

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
July 31, 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. Rud added "Recognition of Dr. Kelly: to the agenda. Erickson added "Michael Piper" to the agenda.

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

5. APPROVAL OF MINUTES

A motion was made by Kodada and seconded by Furrer to approve the minutes of the June 9, 2008 special meeting, the June 9, 2008 regular meeting, the June 26, 2008 regular meeting, the July 10, 2008 regular meeting, and the July 21, 2008 special meeting. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

Honoring Dr. Kelly of Lonsdale Clinic

Mayor Rud invited David Oliver of the Northfield Hospital up to the podium to honor Dr. Griff Kelly. Oliver explained how Dr. Kelly helped start the new Lonsdale Clinic. On behalf of the Northfield Hospital Board, Oliver thanked Kelly for his years of service, and he wished Kelly and his family the best in the future. Amber Sonnek, patient of Dr. Kelly's, also thanked Kelly for his service by reading a letter of appreciation. Rud said that Kelly was the face of the Lonsdale Clinic, and he honored Kelly with some special comments. Dr. Kelly stated that he felt very sad for leaving Lonsdale, and he thanked everyone for their wealth of support and understanding. He said it was a hard decision, but he will be moving closer to family. Rud wished Kelly good luck in the future.

6. PUBLIC HEARINGS

- a. Establishment of Municipal Development District No. 1-1 and a Development Program therefore and approving Tax Increment Financing (Housing) District No. 1-1 and adopting a Tax Increment Financing Plan thereof

Rud read through the public hearing notice and opened the public hearing. Erickson mentioned that Mike Schoenecker, Winkleman Building Corporation, and Paul Donna, Northland Securities, were in attendance. Erickson mentioned that the Rice County Assessor, Rice County Board, and Lonsdale's Planning & Zoning Commission all approved the TIF development district and development program. Rud welcomed Schoenecker to the podium to provide an update on the Villages of Lonsdale project. Schoenecker stated that they are currently working with the Minnesota Department of Health to fast track the kitchen plans. He said that they will be applying for a building permit in a few weeks and going out for bids soon. He also mentioned that they recently brought an interior designer onboard.

Paul Donna presented a "Tax Increment Financing 101" PowerPoint presentation for the Council and audience. His presentation defined what a TIF was, explained tax increment districts, and detailed the specifics of the TIF plan. Donna asked if anyone had any questions regarding the TIF plan as presented. Kodada asked what happens if the property sells to another party in the future. Donna said that the TIF agreement follow the property owner in the case of future transfers. He said the TIF agreement will be drafted to include provisions for such a situation. Rud reminded the audience that the general fund will not be impacted. Donna stated that the new taxes based on the project's new valuation will help build the project. Rud asked if anyone off the floor had any comments. Erickson stated that no written comments were submitted, but one verbal comment was provided regarding TIF funding. That person also stated that Lonsdale needs an assisted living facility.

A motion was made by Duban and seconded by Kodada to close the public hearing. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- b. Utility easement vacation request for the property located at 114 Florida Street SE submitted by Chris Michael

Rud read through the public hearing notice. Baker read through the staff report. He stated that Chris Michael petitioned the City to vacate the drainage and utility easement located along the easterly 20 feet of 114 Florida Street SE. Baker noted that a copy of the survey showing the easement was attached. He mentioned that all applicable utility companies were contacted and no utilities were found in the easement.

A motion was made by Kodada and seconded by Smith to close the public hearing. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

Bonnie Simon and Sandy Vlasak, Community Days Committee, voiced their opposition with the request from Flicek's Sports Bar & Grill for a temporary off-premise liquor license listed on the Consent Agenda. Simon stated that beer sales are the only money maker that Community Days has and Flicek's would be in direct competition with them. Simon also

stated that favoritism would be shown to one establishment over another, if the request was granted. She said that they were opposed to Flicek's request. Vlasak stated the Council has never approved such a request in the past. Rud asked if there were any other comments.

8. APPROVAL OF THE CONSENT AGENDA

Rud asked the Council if they wanted any items on the consent agenda pulled for further discussion. Kodada asked if the request by Flicek's Sports Bar & Grill could be discussed.

Consider approval of a request by Flicek's Sports Bar & Grill for a temporary off-premise intoxicating liquor license for the sidewalk and street (Main Street) in front of 114 Main Street South for August 8th, 9th, and 10th, 2008

Erickson explained that during past Community Days, alcohol was allowed to be carried in and out of establishments with current on-sale licenses. He said that this year the City requested more of a formal process for the local establishments to follow, in that an application for a temporary off-premise intoxicating liquor license be submitted. He said that the carrying of alcohol in and out of bars was allowed by State Statute during and only during a community event. Erickson stated that the City wouldn't be showing favoritism towards any business because each establishment had the same opportunity to apply for the off-premise license. Duban asked if Flicek's could sell beer right on the sidewalk, and he asked who's insurance is liable for beverages carried out onto the street. Kodada asked about fencing for the street dance. Rud asked Police Chief Schmitz if he had any concerns regarding the request. Schmitz said he did not want any bottles to be carried out, and he asked if Flicek's would be able to control the situation. Rud asked about security. Members of the Community Days Committee stated that they would be providing outside security and wrist bands will be required for beer. Furrer asked about the details of Flicek's plan. Smith said he was hesitant about the request because of the lack of details, but as long as she has insurance he was fine with the request. Duban said that no hard liquor sales should be allowed on the street.

A motion was made by Kodada and seconded by Duban to approve a temporary off-premise intoxicating liquor license to Flicek's Sports Bar and Grill for August 8-9, 2008 with the following conditions:

1. No outside sales shall be allowed
2. Only plastic or aluminum cans are allowed to be carried outside

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

A motion was made by Duban and seconded by Smith to approve the Consent Agenda items:

- a. Monthly Bills
- b. Treasurer's Report
- c. Board and Commission Minutes
- d. (pulled for discussion)

- e. Consider approval of a revision to Lonsdale Firemen’s Relief Association (LFRA) by-laws
- f. Consider approval of the Mayor Tim Rud, City Administrator Joel Erickson, and City Treasurer Joyce Skluzacek as signatories on all account current and future at Frandsen Bank and Trust (only two signatures of any combination are needed)

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

9. OLD BUSINESS

- a. Consider Approval of a Quote in the Amount of \$4,212.94 Submitted by Don’s Trucking and Bobcat for the 11th Ave NE Rear Yard Drainage Project

Erickson provided a brief summary of the drainage issue located between 11th Avenue NE and 12th Avenue NE. He said that because the City is not at fault and accepted the project in compliance with the approved plans and specifications, it is not staff’s recommendation to approve and complete the work at City expense, but he mentioned that the City has helped correct some problems in the past. He said that if the Council does approve the quote and orders the work to be done, staff will draft up Right of Entry (ROE) forms that all affected property owners will need to sign. He said the affected property owners should also be responsible for turf restoration and establishment. Rud stated that the City should fix the drainage problem and help out the four affected properties. Duban stated that he visited the site, and he thinks the City should correct the issue. He said the City has fixed similar problems in the past. Furrer asked what fund the money would come from. Erickson said the general fund.

A motion was made by Duban and seconded by Kodada to approve a quote in the amount of \$4,212.94 submitted by Don’s Trucking and Bobcat with the stipulation that the property owners sign the ROE and are responsible for all restoration work. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

10. NEW BUSINESS

- a. Presentation of Green Team Check in the Amount of \$697.50 to the Trondhjem Lutheran Church Youth Group - Margo Underwood of Waste Management

Margo Underwood, Waste Management, congratulated the Trondhjem Lutheran Church Youth Group for their work as the April-May-June Green Team. She stated that the team collected a total of 46.5 tons of recyclables, the most ever collected by a Green Team. Underwood then presented a check in the amount of \$697.50 to Pastor White of Trondhjem Lutheran Church. On behalf of the church and youth group, Pastor White thanked Waste Management and the Council, and he also thanked the church for their support of the program.

- b. Update on Single Sort “Comingled” Recycling – Margo Underwood of Waste Management

Margo Underwood stated that residents of Lonsdale will soon be receiving a 65 gallon cart for the purpose of single sort recycling. She said the citizens can place their recyclables in the cart without any sorting needed. She mentioned that Rice County will

be purchasing the carts, and she encouraged each home and business owner to write their address directly on the cart in case it blows away. She said that collection will take place every other week. Underwood said that Lonsdale's recycling week is shown on the Waste Management calendar magnet. Underwood said that this recycling program will reduce the need for more landfills and preserve land for future generations. She said the price of collection was determined by Rice County and it will increase from \$18 to \$26. Rud thanked Underwood for coming, and he said that the program is a great idea.

- c. Update on Community Days Activities – Lonsdale Community Days Committee
Rud welcomed Eva Buckingham and Chastity Sticha, Lonsdale Community Days Committee, to the podium to provide an update on the 2008 Community Days activities. Buckingham stated that the streets will be cleaned before and after the event. She said they need about 14 picnic tables. Kodada asked to leave 4 picnic tables at Jaycee Park. She said that other cities are going away from fencing the beer garden area. She said that extra private security was hired. Buckingham said that businesses along Main Street were notified of the road closure, and they also handed out notices to property owners along 1st Avenue SE. Erickson said that the 1st Avenue SE road closure had not been officially approved yet.

A motion was made by Kodada and seconded by Furrer to approve the 1st Avenue SE road closure as advertised in the newspaper. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- d. Consider Approval of Resolution 2008-30, a Resolution Approving Municipal Development District No. 1-1 and Adopting A Development Program Therefore and Approving Tax Increment Financing (Housing) District No. 1-1 and Adopting a Tax Increment Financing Plan Therefore
Erickson summarized Resolution 2008-30. He said that the Planning Commission reviewed and recommended approval of the proposed development plan. He said that both Rice County and School District # 721 were provided copies of the TIF Plan and the fiscal impacts of the TIF District and neither provided comments. He said that the notice of the meeting was published in the July 15th edition of the Lonsdale News Review. He also mentioned that Commissioner Jim Brown was provided notice at least 30 days before the public hearing.

A motion was made by Duban and seconded by Kodada to approve Resolution 2008-30, a resolution approving Municipal Development District No. 1-1 and adopting a development program therefore and approving Tax Increment Financing (Housing) District No. 1-1 and adopting a tax increment financing plan therefore. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- e. Consider Approval of Resolution 2008-31, a Resolution Approving a Conditional Use Permit Requested by Chris Michael for the Property Located at 114 Florida St. SE to Allow an “Automobile Repair – Major”
Baker summarized the staff report. He stated that applicant Chris Michael was requesting approval of a Conditional Use Permit to operate an auto repair facility at 114 Florida

Street SE. Baker said that Michael currently has a purchase agreement with John Mahoney, current property owner. Baker stated that Michael was planning to erect a 34' x 56' building similar to the other buildings in the area. He said the Planning and Zoning Commission recommended approval of the Conditional Use permit with conditions listed in the resolution.

A motion was made by Duban and seconded by Kodada to approve Resolution 2008-31, a resolution approving a Conditional Use Permit requested by Chris Michael for the property located at 114 Florida St. SE to allow an "Automobile Repair – Major". Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- f. Consider Approval of Resolution 2008-32, a Resolution Ordering Vacation of the Drainage and Utility Easement Located at 114 Florida St. SE Submitted by Chris Michael
Baker read through Resolution 2008-32. He said that Chris Michael petitioned the City to vacate the easement located on the easterly 20 ft. of 114 Florida Street. He said that no utilities were present in the easement. Baker said the Planning Commission reviewed the request and recommended approval of the vacation.

A motion was made by Kodada and seconded by Furrer to approve a resolution ordering vacation of the drainage and utility easement located on the easterly 20 ft. of 114 Florida St. SE. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- g. Consider Approval to Require the Removal of the Outdoor Movie Screen Located on 104 Railway St. NW

Baker stated that Lonsdale's Planning Commission recommend removal of the outdoor movie screen at 104 Railway Street NW due to aesthetic concerns. Baker said that staff talked with Bonnie Simon, Community Days Entertainment Coordinator, and she stated that they planned to take down the outdoor movie screen after this year's Community Days events. Baker said the Planning Commission recommended taking the screen down within a week of Community Days. Simon was present at the meeting, and she stated that she gave the property owner her word that it would be taken down this year.

A motion was made by Smith and seconded by Furrer to approve the removal of the outdoor movie screen located at 104 Railway Street NW no later than one (1) month after the 2008 Lonsdale Community Days. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- h. Consider Approval of a Time Extension for V2-2007, a Variance Request for 115 Alabama St. SE

Baker stated that the Council approved V2-2007, a variance request from Brad Schipper for a detached garage, on August 9, 2007. Baker said that one of the conditions of approval was that "the accessory building (garage) be modified to a design which conforms with neighborhood architecture". Baker provided the Council with pictures of the garage showing that the conditions of V2-2007 had not been met. Baker stated that the Planning and Zoning Commission reviewed the status of V2-2007 and recommended

a 1 month time extension for the roof shingles and front siding and a 6 month time extension for the side and rear siding.

A motion was made by Kodada and seconded by Furrer to approve a time extension for V2-2007, a variance request for 115 Alabama St. SE as follows:

- One (1) month time extension to complete the front siding and roof shingles.
- Six (6) month time extension to complete the sides and rear siding.

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

- i. Consider Approval of Pay Request No. 6 in the Amount of \$135,728.50 to Niles-Wiese Construction Co., Inc. for the 2007 Street Reconstruction Project
City Engineer Kawlewski provided a quick update on the 2007 Street Reconstruction Project. He said that two weeks ago the contractor completed a majority of the punch list items. He said that the City still retains \$11,077.43 on contract retainage in addition to performance and payment bonds. He said the City will also require a two year maintenance bond per the final completion and payment requirements in the contract. He recommended approval of Payment No. 6 in the amount of \$135,728.50. Kawlewski stated that the project was running under budget and should be finished close to where it's suppose to be.

A motion was made by Smith and seconded by Duban to approve Pay Request No. 6 in the amount of \$135,728.50 to Niles-Wiese Construction Co., Inc. for the 2007 Street Reconstruction Project. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

- j. Michael Piper – Campaign for Rice County Commissioner District 5
Rud invited Mike Piper to the podium. Piper stated that he was running for the District 5 Rice County Commissioner seat. He stated the main issues he was running on: (1) conservation of farmland and natural resources, (2) low taxes from managed government, and (3) meaningful progress – prosperous businesses; new and expanded environmentally-sensitive businesses to provide jobs and relieve property tax burden. Piper talked about his background and how he could get the job done. He reminded the Council and audience to mark their calendars for the primary election on September 9, 2008 and the general election on November 4, 2008. Rud thanked Piper for coming and wished him luck in his campaign.

11. OTHER BUSINESS

- a. Project Updates
Engineering

Kawlewski said that Chard Tiling was in today working on the Fig Street Project. He said that the paving was complete and stripping would be in place before Community Days. Kawlewski said that the 2006 Reconstruction Project still has a sizeable punch list.

Rud suggest more aggressive action be taken and a certified letter be sent. Kawlewski stated that Contractors Edge has been doing some work in Harmony Meadows and Shadow Stone.

b. Department Reports

Council Member Duban

Duban provided a report on the Northfield Ambulance. He said there was an increase of 15% in runs and 47% more calls. He said the new truck should be arriving in 2-3 months. Duban also asked if a reward could be generated for information regarding the Downtown vandalism incident.

A motion was made by Duban and seconded by Smith to approve a reward fund for the Police Department to use as enticement for information on the Downtown defacing incident . Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

Council Member Kodada

None

Council Member Smith

None

Council Member Furrer

Furrer stated that she recently met with affordable landscapes for a potential EDA downtown landscaping project.

Mayor Rud

Rud said that it's a shame to see vacant buildings along Main Street, and he brought up that the EDA or Council may need to help somehow. He mentioned that the Immaculate Conception Church Festival was scheduled for the weekend. He mentioned that National Night Out will be at Jaycee Park on Tuesday, August 5th.

Erickson mentioned that he recently met with Ted Kowalski of On-Site Marketing regarding an application for rezone and comp plan amendment for the property southwest of Garfield Avenue and Hwy 19. He said that court dates were set for the two on-going blight issues. He said as-soon-as the judge gives the okay, the City can proceed with demolition.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Smith to adjourn the meeting. Vote for: Duban, Kodada, Rud, Smith and Furrer. Against: None. Vote 5-0. Motion carried. The meeting ended at 9:01 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator