

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL  
HELD VIA VIDEO CONFERENCE DUE TO LOCAL EMERGENCY  
BECAUSE OF COVID-19 PANDEMIC  
CALEDONIA, MINNESOTA  
Monday, April 27, 2020

CALL TO ORDER: Following due call and notice thereof, Mayor DeWayne “Tank” Schroeder called the meeting to order at 6:00 p.m. Due to the Council’s emergency declaration because of the COVID-19 pandemic, the meeting was held via a video conference through GoToMeeting.

ROLL CALL: Council members present: Mayor Schroeder, Paul Fisch, David Fitzpatrick (@ 6:07 p.m.), Brad Rykhus, and Randi Vick. City staff present: Carson Coffield, assistant to the clerk/administrator; Casey Klug, public works and zoning director; Stephanie Mann, finance officer; and Adam Swann, clerk/administrator. Visitor(s) present: Andrew Forliti, Smith Schafer & Associates; Matt Mohs, city engineer (@ 6:30 p.m.); Craig Moorhead, *Caledonia Argus*; and Curtis Smith (@ 6:45 p.m.).

CONSENT AGENDA: Member Fisch moved to approve the consent agenda. Member Rykhus seconded the motion. On roll call vote, the motion was passed unanimously by Mayor Schroeder, Member Fisch, Member Rykhus, and Member Vick. The consent agenda comprised the following items:

- a. Approve minutes from April 13, 2020 regular City Council meeting
- b. Accept payment of \$8,177.89 to the Ambulance Department from the CARES Act Provider Relief Fund
- c. Approve land use application from the Steven and Marcia Bauer Trust to construct 32’ x 32’ addition at 520 S. Hwy 44/76 (Parcel ID 21.1166.002)

PUBLIC COMMENT: None.

PRESENTATION:

- a. Andrew Forliti, CPA, Smith Schafer & Associates
  - i. City of Caledonia financial summary for 2019: Andrew Forliti reported on the results of the independent audit of the City’s finances for 2019. Forliti provided an unmodified “clean” opinion for the City in 2019. 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 \$1,073,343, which was 45% of the 2019 General Fund expenditures, a decrease from 50% in 2018. Forliti further noted that the decrease was due to the General Fund’s increased expenditures in 2019, particularly street repairs. Forliti also noted that the local government aid the City received from the State of Minnesota exceeded the City’s property taxes. Forliti reported that Caledonia was the only one of Smith Schafer’s cities in southeastern Minnesota that received more revenues from Local Government Aid than 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’s General Fund had paid off the \$144,000 Certificate of Indebtedness 2009 (fire tanker) and the \$128,000 Certificate of Indebtedness 2013 (equipment) in 2019. Forliti further reported that the City’s overall debt service requirements increased in 2019 and that the City’s long-term debt was \$2,388,684 (governmental) and \$2,102,615 (enterprise). Forliti reported that the Ambulance Fund added \$135,005 to its fund balance. Forliti further reported that the Liquor Fund had a gain of \$11,692 due to a decrease in administrative expenses.

Member Fisch moved to accept the audit report as presented. Member Fitzpatrick seconded the motion. On roll call vote, the motion was passed unanimously.

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 \$3,384,352.17 through April 30, 2020, an increase of \$5,887.48 over the previous month.

PUBLIC WORKS & ZONING DIRECTOR:

a. Spring clean-up: Public Works and Zoning Director Casey Klug reported that spring clean-up would be happening during the week.

b. Inspection of outfall pipe for wastewater treatment plan: Klug reported that the video inspection of the outfall pipe had been completed. Most of the pipe was in acceptable condition, but there was a 30-foot section that would have to be replaced at a cost of approximately \$5,000-\$10,000.

c. Wastewater treatment plant nitrogen discharge levels: Klug reported that the wastewater treatment plant had been meeting its nitrogen limit.

d. Wastewater treatment plant digester: Klug reported that the repairs to the wastewater treatment plant digester were completed and the digester was operational.

e. Well #6: Klug reported that Well #6 was back in operation.

CLERK/ADMINISTRATOR:

a. Updates:

i. Wastewater treatment plant nitrogen limit: Clerk/administrator Swann reported that the MPCA had notified the City that it had met its 10 mg/L nitrogen limit.

ii. Summer pee wee and tee ball: Swann reported that Caledonia Area Community Education was going to be organizing/sponsoring pee wee and tee ball this summer. Swann reported that Caledonia Area Community Education had contacted the City expressing a desire to organize the program. Swann reported that he had consulted with Member Fitzpatrick and Member Vick—who served on the Council's Parks and Recreation Committee. They agreed not to object to Caledonia Area Community Education sponsoring the program. As a result, the City was going to be refunding registrations.

iii. Status of hiring process for full-time police officer position: Swann reported that the City had received nine applications for the full-time police officer position. Swann reported that the police chief was going to finish reviewing the applications soon and would then schedule interviews (via videoconference) with the Public Safety Committee.

iv. Future operations at City Hall: Swann reported that his plan was to wait for Governor Walz's announcement later in the week before evaluating how the City should proceed with opening City Hall to the public.

v. U.S. Census: Swann reported that the City's response rate had increased significantly from 60.7% on April 23 to 67.5% on April 27. Swann reported that the City was going to be including Census notices in utility bills to encourage residents to complete the Census.

NEW BUSINESS:

a. Consideration of proposed Task Order No. 1 (to Agreement between City of Caledonia and Bolton & Menk, Inc.) for Preparation of Caledonia Infrastructure Management Plan: City Engineer Matt Mohs summarized the proposed Caledonia Infrastructure Management Plan. Mohs explained that the plan

would utilize the GIS information that was going to be collected—at no charge to the City—by Bolton & Menk summer interns. The Infrastructure Management Plan would evaluate streets, water mains, and sewer mains. The plan would include a report identifying the costs of infrastructure needs as well as a plan for addressing and prioritizing those needs. David Drown Associates could assist with finding ways to finance the infrastructure costs. Mohs further explained that in the future as projects were completed, new projects would be added to the plan. Member Fisch moved to approve proposed Task Order No. 1 for Preparation of Caledonia Infrastructure Management Plan at a cost of \$5,000. Member Rykhus seconded the motion. On roll call vote, the motion was passed unanimously.

b. 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 7:00 p.m. Member Fitzpatrick moved to adjourn the regular City Council meeting to hold a closed meeting with the City's legal counsel, Curtis Smith, pursuant to Minnesota Statutes Section 13D.05, subd. 3(b), to discuss anticipated litigation involving Neuman Pools, Inc. and the City of Caledonia. Member Rykhus seconded the motion. On roll call vote, the motion was passed unanimously. The closed meeting convened at 7:00 p.m. At 7:12 p.m. the closed meeting was adjourned, and the regular City Council meeting was reconvened.

c. 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 the Council.

d. Discussion re financing for engineering fees for design and bidding services for new wastewater treatment plant: Clerk/Administrator Swann reported that if the Council approved the engineering services proposal from Donohue & Associates to provide design and bidding for the new wastewater treatment facility, the PFA Clean Water Revolving Fund would potentially reimburse the City for these fees if the City was approved for a PFA Clean Water Revolving Fund, but the City could not use the Clean Water Revolving Fund to pay for the engineering fees up front. Shannon Sweeney, the City's financial adviser, had recommended the City apply for a Midi-loan from the Minnesota Rural Water Association. Shannon had advised that it was the City's best option. Mayor Schroeder moved to proceed with preparing an application for a Midi-loan from the Minnesota Rural Water Association to pay for the proposed engineering fees of \$714,765. Member Vick seconded the motion. On roll call vote, the motion was passed unanimously.

e. Overtime report: Members reviewed the overtime report for the pay period April 6, 2020 – April 19, 2020. No further action was taken by the Council.

#### ANNOUNCEMENTS:

a. The next regular City Council meeting was scheduled for May 11, 2020, at 6:00 p.m.

b. There would be a special City Council meeting on Monday, May 4, 2020 at 6:00 p.m. for the following purposes: 1) to reconvene the Local Board of Appeal and Equalization meeting recessed on April 13, 2020, and 2) to discuss the City's Comprehensive Plan update.

c. Member Fisch thanked the Public Works employees for cleaning the City's stormwater pond by Caledonia High School.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Rykhus, seconded by Member Fitzpatrick. On roll call vote, the motion was passed unanimously. The meeting was adjourned at 7:30 p.m.

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DeWayne "Tank" Schroeder  
Mayor

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Adam G. Swann  
Clerk/Administrator