

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
AUGUST 11, 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: Daleiden, Kodada, 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 additions, deletions or corrections to the agenda.

A motion was made by Kodada and seconded by Pelava to approve the agenda as presented.
Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained:
None. Vote: 5-0. Motion carried.

5. APPROVAL OF MINUTES

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

A motion was made by Furrer and seconded by Daleiden to approve the Minutes from the
July 14, 2016 Regular Meeting and the July 18, 2016 Special Meeting. Vote for: Daleiden,
Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0.
Motion carried.

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

- a. Consider Approval of Community Solar Garden Subscription Agreements Between the City of Lonsdale and SolarStone Community, LLC – Joel Erickson, City Administrator
Erickson provided an overview of the proposed solar garden subscription agreement. He noted that there needs to be two agreements, because no one entity can subscribe to more than 40% of a project. Rud asked if SolarStone had been vetted. Erickson said yes, stating that SolarStone was awarded a contract by the MetCouncil and holds agreements with other cities. Gordy Simanton and Doug Sonnee of SolarStone Community were both present at the meeting. Simanton said that SolarStone is backed by NRG Energy, a Fortune 200 Company. He said that four projects are currently breaking ground in Dodge County. Simanton said that the Lonsdale's subscription projects will probably go online in December 2016 or January 2017. Simanton stated that the power generated goes into the grid and that today's solar technology is only 20% efficient. Kodada asked who pays for upgrades. Simanton said that SolarStone will pay for any technology upgrades and maintenance repairs.

A motion was made by Pelava and seconded by Kodada to approve Community Solar Garden Subscription Agreements between the City of Lonsdale and SolarStone Community, LLC. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- b. Consider Approval of Resolution 2016-41, a Resolution Approving the Issuance of General Obligation Improvement Crossover Refunding Bonds, Series 2016B – Joel Erickson, City Administrator
Erickson explained that language in Resolution 2016-35, a previously approved resolution, only allowed the sale of bonds to take place if there was a net saving of at least \$100,000. Erickson explained that the \$100,000 is unrealistic considering the recent increase in interest rates. He said that the City could still save a considerable amount of money if the \$100,000 threshold is removed. The Council agreed that they do not want to lose out on saving the City a substantial amount of money.

A motion was made by Daleiden and seconded by Furrer to approve Resolution 2016-41, a resolution approving the issuance of General Obligation Improvement Crossover Refunding Bonds, Series 2016B. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

10. NEW BUSINESS

- a. Consider Approval of an Economic Development Authority (EDA) Revolving Loan Fund Application Submitted by Whitney Land Holding Company, LLC – Joel Erickson, City Administrator
Erickson explained that Wendy Whitney, of Whitney Land Holding Company, LLC, submitted an application for a Revolving Loan Fund (RLF) in the amount of \$60,000 for construction of a building to house a veterinary clinic at 117 Delaware Street SE. He stated that the EDA discussed the application in great detail at their June 16th and July 12th meetings, and they recommended approval of the requested RLF amount.

Erickson said that a personal guarantee and promissory note will be recorded at the county, and he stated that the City will be in second position, after the primary lender. Rud thanked the EDA for having a good policy in place. He said it is terrific that Whitney will be bringing her business to town.

Whitney answered questions from the Council. She also provided an overview of her business and future plans. Whitney said that she is excited to come to Lonsdale. Furrer said that the business and building will fit in nicely with the existing surrounding uses/buildings. The Council welcomed Whitney to town.

A motion was made by Furrer and seconded by Pelava to approve an Economic Development Authority (EDA) Revolving Loan Fund Application submitted by Whitney Land Holding Company, LLC. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- b. Consider Approval of Resolution 2016-42, a Resolution Approving the Issuance of General Obligation Taxable Increment Refunding Bonds, Series 2016C – Joel Erickson, City Administrator

Erickson explained that the City could reduce its exposure by \$159,000 if the TIF bonds issued to finance the Villages of Lonsdale would be refunded. He explained that the City would be liable if Lonsdale Senior Housing, LLC would ever default on their payment of property taxes and not renew its Letter of Credit. Erickson said that the bond sale would come back before the Council.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2016-42, a Resolution Approving the issuance of General Obligation Taxable Increment Refunding Bonds, Series 2016C. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- c. Consider Approval to Schedule a Special City Council Meeting to Canvass the Results of the City Special Election Held August 9, 2016 – Joel Erickson, City Administrator

Erickson said that the City held a Primary Election and Community Center Bond Referendum Vote on August 9th. He explained that 1,097 people voted that day, compared to less than 250 people who voted in last year's 2015 City election. Erickson said that the results will be canvassed at the Council's Special Meeting already scheduled for August 15, 2016.

No formal action was taken on the agenda item.

- d. Consider Approval of the Well No. 1 Siting Study – Kevin Kawlewski, City Engineer
Kawlewski explained that a new well is needed for 1) redundancy and 2) in order to be able to take Well No. 4 out of service for inspection and maintenance. The Council reviewed three potential locations for the new Well No. 1, along the pros/cons and probable costs of each spot. Kawlewski said that it is standard procedure that wells need to be inspected and maintained every 10 years. He noted that a well house/shed will not be needed to house chemical equipment. The Council agreed that the Well No. 1 Project could be discussed in more detail at the 2017 Budget Meetings.

A motion was made by Kodada and seconded by Pelava to approve the Well No. 1 Siting Study. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- e. Consider Approval of Application for Payment No. 7 in the Amount of \$25,819.18 to BCM Construction, Inc. for the Area No. 5 – Phase I Street and Utility Improvement Project – Kevin Kawlewski, City Engineer

Kawlewski asked the Council to consider payment to BCM Construction for work completed in July 2016, including final casting adjustments and wear course paving on Arizona Street SE. He noted that there will be no payment made for the extra curb that had to be replaced. He said that the City still holds a 5% retainage amount for the project. Kawlewski and the Council members discussed the pros and cons of installing the temporary asphalt wedges.

A motion was made by Kodada and seconded by Furrer to approve application for Payment No. 7 in the amount of \$25,819.18 to BCM Construction, Inc. for the Area No. 5 – Phase I Street and Utility Improvement Project. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- f. Consider Approval of Application for Payment No. 2 in the Amount of \$391,304.37 to Chard Tiling & Excavating for the Area No. 5 – Phase II Street and Utility Improvement Project – Kevin Kawlewski, City Engineer

Kawlewski provided an update on the Area No. 5 – Phase II Project. He asked the Council to consider payment of work completed by Chard Tiling & Excavating during the month of July 2016. The Council reviewed the pay application and list of completed items included in the payment request.

A motion was made by Daleiden and seconded by Furrer to approve application for Payment No. 2 in the amount of \$391,304.37 to Chard Tiling & Excavating for the Area No. 5 – Phase II Street and Utility Improvement Project. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Consider Approval of Pay Request No. 2 in the Amount of \$30,376.00 to Steve Vosejka for the Lonsdale Feedmill Expansion Project – Kevin Kawlewski, City Engineer
Kawlewski explained that per the Lonsdale Feed Mill Developer’s Agreement, the City is responsible for specific public improvements, including excavation of the new pond and construction of the associated retaining wall. Furrer asked about the City’s remaining responsibility for the project. Kawlewski stated that Payment No. 2 represents the final obligation of City. Erickson said the City and Vosejka need to finalize obtaining ownership of the property the pond is located on. He said the City’s financial obligation was approximately \$115,000. Rud stated that the new pond’s silt issue should be dredged and cleaned up. He also suggested that Staff reach out to the SnoWizards Snowmobile Club to warn them in advance of the new pond drop-off that was excavated near their snowmobile route. Kodada suggested enclosing the pond with split-rail fencing.

A motion was made by Kodada and seconded by Pelava to approve Pay Request No. 2 in the amount of \$30,376.00 to Steve Vosejka for the Lonsdale Feed Mill Expansion Project. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- h. Consider Approval to Schedule a Public Hearing for Thursday, August 25, 2016 at 7:00 pm or Shortly Thereafter to Review an Ordinance Opting Out of the Requirements of Minnesota State Statutes §462.3593 – Ben Baker, City Planner
Baker stated that that Planning Commission will be reviewing Ordinance 2016-270 at their next meeting, pertaining to a new State law which would require cities to permit temporary health care dwellings effective September 1, 2016, if the City does not opt-out by then. The Council reviewed information on the subject provided by the League of Minnesota Cities.

A motion was made by Furrer and seconded by Pelava to schedule a Public Hearing for Thursday, August 25, 2016 at 7:00 pm or shortly thereafter to review an ordinance opting out of the requirements of Minnesota State Statutes §462.3593. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

11. OTHER BUSINESS

- a. Department Reports

Vlasak said that the Public Works Department has been busy getting ready for Community Days and with the street projects. He noted a few upcoming projects, such as stump removal, drain tile work, and new hockey rink boards.

Erickson said that he has been working on the Community Center Project, elections, and the 2017 City Budget.

Baker provided comments on Pitometry software, the Dog Park Project, and youth soccer.

b. Council Reports

Council Member Daleiden

Daleiden said that the Lonsdale Liquor will be holding an Octoberfest Event on August 27, 2016.

Council Member Kodada

Kodada said that the Park Board will be meeting on August 16th.

Council Member Furrer

Furrer stated that the Library Board and EDA will be meeting next week.

Council Member Pelava

Pelava said that the Planning Commission and Comprehensive Planning Committee will both be meeting on August 18th.

Mayor Rud

Rud stated that the Council should provide City Staff with guidance on how strictly ordinance enforcement should take place. He also suggested that the City create a Public Data Request policy to help Staff manage such requests. He noted that it is very important to be transparent. Rud thanked everyone who volunteers to make Community Days possible. He advertised the upcoming barbeque event at the Legion and the Family Canoeing event at Rezac Nature Preserve.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer 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 8:26 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator