

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, May 9, 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 Robert Klug, and Member Amanda Ninneman. Council member(s) absent: Member Brad Rykhus. City staff present: Stephanie Mann, interim city clerk/administrator; Mike Tornstrom, Ambulance Director. Visitor(s) present: Craig Moorhead, *Caledonia Argus*; Charlene Selbee, *Fillmore County Journal*; Andrew Forliti, Smith Schafer & Associates; Matt Schuldt.

CONSENT AGENDA: Member Fitzpatrick 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 April 25, 2022 regular City Council meeting
- b. Approve Payment Application No. 4 from Wapasha Construction Co., Inc. in amount of \$136,834.42 for work performed on construction of wastewater treatment plant
- c. Choose not to waive the monetary limits on municipal tort liability, established by Minnesota Statutes Section 466.04, for period July 1, 2022 through June 30, 2023
- d. Approve proposed Resolution 2022-6: A Resolution Accepting Donation from Caledonia Fire Dept. Gambling Acct.
- e. Approve hiring of Katelyn Jensen as emergency medical technician (EMT) for Caledonia Ambulance Department

PUBLIC COMMENT: Matt Schuldt was present to discuss the improvements made to Green Acres Drive in the summer of 2021. Schuldt is wondering if that portion of the road improvements will be sealcoated. The contractor had told Schuldt that they were of the understanding that it was going to be sealcoated. Member Klug explained to Schuldt that the City had spent additional money to replace the class 5 rock with recycled asphalt. The recycled asphalt helps strengthen the road and would eliminate the need to sealcoat. Member Klug spoke for the other council members in that the City was under the understanding from the contractor that the City would not need to sealcoat after using the recycled asphalt. The council agreed to discuss the topic with Casey Klug, Public Works/Zoning Director, who was not present and bring to the next meeting.

PRESENTATION:

- a. Andrew Forliti, CPA, Smith Schafer & Associates
 - i. Audit and financial summary for 2021: Andrew Forliti reported on the results of the independent audit of the City’s finances for 2021. Forliti provided an unmodified “clean” opinion for the City in 2021. Forliti noted that the City did lack a segregation of accounting duties due to the City’s small size. Forliti reported on the revenues and expenses of the governmental funds, special revenue fund, and enterprise funds. Forliti noted that the unassigned

fund balance in the General Fund was \$1,145,209, which was 60% of the 2021 General Fund expenditures, a decrease from 64% in 2020. Forliti explained that the decrease was largely due to an increase in expenditures in 2021. Forliti highlighted that the Local Government Aid the City received from the State of Minnesota exceeded the City's property taxes. Forliti reported that Caledonia was the only one of Smith Schafer's cities in southeastern Minnesota that received more revenues from Local Government Aid than property taxes. Forliti reviewed the cash, investments, bonds, and notes for the City's governmental funds, special revenue fund, and enterprise funds. Forliti reported that the City's overall debt service requirements decreased in 2021 and that the City's long-term debt was \$2,062,603 (governmental) and \$2,935,106 (business-type). Forliti further reported that the City's net pension liability for both governmental and proprietary funds was \$833,140; the Fire Department had a net pension asset of \$295,622. Forliti also discussed that the City will need a single audit for 2021 for approximately \$1.5 million in federal funds received. These funds consist of ARPA funds, Small Cities Development Grant funds, and funds for the new wastewater treatment plant project.

PUBLIC WORKS/ZONING DIRECTOR:

- a. Updates
 - i. None.

INTERIM CITY CLERK/ADMINISTRATOR

- b. Updates
 - i. Custodian position: Interim Clerk/Administrator Mann reported that there are some applications for the custodian position. The deadline for the applications was Monday, May 9, 2022. Mann will coordinate a time with the Personnel Committee to do interviews.
 - ii. Meeting with pool manager, Austin Heaney: Mann reported that she and Shelly Ellingson, Assistant to the City Clerk/Administrator, met with Austin Heaney to discuss various items in regards to the pool season. Heaney is having a difficult time staffing all the hours in the month of June. We have 12 guards but may need to staff a couple more.
 - iii. Shade trees: Mann reported that the shade trees had finally arrived on Friday. Casey and the street department were busy delivering trees today and tomorrow.

NEW BUSINESS:

- a. Consideration of City's 2021 audit prepared by Smith Schafer & Associates: Member Fitzpatrick moved to accept the audit report as presented. Member Klug seconded the motion. All members present voted in favor of the motion, and the motion passed.
- b. Discussion re purchase of new ambulance to replace Unit 257: Mike Tornstrom, ambulance director, was present to discuss the next purchase of a new ambulance. Tornstrom would like to move ahead with getting formal quotes and specifications for a replacement for Unit 257. He is being told there is a lead time of around 18 months, so we would be looking at a 2024 delivery. Tornstrom would also like to add a power load system in the new unit at an additional cost of \$43,000. The estimate of a new ambulance would be approximately \$270,000 with the power load system. It was the consensus of the council to have Tornstrom move ahead with getting complete quotes for a new replacement ambulance for Unit 257.

c. Consideration of quotes for city auditorium HVAC improvements: Mann discussed the two bids received for the HVAC project in the city auditorium. The bids were from Canton Heating and Cooling for \$410,400 and Winona Controls for \$275,000. Chris Olson from Galileo Consulting Group reviewed the bids and found no discrepancies. At this time, some of the roof top units have an estimated delivery time of 30 weeks. The council had budgeted \$150,000 that is in the capital improvement fund for the project. Mann believes some of the work will not be complete until 2023 and can be budgeted in next year's capital. Also, there is \$40,000 in the budget this year for items that Mann and Casey Klug, public works/zoning director believe can be put off until the 2023 budget. Klug also thinks we may be able to use \$25,000 of the streets labor/service budget. The remainder can be transferred from the electric department. Member Klug moved to approve the quote from Winona Controls for \$275,000 for the city auditorium HVAC improvements. Member Fitzpatrick seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Discussion re example special assessment policies from Matt Mohs: Mann had included various examples of special assessment policies from cities in our area that Matt Mohs provided. Mann reviewed essential items in the special assessment policy that would need to be decided such as interest rate and term of the assessment and the distribution of cost between the City and the property owner. It was the consensus of the council to start with a policy that would have either 15 or 20 year term, interest rate one point higher than the bond net effective rate, and probably a distribution cost of City 80% and property owner 20%. Mann will work with Mat Mohs to put together a special assessment policy and bring back to Council for review.

e. Overtime Report: Members reviewed the overtime report for the pay period April 18, 2022 – May 1, 2022. No further action was taken by the Council.

f. Prepaid claims: Council reviewed the prepaid claims for the period April 13, 2022 – May 6, 2022, which totaled \$511,471.36. Member Fitzpatrick moved to approve the prepaid claims as presented. Member Ninneman 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 May 2022, which totaled \$44,063.09. Member Ninneman 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.

ANNOUNCEMENTS:

a. The next regular Council meeting was scheduled for Monday, May 23, 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 Ninneman. All members present voted in favor of the motion, and the motion was declared carried to adjourn at 7:51 p.m.

DeWayne "Tank" Schroeder
Mayor

Stephanie Mann
Interim Clerk/Administrator