

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
SEPTEMBER 30, 2021**

1. CALL TO ORDER

Mayor Rud called a meeting of the Lonsdale City Council to order in the Lonsdale City Council Chambers at 7:00 p.m.

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, and Scott Pelava

Members Absent: None

City Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, City Engineer Nick Guilliams, Public Works Director Russ Vlasak, Police Chief Schmitz and City Attorney David Kendall

4. APPROVAL OF AGENDA

Mayor Rud asked if there were any corrections, additions, or deletions to the Agenda.

A motion was made by Pelava 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 September 9, 2021 Regular. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

6. PUBLIC HEARINGS

Improvement Hearing – 2022 Street and Utility Improvement Project – Nick Guilliams, City Engineer

Guilliams introduced himself along with City Administrator Erickson and Public Works Vlasak. He said that an identical presentation was given 3 weeks ago at the neighborhood meeting. He went through a 22-slide presentation, consisting of the project's purpose, history, pavement ratings, location, proposed improvements, cost/financing, assessments/amortization schedule, and proposed timelines. He emphasized the process and timeline to pay off an assessment without having to pay interest. He said that payments must be received prior to March 24, 2022, to avoid paying interest. Guilliams explained the upcoming meetings and approvals. After the presentation, Rud invited the audience to relay any questions, concerns, or thoughts on the project.

Lawrence Novak, 315 3rd Avenue SW, asked about a potential realignment of Co Rd 4, 3rd Avenue SW, and TH 19. City Staff explained that that the Council decided to leave that intersection the in the same configuration. Erickson said that the Co Rd 4 Project has been delayed for a least 1 year.

Rud encouraged anyone with medical issues or access concerns to contact the City Administrator or City Engineer.

Cherney asked about potential scheduling delays and contractor performance delays. Guilliams explained completion dates and how liquidated damages can be enforced. Rud stated that MNDOT guidelines must be followed. Guilliams assured the City that there will be a construction observer, material testing workers, and himself on site at various times to help oversee the project.

A motion was made by Kodada and seconded by Furrer to close the public hearing. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried. The hearing closed at 7:18 pm.

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

Scott Pelava, 729 Florida Street SW, addressed the City Council and public as a resident from the front podium. Pelava said that he wanted to address something that has been bothering him the last several years as a Council member, and he thought it was important that the citizens know. Pelava said that his family moved to Lonsdale 19 years ago due to its affordable housing, and he said that he started a business 3 years later. He said that he has been committed to community service. Pelava said that he was elected 12 years ago, and as a freshmen Council member it took him over a year to learn the ropes. He said that the work has never been easy, but the City has had great dedicated residents serving on advisory boards. Pelava said that over the last four years there was a change that he thought was a simple change with the new Council member position that he thought was for doing what was right and for the community, but Pelava has since realized that the new Council member is nothing more than self-serving. Pelava said that the Council member has walked out on meetings and not voted just to be difficult. Pelava said that the Council member spoke on behalf of the City on his own behalf and on the City's position. Pelava said that the Council member has two sliest and desist orders and past actions that lead a lawsuit against the City. Pelava said that the Council member manipulated his way into the spotlight for things that he has not done. Pelava said that City government is nothing more than the nuts and bolts of government and there is no place for politics, but he said that one Council member thinks that local government is where politics should be. Pelava said that residents, Staff, the Mayor, and the Council do not deserve this type of behavior from someone elected, especially one who has stated multiple times: f*** the residents, they are a bunch of a** holes. Pelava said that this behavior is clearly failed leadership, and he said that city is better off without it.

8. APPROVAL OF THE CONSENT AGENDA

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

- a. Monthly Bills
- b. Treasurer's Report
- c. Board and Commission Minutes
- d. Consider Approval of a Minnesota Lawful Gambling LG240B Application to Conduct Excluded Bingo Submitted by the American Legion Auxiliary Unit 586 to Conduct Bingo on November 12, 2021
- e. Consider Approval of a Quote Submitted by Buscho Enterprises, LLC in the Amount of \$15,905.00 for Hauling and Spreading of Bio-Solids

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

9. OLD BUSINESS

- a. Discuss Proposed Ordinance 2021-307, an Ordinance Amending Title III, Chapter 33 of the Lonsdale City Code Concerning City Elections (Switching from Odd Year to Even Year Elections)

Erickson explained that the City Attorney was unable to attend the last meeting but is available for questions at tonight's meeting. He said that Staff was requested to research and present a plan to switch from odd to even year elections due to money savings and difficulty finding election judges. Rud explained that odd year elections were originally set up in Lonsdale, to allow more focus on local elections. On the subject of term limit extensions for the switch, City Attorney Dave Kendell stated that extending the terms makes sense. He explained options for the residents who oppose the change. Kendell said that it is good that the change is happening prior to the next election. Kendell explained that term duration is a City choice allowed by the State. Rud suggested keeping the Mayor's term at 2 years, not 4 years. Erickson said that the next step is to conduct a Public Hearing on October 14, 2021. The Council reviewed the Attorney's memo and associated information.

- b. Consider Approval of the City of Lonsdale's American Rescue Plan – Coronavirus Local Fiscal Recovery Fund (CLFRF) Policy and Applications

The City Council reviewed a Staff Report from the City Administrator and a memo from the City Attorney regarding use CLFR funds. Erickson said that \$96,000 was provided to local businesses, homeowners and non-profit organizations, as part of the first-round CARES grant funding, to help off-set the impact of COVID-19. He said that the City Council provided direction at the September 20, 2021 meeting on how to use the \$445,172 American Rescue Plan dollars, including allocating \$100,000 for business, resident and non-profit organization grants up to \$4,000. The Council also reviewed the associated criteria and application forms. Rud said that the City has been very careful on how federal grant money is spent.

A motion was made by Pelava and seconded by Furrer to approve the American Rescue Plan – Coronavirus Local Fiscal Recovery Fund (CLFRF) Policy and Applications. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

10. NEW BUSINESS

- a. Consider Approval of Resolution 2021-50, a Resolution Ordering the Improvement of the 2022 Street and Utility Improvement Project

Guilliams said that a public hearing was held earlier in the meeting, and he said the next step is to consider approval of Resolution 2021-50, ordering the improvement. The Council reviewed the Staff Report and Resolution. Rud said that it will be a prime time for bidding. Kodada asked about product delays for items such as pipe. Guilliams said that good contractors will place their orders in right away to avoid problems.

A motion was made by Pelava and seconded by Kodada to approve Resolution 2021-50, a Resolution Ordering the Improvement of the 2022 Street and Utility Improvement Project. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- b. Consider Approval of Resolution 2021-51, a Resolution Proclaiming October 15, 2021 in the City of Lonsdale as Pregnancy and Infant Loss Remembrance Day
Kathy Hanek, of Infants Remembered in Silence, provided information on the non-profit organization, and she asked the Council to consider proclaiming October 15, 2021 as Pregnancy and Infant Loss Remembrance Day. Rud read through the entire Resolution.

A motion was made by Pelava and seconded by Kodada to approve Resolution 2021-51, a Resolution Proclaiming October 15, 2021 in the City of Lonsdale as Pregnancy and Infant Loss Remembrance Day. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- c. Presentation on the National League of Cities Service Line Warranty Program by HomeServe
Erickson said that due to a travel conflict, that Ashley Shirwarski was not able to attend the meeting. Erickson said that over the years, Lonsdale has been approached by Utility Services Partners, Inc. to consider partnering with them to provide insurance coverage for repairs to: water service lines, sanitary sewer service lines, and inside plumbing. He went through the details of the three policy options, including price and coverage. Erickson said that the City's obligation would be to provide a non-exclusive license to use the City's name and logo for a minimum of three years to provide credence for their product. Erickson went through Utility Service Partners obligation. The Council reviewed the proposed marketing agreement. After further discussion on eligible contactors, private insurance coverage options, and a listing of other Minnesota cities in the program, the Council agreed to pass on the marketing agreement.

No action was taken on the issue.

d. Consider Approval of Resolution 2021-52, a Resolution Setting the Fiscal Year 2022 Preliminary City Budget and Preliminary Property Tax Levy

Erickson said that there were six meetings held on the 2021 Budget, noting that all of the meetings were open to the public. Erickson said that the proposed budget is \$10,737,755, and he stated that he will be sending the necessary certification of the levy after the meeting. Erickson said that the tax rate is based on a 5% valuation increase, because the final market value of the City will not be know until November. He said that the tax levy is proposed to be \$2.4 million, an increase of \$203,750 or 9.09%. He noted that the tax rate will increase to 58.079 or 3.09% , but has decrease by 21.05% since 2016. Erickson stated that the impact varies and ranges between \$84.68 - \$263.65. He proceeded to go through and read through all the bullet points of the 14 categories of the budget.

Erickson said by approving Resolution 2021-52, the City Council was agreeing to: (1) not levy debt services funds at 105%; (2) scheduling an agenda item “Discussion and Public Input on the Proposed 2022 City Budget and Property Tax Levy” as part of their meeting scheduled for Thursday, December 9, 2021 at 7:00 pm in the City Council Chambers, 415 Central Street W., Lonsdale, MN 55046 and (3) residents may contact the City Administrator at (507) 744-2327 with questions relating to the County Property Tax Administrator & Elections Director’s property tax notice or mail them to: City Administrator, 415 Central St. W., PO Box 357, Lonsdale, MN 55046.

The Council reviewed Resolution 2021-52, which included the outline of the general fund, debt service, and total levy along with the 30-page line-item budget. Rud said that the 2022 Budget is culmination of many public meetings. He said that it was a really good budget, which keeps taxes in line for young family and seniors. He thanked City Staff and the Council for their work on crafting the budget. Kodada said that they analyzed the budget pretty good.

A motion was made by Pelava and seconded by Cherney to approve Resolution 2021-52, a Resolution setting the Fiscal Year 2022 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.

- e. Consider Approval of Resolution 2021-53, Resolution Approving and Authorizing the Execution of a Labor Agreement Between the City of Lonsdale and Law Enforcement Labor Services, Inc. #369 – Patrol Officers

The Council reviewed a proposed labor agreement for the patrol officers, for a term of January 2022 – December 2024. Erickson said that the Police Chief and himself met with Law Enforcement Labor Services and the Officers to negotiate and come to terms on the agreement. He went through the red-lined changes to the agreement. Furrer asked if all the officers were up to date with fitness requirements. Schmitz said that some officers have a few months to get caught up. The Council discussed options for fitness workouts. Kodada asked about shift coverage and overtime. Schmitz provided an overview of his plan for keeping adequate coverage at 24 hours, accounting for sick/vacation time, and limiting overtime. Cherney suggested having the City Attorney review the document.

A motion was made by Cherney and seconded by Furrer to approve Resolution 2021-53, Resolution Approving and Authorizing the Execution of a Labor Agreement Between the City of Lonsdale and Law Enforcement Labor Services, Inc. #369 – Patrol Officers. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- f. Consider Approval of a Proposal Submitted by WSB in the Hourly Reimbursable Not-to-Exceed Amount of \$61,988.00 for Design, Project Manual, Permits and Bidding Services for the 2022 Street and Utility Improvement Project

The Council reviewed a proposal from WSB for final design and bidding of the 2022 Street & Utility Improvement Project. Erickson went through the services included and schedule.

A motion was made by Kodada and seconded by Cherney to approve a proposal submitted by WSB in the Hourly Reimbursable Not-to-Exceed Amount of \$61,988.00 for Design, Project Manual, Permits and Bidding Services for the 2022 Street and Utility Improvement Project. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- g. Consider Approval of Resolution 2021-54, a Resolution Approving a Purchase Agreement
Erickson said that back in March, the City entered into a Purchase Agreement and sold the 10-acre parcel on Pond View Drive SE. He stated that since then, ALG Enterprises is now interested in purchasing the 11.4-acre parcel on the south side of Commerce Drive SE, located directly north of the 10-acre parcel. He explained that the company plans to potentially develop the 11.4-acre and 10-acre parcels together. Erickson said that United Properties and another interested party provided feedback that also suggested combining the parcels would allow for more development configuration options. Erickson went through the main points of the purchase agreement, including the purchase price of \$0.48/sq. ft., or \$238,360.32, earnest money, closing date, party responsibilities, and requirement for the ALG to erect a building within one year from the date of closing. Erickson said that it was the exact same purchase agreement as before. Cherney stated that he can't go forward with purchase agreement, if there is no building plan or specifics. Furrer also questioned the sale price and lack of site/building plan. Erickson stated that the breakeven price is \$2.59/sq. ft. and the Council agreed to advertise the Business Park parcels for \$1.95/sq. ft. on loop-net. Cherney proposed that ALG be given the first-right-of-refusal if another offer comes forward. Rud said that the City has been marketing the Business Park for the last 10-years with not much action. He said that it is hard for ALG to design a concept plan, if they don't own both properties. Rud said that there is an offer on the table, and he directed the Council to either accept or reject the offer. Kodada asked about the success of LoopNet. Erickson provided the stats, but he said that no one has called yet. Kodada said that the City will have the opportunity to buy back the property in one year, if a building is not erected. Cherney said that the votes are probably there to pass the Resolution. Rud said that it is good to have a consensus, since the project is for the greater good of the community. The Council decided to table the issue.

A motion was made by Cherney and seconded by Furrer to table Resolution 2021-54. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- h. Consider Approval of Resolution 2021-55, a Resolution Entering into a Prosecution Services Agreement Between the City of Lonsdale and Rice County
Schmitz said that the City has used the Rice County Attorney's Office for criminal prosecutions since 2019. He said that prior to 2019, that service was outsourced to an attorney who retired. He said that he has been very satisfied with the Rice County Attorney's Office. Schmitz said that this will be a two-year contract and the cost for service is increasing \$100/month. The Council reviewed the agreement.

A motion was made by Kodada and seconded by Furrer to approve Resolution 2021-55, a Resolution Entering into a Prosecution Services Agreement Between the City of Lonsdale and Rice County. Vote for: Cherney, Kodada, Rud, Furrer, and Pelava. Vote against: None. Abstained: None. Vote: 5-0. Motion carried.

- i. Consider Approval of Application for Payment No. 5 in the Amount of \$464,426.83 to BCM Construction, Inc. for the 2021 Street and Utility Improvement Project
Guilliams asked the Council to consider approval of Payment No. 5 to BCM for the 2021 Street Project. He said that the project is now substantially complete. The Council agreed that the project turned out really nice.

A motion was made by Pelava and seconded by Furrer to approve Application for Payment No. 5 in the Amount of \$464,426.83 to BCM Construction, Inc. for the 2021 Street and Utility Improvement Project. 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. 2 in the Amount of \$21,428.97 to Crane Creek Asphalt for the Trcka Park Parking Lot and Walkways Project
Guilliams asked the Council to consider approval of Pay Voucher No. 2, for the Trcka Park Parking Lot and Walkways Project. Kodada confirmed that the curb panel was replaced, and he said that the project and entire site turned out good.

A motion was made by Kodada and seconded by Pelava to approve Application for Payment No. 2 in the Amount of \$21,428.97 to Crane Creek Asphalt for the Trcka Park Parking Lot and Walkways 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 Work Director

Vlasak said that work was being done on gate valves. Vlasak stated that things look pretty good around town, and he said the Public Works Department will soon be getting ready for winter. The Council commented on the nice-looking repainted fire hydrants.

City Engineer

None

City Administrator

Erickson provided a brief update on the Lonsdale Police Department Project, including the pre-cast wall panels.

City Planner

Baker said that home builders are busing getting in as-built surveys and laying sod. He said that the City has processed approximately 800 more permits than an entire typical year due to re-roof and re-side permits from the June hail storm.

b. City Council / Department Reports

Council Member Cherney

Cherney talked about the Rice County budget, and he said that it may be a good time to strike a deal for the Rice County Maintenance Shop on 5th Avenue West, which has a Beacon value of around \$600,000.

Council Member Kodada

Kodada provided an update from the September Park Board and Planning Commission meetings. He said that another paver was purchased for the Veterans Memorial site, and he noted that they reviewed the 2040 Rice County Comp Plan.

Council Member Furrer

Furrer provided an update from the September EDA meeting, including the budget, American Rescue Plan, and LoopNet. She announced the BR&E Commencement Meeting scheduled for October 13th at 5:30 pm, which will be open to the public. Rud thanked everyone involved in the BR&E initiative, which has helped identify areas that need more attention.

Council Member Pelava

None.

Mayor Rud

Rud said that the 2022 Budget was a good budget. He said that Lonsdale is a really nice, clean, safe place, with good police, parks, volunteers, and City staff. Rud said that Lonsdale is the envy of a lot of communities.

Cherney asked if he could add something to the Agenda, since the City Attorney was in attendance. The City Attorney provided advise to the Mayor and City Council. Rud directed Cherney to add the question to the next City Council meeting Agenda.

12. ADJOURNMENT

A motion was made by Pelava 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 9:02 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator