

**MINUTES  
CITY OF LONSDALE  
CITY COUNCIL MEETING  
APRIL 25, 2019**

**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: 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, City Treasurer Tami Brokl

**4. APPROVAL OF AGENDA**

Mayor Rud asked if there were any corrections, additions, or deletions to the agenda. Erickson asked to add two agenda items: 1) mosquito control RFP, and 2) scheduling a special meeting.

A motion was made by Pelava and seconded by Cherney to approve the agenda with the noted additions. 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 Pelava to approve the Minutes from the April 11, 2019 Regular Meeting. 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 Kodada and seconded by Furrer to approve the Consent Agenda as follows:

- a. Monthly Bills
- b. Treasurers' Report
- c. Board and Commission Minutes

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. Presentation and Approval of the City's 2018 Audited Financial Statements – Ryan Schmidt, Schlenner Wenner & Co.

The Council reviewed the financial documents presented by the City Auditor Schlenner Wenner & Company, along with the associated Staff Report. Ryan Schmidt, of Schlenner Wenner & Company, presented the City's 2018 Financial Statements and Year End Audit from the front podium. He went through a 21-slide presentation. The presentation included information and graphs on process, results, internal controls, legal compliance, financial highlights, the General Fund, Government Funds, Enterprise Funds, assets, liabilities, and long-term debt. Schmidt hit the highlights of each topic area.

The Council asked various questions throughout the presentation. Discussion took place on segregation of duties and limited staff size. Schmidt said that the internal controls weakness result is standard in similar sized cities. He also explained checks and balances for the City Auditor. Cherney asked about the City's finances in terms of a potential Police Department/City Hall building project. Schmidt said that he wouldn't have any concern over a project of that magnitude due to the City's fiscal numbers and tax base.

Schmidt provided a high Auditor's opinion of the City's finances, and he said that the City has healthy fund balances. Rud thanked previous Councils for doing a great job with the City funds and finances. He stated that the debt for the Waste Water Treatment plant will be coming off the books in 4 years.

The Council thanked Schmidt for the detailed presentation.

A motion was made by Furrer and seconded by Pelava to approve the City's 2018 Audited Financial Statements. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

b. Consider Approval of Resolution 2019-14, a Resolution of Sponsorship for the Lonsdale Sno-Wizards – Joel Erickson, City Administrator

Erickson asked the Council to approve the annual resolution to act as a pay agent between the Minnesota DNR and the Lonsdale Sno-Wizards. He said that there is typically only about 3 hours of City Staff time involved per year. Kodada said that the City has been doing this for many years. Rud said that the Sno-Wizards actually donate back a lot of money to the community.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2019-14, a resolution of sponsorship for the Lonsdale Sno-Wizards. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

c. Discuss the Proposed Policy Relating to Accepting Private Streets Into the City's Street System – Joel Erickson, City Administrator

Erickson explained that the City has been requested to accept ownership of the section of Ash St. NE which is located within the Rolling Ridge Market Place. He asked the Council to provide feedback on creating a policy for accepting private streets into the City's street system. He provided a draft policy for the Council to review. He asked the Council to discuss and determine: 1) interest in accepting insufficient private streets, 2) require a petition to have 100% of the owners sign it or base it on voting rights, and 3) timing of when improvements are completed. The Council discussed these items in detail.

Rud suggested that the City's process shouldn't be any different than MNDOT or Rice County when it comes to road turnbacks. He said that the owner should build it to City specifications, per observation by the City Engineer, before it is accepted by the City. The entire Council agreed with the standard turnback procedure. They also agreed that the applicant should try to build a consensus of all adjacent property owners prior to submitting a petition. The Council discussed the 2016 Rolling Ridge Market Place & 8<sup>th</sup> Ave NE Traffic Study and access options. Rud explained that the road was originally constructed as a private road to save on costs and right-of-way needed, and he said that the 15 year old road is probably in need of some improvements. He said that the developer's engineer approximated that \$400,000 would be needed to reconstruct and realign Ash Street through the Rolling Ridge Market Place.

d. Consider Approval to Schedule Special Meetings to Discuss the City's 2020 Budget and Property Tax Levy – Joel Erickson, City Administrator

Erickson asked the Council to consider seven dates to discuss the City's 2020 Budget and Property Tax Levy. The Council members reviewed their schedules, and all agreed on the proposed following dates: May 20<sup>th</sup>, June 17<sup>th</sup>, July 15<sup>th</sup>, July 22<sup>nd</sup>, August 5<sup>th</sup>, August 26<sup>th</sup>, and September 9<sup>th</sup>.

A motion was made by Pelava and seconded by Furrer to schedule special meetings to discuss the City's 2020 Budget and Property Tax Levy. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

e. Consider Approval of Resolution 2019-15, a Resolution Approving Assignment, Assumption, Consent and Release of Development Agreement and Assessment Agreement – Joel Erickson, City Administrator

Erickson explained that the City has been asked to consent to the sale of the Villages of Lonsdale from Lonsdale Senior Housing, LLC to Villages of Lonsdale, LLC. Erickson explained the details of the transaction and associated obligations. Cherney wondered if now was a good time to review and potentially get rid of the TIF District. Rud and Erickson provided newer members of the Council with background information on the associated TIF District and Lonsdale Library agreement. Rud explained that the City found a developer to construct a senior housing facility in 2008 so that area seniors wouldn't be forced to leave town. He said Lonsdale Library leases space from the Villages of Lonsdale for free. Erickson said that there is a letter of credit in place in case that taxes are not paid.

A motion was made by Cherney and seconded by Pelava to approve Resolution 2019-15, a resolution approving assignment, assumption, consent and release of development agreement and assessment agreement. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

f. Consider Approval of a Minnesota Lawful Gambling LG220 Application for Exempt Permit Requested by the Church of the Immaculate Conception – Joel Erickson, City Administrator

Erickson provided the Council with a gambling application from the I.C. Church to conduct their annual Church Festival raffle and bingo event. Kodada said that he didn't have any problem approving the request without the 30-day waiting period.

A motion was made by Kodada and seconded by Furrer to approve the Minnesota Lawful Gambling LG220 Application for Exempt Permit requested by the Church of the Immaculate Conception. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Consider Approval to Make a Condition Job Offer to Ed Simek for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.) – Joel Erickson, City Administrator  
Erickson said that the Public Works Director and himself interviewed 5 applicants for the seasonal position openings. He said that all applicants were asked about the requirement of weed-whipping. He explained that PERA has requirements for how long an employee can work before retirement benefits must be paid by the City and employee. Erickson went through the allocated seasonal hours for 2019 based on the budgeted \$45,000. The Council reviewed the employment advertisement and job description. Erickson and Vlasak recommended hiring Ed Simek, Tom Steiner, Sam Ceplecha, Jerry Kroyer, and Roy Broske.

A motion was made by Cherney and seconded by Pelava to approve a Condition Job Offer to Ed Simek for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.).  
Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- h. Consider Approval to Make a Condition Job Offer to Tom Steiner for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.) – Joel Erickson, City Administrator  
A motion was made by Kodada and seconded by Cherney to approve a Condition Job Offer to Tom Steiner for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.).  
Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- i. Consider Approval to Make a Condition Job Offer to Sam Ceplecha for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.) – Joel Erickson, City Administrator  
A motion was made by Pelava and seconded by Furrer to approve a Condition Job Offer to Sam Ceplecha for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.).  
Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- j. Consider Approval to Make a Condition Job Offer to Jerry Kroyer for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.) – Joel Erickson, City Administrator  
A motion was made by Kodada and seconded by Pelava to approve a Condition Job Offer to Jerry Kroyer for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.).  
Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- k. Consider Approval to Make a Condition Job Offer to Roy Broske for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.) – Joel Erickson, City Administrator  
A motion was made by Furrer and seconded by Cherney to approve a Condition Job Offer to Roy Broske for Seasonal Public Works Employee at Grade 1 / Step 4 (\$13.46/hr.).  
Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- l. Consider Approval of Change Orders No. 1 & No. 2 and Application for Payment No. 7 (Final) in the Amount of \$29,925.13 to Pember Companies, Inc. for the Well No. 5 Pump and Watermain – John Powell, City Engineer

Powell asked the Council to consider final payment for the Well No. 5 Project. He said that after the change orders, the project came in 1.7% below the original contract amount. Powell went through the change orders and punch list items. Powell said that he was satisfied with the work completed, and he recommended approval of the change orders and payment in the amount of \$29,925.13 to Pember Companies.

A motion was made by Kodada and seconded by Pelava to approve Change Orders No. 1 & No. 2 and Application for Payment No. 7 (Final) in the amount of \$29,925.13 to Pember Companies, Inc. for the Well No. 5 Pump and Watermain Project. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- m. Consider Approval of a RFQ for Mosquito Control Management Services

Erickson asked the Council to consider approval of a RFQ for mosquito control services during the 2019 season. He said that last year the contractor delivered 22 applications. Rud suggested increasing the amount of bidders, if possible. Cherney asked about attacking the mosquito larvae. Erickson said that they did look into that option, but it would run about \$50,000 in addition to what is current done due to the number of wetland areas around Lonsdale that would need to be treated.

A motion was made by Cherney and seconded by Pelava: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- n. Consider Approval to Schedule Special Meeting to Discuss the Police Station/City Hall Project on Wednesday, May 1, 2019 at 6:00 pm

Erickson asked the Council to consider scheduling a special meeting to discuss the Police Station/City Hall Project on Wednesday, May 1, 2019 at 6:00 pm. The Council members checked their schedules and agreed to the proposed date/time.

A motion was made by Kodada and seconded by Cherney to schedule a special meeting on Wednesday, May 1, 2019 at 6:00 pm. 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 Works Director*

The Council discussed the condition of some of the streets in the older portion of southwest Lonsdale. Vlasak said that will be trying to find a way to hold the roads together.

#### *City Engineer*

Powell talked about the recent tree plantings along Main Street and Lions Park along with the Area No. 5 Project.

#### *City Administrator*

Erickson provided a brief update on items that he has been involved with and working on.

#### *City Planner*

Baker said that City Staff will start exploring WSB's DataLink GIS over the next couple of weeks. He also promoted the upcoming event to celebrate the 10<sup>th</sup> Anniversary of Arbor Day in Lonsdale.

### **b. City Council Reports**

#### *Council Member Cherney*

Cherney said that he reached out to the League of Minnesota Cities to gather more insight on the topic of Council pay.

#### *Council Member Kodada*

Kodada talked about soccer and the Trcka Park Project.

#### *Council Member Furrer*

Furrer said that the EDA discussed the Business Expansion & Retention (BRE) Program through the University of Minnesota.

#### *Council Member Pelava*

Pelava talked about the update on Legal action taken in regard to the Taste of Lonsdale Loan. Rud thanked Pelava for helping organize the Community Days Committee.

#### *Mayor Rud*

Mayor Rud said that he will be on KCHK Radio on the 29<sup>th</sup> to talk about happenings in Lonsdale.

## **12. ADJOURNMENT**

A motion was made by Kodada and seconded by Pelava 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 8:39 pm.

Respectfully Submitted:

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Joel A. Erickson, City Administrator