

**MINUTES  
CITY OF LONSDALE  
REGULAR CITY COUNCIL MEETING  
OCTOBER 27, 2011**

**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 Chamber, 415 Central St. W.

**2. PLEDGE OF ALLEGIANCE**

Everyone stood and recited the pledge of allegiance.

**3. ROLL CALL**

Present: Daleiden, Kodada, Rud, Furrer and Pelava

Absent: None

Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, Public Works Director Russ Vlasak, Liquor Store Manager Lynette Moe, and Consulting Engineer John Stewart

**4. AGENDA**

Mayor Rud asked if anyone had any additions or deletions to the agenda.

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

**5. APPROVAL OF MINUTES**

A motion was made by Furrer and seconded by Pelava to approve the minutes from the September 29, 2011 Regular Meeting and October 13, 2011 Regular Meeting. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. 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 Daleiden and seconded by Furrer to approve the consent agenda:

a. Monthly Bills

b. Treasurer's Report

c. Board and Commission Minutes

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

**9. OLD BUSINESS**

None

**10. NEW BUSINESS**

a. Consider Approval of Partial Pay Request No. 4 in the Amount of \$342,521.55 to Municipal Builders, Inc. for the Water Treatment Plant Project – John Stewart, BDM

John Stewart, BDM Consulting Engineers, provided the Council with an update on the water treatment plant construction project. He recommended approval of the proposed pay request to Municipal Builders, Inc. in the amount of \$342,521.55.

A motion was made by Kodada and seconded by Pelava to approve Partial Pay Request No. 4 in the amount of \$342,521.55 to Municipal Builders, Inc. for the Water Treatment Plant Project. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None. Vote 5-0. Motion carried.

b. Consider Approval of Scott Kochendorfer's Letter of Resignation as Part Time Police Officer

The Council reviewed a Letter of Resignation from Part-Time Police Officer Scott Kochendorfer. Erickson mentioned that Kochendorfer recently accepted a full-time position with the Steele County Sheriff's Department.

A motion was made by Kodada and seconded by Furrer to approve Scott Kochendorfer's Letter of Resignation as Part Time Police Officer. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None. Vote 5-0. Motion carried.

c. Consider Approval of Resolution 2011-38, a Resolution Approving Joint Powers Agreements Between the City of Lonsdale on Behalf of its Police Department and City Attorney and the State of Minnesota

Erickson explained that the purpose of the proposed resolution is to allow the Lonsdale Police Department and City Attorney Kurt Fischer access to the Minnesota Department of Public Safety's criminal justice data bases. He said that the proposed agreement is for a five year term at a cost of \$180 annually. Erickson reviewed the key points of the agreement with the Council.

A motion was made by Daleiden and seconded by Kodada to approve Resolution 2011-38, a resolution approving Joint Powers Agreements between the City of Lonsdale on behalf of its Police Department and City Attorney and the State of Minnesota. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None. Vote 5-0. Motion carried.

- d. Update on Lonsdale Liquor - Lynette Moe, Liquor Store Manager  
Liquor Store Manger Lynette Moe provided the City Council with an update on the Lonsdale Liquor Store. She discussed different ways in which the store has been trying market itself to increase revenues and attract customers. She mentioned that most of the excess inventory should be bought up over the upcoming holiday season. She briefly talked about staffing at the store, including the recent advertisement for two more part-timers. Rud stated that hopefully the store won't end up with a loss at the end of the year. Erickson explained that the Liquor Store experienced a \$13,000 profit in 2010. He said that the store is also repaying \$1,600 to the sewer fund per month. The Council thanked Moe for the update.
- e. Consider Approval of Resolution 2011-39, a Resolution to Enter Into a Contract with a City Councilmember  
Erickson explained that in order to be in compliance with Minnesota State Statue Section 471, the City should approve a resolution to contract with a councilmember. The Council reviewed the proposed resolution, Lonsdale Auto Works invoice, and Conflict of Interest Affidavit.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2011-39, a resolution to enter into a contract with a City Councilmember. Vote for: Daleiden, Kodada, Rud, and Furrer. Against: None. Abstained: Pelava. Vote 4-0. Motion carried.

- f. Consider Approval to Schedule Two (2) Special Meetings on Tuesday, November 15, 2011 and Tuesday, November 22, 2011 at 6:00 pm to Discuss the 2012 City Budget  
Erickson asked the Council to consider two special meeting dates on November 15<sup>th</sup> and November 22<sup>nd</sup> to discuss and finalize the City budget. He noted that the preliminary levy was certified back in September.

A motion was made by Pelava and seconded by Furrer to approve to schedule two (2) special meetings on Tuesday, November 15, 2011 and Tuesday, November 22, 2011 at 6:00 pm to discuss the 2012 City Budget. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None. Vote 5-0. Motion carried.

- g. Consider Approval to Terminate a Contract Between the City of Lonsdale and Health Partners and Enter into a Contract with Preferred One for Health Insurance  
Erickson said that the City's renewal date for health insurance coverage is November 1, 2011. He explained that the City's current health insurance carrier,

Health Partners, increased its rate by 14.7%. He stated that the City's insurance broker, AT Group, was directed to get quotes from Medica, Preferred One, and Blue Cross/Blue Shield. Erickson explained that Medica's rate came in at a 33.81% decrease and Preferred One's rate came in at a 40.82% decrease. He mentioned that Blue Cross/Blue Shield was not competitive. He said that the AT Group held a meeting with City staff on October 24<sup>th</sup> to go over the market rates that came in and network coverage. The Council reviewed the health insurance options.

Erickson said that the City will realize a significant savings in health insurance over the next year. He reviewed a comparison table with the Council showing the savings difference between Health Partners, Medica, and Preferred One. In light of the savings, Erickson asked the Council to consider funding the H.S.A. at 100% and reinstate the dental benefit. After discussing the request, the Council decided to fully fund the H.S.A. but to discuss the dental benefit at one of the November budget meetings. Rud said that he was okay with the proposed end-of-year employee raise, but he questioned adding dental coverage again.

A motion was made by Kodada and seconded by Daleiden to: 1) approve the termination of a contract between the City of Lonsdale and Health Partners and enter into a Contract with Preferred One for health insurance; and 2) approve a fully funded (100%) Health Savings Account. Vote for: Daleiden, Kodada, Rud, and Pelava. Against: None. Abstained: Furrer. Vote 4-0. Motion carried.

## **11. OTHER BUSINESS**

### **a. Department Reports**

#### *Council Member Daleiden*

Daleiden mentioned that Liquor Store Manager Moe did a good job providing an update on the Liquor Store earlier in the meeting.

#### *Council Member Kodada*

Kodada stated that the Park Board may be getting a \$14,000.00 grant from MnDOT for Phase II of the Joint Landscaping Partnership Program Project along Hwy 19. He also mentioned that 32 boulevard trees were recently planted along 8<sup>th</sup> Avenue NE and Idaho Street SW. He said that the Board also discussed different irrigation options for the recently installed landscape plantings and trees.

#### *Council Member Furrer*

Furrer mentioned that the Library Board discussed and revised the Meeting Room Policy. She said that the EDA will be starting their Lonsdale First Program again, and it will run from November 1<sup>st</sup> – December 31<sup>st</sup>. She stated that local business gift certificates and a flat panel TV will be part of the prizes.

*Council Member Pelava*

Pelava provided an update from the Planning Commission meeting. He said that the Commission reviewed a possible replat of Fred's IGA and listened to a presentation on steel shingles.

*Mayor Rud*

Rud announced that the Lonsdale Lions will be hosting a Lions breakfast again. He also mentioned the upcoming Jaycees Halloween event at the elementary school too. He thanked the Public Works Department for doing a good job on cleaning the outside of the City's water tower.

**12. ADJOURNMENT**

A motion was made by Pelava 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 7:54 pm.

Respectfully Submitted:

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Joel A. Erickson, City Administrator