this item will be discussed at the September 13, 2018 Special Meeting and the City Council should come to the meeting prepared to discuss it because based on the architects estimate, the cost is between \$4-\$5 million. Erickson said the cost is closer to \$5 million. Cherney said based on the options available to obtain financing for the project he recommended proceeding with the lease/revenue option. He said a focal point is needed for the City and the facility is needed due to growth in Police and Administration Departments. Kodada said he wants the project to go to a referendum and be voted on by residents. Mayor Rud agreed with Kodada and stated that a public benefit such as an assisted living facility should be included as part of the project. The Council discussed this potential project in detail.

Wages:

Erickson reviewed the proposed wages for each employee, said the HR Committee reviewed them and they are based on direction provided by the City Council at previous budget meetings. Cherney said he would support a larger increase for the City Administrator and City Planner and explained his reasoning. Furrer said that would be a

tough sell and would rather see the employees that are available 24/7 receive that money. Kodada said that would not sit too well with the lower wage employees. Pelava said the proposed wages were reviewed and approved by the HR Committee and that is what should be approved. Erickson said he was recommending wage increases of more than 3.5% for: Office/Admin. Assistant, Police Records Manager/Secretary, Public Works Workers, Seasonal Public Works Employees, the Liquor Store Manager and Liquor Store Clerks. The City Council agreed those increases were justified or necessary due to the new pay scale for 2019. Pelava left the meeting at 7:00 pm.

Kodada said he felt that \$29.17/hr. was low for the Building Inspector. Cherney said he feels the wage is about \$10.00/hr. low. Mayor Rud said he agreed with Kodada and Cherney. Erickson said the proposed pay scale of \$29.17 - \$45.62/hr. was based on current Building Inspector positions currently being advertised for other cities. Cherney said he believes the position will require a full time and part time employee for plan review, inspections, vacation, etc. and suggested funding from the property tax levy be used to assist in funding the position in case building permit revenue does not cover expenses. Furrer said building permits are cyclical on an annual basis and over time.

Mayor Rud asked if there were any additional items staff wanted to review. Erickson said the main items have been discussed and the remainder of the budget would be a review of previous meetings.

11. ADJOURNMENT

A motion was made by Kodada and seconded by Cherney 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 7:58 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator