

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
DECEMBER 10, 2020
(ZOOM MEETING # 873 6272 0493)**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 7:00 p.m. He said the meeting was being held electronically due to the ongoing State of Emergency and health pandemic in accordance with Minnesota State Statute §13D.021.

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 Kodada and seconded by Pelava to approve the agenda as presented. Roll Call 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 Cherney and seconded by Furrer to approve the Minutes from the November 30, 2020 Regular Meeting. Roll Call Vote for: Cherney, 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

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

- a. Consider Approval to Change the Time of the December 21, 2020 City Council to 6:00 pm December 21, 2020
- b. Consider Approval to Reschedule the January 14, 2021 City Council Meeting to Monday, January 4, 2021 at 6:00 pm
- c. Consider Approval to Schedule a Public Hearing on January 4, 2021 at 6:00 pm or Shortly Thereafter for Proposed Ordinance 2021-304 (2021 Fee Schedule), an Ordinance Amending Ordinance 2020-300 (2020 Fee Schedule)
- d. Consider Approval to Conduct the December 21, 2020 and January 4, 2021 City Council Meetings Virtually Via Zoom
- e. Consider Approval to Cancel the February 11, 2021 and March 11, 2021 City Council Meetings
- f. Consider Approval of the Quarterly “Good Neighbor” Recycling Teams for 2021: (1st) Boy Scout Troop #323; (2nd) Friends of the Lonsdale Public Library; (3rd) Lonsdale Lions and (4th) American Legion Post #586

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

9. OLD BUSINESS

- a. Update on Conducting Public Meetings by Interactive Television, Telephone or Other Electronic Means

As requested at the November 30th Council meeting, Erickson presented the Council with follow up information on when peace time emergency meetings can be conducted remotely and who can issue an emergency. He said that the Mayor or his/her legal successor may declare a local emergency, not to exceed three days. Erickson said that the Mayor would still have to make findings that meetings are not practical or prudent because of a health pandemic or the emergency. He noted that the City Council cannot just meet electronically for the sake of convenience. Erickson said that Staff does not believe the intent of MN Statute §12.29 is to declare a continuous local emergency. The Council reviewed the detailed Staff Report and attached information. Cherney thanked Erickson for researching the matter.

No official Council action was taken on the agenda item.

10. NEW BUSINESS

a. Consider Approval to Reappoint Steve Klonne as Captain of Company D of the Lonsdale Fire Department

Fire Chief Dave Pfluke stated that the Fire Department Interview Committee conducted interviews on December 2nd to fill two Captain's positions. He said that Captain terms are 4 years long, ending on December 31st. He said that the Interview Committee decided to reappoint Steve Klonne as Captain of Company D of the Lonsdale Fire Department.

A motion was made by Kodada and seconded by Furrer to approve the reappointment of Steve Klonne as Captain of Company D of the Lonsdale Fire Department. Roll Call Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

b. Consider Approval to Appoint Adam Vycital as Captain of Company A of the Lonsdale Fire Department

Pfluke stated that the Interview Committee also decided to appoint Adam Vycital as Captain of Company A. He said that Vycital serves as the Fire Prevention Officer and as the President of the Firemen's Relief Association.

A motion was made by Furrer and seconded by Pelava to approve the appointment of Adam Vycital as Captain of Company A of the Lonsdale Fire Department. Roll Call Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

Pfluke notified the Council that the new Rescue Squad has arrived, and he invited them to stop by and see the vehicle.

c. Discussion and Public Comment on the City's Proposed Final 2021 Budget and Property Tax Levy

Erickson said that the Council held six meeting on the City's 2021 Preliminary and Final Budgets and property tax levies. He said that several years ago the Truth-N-Taxation public hearing requirement was changed to having the budget/tax levy as an agenda item between the end of November and December. Erickson shared his Zoom screen and went through an 11-slide presentation highlighting the main points of the 2021 Budget and Property Tax Levy, including: total budgeted revenues and expenses, general and special revenue funds expenses, enterprise revenues and expenses, water/sewer rate comparison, property tax history, tax rate history, Rice County cities tax rate comparison, market value homestead exclusion, and where does my tax dollars go. Rud asked if any comments were received. Erickson said that no one was in attendance at City Hall and no written comments were received. He did say that he received a few phone calls related to how to attend the budget/levy meeting. Rud opened the meeting up for public comments. No one responded to the invitation.

The Council discussed water rates. Erickson said that the proposed increased rates will offset the projected \$100,000 operating loss. Erickson provided a comparison of rates to other area cities. Rud and Erickson said that the Waste Water Treatment Plant will be paid off in 2023. Erickson said that Lonsdale is right in the middle of the pack with a tax rate of 55.9 compared to other cities in Rice County. He also provided an example of how the Market Value Homestead exclusion is calculated, and how that helps provided some relief for property tax payers.

d. Consider Approval of Resolution 2020-54, a Resolution Setting the Fiscal Year 2021 Final City Budget and Final Property Tax Levy

The Council reviewed the final budget and property tax levy. Cherney stated that the City has a bare bones budget and it should be more aggressive. He said that the budget seems too tight, and that residents are okay with paying more in taxes as long as they can see where their tax dollars are going. Rud said that he City Council held multiple special budget meeting over the past seven months to create the current budget and tax levy. Kodada commented on the thorough job that has been done to complete the budget, and he cautioned that many property owners around town are already paying assessments. Rud, Pelava, and Furrer thanked Erickson and Department Heads for their work on the Budget and a good job on the presentation.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2020-54, a Resolution setting the Fiscal Year 2021 Final City Budget and Final Property Tax Levy. Roll Call Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

e. Consider Approval of Resolution 2020-55, a Resolution Approving a Purchase Agreement Between the City of Lonsdale and Advanced Exhaust Solutions, LLC

The Council reviewed a purchase agreement with Advanced Exhaust Solutions, LLC (AES) for 5.5 acres in the Lonsdale Business Park. Erickson went through the details of the purchase agreement, including the purchase price, earnest money, closing date items, agreement termination, and the 3% commission payment to Cerron Properties. The Council discussed the actual need for a real estate broker, like Cerron or Cushman & Wakefield. The majority of the Council agreed that many of the commercial/industrial lot sales tend to stem from networking and local connections and not through a Broker. They suggested that the City look at different options for future lot sales. Erickson said that AES had talked about constructing a 20,000 s.f. building, with 17,000 s.f. of open floor space and 3,000 s.f. of office space. Rud said that he and Erickson have been working with the owner of AES for a few years. He said that the proposed lot location has a nice view, overlooking Hidden Willow Pond and Rezac Nature Preserve, but it is not a premier lot along Commerce Drive, which has more visibility along TH 19. He said that the owner of AES is anxious to start the construction process, and Rud noted that the City will try to work with the new business. Cherney suggested that the revenue generated from the sale of the land go towards the Trcka Park Project. Erickson recommended that the revenue be used to help paydown the balance on the Business Park bonds and offset future property taxes. He said that the City pays \$165,000 annually on the Business Park bond, and he said that special assessments on the property may get transferred to the property to the west. Rud thanked Cherney for his thoughts, and he suggested discussing that idea during the 2022 Budget meetings.

A motion was made by Cherney and seconded by Furrer to approve Resolution 2020-55, a Resolution approving a Purchase Agreement between the City of Lonsdale and Advanced Exhaust Solutions, LLC. Roll Call 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

Vlasak said that Public Works Department may be making ice for the new rink next week. He said that the majority of the brush from the Compost Site has been removed. He said that Staff is working on sewer repairs options and priorities.

City Engineer

Powell said that WSB will be bringing the final plans for the 2021 Street Project to the City Council for approval on December 21st.

City Administrator

Erickson stated that he attended the 2nd Police Department Open House on December 8th, and he said that Council members Pelava, Furrer, and Cherney also attended. He went through a list of items that he has been involved with, including: bond rating, a 3R Landmark land development proposal to the Historical Society, and AES purchase agreement negotiations. He said that Advisory Board interviews may be scheduled over the next few weeks. Erickson stated that the City Treasurer has already started to prepare for the 2021 Audit.

City Planner

Baker said that he has been working on the S-10 Supplement to the City Code, updating application forms, training on iWorQ software. He noted that Trcka Park was recently seeded and the slopes were stabilized. He said that there are now 3-4 more new home lots staked on the west side of town.

b. City Council / Department Reports

Council Member Cherney

Cherney thanked the City for the recognition card in honor of the passing of his father.

Council Member Kodada

Kodada said that the Planning Commission will be meeting on December 14th.

Council Member Furrer

Furrer reported on November's liquor store numbers, noting that the store has exceeded \$2 million in sales. She said that the Staff has been doing an excellent job.

Council Member Pelava

Pelava said that the EDA will be meeting next week. He stated that the Police Department project will be going out for bids later in the month.

Mayor Rud

Rud reminded everyone that the Council meeting will be beginning at 6:00 pm on December 21st and January 4th. He said that it is a blessing to live in a nice little town like Lonsdale, and he thanked the Council and Staff.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting. Roll Call Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 8:10 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator