

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
JANUARY 29, 2015**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 7:00 p.m. in the City Council Chambers, 415 Central Street West.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Members Present: Daleiden, Kodada, Rud, Furrer, and Pelava

Members Absent: None

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

4. APPROVAL OF AGENDA

Mayor Rud asked if there were any corrections, additions, or deletions to the agenda. Erickson asked if "Repayment of Smalls Cities Grant" could be added to the agenda.

A motion was made by Furrer and seconded by Pelava to approve the agenda with the noted addition. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

5. APPROVAL OF MINUTES

A motion was made by Kodada and seconded by Furrer to approve the Minutes from the December 22, 2014 Regular Meeting and the January 8, 2015 Regular Meeting. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

Bradley Pelava, 729 Florida Street SW, stated that the Montgomery-Lonsdale Redbird sign at the intersection of Hwy 19 and Arizona Street looks faded and should be taken care of. The Council said that they would relay Pelava's concern to the School District at their next meeting.

8. APPROVAL OF THE CONSENT AGENDA

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

- a. Monthly Bills
- b. Treasurer's Report
- c. Board and Commission Minutes

Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Consider Approval of a Sewer Rate Adjustment for 720 Golden Oak St. NE – Joel Erickson, City Administrator

Erickson stated that the property owners at 720 Golden Oak Street NE, who were in attendance at the meeting, asked if their sewer rate could be adjusted because they had two leaky toilets. The Council reviewed the request along with the property's water usage history. Erickson stated that in the past the Council has adjusted the sewer usage used to calculate usage for billing after the first three months of the year. He recommended approving the sewer rate adjustment and refund in the amount of \$568.64.

A motion was made by Kodada and seconded by Daleiden to approve the sewer rate adjustment and provide a refund in the amount of \$568.64 to the property owners at 720 Golden Oak Street NE. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- b. Consider Approval to Schedule a Special City Council Meeting for Thursday, February 5, 2015 at 7:00 pm at the TCU Montgomery Middle School Media Center to Meet with the Cities of Montgomery, Le Center, Tri-City United School District No. 2905 and Area State Representatives – Joel Erickson, City Administrator

Erickson announced that a special joint meeting with the Cities of Lonsdale, Montgomery, and LeCenter along with TCU School District is scheduled for February 5, 2015 at 7:00 pm. He said that it is an annual collective meeting to get face time with State Representatives Bly and Vogel and State Senator Dahle.

A motion was made by Kodada and seconded by Pelava to schedule a Special City Council Meeting for Thursday, February 5, 2015 at 7:00 pm at the TCU Montgomery Middle School Media Center to Meet with the Cities of Montgomery, Le Center, Tri-City United School District No. 2905 and Area State Representatives. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

c. Consider Approval of the City's 2015 Pay Equity Report – Joel Erickson, City Administrator

The Council reviewed the Pay Equity Implementation Form, the Compliance Report, and the Predicted Pay Report. Erickson said that although the City is pay equity compliant, the Council may want to review the positions that fall below the predicted pay. Rud said that the City could do a compensation report and check with other area cities.

A motion was made by Daleiden and seconded by Furrer to approve the City's 2015 Pay Equity Report. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

d. Consider Approval of Resolution 2015-06, a Resolution Transferring \$61,600.00 From the Liquor Fund to the Sewer Fund – Joel Erickson, City Administrator

Erickson stated that the City borrowed \$710,000 from the Sewer Fund in 2006/2007 to construct the new liquor store. He said that \$448,400 has been repaid back to the Sewer Fund since 2009. Erickson said that the Liquor Store Committee met earlier in the month and recommend transferring another \$61,600.00, for a total of \$100,000 transferred in 2014. He said that if the Council approves the transfer, then the balance remaining will be at \$200,000 heading into 2015. Rud said that Lonsdale Liquor has been a real success story and asset to Lonsdale. He said the original goal was a 15 year payback and now it will be paid back in only 8 years. He thanked the liquor store staff, City Administrator Erickson, and Councilmember Daleiden and Kodada for doing such a good job with the store's finances. Furrer said that the liquor store profits will help free up current revenue sources. Pelava said that the store's financial numbers are doing much better compared to a few years ago.

A motion was made by Daleiden and seconded by Kodada to approve Resolution 2015-06, a resolution transferring \$61,600.00 from the Liquor Fund to the Sewer Fund. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

e. Consider Approval of Resolution 2015-07, a Resolution to Contract with a Councilmember – Joel Erickson, City Administrator

Erickson explained that emergency repair work needed to be done by an excavator on January 8, 2015 to fix a broken water main. He said that because it was an emergency situation, the work was done prior to the adoption of a required conflict-of-interest resolution.

A motion was made by Daleiden and seconded by Kodada to approve Resolution 2015-07, a resolution to contract with a Councilmember. Vote for: Daleiden, Kodada, Furrer, and Pelava. Vote against: None. Abstained: Rud. Vote: 4-0-1. Motion carried.

f. Consider Approval of a Request for Proposals (RFP) for Refuse and Recycling Services – Joel Erickson, City Administrator

Erickson said that the Council directed City staff to create an RFP at their January 8, 2015 meeting for refuse and recycling services. He said that the City's current contract with Waste Management ends in 2 months. The Council reviewed the 13-page RFP. Furrer asked about how cart replacement issues are resolved. Erickson said that customer disputes are handled directly by the hauler. Daleiden said that Lonsdale's RFP should be advertised on the League of Minnesota Cities website to get the best prices. Rud asked if the City could get a quote for weekly recycling. He also said that any hauler in town should be required to keep the Recycling Program going.

A motion was made by Kodada and seconded by Pelava to approve a Request for Proposals for Refuse and Recycling Services. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

g. Consider Approval of an Agreement to Spread Bio-Solids Between the City of Lonsdale and Mark and Jacqueline Pavek – Joel Erickson, City Administrator

Erickson noted that Mark and Jacqueline Pavek allowed the City to spread bio-solids last fall. He said that the Pavek's have agreed to let the City spread this Spring as long as a compensation contract is in place for any spreading that happens later in the Spring. He explained that due to concerns over timing and compaction, the City would owe the Pavek's \$175/acre if spreading occurred between May 1st -15th and between and \$250/acre if bio-solids were applied after May 16th. The Council reviewed the proposed agreement. Furrer stated that the City is currently working on completing a feasibility study that would provide more detailed options for bio-solids removal.

A motion was made by Kodada and seconded by Pelava to approve an agreement to spread bio-solids between the City of Lonsdale and Mark and Jacqueline Pavek. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

h. Consider Approval of an Agreement to Mow Between the City of Lonsdale and John Thielen – Joel Erickson, City Administrator

Erickson said that John Thielen approached the City again requesting to mow the same City owned properties as in 2014. The Council reviewed the map of the proposed areas to be mowed. Erickson said that things went well in 2014, and he recommended approval of the proposed agreement for 2015 mowing services.

A motion was made by Kodada and seconded by Pelava to approve a mowing agreement between the City of Lonsdale and John Thielen. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- i. Consider Approval of a Minnesota Lawful Gambling LG220 Application for Exempt Permit for Ducks Unlimited to Conduct a Raffle on April 18, 2015 at the Lonsdale American Legion – Joel Erickson, City Administrator

Erickson said that Ducks Unlimited has conducted a raffle each of the last several years with no issues. He recommended approving the lawful gambling application and waiving the 30-day waiting period for the Ducks Unlimited event to be held at the Lonsdale American Legion on April 18th.

A motion was made by Kodada and seconded by Furrer to approve Minnesota Lawful Gambling LG220 application for exempt permit for Ducks Unlimited to conduct a raffle on April 18, 2015 at the Lonsdale American Legion. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- j. Consider Approval of Resolution 2015-08, a Resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment – Joel Erickson, City Administrator

Kawlewski provided an update on the status of the Area No. 5 Street and Utility Improvement project. He said that 5 bids were received earlier in the day and that most of the contractors submitting bids have done work in Lonsdale before. The Council reviewed the bids. Kawlewski said that the City is very pleased with the bids, and he noted that the low bid came in \$150,000 or 13% below the engineer's estimate. Rud said that is really good news. Kawlewski explained that prior to scheduling the public hearing on special assessments for the project, the Council needs to approve the proposed Resolution as part of the 429 process. He said that single-family properties will pay \$12,500/lot. Furrer asked how the interest rate is determined. Erickson said that the City tries to average around 2 points over the current rate and be consistent with past projects. He said that the City allows for payments over a 15 year period to be more affordable. Kawlewski said that the project will be designed around Lonsdale Telephone's underground fiber optic lines. He noted that the project will start in early-spring.

A motion was made by Daleiden and seconded by Kodada to approve Resolution 2015-08, a resolution declaring cost to be assessed and ordering preparation of proposed assessment. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- k. Consider Approval of Resolution 2015-09, a Resolution Scheduling the Public Hearing on Proposed Assessments for the Area No. 5 Street and Utility Improvement Project (Phase I) – City Administrator

Erickson recommended approval of Resolution 2015-09, scheduling a public hearing at the Lonsdale American Legion on February 26, 2015. He read through the resolution in its entirety, including the location, date, and time of the assessment hearing; public notification requirements; and assessment payment information.

A motion was made by Furrer and seconded by Pelava to approve Resolution 2015-09, a resolution scheduling the public hearing on proposed assessments for the Area No. 5 Street and Utility Improvement Project (Phase I). Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- l. Consider Approval of the Veteran’s Memorial Site Plan, Final Plans and Specifications and Authorize Staff to Advertise the Project for Bid – Ben Baker, City Planner

Baker provided the Council with an update on the project, including a progress update on fundraising efforts. He said that 99 pavers have been purchased along 6 benches sponsored so far, and he noted that all together a total of \$88,877.00 has been contributed to the project. Baker also provided a project timeline, which showed the project deadline landing on July 27th, two-weeks prior to Community Days. He said that an official dedication would be scheduled for August or September 2015. The Council reviewed the site plan, the donation stone, and granite pavers layout. Rud thanked City staff, the Veterans Memorial Task Force, and the American Legion/Auxiliary for their work done so far on the project. Kodada said that it is going to look very nice when completed.

A motion was made by Kodada and seconded by Furrer to approve the Veteran’s Memorial site plan, final plans and to advertise the project for bids. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

A motion was made by Furrer and seconded by Pelava to approve an invoice in the amount of \$9,389.21 to Owatonna Granite and Monument for a field cross bronze sculpture and a bronze eagle sculpture to be placed in the Veteran’s Memorial. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- m. Presentation of the City of Lonsdale’s 2014 Community Development and Building Report – Ben Baker, City Planner

The Council reviewed the 18-page 2014 Community Development and Building Report, including spreadsheets, maps, and charts. Baker noted how Lonsdale compared to other area cities in single-family units constructed in 2014. He also provided stats on new home builders in Lonsdale along with detailed stats on other permits issued by the City. He reviewed the updated residential lot inventory spreadsheet/map and lot ownership sheet. The report also showed revenues collect by the department. Rud thanked Baker for compiling such a detailed report, and he noted how things have really changed the last 10-20 years, in terms of growth.

- n. Consider Approval Resolution 2015-10, a Resolution Accepting a Bid for the “Linking Lonsdale” Trail Project – Kevin Kawlewski, City Engineer

Kawlewski said that 9 bidders submitted bids earlier in the day. He stated that the project was initially bid back in August, and at that time, only one bid was received for over \$200,000.00. Kawlewski stated that Minnesota Dirt Works was the low base bid at \$152,099.80 and that Timm’s Trucking was the low bid on the Alternate Bid at \$142,883.16. He recommend approval of the low Alternate Bid which would save the City over \$60,000.00 compared to the lone bid from August 2014. He said that a pre-con meeting will be set up shortly so that the contractor can get an early start in order to finish the project by June, which is the deadline for final payment from the DNR. Furrer suggested that the Council could hold a special meeting, if need be.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2015-10, a resolution accepting a bid for the “Linking Lonsdale” trail project. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- o. Consider Approval of a Small Cities Development Grant Repayment Request

The Council reviewed a recorded Small Cities Development Grant agreement between Myron and Donna McColl, property owners/grantee, and the City of Lonsdale, grantor. Erickson explained that recipients of the Small Cities Grant need to reside at their home for at least 10 years or full payment of the grant money shall be paid back or negotiated. Erickson said that that McColl family has lived in their home for 5 years since the grant was awarded. All the Council members agreed that only 50% of the grant needs to be repaid.

A motion was made by Kodada and seconded by Furrer to allow 50% of the Small Cities Grant to be repaid. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

11. OTHER BUSINESS

- a. Department Reports

None

- b. Council Reports

Council Member Daleiden

Daleiden stated that Lonsdale Liquor’s January 2015 numbers will exceed that of January 2014. He said that it is a good start to the year for the liquor store.

Council Member Kodada

Kodada provided a recap of the January 13th Park Board meeting.

Council Member Furrer

Furrer said that the EDA held the 2014 Lonsdale First prize drawing at their January meeting. She said that the EDA will be hosting a booth at the Lonsdale Showcase. She said that Library Board welcomed Dianne Fossness to the Library Board.

Council Member Pelava

Pelava stated that at their January meeting, the Planning Commission selected its annual officers, reviewed an ordinance amendment, and listened to a League of Minnesota Cities webinar entitled Zoning Decisions.

Mayor Rud

Rud stated that he is in the process of visiting all of the Advisory Boards, and he said that each of the Boards does an excellent job. He congratulated Lonsdale Hardware for being the Chamber of Commerce “2014’s Business of the Year”. He announced that copies of the Mayor’s Report are now available. He announced that the American Legion Auxiliary is holding their 11th annual Sweatheart Breakfast on February 8th. Rud provided an update on business recruitment efforts for the Business Park. He suggested recognizing past Advisory Board members at the February 26th Council meeting.

12. ADJOURNMENT

A motion was made by Daleiden and seconded by Kodada to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 8:38 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator