

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
OCTOBER 29, 2020**

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: Steve Cherney, Kevin Kodada, Tim Rud, Cindy Furrer, and Scott Pelava

Members Absent: None

City Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, Public Works Director Russ Vlasak, City Engineer John Powell, Police Chief Jason Schmitz

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 Furrer to approve the agenda as presented. Vote for: Cherney, 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 corrections, additions, or deletions to the Minutes.

A motion was made by Kodada and seconded by Cherney to approve the Minutes from the October 8, 2020 Regular Meeting. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

6. PUBLIC HEARINGS

a. Issuance of the City's General Obligation Capital Improvement Plan Bonds and Adopting the City's Capital Improvement Plan for 2020 Through 2024 Under Minnesota Statutes, Section §475.521

Rud read the public hearing notice and opened the hearing. Erickson explained that the next step in the Police Department building project is to conduct a public hearing in regard to the City's 5-Year Capital Improvement Plan (CIP) and issue Capital Improvement Bonds to finance the project. He said that the City has three options to finance the project: 1) Reserves/transfers; 2) public-private partnership, and 3) issuances of Capital Improvement Bonds. Erickson said that through discussion the Council chose to finance the project with Capital Improvement Bonds. He described what was included in the CIP, including details on the need for a new police facility. Erickson said that the estimated cost of the project is \$2.2 million and the GO CIP Bonds will be issued in an amount not to exceed \$2.5 million. Erickson went through the dates of a potential bond referendum election, if a petition is submitted by November 28, 2020. Erickson said that \$100,000 of the \$270,000 total cost of the land will be paid for with GO CIP Bonds. Erickson stated that no written or verbal comments were received. Rud opened up the floor for questions from the audience.

Kurt Lawson, 515 3rd Ave SW, stated that \$2 million was a lot of money for just one building. Nick Dollimer, 617 3rd Ave SW, warned the City that material costs are up by 30%. Lawson asked further questions about bonding and the project. Erickson explained bonds, the need for the facility, information provided on the City's website. He stated that the police officers do not currently have a place to change into their uniforms and they eat lunch in the same location where drugs are processed. He said that the new facility will provide separate spaces for a break room, changing room, and conference room. Rud, Pelava, and Cherney provide comments on the poor and unacceptable condition of the existing police facility. Cheney stated that according to the architect, the City is getting a Chevy type of building not a Cadillac.

A motion was made by Pelava and seconded by Kodada to close the public hearing. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

b. Improvement Hearing for the 2021 Street and Utility Improvement Project

Rud read through the public hearing notice and opened the hearing. He introduced the Staff members to the audience, including City Engineer John Powell. Powell went through a 23-slide presentation, the same presentation that was presented at the October 8, 2020 Neighborhood Meeting, consisting of the project's purpose, history, pavement ratings, recent projects, proposed improvements, cost/financing, assessments/amortization schedules, and proposed timelines. Erickson emphasized the process and timeline to pay off an assessment without having to pay for interest. Erickson said that payments in full must be received prior to March 27, 2021, to avoid paying interest. He also noted that the first year's payment reflects 22 months of interest. Erickson said that 34 notices went out for the meeting, and he explained why the City does not send out assessment invoices with the total amount due. Erickson also explained that cities assess prior to the project to assure guaranteed funding.

Powell provided contact information, and he encouraged residents to write down specific comments/questions/concerns on the provided comment cards.

Rud opened the floor for audience members to ask questions and provide comments. He also suggested taking pictures of individual properties prior to construction for documentation purposes.

Kurt Lawson, 515 3rd Ave SW, asked a question about the total assessment amount over the life of the loan payment. Referencing the amortization schedule, Erickson explained that the total paid amount over 15 years is approximately \$20,000. Lawson asked why the City would waste money on an wedge/edge mill. Powell explained the reasoning for the temporary curb protection edging. He noted that the City typically likes to go through one freeze-thaw cycle before putting the pavement final lift on due to settling concerns.

Cherney asked the City Staff to comment on assessment percentage to the project cost and road life. Powell explained how long roadways typically last, and he said that 26.9% of the total project cost is proposed to be assessed. Powell explained the sewer and water main work along with typical pavement maintenance.

Rud explained that in some areas of town there weren't any improvements to the infrastructure for 40-50 years. He said that the City has spent a lot of time and money over the last 20 years to improve Lonsdale's roads and underground utility lines. Rud said that most residents are pretty happy and satisfied with the result after a reconstruction project is completed. He said that property values do increase because of the project. Lawson said that higher property values lead to higher taxes.

Mary Langhoff, 405 4th Avenue SW, asked if the road was being widened, because her trees, that she planted many years ago, were marked to be taken down. She said that it makes her sick to think that those trees will be removed. Powell explained why the trees need to be removed and the City's policy on replacement trees for street projects. Powell said that there will be 4 varieties of trees to choose from. Langhoff asked about sprinkler systems. Powell said that her system should be marked and mapped, so any potential damage is avoided. Langhoff also question why the project was divided into a north and south half at her property. Powell explained the reasoning for the project limits, including drainage flow and budget. Rud encouraged Staff to discuss concerns on site with residents.

Mrs. Wagner, 317 Alabama Street SW, asked for confirmation that her half of the project was not taking place until 2022. City Staff said yes. She also asked about assessments for corner lots. Staff explained that assessments were calculated per household/property not on a per foot basis, like multi-family and commercial properties.

A motion was made by Kodada and seconded by Pelava to close the public hearing. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The hearing closed at 8:03 pm.

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

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

- a. Monthly Bills
- b. Treasurers Report
- c. Board and Commission Minutes

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. Presentation of a Petition Submitted by Residents of 9th Ave SW and Grand Ave SW Requesting the City Pay for Installation of Drain Tile Between 9th Ave SW and Grand Ave SW – Amanda Lengsfeld and Jennifer Rodrigue

Jennifer Rodrigue, 422 9th Ave SW and Amanda Lengsfeld, 434 9th Ave SW explained the issues they and their neighbors have been having with standing water in their yards between 9th Ave SW and Grand Ave SW. They said that some neighbors have placed fences, landscaping, berms, and other items within the easement. They also stated that some neighbors did try to make drainage improvements to control the water. Rud stated that the neighborhood was constructed around 2000 with a different City engineering firm. Rud and Erickson noted that the City never received any grading as-built plans from the developer or engineer. Rud explained that typically yard runoff is directed to a rear yard swale within a drainage easement. Rud and Kodada stated that since 20 years has past, it is likely that contractors and homeowners may have filled in and altered the original grades, therefore causing water drainage problems. Kodada said that the homes were built in Heritage Estates from 1998 through the early-2000s, but he wondered why the City has not heard about drainage issues until now. Vlasak said that there have been ice heave issues on Heritage Drive SW near 8th Avenue and 9th Avenue SW. Vlasak said that there is definitely a drainage problem in that area. Cherney asked about how much stuff was placed by residents in the easement area. Nick Lengsfeld said that there are cattails growing in his yard due to backed up water. Cherney asked how the City could do something or help that won't impact the tax paying community. Carmeron Hinz, 428 9th Ave SW, stated that he has lived in his Keyland Homes house since 2000, and he hasn't seen many neighbors alter the grades. There was further discussion regarding the actual slope away from the houses and the impact of fences on drainage. There was also discussion on overland and underground drainage solutions. Kodada suggested that the neighbors band together to solve the problem and contact a few local contractors familiar with the area soils. Rud recommended that the neighbors obtain a survey of the rear yard area to help identify the problem areas with better information. The council reviewed the submitted Petition and all the information provided in the Staff Report.

A motion was made by Cherney and seconded by Furrer to accept a Petition submitted by residents of 9th Ave SW and Grand Ave SW requesting the City pay for installation of drain tile between 9th Ave SW and Grand Ave SW. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

Erickson stated for the record that the City's role is that of a regulatory agency and to only review plans, not take the lead or provide direction to residents. He said the more the City deviates from its role as a regulatory agency and plan review/compliance, it decreases the City's immunity and increases its liability for damages. He recommended the City only provide review of proposals submitted by residents.

- b. Consider Approval of Resolution 2020-47, a Resolution Approving the Issuance of the City's General Obligation Capital Improvement Plan Bonds and Adopting the City's Capital Improvement Plan for 2020 Through 2024 Under Minnesota Statutes, Section §475.521 – Joel Erickson, City Administrator

Erickson summarized the seven main points of Resolution 2020-47. He recommended approval of the Resolution, for financing of the new police facility. The Council reviewed the Staff Report and Bond Debt Service Payment Schedule.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2020-47, a Resolution approving the Issuance of the City's General Obligation Capital Improvement Plan Bonds and Adopting the City's Capital Improvement Plan for 2020 through 2024 under Minnesota Statutes, Section §475.521. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- c. Consider Approval of Resolution 2020-48, a Resolution Dispensing With the Requirement That the Planning Commission Reviews the 2021 Street and Utility Improvement Project for Compliance with the City's Comprehensive Plan – Joel Erickson, City Administrator

Erickson recommended that the Council dispense with the requirement that the Planning Commission review the 2021 Street & Utility Improvement Project for compliance with the City's Comprehensive Plan, as they have with past projects. Erickson explained that Staff reviewed the Comp Plan and found no relationship to the 2021 Project because there is no associated future road network. Pelava said that the City isn't changing anything.

A motion was made by Pelava and seconded by Cherney to approve Resolution 2020-48, a Resolution Dispensing with the requirement that the Planning Commission Reviews the 2021 Street and Utility Improvement Project for Compliance with the City's Comprehensive Plan. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- d. Consider Approval of Resolution 2020-49, a Resolution Ordering the Improvement of the 2021 Street and Utility Improvement Project – Joel Erickson, City Administrator
Erickson said that a public hearing was held earlier in the meeting and he recommended approval of Resolution 2020-49, ordering the improvement of the 2021 Street and Utility Improvement Project. He highlighted the main points of the Resolution, including: the project's necessity, ordering the improvements proposed in Feasibility Study, designating WSB as the project engineer, and declaring the City's intent to reimburse itself for the cost of improvements from the proceeds of the tax-exempt bond.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2020-49, a Resolution Ordering the Improvement of the 2021 Street and Utility Improvement Project. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- e. Consider Approval of a Proposal Submitted by WSB in the Hourly Not-to-Exceed Amount of \$52,075.00 for Final Design of the 2021 Street and Utility Improvement Project – Joel Erickson, City Administrator
The Council reviewed the associated Staff Report and proposal from WSB. Erickson summarized the services included in the proposal, including: project understanding, approach/work plan, schedule, and fees. Erickson stated that the fee is 2.4% less than the 2nd Avenue SW Area Project for the same tasks. Kodada said that the City needs an engineer to design the project.

A motion was made by Kodada and seconded by Pelava to approve a Proposal submitted by WSB in the Hourly Not-to-Exceed Amount of \$52,075.00 for Final Design of the 2021 Street and Utility Improvement Project. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- f. Consider Approval of Schlenner Wenner as the City Auditor for Years Ending 2020, 2021 and 2022 – Joel Erickson, City Administrator
Erickson said that the City solicited proposals from auditing firms to complete the City's 2020, 2021, and 2022 year end audits. He said that five firms submitted proposals, and four firms were interviewed last week. Erickson said that he is confident that any of the firms could conduct the requested auditing services. He provided information on how firms are handling COVID-19 and on-site work. He noted that although Eide Bailly was the low bid, they did not have Baynon capabilities. Erickson said that the Interview Committee, consisting of the City Administrator, City Treasurer, and Council Member Cherney, recommended approval of Schlenner Wenner & Co., the City's current Auditing firm. Erickson summarized the interview from Schlenner Wenner. Cherney said that he left the decision into the hands of Erickson and Brokl, and he said that it takes a couple of years to build synergy. The Council reviewed all of the proposals.

A motion was made by Cherney and seconded by Kodada to approve Schlenner Wenner as the City Auditor for Years Ending 2020, 2021 and 2022. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Consider Approval of Application for Payment No. 4 in the Amount of \$63,878.00 for the “Trcka Park Building – Labor” Project Submitted by KA Witt – Joel Erickson, City Administrator

Erickson explained that the Trcka Park Building Project was broken up into labor and materials to capitalize on not paying sales tax on materials. He asked the Council to consider approval of the labor portion of the project. Erickson listed the items completed as part of the Application for Payment No. 4. He went through some of the change orders. Erickson noted that the City is still holding 5% retainage on the project.

A motion was made by Pelava and seconded by Kodada to approve Application for Payment No. 4 in the amount of \$63,878.00 for the “Trcka Park Building – Labor” Project. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- h. Consider Approval of Application for Payment No. 4 in the Amount of \$76,780.90 for the “Trcka Park Building – Material” Project Submitted by KA Witt – Joel Erickson, City Administrator

Erickson recommended approval of the materials portion of the pay request. Erickson said that a final walk through has been scheduled for next week. He said that the City is still holding 5% retainage on the project.

A motion was made by Pelava and seconded by Furrer to approve Application for Payment No. 4 in the amount of \$76,780.90 for the “Trcka Park Building – Material” Project. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- i. Consider Approval to Schedule a Special Meeting to Finalize the City’s 2021 Final Budget and Property Tax Levy – Joel Erickson, City Administrator

Erickson asked the Council to consider scheduling a Special Meeting to finalize the City’s 2021 Final Budget and Property Tax Levy. The Council checked their calendars for availability.

A motion was made by Kodada and seconded by Cherney to schedule a Special Meeting on Monday, November 16, 2020 at 6:00 pm to Finalize the City’s 2021 Final Budget and Property Tax Levy. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

11. OTHER BUSINESS

a. City Staff Reports

Public Work Director

N/A

City Engineer

Powell thanked the Council for approving the WSB proposal earlier in the meeting. He said that pay requests for the Industrial Drive and Deer Ridge Projects will be coming before the Council at one of the next meetings.

City Administrator

Erickson provided an update on CARES Act funding. He said that he is currently reviewing 12 applications, and Erickson said that the City is working to utilize all the funding.

City Planner

Baker said that Staff is in the process of finishing the Tree City USA application. He said that the City will be implementing new building permit management and code enforcement software starting in 2021.

Rud stated that the City should work to towards putting up security cameras and lighting at the Veterans Memorial Park, Trcka Park, and other parks to deter vandalism.

b. City Council / Department Reports

Council Member Cherney

Cherney announced that there is an opening on the Library Board. He asked if some of the wintertime meetings could be done over Zoom. Erickson said that the City will have to follow State Statute. Cherney stated that he recently saw his name on a plaque in Burnsville for the Heart of the City Project, which he was involved with as a past Councilmember there. He stated that the City of Lonsdale should honor Tim & Debbie Rud for their significant contribution to the Trcka Park Project. Rud stated that as in past projects, a plaque honoring all of the Council members, Park Board members, and Staff involved would be appropriate.

Council Member Kodada

Kodada said that the Park Board will be meeting on November 9th and the Planning Commission on November 23rd.

Council Member Furrer

Furrer provided an update on the EDA's BR&E initiative.

Council Member Pelava

Pelava said that the Chamber's Lonsdale First Program kicks off on Sunday.

Mayor Rud

Rud said that he attended the Ribbon Cutting event earlier in the week for the new restaurant and bar, Smoke. He said that the owner, Andrew Rasmussen, did a really good job remodeling the building and with the food, and he wished him success.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Pelava to adjourn the meeting. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 9:12 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator