

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
May 13, 2010**

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, and Furrer

Absent: Pelava

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

4. AGENDA

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

A motion was made by Daleiden and seconded by Kodada to approve the agenda as noted. Vote for: Daleiden, Kodada, Rud, and Furrer. Against: None. Vote: 4-0. 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

a. None

10. NEW BUSINESS

a. Consider Approval of the Lonsdale Community Days Committee 2010 Request
Erickson provided a request letter to the Council from the Lonsdale Community Days Executive Board of Directors for Community Days 2010. He mentioned that the Board's requests are the same as in previous years including portable restrooms, extras staff hours for the Police and Public Works Departments, liability insurance, and a liquor license for

Main Street. Community Days Board Members Bonnie Simon and Eva Steege addressed the Council from the podium. They explained the details, dates, and times of the different Community Day's events. Erickson said that all the requested items were budgeted for.

A motion was made by Kodada and seconded by Furrer to approve the requests of the 2010 Community Days Board including portable restrooms (not to exceed \$1,500), extra staff hours, and liability insurance. Vote for: Daleiden, Kodada, Rud, and Furrer. Against: None. Vote: 4-0. Motion carried.

A motion was made by Kodada and seconded by Daleiden to approve a liquor license to Lonsdale Community Days for the Main Street right-of-way, one block north and one block south of Hwy 19 and Fred's IGA parking lot. Vote for: Daleiden, Kodada, Rud, and Furrer. Against: None. Vote: 4-0. Motion carried.

b. Consider Scheduling a Public Hearing on Ordinance 2010-237, an Ordinance Amending City Ordinance 2010-234, Building Permit Fees for June 10, 2010 at 7:00 pm or Shortly Thereafter in the City Council Chambers

Erickson explained that on July 1, 2010, the State of Minnesota will be implementing an increase in its state surcharge from \$0.50 to \$5.00 for flat fee building permits such as re-roofs, furnace replacements, and re-siding. He mentioned that the City's Fee Schedule should reflect the State's mandatory increase in the flat fee surcharge amount.

A motion was made by Kodada and seconded by Furrer to schedule a public hearing on June 10, 2010 to review Ordinance 2010-237, an ordinance amending Ordinance 2010-234, City Fee Schedule. Vote for: Daleiden, Kodada, Rud, and Furrer. Against: None. Vote: 4-0. Motion carried.

c. Update on CapX 2020

Erickson updated the Council on the latest news regarding the CapX 2020 project. He mentioned that the Administrative Law Judge recently recommended that the Brookings County to Hampton 345 kV transmission line follow the modified preferred route combined with Route Option 6P-06 (Hampton substation area). He provided a map showing the recommended route, modified preferred route, and alternate route. The map showed Lonsdale located approximately 6 miles south of the recommended route. Erickson said that the Public Utilities Commission will make a final decision within 60 days.

d. Update on Local Government Aid / State Aid Unallotment Court Decision

Erickson provided an update on the recent Minnesota Supreme Court decision regarding the Governor's unallotment decision. He also provided a summary of cuts in State Aid that the City experienced since 2008. Erickson predicted that there probably won't be any LGA unallotted in 2011, but he said that the State Legislature and Governor will most likely approve additional cuts to LGA in 2011. The Council asked about the impact that the State's \$3 billion budget deficit will have on Lonsdale for the remainder of 2010. Erickson said that he expects the City may have to cut just over \$200,000, which is equal

to 25% of the City's general fund budget. Rud asked if the City should think about scheduling a special budget meeting soon. Erickson said that the City should wait for the State to come up with their final approved budget first. The Council agreed that that cutting a large amount from the City's budget is not going to be easy. Erickson said that he already asked the different City Departments to start thinking about possible departmental budget cuts. Kodada and Rud suggested holding a special budget meeting as soon as the final State budget numbers are known.

- e. Consider Approval of a Proposal Submitted by Eide Bailly in the Not to Exceed Amount of \$3,500.00 to Examine the Cash Balances and Bank Reconciliation for 2009 and the First Three Months of 2010

Erickson explained that Eide Bailly, City Auditors, have been at City Hall twice, and they are working towards the completion of the City's 2009 year-end audit. He presented a proposal from Eide Bailly to complete work outside the normal scope of a year-end audit, including an examination of the cash balances and reconciliation for 2009 and the first three months of 2010. Rud and Kodada questioned Eide Bailly's contract and the State's requirements for municipal audits. Furrer stated that if City staff needs additional training, the City should be helping facilitate that effort. The Council agreed that a special meeting should be scheduled to discuss issues related to the audit with both the City Auditors and City Treasurer present.

A motion was made by Furrer and seconded by Kodada to table the issue. Vote for: Daleiden, Kodada, Rud, and Furrer. Against: None. Vote: 4-0. The issue was tabled.

- f. Discuss Process to Solicit a Bid for Design and Construction Observation for the Proposed Water Treatment Facility

Erickson mentioned that BDM Engineers and Tonka Equipment recently completed a pilot study determining the best process to treat water at Well # 4. He said that they found that a water treatment facility would eliminate the City's concerns of iron, manganese, and radium in the water. Erickson asked the City Council if they wanted to solicit bids from other engineering firms for the design of a water treatment facility to make sure the City gets the best price for the required services. Rud asked what the consensus of the Council was. Daleiden said that health concerns should be rated above everything else. Furrer asked how long the City could continue to blend at Well # 4. Erickson and Vlasak said that according to the State Health Department, blending can continue for an unlimited time. Kodada stated that the project should be sent out for bids. Erickson said that the City can either do a RFQ or RFP. Rud mentioned that he has been very pleased with the work that BDM has done for the City. The Council agreed that proposals should be sent out to a select number of engineering firms.

- g. Update on Trunk Highway 19 Sidewalk Improvement Project

Erickson said that bids for the Hwy 19 Sidewalk Improvement Project were officially opened earlier in the day. He mentioned that 13 companies received plans and 5 bids were received, including bids from Chard Tiling & Excavating, Duininck Inc, Heselton Construction, Rud Construction, and S.M. Hentges. Erickson said that Chard Tiling & Excavating was the apparent low bid at \$184,340.67. He said that the WSB Engineers

will be forwarding the bids to MnDOT for review and approval, and then the contract will be awarded at the May 27, 2010 City Council meeting.

11. OTHER BUSINESS

a. Department Reports:

Council Member Daleiden

Daleiden reported that this year's Liquor Store sales have been better than last year's numbers. He also stated that May 15th is the deadline for the punch cards.

Council Member Kodada

Kodada said that at their last meeting, the Park Board reviewed and discussed SHIP grant ideas, the Hwy 19 Sidewalk Project, recent tree planting events, and the MnDOT Landscaping Partnership Program. Rud thanked the Park Board for doing such a great job to improve the community.

Council Member Furrer

Furrer said the Library Board is currently working on its bylaws. She also said that the EDA will be discussing placing a Lonsdale billboard along I-35 at their next meeting on May 20th. Furrer said that Skywarn is planning for their annual pancake breakfast.

Council Member Pelava

N/A

Council Member Rud

Rud announced that Pitch, Hit, and Run will be at Jaycee Park on May 15th. He also announced that the Fireman's Steak Fry will be on May 22nd. He said that four new residents recently moved into the Villages of Lonsdale, and said that the Villages of Lonsdale has been a terrific facility for the Lonsdale community.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Daleiden to adjourn the meeting. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote: 4-0. Motion carried. The meeting closed at 8:26 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator