

CITY OF CALEDONIA, MINNESOTA

RESOLUTION 2019-020

**RESOLUTION ALLOCATING COSTS FROM PURCHASE OF REAL PROPERTY
AND AUTHORIZING TRANSFER OF FUNDS FROM ELECTRIC FUND TO
STORMWATER FUND AND FROM CAPITAL IMPROVEMENT FUND TO GENERAL
FUND**

WHEREAS, on October 1, 2019, the City of Caledonia purchased 18.09 acres of real property (parcel ID 21.1047.000) (“Property”) from the George F. Frisch Trust and Ann M. Frisch Trust; and

WHEREAS, the total cost of purchasing the Property was \$256,220, which comprised the following costs:

- Land purchase = \$250,000
- Survey = \$4,224
- Title search/exam fee = \$1,262.50
- Property tax = \$337.50
- Closing fee = \$350
- Recording fee = \$46

; and

WHEREAS, the City paid these costs using funds from the Sewer Fund because the Property was purchased in large part due to the need for land for a new wastewater treatment facility; and

WHEREAS, the Property is also going to be used for stormwater retention and parks and recreation purposes; and

WHEREAS, the amount of Property acreage used for each preceding purpose is likely to be the following:

- 7 acres for a wastewater treatment facility
- 3 acres for stormwater retention
- 8 acres for parks and recreation

; and

WHEREAS, it is the desire of the City Council that the costs of purchasing the Property be allocated among the Sewer Fund, Stormwater Fund, and General Fund in proportion to the acreage that will be used by these funds; and

WHEREAS, the Stormwater Fund has a negative cash balance of \$162,291.54 (as of the end of November 2019) and is unable to pay for its share of the Property; and

WHEREAS, it is the desire of the City Council that the Stormwater Fund achieve a positive cash balance as soon as possible; and

WHEREAS, the Capital Improvement Fund has a cash balance of \$67,896.20 (as of the end of November), and this balance will continue to increase by at least \$16,000 per year for 14 years due to interfund loan repayments from the Water Fund, Sewer Fund, and General Fund for the 2018 E. South St. and S. First St. Public Improvement Project.

NOW, THEREFORE, THE FOLLOWING IS HEREBY RESOLVED by the City Council of the City of Caledonia, Minnesota:

1. The total cost of purchasing the Property shall be allocated accordingly:
 - a. The Sewer Fund shall pay \$99,641.11 for its use of approximately 7 acres.
 - b. The Stormwater Fund shall pay \$42,703.33 for its use of approximately 3 acres.
 - c. The General Fund shall pay \$113,875.56 for the use of approximately 8 acres for parks and recreation purposes.


2. The Electric Fund shall make a permanent transfer of \$150,000 to the Stormwater Fund to help pay for the Stormwater Fund's share of the Property costs and to reduce the time it will take the Stormwater Fund to achieve a positive fund balance.

3. The Capital Improvement Fund shall make a permanent transfer of \$60,000 to the General Fund to help pay for the General Fund's share of the Property costs.

ADOPTED by the Caledonia City Council this 9th day of December, 2019.

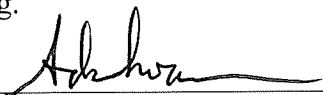

DeWayne "Tank" Schroeder, Mayor

ATTEST:


Adam G. Swann, Clerk/Administrator

STATE OF MINNESOTA)
COUNTY OF HOUSTON)
CITY OF CALEDONIA)

I, Adam Swann, city clerk and administrator of the City of Caledonia, do hereby certify that this is a true and correct transcript of the resolution that was adopted at a City Council meeting held on the 9th day of December, 2019, the original of which is on file in this office. I further certify that 5 members voted in favor of this resolution and that 5 members were present and voting.

Signed 
Date December 17, 2019

