

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
MARCH 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, Police Chief
Jason Schmitz

4. APPROVAL OF AGENDA

Mayor Rud asked if there were any corrections, additions, or deletions to the Agenda. Erickson requested adding Resolution 2021-25 to the agenda.

A motion was made by Furrer and seconded by Pelava to approve the agenda with the noted addition. 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 February 25, 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 Delinquent Accounts Pertaining to Water/Sewer, Abatement of Nuisances and Fire Calls

Rud read the public hearing notice and opened the hearing. The Council reviewed the associated Staff Report, which detailed 40 delinquent accounts totaling \$15,466.36. Erickson said that 39 were for water/sewer accounts and 1 was for abatement of tall grass/weeds. Erickson said that since the memo was created and letters were sent out to the account holders, the outstanding amount was reduced to \$11,367.27. Erickson explained that the previous past due balances were charged a 10% late fee, but due to the COVID-19 Health Pandemic and recommendation from the League of Minnesota Cities, the City of Lonsdale has not been conducting water shut-offs. Rud asked if there were any public comments off the floor. No one responded to the invitation. Erickson said that there were no written or verbal comments.

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 Public Hearing closed 6:06 pm.

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

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 of Resolution 2021-16, a Resolution Appointing the Mayor and City Administrator of the City of Lonsdale to the Lonsdale Fireman’s Relief Association (LFRA) Board of Trustees
- e. Consider Approval of a Minnesota Lawful Gambling LG220 Application for Exempt Permit Requested by the Church of the Immaculate Conception
- f. Consider Approval of an Application and Permit for a 1 Day to 4 Day Temporary On-Sale Liquor License Requested by the Church of the Immaculate Conception
- g. Consider Approval of a Request for Proposals for Mosquito Control Management Services
- h. Consider Approval of a Quote in the Amount of \$15,535.00 Submitted by Buscho Enterprises for Hauling and Applying of Bio-Solids

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 2021-17, a Resolution Adopting Assessments for Delinquent Accounts

The Council reviewed the assessment roll. Erickson said that a public hearing was conducted earlier in the meeting, and he stated that no comments were provided. Furrer asked if payments could still be made to the City. Erickson said yes until the assessments are certified to Rice County but not after that.

A motion was made by Kodada and seconded by Cherney to approve Resolution 2021-17, a resolution adopting assessments for delinquent accounts. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None.

Vote: 5-0. Motion carried.

- b. Recognition of Brianna Harper, Alex Watts, Kelsey Pelava, and Rebecca Meger for Earning the Rank of Eagle Scout

Scouts BSA Troop 327 Leader Nancy Watts along with Troop Members Brianna Harper, Alex Watts, Kelsey Pelava, and Rebecca Meger came to the front of the Council Chambers to be recognized for recently earning the rank of Eagle Scout. Nancy Watts explained that the girls were previously part of the Venture Crew program and then they become part of the new Scouts of America program, which started allowing females to participate in 2019. Harper said that she constructed new tables for the Lonsdale Archery Range, A. Watts stated that she built storage boxes for the TCU Robotics Team, K. Pelava said that she built a Little Free Library at Jaycee Park, and Meger stated that she constructed bat houses at Webster Park. Watts said that she is very proud of each of them. The Council members congratulated the new Eagle Scouts on their accomplishment. The audience applauded.

- c. Consider Approval of Requests Submitted by the Lonsdale Area Chamber of Commerce Pertaining to Community Day 2021

Lonsdale Chamber Executive Director Shanna Gutzke-Kupp addressed the Council from the front podium. Gutzke-Kupp stated that Community Day 2021 is scheduled for August 14th, and she provided the Council a detailed request list for review. She provided a summary of the proposed event and requests, including road closures and a temporary liquor license. Gutzke-Kupp provided information on volunteer opportunities for the community event. Kodada stated that Community Day is a great cause. Furrer asked if Main St. could be closed later in the day instead of at noon. Gutzke-Kupp said not because of the amount of time it takes to set up the stage, beer garden, etc.

A motion was made by Pelava and seconded by Furrer to approve requests submitted by the Lonsdale Area Chamber of Commerce pertaining to Community Day 2021. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None.

Vote: 5-0. Motion carried.

- d. Consider Approval of Resolution 2021-18, a Resolution Approving Deferral of a Special Assessment in the Amount of \$14,000.00 for 612 3rd Ave SW Pertaining to the 2021 Street and Utility Improvement Project

Erickson explained that in regard to the 2021 Street and Utility Improvement Project, that residents can apply for a deferral based on hardship. Erickson went through the qualifying hardships based on State Statute. Erickson said that the resident at 612 3rd Avenue SW qualifies for the deferral because he has been declared disabled. The Council reviewed the Staff Report, Deferred Assessment Application Form, and associated documents. Kodada said that the hardship request is not anything new, noting that every reconstruction project in town has a few.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2021-18, a Resolution approving Deferral of a Special Assessment in the amount of \$14,000.00 for 612 3rd Ave SW pertaining to 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 Resolution 2021-19, a Resolution Approving the Issuance of General Obligation Improvement Bonds, Series 2021B

The Council reviewed the Staff Report, and Paul Donna of Baird, addressed the Council from the front podium. Donna said that Lonsdale is a growing busy city, and he went through the finance plan for the 2021 Street & Utility Improvement Project General Obligation Bonds. He went through the Estimated Sources & Uses, which separated the Street & Storm Sewer Portion, Water Portion, and Sanitary Sewer Portion. The sheet also detailed the fund deposits, cost of insurance, underwriter's discount, and debt service deposit. Donna said that the all-in rate is 1.9%, and he said that Baird will get the bond into the market as-soon-as-possible.

A motion was made by Kodada and seconded by Cherney to approve Resolution 2021-19, a Resolution approving the issuance of General Obligation Improvement Bonds, Series 2021B. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- f. Consider Approval of Resolution 2021-20, a Resolution Approving the Issuance of General Obligation Improvement Refunding Bonds, Series 2021C

The Council reviewed a Staff Report regarding the City issued GO Bonds in 2012 to finance the 2nd & 3rd Avenue NW Street Project. Donna explained that since the bonds are currently callable, City Staff and Baird have been working to refinance the bonds. Donna went through the GO Improvement Refunding Bonds financial information, and he said that the net savings would be approximately \$22,000. Cherney asked about refinancing the Lonsdale Business Park. Donna said that they already evaluated all the City's outstanding bonds, and he said that this is the only bond that makes sense at this time. Kodada stated that the City should always look to save money, when possible.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2021-20, a Resolution approving the issuance of General Obligation Improvement Refunding Bonds, Series 2021C. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

g. Consider Approval of Resolution 2021-21, a Resolution Approving State of Minnesota Joint Powers Agreements with the City of Lonsdale on Behalf of its City Attorney and Police Department

Schmitz explained that Lonsdale has a Joint Powers Agreement with the BCA for access to their Criminal Justice Data Communication Network. He said that the system is internet based and explained how the Police Department uses it. Schmitz said that the Agreement expires every five years or if there is a change. He said that the connection fee is increasing from \$180.00 to \$600.00 annually. The Council reviewed the Joint Powers Agreement.

A motion was made by Pelava and seconded by Furrer to approve Resolution 2021-21, a Resolution approving State of Minnesota Joint Powers Agreements with the City of Lonsdale on Behalf of its City Attorney and Police Department. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

h. Consider Approval of Resolution 2021-22, a Resolution Authorizing the Lonsdale Police Department to Enter into an Agreement with the Minnesota Department of Public Safety for Traffic Safety Enforcement

Schmitz said that due to the increase in serious injury and fatal crashes related to speed across Minnesota, the Minnesota Department of Public Safety has awarded agencies across Minnesota funding to put extra officers on the roadways enforcing speed and aggressive driving. He stated that the Lonsdale Police Department would be awarded \$10,100.00 through September 30, 2021 to help with extra enforcement. He said that since Lonsdale is the fiscal agent for the TZD Grant, Lonsdale then would also be responsible for the Speed and Aggressive Driving Grant countywide. He said that a 20% match is required to be paid or provided in-kind by each agency. The Council reviewed Resolution 2021-22.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2021-22, a Resolution authorizing the Lonsdale Police Department to enter into an Agreement with the Minnesota Department of Public Safety for Traffic Safety Enforcement. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

i. Presentation of the Lonsdale Police Department's 2020 Report

Schmitz read through an 18-page annual report. The report addressed challenges with COVID-19, the change to new crime information reporting system, acknowledgment of the New Police Department Design Committee, purchase of a new squad car, participation in the Towards Zero Deaths campaign, and processing firearms permit to purchase firearms. The report as referenced an Advisory Smith study which ranked Lonsdale as the safest small town, under 10,000 people, in Minnesota. Furrer wondered if the City should erect a sign at the entrance to town to promote the safest city achievement. Schmitz provided a staffing and experience breakdown. He provided insight on training and community policing. The annual report showed graphs of: total incidents, crimes against person and property, traffic incidents, and other incidents. The report also provided four pages of a detailed breakdown of event count by event type for both 2019 and 2020. Schmitz thanked the Council and community for their support. Rud thanked Schmitz and his Staff for doing a great job. Rud said that Lonsdale is fortunate to have Chief Schmitz, and the Council thanked him for his report.

j. Consider Approval of a Quote in the Amount of \$46,693.75 Submitted by Visu-Sewer for Jetting and Televising of Sanitary Sewer Mains

Vlasak said that requests for proposals were sent to five different contractors, and Visu-Sewer was the low bid at \$46,696.75. He said that he was very happy that the bid came in under the budgeted amount of \$50,000 and satisfied that the southeast section of town will be completed.

A motion was made by Kodada and seconded by Pelava to approve a quote in the amount of \$46,693.75 submitted by Visu-Sewer for Jetting and Televising of Sanitary Sewer Mains. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

k. Consider Approval of Ordinance 2021-305, an Ordinance Amending and Updating City Code §153.062 – Landscaping and Turf Establishment

Baker stated that based on recommendations from the City Attorney and City Engineer, the City is looking to: 1) tighten up its ordinance language regarding landscaping and turf establishment, and 2) create a policy for surveys and grading for new home construction. In an effort to promote full compliance, Baker said that the City recently increased the landscape escrow from \$3,000 to \$5,000. Baker went through and highlighted the main sections of the proposed ordinance, which including updated language on General Landscaping, As-Built Grading Survey, Trees, Turf Establishment, Landscape Escrow, and Violations. Baker said that the Planning Commission held a public hearing and recommended approval of the proposed ordinance amendment. Kodada said that there were not any public comments.

A motion was made by Kodada and seconded by Cherney to approve Ordinance 2021-305, an Ordinance amending and updating City Code §153.062 – Landscaping and Turf Establishment. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

l. Consider Approval a “Survey and Grading Policy for New Residential Home Construction”

Baker went through a proposed Survey and Grading Policy for Residential New Home Construction recommended by the City Engineer and reviewed by the City Attorney. The Policy provided details on permit application submittal requirements, including 25 items needed for a certificate of survey, and 15 items needed for as-built grading survey approval. Baker also explained the financial security and review/inspection fee sections of the Policy. He provided further details on landscape escrow usage/forfeiture, along with assessments against the property for costs associated with bringing the property into compliance. Cherney asked about the frequency of elevation changes to new homes. Baker said that the City just surveyed five larger cities in the area regarding that subject and found that home elevation change issues are not common and that most cities do not require a foundation as-built survey. The City Council agreed with the new Policy.

A motion was made by Cherney and seconded by Pelava to approve the Survey and Grading Policy for New Residential Home Construction. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

m. Consider Approval of Resolution 2021-23, a Resolution Authorizing Adoption of a Purchase Agreement

Erickson said that ALG Enterprises, LLC has expressed interest in purchasing Outlot A, 9.98 acres, in the Lonsdale Business Park, because they are working with an investor to construct a building between 100,000 – 200,000 sq. ft., which will include space for incubator, industrial, office, warehousing, and manufacturing. Erickson said that with this type of space available in the Business Park, it will make it easier to attract businesses to town as the space will already be built. Erickson said that the Agreement is very similar to one recently approved for AES. Erickson went through the main points of the Purchase Agreement, including purchase price, earnest money, closing date, payment to Cerron Properties, and default and termination terms. Cherney questioned the breakeven point for the City and selling the parcel for \$0.48/sq.ft. He said that he started rethinking that Outlot A may be bettered used for affordable housing to attract workers to live in Lonsdale. Cherney said that the neighboring residents in Willow Creek should be notified before proceeding. In regard to the property price, Rud said that there could be upwards of \$100,000 in infrastructure costs if re-aliment of the storm sewer is needed. Rud said that this opportunity for Lonsdale is out-of-this-world, noting the City's goals of jobs, incubator space, growth, and a diverse tax base. Erickson explained that the tax impact on a 100,000 sq. ft. building would be approximately \$90,000/year, which is equivalent to 75 new homes. He suggested cutting the deal upfront, avoiding red tape, and look to Rice County for other assistance. Rud and Erickson clarified what the Business Park can and should be used for and that residents were notified and have known about the Business Park for years. Rud said that many cities just give land away for free for opportunities like this. He said that this is a white knight and great deal for the community. Rud said that the City will be receiving more money than the previous purchase agreement, approved a month ago. Kodada said that the City should not blink at the opportunity. Furrer said that this looks like a great deal, but she stated her caution about a potential flip. She stated that it would accomplish the EDA's goal of an incubator, to provide much needed space for potential businesses. Erickson said the agreement does contain a repurchase clause that states ALG has one year from closing to begin construction on the facility or the City has the option to repurchase the parcel for the sale price and ALG agrees to allow the City to remove any encumbrances at ALG's expense. Rud explained that Lonsdale lost out on multiple larger business deals because the Councils of the past were hesitant. Pelava said that although the City may receive less money up-front, he views the deal as a long-term investment that will pay off over time.

A motion was made by Pelava and seconded by Kodada to approve Resolution 2021-23, a Resolution authorizing adoption of a Purchase Agreement. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

The Council discussed fair options for Cerron Properties, Business Park signage, and the City's quick review process.

- n. Approval of Resolution 2021-24, a Resolution Requesting John Pesta be Accepted as a Member of the Public Employees Police and Fire Plan Effective the Date of Pesta's Initial Police and Fire Plan Salary Deduction by the City of Lonsdale

Erickson said that Police Officer John Pesta now qualifies to be on PERA's Police and Fire Plan. He explained that it doesn't happen very often, but the Council has to adopt a Resolution, in order for a police officer or fire fighter to be enrolled in that Plan. The Council reviewed the associated Staff Report and Resolution.

A motion was made by Kodada and seconded by Pelava to approve of Resolution 2021-24, a Resolution requesting John Pesta be accepted as a Member of the Public Employees Police and Fire Plan Effective the Date of Pesta's Initial Police and Fire Plan Salary Deduction by the City of Lonsdale. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- o. Consider Approval of Resolution 2021-25, a Resolution Scheduling a Public Improvement Haring for the 2021 Street & Utility Improvement Project

Erickson explained that although he sent and verified that the public hearing notice was sent to the local newspaper, the Lonsdale Area News Review did not publish the notice. He said that an affidavit is required. Cheney questioned if another hearing is required. Erickson explained that Lonsdale's Bond Counsel has recommended reconducting the public hearing on April 29, 2021. Cheney said he did not feel it was necessary and asked what the repercussions would be if not held. Erickson said potentially invalidation of \$530,000 in special assessment revenue and that the project will not be delayed.

A motion was made by Cherney and seconded by Kodada to approve of Resolution 2021-25. 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 the Public Works Department was sweeping streets then had to switch over to plowing and sanding roadways with the quick weather change. He said that they started doing daily park inspection rounds. Vlasak noted that they are also doing stormwater inlet/outlet checks.

City Engineer

Powell provided an update on the 2021 Street Project and Trcka Park Project. He said that WSB will has been providing support to Public Works.

City Administrator

Erickson said that he has been working on or involved with: the B.R.&E. Initiative, wetland review, LACC's Lunch & Learn, reviewing employment applications for Public Works positions, APG digital marking options, and economic development.

City Planner

Baker said that Lonsdale recently received its second Beekeeping License application since the 2017 Ordinance took place. He said that the Planning Commission will be looking to update Lonsdale's Sign Ordinance.

b. City Council / Department Reports

Council Member Cherney

Cherney stated that the Library Board has been working to amend the Library Board's bylaws to have the Council Representative become a liaison and not a voting member.

Council Member Kodada

Kodada provided a recap of the last Planning Commission meeting, including shipping containers and sign ordinance discussion.

Council Member Furrer

Furrer said that the EDA and Chamber will be hosting a Lunch & Learn event on March 30, 2021.

Council Member Pelava

Pelava said that the EDA had a relatively short meeting.

Mayor Rud

Rud congratulated the Eagle Scouts that were acknowledged earlier in the meeting. He gave a shot-out to the TCU Wrestling Team for qualifying for State for the first time. Erickson announced that a parade for the State-bound wrestlers will be on Saturday. Erickson said that previous Building Inspector Jim Filipek passed away and that a visitation will be held on Saturday.

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 8:04 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator