

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
CITY COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, April 22, 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; Stephanie Mann, finance officer; Adam Swann, clerk/administrator; and Mike Tornstrom, ambulance director. Visitor(s) present: Dave Augedahl; Andrew Forliti, Smith Schafer & Associates; Deborah Houdek; and Craig Moorhead, *Caledonia Argus*.

CONSENT AGENDA: Member Fisch moved to approve the consent agenda. Member Vick 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 April 8, 2019 regular City Council meeting
- b. Approval to hire Taylor Crasper as emergency medical responder (EMR) for Caledonia Ambulance Department
- c. Approval of following street closures for Founder’s Day Weekend on June 15-16, 2019 from 8 a.m. to 2 a.m.:
 - i. E. Main St. from Kingston St. to Pine St.
 - ii. Marshall St. from E. Grove St. to E. Lincoln St.
- d. Approval of following street closure for Founder’s Day on June 15, 2019 from 8 a.m. to 4 p.m.:
 - i. N. Pine St. from E. Lincoln St. to E. Main St.
- e. Approval of following street closure for Community Spirit Funfest on June 15, 2019 from 8 a.m. to 4 p.m.:
 - i. E. Lincoln St. from N. Marshall St. to N. Pine St.

PUBLIC COMMENT: None.

PRESENTATION:

- a. Andrew Forliti, CPA, Smith Schafer & Associates
 - i. City of Caledonia financial summary for 2018: Andrew Forliti reported on the results of the independent audit of the City’s finances for 2018. Forliti noted that the City had excellent accounting records, and Forliti provided an unmodified “clean” opinion in 2018. Forliti noted that the City did lack a segregation of accounting duties due to the City’s small size. Forliti reported on the revenues and expenses of the governmental funds, special revenue fund, and enterprise funds. Forliti noted that the unassigned fund balance in the General Fund was \$983,535, which was 50% of the 2018 General Fund expenditures, a decrease from 57% in 2017. Forliti further noted that the decrease was due to the General Fund’s loan from the Electric Fund and Capital Improvement Fund for the 2018 N. Kingston St. Reconstruction Project. Forliti also noted that the local government aid the City received from the State of Minnesota exceeded the City’s property taxes. Forliti reviewed the cash, investments, bonds, and notes for the City’s governmental funds, special revenue fund, and enterprise funds. Forliti reported that the City had paid off the \$203,600 G.O. Sewer Revenue Bond 2010A (MN Rural Water Micro Loan) in 2018.

Forliti further reported that the City's overall debt service requirements increased in 2018 and that the City's debt outstanding was \$2,486,156 (governmental) and \$2,217,208 (enterprise). Forliti further reported that the Liquor Fund reported a loss of \$11,732.

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 \$3,582,449.10 through March 31, 2019, an increase of \$32,743 over the previous month.

b. Review of 2019 budget v. actual for General Fund, enterprise funds, and special revenue funds: Mann reported that of the \$233,300 budgeted for capital expenditures and other significant expenses for 2019, the City had spent \$26,770 through March 31, 2019. Mann reported on the 2019 budget versus actual for the General Fund, enterprise funds, and special revenue funds through March 31, 2019. Mann stated that the City was 25% of the way through the budget year, and most of the funds had actual expenditures of about 25% of what was budgeted.

PUBLIC WORKS & ZONING DIRECTOR:

a. Report on Caledonia Shade Tree Program: Public Works and Zoning Director Casey Klug reported that the City had ordered approximately 170-180 trees based on orders from residents. Klug noted that the trees were expected to be delivered the first week of May.

b. Report on 2018 N. Kingston St. Reconstruction Project: Klug reported that Pember Companies was going to be replacing sections of sidewalk on N. Kingston Street. Klug further noted that installation of sodding was going to depend on when it could be cut.

CLERK/ADMINISTRATOR:

a. Updates:

i. Twin Village Apartments, LLC: Clerk/Administrator Swann reported that construction of Twin Village Apartments had started on N. Gjere Avenue. This was the project started by Paul Jacobson and Jenelle Jacobson. Swann reported the developer had created a website for those interested in learning more about the project.

ii. Water/Wastewater Operator Craig Nelson's Class A wastewater operator exam: Swann reported that Nelson had passed his Minnesota Class A wastewater operator exam on the first try, which was an impressive accomplishment.

iii. Police department cell phones: Swann reported that Police Department squad vehicles now had City cell phones. Swann thanked Police Department Administrative Assistant Samantha Hancock for coordinating the purchase and installation of the phones.

iv. Caledonia Aquatic Center pool rust claim: Swann reported that the City had received a check for \$12,468.84 from the League of Minnesota Cities Insurance Trust to cover some of the initial engineering fees the City had incurred researching and evaluating the pool rust. Swann further reported that the City was not going to be reimbursed for legal expenses incurred prior to the LMCIT accepting the City's claim.

NEW BUSINESS:

a. Public hearing re application by Larry & Karen Wermager to rezone property at 124 W. Lincoln Street (parcel ID 210255000) from B-1 (Central Business District) to R-2 (Urban Residential District): At

6:40 p.m. Member Vick moved to adjourn the regular City Council meeting to hold a public hearing on an application by Larry and Karen Wermager to rezone the property at 124 W. Lincoln St. (parcel ID 210255000) from B-1 (Central Business District) to R-2 (Urban Residential District). Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing was convened at 6:41 p.m. Public Works and Zoning Director Casey Klug presented councilmembers with a copy of the zoning map and identified the location of the parcel proposed to be rezoned. Klug reported that the property was currently zoned as B-1 (Central Business District) and needed to be rezoned to R-2 (Urban Residential District) in order for the property owners to add an addition to the house. Swann reported that the requested rezoning was consistent with the City's comprehensive plan, which showed that the future use of the property should be residential. Klug and Swann reported that there had been no opposition from neighbors. Caledonia resident and contractor David Augedahl was present and stated that the addition on the house at 124 W. Lincoln St. was needed to accommodate a special needs resident. Augedahl noted that there were three other residential houses on the block that should also be rezoned to residential. Augedahl also commented that the County did not have as detailed of a map of the City's zoning map as the City had. At 6:48 p.m. Member Fisch moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Fitzpatrick seconded the motion, and all members present voted in favor of the motion. The regular City Council meeting was reconvened at 6:48 p.m.

b. Consideration of application by Larry & Karen Wermager to rezone property at 124 W. Lincoln Street (parcel ID 210255000) from B-1 (Central Business District) to R-2 (Urban Residential District): Member Fitzpatrick moved to rezone the property at 124 W. Lincoln Street (parcel ID 210255000) from B-1 (Central Business District) to R-2 (Urban Residential District). Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

c. Review of correspondence from City Attorney Mike Flaherty regarding potential conflict involving Nancy Steele's application to participate in Small Cities Development Program: Swann reported that Nancy Steele was a City employee at the municipal liquor store who had applied for funding through the City's Small Cities Development Program Grant. Swann reported that City Attorney Mike Flaherty had reviewed whether this was a conflict of interest and had determined that it wasn't a conflict. No action was taken by the Council.

d. Review of correspondence from City Attorney Mike Flaherty regarding potential conflict involving Sarah Nelson's application to participate in Small Cities Development Program: Swann reported that Sarah Nelson was a City employee at the municipal liquor store who had applied for funding through the City's Small Cities Development Program Grant. Swann reported that City Attorney Mike Flaherty had reviewed whether this was a conflict of interest and had determined that it wasn't a conflict.

e. Overtime report: Members reviewed the overtime report for the pay period March 25, 2019 – April 7, 2019. No further action was taken by the Council.

ANNOUNCEMENTS:

a. The next regular Council meeting was scheduled for May 13, 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 7:04 p.m.

DeWayne "Tank" Schroeder
Mayor

Adam G. Swann
Clerk/Administrator