

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
SEPTEMBER 12, 2013**

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 and City Planner Benjamin Baker

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 Furrer 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

None

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Consider Approval of Resolution 2013-36, a Resolution Accepting a Bid for Phase I of the Business Park Project – Joel Erickson, City Administrator / Andy Brandel, I & S Group

The Council reviewed the five bids submitted for Phase I of the Lonsdale Business Park Project: 1) Heselton Construction - \$2,162,261.28, 2) Northwest Asphalt - \$2,221,183.10, 3) Friedges Contracting Co. - \$2,227,403.65, 4) Kuechle Underground - \$2,229,183.51, and 5) Ryan Contracting - \$2,311,996.50. Project Engineer Andy Brandel of I & S Group provided a brief overview of the bids. He said that Heselton was the responsible low bidder, and he noted that the City and I & S Engineers have both worked with Heselton on past projects. He said that Heselton is ready to start on the project this fall. Brandel said that they are still waiting for approval from MnDOT on the turn lanes but utility work should be able to go in yet this year. Rud said that the sooner utility and road work commences, the sooner potential businesses can start constructing new buildings within the business park. Brandel stated that the grading on the northern half of the project is mostly complete. Furrer stated that this project needs to go better than the CIP Area # 2 Project. Pelava said that new construction should go smoother than a reconstruction project. Erickson updated the Council on the status of CIP Area # 2 Project. Brandel ensured the Council that an I & S Group Field Inspector will be on site to make sure the project is a success.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2013-36, a resolution accepting a bid from Heselton Construction, LLC. in the amount of \$2,162,261.28 for Phase I of the Business Park Project. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- b. Consider Approval of Resolution 2013-37, a Resolution Authorizing Issuance, Awarding Sale, Prescribing the Form and Detail and Providing for the Payment of \$2,750,000 General Obligation Improvement Bonds, Series, 2013B – Paul Donna, Northland Securities

Paul Donna of Northland Securities provided an overview on the proposed bond sale for financing public infrastructure associated with the development of the Lonsdale Business Park. He stated that the City's credit rating was reaffirmed by S&P as A+. He said that many Minnesota City's bond ratings were downgraded over the past year due to the poor economy. He noted that the bonds allow for a level annual debt service payment over a term of 15 years. Donna said that the interest rate will be 3.47% compared to the finance plan estimate of 3.38%. He said that \$46,000.00 will be available to help cover the costs of project change orders or for use in paying down debt in the future. Donna thanked the Council and wished the City good luck on the project.

A motion was made by Daleiden and seconded by Pelava to Resolution 2013-37, a resolution authorizing issuance, awarding sale, prescribing the form and detail and providing for the payment of \$2,735,000.00 General Obligation Improvement Bonds, Series, 2013B. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

c. Consider Approval of Resolution 2013-38, a Resolution Setting the Fiscal Year 2014 Preliminary City Budget and Preliminary Property Tax Levy – Joel Erickson, City Administrator

Erickson highlighted the Council's priorities throughout the 2014 budget process, including 1) maintaining a 0% property tax levy increase, 2) continuing with the City's Capital Improvement Plan, 3) continuing with street maintenance, 4) park improvements, and 5) water/sewer capital improvement projects. He noted that the overall the budget has remained essentially the same as in 2013 except for a proposed CIP Area # 5 Reconstruction Project and improvements to the water tower. Erickson summarized the proposed preliminary property tax levy and budget numbers. He said that the preliminary property tax levy is set at \$1,649,135.00.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2013-38:

1. A resolution setting the Fiscal Year 2014 Preliminary City Budget and Preliminary Property Tax Levy,
2. A resolution scheduling "Discussion and Public Comment on the Proposed 2014 City Budget and Property Tax Levy" as part of the Regular Council meeting on Thursday, December 12, 2013 at 7:00 pm in the City Council Chambers, 415 Central Street West, Lonsdale, MN 55046.
3. A resolution providing residents with the following contact information: contact City Administrator Joel Erickson at (507) 744-2327 with questions relating to the County Auditor's property tax notice or mail them to: City Administrator, 415 Central Street West, PO Box 357, Lonsdale, MN 55046.
4. A resolution directing the City Administrator to transmit a certified copy of this resolution to the Rice County Auditor/Treasurer.

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

d. Consider Approval to Reschedule the Following City Council Meetings: the October 31st Meeting to Monday, October 28th, the November 28th Meeting to Monday, November 25th and the December 26th Meeting to Monday, December 23rd – Joel Erickson, City Administrator

Erickson asked the Council to consider rescheduling the last meeting in October, November, and December to the last Monday of the month.

A motion was made by Kodada and seconded by Furrer to reschedule the following City Council Meetings: 1) the October 31st Meeting to Monday, October 28th, 2) the November 28th Meeting to Monday, November 25th, and 3) the December 26th Meeting to Monday, December 23rd. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

e. Consider Approval of a Quote Submitted by Andy Jirik in the Amount of \$3,900.00 for 26 Trees – Ben Baker

Baker stated that back in February 2013, the City Council was made aware that Andy Jirik planned to donate and plant up to 32 trees in Kalina Park once an official quote was submitted. The Council reviewed the proposed tree planting map and quote. Baker noted that although the large-sized trees will be free, the City will still be responsible for the cost of fuel/installation at \$150.00/tree. Baker stated that Jirik lives directly north of Kalina Park, and he plans to transplant the trees from two of his other properties located just east of town. Baker stated that the Park Board recommended approval of the tree planting map and quote from Andy Jirik at their September 10, 2013 meeting.

A motion was made by Kodada and seconded by Furrer to approve a quote submitted by Andy Jirik in the amount of \$3,900.00 for 26 Trees. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

f. Consider Approval of TCU Titans Youth Wrestling as the Green Team for October, November and December 2013 – Ben Baker, City Planner

Baker stated that the Park Board recommended approval of the TCU Titans Youth Wrestling Program as the October-November-December Green Team at their September 10, 2013 meeting. He mentioned that they submitted their application on May 20, 2013. The Council reviewed the past list of Green Teams and the TCU application.

A motion was made by Kodada and seconded by Furrer to approve the TCU Titans Youth Wrestling Program as the Green Team for October-November-December 2013. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

g. Consider Approval of a Bid Submitted by Common Grounds Lawn & Landscape in the Amount of \$71,208.00 for the Main Street Plaza Project – Ben Baker, City Planner

Baker stated that on August 8, 2013, the City Council approved the project plans/ bid sheet for the Downtown (Main Street) Plaza Project, and they authorized City staff to advertise the project for bids. He said that the project was advertised in the Lonsdale Area News Review and sent out to the following local companies: 1) Common Grounds Lawn and Landscape Inc. – Lonsdale, MN, 2) Premiere One Custom Landscape, Design, and Install – Veseli, MN, 3) A-1 Landscapes – Elko New Market, MN, and 4) K.L.B Investments – New Prague, MN. Baker stated that on August 30, 2013 at 2:00 pm, City staff opened the lone submitted bid by Common Grounds in the amount of \$71,208.00 (base bid):

- Base Bid: \$71,208.00

- Alt-1 Bid: + \$1,500.00 (add screening hedge in lieu of split rail fence)
- Alt-2 Bid: + \$1,675.00 (add split rail fence in lieu of screening hedge)
- Alt-3 Bid: - (\$980.00) (block landscape wall in lieu of concrete fountain wall)
- Alt-4 Bid: + \$550.00 (lights inside of the 4 landscape wall columns)
- Alt-5 Bid: + \$752.00 (8 lights inside of the landscape wall)
- Alt-6 Bid: + \$725.00 (4 bollard lights around sandbox)
- Alt-7 Bid: + \$1,000.00 (drainage system for sandbox and fountain area)

- Other 1: + \$1,650.00 (screened dirt for under new sod/remove existing clay)
- Other 2: + \$450.00 (removal of existing concrete rubble in work area)

Kevin Malecha of Common Grounds Lawn & Landscape presented four water feature options for consideration:

- Opt. A: (original spray ring design)
- Opt. B: - (\$4,883.00) (360 degree water feature bowl in lieu of original spray ring design)
- Opt. C: - (\$8,033.00) (original design but with one pump and one nozzle – no spray ring)
- Opt. D: - (\$7,233.00) (4”-18” boulders placed inside rubber liner – no standing water)
- Other 3: + \$750.00 (LED water feature lights)

He explained the differences between each of the new water feature options and the potential savings to the City: Option A) original 2-spray, 2-pump design option with a center spray and surrounding spray ring creating inside fall into standing water; Option B) a pre-designed copper or stainless steel bowl that spills water 360 degrees into a basin below; Option C) a one pump/one interchangeable nozzle/spray fountain; and Option D) a no standing water option with boulders placed inside the rubber liner. Malecha suggested that the City use LED lighting to highlight the water feature. Baker noted that the project would be funded using a combination of Park Development Funds, Liquor Store revenue funds, and EDA funds. Baker also noted that a donation commitment of \$5,000.00 just came in, if the project was approved. Rud suggested that the original fountain design be installed, which included both the upward spray and the inside fall spray ring.

A motion was made by Daleiden and seconded by Pelava to approve a quote submitted by Common Grounds Lawn & Landscaping Inc. in the amount of \$77,605.00, and detailed as follows:

- Base Bid: \$71,208.00
- Alt-1 Bid: + \$1,500.00 (add screening hedge in lieu of split rail fence)
- Alt-3 Bid: - (\$980.00) (block landscape wall in lieu of concrete fountain wall)
- Alt-4 Bid: + \$550.00 (lights inside of the 4 landscape wall columns)
- Alt-5 Bid: + \$752.00 (8 lights inside of the landscape wall)
- Alt-6 Bid: + \$725.00 (4 bollard lights around sandbox)
- Alt-7 Bid: + \$1,000.00 (drainage system for sandbox and fountain area)
- Other 1: + \$1,650.00 (screened dirt for under new sod/remove existing clay)
- Other 2: + \$450.00 (removal of existing concrete rubble in work area)
- Other 3: + \$750.00 (LED water feature lights)
- TOTAL:** \$77,605.00

Vote for: Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: Kodada. Vote: 4-1. Motion carried.

Baker said that the Park Board members agreed to hold off on ordering any site furnishings until the site is built, which should help define if there is adequate space for all the furnishings.

No official action was taken by the City Council concerning the Upbeat Site Furnishing quotes.

11. OTHER BUSINESS

a. Project Updates

Erickson stated that the contractor was in town doing repair work to the trails that were recently sealed.

Kevin Malecha stated that Common Grounds planned to start construction on the Main Street Project during the second week in October.

Baker stated that final restoration work and grass planting was being completed at Sticha Park.

b. Council / Department Reports

Council Member Daleiden:

Daleiden stated that profits and beer sales were up over the last couple months at the Lonsdale Liquor.

Council Member Kodada:

Kodada provided a summary of the September 10, 2013 Park Board meeting. He said that the City may be able to obtain some additional funding from the local sportsman clubs for a proposed archery range along Garfield Avenue. He stated that the wooden boardwalk section of the Heath Creek Trail should restart this Fall, but the Linking Lonsdale trails will need to wait until spring 2014 because of the DNR Grant process.

Council Member Furrer:

Furrer said that the EDA will be meeting next week. She said that a number of applications were received for the Library Directors position. She thanked the Library Staff for doing a good job running the Library without a director.

Council Member Pelava:

Pelava stated the next Planning Commission meeting is still being scheduled.

Mayor Rud:

Mayor Rud commended Planner Baker for his good work with the City parks/trails, grants, and partnership with the City of Elko New Market. He said that at the last budget meeting it was noted that the City would prefer if Planner Baker would restart full-time hours back in Lonsdale again.

Rud announced that there is a great possibility that 2-4 new business could begin constructed next year in Lonsdale.

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 8:10 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator