

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL  
MUNICIPAL AUDITORIUM  
CALEDONIA, MINNESOTA  
Monday, December 28, 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, David Fitzpatrick, Brad Rykhus, and Randi Vick. City staff present: Casey Klug, public works and zoning director; Stephanie Mann, finance officer; Mark Schiltz, assistant ambulance director (arrived at 6:35 p.m.); Adam Swann, city clerk/administrator; Mike Tornstrom, ambulance director (arrived at 6:35 p.m.). Visitor(s) present: Robert “Bob” Klug, councilmember-elect; Craig Moorhead, *Caledonia Argus*; Amanda Wray Ninneman, councilmember-elect; Shannon Sweeney, David Drown Associates, Inc.

CONSENT AGENDA: Member Vick 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 December 14, 2020 regular City Council meeting
- b. Approve using MN Dept. of Commerce utility deposit interest rate of .1% for City utility deposits in 2021
- c. Approve pay voucher no. 2 in the amount of \$63,996.75 from Traut Companies for construction of Production Well No. 8
- d. Approve pay voucher no. 3 in the amount of \$233,215.50 from Traut Companies for construction of Production Well No. 8
- e. Approve proposed ambulance services billing agreement between Optum Holdings, LLC (d/b/a Expert T Billing) and City of Caledonia
- f. Approve license agreement between the City of Caledonia and Dr. Mark Zard and Joanne Zard, owners of the house at 800 S. Marshall St., to allow the Zards to install a railing in the City right-of-way
- g. Approve appointment of Stephanie Mell as commissioner of Caledonia Economic Development Authority Board, effective January 4, 2021, for remainder of Councilmember-elect Amanda Ninneman’s term, which ends December 31, 2021
- h. Approve appointment of Lolly Smith as member of Caledonia Library Board for 2021-2023 term
- i. Approve appointment of Liz Wanschura as member of Caledonia Library Board for 2021-2023 term

PUBLIC COMMENT:

- a. Councilmember-elect Robert “Bob” Klug: Councilmember-elect Klug was present and expressed concern about the proposal to purchase the property at 615 W. Washington Street. Klug stated that if the City purchased 615 W. Washington Street, it would remove a commercial

property from the tax rolls. Klug cited that Lifestyle Fitness, which was located on a nearby parcel of similar size, paid \$8,700 in state and local property taxes. Klug said it was his opinion that if the City was going to construct a new ambulance station, it should be done on an existing City-owned property.

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 \$4,292,313.62 through November 30, 2020, a decrease of \$46,012.89 from October 31, 2020. Mann reported that she had transferred all but \$38,500 of the CARES Act funds from the General Fund to the other funds in accordance with the previously approved expenditures. Mann further reported that the City had received the second half of its Local Government Aid in December, and it was the full \$515,961 the City had anticipated. Mann further reported that the City had received the second half of its property taxes in December. Mann noted that both the Local Government Aid and property taxes were not reflected on the cash and investments report, which was through the end of November. Mann reported that the Stormwater Fund was finally in the black with a cash balance of \$5.47. Mann reported that there were no changes in the investments.

b. Long-term debt: Mann reported that the EDA was supposed to make its USDA loan payment of \$10,283 by January 1, 2021. Mann further reported that there were a lot of loan payments due by February 1, 2021.

c. Review of 2020 budget v. actual for General Fund, special revenue funds, and enterprise funds: Mann reported that there were no changes on the capital equipment & improvements list except for the laptops and Council Chambers television and audio/video equipment, which had been paid for using CARES Act funds. Mann reported that the General Fund budget v. actual report showed a loss of \$270,871.10 because the Local Government Aid and property taxes had not been added to the line items yet. Mann noted that the Liquor Fund was doing well.

PUBLIC WORKS/ZONING DIRECTOR:

a. Updates

i. Demolition of Well Houses #4 and #5: Klug reported that Well Houses #4 and #5 had been demolished.

ii. 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. Interview with WXOW re CARES Act: Clerk/Administrator Swann reported that earlier that morning he had done an interview with WXOW about the City's CARES Act expenditures. Swann reported that the focus of the interview was on the EDA's COVID-19 Relief Grant program and the Council's decision to transfer its CARES Act funds to the EDA for this purpose. Swann reported that he had told the reporter that 76% of the City's CARES Act funds had been transferred to the EDA to be used for the business assistance program.

ii. Status of bike trail from Caledonia to Beaver Creek Valley State Park: Swann reported that Houston County had submitted a funding request for a bike trail from the Route 1 / Highway 76 intersection to Beaver Creek Valley State Park. Swann reported that the bike trail would be added to the shoulder of the road rather than being constructed as part of a trail physically separate from the road. Swann further reported that the trail could possibly be extended to N. Warrior Ave. if the City moved forward with extending N. Warrior Ave. to its intersection with Highway 76.

iii. Status of new City email addresses: Swann reported that City staff [and consultants] were still working on creating new City email addresses for City employees and Council members. Swann reported that the goal was to have them ready by January 2021.

#### NEW BUSINESS:

a. Public hearing re adoption of proposed 2020 Comprehensive Plan: At 6:05 p.m. Member Rykhus moved to adjourn the regular City Council meeting to hold a public hearing on the adoption of proposed 2020 Comprehensive Plan. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing convened at 6:05 p.m.

Shannon Sweeney of David Drown Associates was present. He summarized the proposed modifications from the last Comprehensive Plan and some of the key goals and policies in the proposed Comprehensive Plan, particularly future land use priorities. One of the main changes was designating Sprague Woods for future commercial development. Sweeney noted that the proposed update to the Comprehensive Plan included a unified trails/sidewalk map. Sweeney noted that the Greater Minnesota Business Development Public Infrastructure Investment Grant Program was a good program for funding industrial development. Sweeney reported that the City had not received any comments about the plan from Caledonia Township, Mayville Township, and Houston County.

Councilmember-elect Amanda Ninneman was present and spoke during public comment. Councilmember-elect Ninneman inquired about why the parcels behind her business on E. Main Street had been designated for low density residential on the future land use map. Clerk/Administrator Swann reported that it was a mistake; they had intended on designating the parcel with the fourplex apartment complex as residential—not the entire block. Sweeney said the mistake would be corrected on the map. No other members of the public were present who wanted to speak during the public hearing.

At 6:31 p.m. Member Vick moved to adjourn 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 public hearing adjourned, and the regular City Council meeting reconvened.

b. Consideration of proposed Resolution 2020-25: A Resolution Adopting the 2020 Comprehensive Plan: Member Fisch moved to approve proposed Resolution 2020-25, a resolution adopting the 2020 Comprehensive Plan. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

c. Consideration of proposed Capital Improvement Plan for 2021-2025: Member Vick moved to approve the proposed Capital Improvement Plan for 2021-2025. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Consideration of proposed final 2021 budgets for enterprise funds (i.e., Water Fund, Sewer Fund, Stormwater Fund, Electric Fund, and Liquor Fund): Finance Officer Stephanie Mann summarized the proposed final 2021 budgets for the enterprise funds. Mann also summarized the anticipated cash flows for the funds. Member Vick moved to approve the proposed 2021 budgets for the enterprise funds. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

e. Consideration of proposal from TSP, Inc. to prepare feasibility report for construction of new ambulance station on one of two prospective locations: Council reviewed and discussed a proposal from TSP, Inc. to prepare a report analyzing the feasibility of constructing a new ambulance station on the two downtown City parking lots behind the municipal liquor store or at 615 W. Washington Street. Clerk/Administrator Swann explained that he had requested the proposal to give Council the option of obtaining more information to help make a decision on where to construct the ambulance station. No further action was taken by the Council.

f. Consideration of proposed Resolution 2020-26: A Resolution by the City Council of the City of Caledonia, Minnesota, Approving the Acquisition of Real Property in Caledonia, Minnesota, and Affirming the Real Property's Compliance with the Caledonia Comprehensive Plan: Assistant Ambulance Director Mark Schiltz and Ambulance Director Mike Tornstrom addressed the Council and expressed that the 615 W. Washington Street parcel was their preferred location for the new ambulance station; moreover, their second preference was the City property by Wild Turkey I & II Substation. Public Works/Zoning Director Klug reported that there were water drainage challenges on the City property by Wild Turkey I & II Substation. Council discussed constructing the new ambulance station on the City property near the sewer plant or on City parking lots downtown near the municipal liquor store. Member Vick moved to approve proposed Resolution 2020-26, a resolution by the City Council in the City of Caledonia, Minnesota, approving the acquisition of real property (located at 615 W. Washington St.) in Caledonia, Minnesota, and affirming the real property's compliance with the Caledonia Comprehensive Plan. Member Rykhus seconded the motion. Mayor Schroeder requested the vote be taken by roll call.

The members voted by roll call on the motion to approve proposed Resolution 2020-26:

Member Fisch: No

Member Fitzpatrick: No

Member Rykhus: Yes

Member Vick: Yes

Mayor Schroeder: Yes

The motion to approve Resolution 2020-26 passed 3-2.

g. Discussion re proposed property lease between the City of Caledonia and Chris Deflorian and Nichole Deflorian, owners of real property at 903 S. Highway 44/76: Clerk/Administrator Swann reported that Chris and Nichole Deflorian, owners of real property at 903 S. Highway

44/76, had agreed to allow the City to lease for ten years a 55' x 100' area for the City of Caledonia sign located on the property. Swann noted that the Deflorians wanted the electrical line powering the sign's light to be relocated. Swann further reported that RG&G, LLC had expressed a willingness to allow the City to move the sign to the corner of their property at parcel ID 211163000 if the lease with the Deflorians wasn't approved, but Swann reported that relocating the sign would be expensive due to the cost of renting a crane and pouring a new foundation. Member Fisch moved to approve the proposed property lease between the City of Caledonia and Chris and Nichole Deflorian to allow the City to lease for ten years a 55' x 100' area on their property for the City of Caledonia sign, which had been located on the property for many years. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

h. Overtime Report: Members reviewed the overtime report for the pay period November 30, 2020 – December 13, 2020. No further action was taken by the Council.

i. Consideration of quotes for new police vehicle: Police Sergeant Jim Stemper presented Council with three quotes he had obtained for the new police vehicle—a 2021 Durango Pursuit. The quotes were as follows: Pischke Motors of La Crosse (\$35,159), Adamson Motors (\$35,373), and Sleepy Hollow (\$35,000). Member Fisch moved to accept the lowest quote of \$35,000 from Sleepy Hollow. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

j. Presentation of service plaques to Members Paul Fisch and Randi Vick, whose Council terms end in 2020: Mayor Schroeder presented Members Paul Fisch and Randi Vick with honorary plaques and thanked them for their twenty years of service on City Council. Clerk/Administrator Swann also thanked Member Fisch and Member Vick for their service and expressed appreciation for their dedication, knowledge, and good working relationship with City staff.

#### ANNOUNCEMENTS:

a. The next regular City Council meeting was scheduled for Monday, January 11, 2021 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 8:14 p.m.

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DeWayne "Tank" Schroeder  
Mayor

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Adam G. Swann  
Clerk/Administrator