

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL  
CITY COUNCIL CHAMBERS, CITY HALL  
CALEDONIA, MINNESOTA  
Monday, June 24, 2019

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, David Fitzpatrick, Paul Fisch, Brad Rykhus, and Randi Vick. City staff present: Casey Klug, public works and zoning director; and Adam Swann, clerk/administrator. Visitor(s) present: Eric “Buck” Cordes; Karen Hagerott, Caledonia Tourism and Convention Bureau; Eric Halverson, Caledonia Chamber of Commerce; John Hauser; Steven Kiesau; John Klug; Carter Mann; Peter Molling; and Craig Moorhead, *Caledonia Argus*.

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

- a. Approval of minutes from June 10, 2019 regular City Council meeting
- b. Approval to hire Ashley Schroeder as emergency medical responder (EMR) for Caledonia Ambulance Department

PUBLIC COMMENT: None.

CLERK/ADMINISTRATOR:

a. Report on cash and investments: Swann reported that the cash and investments for the City’s governmental, special revenue, and enterprise funds totaled \$3,454,599.45 through May 31, 2019, a decrease of \$53,117 from the previous month. Swann reported that the slight decrease was due in part to the General Fund’s payment of \$30,644 towards the capital lease for the Fire Department’s Alexis fire pumper. Swann noted that the Sewer Fund would be making its annual Public Facilities Authority loan repayment of \$105,000 on August 20, 2019.

b. Review of 2019 budget v. actual for General Fund, enterprise funds, and special revenue funds: Swann reported that there weren’t many changes for capital expenditures and other significant expenses for 2019. The Fire Department had spent \$5,856 on three sets of turnout gear, and the Fire Department had also made some small expenditures for the new brush truck. Swann further reported that the security improvements at the Police Department were almost done and would be added to the list when the City paid for the work. Swann further reported that the liquor store was doing better this year financially than in 2018; sales were up over 2019, and liquor store revenues exceeded expenses by \$2,400.

c. Updates:

i. Street Paving: Swann and Klug provided updates regarding the repaving of W. Washington St. and Old Highway Drive as well as the 2018 N. Kingston St. Reconstruction Project.

UNFINISHED BUSINESS:

a. Consideration of petition by majority of abutting landowners to vacate W. Grant Lane: Council discussed the petition to vacate W. Grant Lane. By consensus Council tabled a decision until the next Council meeting on July 8 to give the property owners time to agree upon any easements for egress and ingress that would be needed as well as to provide the City with additional time to determine where the City would need utility easements.

b. Consideration of petition by majority of abutting landowners to vacate N. Decorah St.: Council discussed the petition to vacate N. Decorah Street. By consensus Council tabled a decision until the next Council meeting on July 8 to give the property owners time to agree upon any easements for egress and ingress that would be needed as well as to provide the City with additional time to determine where the City would need utility easements.

NEW BUSINESS:

a. Public hearing re proposed City Ordinance 2019-03: An Ordinance Amending City Code Section 114.08 to Authorize the City of Caledonia to Contract with the Caledonia Chamber of Commerce to Promote Caledonia as a Tourism and Convention Destination: At 6:15 p.m. Member Rykhus moved to adjourn the City Council meeting to hold a public hearing on proposed City Ordinance 2019-03, an ordinance amending City Code to authorize the City of Caledonia to contract with the Caledonia Chamber of Commerce to provide tourism and marketing services. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing convened at 6:15 p.m.

Karen Hagerott, president of the Caledonia Tourism and Convention Bureau was present and provided a brief history of the CACTB. She opposed reallocating the lodging tax funds from the CACTB to the Chamber, stating that tourism and convention bureau services should be provided by a separate, independent entity like the CACTB. Hagerott requested that the Council vote against the proposed ordinance or table the discussion. In response to a question from Member Fisch, Hagerott said she thought the CACTB could address the EDA's and City's concerns in 6-12 months. Member Rykhus asked Hagerott what CACTB's plans were for the future; Hagerott provided a summary of some of CACTB's marketing activities in the past.

Clerk/Administrator Swann reported that the EDA Board of Commissioners had voted at its meeting in May to recommend to the City Council that the City redirect its lodging tax funds to the Chamber of Commerce. Swann then provided a brief history of the City's and EDA's concerns regarding the CACTB's performance in recent years, including the CACTB's failure to operate with a board of directors of at least five members, which was required by the CACTB's bylaws. Swann noted that the City had met with the CACTB in 2017 to express concerns, but things had not improved. Swann further noted that Caledonia Township had ended its relationship with the CACTB in 2016 and repealed its lodging tax. Swann further noted that many cities in Minnesota had chambers of commerce that were serving as the tourism and convention bureaus for their communities.

Eric Halverson, president of the Caledonia Chamber of Commerce, was present and stated that the Chamber was willing and able to promote the City of Caledonia as a tourism and convention destination. Halverson said the Chamber would maintain the lodging funds in a separate checking account and would provide the City with a yearly report on how the funds had been used to promote tourism for the City. Halverson said the plan was for the Chamber's board to oversee tourism as well.

John Klug, a former member of the board of directors for the CACTB, was present and said he thought the CACTB had done some good things.

At 6:34 p.m. Member Vick moved to adjourn the public hearing and reconvene the regular City Council meeting. 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.

b. Consideration of proposed City Ordinance 2019-03: An Ordinance Amending City Code Section 114.08 to Authorize the City of Caledonia to Contract with the Caledonia Chamber of Commerce to Promote Caledonia as a Tourism and Convention Destination: Council discussed proposed City Ordinance 2019-03, an ordinance amending City Code Section 114.08 to authorize the City of Caledonia to contract with the Caledonia Chamber of Commerce to promote Caledonia as a tourism and convention

destination. Mayor Schroeder stated he thought the City needed to make a change and should not delay further, noting that the City had been having concerns about the CACTB since the prior clerk/administrator in 2015. Member Vick moved to approve proposed City Ordinance 2019-03 and redirect the City's lodging tax funds to the Caledonia Chamber of Commerce. Mayor Schroeder seconded the motion. Mayor Schroeder and Members Fisch, Vick, and Rykhus voted in favor of the motion. Member Fitzpatrick voted against the motion. The motion passed 4-1.

c. Consideration of recommendation to hire Craig Nelson as water/wastewater supervisor: Swann reported that he, Casey Klug, and members of the personnel committee (i.e., Mayor Schroeder and Member Fisch) had interviewed Craig Nelson on June 18, 2019 for the position of water/wastewater supervisor. Based on Craig Nelson's interview and qualifications, including Class A Wastewater License and six years of experience with the Caledonia water/wastewater system, it was the recommendation of the interview panel that the City hire Craig Nelson for the position of water/wastewater supervisor at step 4 on the pay structure, which was an hourly rate of \$29.81/hr. Member Fisch moved to approve hiring Craig Nelson as the water/wastewater supervisor at step 4 (\$29.81/hr.) starting July 1, 2019. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Overtime report: Members reviewed the overtime report for the pay period June 3, 2019 – June 16, 2019. No further action was taken by the Council.

e. Closed meeting under M.S. § 13D.05, subd. 3(c) to develop/consider offer for purchase of real property in the City of Caledonia (parcel ID 211047000): Member Fisch moved to close the regular City Council meeting at 7:59 p.m. pursuant to M.S. § 13D.05, subd. 3(c) to develop/consider an offer for the purchase of real property in the City of Caledonia (parcel ID 211047000). Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the meeting was closed at 7:59 p.m. At 8:28 p.m. the regular City Council meeting was reopened, and Mayor Schroeder reported that the only matters discussed during the closed session pertained to the development/consideration of an offer for the purchase of real property in the City of Caledonia.

f. Consideration of purchase of 18.51 acres of real property in City of Caledonia (parcel ID No. 211047000) owned by George F. Frisch and Ann M. Frisch Trust: Member Rykhus moved to approve the purchase of 18.51 acres of real property in the City of Caledonia (parcel ID No. 211047000) owned by the George F. Frisch and Ann M. Frisch Trust for the asking price of \$250,000. Member Fisch 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 July 8, 2019, at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Fisch, seconded by Member Fitzpatrick. All members present voted in favor, and the motion was declared carried to adjourn at 8:31 p.m.

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DeWayne "Tank" Schroeder  
Mayor

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Adam G. Swann  
Clerk/Administrator