

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
MUNICIPAL AUDITORIUM
CALEDONIA, MINNESOTA
Monday, December 14, 2020

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 Auditorium.

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, Paul Fisch, Brad Rykhus, and Randi Vick. Council member(s) absent: David Fitzpatrick. City staff present: Casey Klug, public works and zoning director; Stephanie Mann, finance officer; and Adam Swann, city clerk/administrator. Visitor(s) present: Robert “Bob” Klug, councilmember-elect; Craig Moorhead, *Caledonia Argus*; and Amanda Wray Ninneman, councilmember-elect.

CONSENT AGENDA: Member Fisch moved to approve the consent agenda. Member Rykhus 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 23, 2020 regular City Council meeting
- b. Approve engagement letter with Smith Schafer & Associates for audit of City’s financial statements for year ending December 31, 2020
- c. Approve proposed Resolution 2020-22: A Resolution Designating Annual Polling Places for 2021
- d. Approve proposed Resolution 2020-23: A Resolution Agreeing to Join the Coalition of Greater Minnesota Cities in 2021
- e. Approve licenses for Quillin’s IGA, Kraus Oil, Kwik Trip #733, and DG Retail, LLC (d/b/a Dollar General Store #10343) to purchase or sell cigarettes or tobacco products in 2021
- f. Approve applications from Lee Babler (d/b/a Elsie’s Bar and Grill), Rustic Tap, Sasa Lee, LLC (d/b/a Good Times Restaurant & Bar), and MAAD Alley, LLC for 2021 on-sale intoxicating liquor licenses and on-sale Sunday intoxicating liquor licenses
- g. Approve application from American Legion 191 (d/b/a American Legion Club) for 2021 club on-sale liquor license and Sunday intoxicating liquor license
- h. Approve application from The Wired Rooster, LLC (d/b/a The Wired Rooster Coffee Shoppe) for 2021 on-sale wine license
- i. Approve 2021 salvage yard permit for Scott Betz (d/b/a Betz Enterprises) at 109 Hi-way Street (parcel IDs 21.0574.000 and 21.0575.000)

PUBLIC COMMENT: None.

PUBLIC WORKS/ZONING DIRECTOR:

- a. Updates

i. Construction of Production Well No. 8: Public Works/Zoning Director Klug reported that the drilling and testing of Production Well #8 was finished and that the well was going to be capped until the pump house was built. Klug reported that the well was successful; it could produce 1,000 gallons per minute, which was more than the 900 gallons per minute expected.

ii. Demolition of Well Houses #4 and #5: Klug reported that Zenke Construction was going to be demolishing Well Houses #4 and #5.

iii. Christmas tree pick-up: Klug reported that Christmas trees would be picked up from Dec. 28, 2020 – Jan. 8, 2021.

CITY CLERK/ADMINISTRATOR:

a. Updates

i. Status of nuisances at 214 E. Jefferson St.: Clerk/Administrator Swann reported that the debris and junk had been removed from the property at 214 E. Jefferson Street. Swann further reported that the broken windows and broken trellis under the house had been boarded up with the plywood. The excessive vegetation had also been removed from the front of the house.

ii. 2019-2020 LMCIT property/casualty dividend: Swann reported that the City had received a dividend of \$7,300 from the LMCIT for its property/casualty coverage for the 2019-2020 policy period. Swann reported that this was an increase from the \$3,379 received in 2018-2019.

iii. Health insurance premiums for full-time City employees: Swann reported that the City had received notice from the Local 49 Health and Welfare Fund that monthly premiums for bargaining employees would be increasing from \$1,265 to \$1,325 in 2021. Swann reported that the City had also received notice from the Local 49 Health and Welfare Fund that monthly premiums for non-bargaining employees would remain at \$1,527 in 2021.

iv. Liquor store hours during the holidays: Swann reported that the Caledonia Liquor Store would be open on Christmas Eve, New Year's Eve, and New Year's Day, although the hours would be modified.

v. Possible lease agreement with Chris and Nichole Deflorian: Swann reported that he had been contacted by Chris and Nichole Deflorian, who recently bought the property at 906 S. Highway 44/76; a City of Caledonia sign is located on the western edge of the property. The Deflorians wanted the City to enter a lease agreement to credit their utility bill \$100 per month to keep the sign on their property, or they wanted the sign removed by January 14, 2021.

UNFINISHED BUSINESS:

a. Review of proposed 2021-2025 Capital Improvement Plan: Council reviewed the proposed 2021-2025 Capital Improvement Plan. No further action was taken by the Council.

NEW BUSINESS:

a. Public hearing (i.e., Truth-in-Taxation meeting) re City's proposed 2021 General Fund budget and final levy for taxes payable in 2021: At 6:03 p.m. Member Vick moved to adjourn the regular City Council meeting to hold a public hearing (i.e., Truth-in-Taxation meeting) on the City's proposed 2021 budget and levy for taxes payable in 2021. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing convened at 6:03 p.m.

Finance Officer Stephanie Mann summarized the proposed 2021 General Fund budget, which was based on a 7.5% levy increase. The proposed 2021 General Fund budget totaled \$2,287,830, which included net revenues of \$23,200 and a transfer of \$115,000 to the CIP for future street construction projects. The 2021 General Fund budget also included \$314,310 in capital expenditures, of which \$227,300 was for items budgeted but not purchased in 2020. The proposed 2021 budget also included a possible unallotment of Local Government Aid in the amount of \$81,300. Mann noted that since the last City Council meeting the proposed budget had been revised by removing \$50,000 that had been budgeted for the concrete pool gutter (which was now being covered by the LMCIT) and by adding \$30,000 for refurbishing the street sweeper and \$20,000 for trading in the John Deere loader.

Clerk/Administrator Swann reported that the proposed 7.5% levy increase for 2021 would give the City a per capita levy of \$351.23, which was third lowest out of 15 cities in southeastern Minnesota.

Member Fisch moved to adjourn the public hearing, and Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing adjourned, and the regular City Council meeting reconvened.

b. Consideration of proposed final 2021 General Fund, Ambulance Fund, Fire Fund, and EDA Fund budgets: Member Fisch recommended that the City start building reserve funds for the special revenue funds (i.e., Ambulance, Fire, EDA, and Library). Mayor Schroeder moved to approve the proposed final 2021 General Fund, Ambulance Fund, Fire Fund, and EDA Fund budgets. Member Fisch seconded the motion. All members present voted in favor of the motion, and the motion passed.

c. Consideration of proposed Resolution 2020-24: A Resolution Adopting Final Levy for Taxes Payable in 2021 (7.5% Increase): Member Fisch moved to approve proposed Resolution 2020-24: A Resolution Adopting Final Levy for Taxes Payable in 2021 (7.5% Increase). Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Consideration of proposed employment agreement with Police Chief Kurt Zehnder for 2021: Clerk/Administrator Swann reported that the proposed 2021 employment agreement was the same as the 2020 employment agreement except for the salary. Swann reported that Mayor Schroeder and Member Vick, who served on the Council's Public Safety Committee, had recommended that the 2021 employment agreement include a 2.75% salary increase, which was the same increase as the police officers in LELS had received. Swann further reported that Chief Zehnder had reviewed and signed the proposed 2021 employment agreement. Member Vick moved to approve the proposed 2021 employment agreement between the City of Caledonia and Police Chief Kurt Zehnder. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

e. Consideration of proposed non-union wages for 2021: Swann reported that the proposed non-union wages for 2021 included a 2.75% salary increase for salaried employees—i.e., the clerk/administrator, police chief, ambulance director, and public works/zoning director—and a 2.75% wage increase for part-time liquor store employees. These increases were the same as increases approved for the City’s bargaining employees in LELS and Local 49. The proposed non-union wages also included increases of 25 cents to 50 cents per hour for some seasonal employees. Member Fisch moved to approve the proposed non-union wages for 2021. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

f. Consideration of bids for Project 2020-02: Caledonia Pool Gutter Replacement Project: Swann reported that the City had received three bids for the Caledonia Pool Gutter Replacement Project:

Wapasha Construction
Base bid: \$507,777.77
Alternate: \$148,000

Ricchio, Inc.
Base bid: \$520,000
Alternate: -\$26,000

Global Specialty
Base bid: \$557,700
Alternate: \$103,000

Swann reported that project engineer Jeremy Harter of Waters Edge Aquatic Design was recommending that the City accept the base bid and concrete alternate from Ricchio, Incorporated. Swann further reported that the League of Minnesota Cities Insurance Trust had reviewed the bids and authorized the City to accept the base bid and concrete alternate submitted by Ricchio, Incorporated. Member Vick moved to accept the base bid of \$520,000 and concrete alternate deduct of \$26,000 proposed by Ricchio, Inc. for the Caledonia Pool Gutter Replacement Project. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

g. Overtime Report: Members reviewed the overtime report for the pay period November 16, 2020 – November 29, 2020. No further action was taken by the Council.

h. Prepaid claims: Council reviewed the prepaid claims for the period November 11, 2020 – December 11, 2020, which totaled \$577,083.72. Member Fisch moved to approve the prepaid claims as presented. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

i. Claims payable: Council reviewed the claims payable for December 2020, which totaled \$214,913.15. Member Fisch moved to approve the claims payable as presented. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

j. Closed meeting: Pursuant to M.S. § 13D.05, subd. 3(c) to develop/consider a counteroffer for purchase of real property in the City of Caledonia (615 W. Washington St. / parcel ID 21.0933.000): Member Rykhus moved to close the regular City Council meeting at 7:12 p.m., pursuant to M.S. § 13D.05, subd. 3(c), to develop/consider a counteroffer for the purchase of real property at 615 W. Washington St. (parcel ID 21.0933.000) in the City of Caledonia. Member Vick seconded the motion. All members present voted in favor of the motion, and the meeting was closed at 7:12 p.m. At 7:56 p.m. the regular City Council meeting was reopened, and Mayor Schroeder verified that during the closed meeting the Council had not taken any action on purchasing the real property at 615 W. Washington St. (parcel ID 21.0933.000) in the City of Caledonia for a possible new ambulance station. Mayor Schroeder said the City was still negotiating and that there might be formal discussion at the Council meeting on December 28.

ANNOUNCEMENTS:

a. The next regular City Council meeting was scheduled for Monday, December 28, 2020 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 Vick. All members present voted in favor of the motion, and the motion was declared carried to adjourn at 8:02 p.m.

DeWayne "Tank" Schroeder
Mayor

Adam G. Swann
Clerk/Administrator