

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
CITY COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, December 10, 2018

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: Stephanie Mann, finance officer, Adam Swann, clerk/administrator. Visitor(s) present: Craig Moorhead, *Caledonia Argus*; Deborah Wray; and Melissa Wray, Mainspring.

CONSENT AGENDA: Member Vick moved to approve the consent agenda. Member Burns seconded the motion. All members present voted in favor of the motion, and the consent agenda was approved. The consent agenda comprised the following items:

- a. Approval of minutes from November 26, 2018 regular City Council meeting
- b. Approval of Change Order No. 6 for 2018 E. South St. and S. First St. Public Improvement Project
- c. Approval of engagement letter with Smith Schafer & Associates for audit of City’s financial statements for year ending December 31, 2018
- d. Approval of proposed Resolution 2018-020: A Resolution Designating Annual Polling Places
- e. Approval of request from Rita Svehaug and Lee Svehaug for key to Municipal Auditorium Gymnasium
- f. Approval of licenses for Quillin’s IGA, Kraus Oil, Kwik Trip #733, and DG Retail, LLC (d/b/a Dollar General Store #10343) to purchase or sell cigarettes or tobacco products
- g. Approval of applications from Lee Babler (d/b/a Elsie’s), Sasa Lee, LLC (d/b/a Good Times Restaurant & Bar), and MAAD Alley, LLC for 2019 on-sale intoxicating liquor licenses and on-sale Sunday intoxicating liquor licenses
- h. Approval of application from American Legion 191 (d/b/a American Legion Club) for 2019 club on-sale liquor license and Sunday intoxicating liquor license
- i. Approval of application from The Wired Rooster, LLC (d/b/a The Wired Rooster Coffee Shoppe) for 2019 on-sale wine license
- j. Accept letter of resignation (i.e., retirement) from Doug Ely as member of Caledonia Fire Department
- k. Approve Sam Miller as member of Caledonia Fire Department

PUBLIC COMMENT: None.

CLERK-ADMINISTRATOR:

- a. Updates:
 - i. Proposals for wastewater facility plan: Swann reported that the City was working on getting additional proposals for a wastewater facility plan, per Council’s request at the Council meeting on November 26, 2018. Swann reported that the plan was to present the proposals to the

Council in January and to have representatives from the engineering firms attend a Council meeting.

ii. Applications for water/wastewater operator position: Swann reported that the City had received several applications for the water/wastewater operator position and was continuing to accept applications. The job announcement requested that applications be submitted by December 12, 2018.

iii. Water leak on S. Kingston St.: Swann reported that the City had contacted Jared Snyder and Penny Mormann about the November water leak on S. Kingston Street. Snyder owns the buildings at 102 S. Kingston St. and 120 S. Kingston St., and Mormann owns Country Charms, which leases space in the buildings. Snyder and Mormann were still waiting for decisions from their insurance companies about whether their claims would be covered. Swann further reported that the City had filed a claim with the League of Minnesota Cities Insurance Trust, and Tim Truwe from the LMCIT visited the affected buildings.

iv. Status of online bill pay for utility bills: Swann reported that the City would likely be ready to start accepting online payments for utility bills starting January 1, 2019. Swann reported that Utility Billing Clerk Jessica Kohnen had been coordinating with Payment Service Network to integrate the City's billing system with the PSN system, and Assistant to the Clerk/Administrator James Marek had been updating the City's website to provide a link and information about utility bill payments.

v. Update from Minnesota Pollution Control Agency: Swann reported that Water/Wastewater Operator Craig Nelson had received approval from the Minnesota Pollution Control Agency to take his Class A Wastewater License test in March 2019.

vi. Farewell open house for Member Burns and Member Lemke: Swann confirmed with the Council members that they would be available for a farewell open house for Member Burns and Member Lemke on Thursday, December 27, 2018, from 4:00-6:00 p.m. in the Council Room at City Hall.

NEW BUSINESS:

a. Public hearing re proposed Resolution 2018-021: A Resolution Authorizing the Assessment of Properties for Unpaid Charges: At 6:33 p.m. Member Burns moved to adjourn the regular City Council meeting to hold a public hearing on proposed Resolution 2018-021, a resolution authorizing the assessment of properties for unpaid charges. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing convened at 6:33 p.m. Members reviewed the proposed resolution. Swann reported that the unpaid utility charges at 111 E. Grove St., Apt. 1 had been paid and could be removed from the resolution. Council reviewed a letter from Robert & Joanne Buege objecting to a proposed assessment of \$213.75 for the cost of a new water meter at their property at 210 E. Adams Street. At 6:40 p.m. Member Burns moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Lemke seconded the motion. All members present voted in favor of the motion, and the regular City Council meeting reconvened at 6:40 p.m.

b. Consideration of proposed Resolution 2018-021: A Resolution Authorizing the Assessment of Properties for Unpaid Charges: Member Burns moved to approve proposed Resolution 2018-021, a resolution authorizing the assessment of properties for unpaid charges, without the charge for 111 E. Grove St., Apt.1, which had been paid. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed.

c. Public hearing re application by Melissa Wray for interim use permit to use property at 113 S. Badger St. as lodging and rooming home through Airbnb: At 6:45 p.m. Member Vick moved to adjourn the regular City Council meeting to hold a public hearing on an application by Melissa Wray for an interim use permit to use the residential property at 113 S. Badger St. (located in an R-2, urban residential district) as a lodging and rooming home through Airbnb. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing convened at 6:45 p.m. Melissa Wray was present and reported to the Council that she wanted to rent some of the rooms at her house for short-term lodging. Wray reported that her house had three bedrooms, which could accommodate five people. Wray reported that guests could park on the street. Wray reported she would tell guests about the City's alternate side parking requirements. Wray noted that there was a shortage of lodging in the City. Wray acknowledged that she would have to pay lodging tax. Swann reported that the City hadn't received any feedback from citizens about the proposed interim use permit. At 6:51 p.m. Member Vick moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed. The regular City Council meeting reconvened at 6:51 p.m.

d. Consideration of application by Melissa Wray for interim use permit to use property at 113 S. Badger St. as lodging and rooming home: Council made the following findings regarding the application by Melissa Wray for an interim use permit to use the property at 113 S. Badger St. (located in an R-2, Urban Residential District) for a lodging and rooming home through Airbnb:

- (i) The use would not create an excessive burden on existing parks, schools, and other public facilities and utilities that serve the area. The use could impact parking but shouldn't be often enough and substantial enough to be a problem; in addition, Wray had confirmed she would remind visitors about the City's alternate side parking requirements.
- (ii) The use would be sufficiently compatible or separated by distance or screening from adjacent residentially zoned or used land so that existing homes would not be depreciated in value and there would not be deterrence to the development of vacant land because there was no vacant land near the property, Wray owned the church building next to the residential property, and other neighbors hadn't objected and weren't likely to object.
- (iii) The structure and site would have an appearance that would not have an adverse effect upon adjacent residential properties because the proposed use was not going to involve changing the appearance of the property.
- (iv) The proposed use was reasonably related to the overall needs of the City and to the existing land use because the City lacked sufficient lodging options.

- (v) The use was consistent with the purposes of the zoning chapter of City Code and the purposes of the R-2, Urban Residential District because lodging and rooming homes were a conditional use in an R-2, Urban Residential District.
- (vi) The use was not in conflict with the comprehensive plan of the City because short-term lodging was needed.
- (vii) The use would not cause traffic hazards or congestion because the guests staying at the lodging and rooming home would be parked and would not be driving around.
- (viii) Adequate utilities, access roads, drainage and necessary facilities were present.

Based on the preceding findings of fact, Member Burns moved to approve a two-year interim use permit for Melissa Wray to use the residential property at 113 S. Badger St. (located in an R-2, Urban Residential District) for Airbnb and similar lodging, effective Monday, December 17, 2018. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed.

e. Consideration of proposed final 2019 General Fund budget and levy for taxes payable in 2019: Council reviewed and discussed the proposed final 2019 General Fund budget and levy for taxes payable in 2019. Mann summarized the changes that the Council had made at the meeting on November 26, 2018. Mann noted that she added \$7,500 to the budget to be used towards the cost of updating the City's comprehensive plan in fall 2019. Mann reported that the final proposed General Fund budget would require a transfer of \$76,530 from the Capital Improvement Fund if Council set the levy at an increase of 4.5%. Member Burns moved to approve the proposed final General Fund budget using a levy increase of 5.5%, for a total levy of \$858,269, and transferring an additional \$8,135 from the Capital Improvement Fund. Member Vick seconded the motion. Member Burns requested that the Council vote by roll call:

Member Lemke: NO
Member Burns: YES
Member Vick: YES
Member Fisch: YES
Mayor Schroeder: NO

The motion passed 3-2.

f. Consideration of Capital Improvement Plan for 2019-2023: Members reviewed the proposed Capital Improvement Plan for 2019-2023. Member Burns moved to approve the proposed Capital Improvement Plan for 2019-2023 provided that 1) the estimated project cost for a new library was removed in 2020 and 2) the plan specified that the Library Department would have to fundraise for their contribution towards a new library. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

g. Consideration of proposed Resolution 2018-022: A Resolution Adopting Final Levy for Taxes Payable in 2019: Members authorized Mayor Schroeder and Clerk/Administrator Swann to sign proposed Resolution 2018-022 in accordance with the approved levy increase of 5.5% for taxes payable in 2019.

h. Consideration of proposed Proclamation 2018-001: A Proclamation Recognizing January 20-26, 2019 as National School Choice Week: Mayor Schroeder, sponsor of proposed Proclamation 2018-001, introduced the proposed proclamation recognizing January 20-26, 2019 as National School Choice Week in the City of Caledonia. Mayor Schroeder moved to approve proposed Proclamation 2018-001. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

g. Overtime report: Members reviewed the overtime report for the pay period November 19, 2018 – December 2, 2018. No further action was taken by the Council.

h. Prepaid claims: Members reviewed the prepaid claims for the period November 15, 2018 – December 7, 2018, which totaled \$240,456.92. Member Fisch moved to approve the prepaid claims as presented. The motion was seconded by Member Vick. All members present voted in favor of the motion, and the motion passed.

i. Claims payable: Members reviewed the claims payable for December 2018, which totaled \$230,728.91. Member Lemke moved to approve the prepaid claims as presented. The motion was seconded by Member Vick. All members present voted in favor of the motion, and the motion passed.

ANNOUNCEMENTS:

a. The next regular Council meeting was scheduled for Monday, January 14, 2019, 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 Member Lemke. All members present voted in favor, and the motion was declared carried to adjourn at 7:41 p.m.

DeWayne “Tank” Schroeder
Mayor

Adam G. Swann
Clerk-Administrator