

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
CITY COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, August 26, 2019

CALL TO ORDER: Following due call and notice thereof, Mayor DeWayne “Tank” Schroeder called the meeting to order at 6:00 p.m. in the Council Chambers of City Hall.

PLEDGE OF ALLEGIANCE: Mayor Schroeder led the Council, City staff, and visitors in stating the Pledge of Allegiance.

ROLL CALL: Council members present: Mayor Schroeder, Paul Fisch, David Fitzpatrick, Brad Rykhus, and Randi Vick. City staff present: Casey Klug, public works and zoning director; Stephanie Mann, finance officer (7:00 p.m); and Adam Swann, clerk/administrator. Visitor(s) present: Mike Gerbitz, P.E., Donohue & Associates; Eric Lynne, P.E., Donohue & Associates; Andrea Mazzafeld; Steven Mazzafeld; Craig Moorhead, *Caledonia Argus*; Dave Olson; Marion Olson; and Shar Schroeder.

CONSENT AGENDA: Member Fisch moved to approve the consent agenda. Member Vick seconded the motion. The motion passed 4-0, with Member Rykhus abstaining because an action pertaining to him was included on the consent agenda. The consent agenda comprised the following items:

- a. Approval of minutes from August 12, 2019 regular City Council meeting
- b. Approve Brad Rykhus as member of Caledonia Fire Department
- c. Approve sign permit application by Fourteen Foods, L.L.C. to install three signs at 603 Esch Dr.
- d. Accept letter of resignation from Barbara Peters as part-time liquor store clerk

PUBLIC COMMENT:

a. David Olson: Mr. Olson resided at a property on E. South St. and was concerned about the quality of work done by the contractor on the E. South St. and S. First St. Public Improvement project; Mr. Olson was specifically concerned that the black soil in his yard had been removed and replaced with rocky soil. Mr. Olson was also concerned that there was no fencing around the stormwater culvert.

PRESENTATION:

a. Mike Gerbitz, P.E., Donohue & Associates, Inc.
i. Report on phase 1 of wastewater facility plan: Gerbitz explained why the wastewater facility plan was important and updated the Council members on the findings from phase 1 of the wastewater facility plan. The primary finding was that the City needed more data regarding the amount of nitrogen that was being transported to the wastewater treatment facility and the amount that was being discharged after treatment.

ii. Overview of proposed phase 2 of wastewater facility plan: Gerbitz reported that phase 2 of the wastewater facility plan would involve gathering more data about nitrogen influent and effluent. It would also involve providing Council with two alternatives for a new wastewater treatment facility. Gerbitz further reported that Donohue would provide the City with information about the cost to construct and operate the alternatives. Gerbitz reported that the head of MPCA’s funding had reviewed the proposed timeline, which included submitting the wastewater treatment facility plan to the MPCA in March 2020 and advertising for bids for the project in January or February 2021. Gerbitz noted that the costs of the facility plan, facility design, and construction engineering would be reimbursable if the City received a loan through the MPCA and PFA, and the funds would be available at the time the City closed on the loan.

FINANCE OFFICER:

a. Report on cash and investments: Finance Officer Mann reported that the cash and investments for the City's governmental, special revenue, and enterprise funds totaled \$3,607,303.82 through July 31, 2019. Mann reported that this was a decrease over the prior month because the City had paid its insurance premium in July and the City Sewer Fund had made its loan payment of \$115,000 to the Public Facilities Authority. Mann noted that the City had received the remainder of its Local Government Aid for the first half of 2019. Mann explained that Fund 317 was used to pay the debt service for the bond for the 2019 N. Kingston St. Reconstruction Project, and Fund 417 held the funds that were deposited from the bond to pay for the project; Mann noted that Fund 417 would be closed this fall.

b. Review of 2019 budget v. actual for General Fund, enterprise funds, and special revenue funds: Mann reported on the budget v. actual expenses for the General Fund, enterprise funds, and special revenue funds. Mann reported on the status of capital expenditures and significant other expenditures budgeted for 2019. Member Fisch requested that the W. Washington St./Old Highway Dr. paving project and Esch Dr. paving project be included on the chart of capital expenditures and significant expenditures for 2019.

CLERK/ADMINISTRATOR:

a. Updates:

i. Sidewalk in Doering Estates Subdivision: Clerk/Administrator Swann reported that in response to the letter from City Attorney Mike Flaherty, Bluff Country Properties had installed sidewalk on the vacant parcels on one side of Courtney Drive, which had been a condition of approval when the City approved the subdivision plat in 2003.

ii. Police Department assistance with property nuisances: Swann reported that the Police Department's assistance had been helpful in eliminating the unlicensed vehicles and nuisances at several properties in the City, including 315 E. Main St., 323 S. Kingston St., and 522 E. Monroe St.

iii. Mayo Clinic: Swann reported that a senior representative from Mayo Clinic had contacted the City to assure the City that the Mayo Clinic in Caledonia would remain open. The call came in response to Mayo Clinic's announcement that it would be closing its La Crescent clinic in November.

iv. Survey of real property owned by George F. Frisch and Ann M. Frisch Trusts: Swann reported that Tri-State Surveying had finished the survey of the real property the City was purchasing from the George F. Frisch Trust and Ann M. Frisch Trust. Swann reported that the survey showed the parcel was 18.09 acres, which was less than the 18.51 previously anticipated based on the information available through Houston County (via the Beacon GIS system). Public Works and Zoning Direct Klug noted that the survey showed there were some encroachments on the south side of the parcel.

v. Minnesota House of Representatives Tax Committee hearing: Swann reported that a representative from the Minnesota House of Representatives Tax Committee had contacted the City about hosting a hearing in the City in early October, but the details weren't final.

UNFINISHED BUSINESS:

a. Consideration of request from Neuman Pools, Inc. to release retainage in the amount of \$43,096.81 for 2016 contract for construction of Caledonia Aquatic Center: By consensus Council tabled discussion on the agenda item until the next meeting so that City Council could consult with legal counsel.

NEW BUSINESS:

a. Consideration of amendment no. 1 to engineering services agreement with Donohue & Associates, Inc. for wastewater facility plan: Council reviewed a proposed amendment no. 1 to the engineering services agreement with Donohue & Associates, Inc. for the creation of a wastewater treatment facility plan. The proposed amendment would authorize Donohue & Associates to proceed with phase 2 of the wastewater treatment facility plan at a cost of \$48,400. Member Fisch moved to approve the proposed amendment. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

b. Public hearing re application by Andrea Mazza and Steven Breitenfield for 12-foot setback variance to construct 16' x 22' attached garage 18 feet from west property line at 420 S. Pine St. (parcel 21.0797.00): At 6:40 p.m. Member Rykhus moved to adjourn the regular Council meeting to hold a public hearing on an application by Andrea Mazza and Steven Breitenfield for a 12-foot setback variance to construct a 16' x 22' attached garage 18 feet from the west property line at 420 S. Pine Street. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing convened at 6:40 p.m.

Public Works and Zoning Director Casey Klug summarized the application and explained that a setback variance was needed because the property owners had a small lot and there was no way to construct a garage without a setback variance. Klug reported that the requested 12-foot setback variance was the minimum amount necessary to construct the one-car garage. Klug further explained that the adjacent parcel had a garage in the back yard that did not meet the setback requirement.

At 6:45 p.m. Member Fisch moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed. The regular City Council meeting reconvened at 6:45 p.m.

c. Consideration of application by Andrea Mazza and Steven Breitenfield for 12-foot setback variance to construct 16' x 22' attached garage 18 feet from west property line at 420 S. Pine St. (parcel 21.0797.00):

Council made the following findings regarding the requested setback variance:

- (i) Exceptional or extraordinary circumstances applied to the property that did not apply generally to other properties in the same zone or vicinity and resulted from lot size or shape, topography or other circumstances over which the owners of the property had no control since enactment of Chapter 153 of the City Code; the property was too small to construct a garage without a variance;
- (ii) The literal interpretation of the provisions of Chapter 153 would deprive the applicants of rights commonly enjoyed by other properties in the same district because other properties in R-2 zoning districts were able to have garages;
- (iii) The special conditions or circumstances did not result from the actions of the applicants; the applicants' lot was smaller than other lots typically found in the City's R-2, Urban Residential Districts;

(iv) The granting of the variance requested would not confer on the applicants a special privilege that was denied by Chapter 153 to owners of other lands, structures, or buildings in R-2, Urban Residential Districts;

(v) The variance requested was the minimum variance that would alleviate the hardship; the applicants were requesting to construct only a one-car garage;

(vi) The variance would not be materially detrimental to the purposes of Chapter 153 or other properties in the R-2, Urban Residential Districts because the property was a small lot, and the garage would help keep the yard nice and the property clean; and

(vii) The proposed variance would not impair an adequate supply of light and air to adjacent properties or substantially increase the congestion of the public streets, or increase the danger of fire, or endanger the public safety, or substantially diminish or impair property values within the neighborhood; the variance would reduce congestion by getting a vehicle off the street.

Based upon the preceding findings of fact, Member Rykhus moved to approve the 12-foot setback variance so that Andrea Mazza and Steven Breitenfield could construct a 16' x 22' attached garage 18 feet from the west property line at 420 S. Pine St. (parcel 21.0797.00). Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Review of proposed General Fund budget for fiscal year 2020 and preliminary levy for taxes payable in 2020: Council reviewed and discussed the proposed General Fund budget for fiscal year 2020 and preliminary levy for taxes payable in 2020. Mann reported that one of the Police Department vehicles was scheduled to be replaced in 2020; the estimate of \$46,000 was based off of a quote for a Durango vehicle the County Sheriff's Office was purchasing. Mann reported that the proposed General Fund budget included a transfer of \$200,000 from the Electric Fund to the General Fund as the Electric Fund's payment in lieu of taxation. Member Fisch requested that the chart showing the changes in the 2020 General Fund budget totals for the departments be revised to include a column showing each proposed department budget as a percentage of the overall General Fund budget.

Council reviewed a list of proposed capital expenditures and significant other expenses to be included in the budget. Clerk/administrator Swann reported that the proposed 2020 budget (which included a 6.5% levy increase) would provide funds for \$160,995 in capital expenditures for 2020. Mayor Schroeder recommended that the City should budget \$50,000 to replace the boiler in the auditorium; there were no objections from the other Council members.

e. Consideration of proposed Resolution 2019-012: A Resolution Ordering the Repair or Razing of a Hazardous Building at 916 E. Main Street: Mayor Schroeder moved to approve proposed Resolution 2019-012 with an amendment that the repair or razing of the hazardous building had to be completed within 20 days. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

f. Overtime report: Members reviewed the overtime report for the pay period July 29, 2019 – August 11, 2019. No further action was taken by the Council.

ANNOUNCEMENTS:

a. The City Council Fire and Ambulance Committee were going to be having a mid-year Fire District meeting on Wednesday, August 28, 2019 at 6:30 p.m.

b. The next regular City Council meeting scheduled for Monday, September 9, 2019 was cancelled. There would be a special City Council meeting on Thursday, September 12, 2019 at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Rykhus, seconded by Member Schroeder. All members present voted in favor, and the motion was declared carried to adjourn at 8:13 p.m.

DeWayne "Tank" Schroeder
Mayor

Adam G. Swann
Clerk/Administrator