

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
March 26, 2009**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 7:00 pm in the Council Chambers at 415 Central Street West.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the Pledge of Allegiance.

3. ROLL CALL

Present: Daleiden, Kodada, Rud, Smith, and Furrer

Absent: None

Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, Public Works Director Russ Vlasak, and City Engineer Kevin Kawlewski

4. AGENDA

Mayor Rud asked if anyone had any additions, deletions, or corrections to the Agenda.

A motion was made by Kodada and seconded by Furrer to approve the agenda as presented. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

5. APPROVAL OF MINUTES

A motion was made by Daleiden and seconded by Smith to approve the minutes from the February 26, 2009 Regular Meeting and the March 12, 2009 Regular Meeting. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

Gary Skluzacek, 601 Railway Street SW, commented that at the past couple of meetings the numbers for the cost of the newly implemented monthly billing seem to keep changing. He mentioned that he didn't think that the Council was getting the right numbers. He also asked about any outstanding deferred assessments issues. Rud said that the City Administrator will provide an update on the issue later in the meeting.

Steve Jakobitz, 218 3rd Avenue SE, stated that he did some research and found city employee wage and benefit information for the City of Montgomery and the City of Lonsdale. He presented his cost comparison statistics based on position title, and he said that Lonsdale's figures are higher than Montgomery. He stated that City of Lonsdale wages are way out of

line, and he mentioned that he would be willing to run the liquor store for half the cost of the current managers.

Rud stated that the Council appreciates their City staff and thinks the world of them. He said that he rarely receives any complaints about the City's employees. He also mentioned that employee wages and benefits will be talked about later on in the agenda.

William Paulsen, 709 Delaware Street SW, stated his objection to state statues that allows cities to accept offers for forfeited cars. Rud mentioned that Paulsen should contact the Police Chief to discuss the issue further.

In regards to an incorrect comment made by a Councilmember at the March 23rd Special Meeting, Adeline Smisek, 133 1st Avenue SE, commented that she counted at least 104 single people or seniors living in Lonsdale's original town area.

8. APPROVAL OF THE CONSENT AGENDA

- a. Monthly Bills
- b. Treasurer's Report
- c. Board and Commission Minutes
- d. Consider Approval of Cub Scout Pack 327 as the April/May/June 2009 Youth Green Team Recycling Group

A motion was made by Kodada and seconded by Smith to approve the consent agenda. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

9. OLD BUSINESS

- a. Consider Approval of Resolution 2009-08, a Resolution Amending the Development Contract By and Between the City of Lonsdale and On-Site Marketing, Inc. for the Shadow Stone 1st Addition

Kawlewski presented the Council with cost estimates, provided by Joel Cooper of James R. Hill, for both Shadow Stone and Harmony Meadows. The Shadow Stone cost estimate totaled \$26,600 and Harmony Meadows totaled \$20,300 for a combined total of \$46,900. He provided a copy of the City Attorney's letter providing an overview of the issue and analysis on 1) the City's possible liability to Contractors Edge, 2) terms of the development agreement regarding depositing funds with the Court, and 3) reduction in the letter of credit for Harmony Meadows and receipt of letter of credit on Shadow Stone. Kawlewski reminded the Council that the development agreement is an agreement between the City and the developer for the City's protection and it is safe from a third party. Kodada asked when the warranty period would start. Kawlewski said that the warranty period starts at the time of final project acceptance. Kodada asked if there would be anymore legal fees associated with the proposed amendment. Erickson said no.

A motion was made by Kodada and seconded by Smith to approve Resolution 2009-08, a resolution amending the development contract by and between the City of Lonsdale and On-Site Marketing, Inc. for the Shadow Stone 1st Addition. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

- b. Consider Approval of Resolution 2009-09, a Resolution Amending the Development Contract By and Between the City of Lonsdale and On-Site Marketing, Inc. for the Harmony Meadows 1st Addition
(This item was discussed above)

A motion was made by Kodada and seconded by Smith to approve Resolution 2009-09, a resolution amending the development contract by and between the City of Lonsdale and On-Site Marketing, Inc. for the Harmony Meadows 1st Addition. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

- c. Consider Approval of a Multi-Year Proposal Submitted by Clarke Mosquito Control in the Amount of \$805.00 per Application

Erickson said that at the last City Council meeting, the Council reviewed proposals submitted by Clarke Mosquito Control and Owatonna Groundsmasters. He said that the Council decided to have staff draft an RFP and submit it to the two companies. Erickson provided the Council with a comparison sheet showing proposals from Clarke and Owatonna Groundsmasters. Clarke's proposal showed a single year contract at \$822.50/application or \$8,225. They also provided multi-year contract numbers. Groundsmasters's proposal showed a single year contract at \$8,750, and they also provided mulit-year contract numbers. Erickson stated that Clarke was \$525 less than Groundsmasters over a one year contract. He said that Clarke has provided mosquito control in Lonsdale for the past 3 years, and he mentioned that when residents were concerned about spraying, Clarke worked with the City on a solution. Rud asked John Kreyer, Clarke Control Consultant, if they could provide a phone number for citizens concerned about health effects. Kreyer said that he could publish their toll-free phone number in the local newspaper. Daleiden mentioned that mosquito control may be one of the items cut from the budget next year. Daleiden suggested that the City go with the one year contract because of potential cuts. Smith said mosquito control would be a cut that he would be willing to make over staff cuts in the future.

A motion was made by Daleiden and seconded by Smith to approve a one-year contract proposal submitted by Clarke Mosquito Control in the amount of \$822.50 per application. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

- d. Consider Approval of Ordinance 2009-228, an Ordinance Amending Ordinance 2009-227 (2009 Fee Schedule – Water & Sewer Rates)

Erickson said that the City Council held a public hearing on March 23rd at the American Legion building regarding a proposed amendment to the water and sewer rates. He said the Council held the hearing to listen to comments and concerns from residents. He provided the Council with a couple different spreadsheet scenarios based on the

comments received at the public hearing. He presented a \$2, \$3, and \$4 reduction to the base water charge. He also suggested adding a \$5/month base fee for all dwelling/units. Erickson said that based on comments from the public hearing the Council should also consider basing the sewer rate on the average of the actual water usage during the months of January, February, and March.

Rud thanked Steve Jakobitz for his comments and standing up for the seniors in this difficult economy. He also thanked Adeline Smisek and Judy Davis for their comments. Rud mentioned that Scott Duban did a wonderful job of showing and explaining to him how the meter reader actually reads, and he explained that residents are not paying in advance of water usage. He mentioned that the impetus for the monthly billing was due to past problems with high water bills due to leaks. Erickson said that the City's water billing clerk spends about 3 days to send out and record the water bills and public works takes about 8 hours to read the meters. He said the actual out-of-pocket expense, not including staff time, for monthly billing is \$6,000/year. Furrer said that once she explained to a few residents that it only cost \$6,000 per year for monthly billing, they were fine with that. Rud stated that after talking with JB Woodfitter and Mattamy Homes, he projected that Lonsdale could have 20 more home permits by the end of the year which would help justify lowering the rates. Kodada asked if it would make sense to have a graduated rate. Rud said the rates could be rolled back across the board. Erickson provided the Council with a few examples of what a \$2 reduction would look like for a 1000 gallon user. The Council agreed to amend the water base fee by \$2 and a base charge for all dwellings.

A motion was made by Daleiden and seconded by Kodada to approve Ordinance 2009-228, an ordinance amending Ordinance 2009-227 (2009 Schedule – Water & Sewer Rates). Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

Rud thanked all the residents for the input on the issue.

10. NEW BUSINESS

- a. Consider Approval to Reduce the Sewer Rate for 102 1st Ave NE From 41,000 Gallons to 2,000 gallons – Mark Alred

Erickson said that Mark Alred works nights and was not able to attend the meeting. He said that the high water usage for 102 1st Avenue NE was attributed to a leaky toilet. Erickson said that Mr. Alred admitted that the toilet had a leak, and he has requested that the Council consider reducing his sewer rate from 41,000 to 2,000 gallons. Rud asked if the request was consistent with past Council action. Erickson said that requests like Mr. Alred's have been approved by the City Council in the past. Kodada mentioned that this case is a perfect example of why monthly billing is a good idea. He said that monthly billing helps water users find leaks and meter problems quicker.

A motion was made by Kodada and seconded by Furrer to approve a request by Mark Alred for a reduction in the sewer rate for 102 1st Ave NE from 41,000 gallons to 2,000

gallons. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

b. Consider Approval of a Special Assessment Deferral for the Property Located at 216 7th Ave NW

Erickson said that the property owners at 216 7th Avenue NW submitted an application again for a deferment of their special assessment pertaining to the 2007 street reconstruction project. He reminded the Council that they approved their application the previous year based on the fact that the property owner is permanently disabled. Erickson provided the Council with a copy of Resolution 2008-46, Establishing Criteria for Special Assessment Deferrals, the Deferred Assessment application form, and the applicant's 2008 state and federal tax return information. He also provided the Council with a list of six criteria that must be met to qualify for deferment. Erickson said that their request is an annual renewal and it is for 2010.

A motion was made by Kodada and seconded by Daleiden to approve a special assessment deferral for the property located at 216 7th Ave NW. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

c. Consider Approval of a Request for Proposals for Self Contained Breathing Apparatus (SCBA) for the Lonsdale Fire Department

Fire Chief Yetzer said that he is happy to announce that the US Department of Homeland Security awarded a grant in the amount of \$91,500.00 to the Lonsdale Fire Department. He said that the grant money will go towards SCBA equipment and training. He mentioned that the Fire Department will be responsible for contributing \$4,575 (5%) towards the new equipment. He said that Lonsdale's current SCBA equipment is 21 years old and in need of replacement. Yetzer read the grant award letter from FEMA. He also provided a proposed Request for Proposal for the Council to review, and he recommended that the Council approve the proposed RFP for SCBA equipment. Kodada asked if any other cities in the area received similar grants. Yetzer said that other area fire departments have received similar grant awards in the past.

A motion was made by Kodada and seconded by Smith to approve request for proposals for Self Contained Breathing Apparatus (SCBA) for the Lonsdale Fire Department. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

d. Consider Approval of a Donation Request in the Amount of \$1,500.00 From the Lonsdale Youth Baseball Association

Erickson said that the City received a donation request from the Lonsdale Youth Baseball Association in the amount of \$1,500, but he said that the City has only budgeted \$1,000 for youth baseball in 2009. He provided the Council with a copy of the request letter from Tim Kes explaining their request. The Council decided to stick with the budgeted amount of \$1,000.

A motion was made by Kodada and seconded by Smith to approve a donation request in the amount of \$1,000.00 from the Lonsdale Youth Baseball Association. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

- e. Consider Approval of a Request From the Lonsdale Area Chamber of Commerce (LACC) for the City to Fund the Fireworks Insurance, Upfront Cost of Fireworks, Advertising, Necessary Supplies and Road Closure of Main St. (one block North and South of Highway 19 Between 4:30 pm and 11:00 pm) for the 2009 July 3rd Family Fun Night and Fireworks Display

Jeff Smisek provided fireworks informational flyers to the City Council. He said they are planning to do fireworks again on July 3rd from their same location on Main Street South. He said that it has been an excellent location in the past and they have received great feedback. He said that the land owner has agreed to have them back again, and he said the Fire Department will also be on hand as a safety crew. He mentioned that they planned to use the same fireworks company again, and in return they would receive an \$8,000 value for \$4,500. He said that Main Street would need to be closed again for the event, and he also asked if Idaho Street SE could be closed for safety reasons. Barb Cole talked briefly about Family Fun Nights and the annual road closures that will be needed from 4:30 pm to 11:00 pm. Erickson said that the City budgets for this event on annual basis and the rest of the expense is made up through donations. Rud mentioned that it appears that the event will only cost to the City will be \$1,200. Daleiden said that this is a great event that the City and Chamber of Commerce put on every year.

A motion was made by Daleiden and seconded by Kodada to approve the agenda as presented. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

- f. Discussion on CapX 2020 - Clarence and Delores Salaba

Erickson provided an updated copy of the proposed CapX 2020 routes. Deloris Salaba, 9376 60th Street West, provided comments to the Council regarding the proposed 345 kV transmission line project slated to run near Lonsdale. She stated that although the current maps show the Lonsdale route as the alternate route, we can't just sit back and assume the lines won't be coming this way. She said that the poles could reach as high as 120' – 175' tall. She also said that power lines can interfere with machinery, electric fencing, natural gas pipelines, and flyovers. She mentioned that at least 6 century farms exist in this area along the alternate route. She encouraged everyone to attend the public informational meeting on April 7th at 5:00 pm to show support against the proposed alternate route. She stated that we need to protect the valuable things we have around Lonsdale, and she cautioned the Council and audience that we can't leave things to chance.

Rud said that the City has been following the proposed project pretty closely, and he mentioned that the City Council passed a resolution opposing the Lonsdale route. He stated that Administrator Erickson is part of the CapX 2020 Task Force committee and he will be keeping the City up-to-date on the project. Furrer mentioned that the alternate route affects more things. Salaba stated that we don't want to push for the northern route

either, but she said it would cost \$155,000,000 more for the alternate route to be constructed.

g. Presentation of 2008 Police Department Report – Chief of Police, Jason Schmitz

Chief Jason Schmitz read through his detailed 2008 Police Department Report. The report provided highlights and statistics from 2008. He said that overall, crime is about the same as last year. Kodada asked if the statistics for ordinance violations included blight. Schmitz said yes, and he mentioned that the Police Department has taken a serious approach towards blight issues. The Council commented on how thorough the report was, and they told Schmitz that he did a good job.

h. Consider Approval to Make a Conditional Job Offer to Thomas Bokman as Part-Time Police Officer at Grade 8 / Step 1 (\$17.64/hr)

Schmitz said that they held interviews on March 19, 2008 for two part-time police officers positions. He said that he was very satisfied with the candidates, and he recommended that Thomas Bokman and Christopher Daley be hired as part-timers for the Police Department contingent on a background investigation. He mentioned that the City currently has two part-timers, but two additional officers would help fill in hours for sick, vacation, etc. without having to pay overtime.

A motion was made by Smith and seconded by Furrer to approve a conditional job offer to Thomas Bokman as Part-Time Police Officer at Grade 8 / Step 1 (\$17.64/hr). Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

i. Consider Approval to Make a Conditional Job Offer to Christopher Daley as Part-Time Police Officer at Grade 8 / Step 1 (\$17.64/hr)

(This item was discussed above)

A motion was made by Kodada and seconded by Furrer to approve a conditional job offer to Christopher Daley as Part-Time Police Officer at Grade 8 / Step 1 (\$17.64/hr). Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

j. Consider Approval to Accept an Offer in the Amount of \$5,500.00 for a Police Department Forfeited 2001 Honda Civic as Designated by MN Statute 169A.63

Schmitz provided the Council with a brief background on the situation. He mentioned that the Lonsdale Police Department forfeited a 2001 Honda Civic which was used in the commission of an offense designated by Minnesota State Statute 169A.63. He said that all the requirements were met and the vehicle became the property of the City of Lonsdale. He also provided the Council with a list of all the expenses associated with the vehicle.

A motion was made by Smith and seconded by Kodada to accept an offer in the amount of \$5,500.00 for a Police Department Forfeited 2001 Honda Civic as designated by MN

Statute 169A.63. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

k. Consider Approval of Resolution 2009-10, a Resolution Proclaiming the Last Friday in April as Arbor Day in Lonsdale

Baker mentioned that the 2009 Arbor Day Committee, consisting of Principal Dave Dooley, Park Board Member Micki Ziskovsky, DNR Forester Angie Yuska, and himself, met on March 6, 2009 to plan and discuss an Arbor Day event at East Elementary School. He said that the event will be held on April 24, 2009 and hosted by the Montgomery-Lonsdale School District and the City. He said that they plan to invite the 4th Grade students from both East and West Elementary Schools along with any other interested City officials and residents. He mentioned that the DNR will donate approximately 125 trees and 15 tree spades for the event. Baker also provided a possible presentation schedule for the Council to review. He mentioned that at their meeting on March 10, 2009, the Park Board recommended hosting a joint Arbor Day Event on the last Friday of April with the Montgomery-Lonsdale School District. Baker suggested that the Council proclaim the last Friday in April as Arbor Day in Lonsdale. Rud thanked Micki Ziskovsky, Kevin Kodada, and all the Park Board members for all their work.

A motion was made by Kodada and seconded by Smith to approve Resolution 2009-10, a resolution proclaiming the Last Friday in April as Arbor Day in Lonsdale. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

l. Consider Approval of Resolution 2009-11, a Resolution Amending the Development Contract By and Between the City of Lonsdale and Mattamy Homes for the Eagle Creek Development

Baker said that during a routine plan review of a new home permit in the Eagle Creek he found that the home size was approximately 300 sq. ft. too small according to the development agreement requirements for two-story homes. He said that Mattamy Homes was notified that the plans did not meet the requirements. Baker said that on March 19th, Tom Wolters, Mattamy Homes, met with City staff and the Lonsdale Planning Commission to discuss an amendment to the Eagle Creek Development Agreement. At those meetings, Wolters suggested that the City consider reducing the Eagle Creek home size requirement from 2000 sq. ft. for a two-story home and 1900 sq. ft. for a modified two-story home to 1600 sq. ft. Wolters also mentioned that Mattamy Homes is trying to hit a “price point” and add nicer looking two-story homes to the neighborhood. Baker stated that, per City staff’s request, Wolters sent a certified notification letter regarding the proposed home size amendment to all of the residents of Eagle Creek. Baker said that after reviewing the request, the Planning Commission recommended approval of the development agreement amendment for two-story homes in Eagle Creek at their meeting on March 19, 2009.

A motion was made by Daleiden and seconded by Furrer to approve Resolution 2009-11, a resolution amending the development contract by and between the City of Lonsdale and Mattamy Homes for the Eagle Creek Development. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

m. Consider Approval to Declare the Pole Sign Located at 104 Railway St. NW a Non-Conforming Sign and Requiring Compliance With the Provisions of Ordinance 2008-220 (Sign Ordinance)

Baker provided the Council with all applicable sections of the City Code regarding abandoned and non-conforming signs and an aerial photo showing the pole sign located at 104 Railway Street within the County's right-of-way. Baker said that there is no doubt that the pole sign is a non-conforming sign and needs to be taken down or moved into compliance with the sign ordinance. He said that the Planning Commission has been trying to resolve this problem for some time, and he mentioned that the property owners are aware of the issue. He mentioned that the new property owner stated that he plans to erect a building sign once his new building is constructed. Baker mentioned that Rice County Highway Engineer Dennis Luebbe said that the County does not endorse the placement of signs or objects within their right-of-way, but they typically refer back to local sign ordinances for enforcement. Baker said that the Planning Commission did recommend that the pole sign come into compliance with Ordinance 2008-220 or be removed. Furrer suggested that a timeline for action be stated. Kodada suggested that the sign should come into compliance or be removed by June 1, 2009.

A motion was made by Kodada and seconded by Daleiden declaring the pole sign located at 104 Railway St. NW a non-conforming sign and requiring compliance with the provisions of Ordinance 2008-220 (Sign Ordinance) or removal by June 1, 2009. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried.

n. Update on Staff Meeting Regarding Budget Cuts

Erickson said that on March 23, 2009, a meeting was held with City staff regarding the city budget relative to cuts in state aid. He said that the discussion focused on a possible wage freeze in 2010, health insurance, and the possibility of wage/staff cuts in 2009 if the economy gets worse. He said that the meeting was a time of open and honest communication between City leaders and staff.

Erickson stated that comments made by Mr. Jakobitz earlier in the meeting regarding City staff wages compared to Montgomery were not exactly an apples to apples comparison. He explained the flaws with Mr. Jakobitz comments, and he stated that both Montgomery and Lonsdale have very comparable wages.

Rud said that the meeting was very positive, but he warned everyone that the Council is facing a \$200,000 budget cut in state aid. He said the meeting was called to give staff the heads up on the budget issue. Rud stated Lonsdale has a terrific staff, and he mentioned that the Council looks at other cities when determining comparable worth for staff wages and benefits. He said that the Council is very cognizant of the economic times and the City's budget. Rud reminded everyone that the Council will start their 2010 budget discussions in a few months again.

11. OTHER BUSINESS

a. Department Reports

Council Member Daleiden

Daleiden stated again that the Liquore Store team had a wonderful meeting at the beginning of the month where the manager and co-manager stated that the store's wages will be narrowed by \$40,000 - \$50,000.

Council Member Kodada

None

Council Member Smith

None

Council Member Furrer

Furrer said that the "Lonsdale Marketing Group" met with Prospective Marketing to discuss logos, advertising phrases, and different approaches to marketing Lonsdale.

Mayor Rud

Rud congratulated Mary Malecha on recently turning 102 years old. He plugged the upcoming Lonsdale Lions Pancake Breakfast and Lonsdale Fireman's Steak Dinner and Dance. He said that the City is still in the running for Cinch Systems. He also mentioned that a barber shop is moving into the Movie Mania building and there has been interest shown in the vacant Vosejpka Electric building too.

Erickson updated the Council on the on-going blighted home issues. He also said that there is a deferred assessment still out on the Fig Street Project and that he is working with the property owner to finalize the assessment and get the issue wrapped up.

12. ADJOURNMENT

A motion was made by Daleiden and seconded by Kodada to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote: 5-0. Motion carried. The meeting closed at 8:58 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator