

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
CITY COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, November 26, 2018

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 Room 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, Robert Burns, Paul Fisch, Robert Lemke, and Randi Vick. City staff present: Casey Klug, public works and zoning director; Stephanie Mann, finance officer; and Adam Swann, clerk-administrator. Visitor(s) present: David Fitzpatrick, council member-elect; Craig Moorhead, *Caledonia Argus*; Brad Rykhus, council member-elect; and Nancy Steele.

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

- a. Approval of minutes from November 13, 2018 regular City Council meeting

PUBLIC COMMENT: None.

FINANCE OFFICER:

a. Review of cash and investments: Finance Officer Stephanie Mann reported that the cash and investments for the City’s governmental, special revenue, and enterprise funds totaled \$3,675,153.05 through October 31, 2018.

b. Review of 2018 budget v. actual for General Fund, enterprise funds, and special revenue funds: Mann reported on the 2018 budget versus actual for the General Fund, enterprise funds, and special revenue funds through October 31, 2018.

CLERK-ADMINISTRATOR:

a. Updates:

i. Hazardous building at 119 S. Kingston St.: Clerk-Administrator Swann reported that the City’s contractor Zenke, Inc. had started demolition of the hazardous building owned by Jack and Dianne Hauser at 119 S. Kingston Street.

ii. Holiday Street Decorations: Swann thanked City employees Nate Becker, Matt Blocker, and Peter Muenkel for helping to decorate the light poles downtown and the City buildings and parks for the holidays; Swann also thanked Mayor Schroeder and Member Burns for helping decorate North Park.

NEW BUSINESS:

a. Public hearing (i.e., Truth-in-Taxation meeting) re City’s proposed 2019 General Fund budget and levy for taxes payable in 2019: At 6:16 p.m. Member Burns moved to adjourn the regular City Council meeting to hold a public hearing regarding the City’s proposed 2019 General Fund budget and levy for taxes payable in 2019. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed. At 6:16 p.m. the public hearing was convened. Swann reported that based on a review of some of the proposed tax statements for 2019, the proposed 6.5% levy increase for taxes payable in 2019 would result in a tax increase for properties that had a higher assessed value for 2019 and would result in lower taxes for properties that had their assessed valuations reduced for 2019. Member Burns reported that his assessed property value for 2019 had not changed, but based upon the proposed

levy increases by the City and Houston County, his taxes were projected to increase by 3.4%. Member Burns noted that the City's taxable market value had increased for 2019 because assessed values had increased for properties, but the City hadn't added many new houses or commercial buildings to increase the tax base. One member of the public was present to address Council about the proposed 2019 General Fund levy and taxes payable in 2019: Nancy Steele. Ms. Steele was concerned that her property taxes were going to increase by \$200 in 2019. Ms. Steele was particularly concerned about her assessed property value. Several council members suggested Ms. Steele talk with the Houston County Assessor's Office if she had concerns about the property valuation, noting that the time to appeal her property valuation had been in the spring when the City held its Local Board of Appeal and Equalization meeting. No other members of the public were present who wanted to address Council about the proposed 2019 General Fund budget and levy for taxes payable in 2019.

At 6:34 p.m. Member Burns moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Vick 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. Review of City's proposed final 2019 General Fund budget and levy for taxes payable in 2019: Council reviewed and discussed the City's proposed final 2019 General Fund budget and levy for taxes payable in 2019. By consensus Council agreed to reduce the proposed budget by \$33,900 to reduce the proposed levy increase from 6.5% to 4.5% and to reduce the transfer from the Capital Improvement Fund from \$86,660 to \$68,760. The \$33,900 in budget reductions included removing \$2,400 from the election line item, removing \$3,500 from the park areas line items, and removing \$1,000 from forestry line items; the reductions also included removing \$12,000 for carpet at City Hall, removing \$12,000 for a John Deere mower for the Public Works Dept., and removing \$3,000 for park improvements at Sunnyside Park. No further action was taken by the Council.

c. Review of proposed water, sewer, and stormwater charges for 2019: Clerk-Administrator Swann and Finance Officer Mann reported that they had updated the calculations for water and sewer charges based on debt repayments and operation, maintenance, and replacement fund needs—after reviewing them with Water/Wastewater Supervisor Dan Boesen and Public Works and Zoning Director Casey Klug. The revised calculations showed a need to increase base water and sewer charges by \$2 each for 5/8" and 3/4" meters—with greater increases for larger meters. Swann and Mann recommended that Council increase base water and sewer charges by \$1 per month for 5/8" and 3/4" meters in 2019 and consider another \$1 increase for 2020. Swann and Mann presented Council with a proposed rate schedule for 2019 that would implement these rates.

Council discussed what the 2019 stormwater drainage utility rate should be per equivalent residential unit (ERU).

Member Burns moved the following: 1) to increase the base monthly fee for water and sewer rates by \$1 for 5/8" and 1/2" meters and by the amounts set forth in the proposed rate charts below; 2) to charge \$2.50 for the stormwater drainage utility rate per equivalent residential unit (ERU); and 3) to reduce the proposed administrative expenses for the Stormwater Drainage Utility to \$20,000. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed.

WATER RATES							
Fixed Charge:							
Meter Size	5/8",3/4"	1"	1-1/4"	1-1/2"	2"	3"	4"
Fixed Monthly Charge	\$ 12.90	\$ 25.80	\$ 38.70	\$ 51.60	\$ 90.30	\$ 206.40	\$ 361.20
<i>2018 Rate</i>	\$ 11.90	\$ 23.80	\$ 35.70	\$ 47.60	\$ 83.30	\$ 190.40	\$ 333.20
<i>Increase per month</i>	\$ 1.00	\$ 2.00	\$ 3.00	\$ 4.00	\$ 7.00	\$ 16.00	\$ 28.00
Usage Charge:	\$ 2.10 per 1000 gals.						
<i>2018 Rate</i>	\$ 2.10						
<i>Increase per month</i>	\$ - per 1000 gals.						

SEWER RATES							
Fixed Charge:							
Meter Size	5/8",3/4"	1"	1-1/4"	1-1/2"	2"	3"	4"
Fixed Monthly Charge	\$ 13.30	\$ 26.60	\$ 39.90	\$ 53.20	\$ 93.10	\$ 212.80	\$ 372.40
<i>2018 Rate</i>	\$ 12.30	\$ 24.60	\$ 36.90	\$ 49.20	\$ 86.10	\$ 196.80	\$ 344.40
<i>Increase per month</i>	\$ 1.00	\$ 2.00	\$ 3.00	\$ 4.00	\$ 7.00	\$ 16.00	\$ 28.00
Usage Charge:	\$ 5.40 per 1000 gals.						
<i>2018 Rate</i>	\$ 5.40						
<i>Increase per month</i>	\$ - per 1000 gals.						

d. Consideration of proposal from Donohue & Associates, Inc. to complete phase 1 of wastewater facility plan: Council reviewed a proposal from Donohue & Associates, Inc. to complete phase 1 of a wastewater facility plan. The consensus of the Council was that the City should obtain additional proposals for comparison, particularly from engineering firms WSB & Associates, Inc. and MSA Professional Services. No further action was taken by the Council.

e. Review of proposed Capital Improvement Plan for 2019-2023: Council reviewed the proposed Capital Improvement Plan for 2019-2023. No action was taken by the Council.

f. Review of proposed budgets for enterprise and special revenue funds: Council reviewed the proposed budgets for enterprise and special revenue funds. No action was taken by the Council.

g. Overtime report: Members reviewed the overtime report for the pay period November 5, 2018 – November 18, 2018. No action was taken by the Council.

ANNOUNCEMENTS:

a. The next regular Council meeting was scheduled for December 10, 2018, at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Burns, seconded by Member Vick. All members present voted in favor, and the motion was declared carried to adjourn at 9:09 p.m.

DeWayne "Tank" Schroeder
Mayor

Adam G. Swann
Clerk-Administrator