

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
MAY 12, 2011**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 7:01 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 and Furrer

Absent: Pelava

Staff Present: City Administrator Joel Erickson, Public Works Director Russ Vlasak and City Engineer Kevin Kawlewski

4. AGENDA

Mayor Rud said the agenda goes through 10G and asked if anyone had any additions or deletions to the agenda. Erickson asked the City Council to consider adding Resolution 2011-16. A motion was made by Kodada and seconded by Furrer to approve the agenda with the proposed addition. 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. None

9. OLD BUSINESS

a. None

10. NEW BUSINESS

- a. Presentation of a Youth Recycling Green Team Check in the Amount of \$264.00 to the Trondhjem Lutheran Church Youth Group – Darrell Hoekstra, Waste Management

Darrell Hoekstra of Waste Management stated that the Trondhjem Lutheran Church Youth Group collected 17.61 tons of recyclables and presented a check in the amount of \$264.00 to the Dawn and Madi Geason. Geason thanked Waste Management for the opportunity to be the youth group. Hoekstra said the current Green Team is the Montgomery / Lonsdale Redbird Booster Club.

- b. Consider Approval of a Compliance Agreement between the City of Lonsdale and the Minnesota Department of Health for Use of Well # 4

Erickson said the compliance agreement is an annual agreement between the City of Lonsdale and the MN Dept. of Health. He said the agreement allows the City to utilize well # 4 for 139 days, pump 36.9 million or 38% of the City water between April 2011 and March 2012. Erickson said this will be the last year the City will have to sign the agreement due to the construction of the water treatment plant. Erickson recommended approval of the agreement. A motion was made by Daleiden and seconded by Furrer for the City of Lonsdale to enter into a Compliance Agreement with the MN Dept. of Health for use of well # 4. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

- c. Review the Proposals Submitted in Response to the City's Request for Proposals for Professional Engineering Services for Area # 2 of the City's Capital Improvement Plan

Erickson said at a special meeting on April 14, 2011, the City Council held an informational meeting regarding reconstructing 2nd Ave NW. He said based on the positive comments made by residents on 2nd Ave NW, the City Council seems inclined to reconstruct that area. He said at the April 14, 2011 Regular meeting, the City Council motioned to solicit engineering proposals for Area # 2 of the City's Capital Improvement Plan (CIP). Erickson reviewed a summary of the proposals received from the invited firms. Erickson stated that in his staff report, he recommended negotiating with WSB but changed his recommendation to interviewing firms before the City Council made a final selection of an engineering firm. Mayor Rud said he was not in support to negotiate with WSB and would like to interview firms to make sure all proposals include the same items. Kodada said he was in support of interviewing firms as well. Mayor Rud asked Public Works Director Vlasak if the project should be enlarged to include Area # 3 in addition to Area # 2. Vlasak said both Areas # 2 and # 3 should be reconstructed. Mayor Rud asked if there was sufficient time before interviewing firms for them to submit a proposal based on the addition of Area # 3. The consensus of the City Council was that there was time for the proposal to be submitted. A motion was made by Kodada and seconded by Furrer to schedule a special meeting for Tuesday, May 24th at 6:00 pm to interview engineering firms

for Area # 2 engineering services. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

d. Review the Proposals Submitted in Response to the City's Request for Proposals for Professional Engineering Services for Area # 5 of the City's Capital Improvement Plan

Erickson stated at the April 14, 2011 meeting, the City Council motioned to solicit engineering proposals for Area # 5 of the City Capital Improvement Plan (CIP). He said with resident interest on 2nd Ave NW and discussion at previous City Council meetings, it seems it is the City Council's intention to proceed with the Area # 2 reconstruction project and recommending taking no action on the Area # 5 proposals. He stated that Area # 5 should be considered for reconstruction in 2013. No action was taken on this item.

e. Consider Approval of an Agreement Between the City of Lonsdale and Bremer Bank National Association Relating to the Willow Creek Developments

Erickson said Bakken Development was to install a water main from 15th Ave SE west to Industrial Dr. SE as part of the Willow Creek Heights 2nd Addition development but that was never done. He said to resolve the issue, an agreement was signed in November of 2008 between the City and Bakken Development for the City to install and assess the lots owned by Bakken Development east of the Lonsdale Family Medical Clinic. Also, Erickson said he worked with Bakken Development to get the required parkland dedicated to City for the Willow Creek Heights developments but the taxes were not paid, so staff did not record the Quit Claim Deed. He said since 2008, Bakken Development no longer owns the properties and staff has been working with Bremer Bank National Association, current owners of the Bakken Development properties to resolve these outstanding items. Erickson said an agreement has been reached between the City of Lonsdale and Bremer Bank National Association as follows:

1. Bremer Bank will quit claim four (4) lots near the south end of Pondview Drive SE. for parkland purposes. The Park Board has review the lots and motioned to recommend approval of the lots being deeded to the City for parkland purposes. It is anticipated these lots will be used as the entrance to Kalina Park and be used for off street parking and provide water and sewer for future improvements such as a pavilion, etc. Currently, the only access to Kalina Park is a ten foot wide trail on Willow Creek Dr. SE. If the lots are not used for parkland purposes, the lots will revert back to Bremer Bank.
2. Bremer Bank will deed approximately 14 acres for parkland purposes (Kalina Park). This was the responsibility of Bakken Development in 2002 but was never done.
3. If improvements begin before the parkland is in the possession of the City, Bremer Bank will provide the City Right of Entry to make the proposed improvements. At this point in time, the only improvements proposed to be made are grading of trails and two flat open areas.

4. Bremer Bank will quit claim the City the Right of Way for Commerce Dr. SE. This is the road that provides access to the clinic and car wash. Currently, the City only has an easement.
5. Bremer Bank will provide the City a temporary easement, through 2035 for the temporary gravel turn around at the west end of Commerce Dr. SE. The agreement states the City will remove the gravel turn around when the easement terminates. The City will not be responsible for the removal of the gravel turn around because through a development agreement, the City will require the developer to remove the gravel turn around and construct a paved street and dedicate the necessary Right of Way when development occurs west of the car wash.
6. By approving the agreement, Bremer Bank will have no further liability or any potential or perceived obligations for any Willow Creek developments.
7. The City is responsible for recording the deeds.
8. Bremer Bank shall pay the approximately \$17,000.00 of taxes payable in 2011 for these properties by June 15, 2011.
9. The deeds shall be recorded and the City shall have possession of the lots by July 1, 2011 to prevent the City from being responsible for taxes payable in 2012.

Mayor Rud asked if this agreement cleans up all outstanding items regarding the Willow Creek Heights development projects. Erickson replied yes. Furrer asked if the Park Board has any plans for construction of the parking stalls. Kodada said there are no plans at this time and it will have to be budgeted for in the near future. A motion was made by Kodada and seconded by Furrer to approve the agreement between the City of Lonsdale and Bremer Bank National Association relating to the Willow Creek Heights development. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

- f. Consider Approval of a Proposed Request for Proposals (RFP) for Year End Auditing Services for 2012, 2013 and 2014 Year End Auditing Services
Erickson said the last time the City requested proposals for auditing services was in 2006 and the City selected Eide Bailly as the City's auditor and continues to use them. Erickson reviewed the main points of the proposal and said that proposals are due by June 14, 2011 at noon. A motion was made by Daleiden and seconded by Furrer to approve the proposed RFP for auditing services and to authorize staff to advertise the RFP. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.
- g. Consider Approval to Schedule Special Meetings to Discuss the 2012 City Budget in July and August
Erickson said budget season is right around the corner and with everyone's schedules filling up fast, he recommended setting the date for the 2012 budget meetings. A motion was made by Kodada and seconded by Furrer to schedule 2012 Budget Meetings for July 14, 2011, July 25, 2011, August 16, 2011, August

23, 2011 and September 6, 2011. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

h. Consider Approval of Resolution 2011-16, a Resolution Authorizing the Use of Reserves From the Water Fund to be Used to Reduce the Amount of Public Facility Authority (PFA) Financing Use to Construct a Water Treatment Plant and to Schedule a Public Hearing for June 9, 2011 at 7:00 pm to Allow for Public Comment on Increasing the Water Base Rate

Erickson said he has been working with the Public Facilities Authority (PFA) to finalize the application submitted on behalf of the City to finance the construction of the water treatment plant. He said PFA will only finance the project as follows:

1. the City increases water rates to 1.2% of the City's median household income;
2. the City increases water rates and contributes reserves to the project to reduce the principle amount requested; or
3. the City restricts the Water Fund fund balance to 100% of the loan request

Erickson said increasing water rates to 1.2% of the City's median household income is unrealistic given the City's water rates are .39% of the City's median household income. He said restricting the Water Fund's fund balance to approximately \$1,700,000.00 is also unrealistic because the Water Fund has just over \$2,000,000.00 in reserves and at that point, the City should just finance the project themselves. Erickson said a combination of reserves and a rate increase seem to be the most realistic option available to the City. Daleiden asked if the City should not request PFA funding and finance the project internally. The City Council held general discussion on this idea. Mayor Rud asked if the City could pre-pay the loan. Erickson said he asked about prepaying the loan and it is not allowed. The City Council directed Erickson to research if rates need to be increased or will be dictated by PFA after the loan is approved. A motion was made by Kodada and seconded by Furrer to approve Resolution 2011-16. Vote for: Daleiden, Kodada, Rud and Furrer. Against: None Vote 4-0. Motion carried.

11. OTHER BUSINESS

a. Department Reports

Liquor Store: Daleiden stated that sales are down compared to last year. He said at the last liquor store meeting purchasing strategies were discussed as well as increased advertising. He said the cool weather has played a roll in the down sales. Daleiden said it was also discussed that drastic measures might have to be taken if sales continue to decline. Mayor Rud said if sales continue to decline, all options have to be looked at.

Parks and Recreation: Kodada said at the last meeting, the Park Board discussed and scheduled a public hearing to locate a skate park in the Trenda Memorial Park between the new playground equipment and the cottonwood trees. He said the

Board also discussed improvements to the Jaycee Park ballfields after the season ends. Kodada said the Board also began prioritizing projects for 2012 because budget season is coming soon.

Library Board: Furrer said the Board will be meeting next week and holding a Friends of the Library organizational meeting.

EDA: Furrer said the EDA will be meeting next week.

Mayor Rud: Mayor Rud said the Jaycee's Pitch, Run & Hit is scheduled for this weekend, May 20th is the date for the Gary Flicek Benefit, May 21st is the Firemen's Steak Fry and May 14th is Meeting with the Mayor.

Mayor Rud asked Public Works Director Vlasak about equipment. Vlasak said he is obtaining prices for the purchase of a new plow truck and a used roller for paving. He said weather permitting, the volleyball courts project will be started and bio-solids will be hauled and applied. Mayor Rud asked about hiring seasonal workers for the Public Works Department and referenced how Prior Lake hires seasonal workers. Vlasak said he has spoken to staff at Prior Lake and they pay \$9.00 to \$12.00 per hour. Vlasak said leak detection was completed today and staff has televised the drain tile line on 2nd Ave NW to see if it crushed or blocked causing an increase in water drainage through sump pumps and onto 2nd Ave NW.

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 8:10 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator