

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
JANUARY 28, 2021**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order in the Lonsdale City Council Chambers at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Members Present: Steve Cherney, Tim Rud, Cindy Furrer, and Scott Pelava

Members Absent: Kevin Kodada

City Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, City Engineer John Powell, Public Works Director Russ Vlasak
Liquor Store Manager Lynette Moe

4. APPROVAL OF AGENDA

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

A motion was made by Pelava and seconded by Cherney to approve the agenda as presented. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

5. APPROVAL OF MINUTES

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

A motion was made by Cherney and seconded by Furrer to approve the Minutes from the January 4, 2021 Regular Meeting. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

A motion was made by Pelava and seconded by Furrer to approve the Consent Agenda as follows:

- a. Monthly Bills
- b. Treasurers Report
- c. Board and Commission Minutes
- d. Consider Approval of the City’s Pay Equity Compliance Report – Joel Erickson, City Administrator
- e. Consider Approval to Authorize Staff to Advertise For Up To Three Seasonal Public Works Employees at Grade 1 / Step 6 (\$14.92/hr.)
- f. Consider Approval to Accept Dave Mohn’s Letter of Retirement From the Lonsdale Fire Department
- g. Consider Approval to Make a Conditional Job Offer to John Pesta as Part Time Police Officer at Step 1 (\$24.15/hr.)

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

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Consider Approval of an Electric Utility Easement Agreement Between the City of Lonsdale and Steele-Waseca Cooperative Electric
Steve Nordahl, Steele Waseca Cooperative Electric, explained that there had been frequent electric outages in sections of Lonsdale in the past, and he asked the Council to consider approving an electrical easement agreement for constructing a redundant loop feed for northeast Lonsdale. The Council reviewed Erickson’s Staff Report, the proposed agreement, and detailed maps from Steele Waseca Electric. Nordahl said that SWCE would bore under the pond located on the south end of the Harvest Pond neighborhood. He said that the project will go through the appropriate environmental review paid for by SWCE. He said that only the City and MNDOT will be impacted by the project. Nordahl said that the project is slated to be completed by this fall. Erickson stated that the City Attorney and City Engineer both reviewed the easement agreement.

A motion was made by Cherney and seconded by Pelava to approve an Electric Utility Easement Agreement between the City of Lonsdale and Steele-Waseca Cooperative Electric. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- b. Consider Approval of Resolution 2021-04, a Resolution Transferring \$50,000.00 from the Liquor Fund to the Park Fund for the Trcka Park Warming House/Ice Rink Project
Erickson explained that the City committed to help finance the Trcka Park Project with a total donation of \$100,000 from the Liquor Fund. He said that \$50,000 was donated last September, and that the Liquor Store Committee recommended donating the second \$50,000 in 2020. Erickson said that Lonsdale Liquor was fortunate to have strong sales over the past year which can help offset some of the costs from the park project. Rud said that the City has been fortunate to have a great parks and trails system and thriving liquor store. He thanked Liquor Store Manager Lynette Moe, Erickson, and the Liquor Store Committee for doing a great job with the store.

A motion was made by Furrer and seconded by Pelava to approve Resolution 2021-04, a Resolution Transferring \$50,000.00 from the Liquor Fund to the Park Fund for the Trcka Park Warming House/Ice Rink Project. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- c. Consider Approval to Promote Jessica Braatz to Full Time Liquor Store Assistant Manager at Grade 3 / Step 6 (\$20.00/hr.)
Erickson asked the Council to consider promoting Jessica Braatz to Full Time Liquor Store Assistant Manager. He explained that she was previously promoted to Lead Clerk after Carolyn Korba retired from the Assistant Manager position in 2017. He said that she already handles many of the duties of an Assistant Manager. Erickson said that the promotion will mean an increase of around \$13,000 annually to cover health insurance and would increase an additional \$7,000 if a dependent was added. Erickson stated that the Liquor Store Committee recommended approval of the promotion.

A motion was made by Pelava and seconded by Furrer to approve to promote Jessica Braatz to Full Time Liquor Store Assistant Manager at Grade 3 / Step 6 (\$20.00/hr.). Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- d. Consider Approval of a Revised Job Description for Liquor Store Assistant Manager
Erickson presented the updated Job Description for the Liquor Store Assistant Manager position, and he went through the minor changes to the document. The Council reviewed the description.

A motion was made by Cherney and seconded by Furrer to approve a revised Job Description for Liquor Store Assistant Manager. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- e. Consider Approval of Resolution 2021-05, a Resolution Approving Refunding On-Sale Liquor License Fees for the Time Period July 1, 2020 to June 30, 2021 Due to COVID-19 and Associated Executive Orders Issued by Governor Tim Walz Resulting in No On-Premise Consumption of Food and Beverages and Social Distancing/Occupancy Restrictions
- Erickson explained that due to the effects of the COVID-19 health pandemic closure and restrictions on local bars and restaurants, owners have requested the City refund all or a portion of the on-sale liquor license fees paid for licenses effective between July 1, 2020 and June 30, 2021. He said that the “dial-back” executive order over the holidays, between mid-November 2020 and January 10, 2021, was especially tough on bar/restaurant owners after they weathered the storm during the first part of the pandemic. Rud said that the owners were also directed to other relief options from the County and State. Cherney asked if a credit to next year’s liquor license fee could be implemented instead of a refund. Rud and Erickson explained that the relief is needed immediately. Cherney asked for clarity on if the Resolution specifically referenced COVID, to make sure that it can’t be used as a blanket refund precedence in the future for other hardships. Erickson said that the proposed resolution references the impact made by COVID-19.

A motion was made by Cherney and seconded by Furrer to approve Resolution 2021-05, a Resolution approving refunding On-Sale Liquor License Fees for the time period July 1, 2020 to June 30, 2021 due to COVID-19 and associated Executive Orders issued by Governor Tim Walz resulting in no on-premise consumption of food and beverages and social distancing/occupancy restrictions. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- f. Consider Approval of Resolution 2021-06, a Resolution Accepting a Bid for the Public Safety Facility
- Melissa Stein of Wold Architects, addressed the City Council from the front podium. John McNamera, Wold Architects, was available via Zoom Video Conferencing for questions/comments. Stein said that 19 bids were received for the new Police Department Facility Project, with the low bid coming in at \$2.3 million, which she said exceeds the estimated construction cost for the work. She explained that other projects that Wold has been working on also came in higher than expected. Stein said that the bids did come in tight, so she said that rebidding the project would not result in better numbers without changing the project scope. She provided the Council with two options to consider: Option 1A) award the bid to the low bidder and work with the contractor on cost reducing strategies, Option 1B) postpone the award of the contract and work with the low bidder on reducing their bid, and Option 2) reject all bids and redesign the police facility to reduce costs. Stein, McNamera, and Powell provided examples and explanation of best value and value-engineering strategies. After discussion the options the Council members agreed that the City should award the contract to the low bidder and then work with them to find cost savings. Pelava said that he felt misled and was frustrated by the difference between the higher bid results and considerably lower architect’s estimate. He wondered how much confidence to put in the cost estimates and if the project would get completed. McNamera explained that bid bonds assure that the contractor’s bond company guarantees the full value of the bid/completed project. He said that they have worked with the low bidder, Kue Contracting, in the past, and that they are a reputable company. Rud said that the project will never get cheaper. He suggested awarding the project and look for cost saving measures to get the best price for the taxpayers. Cherney said that the City has done its due-

diligence and should move forward with the project. Erickson explained that the new Police Department project alone will account for a \$150,000 annual tax levy over the next 20 years that needs to be accounted for, which doesn't account for any other department needs throughout the city. The Council discussed the great interest rate environment that is taking place right now. Rud stated that although that it is good to be dialed into the details and numbers, he suggested looking at the big picture and the City's needs. He said that more discussion could take place during the 2022 Budget meetings. Furrer asked about the Alternate Bid for the extra garage stall, and she wondered if there would be enough garage space in the future. The other Council members agreed with the Police Chief, that the base bid design will be account for sufficient garage space for foreseeable future.

A motion was made by Furrer and seconded by Pelava to approve Resolution 2021-06, a Resolution accepting a bid for the Public Safety Facility. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

Erickson said that he will start working on securing financing for the project.

g. Consider Approval of Application for Payment No. 2 (Final) in the Amount of \$6,904.14 to Pember Companies, Inc. for the Trcka Park Ice Rink Slab

The Council reviewed the final payment request from Pember Companies for the Trcka Park Ice Rink Slab Project. Powell said that the associated final documents have been reviewed and are acceptable. He stated that there is a 2-year warranty on the project.

A motion was made by Cherney and seconded by Furrer to approve application for Payment No. 2 (Final) in the amount of \$6,904.14 to Pember Companies, Inc. for the Trcka Park Ice Rink Slab. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

h. Consider Approval of the Plans and Specifications and Authorize Staff to Request Bids for the Trcka Park Parking Lots and Walkways Project

The Council reviewed the Staff Report and proposed plans for pavement work at Trcka Park. Powell said that the City did grade and place the aggregate base in 2020. He described the scope of the project and went through the bid and project timeline. Furrer asked if the parking lot islands will be striped or elevated. Powell said that it will be constructed similar to the east-side parking lot, with painted lines. Cherney asked about financing for the project and the Park Fund. Erickson said that \$160,000 was levied for the project. The Council discussed bonding and using reserves to balance the current funds showing a deficit.

A motion was made by Cherney and seconded by Pelava to approve the of the Plans and Specifications and authorize Staff to request bids for the Trcka Park Parking Lots and Walkways Project. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- i. Update on the Bidding Process for the 2021 Street and Utility Improvement Project
The Council reviewed the bid tabulation summary for the 2021 Street and Utility Improvement Project, including an item/quantities spreadsheet. Powell said that 8 bidders submitted bids out of 19 plan holders. He said that the Engineer's estimate was \$1,601,315.00 and the low bid came in at \$1,516,804.00. Powell said that the three lowest bidders had all worked with the City on past projects.

No official action was taken on the agenda item.

- j. Consider Approval of Resolution 2021-07, a Resolution Declaring the Cost to be Assessed and Ordering Preparation of Proposed Assessment for the 2021 Street and Utility Improvement Project
Erickson said that the next step in the process is to approve the Resolution declaring the project to be assessed and preparing the assessment. He summarized the main points of Resolution 2021-07, including the City's payment, declaring the special assessments total amount, declaring the total project cost, and stating the special assessment term and interest rate. Erickson explained that State Statute recently changed the time when interest can start accruing on assessments to the date specified in the Resolution. Erickson provided multiple options for the Council to consider when calculating interest. The Council discussed the various options and considered COVID hardships. After further discussion and being cognizant of how past projects were assessed, the Council agreed on February 25th as the date for interest to start.

A motion was made by Cherney and seconded by Pelava to approve Resolution 2021-07, a Resolution Declaring the Cost to be Assessed and Ordering Preparation of Proposed Assessment for the 2021 Street and Utility Improvement Project. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- k. Consider Approval of Resolution 2021-08, a Resolution Scheduling the Public Hearing on Proposed Assessments for the 2021 Street and Utility Improvement Project
Erickson said that upon adoption of Resolution 2021-07, the next step in the assessment process is to schedule the assessment hearing. Erickson went through the main points of the Resolution, including date/time of the hearing, notification of the meeting, payment of entire assessment without interest within 30 days, and interest accrual calculation dates. Erickson went through he proposed assessment hearing mail notice letter with the council, which clearly highlighted: 1) the 30 day timeline for paying off an entire assessment without interest, and 2) that only one mailed notice/invoice will be sent out by the City.

A motion was made by Pelava and seconded by Furrer to approve Resolution 2021-08, a Resolution scheduling the Public Hearing on Proposed Assessments for the 2021 Street and Utility Improvement Project for February 25, 2021 at 6:00 pm. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

Consider Approval to Reschedule the February 25, 2021 City Council meeting from 7:00 pm to 6:00 pm

A motion was made by Cherney and seconded by Pelava to approve scheduling the February 25, 2021 City Council meeting for 6:00 pm. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

l. Consider Approval of Resolution 2021-09, a Resolution Accepting a Donation from the TCU Soccer Club

Baker explained that anytime the City receives a donation, it is accepted by Resolution, so that it is clear what the intention of the donation was for. He said that \$637.74 was donated from the TCU Soccer Club for improvements and/or maintenance of the Trcka Park Soccer Fields. Baker said a similar amount was also donated to the City of Montgomery.

A motion was made by Pelava and seconded by Furrer to approve Resolution 2021-09, a Resolution accepting a donation from the TCU Soccer Club. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

Rud thanked the TCU Soccer Club for their donation and stated that the recently developed Trcka Park is a pretty cool area.

m. Consider Approval of Resolution 2021-10, a Resolution Approving the Willow Creek Commons 4th Addition Preliminary and Final Plats

Baker provided the Council with a detailed Staff Report and associated maps to review pertaining to the proposed preliminary and final plat for Willow Creek Commons 4th Addition. He said that the plat should be approved prior to development of the new Police Department facility. He said that the plat turns Outlot A into an official buildable lot and provides a dedicated right-of-way for Commerce Drive SE. Baker said that the site plan was approved per Resolution 2020-56. He stated that the Planning Commission held a public hearing at their meeting on January 25, 2021, and recommended approval of the preliminary/final plat.

A motion was made by Cherney and seconded by Pelava to approve Resolution 2021-10, a Resolution approving the Willow Creek Commons 4th Addition Preliminary and Final Plats. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

n. Consider Approval of a Quote in the Amount of \$106,000.00 and Five Year Lease Term Submitted by SEMA Equipment to Purchase a John Deere 5125R Utility Tractor

Vlasak stated that he received 3 quotes for a tractor to pull the current 16 ft. lawn mower. The Council members reviewed the bids. Vlasak said that Sema Equipment came in the lowest. He said that the tractor will come with a PTO/hitch kit for future use of snow blowers, snowplows, and other attachments. Vlasak said that the tractor was budgeted for over the next 5 years. Cherney asked about lease options. Vlasak stated that the other tractor is currently being fixed.

A motion was made by Furrer and seconded by Pelava to approve a quote in the amount of \$106,000.00 and Five Year Lease Term submitted by SEMA Equipment to Purchase a John Deere 5125R Utility Tractor. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

11. OTHER BUSINESS

a. City Staff Reports

Public Work Director

Vlasak said that the Public Works Department has been busy maintaining the new ice rink and snow plowing. He said that he has a meeting scheduled with the City Engineer for next year's projects. Vlasak stated that Public Works has been sanitize spraying around City facilities once a week with a backpack sprayer.

City Engineer

None

City Administrator

Erickson stated that he is working with the Fire Chief on the Fire Department Budget, finance items with the City Treasurer, and the State of the City annual report.

City Planner

Baker provided a recap of the January Park Board and Planning Commission meetings.

b. City Council / Department Reports

Council Member Cherney

Cherney provided an update on the Library Board. He announced that the Old Town Lonsdale group will be having a Loving Lonsdale event coming up.

Council Member Kodada

N/A

Council Member Furrer

Furrer said that the Liquor Store Committee will be meeting on Tuesday. She said that Lonsdale Liquor donated towards the Trcka Park Project.

Council Member Pelava

Pelava provided an update from the last EDA meeting, including new members and marketing strategy discussion. He explained that the City will be focusing on marketing to business more than residential.

Mayor Rud

Rud said that he had a meeting with the local food shelf leaders regarding the need for a new building or space. He said that they are potentially interested in the old Police Department building. Rud suggested obtaining an appraisal on the Police Department property, and he encouraged the other Council members to think about options for the old facility.

12. ADJOURNMENT

A motion was made by Pelava and seconded by Furrer to adjourn the meeting. Roll Call Vote for: Cherney, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried. The meeting ended at 8:54 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator