

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
OCTOBER 11, 2012**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 7:00 p.m. at the Lonsdale American Legion Post 586, located at 115 2nd Avenue NW.

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 Ben Baker,
City Engineer Kevin Kawlewski, Public Works Director Russ Vlasak

4. APPROVAL OF AGENDA

Mayor Rud asked if there were any corrections, additions, or deletions to the agenda.

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

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

a. Improvement Hearing - Area # 5 (Southern Portion) 2013 Street & Utility Project

Mayor Rud read through the entire public hearing notice, and he opened the public hearing. City Engineer Kevin Kawlewski went through a PowerPoint presentation projected on the wall for everyone in the room to see. The presentation reviewed the details associated with the proposed 2013 Street & Utility Improvement Project for the southern portion of CIP Area # 5 only. Kewlewski reviewed and detailed the project location, proposed street/utility improvements (and associated maps), typical sections, project costs, financing options, proposed assessments (and associated maps), deferred assessments, and a project timeline. As part of the public hearing, the audience members were provided with the opportunity to relay any questions, comments, or concerns with the proposed project. Rud first asked if there were any comments regarding any residentially assessed lots. There were no verbal or written comments concerning the residential portion of the project area. All the comments provided at the public hearing were in regards to the current gravel stretch of Florida Street SE, between 1st Avenue SE

and Delaware Street SE, the only section of the project proposed to be assessed at 100% (which is consistent with the City's Assessment Policy) due to its "unimproved" status.

Rud provided pertinent background on the development of Lonsdale's original industrial park. He stated that there have been a few attempts made in the past to get the Florida Street Project off the ground to no avail. He said that the City understands the significant assessment costs that go along with the project, and he asked the Florida Street business owners to provide comments on the proposed urbanized upgrade to Florida Street.

The Council was presented with a written letter from Dale Furrer (not present at the public hearing), owner of 120 Florida Street SE. His letter stated that he was not in favor of the improvement project at 100% assessment cost. His letter encouraged the Council to consider cost sharing with the business owners along that stretch.

The Council was also presented with a petition submitted by Arline Sticha (not present at the public hearing), property owner of three properties along Florida Street. Her petition was signed by many of the Florida Street SE property owners that were also not in favor of an improvement project that would be assessed at 100%.

Allan Sticha, stated that he was losing way too much on property values already. He said that he doesn't see any justification to do the proposed street improvements in front of his properties unless the assessment costs were at 10% or 15% (not 100%). He asked why the street should be improved if heavy equipment will be constantly driving over the new road. He also asked about the planned underground stormwater treatment structure. Kawlewski explained to Sticha and the audience members how the proposed underground stormwater collection cistern would work, its dimensions, and that it would be located within the public right-of-way. He also mentioned that the current open ditch would be replaced with a storm sewer pipe.

Rud and Erickson explained the process for appealing an assessment.

Erickson stated that Adam Smisek (not present at the public hearing), 113 Florida Street SE, provided a verbal comment in support of the proposed improvements along Florida Street.

Timothy Carlson, 109 Florida Street SE, questioned what engineering/soil tests have been completed. Kawlewski stated that soil borings were done, and he explained the findings (4' - 9' of peat underneath) and the proposed construction methods.

Luverne Bongers, 125 Florida Street SE, stated that the ground in that area feels like Jello, and when trucks drive by the ground shakes. He mentioned that his building is tipping due to the peat soil, and that his lot on Florida Street is pretty much worthless. He said that he got estimates of up to \$30,000.00 to fix his building problem. He said that the project might be tough to sell to some of the properties along Florida. He asked if Rice County would increase the property values once the new road goes in. He went on

to say that business owners like him are still recovering from the poor economy over the past few years, and he asked if the project could be delayed for a few more years.

Bongers acknowledged that he previously had petitioned the City to pave Florida Street in the past. He explained that corporate businessmen occasionally visit his building on Florida Street, and they were not impressed with a gravel road being located within city limits. Bongers asked what the assessment payback period would be. Erickson stated that payments would be stretched out over 15-years at 5.5% interest. He explained the annual payment for a \$9,900 assessment would be \$1,200 for the first year and \$700 for the last year. Bongers said that he was not worried about the one-time assessment charge, but that he was scared about a potential increase in valuation from Rice County.

Russ and Keith Malecha (brothers), property owners of 131 Florida Street SE & 120 Delaware Street SE, questioned why a new road should be built on a dump and poor soils. They also questioned weight limits that would be imposed on “industrial” roads. Erickson mentioned that the roads will still be posted as “7-Ton Roads” during the Spring. They suggested that all the peat should be dug out and corrected the right way. Rud stated that the City has run into problems before with poor soils, and he said that major excavation only drives up the cost of the project. The Malecha brothers also provided some design ideas for Delaware Street for the City to consider.

Some of the Florida Street property owners asked about long-term maintenance responsibilities. Rud assured the owners that the City would keep up on future maintenance of the new road once it was constructed. Erickson, Kawlewski, and Vlasak explained how the new stormsewer system would work to get water off the roads faster. Kawlewski explained the direction in which storm water flows in CIP Area No. 5. Vlasak talked about flood prone areas in CIP Area No. 5. Daleiden explained that CIP Area No. 5 was broken up into two different projects (northern and southern) because of the enormous cost/size of that entire area.

Chris Michaels, 114 Florida Street SE, stated that he will be moving into his Florida Street business soon, and he stated that he is in favor of a dust-free surface due to the nature of his business (vehicles and ice resurfacer repair) if the City plans to maintain the street in the future.

Rud asked if there were anymore comments on the proposed improvement project. No more comments were relayed.

A motion was made by Daleiden and seconded by Pelava to close the public hearing. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The Public Hearing closed

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Consider Approval of Resolution 2012-41, a Resolution Ordering the Improvement of the 2013 Street and Utility Improvement Project – Joel Erickson, City Administrator
Erickson summarized Resolution 2012-41. The three voting members of the Council discussed the proposed improvement project in light of the comments made at the public hearing. After running through a few more assessment scenarios for businesses along Florida Street SE, the Council agreed to reduce those assessment costs by 50%. The Council noted that the City would then be contributing approximately \$150,000.00 toward the assessments along Florida Street SE. The Council members also agreed that business assessment should not be lower than \$9,900.00 (the proposed typical residential assessment rate). The Council directed the City Engineer to proceed with design work on the project and include a less-costly design option for work on Delaware Street SE as suggested by the Malecha brothers.

A motion was made by Daleiden and seconded by Pelava to approve Resolution 2012-41, a resolution ordering the improvement of the 2013 Street and Utility Improvement Project. Vote for: Daleiden, Rud, and Pelava. Vote against: None. Abstained: Kodada and Furrer. Vote: 3-0. Motion carried.

- b. Consider Approval of the City’s 2012/2013 Property and Casualty Insurance Premium in the Amount of \$64,067.00 – Pete Flicek, Insurance Agent
City Insurance Agent Pete Flicek reviewed the City’s property/casualty insurance policy numbers with the City Council. He went through the schedule of City vehicles and list of City properties. Furrer asked if \$150,000.00 was enough to cover the Library contents. Erickson said yes. Erickson’s memo mentioned that the premium will be increased by \$243.00 compared to last year’s premium. The memo also noted that proposed policy changes, including a new water treatment plant and two vehicles (Police Department squad car and Public Works truck).

A motion was made by Kodada and seconded by Furrer to approve the City’s 2012/2013 Property and Casualty Insurance Premium in the amount of \$64,067.00. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- c. Consider Approval of Resolution 2012-42, a Resolution Concurring with Rice County Resolutions 12-059 and 12-060 – Joel Erickson, City Administrator
Erickson stated that the Rice County Engineer has requested that CSAH 96 (70th Street West), between Hwy 19 and Main Street North, be reclassified as from a “State Aid Highway” to a “County Road”. Erickson noted that if maintenance is needed on 70th

Street in the future, it will still be done by the County regardless of the road's designation.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2012-42, a resolution concurring with Rice County Resolutions 12-059 and 12-060. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- d. Consider Approval of Resolution 2012-43, a Resolution Approving Entering into Lease Agreements Between the City of Lonsdale and Tri-City United ISD # 2905 for Emergency Response Situations – Joel Erickson, City Administrator

Erickson reviewed the premise for a lease agreement proposed by the Tri-City United School District for use of City Hall and the Fire Hall in an emergency situation.

A motion was made by Daleiden and seconded by Pelava to approve Resolution 2012-43, a resolution approving entering into lease agreements between the City of Lonsdale and Tri-City United ISD # 2905 for emergency response situations. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- e. Consider Approval of Resolution 2012-44, a Resolution Entering Into a Joint Snow Removal Agreement Between the City of Lonsdale and the Minnesota Department of Transportation

Erickson stated that the Resolution 2012-44 is an annual resolution between the City of Lonsdale and the Minnesota Department of Transportation for snow removal along Hwy 19, between 1st Avenue East and 2nd Avenue West. He said that according to the City's Fee Schedule, the City will be charging MNDOT an hourly rate of \$140.00 for the loader with snow removal attachments.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2012-44, a resolution entering into a joint snow removal agreement between the City of Lonsdale and the Minnesota Department of Transportation. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- f. Consider Approval of Resolution 2012-45, a Resolution to Contract with a Councilmember

Erickson presented Resolution 2012-45 for Council review.

A motion was made by Daleiden and seconded by Furrer to approve Resolution 2012-45, a resolution to contract with a Councilmember. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: Pelava. Vote: 4-0. Motion carried.

- g. Consider Approval Resolution 2012-46, a Resolution Schedule a Public Hearing on November 8, 2012 at 7:00 pm or Shortly Thereafter to Consider Adopting Assessments for Delinquent Accounts Pertaining to Abatement of Violations of City Code § 91.04 Public Nuisances Affecting Health (k) (Noxious Weeds and Tall Grass), Water and Sewer Accounts and Fire Calls

Erickson explained that the City will be compiling a list of delinquent accounts pertaining to tall grass/weed abatement, unpaid water bills, and unpaid fire call bills to present to the Council on November 8th before sending the list to Rice County for assessment.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2012-46, a resolution scheduling a Public Hearing on November 8, 2012 at 7:00 pm or shortly thereafter to consider adopting assessments for delinquent accounts pertaining to abatement of violations of City Code § 91.04 Public Nuisances Affecting Health (k) (Noxious Weeds and Tall Grass), water and sewer accounts and fire calls. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- h. Consider Approval to Schedule a Special Meeting for Tuesday, October 16, 2012 at 6:00 pm to Discuss the 2013 City Budget

Erickson asked the Council to consider holding a special budget meeting to decide on a health insurance plan to be provided to employees effective November 1, 2012.

A motion was made by Furrer and seconded by Pelava to schedule a Special City Council Meeting for Tuesday, October 16, 2012 at 6:00 pm to discuss the 2013 City Budget. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- i. Consider Approval of Resolution 2012-47, a Resolution to Contract with a Councilmember

Erickson presented Resolution 2012-47 for Council review.

A motion was made by Daleiden and seconded by Furrer to approve Resolution 2012-47, a resolution to contract with a Councilmember. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: Pelava. Vote: 4-0. Motion carried.

- j. Consider Approval of Resolution 2012-48, a Resolution to Contract with a Councilmember

Erickson presented Resolution 2012-48 for Council review.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2012-48, a resolution to contract with a Councilmember. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: Pelava. Vote: 4-0. Motion carried.

- k. Consider Approval of Resolution 2012-49, a Resolution to Contract with a Councilmember

Erickson presented Resolution 2012-49 for Council review.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2012-49, a resolution to contract with a Councilmember. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: Pelava. Vote: 4-0. Motion carried.

11. OTHER BUSINESS

a. Project Updates

- Kawlewski provided an update on the 2012 Street/Utility Reconstruction Project. He stated that the contractor is almost finished paving the road. He mentioned that road patching, restoration, sod, and cleanup work will take place over the next week.
- Vlasak provided an update on the citywide open ditch cleaning project.
- Baker noted that a mandatory pre-bid meeting for the Sticha Park Pavilion project was held on October 4th and four local contractors showed up. He said that bids were due in early-November.

b. Council / Department Reports

Council Member Daleiden

Daleiden said that the liquor store reported at least a \$6,000.00 profit in both August and September.

Council Member Kodada

Kodada provided an update from the last Park Board meeting. He said that Bruce Pudwill, President of Midwest Playscapes, was at the meeting discussing different play equipment options for both Sticha Park and Kalina Park.

Council Member Furrer

Furrer stated that the Library Board and EDA will meet next week.

Council Member Pelava

Pelava stated that the Planning Commission will meet on October 25th, before City Council meeting.

Mayor Rud

Rud announced the upcoming candidate forum sponsored by the Lonsdale Area Chamber of Commerce. He announced the upcoming Lonsdale Fire Board meeting. He also mentioned that the Lonsdale Area Food Shelf is organizing an “Adopt-a-Family for Christmas” program for the upcoming holiday season.

12. ADJOURNMENT

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

Respectfully Submitted:

Joel A. Erickson, City Administrator