

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
AUGUST 28, 2023**

1. CALL TO ORDER

Mayor Tim Rud called a 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: Tim Rud, Cindy Furrer and Scott Pelava

Members Absent: Kevin Kodada

City Staff Present: City Administrator Joel Erickson, Public Works Director Joe Dornfeld, City Treasurer Tami Brokl and Liquor Store Manager Lynette Moe

4. APPROVAL OF AGENDA

Rud asked if there were any additions, deletions or corrections to the agenda. A motion was made by Furrer and seconded by Pelava to approve the agenda as presented. Vote for: Rud, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 3-0. 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 2024 Budget

Erickson said this was the fifth meeting pertaining to the City's 2024 property tax levy and budget and that the departments to be reviewed are Liquor, Water and Sewer. He said the tax levy has been the same since the second meeting and reviewed the impact on various valued properties. Erickson said with several values exceeding \$400,000, next year, different properties will be selected for the tax comparison. He said he is comfortable with the proposed levy given one time aid and an increase in LGA for 2024. Erickson reviewed the liquor store 2002 financials and the projected liquor fund revenues for 2024, with sale of goods making up 99.7% of revenue. He reviewed expenses including training, credit card process, cost of goods, professional services, repairs/maintenance, dues/subscriptions, donations, capital outlay and transfers. Erickson said staff is looking into options for a new security system and interior/exterior painting/cleaning. He said given the current fund balance, he was recommending up to a \$75,000 transfer be included in the budget.

Erickson reviewed water fund revenues. He said he was recommending a rate increase of \$2.00 to the base fee and \$0.50/1,000 gallons of water. Erickson said based on average monthly usage of 7,000 gallons, the increase would be \$5.50/month and \$66/year. He said a resident that uses 3,000 gallons or less, will not see their bill increase more than \$2.75/month or \$33/year. Erickson said the proposed increase is anticipated to generate \$112,000 annually. There was general discussion on increasing rates and the fact the fund needs to, at a minimum, be balanced and ideally, generate a nominal profit. Mayor Rud questioned the yearly differences in operating income, change in net position, etc. The City Council said they would consider the rate increase at an upcoming meeting. There was discussion on shutting off water based on delinquent accounts. Staff explained the process and amount of time it takes to conduct shut offs. The City Council agreed shut offs should continue. Furrer asked if the \$75.00 reconnection fee covers the City's expense of shutting off water. Dornfeld said it covers the expense to the City. Erickson said staff is researching options for providing and billing of bulk water. Dornfeld explained the process, current drawbacks and the proposed system for providing/invoicing of bulk water, specifically, after hours. The City Council agreed a better system is needed. Mayor Rud asked how interest is being accounted for. Erickson said it is an estimate of interest to be earned based on interest rates and amount available to be invested. Erickson said that based on the 2022 Comprehensive Water Plan, staff was recommending the booster station be replaced and has been included in the budget.

Erickson reviewed revenues in the sewer fund including SAC fees, refunds/reimbursements, sewer sales and late fees. He said expenses consist of training, chemicals, professional services, engineering, electrical, dues/subscriptions and debt service. Erickson said chemicals is proposed to increase due to switching from Ferric chloride to ferric sulfate and purchasing "bugs" to remove solids and grease fats/foam. Dornfeld said the cost of chemicals is up but in the long run, expenses should reduce due to less bio-solids needing to be hauled and spread. Dornfeld said the plant is running at 50% capacity and he is being told the second aerator pond should be activated to help

with the treatment process and to reduce costs. Erickson said 2024 will be the first year in 20 years there will not be a \$400,000 debt service payment on the treatment plant.

Mayor Rud said he remembers the New Mech litigation initially associated with construction of the wastewater treatment plant. He said he would like a cost estimate for a pickleball court for the next budget meeting.

11. OTHER BUSINESS

None

12. ADJOURNMENT

A motion was made by Furrer and seconded by Pelava to adjourn the meeting at 6:55 pm. Vote for: Rud, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 3-0. Motion carried.

Respectfully Submitted:

Joel A. Erickson, City Administrator