

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
SEPTEMBER 14, 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, 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

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 Pelava to approve the agenda as presented. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

a. Ordinance 2017-279, an Ordinance Amending City Ordinance 2017-272: 2017 Fee Schedule – WAC/SAC Deferred Payment Agreement

Rud read the public hearing notice and opened the hearing. Erickson recommended that the WAC/SAC Deferred Payment incentive program be terminated because: 1) the deferral option is not used as much anymore because financing can be obtaining by contractors prior to building a home, 2) deferral payments have not always been paid on time, and 3) a substantial number of new homes are proposed to be built within the next 12-18 months. Erickson provided stats on the program's participation: 2014 - (2); 2015 – (9); 2016 – (21); 2017 – (3). Rud asked if anyone off the floor wanted to speak on the subject. No one responded to the invitation.

A motion was made by Kodada and seconded by Furrer to close the hearing. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The Public Hearing closed at 7:04 pm.

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

Attorney Peter Coyl, of Larkin Hoffman, representing LGI Homes, asked the City to proceed towards approval of the six pending building permits, submitted by LGI Homes, currently under review at City Hall. Coyl referenced pre-submittal comments made by City Staff regarding minor design modifications that would help LGI’s homes fit-in better with the neighborhood. Coyl said that the design modifications recommendations and parts of City Code §153.074 are arbitrary. Coyl referenced his client’s business model, and he encouraged the City to make a decision. He said that we are not making threats against the City, and said that LGI Homes wants to help build the community. Coyl thanked the Council for allowing time to speak on the matter.

Rud welcomed LGI Homes to the community.

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Consider Approval of Ordinance 2017-279, an Ordinance Amending City Ordinance 2017-272 (2017 Fee Schedule – WAC/SAC Deferred Payment Agreement) – Joel Erickson, City Administrator

Erickson stated that a public hearing was held earlier in the meeting. The Council reviewed the relined version, showing the proposed changes to the City Fee Schedule. Furrer asked how many deferred payments are outstanding. Erickson said that two deferrals exceeded the deadline and that one payment is still owed to the City. He said that a lien is recorded against the property and the City could potential shut the resident’s water off, if payment is received.

A motion was made by Pelava and seconded by Daleiden to approve Ordinance 2017-279, an ordinance amending City Ordinance 2017-272 (2017 Fee Schedule – WAC/SAC Deferred Payment Agreement). Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- b. Consider Approval to Accept Carolyn Korba’s Letter of Resignation as Assistant Liquor Store Manager – Joel Erickson, City Administrator

The Council reviewed Carolyn Korba’s Letter of Resignation as Assistant Liquor Store Manager. Erickson said that Korba had been the assistant manager since March of 2007, when Lonsdale Liquor opened.

Erickson said that several liquor store clerks have expressed interest in stepping up and assuming the responsibilities left by Korba, on a part time basis. He said that Staff creating a job description for the new position and is determining a compliant wage range.

A motion was made by Daleiden and seconded by Kodada to accept Carolyn Korba's Letter of Resignation as Assistant Liquor Store Manager. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

c. Consider Approval of the Site Plan for the South Main Street Site Showing Soccer Fields and a Hockey Rink – Ben Baker, City Planner

The Council reviewed a site plan for the Main Street South site, located at 1001 Main Street South. The plan showed soccer fields, parking lots, a playground area, a full-size outdoor hockey rink, a park shelter, restrooms, storage garage, trees, fencing, and trails. Baker said that the open space area was originally slated for a community/government center, but bond referendums for the facility failed in both 2005 and 2016.

Baker said that the Council reviewed initial site plan concepts on July 31st along with the Park Board, TCU Hockey Association members, and TCU Soccer Association members. Baker stated that the City was recently notified by a local grading company that is considering grading the site as a donation to the City sometime in Fall 2017. He said that the Park Board reviewed the final site plan on August 29, 2017, and they recommended approval of the plan. Kodada said that soccer is growing and the new site will relive parking and scheduling issues at Trender Memorial Park and Sticha Park. He said that the hockey rink could be improved over time with a concrete base and other improvements such as a roof. Kodada and Rud said that they really liked the plan. Furrer suggested that both the new and current ice rinks get equitable resurfacing time. Rud suggested contacting the owners of Harmony Meadows to see if they would be interested in relinquishing a future lot to help make more room for the play area.

Rud said that the plan is terrific, and he encouraged WSB to finalize the grading plan. He suggested that a future park sign be erected along Main Street and/or Idaho Street.

A motion was made by Kodada and seconded by Pelava to approve the proposed Site Plan for the South Main Street Site showing soccer fields and a hockey rink. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

d. Consider Approval of Resolution 2017-34, a Resolution Receiving the Area No. 5 – Phase 4 Feasibility Report and Calling for a Hearing on the Improvement – John Powell, City Engineer

The Council reviewed the Area No. 5 – Phase 4 Feasibility Study completed by WSB. Powell went through the details of the study, while the Council looked at the associated map figures which showed the streets and alleys in the project scope area. Kodada asked if the Main Street South waterline would be connected to Harmoy Meadows. Staff was directed to talk with the developer of Harmomy Meadows about potential improvements in that area. The Council also directed Staff to work with the Rice County Highway Department to discuss participation in the repaving of County Road 33. Erickson and Powell said that the County has been made aware of the project. The Council reviewed the proposed project costs, assessment role, and revenues.

A motion was made by Pelava and seconded by Kodada to approve Resolution 2017-34, a resolution receiving the Area No. 5 – Phase 4 Feasibility Report and Calling for a Hearing on the Improvement. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- e. Consider Approval of Application for Payment No. 4 in the Amount of \$314,684.81 to BCM Construction, Inc. for the Area No. 5 Phase 3 Street and Utility Improvement Project – John Powell, City Engineer

The Council reviewed a request for payment from BCM Construction. Powell provided an update on the project. He said that the pavement is schedule for the next two weeks. Rud stated that the contractor has had plenty of time and nice weather to get the project completed. He said that the Council will not entertain any extension requests if the project is not paved by the end of September. Powell said that the City will still hold the standard 5% retainage.

A motion was made by Daleiden and seconded by Furrer to approve application for Payment No. 4 in the amount of \$314,684.81 to BCM Construction, Inc. for the Area No. 5 Phase 3 Street and Utility Improvement Project. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- f. Consider Approval of Application for Payment No. 3 in the Amount of \$104,651.35 to Dirt Merchants, Inc. for the Pondview Dr. SE Street and Utility Extension Project – John Powell, City Engineer

The Council reviewed a request for payment from Dirt Merchants. Powell provided an update on the project. He said that that the payment request is for bituminous paving, turf restoration, minor grading, culvert installation, and trail paving. Powell reviewed the change orders associated with the project. Rud said that the improvements look good. Pelava stated that the reflectors along Garfield may get hit. Powell said that the City will look at the placement of the reflectors.

A motion was made by Kodada and seconded by Furrer to approve Application for Payment No. 3 in the amount of \$104,651.35 to Dirt Merchants, Inc. for the Pondview Dr. SE Street and Utility Extension Project. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Consider Approval of Application for Payment No. 3 in the Amount of \$19,764.75 to E.H. Renner & Sons, Inc. for the Well No. 5 Project – John Powell, City Engineer

The Council reviewed a request for payment from E.H. Renner & Sons. Powell provided an update on the project. He said that the payment is for work completed through the end of August, including well drilling and some casing pipe. Kodada asked if the material from the well project could be used as fill for the soccer field grading project. Powell said that sandstone is not hazardous material. Furrer asked if there were any complaints about starting time lately. Powell said he received one phone call and reiterated to the contractor that the start time was 7:00 am and since then, he has not received any calls.

A motion was made by Daleiden and seconded by Kodada to approve Application for Payment No. 3 in the amount of \$19,764.75 to E.H. Renner & Sons, Inc. for the Well No. 5 Project. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

h. Closed Session – Attorney Client Privileged Discussion on Potential Legal Action – Annette Margarit, City Attorney

City Attorney Annette Margarit stated that the Council heard from Attorney Peter Coyle earlier in the meeting. She referenced City Code §153.074 and the letter from Larkin Hoffman, LGI's legal counsel. She explained the pyramid of discretion, which illustrates when the City typically has legislative authority and when it has quasi-judicial authority in making decisions. Margarit asked the Council to consider going into closed session based on attorney-client privilege, since she has not had a chance to review the situation with the Council privately yet.

A motion was made by Furrer and seconded by Kodada to go into closed session. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

Mayor Rud announced that the Council will be going into closed session in the upstairs meeting room at City Hall. The closed session started at 8:15 pm.

A motion was made by Kodada and seconded by Furrer to close the closed session. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The closed session ended at 8:28 pm

At 8:30 pm Rud resumed the regular meeting.

Margarit provided a summary of the closed session to the public and representatives from LGI Homes, including potential outcomes from denying any building permits, the potential of a writ of mandamus, and other options available to the City. Baker said that LGI's "Savannah" home plan, proposed for 16th Avenue SE, is moving towards approval. A motion was made by Kodada and seconded by Pelava directing City Staff to meet with LGI Homes to work towards progress on the disputed building permits plans. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

11. OTHER BUSINESS

a. Staff Reports

Public Works Director

Vlasak provided an update on recent Public Works Department activities.

City Engineer

None

City Administrator

Erickson said that he has been preparing for the adoption of the City's 2018 Preliminary Budget, working to recruit businesses to town, reviewing options for LGI Homes, reviewing auditing proposals, and reviewing health plan options.

City Planner

Baker said that the City now has 25 new home permits issued in 2017. He thanked Brad Pelava for the six pet waste stations that were recently constructed as part of his Eagle Scout Project and now located along Lonsdale's trails.

b. Council Reports

Council Member Daleiden

Daleiden stated that Lonsdale Liquor is at least meeting the \$2,500 or above standard for Sunday Sales. He said that Sunday Sales has been to the City's benefit so far since its inception.

Council Member Kodada

Kodada said that the Park Board approved the South Main Street Site Plan at their last meeting.

Council Member Furrer

Furrer said that the EDA reviewed a revolving loan fund application and discussed marketing.

Council Member Pelava

Pelava provided an update on Planning Commission discussion items.

Mayor Rud

Mayor Rud announced that the American Legion will be hosting a fundraising event. He also acknowledged Lori Nickel of the Lonsdale Area News Review will be moving on to a new career soon. He said that she has done an excellent job reporting, managing, and developing the local paper into the great paper it is today.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Pelava to adjourn the meeting. Vote for: Daleiden, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The meeting ended at 8:43 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator