

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

CALL TO ORDER: Following due call and notice thereof, Mayor 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 DeWayne “Tank” Schroeder, Robert Burns, Robert Lemke, and Randi Vick. Council member(s) absent: Paul Fisch. City staff present: Casey Klug, public works and zoning director; Stephanie Mann, finance officer; Adam Swann, clerk-administrator. Visitor(s) present: Matt Bauer, A.B.L.E., Inc.; Craig Moorhead, *Caledonia Argus*; Amanda Ninneman; Ann Ranzenberger; Brandon Rykhus; Rick Vesterse; Cynthia Welscher; Melissa Wray, Mainspring.

CONSENT AGENDA: Member Burns moved to approve the consent agenda. Member Vick 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 August 27, 2018 regular City Council meeting
- b. Approval of application by Bank of the West for sign permit to change signs and logos at 124 E. Grove St.
- c. Approval of application by Bonanza Grain, Inc. for land use permit to construct 35’ x 40’ shed at 506 S. Hwy 44

PUBLIC COMMENT: None.

CLERK-ADMINISTRATOR:

- a. Updates
 - i. 2018 N. Kingston St. Reconstruction Project: Clerk-Administrator Swann reported that the plan was to start installing curb and gutter the week of Sept. 17, followed by sidewalks and driveways when curb and gutter were finished. This concrete work was expected to take two weeks weather permitting.
 - ii. 2018-2019 LELS Labor Agreement: Swann reported that the 2018-2019 Labor Agreement with LELS had been signed by all parties and that the police officers would start receiving their new wage rate the current pay period, which started Sept. 17. Swann further reported that the City would work on paying the officers their back pay.

PUBLIC WORKS AND ZONING DIRECTOR:

- a. Update re 2018 E. South St. and S. First St. Public Improvement Project: Public Works and Zoning Director Casey Klug reported that the plan was to pave E. South St. and S. First St. at the same time as N. Kingston St.

NEW BUSINESS:

a. Public hearing re application by Houston County Historical Society and Melissa Wray to subdivide the property at 404 E. Main St. into two parcels: At 6:14 p.m. Member Burns moved to adjourn the regular City Council meeting to hold a public hearing on an application by the Houston County Historical Society and Melissa Wray to subdivide the property at 404 E. Main St. (parcel ID 210111001) into two parcels. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed. At 6:15 p.m. the public hearing convened. Swann reported that the property contained two buildings—a former church and parsonage—and the purpose of the proposed subdivision was to allow the house to be used as a residence and to allow the former church to be used for a commercial purpose—if the Council approved the rezoning request. Swann reported that the subdivision would create two small parcels, but there was no other viable use for the property. Melissa Wray was present and explained that she wanted to use the former church building for an arts and cultural center. Wray explained that she had a purchase agreement to buy the property from the Houston County Historical Society; the purchase agreement was contingent on receiving Council approval to use the property for an arts and cultural center. A representative was present from the Houston County Historical Society who said that the Historical Society supported the proposed arts and culture center because it was the only way to save the church; it was a perfect fit. Mayor Schroeder noted that the parsonage and former church shared the same water and sewer line and asked Wray what she would do if she wanted to sell one of the properties to someone else. Wray responded that she would split the water and sewer line at that time. Swann and Klug reported that the former church and parsonage were separately metered even though they shared the same line. At 6:34 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 was reconvened at 6:34 p.m.

b. Consideration of application by Houston County Historical Society and Melissa Wray to subdivide the property at 404 E. Main St. into two parcels: No action was taken by the Council on the application by Melissa Wray and the Houston County Historical Society to subdivide the property at 404 E. Main St. (parcel ID 210111001) into two parcels.

c. Public hearing re proposal to rezone three parcels (210062000, 210061000, and 210111001) from R-2 (urban residential district) to B-1 (central business district): At 6:35 p.m. Member Burns moved to adjourn the regular City Council meeting to hold a public hearing on the proposal to rezone three parcels (210062000, 210061000, and 210111001) from R-2 (urban residential district) to B-1 (central business district). Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing was convened at 6:35 p.m. Rick Vesterse, owner of parcel ID no. 210062000, was present and expressed concern about the proposed rezoning for two reasons: 1) if the property was rezoned he would not be able to rebuild his house if the property was damaged by more than 50%; 2) if he wanted to sell the property, a potential buyer might have difficulty obtaining a home loan if the house was not deemed the highest and best use of the property. Vesterse did not object to the proposed arts and cultural center but was concerned about the impact of the rezoning on his own property. Cynthia Welscher, owner of parcel ID no. 210061000, was also present and expressed similar concerns as Vesterse, explaining that she did not want her property rezoned if it meant

that should could not construct an addition to her house or rebuild the house in the event of a fire or other significant damage. Ann Ranzenberger, owner of a parcel across the street from the parcels proposed to be rezoned, raised concerns about the impact of the rezoning on property values in the area; she also expressed concern that if the properties were rezoned to commercial, someone might construct an unsightly commercial building because the City did not have architectural design standards. One of the visitors inquired about whether the arts and cultural center could be permitted as a conditional use. Swann responded that the City Code would have to be changed to allow an arts and cultural center as a conditional use in an R-2, urban residential district. At 7:17 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 motion passed. The regular City Council meeting was reconvened at 7:17 p.m.

d. Consideration of proposal to rezone three parcels (210062000, 210061000, and 210111001) from R-2 (urban residential district) to B-1 (central business district): No action was taken by the Council on the proposal to rezone three parcels (210062000, 210061000, and 210111001) from R-2 (urban residential district) to B-1 (central business district).

e. Consideration of application by A.B.L.E., Inc. for two setback variances at 330 N. Badger St.: Matt Bauer from A.B.L.E., Inc. reported that A.B.L.E., Inc. had redesigned the proposed garage and could reduce its request for a setback variance on the west property line by 6.5 feet. Public Works and Zoning Director Klug reported that the revised setback variance request was for a variance of 13'6" in the front yard (i.e., west property line) and 26' variance in the back yard (i.e., east property line). The Council made the following findings regarding the proposed setback variance requests:

- (i) Exceptional or extraordinary circumstances applied to the property that did not apply generally or to other properties in the same zone or vicinity because the property was triangular and the applicant was requesting the setback variances to add a garage for handicap accessibility; furthermore, the house was already built 4' from the east property line;
- (ii) The literal interpretation of the provisions of Chapter 153 of City Code would deprive the applicant of rights commonly enjoyed by other properties in the same district because of the property's triangular, narrow shape—in contrast to the other rectangular lots in the area;
- (iii) The special conditions or circumstances did not result from the actions of the applicant because the request was needed to meet the needs of A.B.L.E.'s residents/tenants;
- (iv) Granting the setback variances would not confer on A.B.L.E., Inc. any special privilege that was denied by Chapter 153 to other property owners because the setback variances were based on the lot size and angle of the parcel; moreover, the proposed garage would not obstruct the vision of other properties;
- (v) The variances requested were the minimum variances that would alleviate the hardship because the requested variances had been reduced to be as minimal as possible;

- (vi) The variances would not be materially detrimental to the purposes of Chapter 153 or to other property in the same zone because the requested variances were the minimal variances that A.B.L.E., Inc. needed; in addition, because the property was the last parcel on the street and there was no adjoining house next to the area of the proposed garage, the variances would not be detrimental to other properties; and
- (vii) The proposed variances would not impair an adequate supply of light and air to adjacent property 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 variances had no bearing on light or air and were not going to be adding to traffic or congestion, as the property was a residential property for people with special needs. The proposed variances would not impact property values because the proposed garage was similar in style and design to other properties in the area.

Based on the preceding findings of fact, Member Burns moved to approve a setback variance of 13'6" in the front yard and 26' setback variance in the back yard so that the proposed garage could be constructed 16'6" from the west property line and 4' from the east property line. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed.

f. Review of proposed 2019 General Fund budget and levy for taxes payable in 2019: Council reviewed the proposed 2019 General Fund budget and levy for taxes payable in 2019. Swann reported that the proposed budget would require a 5% levy increase, a transfer of \$200,000 from the Electric Division (via the payment in lieu of taxation), and a transfer of \$38,125 from the CIP Fund (Fund 352). Swann reported that the proposed budget included \$174,800 in capital expenditures/other significant expenditures out of the \$644,395 identified as short-term needs by City department directors, Finance Officer Stephanie Mann, and him. Mann reported that a 5% levy increase would increase the City's per capita levy from \$288.38 to \$302.80, which would be the third lowest levy per capita out of 15 surrounding cities and towns using the information provided from the levies certified in 2017 for collection in 2018. Mann further reported that the proposed budget would reduce the City's reserve from 57% to 54% (as a percentage of the City's unassigned fund balance to the annual General Fund budget). Member Burns suggested reducing a variety of budget line items to save \$20,000. Mayor Schroeder suggested approving a preliminary levy increase of 6.5% to provide funds to cover additional budget needs that might arise for 2019 between approval of the preliminary levy in September and the final levy in December. No further action was taken by the Council.

g. Overtime report: Members reviewed the overtime report for the pay period August 13-26, 2018. No further action was taken by the Council.

h. Prepaid claims: Members reviewed the prepaid claims for the period August 15, 2018 – September 7, 2018, which totaled \$1,066,033.86. Mayor Schroeder moved to approve the prepaid claims as presented. The motion was seconded by Lemke. All members present voted in favor of the motion, and the motion passed.

i. Claims payable: Members reviewed the claims payable for September 2018, which totaled \$70,224.79. Member Vick moved to approve the prepaid claims as presented. The motion was seconded by Member Lemke. All members present voted in favor of the motion, and the motion passed.

ANNOUNCEMENTS:

a. The next regular Council meeting was scheduled for Monday, September 24, 2018 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 Vick. 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