

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
February 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: Kodada, Rud, Smith, and Furrer

Absent: Daleiden

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. Erickson suggested adding a "Letter of Credit Reduction Request by On-Site Marketing" to the agenda.

A motion was made by Kodada and seconded by Smith to approve the agenda with the noted addition. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

5. APPROVAL OF MINUTES

A motion was made by Kodada and seconded by Furrer to approve the minutes from the January 29, 2009 regular meeting and the February 12, 2009 regular meeting. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

John Duban, 800 8th Avenue NW, expressed his concerns with the new utility rates, and he asked who pays for the irrigation at the Trendera Memorial Park - DRS Ballfield each year. Rud explained that the field is used 4 - 5 nights a week during ball season. He said the park is maintained similar to other parks in town.

Gary Skluzacek, 601 Railway Street SW, stated that he was confused about the Lonsdale Liquor Store article in the Lonsdale Area News Review, and he said that something doesn't

seem to add up. Rud said that he appreciated the question, but the official audit numbers are not in yet. He also mentioned that the newspaper can operate under the freedom of the press.

8. APPROVAL OF THE CONSENT AGENDA

A motion was made by Kodada and seconded by Smith to approve the consent agenda as follows:

a. Monthly Bills

Kodada asked if insurance would cover the liquor store fire expenses to ServePro and Joe Daleiden Painting. Erickson said yes.

b. Treasurer's Report

c. Board and Commission Minutes

Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

9. OLD BUSINESS

a. Discuss 2009 Water and Sewer Rates

Erickson said that with the utility rate increase implemented in January and going to monthly billing, staff and City Council Members have received numerous complains about the amount of the increase. He said that nearly all the residents that staff has spoken to have an issue with the increase. Erickson provided the Council a utility bill comparison between the old and current billing rates, utility rate increase reduction percentages, sewer rate with reduced revenue of \$126,000.00, and utility rates from various Minnesota communities under a population of 5,000. He said that Mayor Rud held a "Meeting with the Mayor" on February 21, 2009 where water and sewer rates were the main topic.

Rud explained to the audience the reasoning behind the Council's decision to increase water/sewer rates. He stated that it takes money to maintain water/sewer infrastructure and facilities. He reminded everyone that the city has been very fortunate because development money has helped stabilize utility costs. He explained the thought process behind the increase which was making money available for capital outlay projects like the DRS connection, accounting for depreciation, and trying to break even with the sewer fund.

Rud said that economy is a lot different now, and increased rates may be too high for single parent families, young families, and older residents to handle. He suggested going back to the drawing board and refiguring a new utility rate after holding an official public hearing on the issue. Kodada agreed that a public hearing should be considered after seeing the number of people at the "Meeting with the Mayor". Furrer cautioned that if the Council backs off now, that the city will be that much further behind in the future. She suggested that the Council do the best thing for Lonsdale as a whole. Smith stated that he was concerned that a rollback on utility rates may only be a short-term solution. He cautioned that the problem would only be delayed for a couple of years, and he asked

what future City Councils' would do about it. Smith suggested that the city may want to relook at the rates for the 2,000 – 6,000 gallon range. Rud suggested that some capital improvement projects could be delayed for another year. Rud also said that the city should provide a document of facts that shows why the city decided to go with a monthly billing cycle. The Council agreed that the new utility numbers may need to be relooked at.

10. NEW BUSINESS

a. Consider Approval of the Lonsdale Lions as Operators of the Jaycee Park Concession Stand for 2009

Bruce Lieske, Lonsdale Lions representative, stated that the Lions made a good profit at the Jaycee Park Concession Stand last year. He said that the Lions have made donations to the Jaycee Park Warming House and towards scholarships for local youth. Kodada mentioned that Dale Furrer, Lonsdale Lions, attended that last Park Board meeting, and the Board recommended approval of the Lion's request to operate the concession stand. Kodada said that the Lions have done a good job over the last couple of years.

A motion was made by Kodada and seconded by Smith to approve the Lonsdale Lions as operators of the Jaycee Park Concession Stand for 2009. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

b. Consider Approval of the Proposed 2010 Fire Department budget

Fire Chief Yetzer provided the Council with a detailed 2008 Annual Report and 2010 Budget Proposal. Yetzer gave an activity report for each entity within their fire district including Erin Township, Forest Township, Webster Township, Wheatland Township, and the City of Lonsdale. The report showed that Lonsdale had 54% of the fire, rescue, and 1052 calls. The report also showed that Lonsdale had 32 fire calls, 118 rescue calls, and two 1052 calls. Yetzer said that overall calls were up by 27% compared to 2007.

Yetzer also reviewed the Yearly Expense Report with the Council. He said that they overspent their operating budget by \$13,653.23 which is 7.6%. He mentioned that the only Capital Outlay funds spent were for the repayment of the ladder truck to the City's General Fund. Yetzer also ran through the yearly income report, proposed 2010 operating budget, and Rice County Auditors numbers per entity. He also mentioned that there were a few leaks in the Fire Hall roof that need repair. He also informed the Council that by 2013 the entire department will need to be on the 800 MHz radio communication system which may cost approximately \$100,000.

c. Consider Approval to Purchase a 2004 Elgin Pelican P Street Sweeper From MacQueen Equipment, Inc. in the Amount of \$65,000.00

Erickson said that the City has been working to find a street sweeper over the last year. He said that funds have been budgeted for in 2007, 2008, and 2009, and therefore sufficient funds are available to purchase the sweeper in the amount of \$65,000.00. He stated that MacQueen Equipment, Inc. will take a look at the sweeper in their shop and fix, replace and/or repair any items they find. Vlasak stated that he did look at the sweeper, and he recommended purchasing the sweeper because it would be the best thing

for the city right now. He said that there is at least 10 years of life left in proposed the sweeper. Dan Gage, of MacQueen, stated that they would offer a season warranty. Kodada said that that purchasing the proposed sweeper would be the way to go and still stay within the budget. Furrer asked if the sweeper will do what he wants it to do. Vlasak said yes, it will sweep the streets.

A motion was made by Kodada and seconded by Smith to approve the purchase a 2004 Elgin Pelican P Street Sweeper from MacQueen Equipment, Inc. in the amount of \$65,000.00. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

d. Consider Approval of an EDA Revolving Loan Fund Loan in the Amount of \$50,000.00 to Heritage Heating & Air

Erickson said that at their last meeting, the EDA recommended approval of an EDA Revolving Loan Fund in the amount of \$50,000.00 to Duane Moe for improvements at 104 Railway Street. Furrer said that Moe originally requested \$100,000.00 for his project, but the EDA did not feel comfortable giving the full amount until a good portion of the project is started. She said that the improvements will help the appearance of downtown and really be an asset to the community. Smith said that he is excited to see a new business in the community. Rud asked about collateral. Erickson said the EDA received a personal guarantee as security against the loan.

A motion was made by Furrer and seconded by Smith to approve an EDA Revolving Loan Fund Loan in the amount of \$50,000.00 to Heritage Heating & Air. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

e. Consider Approval of Phase I of a Proposed 50 Tree Nursery to be Located at Main St. S. and Idaho St. S.

Baker said that the Park Board recommended approval of a 50-tree nursery to be located on City property at the intersection of South Main and Idaho Street SW. He said according to the Faribault DNR Office, the City can maintain a tree nursery without inspections. Baker presented the Council with a list of potential future savings based on the trees' value in 5 – 10 years. He said that the Board plans to plant 25 Black Hills Spruce and 25 Sugar Maples. He said that irrigation for the nursery is available from a nearby water/fire hydrant. Furrer asked how the city planned to maintain the nursery in times of budget cuts. Kodada stated that the nursery will be funded through the parkland development funds. He also said that the rows will be designed for easy mowing access and watering.

A motion was made by Kodada and seconded by Smith to approve a 50-tree nursery to be located at Main Street South and Idaho Street South. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

f. Consider Approval of the Lonsdale 2009 Spring Tree Planting Plan (20 Trees) and Quote from Trcka Tree Moving & Sales in the Amount of \$3,947.70

Baker stated that the Park Board recommended approval of the 2009 Spring Planting Plan

at their meeting on February 10, 2009. He mentioned that the plan shows 20 good-sized trees located at Trendera Memorial Park (9), Singing Hills Park (3), East Elementary Nature Center (5), and Jaycee Park (3). Baker provided the Council with pictures of the proposed tree species and planting sketches created by Laura Carpentier. He also provided the Council with two quotes: 1) Bachman's Wholesale, \$2,838.76 (no delivery or planting) and 2) Trcka Tree Moving & Sales, \$2,747.70 (no delivery or planting) and \$3,947.70 (delivery and planting). The Council agreed that for an extra \$1,200, it would be better to have Trcka's plant the trees to receive a one year warranty.

A motion was made by Kodada and seconded by Furrer to approve the Lonsdale 2009 Spring Tree Planting Plan (20 Trees) and quote from Trcka Tree Moving & Sales in the amount of \$3,947.70. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

- g. Consider Approval to Appoint Deb Zellner, Bruce Lieske, Lisa Skluzacek, Cindy Flicek, Pat Wallin, Joel Erickson and Tim Rud as members of the "Main Street Matters" Taskforce

Erickson reminded everyone that on February 6, 2009 a meeting was held at City Hall, hosted by the mayor, with downtown businesses and property owners to discuss various issues. He mentioned that one of the ideas mentioned at the meeting was to establish a task force to address the concerns raised at the meeting. Erickson recommended appointing seven members to the "Main Street Matters" Taskforce.

A motion was made by Furrer and seconded by Smith to appoint Deb Zellner, Bruce Lieske, Lisa Skluzacek, Cindy Flicek, Pat Wallin, Joel Erickson and Tim Rud as members of the "Main Street Matters" Taskforce. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

- h. Consider Approval of a Proposal Submitted by WSB & Associates in the Amount of \$34,332.00 for the Highway 19 Sidewalk and Utility Improvement Proposal

Erickson provided the Council with a proposal submitted by WSB for the following services included with the 2009 Hwy 19 Sidewalk and Utility Project: 1) project management, 2) data collection and review, 3) final design, 4) specifications/contract document preparation, 5) bidding assistance, and 6) construction related services. The proposal also included a detailed project schedule and an itemized summary of fees totaling \$34,332.00. Kodada said that the project has been budgeted for and needs to get done this summer before the 2010 Hwy 19 Mill & Overlay Project. Rud suggested that the schematics should show different emblem design ideas for the new pedestrian ramps. Kodada asked if staff has contacted the properties along the proposed sidewalk route yet. Erickson mentioned that staff will be scheduling meetings with each property owner.

A motion was made by Kodada and seconded by Furrer to approve a proposal submitted by WSB & Associates in the amount of \$34,332.00 for the Highway 19 Sidewalk and Utility Improvement Proposal. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

- i. Consider Approval to Schedule a Public Hearing on Ordinance 2009-228 (Revised City Fee Schedule), an Ordinance Amending Ordinance 2009-227 (Current Fee Schedule) for the Week of March 9th

A motion was made by Kodada and seconded by Smith to schedule a public hearing on Monday, March 23, 2009 at 6:30pm to review Ordinance 2009-228 (City Fee Schedule), an ordinance amending Ordinance 2009-227. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried.

- j. Consider a Letter of Credit Reduction Request by On-Site Marketing for the Harmony Meadows and Shadow Stone Developments

Ted Kowlaski, On-Site Marketing, requested that the City Council consider lowering the letter of credits for the Harmony Meadows and Shadow Stone Developments below the Development Agreement's required 20%. Erickson and Kawlewski stated that neither projects have been accepted by the City yet, and they cautioned the Council about opening the City up to too much exposure. Kowlaski stated that they have been trying to work on completing the remaining punch list items, and he argued that \$500,000 is too much money withheld for two sites that are nearly complete. He said that their engineer stated that \$50,000 per development would be more than enough to cover the costs. The Council asked staff if they would be comfortable with \$100,000 for both of the developments. Kawlewski suggested checking with the City Attorney regarding an amendment to the approved Development Agreement, he also said that a warranty bond would still be required per the Development Agreement. He said that the project is approximately 99% complete except for some trail and drainage issues. The Council agreed to discuss the issue further at a future meeting, once more facts were available.

11. OTHER BUSINESS

- a. Department Reports

Council Member Daleiden

None

Council Member Kodada

Kodada stated that the Park Board has been approached a couple of times in the past by residents interested in a Lonsdale dog park. He said that the Board did hold a public hearing back in December 2008 on the issue, and the Board decided to approve a one acre dog park concept. He stated that the park's initial phase would only consist of fencing, and he explained that the project money would come directly from the parkland development fund. He also mentioned that the cost of any additional improvements over and above the fencing would be the responsibility of the dog park users. Kodada explained that park users would also be responsible for cleaning up after their dogs. He also mentioned that a pet waste station would be available for users of the park.

Council Member Smith

None

Council Member Furrer

None

Mayor Rud

Rud thanked everyone who volunteered and helped with the Jaycee Park Warming House Project. He said that the Lonsdale Fire Department did a good job hosting the annual Fireman's Banquet. He also reminded everyone that Lonsdale Showcase was scheduled for 10:00 am – 3:00 pm on Saturday, March 7, 2009.

Administrator Erickson mentioned that the City should start thinking about budgeting for the 2013 800 MHz initiative, because the costs to update the current radio system could range from \$175,000 - \$200,000.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting. Vote for: Kodada, Rud, Smith, and Furrer. Against: None. Vote 4-0. Motion carried. The meeting closed at 8:29 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator