

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL  
COUNCIL CHAMBERS, CITY HALL  
CALEDONIA, MINNESOTA  
Monday, March 28, 2022

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 Hall Council Chambers.

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, Member Amanda Ninneman and Member Brad Rykhus. Council member(s) absent: None. City staff present: Casey Klug, public works/zoning director; Stephanie Mann, finance officer; Adam Swann, city clerk/administrator. Visitor(s) present: Brent Augedahl; Robert “Bob” Burns, Houston County commissioner; Pete Molling; Craig Moorhead, *Caledonia Argus*; Charlene Selbee, *Fillmore County Journal*.

CONSENT AGENDA: Member Klug moved to approve 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 March 14, 2022 regular City Council meeting
- b. Approve Change Order No. 2 from Wapasha Construction Co., Inc. in amount of \$1,731.85 to relocate heat pump CU-1 from east wall to north wall of Well House No. 8
- c. Approve Payment Application No. 3 from Wapasha Construction Co., Inc. in amount of \$37,872.41 for construction of new wastewater treatment facility
- d. Approve application from Caledonia Founder’s Days for 1-day temporary on-sale liquor license on June 18, 2022
- e. Approve hiring Ron Freigo as part-time attendant at City tree disposal site, effective April 1, 2022, for rate of \$12.25/hr.
- f. Accept resignation of Makena Speltz as part-time clerk for Caledonia Liquor Store, effective March 11, 2022, with Ms. Speltz’s last day of employment on March 11, 2022
- g. Accept resignation of Will Persons as part-time firefighter for Caledonia Fire Department, effective March 21, 2022, with Mr. Person’s last day of employment on April 4, 2022
- h. Accept resignation of Eli Craig as water/wastewater operator, effective March 24, 2022, with Mr. Craig’s last day of employment on April 8, 2022

PUBLIC COMMENT:

- a. Robert “Bob” Burns, Houston County Commissioner: Commissioner Burns informed the Council that Houston County wanted to proceed with requesting an 8-foot encroachment agreement with the City to extend the County’s parking lot onto E. Washington Street.

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 \$5,746,332.04 through February 28, 2022, a drop of \$72,008.88 since January 31, 2022. The drop was due in part to the bond payments the City had made in early February. Mann noted that

she had transferred the \$200,000 payment in lieu of taxation from the Electric Fund to the General Fund in January and that she had also transferred \$200,000 from the General Fund to the Capital Improvement Fund for future street projects, which the Council had budgeted for 2022. Mann reported that the Water and Sewer Funds had fluctuated the past few months because of construction invoices for the new well house and wastewater treatment facility and because of the PFA loan draws. Mann further reported that the City had purchased two CDs at the end of February and early March to replace two CDs that had matured.

b. Report on long-term debt: Mann reported that the City's total debt was \$4,955,742.40 as of the end of February 2022. Mann reported that the General Fund and Water Fund had made their last payments on the G.O. Tax Abatement Bond, Series 2014A in February 2022. Mann further reported that the Fire Fund would be making its last payment on the municipal lease for the fire pumper in June.

c. Report on 2022 budget v. actual for General Fund, special revenue funds, and enterprise funds: Mann provided her report on the budget v. actual for the General Fund, special revenue funds, and enterprise funds through February 28, 2022. Mann reported that the City hadn't purchased anything on the capital list yet besides the expenses for construction of new Well House #8 and the new wastewater treatment facility. Mann reported that the City's enterprises funds had normal operating expenses so far and that sales for the Water Fund, Sewer Fund, and Electric Fund were on budget. Mann noted that the auditor would be coming to the Council meeting in May to report on the 2021 audit.

#### PUBLIC WORKS/ZONING DIRECTOR:

a. Updates

i. Veterans Memorial Park baseball and softball fields: Public Works/Zoning Director Klug reported that City staff would be repairing the warming house and making improvements to the dugouts and fields at Veterans Memorial Park in the next few weeks.

ii. Construction of new wastewater treatment facility: Klug reported that the contractor was still having challenges getting supplies and equipment for the new wastewater treatment facility.

iii. HVAC upgrades at the City Auditorium: Klug reported that the specs had been finalized for the HVAC upgrades at the City Auditorium; furthermore, the project would be advertised for bids once he and Chris Olson of Galileo Consulting Inc., the engineer who had been preparing the specs and bid documents, could set the dates.

#### CITY CLERK/ADMINISTRATOR:

a. Updates

i. Search for new city clerk/administrator: Clerk/Administrator Swann reported that the City was accepting applications for the new city clerk/administrator and that candidates could apply by submitting a résumé, cover letter, and list of references through the employment portal on the City website. Swann further reported that the deadline for applications was April 7, 2022 at 5:00 p.m.

ii. Battle in Bluff Country Omnium: Swann reported that the Battle in Bluff Country Omnium bike race was still scheduled for April 30, 2022 – May 1, 2022.

iii. Summer baseball and softball program registrations: Swann reported that the City was accepting registration forms for the summer baseball and softball program.

iv. Appreciation for City Council, City staff, and Caledonia community: Swann thanked the City Council and Caledonia community for allowing him to serve as city clerk/administrator for the past six years. Swann stated that the City Council had been great to work with and that the City staff were highly talented. Swann further commented that the position was a good opportunity, so whomever replaced him was going to have a positive experience.

#### UNFINISHED BUSINESS:

a. Review of proposed contract between Richard's Sanitation, LLC and City of Caledonia for collection of residential solid waste: Council reviewed the proposed contract between Richard's Sanitation, LLC and the City of Caledonia for collection of residential solid waste. The contract had been revised to address some of Richard's Sanitation's concerns about the contract. Richard's Sanitation had also provided the City with several pricing options based on a 5-, 7-, and 10-year contract. Member Fitzpatrick moved to approve the revised contract with a 10-year term, and Member Klug seconded the motion. All members present voted in favor of the motion, and the motion passed.

#### NEW BUSINESS:

a. Public hearing re application by Brent Augedahl for setback variance of 30 feet to construct a 30' x 50' addition to the existing building on the property at 312 N. Ramsey Lane (parcel ID 21.0259.001), located in an I-1, Light Industrial zoning district, resulting in a setback of 5 feet: At 6:07 p.m. Member Fitzpatrick moved to adjourn the regular City Council meeting to hold a public hearing on an application by Brent Augedahl for a setback variance of 30 feet to construct a 30' x 50' addition to the existing building on the property at 312 N. Ramsey Lane (parcel ID 21.0259.001), located in an I-1, Light Industrial zoning district, resulting in a setback of 5 feet. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing convened at 6:07 p.m.

Public Works/Zoning Director Klug summarized the application for a setback variance. Klug noted that the setback was needed in part because the parcel had an irregular shape and there was an easement along the southern edge of the property that limited where the applicant could construct the building. In addition, the setback variance was needed to provide space for parking spaces in front of the addition. (The building needed at least three spaces under City Code, and there would be room for five.) Klug reported that other properties in the I-1, Limited Industry District had been given setback variances, including nearby 215 W. Grant St. (parcel ID 21.025.9002).

The applicant, Brent Augedahl, was present and explained that he planned on constructing a small holding tank next to the right back corner of the building, provided that it was approved by Council. Klug reported that the only neighbor that might be impacted by the setback variance was Pete Molling, who owned parcel ID 21.025.9002. Pete Molling was present for the public hearing and reported that he wasn't opposed to the proposed setback but did have some questions and wanted to make sure that Mr. Augedahl would have enough space behind the proposed building to access the back of the building if it was necessary. Mr. Augedahl assured Mr. Molling and the Council that he would have no need to access the rear of the building; he wasn't planning on installing landscaping or anything else behind the building.

At 6:16 p.m. Member Rykhus 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 6:16 p.m.

b. Consideration of application by Brent Augedahl for setback variance of 30 feet to construct a 30' x 50' addition to the existing building on the property at 312 N. Ramsey Lane (parcel ID 21.0259.001), located in an I-1, Light Industrial zoning district, resulting in a setback of 5 feet: Council reviewed proposed findings of fact presented by Clerk/Administrator Swann and Public Works/Zoning Director Klug. Mayor Schroeder inquired whether the Council members had questions about the proposed findings of fact or wanted to make changes. No such questions or changes were raised. Member Klug moved to adopt the proposed findings of fact—as set forth below—and approve the requested 30-foot setback variance so that Brent Augedahl could construct a 30' x 50' addition to the existing building on the property at 312 N. Ramsey Lane (parcel ID 21. 0259.001), located in an I-1, Limited Industry District. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

The findings of fact were as follows:

- 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 properties had no control since enactment of Chapter 153 of the City Code; specifically, the Property has a small lot size of 17,000 square feet—which is smaller than the minimum 20,000 square feet required under the City Code—and the Property had an irregular shape; it would not be feasible to construct the addition or use the Property fully 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 an I-1, Limited Industry District had buildings that were close to the property lines and did not have the required setbacks, including the property adjacent to the south property line of the Property and the property two parcels to the north of the Property;
- iii) The special conditions or circumstances did not result from the actions of the applicant; the applicant was not responsible for the irregular shape of the Property, nor was the applicant responsible for the 20-foot wide ingress and egress easement that ran through the Property and benefited the adjacent properties;
- 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 an I-1, Limited Industry District; nearby properties had received setback variances, such as 215 W. Grant St. (parcel ID 21.0887.000);
- v) The variance requested was the minimum variance that would alleviate the hardship; the requested 30-foot setback variance would leave a 5-foot setback on the north property line, which was the same setback present on the existing building on the Property; in addition, due to the 20-foot wide ingress and egress easement that ran through the Property, the applicant needed the 30-foot setback variance in order to provide parking in front of the proposed addition;

vi) The variance would not be materially detrimental to the purposes of Chapter 153 or other properties in an I-1, Limited Industry District; the applicant was not seeking anything different than what other properties in the district had; 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 proposed setback variance would actually improve access to the Property and adjacent properties.

c. Review of request by Brent Augedahl for permission to install holding tank at 312 N. Ramsey Lane, pursuant to City Code § 53.032: Brent Augedahl was present and informed the Council that he wanted to install a toilet and a vanity in his new addition at 312 N. Ramsey Lane, but there was not a City sewer main adjacent to his property. Augedahl reported that there would not be a shower and that a 2,000-gallon holding tank would probably be sufficient. Member Rykhus moved to allow Brent Augedahl to install a holding tank at 312 N. Ramsey Lane with a capacity of up to 2,000 gallons. Member Klug seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Public hearing re proposed Ordinance 2022-01: An Interim Ordinance Establishing a Study Period and Moratorium for a Period of up to Twelve Months on Developments in the Agricultural (AG) District: At 6:23 p.m. Member Klug moved to adjourn the regular City Council meeting to hold a public hearing on proposed Ordinance 2022-01, an interim ordinance establishing a study period and moratorium for a period of up to twelve months on developments in the Agriculture (AG) District. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing convened at 6:23 p.m.

Houston County Commissioner Bob Burns was present and asked the Council if the proposed interim ordinance would stop all development in agricultural districts for the period of the moratorium. City Councilmember Ninneman inquired whether the moratorium would impact the new wastewater treatment facility, which was being constructed in an AG, Agricultural District. Clerk/Administrator Swann responded that the moratorium would impact new projects—not existing ones. Council discussed the timeline and process for studying the City's land uses in an AG, Agricultural District. At 6:34 p.m. Member Fitzpatrick moved to close the public hearing and reconvene the regular City Council meeting, and 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 6:34 p.m.

e. Consideration of proposed Ordinance 2022-01: An Interim Ordinance Establishing a Study Period and Moratorium for a Period of up to Twelve Months on Developments in the Agricultural (AG) District: Member Klug moved to approve proposed Ordinance 2022-01, an interim ordinance establishing a study period and moratorium for a period of up to twelve months on developments in the Agricultural (AG) District. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

f. Discussion re diesel fuel surcharge requested by Richard's Sanitation for collection of trash and recycling in April 2022: Council reviewed and discussed the proposed \$.95 diesel fuel surcharge Richard's Sanitation was requesting for each residential household receiving trash and recycling services in April. Mayor Schroeder moved to apply the fuel surcharge to the next City

utility bills, which would be issued at the end of April. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

g. Closed meeting: Pursuant to M.S. § 13D.03, meeting to discuss and consider negotiation strategy with International Union of Operating Engineers, Local 49, for memorandum of understanding re appointment of interim city clerk/administrator: At 7:20 p.m. Member Fitzpatrick moved to close the regular City Council meeting to discuss and consider a strategy for negotiating a memorandum of understanding with International Union of Operation Engineers, Local 49, regarding the appointment of an interim city clerk/administrator, pursuant to M.S. § 13D.03. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed. The City Council meeting was closed at 7:20 p.m.

At 7:39 p.m. the regular open City Council meeting resumed. Mayor Schroeder reported that during the closed City Council meeting the Council discussed negotiating a memorandum of understanding with IUOE, Local 49, for appointment of an interim city clerk/administrator. Mayor Schroeder verified that the Council had not voted to appoint anyone to the position during the closed meeting or taken any other formal action.

h. Overtime Report: Members reviewed the overtime report for the pay period March 7, 2022 – March 20, 2022. No further action was taken by the Council.

i. Remarks by City Council members re departure of Clerk/Administrator Swann: The Council thanked Clerk/Administrator Swann for his service to the City and stated that he had made a positive difference. The Council expressed that Swann would be missed.

#### ANNOUNCEMENTS:

a. The annual Houston County light bulb collection for Caledonia would be held on Saturday, April 9, 2022 from 9:00 a.m. - 1:00 p.m. at the recycling center in Caledonia.

b. The next regular City Council meeting was scheduled for Monday, April 11, 2022 at 6:00 p.m. During the meeting the City would be holding a swearing-in ceremony for Officers Storm Davis and Kaleb Fish. City Engineer Matt Mohs would be attending the meeting on April 11, 2022 to discuss the S. Marshall St. and E. Grove St. Reconstruction Project and to present Council with a proposal to provide engineering design and bidding services for the project.

c. The Local Board of Appeal and Equalization meeting was scheduled for the City Council meeting on Monday, April 25, 2022 at 6:00 p.m. The LBAE meeting would be held at the beginning of the Council meeting.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Fitzpatrick, seconded by Member Rykhus. All members present voted in favor of the motion, and the motion was declared carried to adjourn at 7:44 p.m.

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DeWayne "Tank" Schroeder  
Mayor

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Adam G. Swann  
City Administrator/Clerk