

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
CITY COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, December 9, 2019

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 Chambers 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, Paul Fisch, David Fitzpatrick, Brad Rykhus, and Randi Vick. City staff present: Casey Klug, public works and zoning director; Stephanie Mann, finance officer (@ 6:30 p.m.); Adam Swann, clerk/administrator. Visitor(s) present: Andy Allen; Merik Allen; Sheri Allen; Evan Barnes; McKenna Eglington; James Fitzpatrick; Hayden Gore; Sophia Grams; Maggie Herman; Ryan Herman; Kinley Holdmeyer; Carson Jerviss; Emmett Jerviss; Eric Jerviss; Sawyer Lampert; Hannah McGonigle; Craig Moorhead, *Caledonia Argus*; Blake Peterson; Brody Ranzenberger; Owen Ranzenberger; Liam Rohland; Matt Schuldt; Sam Schuldt; and Alexander Vick.

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 November 25, 2019 regular City Council meeting
- b. Approve minutes from December 2, 2019 special City Council meeting
- c. Approve Change Order No. 7 for 2018 E. South St. and S. First St. Public Improvement Project
- d. Approve engagement letter with Smith Schafer & Associates for audit of City’s financial statements for year ending December 31, 2019
- e. Approve proposed Resolution 2019-019: Resolution Designating Annual Polling Places
- f. Approve proposed Resolution 2019-020: Resolution Allocating Costs from Purchase of Real Property and Authorizing Transfer of Funds from Electric Fund to Stormwater Fund and from Capital Improvement Fund to General Fund
- g. Approve using MN Dept. of Commerce utility deposit interest rate of 1.5% for City utility deposits in 2020
- h. 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 2020
- i. Approve applications from AKG Enterprises, LLC (d/b/a AJ’s Bar and Grill), Sasa Lee, LLC (d/b/a Good Times Restaurant & Bar), and MAAD Alley, LLC for 2020 on-sale intoxicating liquor licenses and on-sale Sunday intoxicating liquor licenses
- j. Approve application from American Legion 191 (d/b/a American Legion Club) for 2020 club on-sale liquor license and Sunday intoxicating liquor license
- k. Approve application from The Wired Rooster, LLC (d/b/a The Wired Rooster Coffee Shoppe) for 2020 on-sale wine license
- l. Approve hiring Bobbi Holland as part-time liquor store clerk
- m. Approve hiring Myron Kinneberg as temporary custodian at wage of \$25/hr. for four hours per day for up to 20 days

PRESENTATIONS: Three Caledonia teams participating in the First Lego League (grades 4th-8th) presented their solutions to community issues. Team 1 presented a plan for improving ADA accessibility at the Municipal Auditorium. Teams 2 and 3 presented plans for using the 18.09 acres of property purchased by the City in October 2019. The members of Team 1 were the following: McKenna Eglington, Maggie Herman, Hannah McGonigle, Kinley Holdmeyer, and Sophia Grams. The members of Team 2 were the following: Alexander Vick, Blake Peterson, Hayden Gore, Merik Allen, Sawyer Lampert, Liam Roland, and Owen Ranzenberger. The members of Team 3 were Carson Jerviss, James Fitzpatrick, Brody Ranzenberger, Emmett Jerviss, Sam Schuldt, and Evan Barnes.

PUBLIC COMMENT: None.

CLERK/ADMINISTRATOR:

a. Updates:

i. Search for new liquor store manager: Clerk/administrator Swann reported that four candidates were going to be interviewed for the position on December 16. Swann reported that Member Fitzpatrick and Member Rykhous were going to be serving on the interview panel, along with Swann, interim liquor store manager Nancy Steele and Spring Grove liquor store manager Joe Kessler.

ii. New Production Well #8: Swann reported that the new Production Well #8 would be eligible for grant funds through the Public Facilities Authority Water Infrastructure Program only if the City could demonstrate the City's water customers would suffer a financial hardship from higher rates.

NEW BUSINESS:

a. Public hearing (i.e., Truth-in-Taxation meeting) re City's proposed 2020 General Fund budget and levy for taxes payable in 2020: At 6:25 p.m. Member Fitzpatrick moved to adjourn the regular City Council meeting to hold a public hearing regarding the City's proposed 2020 General Fund budget and levy for taxes payable in 2020. Member Rykhous seconded the motion. All members present voted in favor of the motion, and the motion passed.

At 6:25 p.m. the public hearing was convened. Finance Officer Stephanie Mann reported that the proposed budget for 2020 included an 8% levy increase and a \$200,000 transfer from the Electric Fund to the General Fund as a payment in lieu of taxation. The 2020 budget included a proposed surplus of \$2,845, with a projected unassigned fund balance of 48% at the end of 2020 based on expenditures of \$2,081,030 in 2020. Swann reported that based on a review of some of the proposed tax statements for 2020, the proposed 8% levy increase for taxes payable in 2020 would result in a minimal tax increase for most residential properties. Swann reported that the proposed 8% levy increase would increase the City's levy per capita to 328.58, which was much lower than other cities in the region.

Swann and Mann summarized the budget changes since the last City Council meeting. Swann reported that funding for the 8U-14U summer baseball and softball program had been added to the 2020 budget after a meeting with the Parks and Recreation Committee—i.e.,

Members Fitzpatrick and Vick—which had met on December 3, 2019 to discuss ways to increase program revenues and reduce costs.

No members of the public were present who wanted to address the Council about the proposed 2020 General Fund budget or levy for taxes payable in 2020. At 6:45 p.m. Member Vick moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed. The regular City Council meeting reconvened at 6:45 p.m.

b. Consideration of proposed employment agreement with Chief Kurt Zehnder for 2020: Member Rykhus moved to approve the proposed employment agreement with Chief Kurt Zehnder for 2020, which included a 2.5% salary increase. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

c. Consideration of proposed non-union salaries and wages for 2020: Member Fisch moved to approve the proposed salaries and wages for non-bargaining employees effective December 30, 2019, which was the start of the pay period for December 30, 2019-January 12, 2020, except for Chief Kurt Zehnder, whose salary was set by contract. The proposed salaries for non-union employees included a 2.5% increase, which was commensurate with the increases for the City's employees in the International Union of Operating Engineers Local 49. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Discussion re selection of engineering firm to provide engineering design and construction services for well house for Production Well No. 8: Member Fisch moved that the City request city engineer WSB & Associates prepare a request for proposals for engineering and architectural services for a new well house for the new Production Well #8. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

e. Discussion re abatement of hazardous building at 916 E. Main St.: Swann reported that several local contractors had expressed interest in buying the house at 916 E. Main St. from the Tippmans and renovating the property. The consensus of Council was that the City should proceed with removing the hazardous building at 916 E. Main Street rather than trying to work with the property owners to find a buyer to renovate the property.

f. Prepaid claims: Council reviewed the prepaid claims for the period November 14, 2019 – December 6, 2019, which totaled \$322,721.11. 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.

g. Claims payable: Council reviewed the claims payable for December 2019, which totaled \$37,071.87. Member Rykhus moved to approve the claims payable as presented. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

h. Overtime report: Council reviewed the overtime report for the pay period November 18, 2019 – December 1, 2019. No further action was taken by the Council.

ANNOUNCEMENTS: Mayor Schroeder announced that the next regular City Council meeting was scheduled for Monday, December 23, 2019 at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Fitzpatrick, seconded by Member Rykhus. All members present voted in favor of the motion, and the motion was declared carried to adjourn at 7:26 p.m.

DeWayne “Tank” Schroeder
Mayor

Adam G. Swann
Clerk/Administrator