

**MINUTES
CITY OF LONSDALE
REGULAR CITY COUNCIL MEETING
AUGUST 9, 2012**

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 St. W.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Present: Daleiden, Kodada, Rud, Furrer and Pelava

Absent: None

Staff Present: City Administrator Joel Erickson, City Engineer Kevin Kawlewski and Consulting Engineer Bill Chang

4. AGENDA

Mayor Rud said the agenda went through 10E and asked if there were any additions or deletions to the agenda. Erickson said he would like to request the addition of 10F – a public hearing relating to the Small Cities Development Grant received for housing/business rehabilitation. A motion was made by Daleiden and seconded by Pelava to approve the agenda and the requested addition. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Consider Approval to Accept the Letter of Resignation Submitted by Part Time Police Officer Rebecca Turgeon – Jason Schmitz, Chief of Police

City Administrator Erickson said Turgeon had submitted her letter of resignation due to not being able to commit the necessary amount of time to the position. Erickson recommended approval of Turgeon's letter of resignation. A motion was made by Kodada and seconded by Furrer to accept Turgeon's letter of

resignation. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

b. Consider Approval of Water Treatment Plant Project Change Order No. 5 in the Decrease Amount of \$407.00 – Bill Chang, BDM

Chang said the project is complete and the Minnesota Department of Health has inspected the project and it was found to be completed satisfactorily. He said the roof was repaired and passed the water test with no leaks found. He said the subcontractor agreed and has provided the City with a five year warranty in addition to the product warranty. Chang said the water treatment plant has been operational since May 1, 2012. Mayor Rud asked if the other items had been resolved. Chang replied yes. He said that Tonka Equipment will provide city staff a follow up training session in six months. He also said that at that time, Tonka will also give the plant a tune up, if necessary.

Chang said the proposed change order is for miscellaneous items that need to be finalized with the project and is in the deduct amount of \$407.00. He reviewed each proposed item in the change order. Kodada asked if the City received a credit for the open cell insulation in the masonry walls. Chang said that item was addressed in a previous change order in the deduct amount of \$2,095.76. A motion was made by Daleiden and seconded by Furrer to approve Change Order No. 5 in the deduct amount of \$407.00. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

c. Consider Approval of the Water Treatment Plant Project Partial Pay Request No. 13 (Final) in the Amount of \$76,643.10 to Municipal Builders, Inc. – Bill Chang, BDM

Chang said the project was complete and all project closeout paperwork has been received from the contractor. He recommended approval of Partial Pay Request No. 13 (final) in the amount of \$76,643.10 to Municipal Builders, Inc. Mayor Rud asked if staff was satisfied with the project. Erickson said to his knowledge, all issues have been resolved. Pelava asked about the roof warranty and said it is only as good as the contractor and if the contractor goes out of business, there will not be a warranty. Chang said the contractor has provided a letter of commitment to provide the warranty. Pelava asked about the original contract price. Chang said the original contract price was \$1,523,100.00 and change orders of 1% have been proposed and approved. Furrer asked what was done differently this time by the contractor that the roof does not leak anymore. Chang said the first time, the contractor made repairs to the roof ridge and the second time, the contractor did a much more extensive review and replacement and found the leak. Mayor Rud asked if anyone had any more questions. Daleiden said he was satisfied with the project. A motion was made by Daleiden and seconded by Kodada to approve Partial Pay Request No. 13 (final) in the amount of \$76,643.10 to Municipal Builders, Inc. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

d. Consider Approval of the Substantial Completion of the Water Treatment Plant – Bill Chang, BDM

Chang said the last time this was discussed, it was tabled due to the leaking roof. He said it is important because it triggers the warranty. He said typically, the date

for the substantial completion is when the contractor turns the keys to the project over to the owner, the pumps are started, water is running through the filters and chemicals are added, etc. Chang said that date was May 1, 2012 and that was the date he was recommending as the date of substantial completion. Mayor Rud said that staff had to respond to many alarms at the treatment plant after May 1, 2012. Furrer asked if the warranty would begin on May 1st or today. Chang said May 1st. Kodada said he views the project as a package deal, interior and exterior. Mayor Rud asked what the final completion date was per the contract. Erickson said the substantial completion date and final completion date per the contract were May 30, 2012 and June 30, 2012 respectively. Mayor Rud said the issue at hand is that the project was not fully completed until recently and the warranty will have started on May 1st. Mayor Rud suggested a compromise of May 30, 2012 as the substantial completion date. Chang said that typically substantial completion is the date the project is operational and again recommended May 1st. Daleiden agreed a compromise date of May 30, 2012 should be used. Kodada said the roof was not the only problem and there were problems early on in the project. Pelava said May 31st is not too unrealistic of a request and the City should be concerned if the contractor will not provide an additional 30 days of warranty on a project that is supposed to last thirty plus years. Chang said he can request an additional thirty days but reiterated the contract documents say substantial completion is when the project is operational. Mayor Rud said if the contract language is going to be followed, then the City will enforce the liquidated damages because the project did not meet the June 30th date for final completion. A motion was made by Kodada and seconded by Furrer to approve the Certificate of Substantial Completion with a date of May 31, 2012. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

e. Consider Approval to Include the Replacement of the CSAH 96 Truck Water Main Between Main Street N. and 2nd Ave NW in the Area 2 Improvement Project – Kevin Kawlewski, WSB

Kawlewski said this portion of water main was not included in the feasibility study and therefore not bid as part of the project. He said during the design and bidding process, there were two breaks in this section of water main. He said based on the unit price, the cost would be approximately \$30,000.00. Kodada asked if engineering was included in the \$30,000.00. Kawlewski said if there is no extra time added to the project because of adding the water main, there would be no charge for additional engineering. Mayor Rud asked if the project is on schedule. Kawlewski said yes and provided an update. A motion was made by Kodada and seconded by Pelava to approve including the replacement of the CSAH 96 truck water main between Main St. N. and 2nd Ave NW in the project at the bid unit price. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

f. Consider Approval to Schedule a Public Hearing for August 30, 2012 at 7:00 pm of Shortly Thereafter Relating to the Small Cities Development Grant Received for Housing/Business Rehabilitation

Erickson said the City is required to conduct a public hearing on the housing/business rehabilitation grant the City received to obtain public comment on how the City implemented the program. A motion was made by Kodada and seconded by Furrer to schedule a public hearing relating to the Small Cities

Development Grant received for housing/business rehabilitation. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried.

11. OTHER BUSINESS

a. Project Updates

Kawlewski said the feasibility study for the Area 5 project is nearly completed and staff will be meeting to review the draft next week. He said the Sticha Park pavilion project will be going to the Park Board for approval next week as well.

b. Department Reports

Liquor Store – Daleiden said the monthly meeting was held earlier in the week. He said the store has generated a net profit for the last four months.

Park Board – Kodada said the next Park Board meeting will be on August 14, 2012 and the Board will be reviewing the Jaycee and Sticha Park improvement projects.

EDA – Furrer said the EDA will be meeting next week.

Library Board – Furrer said the Library Board will be meeting next week.

Planning Commission – Pelava said the Planning Commission will be meeting next week.

Mayor Rud – Mayor Rud said he and the City Administrator meet with Deanna Kuennen of Rice County Doug Hughes of Steele Waseca Cooperative Electric regarding the proposed industrial park on the east side of town. He said Community Days is this weekend. Mayor Rud thanked all of the volunteers involved with the event. He said he spoke to Bonnie Simon and said the project on the telephone company's property on the east side of town will be a family memorial and will be a nice gateway into the community.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Furrer to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0. Motion carried. The meeting ended at 7:55 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator