

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL  
COUNCIL CHAMBERS, CITY HALL  
CALEDONIA, MINNESOTA  
Monday, June 14, 2021

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 at 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, Member Robert “Bob” Klug, and Member Amanda Ninneman. Council members absent: Member David Fitzpatrick and Member Brad Rykhus. City staff present: Casey Klug, public works/zoning director; Stephanie Mann, finance officer; and Adam Swann, city clerk/administrator. Visitor(s) present: Andrew Forliti, CPA, Smith Schafer & Associates; Craig Moorhead, *Caledonia Argus*; Charlene Selbee, *Fillmore County Journal*; and Ryan Stenzel.

CONSENT AGENDA: Member Klug 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 May 24, 2021 regular City Council meeting
- b. Approve proposal from Galileo Consulting Group to provide engineering design and construction engineering services for HVAC system improvements at the Municipal Auditorium and adjacent fire station at a cost of \$8,500
- c. Approve proposed parade route and parade detour route for Spring Grove / Caledonia Film Festival on Saturday, July 24, 2021 at 2:00 p.m.
- d. Approve proposed Resolution 2021-10: A Resolution Accepting Donations from Caledonia Lions Club and Caledonia Community Spirit for Pocket Park
- e. Approve hiring Michael Morey as firefighter for Caledonia Fire Department, contingent on meeting Fire Department’s health and fitness requirements, pursuant to Fire Department handbook

PRESENTATION:

- a. Andrew Forliti, CPA, Smith Schafer & Associates
  - i. Audit and financial summary for 2020: Andrew Forliti reported on the results of the independent audit of the City’s finances for 2020. Forliti provided an unmodified “clean” opinion for the City in 2020. 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 \$1,109,847, which was 64% of the 2020 General Fund expenditures, an increase from 45% in 2019. Forliti explained that the increase was largely due to reduced expenditures in 2020 because of COVID-19. 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 further reported that the City's overall debt service requirements increased in 2020 and that the City's long-term debt was \$2,140,628 (governmental) and \$2,725,585 (business-type). Forliti reported that the Ambulance Fund added \$56,680 to its fund balance, which was lower than 2019 because of fewer calls as a result of COVID-19. Forliti further reported that the Liquor Fund had net revenues of \$86,136 in 2020 in contrast to \$11,692 in 2019. Forliti further reported that the Stormwater Fund, which was created in 2019, had cash and investments of \$5,093 at the end of 2020. Forliti further reported that the City's net pension liability for both governmental and proprietary funds was \$1,318,432; the Fire Department had a net pension asset of \$246,627.

PUBLIC COMMENT: None.

PUBLIC WORKS/ZONING DIRECTOR:

a. Updates

i. Nuisances: Public Works/Zoning Director Klug reported that he was working on addressing several nuisances, including an abandoned house.

ii. Green Acres Dr. repair project: Klug reported that Green Acres Drive was repaired last week; the project started on Tuesday and was finished by Thursday. Klug reported that the City substituted two inches of recycled asphalt for the gravel at a cost of \$600. The recycled asphalt would provide a harder surface, reduce dust, and prepare the road for sealcoating in 2022.

iii. Caledonia Aquatic Center pool gutter replacement project: Klug reported that the pool walls had been poured and the lights had been installed. Klug further reported that the contractor was preparing to pour the pool deck.

iv. Well House No. 8 project: Klug reported that the City had started advertising for bids for the Well House No. 8 project and that bids were due on June 23.

v. Stormwater pond in former Frisch property: Klug reported that the City had finished constructing a stormwater detention pond (i.e., dry pond) on the south side of the property the City had purchased from the George F. Frisch Trust and Ann M. Frisch Trust. The City added an 8-inch pipe to help control stormwater runoff.

CITY CLERK/ADMINISTRATOR

a. Updates

i. North Park three-sided structure: Clerk/Administrator Swann reported that the Caledonia Chamber of Commerce tourism committee was going to be meeting with the former Caledonia Area Tourism and Convention Bureau to discuss the prior plans for installing City maps on the three-sided structure in North Park. The Chamber was hopeful they could finish the project.

ii. American Rescue Plan Act funds: Swann reported that the State of Minnesota had not yet announced Caledonia's allocation of the American Rescue Plan Act funds. Swann estimated that the City would receive \$280,000 - \$290,000 based on League of Minnesota Cities estimates that cities would receive \$103-\$104 per capita. Swann further reported that he would

put discussion regarding use of the funds on a future Council agenda once the amount of the funds was known.

iii. Sprague Woods: Swann reported that the City had received a proposal to use goats to remove the invasive weeds in Sprague Woods. Swann reported that the proposal would be on the next Council agenda. Swann further reported that he had met with Randy Mell to discuss the future of Sprague Woods, and Randy Mell was going to be working on providing the City with a proposed tree management plan.

NEW BUSINESS:

a. Consideration of City's 2020 audit prepared by Smith Schafer & Associates: Member Klug moved to accept the audit report as presented. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

b. Public hearing re application by Ryan Stenzel for setback variance of 3 feet (resulting in setback of 7 feet) to construct 22' x 26' attached one-car garage on property at 114 S. Winnebago St. (parcel ID 21.0102.000): At 6:33 p.m. Member Ninneman moved to adjourn the regular City Council meeting to hold a public hearing on an application by Ryan Stenzel for a setback variance of 3 feet at 114 S. Winnebago Street. Member Klug seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing was convened at 6:33 p.m.

Public Works and Zoning Director Casey Klug reported that the applicant was requesting a 3-foot setback variance on the south property line to construct a 22' x 26' attached one-car garage on the property at 114 S. Winnebago St. (parcel ID 21.0102.000). Klug reported that if the variance was granted, the garage would have a setback of 7 feet. Klug explained that the property was 30 feet x 30 feet, which was small for the neighborhood, where most lots were 60 feet x 60 feet. Klug reported that the property owner wanted to construct a garage on the south side of the property and move the driveway to the south side of the property. Klug reported that the proposal would not cause more than 55% of the property to be paved. Klug reported that he hadn't received any comments from neighbors. Klug reported that the proposed garage was fairly standard for a one-car garage because of the size of most trucks. At 6:37 p.m. Member Klug moved to adjourn the public hearing and reconvene the regular City Council meeting. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed. The regular City Council meeting reconvened at 6:37 p.m.

c. Consideration of application by Ryan Stenzel for setback variance of 3 feet (resulting in setback of 7 feet) to construct 22' x 26' attached one-car garage on property at 114 S. Winnebago St. (parcel ID 21.0102.000): Member Klug moved to approve the 3-foot setback variance for the reasons set forth in the proposed findings of fact submitted by City staff. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

The findings of fact were the following:

- (i) Exceptional or extraordinary circumstances applied to the property that did not apply generally to other properties in the same zone or vicinity and resulted from lot size or

shape, topography or other circumstances over which the owners of the properties had no control since enactment of Chapter 153 of the City Code; specifically due to the small lot size (3,600 sq. ft.), it would not be possible to build a garage on the property without a setback variance;

(ii) The literal interpretation of the provisions of Chapter 153 would deprive the applicants of rights commonly enjoyed by other properties in the same district because other properties in the R-2, Residential District have a garage or storage structure;

(iii) The special conditions or circumstances did not result from the actions of the applicant because the applicant purchased the property as is without an existing garage on the property;

(iv) The granting of the variance requested would not confer on the applicant any special privilege that was denied by Chapter 153 to owners of other lands, structures, or buildings in R-2, Residential Districts;

(v) The variance requested was the minimum variance that would alleviate the hardship because the applicant was only requesting to build a one-car garage;

(vi) The variance would not be materially detrimental to the purposes of Chapter 153 or other properties in the R-2 Residential District because adding a garage to the house would increase value and appearance of the area;

(vii) The proposed variance would not impair an adequate supply of light and air to adjacent properties or substantially increase the congestion of the public streets, or increase the danger of fire, or endanger the public safety, or substantially diminish or impair property values within the neighborhood.

d. Consideration of purchase of Jenkins Iron and Steel stump grinder from Caledonia Implement Company for cost of \$5,750: Public Works/Zoning Director Klug reported that he had requested quotes for the stump grinder from Caledonia Implement Company and SEMA, but only Caledonia Implement Company was able to provide a quote. Klug obtained online quotes for the Jenkins stump grinder from other retailers; the quotes were the same or higher than the one provided by Caledonia Implement Company. Member Klug stated that he had a business interest in Caledonia Implement. Mayor Schroeder moved to approve the purchase of the Jenkins Iron and Steel stump grinder from Caledonia Implement Company for a cost of \$5,750. Member Ninneman seconded the motion. Mayor Schroeder and Member Ninneman voted in favor of the motion. Member Klug abstained from voting because of his business conflict with Caledonia Implement. The motion passed.

e. Consideration of offer from MiEnergy to provide City with free electrical vehicle charger (ZEFNET 40-CPD-SS, 7.7 kW): Member Klug moved the following: 1) to purchase the upgraded ZEFNET 80-CPD-SS, 15.4 kW charging station for a net cost of \$1,090 after applying the credit for a free ZEFNET 40-CPD-SS, 7.7 kW charging station, and 2) to install the electric vehicle charging station behind City Hall near the water tower and Fire Department barn.

Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

f. Discussion re resumption of 5% penalty on delinquent utility bills and collection of 2% convenience fee on credit card and debit card payments: Clerk/Administrator Swann reported that since the start of the COVID-19 pandemic in spring 2020, the City had been waiving the 5% penalty on delinquent utility bills; the City had also been waiving the 3% surcharge for utility bills paid by credit card at City Hall or over the phone with City staff. The City had previously been charging a fee for using credit cards but not debit cards because the City wasn't aware that it could charge a fee on debit cards if the fee was called a "convenience fee" rather than a "surcharge." Swann further explained that the City was charged a fee by the credit card and debit card companies for every transaction. Member Klug moved to resume charging a 5% penalty on delinquent utility bills and to charge a 2% convenience fee for utility bills paid with credit cards or debit cards at City Hall or through City staff. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

g. Discussion re issuance of RFP for professional architectural and construction management services for new ambulance station: Council reviewed and discussed a proposed RFP for professional architectural and construction management services for a new ambulance station. The proposed RFP had been prepared by City Engineer Matt Mohs, in consultation with City staff. Member Ninneman moved to issue the proposed RFP as written. Member Klug seconded the motion. All members present voted in favor of the motion, and the motion passed.

h. Discussion re proposed Resolution 2021-09: A Resolution Supporting Capital Budget Request for New Ambulance Station and Recommending Inclusion of New Ambulance Station in Governor's Capital Budget: Mayor Schroeder moved to approve proposed Resolution 2021-09, a resolution supporting the City's submission of a Capital Budget request for a new ambulance station and recommending that Governor Tim Walz include the request in his 2022 Capital Budget. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

i. Discussion re use of City Auditorium by Sacred Noise Society for Spring Grove-Caledonia Film Festival from July 20 – July 25, 2021: Council discussed Sacred Noise Society's use of the City Auditorium for the Spring Grove-Caledonia Film Festival from July 20-25, 2021. Council had concerns about food and beverage in the gymnasium and wanted more information on the event. No action was taken by the Council.

j. Discussion re sponsoring bus to transport residents to neighboring pools until Caledonia Aquatic Center pool gutter replacement project is finished: Member Ninneman moved to provide residents with bus service to an area pool two days a week until the Caledonia Aquatic Center was open. Member Klug seconded the motion. All members present voted in favor of the motion, and the motion passed.

k. Prepaid claims: Council reviewed the prepaid claims for the period May 12, 2021 – June 11, 2021, which totaled \$681,334.41. Member Klug moved to approve the prepaid claims as presented. Mayor Schroeder seconded the motion. All members present voted in favor of the motion, and the motion passed.

l. Claims payable: Council reviewed the claims payable for June 2021, which totaled \$250,988.86. Member Klug moved to approve the claims payable as presented. Member Ninneman seconded the motion. All members present voted in favor of the motion, and the motion passed.

m. Overtime Report: Members reviewed the overtime report for the pay period May 17 – May 30, 2021. No further action was taken by the Council.

ANNOUNCEMENTS:

a. The next regular Council meeting was scheduled for Monday, June 28, 2021, at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Klug, seconded by Member Ninneman. All members present voted in favor of the motion, and the motion was declared carried to adjourn at 8:05 p.m.

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DeWayne “Tank” Schroeder  
Mayor

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Adam G. Swann  
Clerk/Administrator