

**MINUTES
CITY OF LONSDALE
ANNUAL CITY COUNCIL MEETING
January 6, 2011**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 7:00 pm in the Council Chambers at 415 Central Street West.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the Pledge of Allegiance.

3. ROLL CALL

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

Absent: None

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

4. AGENDA

Mayor Rud asked if anyone had any additions, deletions, or corrections to the agenda. Erickson asked if a time change notification for the January 24th Joint School District and City Council meeting could be added to the agenda.

A motion was made by Pelava and seconded by Furrer to approve the agenda with the noted addition. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Against: None. Vote: 5-0. Motion carried.

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

- a. Ordinance 2011-240 (2011 Fee Schedule), an Ordinance Amending City Ordinances 2010-234 (2010 Fee Schedule), 2010-235 (Section 2 – Equipment Fees) and 2010-237 (Building Permit Fees)

Rud read the notice and opened the public hearing. Erickson read through the proposed 2011 fee schedule. He noted that the new fee schedule would combine the amendments made in Ordinance 2010-334 and Ordinance 2010-235 together into one ordinance (Ordinance 2011-240). He mentioned that the “Special Sunday Liquor License” needs to be eliminated according to the State. He said that that City Attorney’s fees will be increasing by \$1.00. He stated that the City Engineer will be keeping the same rates again for the third straight year.

Rud suggested that all equipment fees should be bumped up \$5.00 due to the projected increase in fuel over the upcoming year. Vlasak noted that the City's loader is the only piece of equipment that every gets rented out to another entity.

The City Council members also discussed increasing water/sewer fees in preparation for the proposed water treatment plant (water fund) and increasing revenues to the sewer fund to help pay back the bonds on the wastewater treatment plant since there has been limited Sewer Access Charge (SAC) permits over the last couple of years. Rud reminded everyone that Lonsdale actually has reasonable rates compared to area cities like Dundas and Montgomery. Erickson stated that the City does have three years of reserves available in the sewer fund, but he suggested making the necessary increases to water/sewer rates now, to be better prepared in the future. Daleiden agreed that the City should make the appropriate changes to the water/sewer fees now. Furrer stated that it is easier for residents and businesses to handle smaller incremental increases in utility rates, over one large jump.

Erickson stated that no verbal or written comments were received. Rud asked if anyone off the floor wanted to comment on the proposed fee schedule for 2011. No one responded to the invitation.

A motion was made by Daleiden and seconded by Pelava to close the public hearing. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Against: None. Vote: 5-0. The hearing closed at 7:18 pm.

b. Ordinance 2011-241 (2011 City Council Compensation), an Ordinance Amending Ordinance 2009-232 (City Council Compensation)

Rud read the notice and opened the public hearing. Erickson stated that during the 2011 budget process, the City Council's compensation was based on the 2010 amount. Rud reminded everyone that the Council cut their compensation a year ago due to the economy, and he stated that the City Council's salary would remain the same for 2011.

Erickson stated that no verbal or written comments were received. Rud asked if anyone off the floor wanted to comment on the proposed ordinance concerning City Council compensation. No one responded to the invitation.

A motion was made by Daleiden and seconded by Kodada to close the public hearing. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Against: None. Vote: 5-0. The hearing closed at 7:24 pm.

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

- a. None

10. NEW BUSINESS

- a. Consider Approval of Resolution 2011-01, a Resolution Designating Official Appointments

Erickson stated that interviews for the open advisory board positions were held on December 28th. Mayor Rud provided his recommendations for all the annual official appointments as stated in Resolution 2010-01. Rud went through the list of appointments, pointing out each person's experience and/or accomplishments.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2011-01, a resolution designating official appointments. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Against: None. Vote: 5-0. Motion carried.

- b. Consider Approval of Resolution 2011-02, a Resolution Designating Official Depositories for City Funds

Erickson provided the Council with the official list of depositories to review, including the following: 1) Frandsen Bank, 2) Premier Bank, 3) MBIA, 4) Pershing, and 5) Bank of New York. Erickson explained that the proposed resolution also authorized the City Administrator and Treasurer to designate depositories and make investments compliant with MN State Statue §118.01 – §118.06.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2011-02, a resolution designating official depositories for City funds. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Against: None. Vote: 5-0. Motion carried.

- c. Consider Approval of Resolution 2011-03, a Resolution Designating the Official Newspaper for 2011

Erickson explained that according to State Statue §331A.04 Subd. 1, a City is required to first designate an official newspaper based on its main location or its secondary location. He said that since Northfield News (Lonsdale Area News Review) has a satellite office in Lonsdale, it must be chosen as first priority. Rud thanked both Jamie McMahan from the Lonsdale Area News Review and Lori Nickel from the Montgomery Messenger for their excellent work reporting Lonsdale news items over the past year.

A motion was made by Daleiden and seconded by Furrer to approve Resolution 2011-03, a Resolution designating the Lonsdale Area News Review as the official newspaper for 2011. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Against: None. Vote: 5-0. Motion carried.

- d. Consider Approval of Ordinance 2011-240 (2011 Fee Schedule), an Ordinance Amending City Ordinances 2010-234 (2010 Fee Schedule), 2010-235 (Section 2 – Equipment Fees) and 2010-237 (Building Permit Fees)

Erickson provided the Council with the proposed fee schedule ordinance, and he mentioned that a public hearing was held earlier in the meeting. Rud asked the other Council members where they think water/sewer rates should be set at considering the

City's existing bond payment obligation on the wastewater treatment plant, the upcoming payment for a new water treatment facility, and an aging utility infrastructure. The Council members discussed different rate increase adjustments and the proposed affect on a typical family of four and a two-person household. They all agreed that smaller gradual increases are easier for residents and business to handle compared to larger increases every few years. They also agreed that both the water and sewer funds should see slight rate increases.

A motion was made by Kodada and seconded by Daleiden to approve Ordinance 2011-240 (2011 Fee Schedule), an Ordinance Amending City Ordinances 2010-234 (2010 Fee Schedule), 2010-235 (Section 2 – Equipment Fees) and 2010-237 (Building Permit Fees) with the following changes:

- Ordinance 2011-240 - Section 2 - Water and Sewer Usage Charges as of 1/01/11

Residential and Business Water Charge:

- (new) Base Fee: \$6.00 per month
- (new) 0 – 3,000 gallons: \$2.75 per 1,000 gallons
- 3,001 – 6,000 gallons: \$2.90 per 1,000 gallons
- 6,001 – 9,000 gallons: \$3.15 per 1,000 gallons
- 9,000 + : \$3.40 per 1,000 gallons

Sewer Charges:

- (new) Base Fee: \$20.00 per month
- (new) \$4.20 per 1,000 gallons

- Ordinance 2011-240 – Section 2 – Equipment Fees

Items 1-19: (new) all items increased by \$5.00 per hour

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

- e. Consider Approval of Ordinance 2011-241 (2011 City Council Compensation), an Ordinance Amending Ordinance 2009-232 (City Council Compensation)
Erickson mentioned that a public hearing was held earlier in the meeting. The proposed ordinance showed compensation rates staying the same as 2010. The Mayor's compensation was listed at \$60.00/meeting and \$25.00/special meeting, and the City Council member's compensation was listed at \$45.00/meeting and \$25.00/special meeting. Rud reminded everyone that the City Council voted to actually reduce their compensation by 60% back in 2009.

A motion was made by Pelava and seconded by Furrer to approve Ordinance 2011-241 (2011 City Council Compensation), an Ordinance Amending Ordinance 2009-232 (City Council Compensation). Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Against: None. Vote: 5-0. Motion carried.

f. 2010 Community Development Report

Baker provided the Council with the 2010 Community Development & Building Permit Report. He went through the report with the City Council which included statistics, spreadsheets, and maps. He noted that the City issued 10 new home permits (valued at \$1,630,000.00), 159 total permits (valued at \$3,271,506.90), 43 deck permits, and 23 finish basement permits in 2010. He stated that 8 out of the 10 homes were constructed by Mattamy Homes and that they also have 7 additional pending permits.

Baker also provided the Council with an updated lot inventory report (through January 1, 2011). The inventory showed that the City currently has 384 platted residential lots available with sewer/water stubs. The inventory also showed the completion percentages of each newer subdivision in town. The Council thanked Baker for the report.

g. January 24, 2011 Joint School District and City Council Meeting Time Change

Erickson stated that the Montgomery-Lonsdale School District has asked if the scheduled January 24, 2011 Joint School District- City Meeting could be moved up from 7:00 to 6:00 pm. All the Council Members agreed that the earlier time would still work in their schedules.

A motion was made by Kodada and seconded by Pelava to approve the January 24, 2011 Joint School District and City Council Meeting Time Change to 6:00 pm. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Against: None. Vote: 5-0. Motion carried.

11. OTHER BUSINESS

a. Department Reports:

Council Member Daleiden

Daleiden stated that profits were up by \$4,000.00 in 2010 at the liquor store, and he mentioned that customer counts remained the same as in 2009.

Council Member Kodada

Kodada stated that the Liquor Store Committee is proposing to make both a monthly and end-of-year payment back to the sewer fund in 2011. He said that it is a step in the right direction.

Council Member Furrer

Furrer said that SkyWarn will be coordinating with the City to provide CPR training.

Council Member Pelava

Pelava provided an overview on the items discussed at the December 30th Planning Commission meeting.

Council Member Rud

Rud mentioned that the Lonsdale Area Chamber of Commerce will be having their Annual Chamber Dinner Event on January 15th. He stated that the January 13th City Council meeting

will be a visioning, planning, and goal setting meeting for the City. He invited the EDA members to attend that meeting to discuss a private partnership in erecting an incubator building within the City's Industrial Park. He said that Meeting with the Mayor will be on January 15th from 8:30-10:30 am.

Administrator Erickson provided a brief update on the status of the water treatment plant. Rud stated that the City may look at financing the project through PFA loans at a 1% interest rate.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Pelava to adjourn the meeting. Vote for: Kodada, Rud, Smith, Furrer, and Pelava. Against: None. Vote: 5-0. Motion carried. The meeting closed at 8:23 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator