

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
SEPTEMBER 27, 2018**

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 Pelava 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 to the Minutes.

A motion was made by Cherney and seconded by Furrer to approve the Minutes from the September 10, 2018 Special Meeting, the September 13, 2018 Special Meeting, and the September 13, 2018 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

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

A motion was made by Kodada and seconded by Furrer to approve the Consent Agenda. 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. Consider Approval of the City's Property / Casualty Insurance for 2018-2019 in the Amount of \$81,508.00

Pete Flicek, Flicek Insurance Agency, went through the City's property and casualty insurance for 2018-19, which includes coverage for all property, bonds, equipment breakdown, municipal liability, automobile liability, and automobile physical damage. Flicek reviewed the premium, policy, and answered questions. He answered questions from Pelava regarding deductible payments per occurrence and Cherney's question about fireworks coverage. Furrer asked about coverage for the new Main Street Project street lights, and Erickson said that Xcel Energy carries coverage and the poles/lights because the City will not own the light poles/lights. Flicek said that the City's premium increased mainly due to statewide damage to police vehicles and the League of Minnesota Cities rating system. Flicek said that he is working with Erickson to get that rate down. The Council reviewed the summary sheet and detailed breakdown on municipal liability and municipal property while Flicek explained the line items. The Council thanked Flicek for his report.

A motion was made by Kodada and seconded by Cherney to approve the City's Property / Casualty Insurance for 2018-2019 in the amount of \$81,508.00. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- b. Consider Approval to Authorize Staff to Advertise Six Vehicles For Sale by Bid

Schmitz read through a Staff Report which detailed six vehicles, ranging in value from \$2,000 - \$5,500 that he would like to advertise for sale. He recommended the vehicles be advertised on www.govdeals.com, a common service used by law enforcement agencies, to advertise their vehicles and equipment. The Council agreed with the idea.

A motion was made by Furrer and seconded by Pelava to authorize Staff to advertise six vehicles for sale by bid. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

c. Consider Approval of Resolution 2018-41, a Resolution Setting the Fiscal Year 2019 Preliminary City Budget and Preliminary Property Tax Levy

Erickson stated that the Council held seven special meetings, from May-September 2018, to formulate the 2019 Budget, all in which were open to the public. He said that the preliminary budget for next year is set at \$8.02 million, a decrease of 16.5% compared to the 2018 Budget. He stated that the tax rate will stay the same as 2018 and increase revenue by \$209,600. Erickson referenced that the 2018 tax rate was reduced by \$210,000 or 17.64% in 2018. Erickson went through the specifics of each budget category, including City Council, Administration, Planning & Zoning, Police, Library, Debt Service, Parks/Recreation, Water, Sewer, Liquor, Street Department, and the Fire Department. The Council reviewed the line item budget, preliminary property tax levy and impact spreadsheet, and property tax revenue/expense per budget category spreadsheet.

Erickson read through Resolution 2018-41, a resolution setting the preliminary budget and tax levy, including: 1) that the City Council scheduled an agenda item "Discussion and Public Input on the Proposed 2019 City Budget and Property Tax Levy" as part of their meeting scheduled for Thursday, December 13, 2018 at 7:00 pm in the City Council Chambers, 415 Central Street West, Lonsdale, MN 55046; 2) residents may contact the City Administrator at 507-744-2327 with questions relating to the County Auditor's property tax notice or mail them to: City Administrator, 415 Central Street West, PO Box 357, Lonsdale, MN 55046; and 3) the City Council directs the City Administrator to transmit a certified copy of this resolution to the Rice County Auditor/Treasurer.

Cherney commented on the funding of the EDA's \$50,000, bond rating, and the efficiency of the City Departments. Erickson stated that each Department Head does a good job of staying on budget. Rud stated that overall the City does a good job of keeping an eye on expenses. He thanked Erickson, City Staff, and the City Council members for doing a great job on the budget. Rud said they met their goal of keeping the tax rate the same.

A motion was made by Cherney and seconded by Pelava to approve Resolution 2018-41, a resolution setting the Fiscal Year 2019 Preliminary City Budget and Preliminary Property Tax Levy. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

d. Consider Approval to Make a Conditional Job Offer to Michael Palan as Full Time Public Works Employee at Grade 8 / Step 9 (\$27.06 /hr.)

Erickson said that 17 applications were received for the two vacancies in the Public Works Department, and 6 candidates were interviewed. Rud said that all the candidates were qualified and interviewed well. Erickson said that Michael Palan scored the highest, and the Human Resources Committee recommended offering him the job at \$27.06/hr. Erickson said that he did meet with two existing Public Works employees to talk about the new hires and pay raises for them. Kodada asked if the Council should enact a pay raise now or wait until the beginning of the year for the subject Public Works employees. Rud stated that the City Council needs to have a special meeting to discuss reorganizing the Public Works Department.

A motion was made by Pelava and seconded by Kodada to make a conditional job offer to Michael Palan as Full Time Public Works Employee at Grade 8 / Step 9 (\$27.06 /hr.). Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

e. Consider Approval to Make a Conditional Job Offer to Charlie Peters as Full Time Public Works Employee at Grade 8 / Step 5 (\$23.58 / hr.)

Erickson said that the Human Resources Committee recommended hiring Charlie Peters for the second opening at the Public Works Department at \$23.58/hr. He said that Peters has had training and experience in construction/maintenance, dealing with the public, snow plowing, and ditch spraying. Rud said that the City is pretty fortunate with the qualified candidates that applied for the open positions.

A motion was made by Furrer and seconded by Pelava to make a conditional job offer to Charlie Peters as Full Time Public Works Employee at Grade 8 / Step 5 (\$23.58 / hr.). Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

f. Consider Approval of Dick Patch's Resignation as Seasonal Public Works Employee

Erickson stated that Public Works employee Dick Patch recently notified the City that he is retiring. He said that Patch was a great worker for nearly 20 years with the City of Lonsdale. Rud said that Patch was a really good employee.

A motion was made by Kodada and seconded by Cherney to approve Dick Patch's Resignation as Seasonal Public Works Employee. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Consider Approval of Stacy Blohm's Resignation as Part Time Liquor Store Clerk
Erickson stated that Lonsdale Liquor employee Stacy Blohm submitted her letter of resignation as Part-Time Liquor Store Clerk. He said that the Liquor Store Committee is recommending that the position not be filled until next year, due to the slower time of year is coming.

A motion was made by Pelava and seconded by Cherney to approve Stacy Blohm's Resignation as Part Time Liquor Store Clerk. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- h. Consider Approval of a Minnesota Lawful Gambling LG240B Application to Conduct Excluded Bingo Submitted by the Lonsdale American Legion Auxiliary Unit 586
Erickson said that the City recently received a gambling application from the Legion Auxiliary to conduct one bingo event at the Legion on November 9th. The Council reviewed the application.

A motion was made by Cherney and seconded by Kodada to approve a Minnesota Lawful Gambling LG240B Application to conduct Excluded Bingo submitted by the Lonsdale American Legion Auxiliary Unit 586. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- i. Consider Approval to Schedule a Public Hearing for Special Assessments for Delinquent Accounts on November 15, 2018 at 7:00 pm or Shortly Thereafter
Erickson stated that the City typically holds a public hearing each fall for assessing delinquent accounts, such as unpaid tall weeds/grass invoices, utility bills, and fire call invoices. He said that special assessments are used to recoup money owed to the City.

A motion was made by Pelava and seconded by Furrer to schedule a Public Hearing for Special Assessments for Delinquent Accounts on November 15, 2018 at 7:00 pm or Shortly Thereafter. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- j. Consider Approval of Application for Payment No. 1 in the Amount of \$47,373.38 to S.M. Hentges & Sons, Inc. for the Lift Station No. 1 Decommissioning Project
The Council reviewed a payment application from S.M Hentges & Sons, Inc. in the amount of \$47,373.38. Powell provided information on the flexible timeline, and he said that the payment represents a small portion of their mobilizations cost as well as costs for materials on hand.

A motion was made by Kodada and seconded by Furrer to approve Application for Payment No. 1 in the amount of \$47,373.38 to S.M. Hentges & Sons, Inc. for the Lift Station No. 1 Decommissioning Project. Vote for: Cherney, 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 stated that they are wrapping up the Well No. 5 Project and working on punch list items. He said that with the addition of the new Public Works employees, they will be trying to do some tree trimming work over the next couple of months.

City Engineer

Powell provided updates on the Area 5 – Phase IV Project. Rud directed Staff and WSB to contact Holtmeier Construction about the delays in the project timeline. The Council stated that the availability of subcontractors is not a valid reason not to impose liquidated damages for not meeting the substantial completion date for the project.

City Administrator

Erickson went through a list of items he has been working on and meetings he has been involved with, including OSHA training, Lonsdale-TCU Community Education, Hwy 19 Sidewalks ADA compliance, and the budget. Rud thanked Erickson for working so hard on the 2019 Budget.

City Planner

Baker stated that he has been working on the Transfer of City Owned Properties Project and reviewing the Rolling Ridge Market Place 5th Addition Plat. He said that the Elementary School Addition Project recently broke ground, and Baker provided an update on the Trcka Park Irrigation Project.

b. Council Reports

Council Member Cherney

Cherney talked about the potential of resolving the Lonsdale area school district boundaries and a recent meeting he attended at the Lonsdale Public Library with staff members from Congressman Tim Walz's office to promote small towns and Lonsdale.

Council Member Kodada

Kodada said that the Park Board and Liquor Store Committee will meet next in early October.

Council Member Furrer

Furrer stated that the Library Board has been working on its 5-year Strategic Plan. She said that Board Member Elaine DeGroot is moving out of state, and she will be missed. Furrer said that the EDA went on a Business Retention & Expansion Visit to Lonsdale Hardware Hank. She noted that local business owners want residents to buy locally.

Council Member Pelava

Pelava provided an overview on new home permits to date.

Mayor Rud

Rud announced that the Lonsdale Crawl for cancer awareness is coming up on October 20th. He talked about the need for both a senior housing facility and City Hall-Police Department facility in Lonsdale.

12. ADJOURNMENT

A motion was made by Kodada and seconded by Pelava 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 8:30 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator