

**MINUTES  
CITY OF LONSDALE  
REGULAR CITY COUNCIL MEETING  
FEBRUARY 23, 2012**

**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 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 and City Engineer Kevin Kawlewski

**4. AGENDA**

Mayor Rud said the agenda went through 10B and asked if there were any additions or deletions to the agenda. A motion was made by Pelava and seconded by Furrer 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**

None

**6. PUBLIC HEARINGS**

None

**7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS**

None

**8. APPROVAL OF THE CONSENT AGENDA**

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

Mayor Rud asked if anyone wanted anything from the Consent Agenda pulled for Discussion. A motion was made by Daleiden and seconded by Pelava to approve the Consent Agenda as presented. 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 Resolution 2012-09, a Resolution Transferring \$50,800.00 from the Liquor Fund to the Sewer Fund

Erickson said in 2006/2007, \$710,000.00 was transferred from the Sewer Fund to the Liquor Fund for the construction of and inventory for Lonsdale Liquor. He said since then, the Liquor Fund has paid back \$159,200.00. Erickson said at their last meeting, the Liquor Store Committee recommended transferring \$50,800.00 in addition to the total of \$19,200.00 monthly payments. He said the total transfer in 2011 would be \$70,000.00 if Resolution 2012-09 is approved. Erickson recommended approval of Resolution 2012-09. A motion was made by Kodada and seconded by Furrer to approve Resolution 2012-09. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

Mayor Rud discussed the financial position of the liquor store and said the fund would show approximately a \$500,000.00 profit if the store was sold. Daleiden said the City is providing a service the residents want to see continued. Mayor Rud said the City would obtain additional revenues such as a liquor license and property taxes if the store was sold and recommended the City obtain a business valuation to see what the store is presently worth. The City Council held general discussion on whether or not to consider selling the liquor store. Mayor Rud said

the main reason for constructing the new store was to entice retail development in the Rolling Ridge Market Place, which was accomplished. Daleiden said he would like the valuation to show to valuation difference between a privately held business compared to a municipal business. He also said that the cities of Lakeville and Savage have recently or are currently having the same discussions. Kodada asked if staff should draft and bring back a Request for Proposals (RFP) for City Council review and action. A motion was made by Daleiden and seconded by Kodada to have staff draft a RFP to have a business valuation completed on Lonsdale Liquor. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

b. Consider Approval of a Lease Agreement Between the City of Lonsdale and the Lonsdale Lions for the Jaycee Park Concession Stand

Erickson said in 2009, the Lonsdale Lions contributed a large amount of money for upgrades to the Jaycee Park concession stand and requested the City provide them a long term lease for the concession stand. He said the current lease is effective from October 1, 2009 to December 31, 2014. He said last year, there were several organizations that requested the use of the concession stand for their fundraisers and because of those requests, the Lions have proposed an amendment to the lease agreement to address these requests. Erickson reviewed the proposal submitted by the Lions. Mayor Rud asked if an organization wants to use the park and sell their own beer, will the concession stand be closed. Erickson said yes and the organization will have to have their own means of selling beer. Kodada said the Lions do a great job at running the concession stand and he sees no reason not to approve the lease agreement. Furrer asked if the City would contact the Lions to verify whether or not the organization has received the Lions approval. Erickson replied yes. A motion was made by Kodada and seconded by Pelava to approve the lease agreement between the City of Lonsdale and the Lonsdale Lions for the Jaycee Park concession stand. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

## 11. OTHER BUSINESS

a. Project Update

Area No. 2

Kawlewski said the Area # 2 project is out for bid and he is expecting a good bidding market. He said bids will be opened on March 20, 2012 and considered by the City Council at their March 29, 2012 meeting.

Water Treatment Plant

Erickson said the project is progressing on schedule. He said next week the plumber, painter and electrician will be close to completion. Erickson said it is still scheduled to have the start up on March 26, 2012 and training will follow.

Business Park Meeting with Steele Waseca Electric Cooperative

Erickson said Mayor Rud and himself met with Steele Waseca Electric Cooperative (SWEC) earlier in the day to discuss SWEC purchasing the land west of Garfield Ave as the City's next business park. He said he feels strongly that SWEC will purchase land somewhere in their service territory and he wants to make sure they purchase land in Lonsdale. Mayor Rud provided additional information on the meeting. Mayor Rud also said he was contacted by a local business looking to purchase land and asked the City Council if they are interested in selling the City property between Shirk's Pizza and US Office Furniture. The City Council agreed the City should sell the property. Daleiden asked how that would affect the agreement between the City and Amcon Construction. He said he did not want to see the City burn any bridges with Amcon. Furrer asked if the EDA would be involved. Mayor Rud said the EDA would be involved and if special meetings were needed, they could be held. Staff was requested to research current land prices in the area. Furrer asked if the business would be required to sign a Repurchase Agreement like others had to in the past. Erickson replied yes.

b. Department Reports

Liquor Store – Daleiden said the committee met last week and discussed fixing the clock and additional ways to save money.

Park Board – Kodada said the Park Board did not meet last month. He said at their last meeting, the Board discussed construction of a pavillion at Sticha Park and that the Sticha family will be at their March meeting to discuss it.

EDA – Furrer said EDA meet last week.

Library Board – Furrer said the Library Board meeting last week.

Planning Commission – Pelava said the Commission did not meet last month.

Mayor Rud – Mayor Rud said the Holy Cross Catholic School fish fry is being held on Friday, February 24, 2012. He said the Chamber's Annual Expo will be held on March 3, 2012 and their Jail & Bail Fireworks fundraiser is scheduled for March 9, 2012.

## **12. ADJOURNMENT**

A motion was made by Kodada and seconded by Pelava to adjourn the meeting.  
Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0.  
Motion carried. The meeting ended at 7:55 pm.

Respectfully Submitted:

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Joel A. Erickson, City Administrator