

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, August 24, 2020

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, Paul Fisch, David Fitzpatrick, Brad Rykhus, and Randi Vick. City staff present: Stephanie Mann, finance officer (arrived at 7:00 p.m.); and Adam Swann, clerk/administrator. Visitor(s) present: Bob Klug; Michael Peterson; Craig Moorhead, *Caledonia Argus*; Chuck Schulte; Pat Stone; Paul Tewes; Dave Wray; and Heather Wray.

CONSENT AGENDA: Member Fisch moved to approve the following items of the consent agenda. Member Rykhus 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 10, 2020 regular City Council meeting
- b. Approve request from Elsie and Lee Babler (owners of Elsie’s Bar and Grill) to close S. Pine St. from E. Main St. to E. Grove St. on September 5, 2020, from 4:00 p.m. to 10:00 p.m., for a concert to raise funds for the Four Seasons Community Center and the Post Prom Committee

PUBLIC COMMENT:

- a. Pat Stone was present on behalf of W.S. Investments, LLC, which owned apartments at 111 E. Grove Street. Stone expressed concern that the City wouldn’t shut off electric service to one of W.S. Investments’ tenants. The electric service was in the name of the landlord.
- b. City resident Chuck Schulte was present. Schulte presented City Council with photos of 214 E. Jefferson St. and expressed concern that the efforts to clean up the property were not sufficient enough. Schulte stated he thought the house should be torn down.

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 \$4,634,150.97 through July 31, 2020, an increase of \$439,255.45. Mann reported that the General Fund increased because the City received the first half of its Local Government Aid in July, which amounted to an increase of \$515,961. Mann further reported that the City had received its CARES Act funds of \$212,761. Mann further reported that the City had paid its tax abatements.

b. Report on long-term debt: Mann reported that the City had made several debt payments since July. The City made interest payments on G.O. Tax Abatement Bonds, Series 2014A; G.O. Street Reconstruction & Utility Revenue Bond, Series 2018A; G.O. Tax Abatement Bond, Series 2016A; and G.O. Sewer Revenue Note, Series 2012A. The City made a principal payment on the MN PFA Clean Water Revolving Loan – Sewer Rehab 2012.

c. Review of 2020 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. Mann reported that many of the departments were under budget.

CLERK/ADMINISTRATOR:

a. Updates

i. I.U.O.E. Local 49 Notice of Desire to Negotiate: Clerk/Administrator Swann reported that the City had received a notice of desire to negotiate a new collective bargaining agreement from I.U.O.E. Local 49.

ii. Construction of Production Well No. 8: Swann reported that he had been informed by Mayor Schroeder that Traut Companies had started drilling Production Well No. 8.

NEW BUSINESS:

a. Public hearing re status of DEED Small Cities Development Program grant for owner-occupied housing rehab, commercial rehab, and rental rehab in designated areas of Caledonia:

At 6:50 p.m. Member Rykhus moved to adjourn the regular City Council meeting to hold a public hearing on the status of the DEED Small Cities Development Program grant for owner-occupied housing rehab, commercial rehab, mixed-use rental rehab, and multifamily rental rehab in the designated target areas of Caledonia. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed. The meeting was adjourned, and the public hearing convened at 6:50 p.m.

Allison Wagner of Community Economic Development Associates was present and updated the Council about the status of the DEED Small Cities Development Program grant for owner-occupied housing rehab, commercial rehab, mixed-use rental rehab, and multifamily rental rehab in the designated target areas of Caledonia. Wagner reported that 8 owner-occupied residential projects were done, 4 owner-occupied residential projects were underway, and 3 owner-occupied residential projects were available. Wagner reported that the multifamily rental projects were done. Wagner reported that 8 of the 10 mixed-use rehab projects were done. Wagner reported that for the commercial rehab projects, 6 were done, 2 were out for bid, and 1 application had been submitted. Wagner noted that all of the funds for the commercial projects were spoken for. At 7:10 p.m. Member Fitzpatrick moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

b. Public hearing re application by Suzanne Roesler for an 11-foot setback variance at 124 E. Main St. (parcel ID 21.0018.000) for purposes of constructing a 25' x 15' (375 sq. ft.) building 14 feet from the south property line in a B-1, Central Business District: At 7:11 p.m.

Member Fitzpatrick moved to adjourn the regular City Council meeting to hold a public hearing on an application by Suzanne Roesler for an 11-foot setback variance at 124 E. Main St. (parcel ID 21.0018.000) for purposes of constructing a 25' x 15' (375 sq. ft.) building 14 feet from the south property line in a B-1, Central Business District. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed. The City Council meeting was adjourned, and the public hearing convened at 7:11 p.m.

Clerk/Administrator Swann reported that Suzanne Roesler was requesting an 11-foot setback variance to construct a 25' x 15' storage building 15 feet from the south property line of 124 E. Main Street (in a B-1, Central Business District). Swann reported that the storage building would be a one-story structure (attached to the existing building) that was going to be used by the Caledonia Bakery for dry storage and cold storage. Swann further reported that Public Works and Zoning Director Casey Klug had indicated that the requested variance was the minimum variance possible in order to construct the building. Paul Tewes was present on behalf of Suzanne Roesler and reported that there were utilities to the west of the proposed building location, which is why they were constructing the building closer to the east property line rather than the middle of the property. David Wray and Heather Wray, owners of 118 E. Main Street, were present and did not object to the proposed setback variance. In response to a question from Member Fisch, Paul Tewes stated that Suzanne would install a gutter on the building so that water would not be discharged onto the adjacent property at 138 E. Main Street. At 7:16 p.m. Member Fitzpatrick moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed. The regular City Council meeting reconvened at 7:16 p.m.

c. Consideration of application by Suzanne Roesler for an 11-foot setback variance at 124 E. Main St. (parcel ID 21.0018.000) for purposes of constructing a 25' x 15' (375 sq. ft.) building 14 feet from the south property line in a B-1, Central Business District:

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 the circumstances were the result of the 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 had limited space;
- (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 under the terms of this chapter;
- (iii) The special conditions or circumstances did not result from the actions of the applicant;
- (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 a B-1, Central Business District;

- (v) The variance requested was the minimum variance that would alleviate the hardship;
- (vi) The requested 14-foot setback variance would not be materially detrimental to the purposes of Chapter 153 or other properties in the B-1 Central Business District; 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.

Based upon the preceding findings of fact, Member Rykhus moved to approve a 14-foot setback variance on the south property line of 124 E. Main St. for a total setback of 11 feet for purposes of constructing a 25' x 15' storage building, provided that the applicant installed a gutter on the building to direct water away from the adjacent property. Member Fisch seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Review of potential public nuisances at 214 E. Jefferson St.: Council reviewed photos of the property at 214 E. Jefferson St., which had been taken by City staff on August 24, 2020. Council also reviewed photos of the property that were taken by Chuck Schulte, a resident in the area. Clerk/Administrator Swann reported that property owner Tracy Storlie had removed some of the excess vegetation on the back of the house and removed some of the debris. After discussion by the Council members, Member Vick moved to make a finding that the property had the following nuisances:

- 1) The hole in the lattice under the house was a public nuisance because it provided sanctuary for vermin such as skunks.
- 2) The bushes in front of the house were rank vegetation and therefore a public nuisance.
- 3) The broken windows and the holes in the roof in the back of the house were a public nuisance because they were giving pests, vermin, and water access to the house, and the broken windows were an eyesore.
- 4) The broken windows were a public nuisance because they posed a danger to the public.
- 5) The plywood, cinder blocks, and broken gutters stored on the exterior of the property were debris constituting a public nuisance.
- 6) The sidewalk in front of the house was a public nuisance because it was in a significant state of disrepair.

Member Vick further moved to order that the property owner of 214 E. Jefferson St. eliminate the preceding nuisances within 10 days (i.e., September 4, 2020).

Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

e. Discussion re proposed preliminary General Fund, Fire Fund, EDA Fund, and Library Fund budgets for fiscal year 2021 and preliminary levy for taxes payable in 2021: Council reviewed the proposed preliminary General Fund, Fire Fund, EDA Fund, and Library Fund budgets for fiscal year 2021 and preliminary levy for taxes payable in 2021. The proposed

budgets were based on a 0% City levy increase for 2021, and the General Fund would use funds saved from 2020 to purchase a new police vehicle for \$46,500, purchase a police squad computer for \$5,500, and replace the auditorium boiler for \$150,000. The proposed General Fund budget also included \$171,805 for the following additional capital expenditures: 1) purchasing a new mower for \$12,000, 2) purchasing a snow-hauling truck for \$100,000, 3) purchasing a police radio for \$3,500, and 4) allocating \$50,000 to install a concrete and PVC gutter system at the pool rather than stainless steel. There would also be \$6,305 available for other expenditures. The proposed Fire Fund budget included \$32,000 to purchase the jaws of life for the Fire Department, with the rural fire district and City each contributing \$16,000. Council suggested purchasing a cheaper snow hauler, using forfeiture money to help purchase the new police vehicle, and fixing the sidewalk by the liquor store. No further action was taken by the Council.

f. Consideration of residential solid waste collection and disposal contract between Richard's Sanitation, LLC and City of Caledonia: Clerk/Administrator Swann reported that he and Public Works and Zoning Director Casey Klug had met with Greg Skauge, owner of Richard's Sanitation, to discuss a new solid waste collection and disposal contract. Swann reported that the option of switching from the yellow bags to plastic containers had been discussed but that there were concerns about maneuvering the trash bins during winter and storing them. Swann further reported that after consultation with Mayor Schroeder, it was City staff's recommendation to continue using the yellow bags and to approve the new proposed contract. Member Fisch moved to approve the proposed solid waste collection and disposal contract for residential properties in the City for the period September 1, 2020 to August 31, 2025. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

g. Consideration of recommendation to hire Kayla Snell as administrative assistant for the City of Caledonia at step 3 of pay grade 3, effective September 8, 2020: Clerk/Administrator Swann reported that the City had received 48 applications for the position. Swann further reported that he and Mayor Schroeder, Member Vick, Police Chief Kurt Zehnder, and Samantha Hancock had interviewed five candidates for the position. It was their recommendation to hire Kayla Snell for the position at step 3 of pay grade 3, effective September 8, 2020. Member Rykhus moved to approve hiring Kayla Snell for the administrative assistant position at step 3 of pay grade 3, effective September 8, 2020. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

h. Discussion re proposed agreement between HR Green and City of Caledonia to provide City with assistance in requiring funding for new wastewater treatment facility: Member Vick moved to approve a proposed agreement—not to exceed \$5,000—between HR Green, Inc. and the City of Caledonia to assist the City with acquiring grant dollars to help fund the City's new wastewater treatment facility. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

i. Consideration of proposed school crossing guard agreement between the City of Caledonia and Independent School District No. 299: Member Vick reported that in prior years the school crossing guards had been paid at least one hour for each shift they worked. The Council was agreeable to revising the contract to pay school crossing guards at least one hour for

each shift they worked. Clerk/Administrator Swann reported that he would make the change and bring the contract back to the Council for approval.

j. Overtime Report: Members reviewed the overtime report for the pay period July 27, 2020 – August 9, 2020. No further action was taken by the Council.

ANNOUNCEMENTS:

a. The next regular City Council meeting was scheduled for Monday, September 14, 2020 at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Fisch, seconded by Member Fitzpatrick. All members present voted in favor of the motion, and the motion was declared carried to adjourn at 8:54 p.m.

DeWayne “Tank” Schroeder
Mayor

Adam G. Swann
Clerk/Administrator