

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL  
COUNCIL CHAMBERS, CITY HALL  
CALEDONIA, MINNESOTA  
Monday, February 28, 2022

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 Amanda Ninneman and Member Brad Rykhus. Council member(s) absent: Member Robert “Bob” Klug. City staff present: Casey Klug, public works/zoning director; Stephanie Mann, finance officer; Adam Swann, city clerk/administrator. Visitor(s) present: A.J. Hoscheit, Richard’s Sanitation, LLC; Taylor Skauge, Richard’s Sanitation, LLC; Craig Moorhead, *Caledonia Argus*; Charlene Selbee, *Fillmore County Journal*.

CONSENT AGENDA: Member Rykhus moved to approve the consent agenda. Member Ninneman 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 February 14, 2022 regular City Council meeting
- b. Approve hiring Kaleb Fish as a casual, part-time police officer for the Caledonia Police Department

PUBLIC COMMENT: None.

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 \$6,011,682.29 through December 31, 2021, an increase of \$1,639,203.55 since November 30, 2021. The increase was largely due to the City’s receipt of the second half of tax payments and Local Government Aid. Mann reported that she added two new funds—i.e., Fund 418 for the new joint fire and ambulance station and Fund 419 for the S. Marshall St. and E. Grove St. Reconstruction Project. Mann further reported that she had closed Fund 416 (Aquatic Center Fund). Mann reported that Fund 602 (Sewer Fund) was negative at the end of December because the City had paid off the MRWA Midi Loan (Temporary G.O. Sewer Revenue Note, Series 2020A) of \$764,000; Mann noted that the City would be reimbursed using funds from the new loan from the PFA Drinking Water Revolving Fund, so the Sewer Fund would not remain negative. Mann also reported that Fund 651 (EDA Revolving Loan Fund) had decreased in December because the EDA paid off the USDA Economic Development Revenue Note 1994 and the EDA had given Clare and Joshua O’Brien their first disbursement from their forgivable loan.

b. Report on long-term debt: Mann reported that the City’s total debt was \$4,894,048.63 as of the end of December 2021.

c. Report on 2021 budget v. actual for General Fund, special revenue funds, and enterprise funds (final pre-audit): Mann provided her final pre-audit report on the budget v. actual for the General Fund, special revenue funds, and enterprise funds. Mann reported that the General Fund

had net revenues of \$226,501.37 for 2021. Mann explained that the substantial net revenues were due to some unexpected revenues in 2021, like \$80,000 in Local Government Aid the City had expected to lose due to COVID-19 (but did not lose), \$54,904 in state street aid, and \$14,393 extra for a dividend from the League of Minnesota Cities Insurance Trust. Mann further explained that the City had significant savings in several areas of the General Fund budget, including \$21,276.45 for the city attorney and consulting attorney, \$15,662.62 for the Clerk's Office, \$9,420.03 for street equipment, and \$8,400.06 for sidewalks.

Mann reported that many of the special revenue funds and enterprise funds also had net revenues for 2021. Mann reported that the Library Fund had net revenues of \$17,216.02, the Ambulance Fund had net revenues of \$30,836.18 (despite paying \$95,000 for the land for the new joint fire and ambulance station), and the Fire Fund had net revenues of \$1,075.23. Mann reported that the Water Fund had net revenues of \$175,322.20, in part because labor/services costs were under budget. Mann reported that the Sewer Fund had net revenues of \$311,303.01, in part because the labor/services costs were under budget. Mann also explained that both the Water and Sewer Funds had sizeable net revenues because the City had increased water and sewer rates in anticipation of making the bond payments for the PFA loans for the new well, well house, and wastewater treatment facility. Mann reported that the Liquor Fund had net revenues of \$21,427.31, which were up in comparison to most prior years. Mann noted that the Liquor Fund's net revenues would have been even higher, but the City had transferred \$25,000 from the Liquor Fund to the CIP to help pay for the new tennis court and pickleball courts. Mann further explained that the Liquor Fund had also contributed \$6,800 to pay for the purchase of the property for the downtown pocket park.

#### PUBLIC WORKS/ZONING DIRECTOR:

##### a. Updates

i. Shade tree program: Public Works/Zoning Director Klug reported that trees were going to be delivered the week of April 20.

ii. Construction of new wastewater treatment facility: Klug reported that City staff and project engineer Donohue & Associates were scheduled to have their monthly meeting with Wapasha Construction Co., Inc. the next day.

iii. Construction of Well House No. 8: Klug reported that Traut Companies had come to install the pump and water column. Klug further reported that Wapasha Construction Co., Inc. was working on electrical and plumbing.

iv. Caledonia Aquatic Center: Klug reported that the City had ordered 10 lounge chairs for the Aquatic Center and that the lounge chairs had arrived and been assembled by City staff.

v. HVAC upgrades at the City Auditorium: Klug reported that he had spoken with Chris Olson of Galileo Consulting Inc., the engineer who had been preparing the specs and bid documents for the HVAC upgrades at the City Auditorium. Olson had told Klug that the specs and bidding documents would be finalized by the end of the week.

#### CITY CLERK/ADMINISTRATOR:

##### a. Updates

i. Application deadline for summer recreation positions: Clerk/Administrator Swann reported that the application deadline for the summer recreation positions—including Aquatic

Center manager, Aquatic Center assistant managers, Aquatic Center lifeguards, and softball and baseball program manager—was March 2, 2022.

ii. Meeting with Special Fire District No. 2 (a/k/a Rural Fire District): Swann reported that members of the Council's Fire and Ambulance Committee—i.e., Mayor Schroeder, Member Ninneman, and Swann—along with Finance Officer Mann and the Fire Department officers would be meeting with Special Fire District No. 2 (a/k/a Rural Fire District) on Thursday, March 3 at 6:30 p.m. for the annual fire district meeting.

iii. Electric vehicle charging station: Swann reported that MiEnergy had notified the City that the City's electric vehicle charging station had been ordered and was expected to be delivered by the end of March.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

a. Consideration of proposed Resolution 2022-1: A Resolution Approving and Implementing the 2022-2023 Labor Agreement between the City of Caledonia and Law Enforcement Labor Services, Inc., Local #413: Member Rykhus moved to approve proposed Resolution 2022-1, a resolution approving and implementing the 2022-2023 labor agreement between the City of Caledonia and Law Enforcement Labor Services, Inc., Local #413. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

b. Consideration of proposed Resolution 2022-2: A Resolution Transferring Net Revenues from 2021 General Fund Budget to Capital Improvement Fund (Fund 352) for use on future street improvement projects: Member Ninneman moved to approve proposed Resolution 2022-2, a resolution transferring net revenues from the 2021 General Fund budget to the Capital Investment Fund (Fund 352) for use on future street improvement projects. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

c. Consideration of proposed Resolution 2022-3: A Resolution Approving Memorandum of Understanding No. 2 between City of Caledonia and International Union of Operating Engineers Local 49: Member Rykhus moved to approve proposed Resolution 2022-3, a resolution approving Memorandum of Understanding No. 2 between the City of Caledonia and International Union of Operating Engineers Local 49. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Review of draft agreement between City and Richard's Sanitation, LLC for residential solid waste collection services: Council reviewed a draft of an agreement (prepared by the city attorney) between the City and Richard's Sanitation, LLC for residential solid waste collection services. Clerk/Administrator Swann reported that if the Council was agreeable to the draft, he would send a copy to Richard's Sanitation for their review. Richard's Sanitation representatives A.J. Hoscheit and Taylor Skaug were present and reported that Richard's Sanitation wanted a 10-year contract to recover the cost of the plastic totes and that the monthly fee would increase if the City wanted a shorter contract term. The consensus of the Council was that Richard's Sanitation should provide the City with pricing options for a 5-, 7-, or 10-year agreement.

e. Review of proposed revisions to job description for street maintenance technician: Council reviewed proposed revisions to the job description for street maintenance technician. Mayor Schroeder suggested raising the position to pay grade 5. Member Fitzpatrick moved to approve the revisions to the job description for street maintenance technician as presented and to authorize the City to advertise for a new street maintenance technician. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

f. Discussion re possible interim ordinance to establish a study period and moratorium on grain bins and grain drying within the City of Caledonia for a period of up to one year pursuant to Minn. Stat. § 462.355, subd. 4.: Mayor Schroeder moved to direct the City attorney to prepare a draft of an interim ordinance establishing a study period and moratorium on grain bins and grain drying within the City of Caledonia. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

g. Discussion re use of American Rescue Plan Act funds: Clerk/Administrator Swann reported that the U.S. Treasury Department had recently revised the rules for using the American Rescue Plan Act funds. The changes included allowing local governments to claim a standard revenue loss of up to \$10 million and to use the funds for government services such as road maintenance. Mayor Schroeder moved to allocate the City's \$300,854 in American Rescue Plan Act money to the Capital Improvement Fund (Fund 352) for use on a future street project, with the understanding that the money could be reassigned to be used on a water or sewer project if the need arose. Member Rykhus 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 February 7, 2022 – February 20, 2022. No further action was taken by the Council.

#### ANNOUNCEMENTS:

a. The next regular Council meeting was scheduled for Monday, March 14, 2022, 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 7:10 p.m.

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DeWayne "Tank" Schroeder  
Mayor

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Adam G. Swann  
City Administrator/Clerk