

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
AUGUST 29, 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, 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.

A motion was made by Kodada and seconded by Furrer 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.

A motion was made by Kodada and seconded by Cherney to approve the Minutes from the August 8, 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

Mayor Rud asked if anyone wanted any items on the Consent Agenda pulled for discussion.

A motion was made by Kodada and seconded by Pelava to approve the Consent Agenda as follows:

- a. Monthly Bills
- b. Treasurer's 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. Update/Discuss Proposed Housing Developments – Garry Tupy

Garry Tupy, Moderno Companies, provided information on three potential residential developments in Lonsdale from the front podium, including: 1) Bayster Pointe, on-grade patio homes for senior living, 2) Crusader Ridge, a larger acreage lot subdivision for higher-valued homes, and 3) Harmony Meadows 3rd Addition, a walk-out lot development overlooking a wetland area for nicer homes. Tupy asked the Council to provide comments on the proposed developments as to what the City wants to see in future developments around town, and he would use the feedback as a litmus test to decide if he should proceed with plans to develop those areas before incurring engineering and application expenses. He explained that Lonsdale is still running on lots priced on development constructed in the mid-2000s. Tupy said that a typical single-family home lot in Lonsdale is for sale around \$39,000, but he explained that due to the increase in costs over the past decade, that same lot would be double that price in today's dollars. He explained the market conditions and noted that builders like Loomis and LGI are building the majority of homes geared towards a specific buyer and price point. Tupy said that he is looking to fill a different type of housing need geared towards active golden-agers, larger-lot seekers, and higher-end home hunters. He said that current residents in Lonsdale want to stay in town, but there aren't any options available for them.

Cherney said that he liked Tupy's ideas and was excited about the potential developments. In reference to the proposed acreage lot development, Cherny described a 40 year old acreage lot neighborhood once located on the outskirts of Omaha, Nebraska that has now been surrounded by development growth, but is still a beautiful place to live. Cherney asked Tupy if his homes would be able to meet the City's design standards. Tupy explained that the homes he is proposing will either be part of a PUD or surpass the City's basic standards. Cherney encouraged Tupy to submit his applications, and he stated that he would be willing to vote in favor of the projects right now.

Kodada said that the proposed rambler homes and walkout lots are nice and provide another option. He asked if the acreage lots would have community or individual septic systems. Tupy explained why individual septic systems are a better option than shared systems, and he said that utility easements will be included on the final plat for future sewer/water utility lines.

Pelava said that there is definitely a need for the senior housing in Lonsdale. Rud noted that the City is not planning to construct a community center near the Villages of Lonsdale.

Overall, the Council provided comments in support of all three potential development projects, and they encouraged Tupy to proceed through the proper approval processes.

b. Consider Approval to Authorize Staff to Advertise for Sale a Forfeited 1997 Ford Escort on GovDeals.com – Jason Schmitz, Chief of Police

Police Chief Jason Schmitz asked the Council for approval to advertise a forfeited Ford Escort on GovDeals.com. The Council discussed other potential options for the vehicle, such as salvage. Schmitz recommended selling the vehicle.

A motion was made by Kodada and seconded by Cherney to authorize Staff to advertise for sale a forfeited 1997 Ford Escort on GovDeals.com. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

c. Consider Approval of a Proposed Revision to the Cannon River Drug and Violent Offender Task Force Joint Powers Agreement – Jason Schmitz, Chief of Police

Schmitz provided background information on the Cannon River Drug & Violent Offender Task Force, and he went through a change in the Joint Powers Agreement. He said that each of the respected government entities needs to approve the change regarding a new position, Team Leader. The Council reviewed the proposed change in Section 9 of the JPA.

A motion was made by Pelava and seconded by Furrer to approve a proposed revision to the Cannon River Drug and Violent Offender Task Force Joint Powers Agreement. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- d. Consider Approval of Resolution 2019-22, a Resolution to Contract With a Councilmember – Joel Erickson, City Administrator
Erickson read through the Staff Report, and he explained the emergency situation required for towing services from Lonsdale Auto Works. The Council reviewed Resolution 2019-22, the associated invoice, Conflict of Interest affidavit, and the highlighted section of MN State Statute §477.81

A motion was made by Cherney and seconded by Kodada to Resolution 2019-22, a resolution to contract with a Councilmember. Vote for: Cherney, Kodada, Rud and Furrer. Vote against: None. Abstained: Pelava. Vote: 4-0-1. Motion carried.

- e. Consider Approval of Resolution 2019-23, a Resolution Transferring \$21,485.13 From the 308 Fund (7th Ave NW Debt Service) to the 101 General Fund and Termination of the 308 Fund (7th Ave NW Debt Service) – Joel Erickson, City Administrator
Erickson explained that there is a fund balance remaining of \$21,485.13 after the 2007A/2013A bonds were paid off in 2018. He said that the fund balance is due to late payment of property taxes, special assessments, and the savings realized by refinancing the 2007A bonds. The Council discussed creating a policy in the future for transfers such as this, that would more accurately represent and direct fund balances to the appropriate City fund account. Erickson recommended transferring the fund balance into the General Fund.

A motion was made by Kodada and seconded by Pelava to approve Resolution 2019-23, a resolution transferring \$21,485.13 from the 308 Fund (7th Ave NW Debt Service) to the 101 General Fund and Termination of the 308 Fund (7th Ave NW Debt Service). Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- f. Consider Approval of a Quote Submitted by Prior Lake Blacktop, Inc. for Street Patching – Russ Vlasak, Public Works Director
Vlasak said that he reached out to seven contractors and received three proposals for street patching work around town. The Council discussed options for the proposed patching work within next year's 2020 Reconstruction Project. The Council directed Staff to just hold the existing gravel in place for a half year on Items 7 and 9 of the proposal form. Vlasak suggested eliminating Item 5.

A motion was made by Cherney and seconded by Kodada to approve a quote submitted by Prior Lake Blacktop, Inc. for street patching with the noted amendments. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Consider Approval of Application for Payment No. 6 in the Amount of \$170,711.70 to S.M. Hentges & Sons, Inc. for the Lift Station No. 1 Decommissioning – John Powell, City Engineer

Powell provided an update on the Lift Station No. 1 Decommissioning Project. He said that excavation is taking place to recreate a stormwater depression. He said that the infrastructure portion of the project is fine, and the City ended up with a better flowing pipe than originally proposed due to the open cut amendment. Powell said that over 78% of the contract work has been completed. He recommended approval of Payment No. 6.

A motion was made by Pelava and seconded by Furrer to approve Application for Payment No. 6 in the amount of \$170,711.70 to S.M. Hentges & Sons, Inc. for the Lift Station No. 1 Decommissioning. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- h. Consider Approval of Application for Payment No. 8 in the Amount of \$199,894.57 to Holtmeier Construction, Inc. for the Area No. 5 / Phase 4 Street and Utility Improvement Project – John Powell, City Engineer

Powell provided an update on the Area No. 5 – Phase 4 Project. He talked about the project punch list items. Powell said that since the project was not substantially complete by the required date, liquidated damages were charged at the contract rate of \$21,000. He noted that amount was deducted from Payment No. 8. He said that Holtmeier wants to talk about the liquidated damages. Cherney asked when the contractor will receive the payment. Erickson said that checks are signed and ready the following day after approval from the Council.

A motion was made by Cherney and seconded by Pelava to approve an Application for Payment No. 8 in the amount of \$199,894.57 to Holtmeier Construction, Inc. for the Area No. 5 / Phase 4 Street and Utility Improvement Project. 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

Vlasak said that the roof installation on the new Dog Pak Shelter has been delayed.

City Engineer

Powell provided an update on on-going projects around town.

City Administrator

Erickson said that he attended a CVN session, and he has been working with Rice County on the upcoming City election. He talked about the TCU new teachers tour, RRMPOA meeting, Rice County Public Health meeting, and the 2020 Budget.

City Planner

Baker provided an update on building permits to-date. He thanked the Public Works Department for their help in getting the soccer fields at Trcka Park established.

b. City Council Reports

Council Member Cherney

Cherney provided a recap of the last Planning Commission meeting.

Council Member Kodada

Kodada provided an overview on the recent Czech Heritage Trail Feasibility Study meeting held in Montgomery, and he talked about Lonsdale Liquor's upcoming Oktoberfest.

Council Member Furrer

Furrer provided stats from the Library's Summer Reading Program, and she said that the EDA is finalizing its questionnaire for the BR&E Program.

Council Member Pelava

Pelava provided updates from the EDA, and he thanked the Police Department and Public Works Department for their help in making Community Days 2019 a success.

Mayor Rud

Mayor Rud thanked Pelava, Erickson, and all the volunteers that helped with Community Days. He said that City officials met with the new D & Fixtures facility along with Randall Rivers. Rud said that hopefully the visit to Lonsdale and Rice County will lead to more local business recruitment and expansion.

12. ADJOURNMENT

A motion was made by Pealva and seconded by Kodada 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 8:09 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator