

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, August 23, 2021

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 City Auditorium.

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, Member David Fitzpatrick, Member Robert “Bob” Klug, and Member Amanda Ninneman. Council member(s) absent: Member Brad Rykhus. City staff present: Casey Klug, public works/zoning director; Stephanie Mann, finance officer (arrived at 6:55 p.m.); and Adam Swann, clerk/administrator. Visitor(s) present: Nathan Boler; Craig Moorhead, *Caledonia Argus*; and Charlene Selbee, *Fillmore County Journal*.

CONSENT AGENDA: Member Fitzpatrick moved to approve the consent agenda, and Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed. The consent agenda comprised the following items:

- a. Approve minutes from August 9, 2021 regular City Council meeting
- b. Accept resignation of Kristina Hauser as part-time liquor store clerk, effective August 12, 2021
- c. Approve hiring Cira Galloway as part-time liquor store clerk at rate of \$12.00/hr.

PUBLIC COMMENT:

a. Nathan Boler: Nathan Boler, principal of Caledonia Middle/High School, was present and asked the Council whether the City would be open to working with the school to designate Sprague Woods as an outdoor classroom. Members Ninneman and Klug expressed support for increasing use of Sprague Woods.

FINANCE OFFICER:

a. Report on cash and investments: Finance Officer Stephanie Mann reported that the cash and investments for the City’s governmental, special revenue, and enterprise funds totaled \$5,114,070.79 through July 31, 2021, an increase of \$186,133.09 from June 30, 2021. Mann reported that the General Fund had received half of the \$54,901 the City would be receiving from the State of Minnesota for the Small Cities Road Assistance.

b. Report on long-term debt: Mann reported the Sewer Fund had made a principal payment of \$105,787 on the 2012 PFA Sewer Rehab loan. Mann further reported that she made interest payments on several other long-term debts.

c. Review of 2021 budget v. actual for General Fund, enterprise funds, and special revenue funds: Mann reported on the budget v. actual for the General Fund, enterprise funds, and special revenue funds through the end of July. Mann noted that the Fire Department had paid \$44,502 for the jaws of life and related equipment in July.

PUBLIC WORKS/ZONING DIRECTOR:

a. Updates

i. Construction of Well House No. 8: Public Works/Zoning Director Klug reported that Wapasha Construction was having difficulty obtaining steel piping and rebar for the new well house.

ii. Construction of new wastewater treatment facility: Klug reported that City staff were cleaning up the existing wastewater treatment facility site to provide vehicular access to the site of the new wastewater treatment facility.

iii. Meeting re joint facility for Ambulance and Fire Departments: Klug reported that he, Mayor Schroeder, Clerk/Administrator Swann, Fire Chief Kevin Jacobson, and Ambulance Director Mike Tornstrom had met last week to discuss the space needs for a potential new combination ambulance and fire facility.

CLERK/ADMINISTRATOR:

a. Updates

i. 2020 Census Results: Clerk/Administrator Swann reported that the City's 2020 Census population was 2,847, which was only a slight drop from the 2010 Census population of 2,868. Swann reported that the City's Census results were better than the Census had estimated in 2019 and that the City's 2020 figures did not include the residents now living in the second Twin Village Apartments apartment building, which had opened after the April 1, 2020 Census reporting deadline. Swann further reported that the City's population had been increasing since 2017 based on information from the Minnesota State Demographer's Office and City utility data.

ii. Green Project Reserve grant funding for new wastewater treatment facility: Swann reported that the City had been awarded \$815,174 in additional grant money for the new wastewater treatment facility because the project qualified for grant money through the State of Minnesota's Green Project Reserve Fund. Swann credited project engineer Eric Lynne of Donohue & Associates for preparing persuasive documentation to explain why the project was eligible for the funds.

iii. CBS News interview of Mayor Schroeder and visit to Caledonia: Swann reported that national correspondent Kris Van Cleaves of CBS News had been in Caledonia on Friday, August 27 to interview Mayor Schroeder about the closure of Miken Sports. Swann further reported that Cleaves also interviewed Dee Slinde of Workforce Development and someone from Good Times restaurant. Swann further reported that CBS News visited various locations in the City during the morning and stopped by the Houston County Fair in the afternoon.

iv. 2021 Summer Pool Season: Swann reported that the Caledonia Aquatic Center closed for the 2021 summer season last week. Swann thanked Manager Maria Schieber, the assistant managers, and lifeguards for making the season possible despite the late start because of the pool gutter repairs. Swann noted that the City hadn't received any complaints about the pool during the season, so the pool leadership and lifeguards had done a good job.

NEW BUSINESS:

a. Consideration of project engineer Donohue & Associates' recommendation to accept bid from Wapasha Construction—in amount of \$13,529,400, including alternates 1, 2, and 3—as lowest responsible and responsive bidder for construction of new wastewater treatment facility: Project engineer Mike Gerbitz of Donohue & Associates was present and reported that the City had received three bids for the new wastewater treatment facility. The engineer's probable cost estimate for the base bid plus alternates 1, 2, and 3 was \$15,680,579. Wapasha Construction Co. submitted the lowest bid (including alternates 1, 2, and 3) in the amount of \$13,529,400. C.D. Smith Construction submitted a bid in the amount of \$16,273,290 (including alternates), and Market & Johnson submitted a bid of \$16,522,586

(including alternates). Mike Gerbitz reported that Donohue & Associates had checked references for Wapasha Construction and determined that Wapasha Construction was a responsible contractor. Based on the preceding information, Donohue & Associates was recommending that the City accept the base bid plus alternates 1, 2, and 3 submitted by Wapasha Construction Co. for construction of the new wastewater treatment facility.

Member Klug moved to accept the base bid (and alternates 1, 2, and 3) submitted by Wapasha Construction in the amount of \$15,680,579 for construction of the new wastewater treatment facility. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

b. Consideration of proposal from Donohue & Associates to provide construction phase engineering services for amount not to exceed \$1,098,059, pursuant to Amendment #1 to Engineering Services Agreement for wastewater treatment facility design and bidding project, originally executed May 20, 2020: Project engineer Mike Gerbitz of Donohue & Associates was present and answered questions about Donohue & Associates' proposal to provide construction phase engineering services for the new wastewater treatment facility for an amount not to exceed \$1,098,059. Gerbitz explained that the proposal included a contingency of \$150,000 that would be controlled by the City. Gerbitz further explained that the full-time resident project representative assigned to the project would stay in the area.

Member Klug moved to accept the proposal from Donohue & Associates to provide construction phase engineering services for the new wastewater treatment facility for an amount not to exceed \$1,098,059. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

c. Public hearing re application by Nathan and Dana Boler for 12-foot setback variance at 1002 Courtney Drive (parcel ID 21.1266.000) for purposes of constructing 12' x 24' (288 sq. ft.) deck 8 feet from east property line in R-1, Suburban Residential District: At 6:45 p.m. Member Fitzpatrick moved to adjourn the regular City Council meeting to hold a public hearing on the application by Nathan and Dana Boler for a 12-foot setback variance at 1002 Courtney Drive. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

At 6:45 p.m. the public hearing convened. Public Works/Zoning Director Klug reported that property owners Nathan and Dana Boler wanted to construct a deck on their property at 1002 Courtney Drive and needed a setback variance because there was nowhere to put a deck on the property. Klug reported that the setback requirement was 20 feet for a deck, so the Bolers were asking for a 12-foot setback variance to put the deck eight feet from the east property line. Klug reported that the average depth of a deck in a neighborhood was 20 feet, so the deck the Bolers were asking to construct was the minimum size possible. Klug reported that he had talked about the application with Bob Lemke, who lived adjacent to the property, Lemke but did not object to the setback variance request. At 6:49 p.m. Member Fitzpatrick moved to close the public hearing and reconvene the regular City Council meeting. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed. The regular City Council meeting reconvened at 6:49 p.m.

d. Consideration of application by Nathan and Dana Boler for 12-foot setback variance at 1002 Courtney Drive (parcel ID 21.1266.000) for purposes of constructing 12' x 24' (288 sq. ft.) deck 8 feet from east property line in R-1, Suburban Residential District: Member Klug moved to approve the findings of fact set forth below and approve the 12-foot setback variance at 1002 Courtney Drive (parcel ID 21.1266.000) to allow the construction of a 12' x 24' (288 sq. ft.) deck eight feet from the east property line in a R-1, Suburban Residential District. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

The findings of fact approved by the Council were the following:

- (i) Exceptional or extraordinary circumstances apply to the property that do not apply generally to other properties in the same zone or vicinity and result from lot size or shape, topography or other circumstances over which the owners of the properties had no control since enactment of Chapter 153 of the City Code; specifically due to the smaller than average back yard, it would not be possible to build a deck on the property without a setback 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 the R-1, Residential District have a deck or patio in the rear of their homes;
- (iii) The special conditions or circumstances did not result from the actions of the applicant because the applicant purchased the property as is without an existing deck on the house but the house was built with a patio door with the intention of building a deck in this area from original construction of the home in 2014;
- (iv) The granting of the variance requested would not confer on the applicant any special privilege that was denied by Chapter 153 to owners of other lands, structures, or buildings in R-1, Residential Districts;
- (v) The variance requested is the minimum variance that would alleviate the hardship because the applicant is only requesting to build a deck 12' in width, which is the minimum size to have enough room for a common table and chairs or other common home accessories;
- (vi) The variance would not be materially detrimental to the purposes of Chapter 153 or other properties in the R-1 Residential District because adding a deck to the house would increase value and appearance of the area;
- (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.

e. Review of sample amortization schedule for PFA loan for construction of new wastewater treatment facility: Council reviewed a sample amortization schedule for the City's PFA loan for construction of a new wastewater treatment facility. Clerk/Administrator Swann reported that the City was no longer eligible for a 30-year term because the bids for the new wastewater treatment facility were approximately \$2 million less than the required threshold, so the term would be 20 years. Swann further reported that the loan of \$8,254,582 included funding to cover contingencies of \$826,400 (i.e., \$676,400 for construction and \$150,000 for engineering) and that the final loan amount would be dependent on the actual project cost.

f. Consideration of proposal to increase sewer rates for 2022-2024 to fund new wastewater treatment facility: Council reviewed a proposal to increase sewer rates July 1, 2022; July 1, 2023, and July 1, 2024 in order to pay for the new wastewater treatment facility. The proposed increases would be roughly equal each year.

Member Klug moved to approve the proposed sewer rate increases in 2022, 2023, and 2024. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

g. Discussion re proposed preliminary General Fund, Fire Fund, and EDA Fund budgets for fiscal year 2022 and preliminary levy for taxes payable in 2022: Finance Officer Stephanie Mann summarized the proposed preliminary budget for 2022 and the preliminary levy for taxes payable in 2022. The proposed preliminary budget of \$2,392,365 was based on a 6% levy increase and a \$200,000 payment in lieu of taxation from the Electric Fund to the General Fund. The proposed preliminary budget included transferring \$200,000 from the General Fund to the Capital Improvement Fund to pay for future street projects. No action was taken by the Council.

h. Overtime report: Members reviewed the overtime report for the pay period July 26, 2021 – August 8, 2021. No further action was taken by the Council.

ANNOUNCEMENTS:

a. The next regular City Council meeting was scheduled for Monday, September 13, 2021, at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Klug, seconded by Member Fitzpatrick. All members present voted in favor, and the motion was declared carried to adjourn at 7:51 p.m.

DeWayne “Tank” Schroeder
Mayor

Adam G. Swann
Clerk/Administrator