

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
August 28, 2008**

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: Duban, Kodada, Rud, Smith, and Furrer

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

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 Duban to approve the agenda as presented. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

5. APPROVAL OF MINUTES

A motion was made by Duban and seconded by Smith to approve the July 31, 2008 Board of Appeals and Adjustments Meeting and the July 31, 2008 Regular Meeting. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

A motion was made by Kodada and seconded by Furrer to approve the consent agenda:

- a. Monthly Bills
- b. Treasurer's Report
- c. Board and Commission Minutes
- d. Consider Approval to Accept Sarah Shaughnessy's Letter of Resignation as Part Time Liquor Store Clerk

- e. Consider Approval to Accept Luke Rezac's Letter of Resignation as Sales and Marketing Director and Hire Luke Rezac as a Part Time Liquor Store Clerk at Grade 2 / Step 2 (\$10.48/hr)
- f. Consider Approval of a Contract Renewal Between the City of Lonsdale and Safe Assure Consultants, Inc. for OSHA Related Training in the Amount of \$3,756.00

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

9. OLD BUSINESS

- a. Consider Approval of an Adjustment to the Sewer Portion of the Utility Bill for the Landmark Square Apartments

Erickson stated that Bruce Ackland, manager of Landmark Square Apartments was present at the meeting. Erickson provided the Council with background information relating to the issue. He said that Landmark Square contacted the City shortly after utility bills for the first quarter were mailed out to relay concern over their meter's high reading. He said that Landmark Square asked if their meter could possibly have a defect. Erickson said that the meter was tested and found to exceed AWWA standards. He provided the testing results to the Council. Erickson said that a new meter was ordered and installed by Landmark Square. Erickson said that staff met with Mr. Ackland to review the situation. Erickson mentioned that at the meeting, Ackland said that there were no plumbing problems and no service calls to the apartments pertaining to leaks. Erickson explained that because there was nothing found to be leaking and the water meter was tested and found to be accurate, staff denied Ackland's request for a reduction in the sewer rate.

Mayor Rud invited Ackland to the podium. Ackland explained that Landmark Square was a division of Chelsea Development and part of Rural Development's affordable housing program. He said that Landmark Square has always paid their water bill in the past. Ackland explained that their bookkeeper got caught up doing government mandated paper work and reports, and she didn't notice the jump in water usage. Ackland said she usually doesn't look at the usage because the numbers are always consistent. Ackland explained that he had the meter and every apartment checked and no problems were detected. He said that it was a mystery how the usage could read so high. Rud asked if anyone knew what could have happened. Vlasak said that the meter was tested and it came back fine. Ackland expressed that he was requesting a reduction in the sewer portion of their utility bill. Ackland asked the Council for a fair compromise because Chelsea Development doesn't have extra money in their budget. Ackland said it's hard to believe that we used 900,000 gallons of water, but he was willing to accept any compromise. Ackland said that the City should develop a red flag policy for situations like this. Rud and Kodada said that the City should follow past policy. Smith and Rud agreed that the late fees should be waived if the payment is made within 30 days.

A motion was made by Duban and seconded by Smith to have Landmark Square pay their 1st quarter bill and approve a reduction to the Landmark Square sewer bill portion to

the 2nd, 3rd, and 4th quarters to 87,000 gallons used and waive the late fees if the bill is paid within 30 days. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

b. Consider Approval of a Cooperative Agreement Between the City of Lonsdale and Rice County for SWAT Team Mutual Assistance

Police Chief Jason Schmitz said that he did not have any problems with the language in the agreement. Schmitz said that the County will be reviewing and amending the language again in 2009. Smith stated that he didn't see any issues with the agreement.

A motion was made by Duban and seconded by Smith to approve a cooperative agreement between the City of Lonsdale and Rice County for SWAT Team Mutual Assistance. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

c. Consider Approval of a Joint Powers Agreement Between the City of Lonsdale and the Rice County Drug Task Force

Schmitz recommended approval of the agreement. He said, like the previous agenda item, that the language in the agreement will also be reviewed in 2009.

A motion was made by Smith and seconded by Kodada to approve a joint powers agreement between the City of Lonsdale and the Rice County Drug Task Force. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

Rud asked Schmitz to comment on the recent vandalism. Schmitz said that a \$200 reward has been established for the arrest and conviction of the property defacers. He said that they have had some conversations with local kids but the kids denied any wrong doing. Schmitz said it's hard unless you catch them in the act. Rud said that we should get something published as-soon-as possible.

Smith asked about the recent string of car break-ins. Schmitz said that they do have a suspect. He stated that all the cars that were broken into were unlocked, and he said that residents need to remember to always lock their cars and report any suspicious activity.

10. NEW BUSINESS

a. Consider Approval of the City's Property and Municipal Liability Insurance Premium for 2008/2009 in the Amount of \$58,201.00 – Pete Flicek, Flicek Insurance Agency

Pete Flicek presented a premium comparison sheet comparing insurance rates from the City's three previous years, and he also provided a 2008 renewal comparison breakdown for the Council to review. Flicek said that the City will be saving approximately \$3,200 in 2008. Flicek read through the comparison breakdown sheets in detail. Flicek also provided a coverage spreadsheet of City Vehicles by year. He explained that the City could go with an optional coverage to replace vehicles 10 years or newer for only \$413 extra. Duban stated that the vehicle replacement coverage cost is very minor, and he suggested adding the extra coverage.

A motion was made by Duban and seconded by Smith to approve the City's 2008-2009 property and municipal liability insurance premium in the amount of \$58,201.00 along with the coverage in the amount of \$413 for replacement coverage for vehicles 10 years or newer. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

b. Consider a Request from the Lonsdale Ambassador Organization for a \$1,000.00 Donation for a Parade Float

Lisa Skluzacek, Vice President of the Lonsdale Ambassadors program, and Karmin Stanley, President, asked the City Council to consider a one-time donation of \$1,000 or more for an official Lonsdale Ambassadors float to be used in parades. Skluzacek said that the float would be 16' long by 8' wide and 11' high with a crown on it. She said the total cost of the float would be close to \$15,000 not including sound, lights, battery-powered systems, and extra props. Stanley said that the City of Lonsdale logo could be advertised on the float forever. She said that they were hoping to receive all the donations by October 20, 2008 so that the contributors can be listed on the float. Duban asked about float insurance. Rud congratulated the Ambassador Presidents on a terrific program. He also said that the City should set up a policy for donations to groups. Furrer agreed that a policy should be set up for contributions.

A motion was made by Duban and seconded by Smith to direct City staff to draft a policy regarding contributions. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

The Council assured Stanley and Skluzacek that they would make a decision on their request at the next Council meeting.

c. Consider Approval of the City's 2007 Annual City Audit – Larry Weeks, Eide Bailley
Larry Weeks of Eide Bailley commented on the previous agenda item. He warned the Council that a donation towards the Ambassador's float would be illegal. He suggested that the Council read a League of Minnesota Cities Memo regarding legal and illegal donations.

Weeks stated that the City was in very good financial condition. Weeks presented the 2007 Audit Financial Statement packet to the Council. He went through the fund accounting balance sheets on page 3 of the financial statement which shows the general health of the City. Weeks also commented on page 31, which showed the balance sheet for non-major government funds like the economic development fund and debt service funds. Weeks asked if anyone had any questions. Rud commented that the City was not prepared for the high depreciation amount on the wastewater plant. Weeks said that sewer plants are based on 50 years depreciation. Weeks also explained that the Liquor Store numbers might not be fully reflected until 2008. Duban commented that City staff is looking forward to receiving on-site training from Banyon and representatives from Eide Bailley. Rud thanked Mr. Weeks.

A motion was made by Kodada and seconded by Smith to approve City's 2007 Year End audit (from Eide Bailley). Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

d. Consider Approval of Resolution 2008-35, an Ordinance Approving a Comprehensive Plan Amendment

Baker presented a staff report to the Council. He identified the location of the subject property and described the request by applicant All Terra LLC. He stated that in preparation for a proposed business park, the applicant was requesting the City consider amending its comprehensive land use plan and official zoning map to coincide with commercial and industrial uses. He said that All Terra LLC was proposing that the subject property be guided as "Commercial-Industrial" on the comprehensive land use plan and shown as "I-2, Medium Industrial" on the official zoning map. Baker said that the applicant was also requesting a "PUD, Planned Unit Development" overlay zone be considered for the property. He said that PUDs allow for greater flexibility in site design and encourages development that is sensitive to environmental and economic considerations. Baker said that a PUD agreement, similar to the Market Place PUD Agreement, would be required by the City. Baker provided the Council with 7 reasons why the City should consider a new business park located at Garfield Avenue and Hwy 19. Baker said that the Planning and Zoning Commission held a public hearing at their meeting on August 21, 2008, and they recommended approval of the comprehensive land use plan amendment.

A motion was made by Duban and seconded by Kodada to approve Resolution 2008-35, a resolution approving an amendment to the comprehensive land use plan to guide the subject property as "Commercial-Industrial". Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

e. Consider Approval of Ordinance 2008-223, an Ordinance Approving a Request for Rezoning

Baker said that the Planning and Zoning Commission held a public hearing at their meeting on August 21, 2008, and they recommended approval of the rezoning request.

A motion was made by Kodada and seconded by Duban to approve Ordinance 2008-223, an ordinance approving a request for rezoning to "I-2, Medium Industrial" and "PUD, Planned Unit Development" overlay zone. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

Baker explained that since the subject property is officially guided for commercial and industrial land uses, the next step in the process is for the property owner/developer to submit a development plan and preliminary plat. He said that once an application is received, a public hearing notice will be advertised in the newspaper and all adjacent property owners will receive a postcard notice in the mail. Erickson stated that there will also be other public meetings pertaining to the 429 process, if the City completes the project according to the 429 process as petitioned. Rud asked staff to keep Trondhjem Lutheran Church up-to-date with any new information regarding the project.

f. Consider Approval of a Quote Submitted by Fergus Pump, Inc. in the Amount of \$0.41 per Gallon for Biosolids Hauling and Application

Vlasak stated that he received two bids for hauling biosolids from the waste water treatment plant. He said that Fergus Power Pump provided service to the City in the past and provided the lowest bid. He recommended going with Fergus Power Pump.

A motion was made by Kodada and seconded by Smith to approve a quote submitted by Fergus Pump, Inc. in the amount of \$0.41 per gallon for biosolids hauling and application. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

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

Erickson stated that Well # 4 has exceeded the Maximum Contaminant Level (MCL) for radium. He said that an agreement has been reached with the Minnesota Department of Health to allow the City to continue the use of Well # 4. He said that as part of the agreement the City has to: (1) continue notifying residents with a Consumer Confidence Report, (2) monitor Well # 4 twice a year for gross alpha and radium, (3) calibrate well meters and submit findings annually, (4) submit pumping records on a monthly basis, and (5) review the compliance agreement on an annual basis. Erickson said that if the City approves the agreement, the City is not required to publish the notice that was published several weeks ago pertaining to radium in the water. He said that both staff and the Department of Health both recommend approval of the agreement. Rud asked how many phone calls have been received on the issue. Erickson said only one so far.

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

h. Consider Approval of the County Road #33 Trail Plans and Specifications and Authorize Staff to Advertise the Project for Bids

Kawlewski stated that the CSAH # 33 trail project has been before the Park Board numerous times. He said that due to the poor subsurface soil, they are planning to wrap the trail in geotextile fabric over the 30' of peat and use native clays for fill in order to minimize major differential settlement. He recommended that pavement construction on the trail be delayed until next year to allow for settlement over the winter. Kawlewski stated that the total cost estimate for trail construction is \$73,600 not including the purchase of wetland credits to mitigate the wetland impacts of the project. He said that that staff met with County Engineer Dennis Luebbe on Wednesday to discuss moving the trail closer to the County roadway to lessen the cost of construction and wetland impacts. He said that Luebbe approved the idea of moving the trail closer to the CSAH # 4 with the condition that guard rail be installed. Kawlewski said that the County and City reached a deal in which the City could piggy back on the unit price for guard rail next year when the county bids a county-wide guard rail project. Duban asked how much money was budgeted for the project. Erickson said approximately \$70,000 - \$80,000.

A motion was made by Kodada and seconded by Furrer to approve the County Road # 33 Trail Plans and Specifications and authorize staff to advertise for the project for bids. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- i. Consider Approval of the Pay Voucher # 3 (Final Payment) for the Industrial Park Dr. SE Street and Storm Sewer Extension Project in the Amount of \$4,959.18 to Deutsch Construction, Inc.

Kawlewski recommended approval of Pay Voucher # 3, final payment for the Industrial Park Drive project. He said that the maintenance bond starts the day the project is accepted.

A motion was made by Kodada and seconded by Duban to approve Pay Voucher # 3 (final payment) for the Industrial Park Drive SE Street and Storm Sewer Extension Project in the amount of \$4,959.18 to Deutsch Construction. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- j. Consider Approval of Resolution 2008-36, a Resolution Requesting Rice County to Request the Minnesota Department of Transportation to Conduct a Speed Study on County Road # 4 Between Highway 19 and Idaho St. S.

Erickson explained that Resolution 2008-36 is a simple resolution requesting Rice County to request MnDOT to conduct a speed study on County Road # 4 between 10th Avenue NW and Idaho Street South.

A motion was made by Kodada and seconded by Duban to approve Resolution 2008-36, a resolution requesting Rice County to request MnDOT to conduct a speed study on County Road # 4 between Hwy 19 and Idaho Street South. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

11. OTHER BUSINESS

- a. Project Updates

Engineering

Kawlewski stated that the final punch list items from the 2006 and 2007 Reconstruction Projects were complete. He said that Chard Tiling was still working on a few items left on their punch list. He said that they are waiting for a warranty bond for Eagle Creek. He said that he notified BCM to take care of the 8th Avenue issues. Kawlewski stated that once Fig Street as-built plans are provided to the county, then the City will be reimbursed the county's \$21,000 portion of the project.

- b. Department Reports

Council Member Duban

Duban said that they interviewed two part time police officers and they will be going through a background check.

Council Member Kodada

None

Council Member Smith

None

Council Member Furrer

None

Mayor Rud

Rud stated that the next Meeting with the Mayor will be on September 13th. He also mentioned that the Villages of Lonsdale project was sending their building permit application in the mail.

Erickson stated that the next budget meeting will be on September 8, 2008 at 6:30 pm. He also said that the City of Lonsdale will be teaming up with the City of Montgomery to apply for the Small Cities Grant again. He said the reason the City did not receive the grant last time was because it did not provide a joint application with another city.

12. ADJOURNMENT

A motion was made by Duban and seconded by Kodada to adjourn the meeting. Vote for: Duban, Kodada, Rud, Smith and Furrer. Against: None. Vote 5-0. Motion carried. The meeting ended at 8:50 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator