

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
December 29, 2011**

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: Daleiden, Rud, Furrer, and Pelava

Absent: Kodada

Staff Present: City Administrator Joel Erickson and City Planner Benjamin Baker

4. AGENDA

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

A motion was made by Daleiden and seconded by Pelava to approve the agenda as presented. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

5. APPROVAL OF MINUTES

A motion was made by Pelava and seconded by Furrer to approve the Minutes from the November 29, 2011 Regular Meeting, the December 8, 2011 Regular Meeting and the December 19, 2011 Special Meeting. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. 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 as follows:

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

Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

9. OLD BUSINESS

- a. None

10. NEW BUSINESS

- a. Consider Approval of a Request to Reduce the Water and Sewer Bill for the Property Located at 22 Central St. E. – John and Penny Kelly, Property Owners

Erickson provided the Council with background information on the issue, and he also referenced action taken by the Council relating to similar issues in the past. The Council reviewed an email request from Penny Kelly concerning delinquent utility amount that her renter has not paid. She requested a substantial reduction in the pending water bill. They also heard from property owner John Kelly.

John Kelly, 22 Central Street East, said that he didn't know about the bill because he was never notified. He stated that he understood that the bill had been taken care of. He mentioned that he will be taking the renters to court for \$7,000.00. He stated that he understood the City's stance that the property owner is ultimately responsible for unpaid bills on the property, but he expressed his frustration with not being notified about the large bill amount. He suggested that the City change its policy to make it mandatory for property owners to receive the water bill along with their renters.

Pelava stated that he felt sorry for Mr. Kelly and that he understood the position that he was in. However, he mentioned that he has been stuck to pay delinquent bills by his tenants as well. Rud stated that if the account balance is paid then the late fees could get waived. Furrer agreed, stating that the City should remain consistent in handling water bill issues.

A motion was made by Pelava and seconded by Furrer to approve a reduction to the water and sewer bill for the property located at 22 Central Street East in the amount of the accumulated late fees as reviewed by City staff (\$246.50). Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- b. Consider Approval to Make a Conditional Job Offer to Christopher Turgeon as a Volunteer Fire Fighter – Mike Yetzer, Fire Chief

Fire Chief Yetzer stated that the Fire Department received 22 applications for two available openings. He mentioned that the Interview Committee recommended Christopher Turgeon and Adam Vycital, and Yetzer said that he agreed with that recommendation. Yetzer also explained the training process and probation period for new firefighters.

A motion was made by Daleiden and seconded by Pelava to make a job offer to Christopher Turgeon as a Volunteer Fire Fighter. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- c. Consider Approval to Make a Conditional Job Offer to Adam Vycital as a Volunteer Fire Fighter – Mike Yetzer, Fire Chief

This item was discussed as part of Agenda Item 10(c) (see above).

A motion was made by Daleiden and seconded by Furrer to make a job offer to Adam Vycital as a Volunteer Fire Fighter. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- d. Consider Approval of the Friends of the Lonsdale Public Library as the Waste Management Youth Recycling Green Team for January, February and March 2012
Baker stated that the City currently has two Green Team applications on file: 1) Friends of Lonsdale Library; and 2) Lonsdale Boy Scout Troop # 327. He mentioned that Friends of the Library will use the money to start a Teen Advisory Board. He said that the Park Board recommended approving the Friends of the Library as the Jan-Feb-March 2012 Green Team at their meeting on December 13, 2011.

A motion was made by Daleiden and seconded by Pelava to approve the Friends of the Lonsdale Public Library as the Waste Management Youth Recycling Green Team for January, February and March 2012. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- e. Consider Approval of an Agreement Between the City of Lonsdale and Rice County for Yard Waste Composting for 2012, 2013 and 2014

Erickson explained the current agreement that the City has for composting, and he said that it costs the City about \$10,000.00 to maintain the compost site. He said that the agreement with Rice County would help fund the site with \$3,269.86 annually for the next three years.

A motion was made by Daleiden and seconded by Furrer to approve an agreement between the City of Lonsdale and Rice County for Yard Waste Composting for 2012, 2013 and 2014. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- f. Consider Approval of Resolution 2011-52, a Resolution Implementing Governmental Accounting Standards Board (GASB) Statement Number 54 and Establishing a Minimum Fund Balance Policy

Erickson explained that the Governmental Accounting Standards Board (GASB) issued Statement No. 54, which requires units of government to classify their fund balances as: 1) Assigned, 2) Committed, 3) Nonspendable, 4) Restricted, and 5) Unrestricted. He recommended that the Council pass the proposed resolution, directing the City staff to classify the funds according to GASB 54 and establishing minimum fund balances.

A motion was made by Daleiden and seconded by Pelava to approve Resolution 2011-52, a resolution implementing Governmental Accounting Standards Board (GASB) Statement Number 54 and establishing a Minimum Fund Balance Policy. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- g. Consider Approval of Resolution 2011-53, a Resolution Terminating the Contract Between the City of Lonsdale and BDM Consulting Engineers and Surveyors, PLC and Issuing a Stop Work Order for the Area # 3 Street and Utility Improvement Project
Erickson stated that because the City is not moving forward with the Area # 3 Project, he recommended approving the proposed resolution. He mentioned that the resolution is a formality and that work on the project by BDM has stopped.

A motion was made by Daleiden and seconded by Furrer to approve Resolution 2011-53, a resolution terminating the contract between the City of Lonsdale and BDM Consulting Engineers and Surveyors, PLC and issuing a Stop Work Order for the Area # 3 Street and Utility Improvement Project. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- h. Consider Approval of the 2012 Cigarette Licenses for the Following Businesses: Lonsdale Liquor, Jessy's Food Mart, Fred's IGA and Casey's General Store
Erickson explained that cigarette licenses in Lonsdale are valid from January 1st to December 31st of each year. He said that Lonsdale Liquor, Jessy's Food Mart, Fred's IGA, and Caseys General Store all submitted an application for 2012. He said that there have not been any issues in 2011.

A motion was made by Pelava and seconded by Furrer to approve the 2012 Cigarette Licenses for the following businesses: Lonsdale Liquor, Jessy's Food Mart, Fred's IGA and Casey's General Store. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- i. Consider Approval of Resolution 2011-54, a Resolution Approving the Salary and Wage Plan for 2012
Erickson stated that during the 2012 budget process, the City Council provided funds to allow for a 3.5% wage increase to City employees. Rud stated that City employees deserve the proposed increase having endured a wage freeze since 2009, cuts to benefits, and staffing cutbacks.

A motion was made by Daleiden and seconded by Furrer to approve Resolution 2011-54, a resolution approving the Salary and Wage Plan for 2012. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- j. Consider Approval of Resolution 2011-55, a Resolution Approving and Establishing Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds
Erickson explained that the Post-Issuance Tax Compliance Procedures (Procedures) are currently being completed by the City's Bond Counsel each time the City issues bonds. He said that the Counsel is recommending that the proposed Procedures be approved so there is documentation showing that the City established the Procedures. He summarized the proposed Procedures which comply with the IRS requirements, and recommended approval of Resolution 2011-55.

A motion was made by Daleiden and seconded by Pelava to approve Resolution 2011-55, a resolution approving and establishing Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

k. Consider Approval of Resolution 2011-56, a Resolution Accepting the Donation of the Property Located at 127 Main Street North

Erickson said that Tim and Debbie Rud would like to donate their vacant downtown lot at 127 Main Street North to the City of Lonsdale. He mentioned that the Rud's indicated that they would like the parcel to be used as a park or sold for a new business building with the proceeds going to the Park Development Fund. The Rud's also asked that the lot be allowed to be used as the Mayor's sandbox as in previous years for community events. Erickson said that the Park Board reviewed the downtown park idea at their meeting on December 13, 2011 Meeting, and they recommended approval of the proposed donation.

A motion was made by Pelava and seconded by Furrer to approve Resolution 2011-57, a resolution accepting a donation from Tim and Debbie Rud for the property located at 127 Main Street North. Vote for: Daleiden, Furrer, and Pelava. Against: None. Abstained: Rud. Vote: 3-0. Motion carried.

The Council thanked the Rud Family for such a generous donation.

l. Consider Approval of Resolution 2011-57, a Resolution to Contract with a Councilmember

Erickson explained that Rud Construction provided the City with equipment for the Sticha Park parking lot and volleyball court project and the 2nd Avenue NW tile exploration/jetting project. He mentioned that the work was completed in May and July of 2011 which was prior to the City requiring affidavits for conflict of interest. The Council was provided with the Conflict of Interest Affidavit for review. Erickson said that the total cost owed to Rud Construction is \$1,425.00, and he stated that based on Rud Construction's calculations, the cost for similar equipment rental is estimated at \$8,600.00.

A motion was made by Daleiden and seconded by Pelava to approve Resolution 2011-57, a resolution to contract with a Councilmember. Vote for: Daleiden, Furrer, and Pelava. Against: None. Abstained: Rud. Vote: 3-0. Motion carried.

The Council thanked Rud Construction for allowing the City to use their equipment.

m. Consider Approval to Schedule a Special Meeting for Thursday, January 19, 2012 at 6:00 pm at the City of Montgomery City Hall, 201 Ash Street SW

Erickson said that there will be joint meeting with the City of Montgomery, City of Lonsdale, and School District # 394 on January 19, 2012 to inform each other about potential plans for the upcoming year.

A motion was made by Furrer and seconded by Pelava to schedule a Special Meeting for Thursday, January 19, 2012 at 6:00 pm at the City of Montgomery City Hall, 201 Ash Street SW. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

- n. Consider Approval of an Invoice Submitted by BDM Consulting Engineers and Surveyors, PLC in the Amount of \$22,793.40 for the Area # 2 Street and Utility Improvement Project

Erickson explained that BDM Consulting Engineers and Surveyors, PLC completed most of the plans for the Area # 2 Project with the exception of the profile sheets. He recommended paying BDM for the work completed on the project to-date.

A motion was made by Daleiden and seconded by Pelava to approve an invoice submitted by BDM Consulting Engineers and Surveyors, PLC in the amount of \$22,793.40 for the Area # 2 Street and Utility Improvement Project. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried.

11. OTHER BUSINESS

- a. Department Head Reports

Council Member Daleiden

Daleiden stated that the Liquor Store reported a profit in November. He also said that December's customer counts and money spent by customers is up too. He reported that the store's staff reduced its inventory to \$244,000, which surpassed the goal of \$275,000.

Council Member Kodada

N/A

Council Member Furrer

Furrer stated that there was no EDA meeting in December. She mentioned that the Lonsdale First program ends in January. She stated that Debbie Zellner will be ending her term on the Library Board at the end of the year.

Council Member Pelava

Pelava reported that progress is being made on the Water Treatment Plant and most of the exterior work has been wrapped up.

Council Member Rud

Rud thanked everyone who applied for the advisory board openings. He mentioned that the annual Chamber of Commerce Dinner will be on Saturday, January 21, 2012. He stated that new location for the Lonsdale Food Shelf has been very successful as the local churches have worked together nicely. He said that Food from the Heart has been very nice for the community as well. Rud wished everyone a happy New Year.

- b. Reminder of January 3, 2012 Special Meeting at 7:00 pm – 2012 Organizational Meeting
Rud stated that the City's Annual Meeting will be held on January 3, 2012.

12. ADJOURNMENT

A motion was made by Pelava and seconded by Furrer to adjourn the meeting. Vote for: Daleiden, Rud, Furrer, and Pelava. Against: None. Vote: 4-0. Motion carried. The meeting closed at 7:50 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator