

**MINUTES
CITY OF LONSDALE
CITY COUNCIL WORKSESSION MEETING
FEBRUARY 24, 2022**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order at 6:00 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: David Webb, Kevin Kodada, Tim Rud, Cindy Furrer, and Scott Pelava

Members Absent: None

City Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, City Engineer Nick Guilliams, Public Works Director Russ Vlasak, Police Chief Jason Schmitz and Fire Chief Dave Pfluke

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 Webb to approve the agenda as presented.
Vote for: Webb, 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 Furrer to approve the Minutes from the January 27, 2022 Regular Meeting. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

6. PUBLIC HEARINGS

Mayor Rud opened the public hearing, and he introduced City Engineer Nick Guilliams, of WSB, Public Works Director Russ Vlasak, and City Administrator Joel Erickson to the audience. Guilliams stated that comment cards were available in the back of the room, then he went through an 18-slide presentation projected on the front white board. The presentation detailed the meeting's purpose, project history, recent projects, 2022 project location, meeting schedule, proposed improvements, project cost, project financing, assessments, and contact information. Rud, Guilliams, and Erickson noted the extremely simplified notice that was sent to property owners regarding payment. Rud asked if anyone off the floor had any comments or questions on the project.

Frank Breimhorst, 332 4th Ave SW, asked about payment deferral. Erickson stated that Breimhorst should fill out the application form that was previously given to him.

Gary Skluzacek, 601 Railway Street, asked who is responsible for future maintenance work that may be needed on his waterline. Erickson stated that the City would follow the policy. Rud stated that there will be a two-year warranty period after the project is complete.

Rud asked if there were any other comments or questions. No one else responded to the invitation. Rud said that there has been a lot of work on the City's infrastructure over the last 15 years.

A motion was made by Kodada and seconded by Pelava to close the public hearing. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The hearing closed at 7:19 pm.

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

A motion was made by Kodada and seconded by Furrer to approve the Consent Agenda:

- a. Monthly Bills
- b. Treasurers Report
- c. Board and Commission Minutes
- d. Consider Approval of an Application and Permit for a 1 Day to 4 Day Temporary On-Sale Liquor License Requested by the Knights of Columbus Council #16225
- e. Consider Approval of a Minnesota Lawful Gambling LG220 Application for Exempt Permit With No Waiting Period Submitted by the Knights of Columbus Council #16225
- f. Consider Approval of a Minnesota Lawful Gambling LG240B Application to Conduct Excluded Bingo Submitted by the Lonsdale PTO

Vote for: Webb, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Consider Approval of Resolution 2022-06, a Resolution Adopting Assessments for the 2022 Street and Utility Improvement Project

Erickson said that the assessment hearing was held earlier in the meeting. He went through the assessment amounts for single-family, commercial, high-density housing, and single-family water only. He stated that 21.47% of the project cost is proposed to be assessed. The Council reviewed the assessment roll. Rud stated that this is standard procedure.

A motion was made by Kodada and seconded by Webb to approve Resolution 2022-06, a Resolution Adopting Assessments for the 2022 Street and Utility Improvement Project. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- b. Consider Approval of Resolution 2022-07, a Resolution Accepting a Bid for the 2022 Street and Utility Improvement Project

The Council reviewed the 7 bids that came in for the 2022 Street and Utility Improvement Project. Erickson stated that BCM Construction was the low bid at \$1,435,394.88. He noted that BCM also completed the 2021 Street Project. Guilliams said that the bidding was competitive and came in 14% under the engineer's estimate.

A motion was made by Pelava and seconded by Webb to approve Resolution 2022-07, a Resolution Accepting a Bid for the 2022 Street and Utility Improvement Project. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- c. Consider Approval of a Proposal Submitted by WSB in the Hourly Not-to-Exceed Amount of \$178,370.00 for Construction Services/Testing for the 2022 Street and Utility Improvement Project

The Council reviewed a proposal from WSB for construction services associated with the 2022 Street Project. Erickson noted that the majority of the proposal is construction observation based on a 15-week project, and he said that the proposal was consistent with last year's proposal from WSB. Guilliams stated that the same construction observer will oversee the 2022 Project.

A motion was made by Kodada and seconded by Furrer to approve a proposal submitted by WSB in the hourly not-to-exceed Amount of \$178,370.00 for Construction Services/Testing for the 2022 Street and Utility Improvement Project. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

d. Consider Approval to Authorize Staff to Send a Notice of Default Letter to A-1 Excavating, Inc. and Merchants Bonding Company for the 2nd Ave SW Street and Utility Improvement Project

Erickson explained that last summer a water service leak associated with the 2nd Ave SW project was found under the Villas of Lonsdale brand new driveway. He said that A-1 Excavating, contractor on the 2020 Street Project, performed the repair, but in the process damage was done to the new driveway. The Council reviewed pictures of the damage. Erickson said that although offers were made to resolve the issue between the parties, it has been determined by staff that an agreement between the Villas of Lonsdale and A-1 will not be reached. He recommended that the City make a claim on the bond. Rud stated that he agrees with the bond claim, but he recommended that negotiations should still take place. He cautioned the City to watch the legal bills, and not to chase \$7,000 and accrue \$30,000 in legal expenses. City Attorney Dave Kendall provided insight and guidance to the City Council on the matter.

A motion was made by Furrer and seconded by Webb to authorize Staff to send a Notice of Default Letter to A-1 Excavating, Inc. and Merchants Bonding Company for the 2nd Ave SW street and utility improvement project. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

e. Consider Approval of Application for Payment No. 11 in the Amount of \$271,759.85 to Kue Contractors, Inc. for the Police Facility

Melissa Stein, of Wold Architects, recommended approval of a pay request from Kue Contractors for work completed on the new Police Department building. Stein provided a progress status update, including work on the windows, brick, EFIS, and curtain walls. Pelava stated that the building looks sharp and is very impressive. Stein said that the project is on budget and on track.

A motion was made by Pelava and seconded by Kodada to approve Application for Payment No. 11 in the amount of \$271,759.85 to Kue Contractors, Inc. for the Police Facility. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

f. Consider Approval of Change Order No. 5 for the Police Facility

Stein stated that Change Order No. 5 deals with the project schedule and not money. She explained that the substantial completion date is proposed to be moved from March 7th to June 3rd for the building portion and July 1st for the site/landscaping portion. She noted that the original completion date was December 21st, and she explained the reasons for the delays. Stein said that the new date will provide the audio-visual and furniture providers adequate time to complete their work. Pelava said that he was satisfied with Kue Contractors. Rud suggested that a grand opening date for the public be established soon.

A motion was made by Kodada and seconded by Pelava to approve Change Order No. 5 for the Police Facility. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Presentation of the Lonsdale Economic Development Authority's 2021 Annual Report
President of the Lonsdale EDA Laura Prigge presented the annual EDA report. The report included: new member acknowledgement, Old Town Group/LACC meeting, BR&E program, LACC events, COVID/APRA funding, off-premise signage discussion, Business Park listing agreement, Small Towns grant, Downtown business signage/banners, 2022 Budget, marketing, Community Foundation creation, and discussion of a Shark Tank event. Prigge stated that the EDA typically meets once a month. Rud thanked the EDA for their work in promoting Lonsdale. He said that two businesses should be breaking ground this spring-summer in the Lonsdale Business Park.

The Council thanked Prigge for the report.

- h. Consider Approval of Resolution 2022-08, a Resolution Accepting a Donation from Crane Creek Asphalt
Erickson explained that donations are required to be accepted by resolution. Erickson said that the donation will be used for Fire Department equipment.

A motion was made by Kodada and seconded by Webb to approve Resolution 2022-08, a Resolution accepting a \$500.00 donation from Crane Creek Asphalt. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

Rud stated that the City appreciates the donation.

- i. Consider Approval of Resolution 2022-09, a Resolution Accepting Donations in Memory of Mike Maertens
Erickson said that Mike Maertens's family has decided that any monetary memorials made in Mike's name be donated to the Lonsdale Fire Department. Pelava stated that Mike and Carol Maertens touched many lives in the area as previous owners of the Treats of Lonsdale business.

A motion was made by Pelava and seconded by Furrer to approve Resolution 2022-09, a Resolution accepting donations in memory of Mike Maertens. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

j. Presentation of the 2021 Activity Report and Consider Approval of the Proposed 2023 Lonsdale Fire District Budget

The Council reviewed the Staff Report and Fire Department Annual Report and Budget Proposal for 2023. Fire Chief Pfluke reviewed the 2021 Activity Report, noting 358 total calls and 432 page alerts. He said that rescue calls accounted for 63%, canceled calls for 16%, fire calls for 14%, and vehicle accidents for 6%. Pfluke stated that the three new members have completed training and are working out good so far. He said that some of the Department's 2021 orders are backlogged by 6-8 months. He said that they did sell the old rescue vehicle on GovDeals.com. Pfluke stated that the Truck Committee is working to replace the old tanker truck. Pfluke highlighted the main points of the 2023 Budget, and he stated that the townships already approved it. He noted an 8% budget increase compared to 2022. Rud stated that Pfluke and the fire fighters are doing a great job and are well respected.

A motion was made by Kodada and seconded by Webb to approve the 2023 Lonsdale Fire District Budget. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

k. Consider Approval of a Quote Submitted by Guardian Fleet Safety in the Amount of \$20,310.51 for Squad Equipment and Installation

Police Chief Schmitz reminded the Council that the Lonsdale Police Department is on a two-year squad replacement schedule for a new vehicle in 2022. Schmitz detailed the cost and budget amount for the vehicle. He recommended approval of a quote from Guardian Fleet Safety for equipment and installation of safety equipment such as the light bar, control panel, radar, and camera. Furrer asked if Guardian would hold their price. Schmitz said yes.

A motion was made by Furrer and seconded by Kodada to approve a quote submitted by Guardian Fleet Safety in the amount of \$20,310.51 for squad equipment and installation. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

l. Consider Approval of Resolution 2022-10, a Resolution Supporting Housing and Local Decision-Making Authority

Erickson recommended that the Council join with other area cities in approving a resolution to support housing and local decision-making authority due to several State legislators attempting to create a law that would preempt local zoning regulations, specifically in regard to housing decisions. Erickson said that the City Council has discussed this topic in the past, and fully supports local control. The Council agreed that the City Council, Staff, and residents are better positioned to make zoning decisions in Lonsdale, rather than a politician in St. Paul that might not even know where Lonsdale is.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2022-10, a Resolution Supporting Housing and Local Decision-Making Authority. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

m. Consider Approval of Dale Furrer's Letter of Retirement from the City of Lonsdale as Lead Water/Wastewater Operator

The Council read Dale Furrer's Letter of Retirement. Erickson stated that Dale Furrer will be retiring from the City of Lonsdale effective March 31, 2022. He said that Dale worked for the City for essentially 18 years, noting that he was promoted to Wastewater Operator in October of 2006 and Water Operator in 2012. Erickson said that Dale was a good employee and dedicated to the City. The Council wished Dale Furrer the best in retirement.

A motion was made by Pelava and seconded by Webb to approve Dale Furrer's Letter of Retirement from the City of Lonsdale as Lead Water/Wastewater Operator. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

n. Consider Approval to Make a Conditional Job Offer to Piper Nelson as Part Time Liquor Store Clerk at Grade 1 / Step 3 (\$14.42/hr.)

Erickson stated that the Liquor Store Committee received and interviewed three applicants for the vacant position at the liquor store. He noted that although all three could perform the duties of Park Time Liquor Store Clerk, that the Committee recommended making a conditional offer to Piper Nelson. He said that the hours to be worked are every other Thursday evening and Saturday. Kodada said that the position needs to be filled.

A motion was made by Kodada and seconded by Webb to approve to make a conditional job offer to Piper Nelson as Part Time Liquor Store Clerk at Grade 1 / Step 3 (\$14.42/hr.). Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

o. Consider Approval of Resolution 2022-11, a Resolution to Elect the Standard Allowance Available Under the Revenue Loss Provision of the Coronavirus Local Fiscal Recovery Fund Established Under the American Rescue Plan Act – Joel Erickson, City Administrator

Erickson said that the City was allocated a total of \$452,461.30 in aid through the ARPA. He said that the topic was discussed at the earlier work session meeting. He provided examples of what items can/cannot be funded with use of ARPA money. Erickson recommended electing the standard allowance available under the revenue loss provision.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2022-11, a Resolution to Elect the Standard Allowance Available Under the Revenue Loss Provision of the Coronavirus Local Fiscal Recovery Fund Established Under the American Rescue Plan Act. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

p. Consider Approval of Resolution 2022-12, a Resolution Accepting a Bid for the 2022 Mill and Overlay Project

The Council reviewed the memo from the City Engineer regarding the 2022 Mill and Overlay Project. Guilliams explained that the 2022 Mill and Overlay Project will make improvements to a portion of Industrial Drive SE and 4th Avenue SE. He said that four quotes were received, and the low bid, Crane Creek Asphalt, came in 6% below the Engineer's Estimate. Guilliams said that the project should be completed by July 30th. The Council briefly discussed oil prices and the potential effect on projects like this.

A motion was made by Furrer and seconded by Pelava to approve Resolution 2022-12, a Resolution Accepting a Bid for the 2022 Mill and Overlay Project. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

q. Consider Approval of a Resolution 2022-13, a Resolution Accepting a Bid for the 11th Ave NE Sanitary Sewer Service Line Repairs

Guilliams stated that only one quote was received, due to the depth and scope of the difficult sanitary sewer service line repairs, from BCM Construction in the amount of \$77,761.00. Vlasak said that two repairs were already completed along that stretch and these two more difficult repairs remain. Rud stated that the design was poor. Kodada said that the service lines need to be fixed.

A motion was made by Kodada and seconded by Webb to approve Resolution 2022-13, a Resolution Accepting a Bid for the 11th Ave NE Sanitary Sewer Service Line Repairs. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

r. Consider Approval of Resolution 2022-14, a Resolution Reestablishing 116 Alabama St. SE (IC Church Civic Center) as the Polling Place for any 2022 Special, Primary and/or General Elections Held in Lonsdale

Erickson explained that with the 2020 Census complete, Legislative and Congressional Districts were revised to account for changes in population. He said that because of this, all cities are required to establish or reestablish their Polling Places in 2022 by March 29, 2022. Erickson said that although recommended by the Secretary of State, City Staff is not interested in adding a 2nd polling place, because 1) the facility's size to accommodate more than 2,000 voters, 2) it is hard to find election judges, and 3) it would be confusing to voters. The Council reviewed the redistricting maps. Furrer stated that the IC Church Crusader Center has worked well for elections.

A motion was made by Furrer and seconded by Webb to approve Resolution 2022-14, a Resolution Reestablishing 116 Alabama St. SE (IC Church Civic Center) as the Polling Place for any 2022 Special, Primary and/or General Elections Held in Lonsdale. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- s. Presentation of the 2021 Community Development Report – Ben Baker, City Planner
Baker went through the 2021 Community Development Report, a 59-slide presentation, which was projected up on the front white board. The presentation contained detailed information and statistics regarding population, building permits, land use permits, real estate/home sales, and land development. Baker noted that Lonsdale has grown by 1,000 people over the past decade. He stated that the new iWorQ permit management system has helped City staff and contractors process 1,537 permits, nearly 5-times more than previous years. He said that the hail storm lead to 865 re-roof permits and 296 re-side permits. Baker said that Lonsdale issued 43 new single-family home permits, which was 2nd out of the 7 neighboring cities for 2021 and the past 6-years total. Baker explained that 9 land use permits/agreements were processed in 2021, and he noted that development and projects typically pay for themselves. He said that 165 homes sold in 2021, a jump from 90 in 2019. He said that the average price sold in Lonsdale was now \$300,000, up \$92,000 in 5 years. Baker said that only 87 single-family residential lots remain, and he stated that development is needed soon. Baker explained that within City limits, 600-800 lots could be developed, which would be a 10-20 year supply. He also explained the latest commercial/industrial sales and development.

The Council thanked Baker for his very detailed and good report.

11. OTHER BUSINESS

a. Staff Reports

Public Works Director

Vlasak said that the Public Works Department has been working hard to keep up the ice at the ice hockey rink. He said that they are working on summer equipment maintenance.

City Engineer

None

City Administrator

Erickson said info is coming out from MNDOT regarding the upcoming virtual open house regarding the TH 19 Project. He said that the City Auditors were at City Hall earlier in the day to wrap up their field work.

City Planner

None

b. Council Reports

Council Member Webb

None

Council Member Kodada

Kodada stated that both the Planning Commission and Park Board will be meeting next Monday night.

Council Member Furrer

Furrer stated that the EDA met last week and discussed the small cities grant program and digital marketing.

Council Member Pelava

Pelava provided more updates on the Lonsdale Police Department Building Project, including tiling and painting.

Mayor Rud

Mayor Rud asked if anyone had anything for the KCHK Mayor's show. He said that the Chamber is hosting the annual State of the City address at the Public Library.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Pelava to adjourn the meeting. Vote for: Webb, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 8:45 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator