

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
MAY 10, 2012**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 7:02 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 and Furrer

Absent: Pelava

Staff Present: City Administrator Joel Erickson, Liquor Store Manager Lynette Moe, Public Works Director Russ Vlasak and City Engineer Kevin Kawlewski

4. AGENDA

Mayor Rud said the agenda went through 10I and asked if there were any additions or deletions to the agenda. A motion was made by Kodada and seconded by Furrer to approve the agenda as presented. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. 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. Consider Approval of Resolution 2012-19, a Resolution of Sponsorship of the Lonsdale Snow Wizards
- b. Consider Approval of Resolution 2012-20, a Resolution Amending the Rice County Drug Task Force Joint Powers Agreement

Mayor Rud said there were two items on the Consent Agenda and asked if anyone wanted any item pulled for discussion. A motion was made by Kodada and seconded by Furrer to approve the Consent Agenda. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Consider Approval of Water Treatment Plant Project Partial Pay Request No. 11 in the Amount of \$11,352.50 to Municipal Builders, Inc. – Bill Chang, BDM
Bill Chang of BDM was present to review the proposed pay request in the amount of \$11,352.50. He said the water treatment plant has been operational since May 1st and everything is running smoothly. He said the project is a month ahead of schedule. Chang said there was a walk through completed and a punch list has been developed. He said the City is holding nearly \$90,000.00 of retainage for the project and recommended approval of partial pay request #11 in the amount of \$11,352.50. Mayor Rud asked if the bacteria test not passing was a big deal. Vlasak said it is not a big deal and all that was done was a lot of chlorination. Mayor Rud asked how long it would take for the red water to work its way out of the system. Chang said it could take between two months and one year for the red water to be eliminated. Daleiden asked why \$500.00 was being spent on signs for the project. Chang said safety signs for chemicals, etc. are required. A motion was made by Daleiden and seconded by Furrer to approve partial pay request #11 in the amount of \$11,352.50. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

- b. Consider Approval of Resolution 2012-21, a Resolution Transferring \$70,000.00 from the Liquor Fund to the Sewer Fund – Joel Erickson, City Administrator
Erickson said based on the 2011 Year End Audit and liquor store meetings, it is recommended that \$70,000.00 be transferred from the liquor fund to the sewer fund. Erickson said over the last several years, over \$200,000.00 has been repaid to the sewer fund. Mayor Rud said the liquor store has been a success because with the proposed \$70,000.00 transfer nearly \$285,000.00 has been repaid and when considering cash and the value of inventory, the liquor fund is \$100,000.00 from being whole. Mayor Rud said he would still like to see a business valuation completed so the City knows what the liquor store is worth. A motion was made by Daleiden and seconded by Kodada to approve Resolution 2012-21. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

- c. Consider Approval of Resolution 2012-22, a Resolution Transfer \$809,583.00 From the Development Fund to the General Fund, Park & Recreation Fund, Road & Bridge Fund, Water Fund and Sewer Fund – Joel Erickson, City Administrator
Erickson said staff was recommended eliminating the development fund and transferring the funds into the appropriate fund they were collected for. Mayor Rud said that no funds should be transferred into the general fund because taxes are collected for the general fund. The City Council discussed how the transfer should be allocated. A motion was made by Daleiden and seconded by Kodada to approve Resolution 2012-22, with no funds being transferred into the general fund, the Park Fund receiving \$250,000.00 and the water and sewer fund receiving an additional \$78,618.50. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

- d. Consider Approval of Ordinance 2012-251, an Ordinance Repealing Ordinance 2006-192 (EDA Revolving Loan Fund) – Joel Erickson, City Administrator
Erickson said the EDA has drafted the proposed ordinance and held the public hearing at their April 19, 2012 meeting. He said there were no written or verbal comments received. He said the proposed ordinance puts the City in a better

security position if a loan is defaulted on, makes the policy comply with current loan reviews and approvals, reduces the maximum loan amount to \$50,000.00 and establishes criteria for loan approval. Daleiden said the EDA discussed the proposed changes and the EDA is supposed to help businesses and the policy needed to put the City in a better security position. Furrer said the policy protects the City investment better than before. Mayor Rud said the loan program is good because it has helped facilitate the purchase of several businesses in town. A motion was made by Furrer and seconded by Daleiden to approve Ordinance 2012-251. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

e. Update on the Area No. 2 Street and Utility Improvement Project – Kevin Kawlewski, City Engineer

Kawlewski said the pre-construction meeting was held earlier in the week. He said the contactor expects to begin work in mid-June. He said the contactor expects to begin working in the area of 2nd Ave NW and Ash Street NW and work in 4-5 block sections. Mayor Rud asked when the completion date was. Kawlewski replied October 5, 2012. Mayor Rud asked if was a working day or substantial completion contract. Kawlewski said it is a substantial completion date contract. Furrer asked where the contractor will be working in mid-August for Community Days. Kawlewski said the contractor will hopefully have the water main and storm sewer completed. Mayor Rud asked if the construction observer has been identified. Kawlewski said Tim Andler will be the inspector for the job and he has worked in the City before on the Highway 19 project. Daleiden asked if any of the power poles will create issues for the contractor. Kawlewski said they should not create any issues.

f. Consider Approval to Request Engineering Proposals for the Area No. 5 Street and Utility Improvement Project and Discuss the Potential Timeline – Joel Erickson, City Administrator

Erickson said the City has submitted an application to the Minnesota Department of Health for the 2013 Project Priority List and recommended the City request proposals for engineering services. He said the first thing that needs to be decided is the project area so that engineering firms know what to submit a proposal on. Mayor Rud said with an estimated cost of \$3,000,000.00, the project should be split into two projects. Kawlewski said the storm sewer needs to be enlarged on the south end of the project and recommended the southern portion of the project be completed first. Mayor Rud said it seems to be more efficient to start on the south end of the project area. Erickson asked if Florida St. SE will be included in the project. The consensus of the City Council was to include it in the design.

g. Consider Approval of a Quote Submitted by Pearson Brothers, Inc. in the Amount of \$79,509.85 for Seal Coating Willow Creek Commons, Willow Creek Heights 2nd and 3rd Additions, Shadow Stone 1st and 2nd Additions, Eagle Creek and Fig St. NE – Public Works Director, Russ Vlasak

Vlasak said staff requested and obtained proposals for seal coating in 2012. He said Pearson Brothers was the low bidder and have done seal coating for the City in the past. He said the 2012 project area is larger than in prior years. Kodada said it is good for the City to continue with seal coating. Furrer asked when Arizona St. NW will be seal coated. Vlasak said in 2014. Kodada asked if less

patching will be done to cover the overrun. Vlasak said there is not much patching that needs to be done this year given the upcoming street project. A motion was made by Kodada and seconded by Furrer to approve the quote submitted by Pearson Brothers, Inc. in the amount of \$79,509.85 for seal coating. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

h. Consider Approval of a Quote Submitted by Aeration Industries International, LLC in the Amount of \$16,315.00 for an Aerator for the Wastewater Treatment Plant Aeration Basin – Russ Vlasak, Public Works Director

Vlasak said this is the fourth aerator to be purchased to replace the original aerators at the wastewater treatment plant. He said there have not be any issues with the new aerators. Mayor Rud asked if the parts from the current aerators are being saved. Vlasak replied yes. A motion was made by Daleiden and seconded by Furrer to approve the quote submitted by Aeration Industries International, LLC in the amount of \$16,315.00 for an aerator. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

A motion was made by Daleiden and seconded by Furrer to approve the quote submitted by Stasney Electric in the amount of \$1,110.00 for electrical work associated with the new aerator. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

i. Consider Approval to Make a Conditional Job Offer to Craig Vlasak as Seasonal Public Works Employee at Grade 2 / Step 1 (\$10.42/hr)

Erickson said staff advertised the position in the Lonsdale Area News Review and three applications were received. He said the Public Works Director and himself conducted the interviews. He said based on the interviews, it was staff's recommendation to make a conditional job offer to Craig Vlasak as seasonal public works employees at Grade 2 / Step 1 (\$10.42/hr).

Mayor Rud asked if staff has given any thought to making Ryan Jirik a permanent part time public works employee. Mayor Rud asked if there was enough work to make Jirik part time. Vlasak said there is enough work. Mayor Rud said he was in favor of making Jirik part time and asked if it was cheaper to make Jirik part time and also hire a seasonal employee compared to hiring a full time employee. Erickson said it was cheaper to hire a part time and seasonal employee than it is to hire a full time employee. Kodada asked if it was substantially cheaper. Erickson said no. Kodada suggested that in 2013 a full time employee should be budgeted for. Furrer asked if Jirik was a good employee and if he can work without supervision so other staff can use accrued vacation and comp time. Vlasak said Jirik still needs to work with someone.

A motion was made by Kodada and seconded by Daleiden to make a conditional job offer to Craig Vlasak as seasonal public works employee at Grade 2 / Step 1 \$10.42/hr). Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

A motion was made by Kodada and seconded by Furrer to make a conditional job offer to Ryan Jirik as part time public works employee at Grade 3 / Step 1

(\$13.17/hr). Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

11. OTHER BUSINESS

a. Department Reports

Liquor Store – Daleiden said a transfer from the liquor fund to the sewer fund was approved earlier in the meeting. Daleiden asked Moe to comment on the recent product tasting held on May 5, 2012. Moe said there was a gross profit for the day of \$12,000.00 and inventory was reduced by \$20,000.00. She said the day was a success.

Park Board – Kodada said the next Park Board meeting will be on Wednesday, May 16, 2012.

EDA – Furrer said the next EDA meeting will be on Thursday, May 17, 2012.

Library Board – Furrer said the next Library Board meeting will be on Wednesday, May 16, 2012.

Planning Commission – None

Mayor Rud – Mayor Rud said the City Spring Clean Up and the Firemen's Steak Fry are scheduled for May 19, 2012. He wished all the mom's a Happy Mother's Day.

Erickson updated the City Council on the potential of Steele Waseca Cooperative Electric purchasing land in Lonsdale. He said staff and Mayor Rud will be attending the SWCE Board meeting on May 24, 2012.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried. The meeting ended at 8:19 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator