

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
CITY COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, March 9, 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 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, Paul Fisch, David Fitzpatrick, Brad Rykhus, and Randi Vick. City staff present: Casey Klug, public works and zoning director; Stephanie Mann, finance officer (arrived at 6:55 p.m.); and Adam Swann, clerk/administrator. Visitor(s) present: Virginia Albert; Kaitlin Longhauser; Craig Moorhead, *Caledonia Argus*.

CONSENT AGENDA: Member Vick 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 revised minutes from February 3, 2020 special City Council meeting
- b. Approve minutes from February 24, 2020 regular City Council meeting
- c. Approve 2020 bowling lane license for MAAD Alley, LLC (for period April 1, 2020 – March 31, 2021)
- d. Approve 2020 3.2% off-sale beer licenses for Kwik Trip, Inc. #733; Kraus Oil Company; and Quillin’s IGA (for period April 5, 2020 – April 4, 2021)
- e. Approve 2020 3.2% on-sale beer license for The Wired Rooster, LLC (for period April 5, 2020 – April 4, 2021)
- f. Approve 2020 soft drink licenses for B&M Service Center; Bonanza Grain; Caledonia Rehabilitation & Retirement; Caledonia Implement Co.; Caledonia ISD 299 (@ 825 N. Warrior Ave.); Caledonia ISD 299 (@ 511 W. Main St.); Caledonia Employee Pop Fund (@ 231 E. Main St.); Caledonia Employee Pop Fund (@ 509 Old Hwy Dr.); Houston Co. Courthouse Coffee Club; General Parts, Inc.; Good Times Restaurant/Bar; Elsie’s Bar & Grill; SEMA; A&A Floral, LLC; Quillin’s IGA Foodliner; MAAD Alley, LLC; Kraus Oil Co., Inc.; Ho. Co. Sheriff’s Office; Kwik Trip #733; Rottinghaus Company, Inc. (d/b/a Subway); Becker Properties; Caledonia Liquor Store; Fourteen Foods, LLC; ABC Works; Caledonia Haulers/Canteen; Caledonia True Value; Miken Sports; Four Seasons Community Center; Houston Co. Agricultural Society; Caledonia Celebrations; Astrup Drug; The American Legion; The Farmhouse Eatery & Gifts; Dollar General 10343; Precision Stainless, Inc./Canteen; Caledonia Elderly Housing MN, LLC; The Wired Rooster, LLC; Babler Auction Service; and Ho. County 4-H Federation (for period April 1, 2020 – March 31, 2021)
- g. Approve application from Houston County Fair for 1-day temporary on-sale liquor license on August 19, 2020
- h. Approve application from Houston County Fair for 4-day temporary on-sale liquor license for August 20-23, 2020
- i. Approve hiring Theresa Huff as manager of baseball and softball program for 2020 summer season at wage of \$14.00/hr.
- j. Approve hiring Maria Schieber as manager of Caledonia Aquatic Center for 2020 summer season at wage of \$15.00/hr.
- k. Approve hiring Tessa Pieper and Kerrigan Scanlan as assistant managers of Caledonia Aquatic Center for 2020 summer season at wages of \$14.00/hr. and \$13.00/hr., respectively.
- l. Approve hiring the following lifeguards for Caledonia Aquatic Center for 2020 summer season at the following rates:
 - i. Lydia Lange \$12.00/hr.
 - ii. Lyza Hoscheit \$12.00/hr.
 - iii. Katie Tornstrom \$12.00/hr.
 - iv. Isaac Denstad \$11.75/hr.
 - v. Jacob Staggemeyer \$11.75/hr.
 - vi. Colten Welsh \$11.75/hr.
 - vii. Austin Heaney \$11.75/hr.
 - viii. Tate Meiners \$11.75/hr.
 - ix. Haley Jennings \$11.75/hr.
 - x. Alysha Heaney \$10.75/hr.

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| xi. Lydia Jennings | \$10.50/hr. |
| xii. Grace Privet | \$10.50/hr. |

PUBLIC COMMENT: None.

FINANCE OFFICER:

a. Report on final budget v. actual for 2019 (pre-audit): Finance Officer Stephanie Mann reported on the final 2019 (pre-audit) budget v. actual expenses for the General Fund, enterprise funds, and special revenue funds. Mann reported that the General Fund's revenues exceeded expenses by \$115,411.86 in 2019. Mann further reported that this would result in a ratio of 45.8% between unassigned funds and General Fund expenses in 2019. Mann reported that in 2019 the Ambulance Department responded to the most calls in the department's history. Mann reported that she anticipated that the Liquor Fund would have a profit of \$12,017.01 for 2019.

b. Report on cash and investments: Finance Officer Mann reported that the cash and investments for the City's governmental, special revenue, and enterprise funds totaled \$3,377,992.41 through February 28, 2020. Mann reported that this was a decrease of \$211,160.49 since January 31, 2020.

PUBLIC WORKS/ZONING DIRECTOR:

a. Updates:

i. Production Well No. 8: Public Works/Zoning Director Casey Klug reported that the Minnesota Department of Health had inspected the proposed location of Production Well No. 8. Based on this inspection, the City was going to have to remove the shelter and playground equipment because the well would require a clear 52-foot radius.

ii. ADA-compliant picnic tables: Klug reported that Public Works staff had repaired some of the City's picnic tables and made them ADA compliant.

CLERK/ADMINISTRATOR:

a. Updates:

i. Presidential Nomination Primary: Clerk/Administrator Adam Swann reported that the Presidential Nomination Primary election on March 3, 2020 went smoothly. Swann reported that Carson Coffield, assistant to the clerk/administrator, did a great job assisting with the election administration. Swann thanked Joyce Guillaume and Jane Hayes, who served as head election judges, for their knowledge and experience. Swann also thanked all the election judges for their service. Swann reported that the City of Caledonia had 235 voters on election day.

ii. Wastewater Treatment Facility Plan: Swann reported that the wastewater treatment facility plan had been submitted to the Minnesota Pollution Control Agency by the deadline on Friday, March 6, 2020. Swann noted that the City requested that the MPCA provide notice of the facility plan to all property owners within 1/4 of a mile of the proposed location of the new wastewater treatment plant.

NEW BUSINESS:

a. Public hearing re application by Priyesh & Kristy Amin for interim use permit to use building at 708 E. Main St. (located in an R-2, Urban Residential District) for short-term lodging: At 6:05 p.m. Member Vick moved to adjourn the regular City Council meeting to hold a public hearing on the application by Priyesh & Kristy Amin for an interim use permit to use the building at 708 E. Main St. for short-term lodging. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed. At 6:05 p.m. the public hearing was convened.

Applicants Priyesh & Kristy Amin were not present for the hearing. Public Works and Zoning Director Klug reported that Amin wanted an interim use permit to be able to rent out the house at 708 E. Main Street through Airbnb. Klug reported that the property would be rented only to one group at a time (as opposed to room by room). Klug reported there was sufficient off-street parking. Clerk/administrator Swann reported that Amin had paid the lodging tax for 2019, and the IUP would not be transferable to a new property owner. At 6:11 p.m. Member Rykhus moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Fitzpatrick seconded the motion, and the motion passed. All members present voted in

favor of the motion, and the motion passed. The regular City Council meeting was reconvened at 6:11 p.m.

b. Consideration of application by Priyesh & Kristy Amin for interim use permit to use building at 708 E. Main St. (located in an R-2, Urban Residential District) for short-term lodging:

Council made the following findings regarding the application by Priyesh & Kristy Amin for an interim use permit to use the property at 708 E. Main St. (located in an R-2, Urban Residential District) for short-term lodging:

- (i) The use would not create an excessive burden on existing parks, schools, and other public facilities and utilities that serve the area.
- (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.
- (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 and the property currently looked nice.
- (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 the property was located on E. Main Street and near the downtown business district. In addition, two other residential properties in the area had been approved for short-term lodging (via Airbnb).
- (vi) The use was not in conflict with the comprehensive plan of the City because the property was located on Main Street and near other Airbnbs.
- (vii) The use would not cause traffic hazards or congestion because the property had a driveway that provided parking for at least two cars, so there should be sufficient off-street parking.
- (viii) Adequate utilities, access roads, drainage and necessary facilities were present.

Based on the preceding findings of fact, Member Rykhus moved to approve a three-year interim use permit for Priyesh & Kristy Amin—not transferrable—to use the residential property at 708 E. Main St. (located in an R-2, Urban Residential District) for short-term lodging (e.g., Airbnb and similar lodging), effective Tuesday, March 10, 2020, contingent on Priyesh and Kristy Amin paying their lodging tax each year. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

c. Closed meeting: Pursuant to Minnesota Statutes Section 13D.05, subd. 3(b), a closed meeting with legal counsel to discuss anticipated litigation involving Neuman Pools, Inc. and the City of Caledonia: At 6:34 p.m. Member Vick moved to adjourn the regular City Council meeting to hold a closed meeting pursuant to M.S. § 13D.05, subd. 3(b) to discuss [via telephone with legal counsel Curtis Smith in Minneapolis] anticipated litigation involving Neuman Pools, Inc. and the City of Caledonia. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the meeting was closed.

At 6:50 p.m. the closed meeting was adjourned, and the regular City Council meeting was reconvened. Mayor Schroeder affirmed that the only issue discussed during the closed meeting pertained to anticipated litigation involving Neuman Pools, Inc. and the City of Caledonia.

d. Consideration of request from Neuman Pools, Inc. to release retainage in the amount of \$43,096.81 for 2016 contract for construction of Caledonia Aquatic Center: No action was taken by Council on this matter.

e. Consideration of bid from Traut Companies in the amount of \$348,745 for construction of Production Well No. 8: Klug reported that the City had received one bid for construction of

Production Well No. 8. The bid was from Traut Companies in the amount of \$348,745. The project specs required use of a rotary drill, which would allow the project to be completed more quickly and quietly. It might also eliminate the need for a casing, which would save approximately \$30,000. Member Fisch moved to accept the bid from Traut Companies for construction of Production Well No. 8 in the amount of \$348,745. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

f. Consideration of recommendation from the Caledonia Fire Department to approve Emily Logging as a member of the Caledonia Fire Department: Member Fisch moved to approve Emily Logging as a member of the Caledonia Fire Department. Member Fitzpatrick seconded the motion. The motion passed 4-1, with Member Rykhus voting against the motion.

g. Consideration of recommendation from Fire and Ambulance Committee and Special Fire District No. 2 to authorize the Caledonia Fire Department to apply for the Assistance for Firefighters Grant to purchase a new ladder truck for up to \$200,000: Mayor Schroeder reported that during the annual meeting between the City and the Special Fire District No. 2, the Fire Department had proposed applying for an AFG to purchase a new ladder truck. The AFG would require a 5% match (which would be split between the City and Special Fire District No. 2), but the City and Fire District could sell the existing ladder truck to help pay for the match. Mayor Schroeder further reported that the Fire and Ambulance Committee and Special Fire District No. 2 supported applying for the AFG. Member Fisch moved to authorize the Fire Department to apply for the Assistance for Firefighters Grant for up to \$200,000 to pay for a new ladder truck. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

h. Consideration of proposal from Op2Myz, LLC to assist City staff with optimizing the biological treatment process for removing total nitrogen at the wastewater treatment plant: Klug reported that engineering consultant Mike Davy had recommended the City contract with Op2Myz, LLC to help the City optimize the biological treatment process for removing total nitrogen at the wastewater treatment plant. Member Fisch recommended the City change the start date for Op2Myz's services from May 1, 2020 to April 1, 2020. Member Fisch moved to accept the proposal with flexibility to change the start date to April 1, 2020. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

i. Discussion re engineering design and construction services for new wastewater treatment plant: Clerk/administrator Swann asked Council whether they wanted to pursue negotiations with Donohue & Associates to provide engineering design and construction services for the new wastewater treatment plant or whether the Council wanted to issue an RFP (now that the facility plan was complete). Swann further reported that City Engineer Bolton & Menk had requested an opportunity to submit a proposal for the work. Mayor Schroeder expressed that he preferred to continue working with Donohue & Associates so that the project wouldn't be delayed. Members Fisch and Rykhus expressed that they liked Donohue & Associates. The consensus of the Council was that the City should request a detailed proposal from Donohue & Associates. No further action was taken by the Council.

j. Discussion re purchase of ballistic protective garment for part-time police officers: Clerk/administrator Swann reported that the Police Department wanted the City to pay for the ballistic protective garment for part-time officer Trent Prince, which cost \$1,077.76. Swann further reported that under the labor agreement with the Law Enforcement Labor Services the City provided ballistic protective garments for full-time officers, but the agreement did not apply to casual part-time officers. Council discussed the request. Member Vick moved to deny the invoice because the City was not required to pay for a ballistic protective garment for part-time officers under the labor agreement with Law Enforcement Labor Services. Mayor Schroeder seconded the motion. All members present voted in favor of the motion, and the motion passed.

k. Prepaid claims: Council reviewed the prepaid claims for the period February 12, 2020 – March 6, 2020, which totaled \$608,198.63. Member Fisch moved to approve the prepaid claims as presented. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

i. Claims payable: Council reviewed the claims payable for March 2020, which totaled \$40,232.61. Member Rykhus moved to approve the claims payable as presented. Member Fisch seconded the motion. All members present voted in favor of the motion, and the motion passed.

j. Overtime report: Council reviewed the overtime report for the pay period February 10, 2020 – February 23, 2020. No further action was taken by the Council.

k. Repair of digester cover at wastewater treatment plant: Klug reported that he had been contacting contractors to repair the digester cover for the wastewater treatment plant. The only contractor willing to repair the cover rather than replace it was Winona Welding & Sandblasting, Inc. Due to the time-sensitive nature of the repairs, Member Fisch moved to authorize the City to accept a quote from Winona Welding & Sandblasting to repair the digester cover for an amount under \$174,000. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

ANNOUNCEMENTS:

a. The next regular Council meeting was scheduled for Monday, March 23, 2020 at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Rykhus, seconded by Mayor Schroeder. All members present voted in favor, and the motion was declared carried to adjourn at 8:30 p.m.

DeWayne “Tank” Schroeder
Mayor

Adam G. Swann
Clerk/Administrator