

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
SEPTEMBER 29, 2016**

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: Kodada, Daleiden, Rud, Furrer, and Pelava

Members Absent: None

City Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, City Engineer Kevin Kawlewski, Public Works Director Russ Vlasak

4. APPROVAL OF AGENDA

Mayor Rud asked if there were any corrections, additions, or deletions to the agenda. Erickson asked to add a "Letter of Resignation from Lonsdale Liquor" to the agenda.

A motion was made by Pelava and seconded by Furrer to approve the agenda with the noted addition. Vote for: Kodada, Daleiden, 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 Daleiden to approve the Minutes from the August 25, 2016 Regular Meeting, the September 8, 2016 Regular Meeting and the September 22, 2016 Special Meeting. Vote for: Kodada, Daleiden, 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 motion was made by Daleiden 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: Kodada, Daleiden, 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 Resolution 2016-48, a Resolution Relating to \$1,000,000 General Obligation Taxable Increment Refunding Bonds, Series 2016C; Authorizing the Issuance, Awarding the Sale, Fixing the Form and Details and Providing for the Execution and Delivery Thereof and the Security Therefor – Paul Donna, R.W. Baird

Matthew Rantapaa, Robert W. Baird, asked the Council to officially authorize the Refunding Bonds, Series 2016C, that was completed on September 14, 2016. He said that the total borrowing amount was \$1,000,000.00 at an interest rate of 3.23%/3.52% all inclusive. Rantapaa said that the realized savings came in over 3 times the state’s 3% minimum, at 9.37%. He also summarized the sources and use of funds and debt service comparison. Rantapaa said that the City’s AA- Credit Rating was confirmed, and he commended the City on its strong credit rating.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2016-48, a Resolution relating to \$1,000,000 General Obligation Taxable Increment Refunding Bonds, Series 2016C; authorizing the issuance, awarding the sale, fixing the form and details and providing for the execution and delivery thereof and the security therefor.

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

- b. Consider Approval of Resolution 2016-49, a Resolution Setting the Fiscal Year 2017 Preliminary City Budget and Preliminary Property Tax Levy – Joel Erickson, City Administrator

Erickson explained that the City’s preliminary tax levy needs to be certified to the Rice County Auditor/Treasurer no later than September 30, 2016. He said that the City held five previous meetings for the 2017 City Budget. Erickson summarized the key points of each budget category, including Staffing/Insurance, General Fund, City Council, General Office, Planning & Zoning, Police Department, EDA, Library, the Street Project funds, Parks & Recreation Fund, Water Fund, Sewer Fund, Liquor Fund, and the Road & Bridge Fund.

Erickson stated that the City's tax rate will decrease by 2% in 2017. Rud stated that most local businesses will see a reduction in their property taxes. He explained that Lonsdale's taxes are just 1/3 of the total property tax amount, with the County and school districts being the other 2/3. Erickson said that Fund 306 and 307 will be paid off in 2017, saving the City \$462,000 in debt payments.

Erickson read through the following information from Resolution 2016-49:

- 1) The City Council has scheduled an agenda item "Discussion and Public Input on the Proposed 2017 City Budget and Property Tax Levy" as part of their meeting scheduled for Thursday, December 8, 2016 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.
- 3) The City Council directs the City Administrator to transmit a certified copy of this resolution to the Rice County Auditor/Treasurer.

Erickson recommended approving Resolution 2016-49. Rud thanked the City Council, Erickson, and City Staff for their work on the 2017 City Budget. He noted that the majority of tax money is used to reinvest back into the community. He reiterated that the City Council is reducing the City's tax rate by 2% in 2017.

A motion was made by Daleiden and seconded by Pelava to approve Resolution 2016-49, a resolution setting the Fiscal Year 2017 Preliminary City Budget and Preliminary Property Tax Levy. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

c. Consider Approval of Resolution 2016-50, a Resolution Receiving the Area No. 5 – Phase III Feasibility Report and Calling for a Hearing on the Improvement – Kevin Kawlewski, City Engineer

Kawlewski went through the Area No. 5 – Phase III Project Feasibility Study. He explained the project scope while the Council reviewed the attached maps. Kawlewski said that the street assessments will stay the same as in Phase I and II. Vlasak stated that the City may want loop the current 1st Avenue NE watermain dead end. Kawlewski explained that the plans were already in the works to potentially bore an underground loop over to 2nd Avenue NE along the outfield fence at DRS Field. Kawlewski recommended accepting the study and calling for the public hearing in order to keep the project moving ahead. Rud stated that the City should hold a neighborhood meeting on October 13th.

A motion was made by Kodada and seconded by Furrer to Resolution 2016-50, a resolution receiving the Area No. 5 – Phase III Feasibility Report and Calling for a

Hearing on the Improvement. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

d. Consider Approval of Resolution 2016-51, a Resolution to Contract With a Councilmember – Joel Erickson, City Administrator

Erickson said that Lonsdale Auto Works was dispatched by Rice County on behalf of the Lonsdale Police Department to tow a vehicle from Main Street South to the Police Department. The Council reviewed the invoice, Resolution, and Conflict of Interest Affidavit.

A motion was made by Daleiden and seconded by Kodada to approve Resolution 2016-51, a resolution to contract with a Councilmember. Vote for: Kodada, Daleiden, Rud, and Furrer. Vote against: None. Abstained: Pelava. Vote: 4-0-1. Motion carried.

e. Consider Approval of a Proposal Submitted by WSB & Associates, Inc. for Engineering Services for the Area No. 5 – Phase III Street and Utility Improvement Project – Joel Erickson, City Administrator

Erickson stated that Staff was authorized to request an engineering services proposal for the Area No. 5 - Phase III Project from WSB & Associates, Inc. at the September 8th Council Meeting. He said that Staff and WSB negotiated the engineering proposal in the hourly not to exceed amount of \$214,117, which is less than the 2016 Area No. 5 Project Contract. Erickson said that the same WSB personnel are proposed to work on the project. The Council reviewed the scope of engineering services and proposal from WSB, including 1) the feasibility study, 2) final design/plan preparation, 3) contract administration, and 4) materials testing. Kodada stated that past projects have gone much smoother with WSB.

A motion was made by Kodada and seconded by Furrer to approve a proposal submitted by WSB & Associates, Inc. for engineering services for the Area No. 5 – Phase III Street and Utility Improvement Project. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

f. Consider Approval of Resolution 2016-52, a Resolution Dispensing With the Requirement That the Planning Commission Review the Sale of Approximately 665 Square Feet of Land to Dennis and Mary Langhoff for Compliance With the City's Comprehensive Plan – Joel Erickson, City Administrator

Erickson explained that as part of the dissolution process for the Rolling Ridge Market Place Owner's Association, that the City is in negotiations with the owner of Subway to sell approximately 665 sq. ft. of land. He stated that is not necessary for the Planning Commission to review the proposed deal for compliance with the City's Comprehensive Plan, because the proposed land use will not change, this area is not part of a future roadway network, and existing infrastructure will not be adversely affected.

A motion was made by Daleiden and seconded by Pelava to approve Resolution 2016-52, a resolution dispensing with the requirement that the Planning Commission review the sale of approximately 665 Square Feet of land to Dennis and Mary Langhoff for

compliance with the City's Comprehensive Plan. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Consider Approval of Resolution 2016-53, a Resolution Dispensing with the Requirement That the Planning Commission Review the Sale of the Property Located at 817 Colorado St. NW for Compliance with the City's Comprehensive Plan – Joel Erickson, City Administrator

Erickson explained that there has been recent interest from a potential buyer in purchasing the City owned property at 817 Colorado Street SW. He stated that it is not necessary for the Planning Commission to review the proposed sale for compliance with the City's Comprehensive Plan, because the proposed land use will not change, there is no need for a park in this area of the City, and existing infrastructure will not be adversely affected. Erickson stated that a purchase price has yet to be negotiated.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2016-53, a resolution dispensing with the requirement that the Planning Commission review the sale of the property located at 817 Colorado St. NW for compliance with the City's Comprehensive Plan. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- h. Consider Approval to Appoint Falcon Ridge Elementary School Student Council as the 4th Quarter Waste Management Recycling Green Team – Ben Baker, City Planner

Baker stated that the City of Lonsdale currently has eight Green Team applications on file. The Council reviewed the list of current applicants and past participants. He said that Falcon Ridge Elementary Student Council submitted an application on September 22, 2014, but have never had the opportunity to serve as the Green Team. Baker recommended selecting the Falcon Ridge Elementary students as the next Green Team.

A motion was made by Kodada and seconded by Pelava to approve the Falcon Ridge Elementary School Student Council as the 4th Quarter Waste Management Recycling Green Team. Vote for: Kodada, Daleiden, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- i. Consider Approval of a Letter of Resignation from Lonsdale Liquor from Gena Andrews

Erickson presented the Council with a Letter of Resignation from part time liquor store clerk Gena Andrews. The Council reviewed the letter, which stated her last day will be October 21, 2016. Erickson said that Andrews did a good job at the liquor store. He also asked the Council to advertise the position, because it can take up to six weeks to get a replacement on board.

A motion was made by Pelava and seconded by Furrer to approve a letter of resignation from Lonsdale Liquor from Gena Andrews and authorize Staff to advertise for the position. Vote for: Kodada, Daleiden, 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 items the Public Works Department is working on, including ditch cleaning, MNWARN partnership help in Nerstrand and Waterville, the Area No. 5 Street Reconstruction Project, WWTP pond cleaning, new ice rink boards, sandblasting of the Olympia ice resurfacer, and installation of new woodchips at Jaycee Park.

City Engineer

Kawlewski provided an update on the Area No. 5 – Phase II Reconstruction Project. He said that all the blacktop was in, and that restoration work and sodding should take place over the next few weeks.

City Administrator

Erickson provided an overview of items that he has been working on, including parking/blight, business expansion/retention visits, the 2017 City Budget, streetscape webinar, the Pet Stop Project, the RRMP Owners Association, bond sales, and the EDA's equipment grant program.

City Planner

Baker announced that there are 25 participants signed up for the Fundamentals of Archery event scheduled for 9:00 on October 1st. He said that City Staff met with four representatives from TCU Community Education earlier in that day to discuss getting more activities and programming to Lonsdale. Baker said that he has also been reviewing the Comp Plan and working on the Dog Park Project.

b. Council Reports

Council Member Daleiden

Daleiden said that Lonsdale Liquor is still working out some of the inventory issues with the new point-of-sale software.

Council Member Kodada

Kodada said that the Park Board will be meeting on October 11th at 6:30 pm.

Council Member Furrer

Furrer said that the Library Staff is doing well, despite not having the Library Director around. She said that the EDA will be hosting a business forum on November 1st.

Council Member Pelava

Pelava compared new home and building permit stats from 2016 to 2015. He also provided a brief recap of the September 22nd Joint City Council and Planning Commission meeting.

Mayor Rud

Rud announced that the Lonsdale Lions will be hosting a bean bag tournament at Jaycee Park on Saturday, October 8th at 11:00 am. He noted that Rice County will be collecting/recycling electronic devices on October 15th starting at 8:00 am at the Rice County Shop on 5th Avenue NW.

12. ADJOURNMENT

A motion was made by Daleiden and seconded by Furrer 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 8:10 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator