

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
MAY 26, 2016**

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 Street West.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Members Present: Kodada, Daleiden, Rud, Furrer, and Pelava

Members Absent: None

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

4. APPROVAL OF AGENDA

Mayor Rud asked if there were any corrections, additions, or deletions to the agenda.

A motion was made by Kodada and seconded by Pelava to approve the agenda as proposed.

Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained:

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

9. OLD BUSINESS

None

10. NEW BUSINESS

a. Presentation and Approval of the City's 2015 Year End Audit / Financial Statements – Joel Stencel, Eide Bailly

City Auditor Joel Stencel, of Eide Bailly, provided the Council with an Executive Summary of the 2015 City Audit to review. Stencel went through and highlighted the main points of the 19-page summary, including overview information for the General Fund, Debt Fund, Water Fund, Sewer Fund, and Liquor Store Fund. He noted changes in revenues and expenses compared to previous years. He explained the standard weaknesses in the City's internal controls, that tend to happen in most smaller cities. Stencel stated that the City is in an excellent financial position with healthy fund balances. He also explained the new GASB 68 rules in regard to PERA pensions. Rud thanked Eide Bailly and City Staff for their work on the 2015 City Audit. He also thanked the City Council for the direction that they provide for the City.

A motion was made by Kodada and seconded by Furrer to approve the City's 2015 Year End Audit / Financial Statements. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

b. Consider Approval to Accept a Bid Submitted in the Amount of \$2,500.00 for 1998 Chevrolet Pickup Forfeited by the Lonsdale Police Department – Jason Schmitz, Chief of Police

Erickson stated that a forfeited 1998 Chevy Cheyenne 2500 pickup was advertised for sale by means of sealed bid. He said that four bids were received, with the highest bid at \$2,500.00. He noted that the Lonsdale Police Department would receive \$1,632.30 after all expenses incurred during the forfeiture process were paid out.

A motion was made by Pelava and seconded by Furrer to accept a bid submitted in the amount of \$2,500.00 for 1998 Chevrolet Pickup Forfeited by the Lonsdale Police Department. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

c. Consider Approval of Resolution 2016-30, a Resolution Authorizing or Reauthorizing Membership in the Minnesota Municipal Money Market Fund (the 4M Fund) – Joel Erickson, City Administrator

Erickson stated that City Staff met with Corey Boyer, of PMA Financial Network, the administrators of the 4M Fund regarding investment of City funds. Erickson said that the City is currently a member of the 4M Fund, but it is no longer managed by Minnesota MBIA. He recommended approval of the proposed Resolution, in order to make new investments with the 4M Fund. He explained that the Fund has higher interest rates for the City to invest its bond proceeds.

A motion was made by Daleiden and seconded by Kodada to approve Resolution 2016-30, a resolution authorizing or reauthorizing membership in the Minnesota Municipal Money Market Fund (the 4M Fund). Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

d. Consider Approval of Resolution 2016-31, a Resolution Scheduling a Special Election on August 9, 2016 for the Proposed Lonsdale Community Center – Joel Erickson, City Administrator

Erickson explained that Resolution 2016-31: 1) recognizes the necessity to issue GO Bonds to finance the construction of a community center; 2) calls for a special election on August 9th; and 3) directs City Staff to notify the general public, Rice County, and Secretary of State of the special election. Erickson said that a not-to-exceed amount needs to be determined by the Council for the August ballot question. Erickson explained that \$650,000.00 of retired debt service will come off the books over the next few years. He provided the Council with four options to consider when determining the not-to-exceed amount of a proposed Community Center bond: 1) \$11.36 million based on using \$400k over a 20-year period, 2) \$16.36 million based on using \$650k over a 20-year period, 3) \$14.2 million based on using \$400k over a 25-year period, and 4) \$20.45 million based on using \$650k over a 25-year period. He noted that all figures include a \$10.00/month tax increase per household. He said that the City has historically frozen the mill/tax rate, and he promised that the Council will try to keep that rate frozen in the future. He mentioned that residents actually approached the City Council asking that the City to bring a community center vote forward. Furrer asked if the City and Task Force were moving too quickly. She suggested that the Community Center Committee reach out to the different age groups and encourage participation in the planning process. Kodada suggested going with the \$14.2 million amount so that community gets the majority of amenities that are most desired.

A motion was made by Kodada and seconded by Daleiden to approve Resolution 2016-31, a resolution scheduling a Special Election on August 9, 2016 for the proposed Lonsdale Community Center. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

e. Consider Approval of Members of the Lonsdale Community Center Task Force – Joel Erickson, City Administrator

Erickson explained that a group of interested residents have been meeting regularly since February regarding the construction of a community center in town. He provided the Council with a list of Community Center Task Force Members that have been involved in the process since the beginning, along with Judy Davis, representing the seniors. Rud suggested having sub-committees, such as the hockey group, to provide specific details and feedback on certain amenities.

A motion was made by Kodada and seconded by Pelava to appoint members to the Lonsdale Community Center Task Force. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- f. Consider Approval of a Proposal Submitted by 292 Design Group in the Hourly-Not-To-Exceed Amount of \$25,200.00 for “Pre-Referendum” Services Pertaining to the Lonsdale Community Center – Joel Erickson, City Administrator

Erickson provided a timeline overview of the Community Center Project. He said that three architectural firms were interviewed by the Community Center Committee, and 292 Design Group was the preferred firm to help with pre-referendum services. He said that the group also liked the idea of using Ballard King & Associates, LTD to help with the market analysis. The Council reviewed 292 Group’s proposal.

A motion was made by Kodada and seconded by Furrer to approve a proposal submitted by 292 Design Group in the hourly-not-to-exceed amount of \$25,200.00 for “pre-referendum” services pertaining to the Lonsdale Community Center. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Consider Approval of a License Application to Make Retail Sales of Cigarette and Other Tobacco Products Submitted by J & J Lonsdale, Inc. d/b/a Mackenthun’s Fine Foods – Joel Erickson, City Administrator

Erickson said that the Police Department reviewed a tobacco/cigarette application from Mackenthun’s Fine Foods, the future owner of 750 Ash Street NE, and that no issues were found. The Council reviewed the application.

A motion was made by Pelava and seconded by Daleiden to approve a license application to make retail sales of cigarette and other tobacco products submitted by J & J Lonsdale, Inc. d/b/a Mackenthun’s Fine Foods. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- h. Consider Approval of an Application and Permit for a 1 Day to 4 Day Temporary On-Sale Liquor License Submitted by the Church of the Immaculate Conception – Joel Erickson, City Administrator

Erickson stated that the I.C. Church requested a 1-to-4-Day Temporary On-Sale Liquor License for their annual parish festival being held on Sunday, August 7, 2016 on the church’s property. Erickson recommended approval of the annual request.

A motion was made by Furrer and seconded by Kodada to approve an application and permit for a 1 Day to 4 Day Temporary On-Sale Liquor License submitted by the Church of the Immaculate Conception. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- i. Consider Approval of Resolution 2016-32, a Resolution Approving a Revised Site Plan for a New 12,000 Square Foot Industrial Building Located at 1951 Commerce Dr. SE – Ben Baker, City Planner

Baker read through a detailed Staff Report pertaining to a Revised Site Plan for 1951 Commerce Drive SE. He noted the changes to the parking lot, interior floor plan, and exterior materials. He said that the new plans show a 12,000 sq. ft. building, compared to the previous 15,360 sq. ft. building/site plan approved last year. He noted that there

will still be plenty of room to expand the building toward the south in the future. The City Council reviewed the proposed Resolution, associated map/site plan, floor plan, and building elevations. TMI Owner Nate Nelson stated that they would like to be completed with the project by October-November 2016. He said that ground breaking on the site will begin in mid-to-late June. Rud said that it is great to have the first project in the new business park getting underway.

A motion was made by Daleiden and seconded by Pelava to approve of Resolution 2016-32, a resolution approving a revised site plan for a new 12,000 square foot industrial building located at 1951 Commerce Dr. SE. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

The Council welcomed the new business owners to Lonsdale.

- j. Consider Approval of Resolution 2016-33, a Resolution Approving CUP No. 2015-01 – Revision No. 1, a Revised Site Plan for a New 10,000 Square Foot Commercial-Industrial Building Located at 209 Ash Street NW – Ben Baker, City Planner

Baker read through a detailed Staff Report pertaining to a Revised Site Plan for 209 Ash Street NW. He noted the changes from the old 2015 plan to the newly revised site/building plan. He said that the building will still be around 10,000 sq. ft. but that the new roof will be sloped metal instead of the previously proposed flat roof. He noted that the new plan only shows one pitched parapet/sign on the southwest façade. Baker said that the Office/Retail Area will be around 800 sq. ft. smaller than the original plan, but the revised warehouse area will be a little larger. The Council reviewed the proposed Resolution, associated map/site plan, floor plan, and building elevations. Lonsdale Feed Mill owner Steve Vosejka presented the Council with samples of the building material that will be used on the exterior of the new building. He said that he hopes to start his project in July. The Council congratulated Vosejka on moving forward with his project.

A motion was made by Pelava and seconded by Furrer to approve Resolution 2016-33, a resolution approving CUP No. 2015-01 – Revision No. 1, a revised site plan for a new 10,600 square foot commercial-industrial building located at 209 Ash Street NW. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- k. Consider Approval of Resolution 2016-34, a Resolution Approving Combination of the Parcels Located at 315 and 333 2nd Ave SW – Ben Baker, City Planner

Baker said that property owner of 315 & 333 2nd Avenue SW, Kathy Kahler, has requested to combine her two properties together in order for accessory structures/uses to be allowed on the currently vacant 333 2nd Avenue SW property. He noted that Kahler plans to use the recently acquired, 333 2nd Avenue SW, property for a garden, shed, pergola/patio, and/or a fire pit. The Council reviewed the attached plat/survey/maps and pictures of the subject property. Pelava said that the Planning Commission recommended approval of the parcel combination.

A motion was made by Pelava and seconded by Kodada to approve Resolution 2016-34, a resolution approving combination of the parcels located at 315 and 333 2nd Ave SW. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- l. Consider Approval to Schedule a Public Hearing on June 9, 2016 at 7:00 pm or Shortly Thereafter on Proposed Ordinance 2016-269, an Ordinance Amending City Code Chapter 153: Zoning - Planned Unit Development Rolling Ridge Market Place – Ben Baker, City Planner

Baker stated that there is a closing date scheduled for June 12th for Fred's Market Place located in the Rolling Ridge Market Place. He stated that the buyer's attorney created a list of items that need to be completed before closing, including fixing issues with the Rolling Ridge Market Place PUD Agreement from 2007. Baker said that the buyer's attorney found that although the 2007 Agreement was signed by City Officials, it was never signed by the owner/developer, Gene Berens; therefore, making the PUD Agreement invalid. Baker said that the City Attorney recommended that the City go through the standard ordinance approval process to convert the existing PUD Agreement language into the Zoning Ordinance. Baker noted that the grocery store and fuel pumps were now listed in the new ordinance as "permitted uses" instead of "conditional uses".

A motion was made by Kodada and seconded by Pelava to schedule a Public Hearing on June 9, 2016 at 7:00 pm or shortly thereafter on proposed Ordinance 2016-269, an ordinance amending City Code Chapter 153, Zoning. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- m. Consider Approval of a Proposal Submitted by WSB & Associates, Inc. in the Not-to-Exceed Amount of \$15,895.00 for a New Well Siting Study and Well Permitting – Russ Vlasak, Public Works Director

Vlasak said that the Public Works Department is looking at the need for a future well. He explained the issues with the current City wells. He asked the Council to consider having WSB & Associates conduct a well siting study and well permitting for the City. Daleiden stated that water is a basic need for everyone in the community. Kodada agreed that it was best to be pro-active. The Council reviewed a proposed Well No. 1 Implementation Schedule.

A motion was made by Daleiden and seconded by Kodada to approve a proposal submitted by WSB & Associates, Inc. in the not-to-exceed amount of \$15,895.00 for a new well siting study and well permitting. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- n. Update and Discuss the 4th Ave NE Sanitary Sewer Project – Russ Vlasak, Public Works Director

Vlasak and Kawlewski explained the leaking problems that have been occurring with some of the sanitary sewer service lines along on 4th Avenue NE, including 532 and 526 4th Avenue NE. He reported to the Council that the issues may be a larger problem than just a few individual services, due to the deep sewer line along that section. Vlasak said

that a few contractors have provided a few different options to consider, including 1) grouting the lines, 2) grinding the pipe sleeve, or 3) installing a new sanitary sewer main behind the curb. The work was estimated at a per property cost of \$2,500.00 for simple repairs and up to \$30,000.00 for a pumped sewer system to be installed. Erickson suggested identifying the scope of the problem and coming up with a plan. Rud encouraged Staff to look at the big picture.

11. OTHER BUSINESS

a. Staff Reports

Public Works Director

Vlasak said that trail sealing work is being completed on the southwest side of town.

City Engineer

Kawlewski said that he will be meeting with BCM to talk about the Area No. 5 – Phase I Project, that should be completed by June 20th. He said that Chard should be in at the end of next week to start work on the Area No. 5 – Phase II Project. He noted that the Delaware Street Mill & Overlay work will be completed next spring. Kodada suggested holding a neighborhood meeting for the Area No. 5 – Phase II Project to get everything ironed out before construction begins.

City Administrator

Erickson stated that he has been working on reviewing the City Audit. He thanked City Treasurer for her work on the 2015 Audit. Everyone applauded the work that Brokl did in getting through the annual audit. He talked about happenings with the Rolling Ridge Market Place Association.

City Planner

Baker provided the Council with an advertisement recently sent out by GovOffice, web solutions for local governments, that featured Lonsdale's new website. He also provided Council with pictures and an update on the Veterans Memorial Expansion Project and the Hidden Willow Pond Access & Clean-Out Project.

b. Council Reports

Council Member Daleiden

Daleiden provided information on advertisements for Lonsdale Liquor and upcoming summer hours.

Council Member Kodada

Kodada announced the Park Board will be hosting a local history meeting at the 3R Landmark School on June 7th and a Fishing Pier Grand Opening Event on June 14th.

Council Member Furrer

Furrer said that the EDA will be reviewing grant applications from local businesses. She also stated that the Library Director will be taking a 6-month sabbatical.

Council Member Pelava

Pelava provided a recap of the Comprehensive Plan Committee Meeting and the Planning Commission Meeting both held on May 25th.

Mayor Rud

Rud congratulated Laura Domek for already raising over \$1,000.00 for a future dog park in Lonsdale. He provided the schedule for the upcoming Memorial Day services/salutes. He noted that American Legion rifle squad will be at the I.C. Church Cemetery at 9:30 am and at the new Veterans Memorial Park at 11:15 am

12. ADJOURNMENT

A motion was made by Kodada and seconded by Pelava to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 8:47 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator