

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
DECEMBER 8, 2016**

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: Joe Daleiden, Kevin Kodada, Tim Rud, and Cindy Furrer

Members Absent: Scott Pelava

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

4. APPROVAL OF AGENDA

Mayor Rud asked if there were any additions, deletions or corrections to the agenda. Erickson asked if Resolution 2016-66 could be added to the agenda.

A motion was made by Kodada and seconded by Furrer to approve the agenda with the noted addition. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. 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. Discussion and Public Comment on the Proposed 2017 Final City Budget and Property Tax Levy – Joel Erickson, City Administrator

Erickson stated that the City Council held six City Budget meetings since July. He said that although the public was welcome to attend all the budget meetings, this agenda item was specifically set up to allow for public comment and questions. The Council and public reviewed the packet information, including: 1) revenue and expense; 2) the proposed 2017 Final Budget; 3) Resolution 2016-64; 4) Property Tax Levy; 5) Final Property Tax Levy and Impact; and 6) Property 2017 Tax Change ‘Heat’ Map. He stated that due to the City’s overall market value and resulting tax capacity increasing, the tax rate actually decreased by 3.68%.

Erickson went through noteworthy items impacting each City Department/Fund, including Administration, City Council, Planning/Zoning, Police, EDA, Library, Debt Service, Park & Recreation, Water, Sewer, Liquor, Road & Bridge, and Wages/Insurance. Erickson noted that the full line item budget was available for review.

Rud thanked the Department Heads and Councilmembers for their work on the 2017 City Budget. He said that it is exciting to think that three Debt Service Funds and the internal Liquor Store loan will be paid off over the next two years and that the City should be able to lower taxes in the future. Rud stated that any questions related to property valuation should be discussed with Rice County. He explained that property taxes are divided between the City, County, and School District. Rud said that the Council or Staff is here to answer any questions about the 2017 City Budget, and he opened the floor for comments/questions.

Darrin Hetfield, 1303 Singing Hills Drive SE, stated that he appreciated the time that City officials have put into the budget, but he expressed his discontent for the 6.9% overall tax increase on his property taxes. He said that he couldn’t understand why the increase was three times that of inflation. Rud and Erickson explained property valuation trends and the homestead value exclusion. They explained that the values on most residential properties in town have increased over the last few years. Rud stated that that the City’s debt obligations should be freed up over the next two years.

Ryan Skluzacek, 447 Singing Hills Drive SE, stated that the heat map looks similar to last year. Skluzacek said that he did talk with a Rice County Appraiser last year, and they worked out a lower valuation. He said that it is tough for families to pay for taxes, especially when they are around \$5,000/year. Skluzacek stated that he wishes that the City could do more to provide relief to tax payers for its residents. He questioned the number of mosquito control applications, park funding, the need for a dog park, and City employee wages. Erickson and the Council provided him with insight on each item that was questioned.

Rud asked if anyone else wanted to speak on the matter. No one else responded to the invitation.

- b. Consider Approval of Resolution 2016-64, a Resolution Setting the Fiscal Year 2017 Final City Budget and Property Tax Levy – Joel Erickson, City Administrator
Kodada stated that the City did a very thorough job going over the budget over the past half-year.

A motion was made by Kodada and seconded by Daleiden to approve Resolution 2016-64, a resolution setting the Fiscal Year 2017 Final City Budget and Property Tax Levy. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- c. Consider Approval to Set the Rate the City Pays to Contractors for Snow Hauling at \$80.00/hr. with a Three Hour Minimum – Joel Erickson, City Administrator
Erickson asked the Council to set a rate for snow hauling this winter. He said that last year's rate was set at \$77.00/hr. with no minimum hours. He noted that \$480.00 was spent on outside trucking costs in 2016. The Council thanked the Public Works Department for doing an excellent job with snow plowing.

A motion was made by Daleiden and seconded by Furrer to set the rate the City pays to contractors for snow hauling at \$80.00/hr. with a three hour minimum. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- d. Consider Approval of Resolution 2016-65, a Resolution Approving an Exclusive Event Permit to the Lonsdale Area Chamber of Commerce for Community Days 2017 (August 11, 12 & 13) – Joel Erickson, City Administrator

Erickson explained that some local organizations/businesses have been piggy backing on the LACC's efforts without coordinating with or compensating the LACC for their work on promoting and organizing the annual Community Days events. He said that the LACC would like the City Council to consider granting them an exclusive event permit, so that all vendors follow the same rules, fees, and schedule. Lonsdale Chamber of Commerce Representative Shanna Gutzke-Kupp and Erickson provided insight on issues that came up during the 2016 Community Days event. The Council members expressed hesitancy to grant such a permit, and they encouraged the Chamber to work out any issues with local businesses/organizations. Furrer suggested using Montgomery's Kolacky Days as an example. Rud recommended coming up with a long-range permanent solution. The Council suggested that the LACC come back before the Council after first discussing the issue with the appropriate local organizations/vendors.

A motion was made by Kodada and seconded by Furrer to table the agenda item. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- e. Introduction of John Powell, Senior Municipal Project Manager with WSB & Associates, Inc. – Joel Erickson, City Administrator

Erickson stated that with the unexpected passing of City Engineer Kevin Kawlewski, WSB & Associates, Inc. is proposing that John Powell, Senior Municipal Project Manager, be the staff dedicated to Lonsdale. Powell introduced himself to the Council, and he provided a brief overview of his resume and engineering experience. The Council welcomed Powell.

- f. Consider Approval of Application for Payment No. 8 (Final) in the Amount of \$55,933.89 to BCM Construction, Inc. for the Area No. 5 – Phase I Street and Utility Improvement Project – Joel Erickson, City Administrator

The Council reviewed the final pay application from BCM Construction. Erickson stated that the Area No. 5 – Phase I Project came in approximately 7% under budget. Rud stated that WSB and Staff did a wonderful job responding to any issues along the way.

A motion was made by Daleiden and seconded by Kodada to approve Payment No. 8 (Final) in the amount of \$55,933.89 to BCM Construction, Inc. for the Area No. 5 – Phase I Street and Utility Improvement Project. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- g. Consider Approval of Application for Payment No. 6 in the Amount of \$28,317.51 to Chard Tiling & Excavating for the Area No. 5 – Phase II Street and Utility Improvement Project – Joel Erickson, City Administrator

Erickson said that Chard Tiling & Excavating has submitted a pay application for work completed in November, including paving and restoration work. Although the contractor asked for the standard 5% retainage to be reduced to 2%, the Council agreed to keep the 5% retainage per the contract. Daleiden stated that he couldn't believe that the contractor would even ask for more of a reduction than specified in the contract.

A motion was made by Kodada and seconded by Furrer to approve Payment No. 6 in the amount of \$28,317.51 to Chard Tiling & Excavating for the Area No. 5 – Phase II Street and Utility Improvement Project. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- h. Consider Approval to Issue Cigarette Licenses for 2017 to: Mackenthun's Fine Foods, Lonsdale Liquor, Casey's General Store #2398, Jessy Food Mart and Dollar General Store #16374 – Joel Erickson, City Administrator

Erickson recommended approval of all the 2017 applications received for Cigarette Licenses. He noted that licenses are good for one calendar year, and that there were not any concerning issues related to cigarette sales in 2016.

A motion was made by Kodada and seconded by Daleiden to issue Cigarette Licenses for 2017 to: 1) Mackenthun's Fine Foods, 2) Lonsdale Liquor, 3) Casey's General Store #2398, 4) Jessy Food Mart, and 5) Dollar General Store #16374. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

i. Consider Approval of Resolution 2016-66, a Resolution Approving First Amendment to Purchase and Sales Agreement

Erickson said the City entered into a Purchase Agreement with Sahler Properties, LLC to purchase +/-2 acres of land in the Lonsdale Business Park but upon site plan development, 3.25 acres are now needed. He said for the project to be financially feasible for the buyer, the price needs to be renegotiated to \$2.20/sq. ft. instead of the initial \$2.50/sq. ft. The Council reviewed a proposed site plan for the new business. Erickson recommended approving the proposed Resolution because he would rather negotiate on the land price instead of building design standards/screening requirements and also so that the closing can take place before the end of the year. He said that the proceeds from the sale will go towards constructing the Pond View Drive SE extension to Garfield Avenue. Erickson stated that the new business could generate anywhere from \$7,000 - \$10,000 in taxes annually for the City. Rud said that he is excited that Dispatch Trucking is coming to town and that Pond View Drive will be constructed. Furrer asked if Cushman/Wakefield will receive a commission on the sale. Erickson said yes. Kodada agreed that it was good to renegotiate the original purchase price, keep the clients, and work to put up a nice looking building.

A motion was made by Kodada and seconded by Furrer to approve 2016-66, a resolution approving first amendment to purchase and sales agreement. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

11. OTHER BUSINESS

a. Department Reports

Vlasak provided a brief update on projects that the Public Works Department was working on, including tree/bush pruning, woodchips at Jaycee Park, ice rink flooding at Jaycee Park, new well project, and ditch cleaning.

Erickson said that Advisory Board interviews will be scheduled over the next few weeks. He stated that the trailer home located at 817 Colorado Street NW property, was recently removed. He reminded everyone that the next Council meeting will be on December 22nd.

Baker provided an overview of upcoming items on the agenda at the next Park Board and Planning Commission meetings, including ice rink options, off-street parking, and a land use application request for villa homes.

b. Council Reports

Council Member Daleiden

Daleiden stated that Lonsdale Liquor will host a Holiday Tasting event on December 10th from 4:00 – 7:00pm.

Council Member Kodada

Kodada said that the Park Board will be meeting on December 13th. He said that people are definitely using the new dog park, and that it is great to have another amenity in town.

Council Member Furrer

Furrer stated that the Library Board and EDA will be meeting next week.

Council Member Pelava

N/A

Mayor Rud

Rud stated that the three local churches will be running a community gift giving program this year. He announced that Machenthun's Fine Foods will be having an open house and ribbon cutting ceremony on the morning of December 10th.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, and Furrer. Vote against: None. Abstained: None. Vote: 4-0. Motion carried. The meeting ended at 8:34 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator