

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
CITY COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, September 25, 2017

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, Robert Burns, Paul Fisch, Robert Lemke, and Randi Vick. City staff present: Ashley Dress, library director (at 6:30 p.m.); Casey Klug, public works and zoning director; Stephanie Mann, accountant (at 6:40 p.m.); Adam Swann, clerk-administrator. Visitor(s) present: Craig Moorhead, *Caledonia Argus*; Cassie Rauk, Library Board member; Lollie Smith, Library Board president; David Strike; and Liz Wanschura, Library Board member.

CONSENT AGENDA: Member Burns moved to approve the consent agenda. Member Lemke seconded the motion. The motion passed 4-0, with Member Fisch abstaining (due to the fact that he was absent for the Sept. 11, 2017 City Council meeting). The consent agenda comprised the following items:

- a. Approval of minutes from September 11, 2017 regular meeting

PUBLIC COMMENT:

- a. David Strike: Mr. Strike summarized the reasons he wanted to build a new hotel in the City and the reasons the City should provide financial support for the project.

PRESENTATION:

- a. Caledonia Library Board
 - i. Presentation of proposed 2018 budget: Lollie Smith, president of the Library Board, presented Council with a proposed budget for 2018. The proposed budget of \$106,895 requested funding of \$80,635.06 from the City—an increase of \$9,645.06 (or 13.59%) from 2017. The main reason for the increase was the plan to hire a third part-time staff member. Library Director Ashley Dress reported that the additional staff would help cover the evening and weekend shifts but would not work alone.

CITY ACCOUNTANT:

- a. Review of cash and investments: City Accountant Stephanie Mann reported that the cash and investments for the City’s governmental, special revenue, and enterprise funds totaled \$3,493,580.80 through August 31, 2017.
- b. Review of long-term debt: Mann reported there were no changes in the City’s long-term debt.
- c. Review of budget versus actual: Mann reported on the budget versus actual for the governmental funds and enterprise funds through August 31, 2017.

CLERK-ADMINISTRATOR:

- a. Updates:
 - i. Caledonia Aquatic Center: Clerk-Administrator Swann reported that Public Works and Zoning Director Casey Klug had been working with Wieser Brothers General Contractor, Inc. to eliminate the dip in the concrete that caused water to collect in front of the lockers at the Aquatic Center. Klug was also working with Neuman Pools to determine the cause of the rust on the gutters and wall.

ii. Potential well sites: Swann reported that he and Klug had met with Jim Kochie and Michael Davy of Davy Engineering last week and had visited three potential sites for a new well. Based on the site visits, it appeared that the best location would be in Sunnyside Park. The next step would be for Davy Engineering to prepare a draft layout of the site and submit it to the Minnesota Department of Health for review.

iii. N. Kingston St. reconstruction project: Swann reported that Klug was working on gathering quotes for the cost of installing new light poles on N. Kingston St. Members Burns and Fisch requested that Swann and Klug try to put the N. Kingston St. project out for bid in December.

iv. Manufacturer's Week: Swann reported that Caledonia had been selected as one of four cities in Southeast Minnesota to host an event for Manufacturer's Week. CEDA, Journey to Growth, and the Governor's Office were organizing stops at Miken Sports and Sno Pac Foods, Inc. on October 5, 2017.

v. Small Cities Development Program Grant surveys: Swann reported that he and Assistant to the Clerk-Administrator Allison Wagner had walked most of the streets in the residential target areas and distributed extra copies of the surveys to property owners. Swann reported that approximately 60 income-eligible property owners of single-family homes had returned their surveys. Semcac seemed more optimistic about the response rate.

vi. Business contacts: Swann reported that Wagner had been meeting with businesses since early August and was working on trying to fill some vacant storefronts. Swann distributed a list of contacts Wagner had prepared.

NEW BUSINESS:

a. Public hearing re application by David Fitzpatrick for renewal of interim use permit at 815 East Main Street: At 6:15 p.m. the regular meeting was adjourned to hold a public hearing on an application by David Fitzpatrick for an interim use permit to use the property at 815 East Main Street for a used car dealership. Mr. Fitzpatrick was not present for the public hearing. Swann reported that Mr. Fitzpatrick had previously received an interim use permit in 2014 on condition that Mr. Fitzpatrick 1) provide a barrier between his property and the Ellingson property to his east and 2) remove debris, car bodies, and car parts from the premises on a routine basis. Swann distributed photos taken of the property that morning by Public Works and Zoning Director Klug and reported that the conditions set forth by the City Council for the 2014 interim use permit had not been met. Several members of the public who received notices about the hearing were in attendance and asked questions about the application. At 6:27 p.m. Mayor Schroeder closed the public hearing and reconvened the regular meeting.

b. Consideration of application by David Fitzpatrick for renewal of interim use permit at 815 East Main Street: The Council members reviewed and discussed the application by David Fitzpatrick for an interim use permit to use the property at 815 East Main Street for a used car dealership. Based upon the information in the application and the information received during the public hearing, Council made the following findings of fact about the proposed use, pursuant to City Code § 153.415(B):

- (i) the use would not create an excessive burden on existing parks, schools, streets and public facilities and utilities which serve the area because the use was not going to change;
- (ii) the use was not compatible with adjacent residentially zoned or used land because Fitzpatrick had not installed a barrier or removed the debris, car bodies, and car parts, which were required when the Council issued the previous interim use permit;
- (iii) the structure and site would have an appearance that would have an adverse impact upon

- adjacent residential properties;
- (iv) the use was reasonably related to the overall needs of the City and to the existing land use because the property was being used for an ongoing business and as an industrial property could be used for a worse purpose;
- (v) the use was consistent with the purposes of Chapter 153 and the purposes of the zoning district in which the applicant intended to locate the proposed use because the use was consistent previously and hadn't changed;
- (vi) the use was not in conflict with the comprehensive plan of the City because the property had been zoned industrial for a long time;
- (vi) the use would not cause traffic or congestion; and
- (vii) adequate utilities, access roads, drainage and necessary facilities had been provided.

Member Lemke moved to grant Mr. Fitzpatrick an interim use permit for six months to give Mr. Fitzpatrick time to comply with the conditions set forth in the 2014 interim use permit—including but not limited to installing a barrier and removing the debris, car bodies, and car parts from the premises on a routine basis. Mayor Schroeder seconded the motion. Mayor Schroeder and Member Lemke voted in favor of the motion. Members Burns, Fisch, and Vick voted against the motion. The motion failed 3-2.

Member Burns moved to grant Mr. Fitzpatrick an interim use permit for three months to give Mr. Fitzpatrick time to comply with the conditions set forth in the 2014 interim use permit—including but not limited to installing a barrier and removing the debris, car bodies, and car parts from the premises on a routine basis. Member Fisch seconded the motion. Mayor Schroeder, Member Burns, Member Fisch, and Member Vick voted in favor of the motion. Member Lemke voted against the motion. The motion passed 4-1.

c. Consideration of City Resolution 2017-008: A Resolution Adopting Proposed Levy for Taxes Payable in 2018 (5% Increase): Council reviewed and discussed Resolution 2017-008: A Resolution Adopting Proposed Levy for Taxes Payable in 2018 (5% Increase). The proposed resolution would set the total proposed levy at \$829,320, a 5% increase over the levy for taxes payable in 2017. The levy included \$554,095 for the General Fund, \$24,000 for economic development tax abatements, \$72,410 for the Library Fund, and \$178,815 for indebtedness. Member Burns moved to approve Resolution 2017-008 as presented. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Review of revised feasibility report for installation of sanitary sewer service and street improvements on E. South St. and S. First St.: Council reviewed a revised feasibility report for sanitary sewer service and street improvements on E. South St. and S. First St. The report had been updated to extend sanitary sewer service to the east end of E. South St. to pick up two additional parcels. No further action was taken by the Council.

e. Consideration of proposed assessment amount and method of calculation in preparation for public hearing on Oct. 9 (re sewer extension and street improvements on E. South St. and S. First St.): Council reviewed and discussed the total amount to be assessed and the methodology used to calculate individual assessments for affected parcels. The total estimated project cost for installing gravity sewer and lift station on E. South St. and S. First St. was \$349,870 (including the cost of street restoration). The total estimated project cost for installing gravity sewer, lift station, curb and gutter, and storm sewer as well as related street improvements was \$724,760. The total estimated cost of installing watermain on S. First St. was \$38,170. Member Burns moved to approve assessing 25% of the \$349,870 estimated project cost for installing gravity sewer and a lift station and restoring the street on E. South St. and S. First St. and

assessing 25% of the \$38,170 estimated project cost for installing watermain on S. First St. The amount assessed for installation of sanitary sewer would be split evenly among the 19 parcels benefited from the sanitary sewer, and the amount assessed for installation of watermain would be split evenly among the 5 parcels benefited from the watermain. The estimated cost would be \$4,603.55 per parcel for sewer and \$1,908.50 per parcel for water. Member Fisch seconded the motion. All members present voted in favor of the motion, and the motion passed.

f. Consideration of revision to Downtown Redevelopment Program: Member Burns reported that the EDA Board had voted at its September 19, 2017 meeting to remove the requirement of the Downtown Redevelopment Program that the tax base increase within two years of project approval; Member Burns explained that the reason for this recommendation was that the eligible work under the program wouldn't necessarily improve the tax base for a property but would improve the appearance of Downtown and business environment—which were the goals of the program. Mayor Schroeder moved to accept the EDA Board's recommendation to eliminate the requirement of the Downtown Redevelopment Program that the tax base increase within two years of project approval. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion was approved.

g. Review of proposal from Landmark Dividend, LLC to purchase Verizon lease of City water tower: Council reviewed a proposal from Landmark Dividend, LLC to purchase Verizon's lease of the City water tower at N. Ramsey St. No further action was taken by the Council.

h. Overtime report: Members reviewed the overtime report for the pay period Aug. 28, 2017 – Sept. 10, 2017. No further action was taken by the Council.

ANNOUNCEMENTS:

a. The next regular City Council meeting was scheduled for October 9, 2017 at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Burns, seconded by Mayor Schroeder. All members present voted in favor, and the motion was declared carried to adjourn at 8:57 p.m.

DeWayne "Tank" Schroeder
Mayor

Adam G. Swann
Clerk-Administrator