

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
January 8, 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. Rud added "Designation of Sky Warn Director" and "City Budget Issues and State of the City" to the agenda.

A motion was made by Kodada and seconded by Furrer to approve the agenda with the noted additions. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: 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. Consider Approval of Paul Jirik and Dave Dols as Captains for the Lonsdale Fire

Department

Fire Chief Yetzer stated that the Fire Department recently held interviews for two open captain positions. He recommended Paul Jirik and Dave Dols as captains. He said that the captain position is a four-year term and the Fire Department has four captains. He mentioned that the other two captain positions will be nominated in 2011.

A motion was made by Kodada and seconded by Smith to approve Paul Jirik and Dave Dols as Captains for the Lonsdale Fire Department. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

b. Consider Approval of Final Payment in the Amount of \$10,911.09 to Design Electric Contractors, Inc. for the Stop Light Project

City Engineer Kawlewski presented the final construction pay voucher for the traffic control signal system and appurtenant work to the City Council. He said that the City has received a consent of surety to final payment, a receipt and waiver of mechanic's lien rights, a contractor's withholding affidavit, and a maintenance bond. He explained that the project did go a little over budget due to the starts and stops for striping work. He said that there were no change orders just overruns based on unit prices.

A motion was made by Daleiden and seconded by Furrer to approve payment in the amount of \$10,911.09 to Design Electric Contractors, Inc. for the Stop Light Project. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

c. Consider Approval of a Compliance Agreement Between the City of Lonsdale and the Minnesota Department of Health

Erickson explained that a compliance agreement must be made each year with the Minnesota Department of Health because the City exceeds the maximum contaminant level for radium that is pumped from Well # 4. He said that the City is responsible for submitting information to the Minnesota Department of Health and tracking the usage of Well # 4. Rud mentioned that the City may ultimately need to construct a water treatment plant. Kodada asked how long the City can blend the well water for. Kawlewski stated that as long as Wells # 2 and # 3 are running, the City can blend indefinitely. Kawlewski also mentioned that Well # 3 can only be maintained but not improved in any way.

A motion was made by Kodada and seconded by Smith to approve a compliance agreement between the City of Lonsdale and the Minnesota Department of Health. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

d. Consider Approval of a Master Subscriber Agreement for Court Data Between the City of Lonsdale and the State of Minnesota

Police Chief Schmitz said that Rice County is converting from a ticket written on paper to a ticket printed off in the squad car. He said that only a paper copy will be given to the proposed violator. Schmitz explained that a wireless signal will relay an electronic copy

of the ticket to the Rice County Courthouse and the Police Department. He said that administrative fines will not be in the system but that ordinance violations will be. He said that it will be a huge cost savings to the county, and it will help save on driving time as well. Schmitz said that the Police Department would be cost sharing along with the county to purchase the printing equipment.

A motion was made by Daleiden and seconded by Furrer to approve a master subscriber agreement for court data between the City of Lonsdale and the State of Minnesota. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

e. Consider Approval of Resolution 2009-04, a Resolution Amending the 2009 Annual Budget Due to a Reduction in State Aid

Due to the reduction in State Aid, Erickson outlined a list of proposed cuts to the adopted 2009 budget. Although the state cut \$75,000 of LGA from the City of Lonsdale, Erickson recommended cutting \$109,381 in preparation of another round of state aid cuts.

Rud stated that there has recently been a perception of gloom and doom stemming from local newspaper articles and guest columnists. He said that the actual state of the City is much more positive. He mentioned that the City recently saved \$17,000 on a pay loader lease option and has been very proactive on many fronts. He said that the business park will definitely be a reality this year. He said that the City did need to raise utility rates due to an aging infrastructure. He mentioned that the City Council has lowered taxes each of the last six years. He said that Lonsdale is in a lot better shape than other surrounding communities.

Kodada and Daleiden stated that they both liked the idea of eliminating \$35,000 more to the 2009 budget in preparation of more cuts to State Aid.

A motion was made by Kodada and seconded by Smith to approve Resolution 2009-04, a resolution amending the 2009 annual budget due to a reduction in state aid. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

f. Consider Approval to “Call” the City’s General Obligation Building Bonds, Series 1998b

Erickson said that the City could save approximately \$50,000 by calling the City’s General Obligation Building Bond and pay off the principle and interest for the City maintenance building. He said that the City had an interest rate of 4.7% on the bond but was only receiving 1.72% on interest for the water fund and road and bridge fund. He said that the City will have enough reserves on hand for the next couple of years. Rud mentioned that both the City Administrator and City Treasurer recommended calling the bond. Erickson said that the City has a bond rating of A3. He said that Paul Donna is looking into restructuring bonds, and he mentioned that refinancing would not make sense at this time. The Council asked about the Villages of Lonsdale water/sewer connection charge. Erickson said that Villages of Lonsdale will pay approximately \$300,000 in connection charges. Daleiden said that if the money is available, then it makes sense to call the bond.

A motion was made by Daleiden and seconded by Kodada to approve to “call” the City’s General Obligation Building Bonds, Series 1998b. Vote for: Daleiden, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- g. Consider Approval of Resolution 2009-05, a Resolution Designating Mike Walters as the Director of Sky Warn

Rud recommended Mike Walters as his nomination for the director of Sky Warn.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2009-05, a resolution designating Mike Walters as the Director of Sky Warn. Vote for: Daleiden, Kodada, Rud, and Furrer. Against: Smith. None. Vote 4-1. Motion carried.

- h. Discuss City Budget Issues and State of the City

Rud mentioned that the City was currently one of the front runners for a potential business lead. He stated that the developers of the proposed business park seemed pretty optimistic about preparing the site this summer. He said that City staff and the EDA are looking at the possibility of teaming up with a marketing firm and broker to land new businesses and jobs in town.

11. OTHER BUSINESS

- a. Project Updates

None

- b. Department Reports

Council Member Daleiden

Daleiden stated that traffic has been great at the Liquor Store lately, and he mentioned that he was excited to see the actual numbers. He said that the last two months have been very encouraging, and he stated that there is no reason not to be optimistic. Rud said that it is important that the Liquor Store make a payment back to the sewer account.

Council Member Kodada

None

Council Member Smith

None

Council Member Furrer

None

Mayor Rud

Rud stated that the Lonsdale Area Chamber of Commerce would be hosting their annual banquet at Willingers on January 17th. He thanked Jeanette Morgan and City staff for their hard work on the Jaycee Park Warming House project. He suggested that all the volunteers and contributors to the project take a group picture. He mentioned that he would be drafting the “State of the City” over the next couple of weeks.

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 7:45 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator