

**MINUTES  
CITY OF LONSDALE  
SPECIAL CITY COUNCIL MEETING  
MAY 20, 2019**

**1. CALL TO ORDER**

Mayor Rud called a special 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: 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, City Treasurer Tami Brokl, Police Chief Jason Schmitz, and Liquor Store Manager Lynette Moe

**4. APPROVAL OF AGENDA**

Mayor Rud asked if there were any additions, deletions, or corrections to the agenda.

A motion was made by Pelava 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**

None

**6. PUBLIC HEARINGS**

None

**7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS**

Garry Tupy, Developer of the proposed Bastyr Ponite Senior Housing Project at 900 Ash Street NE, addressed the Council from the front podium. He said that he has been a land developer/builder in the Lonsdale area for the past 20-plus years, and he is connected to the Lonsdale community through family roots. He said that he has established a good business, and he stated that being called a crook by Councilmember Cherney at the May 1, 2019 Special Council Meeting hurts his good name. Tupy explained that in 33 years of active business he has never had any law suits brought against him nor arbitration. He stated that he has worked with the City in the past to bring businesses to town and always had a good relationship with the City of Lonsdale. He said that he helped bring one-of-two existing businesses in the Lonsdale Business Park to town. He talked about his effort in helping the elementary school get established and work with developing Holy Cross Catholic School. Tupy said that he has been a valuable partner, and he said that Lonsdale needs private development to thrive.

In regard to the recent senior housing project, Tupy said that the City solicited his business. He said that he spent money on plans and documents associated with the proposed development. He stated that development is good for the City and helps keep property values up. Tupy talked about his family and being part of the Lonsdale Community, including the Knights of Columbus. He said that he was awarded both the Knight of the Year and Builder of the Year, when many contractor companies don't make it past 5 years. He stated that he is not a crook, and he referenced a cease and desist letter from his attorney to the City of Lonsdale Council regarding the matter.

Rud stated his appreciation for Tupy's comments and help in the community over the years. He said that the TCU Elementary School wouldn't be here if it wasn't for Tupy. Rud said that being called a crook by Cherney is so inappropriate, and he stated that viewpoint wasn't the feelings of the entire Council. Rud stated that the City Attorney agrees, and he read aloud a memo from the City Attorney addressing the matter. Rud said that statement by Cherney was totally out-of-line.

Cherney asked Mayor Rud if he could state something. Rud said that he would not be recognized during this portion of the meeting. Cherney referenced Roberts Rules of Order. Cherney said that he suspends the rules, and he said that if he won't be recognized that he is leaving. He told Tupy that he would talk with him tomorrow.

Cherney left the meeting at 6:17 pm.

**8. APPROVAL OF THE CONSENT AGENDA**

None

**9. OLD BUSINESS**

None

## 10. NEW BUSINESS

- a. Discuss the City's 2020 Budget and Property Tax Levy  
Erickson went through and highlighted the short/long term fiscal needs of each department/category:
  1. *Administration*: Larger City Hall and technology.
  2. *Planning & Zoning*: Software, Code enforcement, and vehicle replacement.
  3. *Police*: Facility needs, vehicle replacement and technology.
  4. *Economic Development*: Continual funding of \$50,000 annually.
  5. *Library*: Increased business hours and Staffing hours, space needs, programming, and strategic planning.
  6. *Debt Service*: Bond payoff dates for 1) the 2012A Recon Project in 2028, 2) the WWTP in 2023, and 3) the WTP in 2030.
  7. *Parks & Recreation*: Maintenance of existing facilities, paving existing parking lots, DRS lights/poles, programming, and Trecka Park improvements.
  8. *Water*: Rate increase, operating loss in 2018, well maintenance/sealing, and reconstruction projects.
  9. *Sewer*: Bio-solids, reconstruction projects, deep sewer solutions, and rate increase.
  10. *Liquor*: Building/equipment maintenance and maintaining a gross profit of 25%.
  11. *Road & Bridge*: Short/long-term maintenance, equipment, and facility space needs.
  12. *Capital Improvement Plan*: Update CIP and Pavement Condition Index, and potential 2020 reconstruction/improvement project.
  13. *Fire Department*: Vehicle replacement, equipment replacement, and cost-share percentage, along with the surrounding townships.

The Council discussed resuming street reconstruction projects in 2020 due to the poor condition of the roads in the southwest portion of town. Powell said that he would need direction from the Council at one of the June meetings to proceed with an associated Feasibility Study. He said that the southwest section could run about \$5.75 million to reconstruct, which would result in about 3-4 separate project phases.

Rud stated that the Council should make a decision and provide direction on the looming Police Department/City Hall facility project. Pelava talked about different location options for the facility. Kodada said that there are too many Council members up in the

air about the project, and he suggesting holding off on the project until everyone is on board and united. Rud suggested that it isn't as simple as just to building the facility in the Business Park. He explained that it is not appropriate to build in the Business Park, because it should be reserved for businesses that create jobs and tax base. He said that there are currently three businesses considering relocating in the Business Park. He suggested that a better plan for the facility be pursued. Furrer said that she was in favor of a Police Department, and she stated her concern for putting the project off too far in the future.

A motion was made by Kodada and seconded by Pelava to table the Police Department & City Hall Facility Project and revisit the potential facility at some point in the future once a consensus is formed. Vote for: Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

The Council provided Erickson broad direction on forming the 2020 Budget, by agreeing not to raise taxes and leave the tax rate the same for 2020. Rud said that the Council should agree on a Capital Outlay plan. Kodada said that the City can follow the wave of market value increases again for the next year. The Council discussed the potential of raising water rates to support the \$100,000-plus operating deficit in the Water Fund and make the fund solvent. They agreed that Water Access Connection (WAC) fees, paid by new development, should not be used to supplement the deficit, but be used to pay down associated facility debt. Erickson explained that it may be a significant increase, considering \$100,000 will be divided by 1,500 properties.

Pelava asked if the permit revenues have equaled or exceeded the cost of the new Building Official. Erickson explained that it is hard to know at this point in the year, due to the nature of many of new home permits and commercial projects coming in during the summer-fall months.

## **11. OTHER BUSINESS**

a. City Staff Reports  
None

b. City Council Reports  
None

## **12. ADJOURNMENT**

A motion was made by Kodada and seconded by Furrer to adjourn the meeting. Vote for: Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried. The meeting ended at 6:50 pm.

Respectfully Submitted:

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Joel A. Erickson, City Administrator