

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
FEBRUARY 25, 2021**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order in the Lonsdale City Council Chambers at 6:00 p.m.

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, City Engineer John Powell, Public Works Director Russ Vlasak, Fire Chief Dave Pfluke, Assistant Fire Chief Scott Sticha

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 Cherney 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. Cherney referred to a comment he made and brief discussion that took place at the January 28th Council meeting in regard to financing, bonding, and using reserves to balance current funds. Rud said that could be discussed at during the 2022 Budget meetings.

A motion was made by Pelava and seconded by Furrer to approve the Minutes from the January 28, 2021 Regular Meeting. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

6. PUBLIC HEARINGS

Assessment Hearing – 2021 Street and Utility Improvement Project

Rud called the public hearing to order at 6:04 pm. City Engineer Powell went through a detailed 18-slide presentation, that was projected up on the front white board. The presentation included project specific information on history, location maps, proposed improvements, cost, financing, special assessments, and contact information. Cherney asked if alleys would be paved or sidewalks replaced. Powell said that there are no alleys and only private walkways in the 2021 Project. Rud opened up the floor to allow for comments and questions from the audience.

Gale Ecker, 522 4th Ave SW, asked about access and garbage collection during construction. Powell said that the contractor will be responsible for maintaining temporary access to homes within the project area. He also said that weekly newsletters will be available on the City's website which will detail project progress and upcoming activity. He said that an on-site inspector will also be available during project construction.

Erickson said that no written/verbal comments or assessment appeals were received by City Staff prior to the meeting.

A motion was made by Kodada and seconded by Furrer to close the Public Hearing. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The Public Hearing closed 6:19 pm.

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

Cherney asked if "Consider Approval of a Mutual Aid Agreement Between the City of Lonsdale and the City of St. Paul" could be removed and discussed under New Business. 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 to Accept Steve Kvam's Letter of Resignation as Full Time Public Works Employee and Authorize Staff to Advertise for One Full Time Public Works Employee at Grade 8 / Step 5 (\$24.41/hr.)
- e. Consider Approval to Accept Julie Ryan's Letter of Resignation from the Lonsdale Park & Recreation Advisory Commission and Authorize Staff to Advertise the Vacancy
- f. Consider Approval of an Agreement for Yard Waste Composting Between the City of Lonsdale and Rice County
- g. Consider Approval to Authorize Staff to Advertise for Bids to Sell a 1991 Ford F-350 Rescue Squad

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 Resolution 2021-11, a Resolution Adopting Assessments for the 2021 Street and Utility Improvement Project

The Council reviewed the proposed Assessment Roll for the 2021 Street Project, which was based on \$14,000 per single-family property and \$244.80/foot for commercial. Erickson said that at least 20% of the project needs to be assessed when issuing General Obligation Bonds, and he explained that the proposed assessment revenue will pay for 28.1% of the project cost.

A motion was made by Kodada and seconded by Cherney to approve Resolution 2021-11, a Resolution adopting assessments for 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.

- b. Consider Approval of Resolution 2021-12, a Resolution Accepting a Bid for the 2021 Street and Utility Improvement Project

Erickson said that the assessment hearing was held earlier in the meeting, and the assessment roll was just approved. The Council reviewed the bid tabulation summary and the 8 bids that came in for the 2021 Street and Utility Improvement Project. Erickson stated that the low bid, from BCM Construction, came in 9.5% below the Engineer's Estimate. Erickson said that BCM is qualified to do the work. Cherney asked about BCM's experience. Powell said that BCM completed the Area 5 - Phase # 1 and Phase # 3 Projects located east of Main Street S.

A motion was made by Cherney and seconded by Pelava to approve Resolution 2021-12, a Resolution accepting a bid for 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.

- c. Consider Approval of Resolution 2021-13, a Resolution Relating to \$2,750,000.00 General Obligation Capital Improvement Plan Bonds, Series 2021A; Authorizing the Issuance, Awarding the Sale, Fixing the Form and Details, Providing for the Execution and Delivery Thereof and the Security Therefor and Levying Ad Valorem Taxes for the Payment Thereof

Paul Donna of Baird, summarized the main point of the bond sale for the new Police Department Project. He explained the \$95,552.70 premium amount for bond buyers' protection against rising interest rates. The Council reviewed the breakdown of the bond sources and bond uses totaling just over 2.8 million. Donna commended Erickson on the City's timing to capture the best interest rates, noting that back in October he was projecting a True Interest Cost of 2.05% and the TIC came in at 1.42%. Donna explained that the City ended up adding funds of \$232,000 for the project for \$40,000 less in interest. Donna further explained the details on interest rates, basis points, bond rating, and issuance timing. Donna said that the City's very strong financial status, with liquidity and flexibility, worked towards an AA- rating, which he explained is very admirable for a City of Lonsdale's size. Cherney asked if there was wiggle room to go higher with the bond amount, and he asked about what affects the bond rating. Donna said that cash is king, and he provided further insight. Erickson said that the \$2.75 million is the most that can be obtained and that reserves will still be needed to fund the project.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2021-13, a Resolution relating to \$2,750,000.00 General Obligation Capital Improvement Plan Bonds, Series 2021A; Authorizing the Issuance, Awarding the Sale, Fixing the Form and Details, Providing for the Execution and Delivery Thereof and the Security Therefor and Levying Ad Valorem Taxes for the Payment Thereof. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- d. Consider Approval of the Lonsdale Fire District's 2022 Budget

The Council reviewed the Lonsdale Fire District's 2022 Budget. The Budget document contained the 2020 Activity Report, the 2020 Revenue/Expense Report, the 20-year Capital Improvement Plan, the Proposed 2022 Budget, and 2022 Budget Valuations. He said that in 2020, the Fire Department responded to 395 total calls, which was up by 17% compared to 2019. The Council reviewed the breakdown of calls, and Pfluke provided an update on training. Cherney asked for more details about canceled calls and the deficit shown in the revenue report. Pfluke and Pelava explained why canceled call take place. Pfluke said that he is satisfied with the process for handling canceled calls. Erickson and Pfluke explained that the negative number is a timing function of payment for the new rescue vehicle and the Fire Department fund balance will increase by \$40,000.00. Pfluke said that there isn't much change to the proposed budget, and he said that Townships reviewed and agreed with the 2022 Budget. Rud thanked Pfluke and previous Chief Yetzer for creating the Capital Improvement Plan to modernize the Department's vehicles and equipment. Rud thanked Chief Pfluke.

A motion was made by Cherney and seconded by Furrer to approve the Lonsdale Fire District's 2022 Budget. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- e. Presentation of the Lonsdale Economic Development Authority's 2020 Year In Review
EDA President Laura Prigge went through a list of 13 items/activities/accomplishments that the EDA was involved in last year, including Business Retention and Expansion Program, CARES Act funding, marketing, revolving loan program, website updates, and the 2021 Budget. She said that the EDA is going strong and looking forward to 2021. Prigge said that the EDA will be continuing with progress on the BR&E initiative. The Council thanked Prigge for her volunteerism. Cherney asked about the CARES funding transfer. Erickson said that everything has been itemized and coded accordingly, and he said that a detailed list of where the funds were distributed can be created.
- f. Consider Approval of Resolution 2021-14, a Resolution Accepting a Bid for the Trcka Park Parking Lot and Walkways Project
Powell said that as part of the Trcka Park site improvements, bids were received for the paving of a new parking lot and walkways around the new park building. He said that Public Works brought in the aggregate base in 2020 and that the base has been surveyed to verify existing elevations. The Council reviewed the five submitted bids, ranging from \$101,872.70 - \$120,890.40. Powell said that the low bid came in 16% under the Engineer's Estimate. Kodada said that the Park Board was pleased that the bid that came in \$20,000 under estimate. Erickson explained that \$159,000 in property tax revenue, was budgeted this year for Trcka Park. He said that excess funds will remain in the Park Fund to help balance the current deficit.

A motion was made by Pelava and seconded by Furrer to approve Resolution 2021-14, a Resolution accepting a bid for the Trcka Park Parking Lot and Walkways Project. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

g. Consider Approval of Resolution 2021-15, a Resolution Supporting the Current Urban Reserve Zoning District Boundary Around Lonsdale as it Stands

The City Council reviewed a Staff Report and attachments pertaining to a rezone request submitted to Rice County to change five parcels, 141 acres, currently located within the Urban Reserve Zoning District to Agriculture. The Council reviewed the associated memo from Rice County Environmental Services along Resolution 2021-15, which was reviewed by the City Attorney's office. Baker said that it is possible within Rice County's Agriculture Zoning District to acquire Transfer Development Rights for compliant parcels of up to a cluster of 10 homes. Baker said that based on the City's 2040 Comprehensive Plan, Rice County's Comprehensive Plan/Zoning Ordinance, Lonsdale's Planning Commission recommended keeping the Urban Reserve District as it stands. Rud said that the City has put a lot of time and effort into the 2040 Comprehensive Plan, which encourages orderly growth. All the Council members agreed that the City should support keeping Rice County's Urban Reserve District around Lonsdale intact.

A motion was made by Pelava and seconded by Furrer to approve Resolution 2021-15, a Resolution supporting the current Urban Reserve Zoning District Boundary around Lonsdale as it stands. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

h. Presentation of the 2020 Community Development Report – Ben Baker, City Planner

The Council members reviewed a 23-page Community Development and Building Report drafted by Baker. Baker went through the entire report which detailed 2020 statistics, maps, charts, and graphs, including: building permits, area cities comparisons, home builders, residential lot inventory, landowners, fees collected, home sales, land use applications, development growth, and population change. Baker noted that Lonsdale was tied for 3rd with 34 new home permits issued in 2020 when compared to Lonsdale's six neighboring communities. He said that Lonsdale and New Prague have lead the way with new home construction over the last five years. Baker also provided stats for WAC/SAC and building permit revenues. Baker said that 445 building permits were issued in 2020, which is 181 more than the previous year. He explained some of the reasoning for the large uptick in issued permits, including: 1) the Building Official's requirement for separate mechanical and plumbing permits for finish basements and new home/commercial construction, and 2) residents had extra time and stimulus money from the COVID-19 Pandemic. He said that the total value of permits was over \$2 million, the highest overall value in the last decade. He said that fences, decks, and re-roofing permits topped the list of other residential permits issued in 2020, but with a significant increase in all three permit types. Baker said that home values have increased by nearly \$100,000 over the last 5 years. Baker highlighted the associated graphs, charts, maps, and spreadsheets. Baker noted that steady development should continue over the next few years with Loomis and LGI Homes in town, but additional developments and residential lots need to be constructed within the next 1-2 years to continue Lonsdale's growth trend. Baker said that Loomis recently purchased Harmony Meadows 2nd Addition, LGI is looking for land, and the recently annexed land north of Lonsdale could develop this year. The Council thanked Baker for putting together such a detailed report.

- i. Consider Approval to Schedule a Public Hearing for Special Assessments for Delinquent Accounts on March 25, 2021 at 7:00 pm or Shortly Thereafter

Cherney briefly left the meeting.

Erickson asked the Council to consider scheduling a public hearing for special assessments for delinquent accounts on March 25th. He said that over \$15,000 is owed to the City.

A motion was made by Kodada and seconded by Pelava to approve Scheduling a Public Hearing for Special Assessments for Delinquent Accounts on March 25, 2021 at 7:00 pm or Shortly Thereafter. Vote for: Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

Cherney rejoined the meeting.

Consider Approval to Schedule the March 25, 2021 City Council Meeting and a Public Hearing for Special Assessments for Delinquent Accounts for 6:00 pm or Shortly Thereafter

Under “City Council / Department Reports”, Cherney asked if next month’s meeting could be moved up by one hour earlier to 6:00 pm. The other Council members looked at their calendars and agreed with the request.

A motion was made by Kodada and seconded by Cherney to reschedule the March 25, 2021 Council meeting and Public Hearing for Special assessments for Delinquent Accounts to 6:00 pm. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- j. Consider Approval of a Proposal Submitted by WSB in the Hourly Not-to-Exceed Amount of \$142,482.00 for Construction Services/Testing for the 2021 Street and Utility Improvement Project

The Council reviewed a proposal from WSB for construction administration, staking, observation, material testing, and as-built drawings of the 2021 Street Project. Erickson said that he has been working with WSB to secure quality and experienced construction observation for this year’s project. Kodada said that the City has had a good relationship with WSB over the years.

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 \$142,482.00 for Construction Services/Testing for 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.

k. Consider Approval of a Mutual Aid Agreement Between the City of Lonsdale and the City of St. Paul

Cherney asked for the agenda item to get pulled off the Consent Agenda to find out if Lonsdale would be required to send officers to the Twin Cities in the case of another large-scale riot, when those cities have supported defunding their Police Departments and officers. Erickson explained that he had already had discussions with the Police Chief that Lonsdale come first and that he has no interest in sending officers to cities that have defunded their Police Departments. Erickson said that Lonsdale's Police Chief has control overing keeping Lonsdale's officer in the area. The Council discussed the advantages of a mutual aid agreement, including access to the bomb squad and specialized equipment and gear. The Council members reviewed the Mutual Aid Agreement.

A motion was made by Cherney and seconded by Kodada to approve a Mutual Aid Agreement between the City of Lonsdale and the City of St. Paul. 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 the Public Works Department had been vigorously working on keeping the new ice rink up, but he said that the rink is now temporarily closed due to the warm weather. Vlasak said that they are currently renting a GPS unit from WSB to help collect better data for infrastructure around town.

City Engineer

Powell thanked the Council for approving WSB's proposal earlier in the meeting. He said that it is WSB's aim to keep competitive with the market.

City Administrator

Erickson went through a vast list of items he has been involved with, including: the 2021 Street Project, employment ads, liquor store items, a Rice County meeting, B.R. & E. meeting, Police Department cost saving measures, delinquent bill notices, Fire Chief items, EDA marketing, and the 2020 City Audit. Erickson thanked City Treasurer Tami Brokl for her had work on the Audit.

City Planner

Baker said that he has been working to make the new iWorQ permit software functionable for the City.

b. City Council / Department Reports

Council Member Cherney

Cherney stated that he is looking at the Library Board By-Laws to see if he could become a non-voting member, so that more community members can be involved. He said that he took pictures of a potential safety hazard, in regard to ice/snow build up, along the curb-lines of Main Street. Erickson, Vlasak, and some of the other Council members explained that the City is aware of the problem and why it happens. Vlasak said that Main Street is within a Rice County right-of-way.

Council Member Kodada

Kodada provided a recap of the February 22nd Park Board and Planning Commission meetings. He said that a plaque will be placed within the new warming house at Trcka Park honoring the people, including Council members, that helped make the project possible.

Council Member Furrer

Furrer said that the annual EDA Report was given earlier in the meeting, and she said that the EDA will have a busy year ahead.

Council Member Pelava

Pelava said that the EDA has been discussing digital marking strategies.

Mayor Rud

Rud stated that he presented the annual State of the City report at the Chamber meeting earlier in the day. He thanked Shanna at the Lonsdale Area Chamber of Commerce for doing such a great job. Rud said that Steele-Waseca had an electric car at the gathering, and he said that they are projected to be the waive of the future. Pelava provided insight on charging station issues. Rud said that he was recently contacted by another potential business park land buyer. He said that new businesses make a huge impact on the community.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Cherney 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 8:06 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator