

**MINUTES
CITY OF LONSDALE
CITY COUNCIL MEETING
FEBRUARY 23, 2023**

1. CALL TO ORDER

Mayor Pro-Tem Kevin Kodada called a meeting of the Lonsdale City Council to order at 5:00 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: David Webb, Kevin Kodada, Cindy Furrer and Scott Pelava

Members Absent: Tim Rud

City Staff Present: City Administrator Joel Erickson, Fire Chief Joe Pumper, City Treasurer Tami Brokl, and Public Works Director Joe Dornfeld

4. APPROVAL OF AGENDA

Kodada asked if there were any additions, deletions, or corrections to the agenda. A motion was made by Pelava and seconded by Webb to approve the agenda as presented. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

5. APPROVAL OF MINUTES

a. Consider Approval of the Minutes from the January 25, 2023, Regular Meeting and from the February 13, 2023, Special Meeting

Mayor Rud asked if there any additions, deletions, or corrections to the minutes. A motion was made by Furrer and seconded by Pelava to approve the minutes from the January 25, 2023 Regular Meeting and the February 13, 2023 Special Meeting. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

6. PUBLIC HEARINGS

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

8. APPROVAL OF THE CONSENT AGENDA

- a. Monthly Bills
- b. Treasurers Report
- c. Board and Commission Minutes
- d. Consider Approval to Authorize Staff to Advertise for Up to Four Seasonal Public Works Employees

- e. Consider Approval of an Application and Permit for a 1 Day to 4 Day Temporary On-Sale Liquor License Requested by the Knights of Columbus Council #16225
- f. Consider Approval of a Minnesota Lawful Gambling LG220 Application for Exempt Permit with No Waiting Period Submitted by the Knights of Columbus Council #16225
- g. Consider Approval of a Sewer Rate Adjustment to the Property Located at 515 Deerview Dr SE
- h. Consider Approval of a Sewer Rate Adjustment to the Property Located at 326 3rd Ave NE

Kodada reviewed the items on the Consent Agenda and asked if anyone wanted any of the items pulled for discussion. A motion was made by Pelava and seconded by Webb to approve the consent agenda as presented. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

9. OLD BUSINESS

None

10. NEW BUSINESS

- a. Presentation of the Fire Department's 2022 Annual Report and Consider Approval of the Fire Department's 2024 Budget

Fire Chief Joe Pumper reviewed the 2022 Annual Report for the Lonsdale Fire Department. Pumper highlighted some statistics that included the following: 47 fires, 273 rescues, 20 vehicle accidents with injuries, 2 mutual aid calls, and 35 cancelled calls. Pumper stated that members of the fire department spent 1,151 hours training which averages out to 44 hours per member.

Erickson then reviewed the proposed 2024 Fire Department budget which he worked on with Chief Pumper. Erickson said the Fire District Board reviewed and approved the proposed budget on February 6th. For 2022 revenues we budgeted 416,629 dollars and 396,327.80 dollars was actual received. We would have received more revenue, but the relief is working with the state auditor on their reports to get their fire aid. For 2022 expenses we budgeted 416,628 dollars and 205,658.94 dollars was spent which left 210,969.06 dollars unspent- the vast majority was proposed to be set aside for capital outlay and fire pension. The 2022 revenue and expense summaries are used to determine the actual operating budget for the department. Total revenues less capital outlay and fire pension results in operating day to day budgeted of 181,628 dollars. The resulting deficit was just under four thousand dollars. The increase in the fund balance is 155,969.06 dollars which brought the end of year balance to 1,158,498.06 dollars.

Erickson then reviewed the proposed 2024 budget highlights including increase in wages for additional training events, fire pension increases based on additional fire aid, increased training and education costs, increase in fuel costs, auditing account changes, advertising for anticipated job openings due to potential retirements, increased utility costs, cost of six outdated sets of turnout gear, and a decrease in capital outlay for needed equipment. Erickson also mentioned the department applied for "Assistance to Firefighters Grant" funding for 12 sets of turnout gear with a total cost of just over fifty

thousand dollars and the City's match being only 2,600 dollars as it's a 95% grant. As proposed, the City of Lonsdale's contribution to the 2024 Fire Department Budget would be just under 163,000 dollars, an increase of a little over 22,000 dollars which is about 37 percent. The amount the city will need to budget for 2024 is \$162,832.58. There are no alternatives as the surrounding townships and district board have all recommended approval. Erickson then reviewed capital outlay plans.

Furrer asked how old the oldest turn out gear is and Pumper said 19 years with a 10 year lifespan even if the equipment sits on a shelf. Pumper said the average older equipment is 15 years. Kodada asked if we are at full staff. Pumper responded we are at 25 with one seat down and one on leave. Kodada asked about anticipated retirements and Pumper confirmed there are potentially two retirements this year. Pelava asked if there is a need to fill the vacancy now and Pumper said there isn't a need, and he doesn't want to force members out. He would like some overlap with new members having an opportunity to train before members retire to share their knowledge. Furrer asked about the number of fire fighters and how it is regulated as our current number is 26. Erickson did research and believes it is only set by city code so is up to the council. Pumper said they plan to do an aggressive hiring campaign this year at one time. Pelava said it would be nice to have a transition period with a higher number for like a year to allow that overlap and training. Pumper said mutual aid is less than five minutes usually so if there happened to be a staff shortage.

A motion was made by Furrer and seconded by Webb to approve the Fire Department's 2024 budget. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

b. Consider Approval of Resolution 2023-06, a Resolution Accepting a Bid for the 2023 Mill & Overlay and City Hall Parking Lot Improvement Projects

Erickson reviewed the bids that were received for the 2023 Mill & Overlay and City Hall Parking Lot Improvement Projects. Bids were opened on February 8th and 8 bids were received ranging from \$174,540.20 to \$239,712.70. The engineer's estimate was \$225,527.50. The project includes a 2-inch mill and overlay for several streets and the city hall parking lot. The low bid was submitted by McNamara Contracting and was 23% below the estimated project cost. Substantial completion date for the project is September 1st and once work commences it must be complete within 14 days with final cleanup by September 15th or following completion of the project. There is no anticipated schedule currently. Staff will communicate with affected properties. The fiscal impact will be \$174,540.20 which was budgeted for in the city budget and partially with COVID funds. Furrer asked if everything was covered in the low bid and Erickson confirmed yes. He thinks the bid was lower than expected because things continue to change since supply chain issues during COVID. Erickson mentioned an alternate where Public Works hauls away millings and will put together a striping plan with engineering and either bid that out or do it in house.

A motion was made by Furrer and seconded by Pelava to approve Resolution 2023-06. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

c. Consider Approval of Resolution 2023-07, a Resolution Accepting a Bid for the 2023 Trail Improvement Project

Erickson reviewed bids for the 2023 Trail Improvement Project which was part of the budget process for 2023. Erickson explained the trail review process that led to choosing the trail sections in this project which include 8th Ave NE from Fig Street to Ash St NE and 15th Ave SE from Connecticut Dr SE behind homes to Deerview Ct SE and drain tile along both sides of Trendera Park. Staff looked at trail usage and trail condition. During budget process we budgeted \$400,000 with tax levy and some of the savings set aside for a plow truck. A financial option that was presented to Council was to transfer money from road and bridge fund that we had saved for the plow truck (this will come to March meeting) and then issue equipment certificates to finance the plow truck. The estimate was \$400,000 for the project. The alternative is repaving of RayAnn Trail at Trendera Park. Nine bids were received ranging from base bid of \$168,781.39 to \$309,723.90 and base bid plus alternate ranging from \$206,667.39 to \$377,059.50. Engineer Bisson obtained references for the low bid that included base and alternate, which was 40% below the estimate, from M & W Blacktopping and they were positive. M & W expects the project to begin in June with three weeks to complete and final completion and restoration July 30th. The City will fund the project by transferring \$167,000 from the road and bridge fund and use the budgeted levy for the remaining portion. Kodada mentioned the bids are favorable and may be due to early bidding. Pelava concurred stating that the city has had good luck with early bidding. Furrer asked how the scheduling would impact Town Ball Days scheduled for July 19th at Trendera Park. Erickson stated drain tile will only go on the north side of the trail and a past trail project only had disturbance a foot on either side of the trail. Erickson also stated that we can ask the contractor to start the project with the Trendera Park section to be completed first.

A motion was made by Pelava and seconded by Webb to approve Resolution 2023-07. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

d. Consider Approval of Resolution 2023-08, a Resolution Accepting a Bid for the Skate Park Project

Erickson reviewed the bids for the Sticha Skate Park Project which was part of 2023 budget discussions. Erickson gave a brief history on the project. Erickson stated these bids are for the excavation work and construction of the pad. Bids were opened on February 13th with ten bids being received ranging from \$154,930 to \$200,116 for the base bid and \$197,930 to \$253,116 for the base bid plus alternate. Erickson stated that the recommendation is to go with just the base bid and explained the project specs which were previously approved by Council. Staff and Park Board members feel confident that the alternate is not needed to keep the cement slab viable. Pelava echoed these comments. Erickson said only \$100,000 of COVID money was budgeted for this project and the bid is higher plus there will be engineering costs. Staff discussed using some of the budgeted

funds for the previously reviewed projects that will have surplus funds. Erickson stated that the cold storage project later on the agenda may also need to use those surplus funds. Erickson gave background on the interest from the community and stated that with the used equipment, the project is substantially more cost effective than a new skate park. Kodada asked for confirmation that staff is seeking grant funds and Erickson confirmed. Kodada stated there is a need in town. Furrer asked when the Park Board was last approached about a skate park and Kodada stated about a year ago. Pelava mentioned that verbal interest in a type of park isn't the only indicator of need in a community based on the history with the archery park and how heavily that is used today and Furrer concurred and stated that she is wondering if the interested group is still around and willing to help with painting and other things in the future. Kodada thinks the group will form over time and we can approach them at the park. Furrer stated if there is skin in the game, they are more likely to take care of it. Kodada stated there is usually a group that comes forward once a park is created. Dornfeld gave an example of approaching a group at a park and asking them to take ownership over the park and the park cleanliness improved. Erickson stated the park will be used by more than skateboards. Kodada mentioned that the grant is asking for youth participation and Erickson stated new letters are being sought in support of the project.

A motion was made by Webb and seconded by Pelava to approve Resolution 2023-08. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

e. Consider Approval to Authorize Staff to Obtain Bids for a 4,000 Sq. Ft. Cold Storage Facility

Dornfeld reviewed the project background and stated that the project was part of 2023 budget discussions. To get firm prices staff needs permission to obtain bids. The initial budgeted amount is \$63,000 between Parks, Road and Bridge, Water and Sewer to make an initial debt service payment. Because the bids for previous projects discussed tonight came in under budget, surplus funds may cover the project and financing may not need to be obtained. Kodada asked if there is need for a retaining wall or swale behind the proposed building. Dornfeld responded that he met with a local contractor who advised we could do either. Dornfeld said we have the room for either. Furrer asked if there is heat and Dornfeld said there will be electricity but not heat. However, the plan is to construct the building in such a way that it can be finished and heated in the future. Kodada asked if there is an estimate and Dornfeld said the 8 or so contractors he has talked to vary in estimates so greatly and they are going to finalize a plan to obtain bids. Kodada said that red iron may be cheaper possibly at this time. Dornfeld said that a contractor this week called him and informed him he is re-quoting projects 7-10,000 thousand dollars cheaper due to steel price drops. Furrer said advertising for bids isn't a commitment and Kodada added that we need a firm plan for the building as well.

A motion was made by Pelava and seconded by Furrer to obtain bids for a 4,000 square foot cold storage building. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- f. Consider Approval of Resolution 2023-09, a Resolution Approving the Issuance of General Obligation Equipment Certificates of Indebtedness, Series 2023A
Erickson stated the purpose of the certificates is to finance a plow truck and mowing equipment. Staff investigated a 5-year lease from John Deere which would be an annual payment of \$80,000. By issuing the G.O. Equipment Certificates in the amount of \$340,000 the annual debt service payment would be \$44,000. With the 3.4% interest rate over ten years the cost is \$7,000 more total but frees up nearly \$40,000 annually. Even though the useful life of a plow truck is 20 years or more the city cannot extend the term beyond ten years due to state statute. The fiscal impact is proposed at \$406,830.83. Alternatives would be to use reserves or enter the five-year lease with John Deere. Erickson reviewed some materials provided by the bond counsel showing historical rates that have been favorable. Erickson stated that a recent bond had an interest rate of 1% and Kodada said that even a 3% rate is favorable. Kodada asked if local banks can participate, and Erickson replied yes.

A motion was made by Furrer and seconded by Pelava to approve Resolution 2023-09. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- g. Consider Approval of Resolution 2023-10, a Resolution Appointing the Mayor and City Administrator of the City of Lonsdale to the Lonsdale Fireman's Relief Association (LFRA) Board of Trustees

Erickson stated this is an annually considered resolution. Erickson explained the makeup of the board and that historically the city has appointed the mayor and administrator to the board, with six members being elected and including the Fire Chief.

A motion was made by Pelava and seconded by Webb to Approve Resolution 2023-10. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

- h. Consider Approval of a Quote in the Amount of \$72,015.00 Submitted by Civic Systems for Accounting, Utility Billing and Payroll Software

Brokl stated staff has researched and participated in virtual meetings with civicsystems, Black Mountain Software, and BS&A for information on software for fund accounting, utility billing and payroll. Staff recommends civicsystems for many reasons outlined in the council packet that reduce staff time and increases efficiency along with added conveniences for employees such as submitting timecards online on any electronic device. The city has utilized Banyon for at least twenty years which was a good software at the time. The software is no longer providing what staff needs to be efficient and has poor customer support. The quote for civicsystems is \$72,015 which includes the first year of annual tech support. The annual tech support cost thereafter is \$7,692. Additional travel costs for training are anticipated to cost \$4,114. During the 2023 budget discussions the City Council agreed to use \$56,200 ARPA (COVID) funds and to split the remaining \$19,929 between Water, Sewer, and Liquor funds. The alternate is to not approve the purchase. Brokl mentioned bills can be emailed and staff would like to continue doing postcards as well. Kodada asked what the yearly Banyon fee is and Brokl

replied \$840 for fund and payroll being similar. Brokl said the software would eliminate a lot of data entry due to current software not being compatible. Furrer asked if the \$3 payment fee would be removed and Brokl replied that there is currently no fee for auto-draw and that would remain the same. Pelava asked if the residents could sign up for paperless billing and Brokl confirmed yes. Kodada added that the new software would help with the audit trail and Brokl concurred and added that there would be more checks and balances along with time savings during the entire audit process as well. Pelava asked if it is cloud based or on a local server and Brokl replied that it is cloud based. Pelava asked where timecards can be submitted and Brokl stated anywhere there is a mobile device. Furrer inquired about how the transition went in other communities with employees transitioning to the new change with an app. Brokl said that there is extensive training and when she called other communities about the quality of support, they said they have never even needed support. Kodada stated that he thinks staff will be motivated to figure out how to use it as that is how they are paid. Kodada stated he liked the fact that employees can look up information without having to come into City Hall and Brokl concurred. Brokl added that employees can look up leave accruals as well in real time for submission of their timecard. Furrer asked if the stub information would be on there and Brokl replied yes right on the app/mobile device. Kodada mentioned that in the past there were more people in the payroll department and less employees to process and now there are less people in the payroll department and more employees so anything we can do to streamline the process will help. Furrer commented that we have been with Banyon for many years and things change and better systems become available.

A motion was made by Furrer and seconded by Webb to approve the quote for \$72,015.00 Submitted by civicsystems software and to Utilize COVID and Water, Sewer, Liquor Funds for the purchase. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

11. OTHER BUSINESS

a. Department Reports

Public Works

- Parks- half done with rebuilding skate park equipment which is going really well.
- Ice Rinks- not in good shape due to rain, warm weather and blizzard.
- Streets- blizzard, checking and clearing storm sewer and catch basins.
- Call from Scott County- salt shortage option to purchase with them.
- Last Fall- filled in manholes that used to sink. Those are holding up really well. They filled some additional.
- Water Department- Joel, Shibani and WSB reviewed final draft of water comp plan. New furnace at water treatment plan.
- Sewer- still working on and investigating lift station- it is not broken but severely worn so getting options together for next meeting.
- Insurance claims getting wrapped up.

City Administration

- Rice County opened bids for CSAH 4 today. They will provide a cost update for our portion.
- MPCA- chloride limits- trying to incorporate into our permit. We do not qualify for variance, so we went down water softener route. Since then, staff met with MPCA and now a variance is back on the table, and we are working with WSB, and a recommendation will be brought to the Council for consideration.
- Working with several businesses in business park. Showed old PD building a couple times recently.
- Had meeting with MNDOT about HWY 19, CR 2 roundabout.
- Audit is being done this week.
- Working on some policies- ACH transfers due to issues with mailing payments, IT policies with servers and networks.
- Community Development Planner is working with iWorq and Building Official to get all building and zoning permits online and that is the only way we will be accepting them in a couple of weeks. Hopefully most people can adjust to this.

City Treasurer

- Audit seems to be going well.

Council Reports

Council Member Webb

- Liquor store- nothing new
- Library- getting ready for Author tour in April and Book Sale along with other kid's activities.

Council Member Furrer

- EDA- elected officers and worked on goals for 2023 including BR&E looking to offer scholarships for businesses needing computer training.

Council Member Pelava

- Chamber of Commerce- Congratulations to Something for All for 2022 Business of the Year Award

Council Member Kodada

- Parks & Recreation Commission- last meeting did not have a quorum.
- Planning Commission- no meeting due to short agenda.

b. Upcoming Meetings

- a. Thursday, March 30, 2023, at 7:00 pm
- b. Thursday, April 13, 2023, at 7:00 pm
- c. Thursday, April 27, 2023, at 7:00 pm

12. ADJOURNMENT

A motion was made by Pelava and seconded by Furrer to adjourn the meeting. Vote for: Webb, Kodada, Furrer and Pelava. Vote against: None. Abstained: None. Vote: 4-0. Motion carried.

Respectfully Submitted:

Jamie Scheffer

Jamie Scheffer, Community Development Planner