

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, November 22, 2021

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 City Hall Council Chambers.

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, Member David Fitzpatrick, Member Robert “Bob” Klug, Member Amanda Ninneman, and Member Brad Rykhus. City staff present: Stephanie Mann, finance officer (via telephone at 6:05 p.m.); and Adam Swann, clerk/administrator. Visitor(s) present: Craig Moorhead, *Caledonia Argus*; and Charlene Selbee, *Fillmore County Journal*.

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

- a. Approve minutes from November 8, 2021 regular City Council meeting
- b. Approve Payment Application No. 1 from Wapasha Construction Co., Inc. in amount of \$69,739.50 for work performed on construction of new Well House No. 8
- c. Approve quote from The Floor Guys of Eitzen to install new carpeting in Council Chambers for cost of \$4,178.88.
- d. Approve request from Caledonia Balloon Rally Committee to close N. Kingston St. from E. Main St. to E. Lincoln St. on Friday, December 3, 2021 from 6:00-8:30 p.m. to have a hot air balloon on display during Winter Wonderland Parade
- e. Approve increasing call pay for Caledonia firefighters from \$13.00/hr. to \$14.00/hr., effective January 1, 2022
- f. Approve raising standby pay for Caledonia Ambulance Department EMRs from \$1.50/hr. to \$2.00/hr. and for EMTs from \$2.50/hr. to \$3.50/hr., effective January 1, 2022

PUBLIC COMMENT: None.

FINANCE OFFICER:

a. Report on cash and investments: Finance Officer Stephanie Mann, participating by telephone, reported that the cash and investments for the City’s governmental, special revenue, and enterprise funds totaled \$5,284,027.38 through October 31, 2021, an increase of \$11,910.11 from September 30, 2021. Mann reported that the City had received Fire State Aid in October and transferred \$49,800 from the CIP to the General Fund to pay for the Police Department Durango and computer. Mann also reported that the Water Fund had declined by \$12,216.04 because the Water Fund paid for its portion of the Houston County water main looping project on E. Washington Street and E. South Street. Mann further reported that the Electric Fund’s cash had increased by \$122,036.97 since September; this substantial increase was typical because of summer rates, which ended with September 15 usage, so the Electric Fund’s cash would level off in the coming months.

b. Report on long-term debt: Mann reported that the City had not made any payments on long-term debt in October, although the City had recently paid off its Temporary G.O. Sewer Revenue Note, Series 2020A (a/k/a MRWA Midi loan), in the amount of \$764,000, which would be reflected in the November report. Mann also reported that the EDA Board had recently voted to pay off the USDA IRP loan in the amount of \$20,298.99 by the end of the year.

c. Review of 2021 budget v. actual for General Fund, enterprise funds, and special revenue funds: Mann reported on the 2021 budget v. actual for the General Fund, enterprise funds, and special revenue funds through the end of October. Mann noted that most of the departments were under budget or on budget. Mann noted that in October the City had paid several invoices for nuisance abatements. Mann reported that the City had paid \$5,500 to trade in the John Deere 1025 mower for a Ferris mower. Mann further reported that there were still some additional capital items that needed to be purchased/completed by the end of the year, including installing new carpeting in the Council Chambers and installing the new windows/doors in the Auditorium.

PUBLIC WORKS/ZONING DIRECTOR:

a. Updates: The public works/zoning director was unavailable for the meeting and therefore did not provide a report to the Council.

CLERK/ADMINISTRATOR:

a. Updates

i. Meeting with Matt Ginther of the Caledonia Dugout Club: Clerk/Administrator Swann reported that he and Finance Officer Stephanie Mann had recently met with Matt Ginther, who was involved with the Caledonia Dugout Club, to answer questions about the City's summer baseball and softball program and to get feedback regarding the City's program. Swann reported that Matt was going to talk more with the Dugout Club and provide additional feedback regarding the City's program and offer suggestions on how the City can improve the Legion baseball fields.

ii. Caledonia liquor store operations: Swann commended liquor store manager Joe Holten for helping the liquor store generate a profit of \$86,136 in 2020—one of the highest profits for municipal liquor stores in SE Minnesota—and for continuing the liquor store's success in 2021. Swann referenced that there was a recent *Minnesota Post Bulletin* article discussing the challenges some other municipal liquor stores were having to stay profitable.

iii. Rehab of former Bubbers Jewelry building: Swann reported that work had started on the rehab of the former Bubbers Jewelry building at 115 E. Main Street. The back portion of the building had been demolished. Swann reported that the project (supported in part with EDA funds) was going to entail restoring the exterior of the building and reconstructing an addition on the back of the building.

iv. Winter decorations: Swann thanked members of the Wild Turkey Fest Committee for decorating North Park with holiday decorations, including a new lighted memorial. The volunteers included Connie Dahlberg, Karyl Diersen, Margie Ferring, Donnie Ferring, Dennis Gavin, Marianne Gavin, and Polly Heberlein. Swann also thanked City employees Matt Blocker and Nate Becker for their help putting up the street decorations and the assistance they provided to the Wild Turkey Fest Committee.

UNFINISHED BUSINESS:

a. Discussion re preliminary General Fund, Fire Fund, and EDA Fund budgets for fiscal year 2022 and proposed levy for taxes payable in 2022: Finance Officer Mann reported that the proposed 2022 General Fund budget had revenues of \$2,379,045 and expenses of \$2,353,305, leaving net revenues of \$25,540. Mann reported that she had reduced the amount budgeted for health insurance for City employees now that the City knew the premiums for 2022. Mann further reported that she had reduced permanent part-time hours for the PD from 35 hours/week to 30 hours/week, but she had added money to

the Police Department for training. Mann further reported that she had added \$20,000 to the capital budget for replacing LETG because the County was switching to a new case reporting system, which Police Chief Zehnder had informed her recently. Mann further reported that she had added \$20,000 to the capital budget for replacing the City's accounting and payroll system (i.e., Civic) with Banyan, which was the system the City used for utility billing. Converting to Banyan was necessary because the City was one of only a few cities still using Civic for accounting and payroll, and having the City use two separate systems was inefficient and required extra general ledger entries. No action was taken by the Council.

b. Discussion re proposed Capital Improvement Plan for 2022-2026: Council reviewed the proposed Capital Improvement Plan for 2022-2026. Swann reported that he had updated the CIP to include the \$20,000 for replacing LETG and the \$20,000 needed to convert from Civic to Banyan for accounting and payroll functions. Swann further reported that he had updated the estimated project costs for the E. Grove St./S. Marshall St. Reconstruction Project, including reducing the amount of engineering fees from \$364,000 to \$227,000, based on revised estimates from City Engineer Matt Mohs. No action was taken by the Council.

c. Discussion re request from Chase Wark of University of Minnesota-Twin Cities Cycling Team to hold bike race in Caledonia: Council reviewed a proposed route for a criterium bike race in Caledonia in April or May 2022, which would be hosted by the University of Minnesota-Twin Cities Cycling Team. The consensus of the Council was that the property owners adjacent to the proposed bike route should be provided with the details prior to the race. The consensus was also that the streets making up the route should be closed rather than partially closed, although nearby owners should be given scheduled times to enter and exit the area. Mayor Schroeder moved to approve the proposed route, and Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Discussion re political signs in residential areas: Member Klug reported that he had spoken with the property owner near Immanuel Lutheran Church who had posted a vulgar political sign. Member Klug reported that he had told the property owner that the church had expressed concerns about the sign. Member Klug further reported that the property owner had seemed understanding and removed the sign. No action was taken by the Council.

NEW BUSINESS:

a. Public hearing re proposed Ordinance No. 2021-01: An Ordinance Amending City Code Sections 153.136, 153.138, and 153.139(C) to Revise the Permitted Uses, Conditional Uses, and Setback Regulations in a B-2, Highway Business District: At 6:58 p.m. Member Fitzpatrick moved to adjourn the regular City Council meeting to hold a public hearing on proposed Ordinance No. 2020-01, an ordinance amending City Code Sections 153.136, 153.138, and 153.139(C) to revise the permitted uses, conditional uses, and setback regulations in a B-2, Highway Business District. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

Clerk/Administrator Swann briefly explained the reasons for the proposed City Code changes, including eliminating the need for interim use permits and conditional use permits for some types of uses, such as office space. Swann also noted that the City Code sections at issue had been passed in 1982, so they needed updating. At 7:01 p.m. Member Ninneman moved to close the public hearing and reconvene the regular City Council meeting. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed. The regular City Council meeting reconvened at 7:01 p.m.

- b. Consideration of proposed Ordinance No. 2021-01: An Ordinance Amending City Code Sections 153.136, 153.138, and 153.139(C) to Revise the Permitted Uses, Conditional Uses, and Setback Regulations in a B-2, Highway Business District: Member Klug moved to approve proposed Ordinance 2021-01, an ordinance amending City Code Sections 153.136, 153.138, and 153.139(C) to revise the permitted uses, conditional uses, and setback regulations in a B-2, Highway Business District. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.
- c. Consideration of proposed Resolution 2021-17: A Resolution Accepting the Offer of the Minnesota Public Facilities Authority to Purchase an \$8,281,954 General Obligation Sewer Revenue Note of 2021B, Providing for its Issuance, and Authorizing Execution of a Bond Purchase and Project Loan Agreement with Principal Forgiveness Grant: Member Rykhus moved to approve proposed Resolution 2021-17, a resolution accepting the offer of the Minnesota Public Facilities Authority to purchase an \$8,281,954 General Obligation Sewer Revenue Note of 2021B, providing for its issuance, and authorizing the execution of a bond purchase and project loan agreement with principal forgiveness grant. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.
- d. Review of purchase of hose by Fire Department for amount of \$1,260: Council reviewed the purchase of a hose by the Fire Department for \$1,260 and discussed ways communication could be improved with the Fire Department with regard to equipment needs. Mayor Schroeder recommended that the Council's Fire and Ambulance Committee meet more regularly with the Fire Department officers (e.g., every three or four months).
- e. Overtime report: Members reviewed the overtime report for the pay period November 1, 2021 – November 14, 2021. No further action was taken by the Council.

ANNOUNCEMENTS:

- a. The Caledonia Founders Day Winter Wonderland Parade was scheduled for Friday, December 3, 2021 at 7:00 p.m.
- b. The next regular City Council meeting was scheduled for Monday, December 13, 2021, at 6:00 p.m., and the Truth in Taxation hearing would be held at the beginning of the City Council meeting.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Rykhus, seconded by Member Klug. All members present voted in favor, and the motion was declared carried to adjourn at 7:10 p.m.

DeWayne "Tank" Schroeder
Mayor

Adam G. Swann
Clerk/Administrator