

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
JUNE 29, 2017**

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: Joe Daleiden, Tim Rud, Cindy Furrer, and Scott Pelava

Members Absent: Kevin Kodada

City Staff Present: City Planner Benjamin Baker, City Administrator Joel Erickson, City Engineer John Powell, and Public Works Director Russ Vlasak

4. APPROVAL OF AGENDA

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

A motion was made by Daleiden and seconded by Pelava to approve the agenda as presented. Vote for: Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. 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 Pelava and seconded by Furrer to approve the Minutes from the May 25, 2017 Board of Appeals and Adjustment Meeting, the May 25, 2017 Regular Meeting, the May 30, 2017 Special Meeting, the June 8, 2017 Regular Meeting and the June 20, 2017 Special Meeting. Vote for: Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. 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 Daleiden and seconded by Furrer to approve the consent agenda as follows:

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

Vote for: Daleiden, 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 2017-28, a Resolution Authorizing Issuance, Awarding Sale, Prescribing the Form and Details and Providing for the Payment of \$2,235,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A – Paul Donna, Baird

Paul Donna, of Baird, presented the City Council with an overview on the recent sale of the \$2.2 million General Obligation Improvement and Utility Revenue Bonds, Series 2017A. He reviewed the summary of the bond issue pricing, noting that due to a rise in interest rates that an additional \$30,162.67 will be owed over the life of the bond. He said that we are seeing the lowest rates that we will see over the next few years. He said that Lonsdale's AA- rating was affirmed. Daleiden, Rud, and Furrer asked different questions about how bond ratings are formulated. Donna stated that the City has a very good rating. but it would take a jump in diversified tax base or other variables to increase the City's rating any higher. He explained what factors go into a credit score. Donna stated that as long as the City is growing, that is good for the City's bond rating. Donna also went through the sources and uses of funds section of the report. He said that after eight years, the City may choose to refinance or pay down the bonds. The Council thanked Donna for his report.

A motion was made by Daleiden and seconded by Pelava to approve Resolution 2017-28, a resolution authorizing issuance, awarding sale, prescribing the form and details and providing for the Payment of \$2,235,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A. Vote for: Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- b. Consider Approval of Resolution 2017-29, a Resolution Transferring \$104,253.20 from the General Fund to the Veterans Memorial Fund – Joel Erickson, City Administrator
Erickson explained that the Council had recently requested that City Staff fix the negative fund balances, so that the Council could get an accurate view of the City's financial picture when making budget decisions. Erickson explained that a lot sale in the Industrial Park and a multitude of donations helped fund the Veterans Memorial Project. He said that revenues have dramatically reduced over the last two years, and he suggested that the General Fund be used to clear-out the negative balance in the Veterans Memorial Fund.

A motion was made by Daleiden and seconded by Furrer to approve Resolution 2017-29, a resolution transferring \$104,253.20 from the General Fund to the Veterans Memorial Fund. Vote for: Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- c. Consider Approval of Resolution 2017-30, a Resolution to Contract With a Councilmember – Joel Erickson, City Administrator
Erickson explained that Lonsdale Auto Works was dispatched by Rice County to help with an emergency tow. The Council reviewed the invoice for the emergency service work.

A motion was made by Furrer and seconded by Daleiden to approve Resolution 2017-30, a resolution to contract with a Councilmember. Vote for: Daleiden, Rud, and Furrer. Vote against: None. Abstained: Pelava. Vote: 3-0-1. Motion carried.

- d. Consider Approval of a Quote in the Amount of \$32,297.76 Submitted by LaCanne Paving for the 3rd Ave SW and 5th Ave NW Mill and Overlay Project – Russ Vlasak, Public Works Director

Vlasak provided the Council with four quotes to review for the 3rd Avenue SW and 5th Ave NW Mill & Overlay Project: 1) OMG/Chard - \$37,515.00, 2) Northland - \$37,819.00, 3) LaCanne - \$32,297.76, and 4) Prior Lake Blacktop - \$34,845.55. After reviewing the quotes, the Council decided to go with the second lowest bidder because the LaCanne bid was not completely legible, and they told the Public Works Director to only accept professional bids in the future, so that there is no question that everyone is bidding fairly.

A motion was made by Daleiden and seconded by Pelava to approve quote in the amount of \$34,845.55 submitted by Prior Lake Blacktop, Inc. for the 3rd Ave SW and 5th Ave NW Mill and Overlay Project. Vote for: Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

e. Consider Approval of a Quote in the Amount of \$16,230.00 Submitted by Lano Equipment for the Purchase of a Kubota SSV75 Skid Loader and Trade-In of Current Skid Loader – Russ Vlasak, Public Works Director

The Council reviewed quotes for a Bobcat Skid-Steer Loader - \$40,709.25 and a Kubota Skid Loader - \$40,430.00, both of which were part of the state bid pricing. The quotes stated a trade-in value of \$24,200.00 for the City's current Bobcat. Vlasak stated that he would like to try the Kubota due to recent engine emission problems with Bobcats. He said that Bobcat no longer uses Kubota engines as they had in the past. The Council members asked Vlasak a few questions about the equipment.

A motion was made by Daleiden and seconded by Pelava to approve a quote in the amount of \$16,230.00 submitted by Lano Equipment for the purchase of a Kubota SSV75 Skid Loader and trade-in of current skid loader. Vote for: Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

f. Consider Approval of Application for Payment No. 1 in the Amount of \$75,814.84 to BCM Construction, Inc. for the Area No. 5 Phase 3 Street and Utility Improvement Project – John Powell, City Engineer

Powell provided a project update on the Area No. 5 – Phase III Project. He said that watermain repairs have been completed and the sewers have been installed south of Hwy 19. He said that the contractor is preparing for boring work near 1st Avenue NE. He said that the contractor is making good progress on the project, and recommended authorizing the first payment to BCM Construction in the amount of \$75,814.84, which reflects the standard 5% retainage.

A motion was made by Daleiden and seconded by Pelava to approve Payment No. 1 in the amount of \$75,814.84 to BCM Construction, Inc. for the Area No. 5 Phase 3 Street and Utility Improvement Project. Vote for: Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

11. OTHER BUSINESS

a. Staff Reports

Public Works Director

Vlasak said that the DNR report was accepted. He stated that the Public Works Department will be getting ready for Independence Day.

City Engineer

Powell provided the Council with some options for easing safety concerns on Garfield Avenue, including lowering of the hill and a turn lane. He suggested that a right turn lane at Pond View Drive may not be the best solution since Garfield Avenue is projected to be widened to 3-lanes in the near future. Rud suggested that the City do anything that it can do to make that intersection safer.

The Council directed the City Engineer to firm up numbers so that the improvements could be constructed before the contractor and equipment leave the site. Rud said that a turn-lane is only a small percentage of the project cost in order to create a necessary

safety improvement. Powell explained that the contractor will be doing directional drilling along the east side of Garfield Avenue to get the water main installed.

City Administrator

Erickson said that he recently attended the annual LMNC Conference in Rochester and the Rice County Administrator's meeting. Erickson stated that he has also been working on elections, the 2018 budget and TIF reporting.

City Planner

Baker stated that he recently got together with TCU Community Education and Three Rivers Park District to discuss future programming in Lonsdale. He said that the Park Board and City Council will holding a joint meeting on July 31st to discuss future park improvements and proposed plans for the Main Street South site.

b. Council Reports

Council Member Daleiden

Daleiden talked about the upcoming Sunday Liquor hours for Lonsdale Liquor.

Council Member Kodada

N/A

Council Member Furrer

Furrer stated that 106 kids participated in the Library's pizza party. She noted that 260 kids are involved with the summer reading program. She stated that the EDA held a meeting earlier in the day, and they discussed marking.

Council Member Pelava

Pelava provided updated building permit statistics. He also said that the Planning Commission will be meeting on July 20, 2017.

Mayor Rud

Mayor Rud stated that a ribbon cutting will be held for Minnesota Millwork and Fixtures over the weekend. He announced that the Freedom Celebration fireworks and ball game will be held on July 3rd. He wished everyone a safe and happy Independence Day.

12. ADJOURNMENT

A motion was made by Pelava and seconded by Furrer to adjourn the meeting. Vote for: Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried. The meeting ended at 8:02 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator