

SPECIAL MEETING OF THE CALEDONIA CITY COUNCIL  
CITY COUNCIL CHAMBERS, CITY HALL  
CALEDONIA, MINNESOTA  
Thursday, September 12, 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, Brad Rykhus, and Randi Vick. Council member(s) absent: David Fitzpatrick. City staff present: Casey Klug, public works and zoning director; Stephanie Mann, finance officer; and Adam Swann, clerk/administrator. Visitor(s) present: Craig Moorhead, *Caledonia Argus*; Jan Deters; and Paul Tewes.

CONSENT AGENDA: Member Fisch 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. Approval of minutes from August 26, 2019 regular City Council meeting
- b. Approval of Resolution 2019-013: A Resolution Accepting Donation of \$3,000 from Mound Prairie Mutual Insurance Company

PUBLIC COMMENT: None.

PUBLIC WORKS & ZONING DIRECTOR:

a. Updates:

i. Light poles: Public Works & Zoning Director Casey Klug reported that the Electric Division was finishing its replacement of 46 light poles around the City.

ii. E. South St. stormwater outfall: Klug reported that Public Works staff had installed a fence and posts near the E. South St. outfall in response to safety concerns from City residents.

iii. Tennis courts: Klug reported that Matt Blocker and Nate Becker of the Electric Division were removing the fencing and posts around the tennis court, in preparation for removing the tennis courts.

iv. Esch Dr.: Klug reported that delineator markers had been installed on Esch Dr. to designate the walking path.

v. Wastewater treatment plant sludge pump: Klug reported that the sludge pump was going to have to be replaced, but the new pump could be used in the new plant.

vi. Well #6 rehab: Klug reported that the cost of rehabbing Well #6 was going to be approximately \$60,000. It had been about 15 years since Well #6 had last been rehabbed.

vii. Water tower cleaning: Klug reported that the water towers were going to be cleaned in mid-October.

CLERK/ADMINISTRATOR:

a. Updates:

i. City Engineer: Clerk/administrator Adam Swann reported that City Engineer Matt Mohs had left WSB & Associates and joined Bolton and Menk. Swann reported that the City could terminate its contract with WSB & Associates and use Bolton and Menk. Swann reported that the issue would be placed on a future Council agenda for Council consideration.

ii. Minnesota House of Representatives Tax Committee Hearing: Swann reported that he had received confirmation that the Minnesota House of Representatives Tax Committee would be holding a hearing on October 3, 2019 from 3:00 p.m. to 4:30 p.m. at the Four Seasons Community Center.

iii. Response to notice of violation from Minnesota Pollution Control Agency: Swann reported that the City had sent a letter to the MPCA in response to the notice of violation the City received regarding the City's total nitrogen limit. The letter informed the MPCA that the City was planning for a new wastewater treatment facility to control the nitrogen effluent from the wastewater treatment plant and that the City started taking daily samples from the wastewater treatment plant to better control nitrogen levels.

iv. Houston County amended conditional use permit for Meyer Professional Office Building: Swann reported that he had contacted the County to find out when the parking lot on the former Tru Gas property would be ready for the County's use—as required under the amended conditional use permit approved by the Council. Swann reported that it was his understanding from a conversation with Houston County Commissioner Bob Burns that Houston County needed to revise the lease with Mike Rogich, owner of the former Tru Gas property, and would then install the gravel and parking stalls.

UNFINISHED BUSINESS:

a. Review of proposed General Fund budget for fiscal year 2020 and preliminary levy for taxes payable in 2020: Finance Officer Stephanie Mann reported that the proposed preliminary General Fund budget for fiscal year 2020 was based on a levy increase of 8%. The proposed budget included \$160,860 for capital (including \$50,000 for replacing the boiler in the auditorium), added \$22,140 to the City's unassigned fund balance, and increased the Library Board budget by 5%. Council reviewed and discussed the proposed General Fund budget and preliminary levy. Several Council members expressed concern that under the proposed General Fund budget and levy the City's unassigned fund balance for 2020 would be less than 50% of the City's 2020 General Fund expenditures. Member Fisch requested that Mann and Swann prepare a plan for raising the unassigned fund balance to 50% of budgeted expenditures for 2020. No further action was taken by the Council.

b. Consideration of request from Neuman Pools, Inc. to release retainage in amount of \$43,096.81 for 2016 contract for construction of Caledonia Aquatic Center: By consensus Council declined to release the retainage of \$43,096.81 from the 2016 contract between Neuman Pools, Inc. and the City of Caledonia for construction of the pool at the Caledonia Aquatic Center.

NEW BUSINESS:

a. Consideration of petition by Elizabeth Stoltz and Nicole & Scott Stoltz for installation of local improvement and special assessment at 1003 E. Grove St.: Council reviewed a petition by 100% of the property owners of 1003 E. Grove St.—i.e., Elizabeth Stoltz and Nicole & Scott Stoltz—for installation of a local improvement and special assessment at 1003 E. Grove St. Swann reported that the property owners needed to replace the water service line between the curb stop and the City water main. The amount of the proposed special assessment was \$3,722.26 and would be paid back over 10 years at an interest rate of 5.25%. Member Fisch moved to approve the petition. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion was approved.

b. Consideration of application from St. John's Lutheran Church for sign permit to erect two digital signs on property at 650 N. Kingston St.: Council reviewed and discussed an application from St. John's Church to install a digital sign (80 inches long x 72 inches high) with two sides on the property at 650 N. Kingston Street. The screen would be 80 inches long x 48 inches high, and the base would be 80 inches long x 24 inches high x 30 inches wide. Klug further reported that the setback was 30 feet, so the sign would have to be constructed 30 feet from the property line. Jan Peters and Paul Tewes were present on behalf of St. John's Lutheran Church, and they informed the Council that the sign would be constructed perpendicular to N. Kingston St. to limit the sign from impacting the houses on the opposite side of the street.

c. Review of correspondence from City Attorney Mike Flaherty regarding potential conflict involving Councilmember Randi Vick's application to participate in Small Cities Development Program: Member Vick reported that she had a conflict with her application for a forgivable loan from the Small Cities Development Program grant received by the City. Clerk/administrator Swann reported that City Attorney Mike Flaherty had reviewed the issue and declared that 1) there was an exception to the conflict under Minnesota Statutes Section 471.88, subd. 14 because the City's SCDP grant was being administered by a local development organization (i.e., Semcac), and 2) Member Vick could apply for the forgivable loan with her husband Roger Vick if the Council unanimously voted to authorize Vick to apply. Member Fisch moved to authorize Member Randi Vick to apply for a forgivable loan through the Small Cities Development Program grant administered by Semcac. Member Rykhus seconded the motion. The motion passed unanimously 3-0, with Member Vick abstaining from the vote.

d. Overtime report: Members reviewed the overtime reports for the pay periods Aug. 12, 2019 – August 25, 2019 and Aug. 26, 2019 – Sept. 8, 2019. Several members expressed concern about the Police Department's overtime hours. No further action was taken by the Council.

e. Prepaid claims: Members reviewed the prepaid claims for the period August 14, 2019 – September 10, 2019, which totaled \$389,863.71. Mayor Schroeder moved to approve the prepaid claims as presented. Member Rykhus seconded the motion. All members present voted in favor of the motion, and the motion passed.

f. Claims payable: Members reviewed the claims payable for September 2019, which totaled \$283,409.78. Member Vick moved to approve the claims payable as presented. Member Fisch 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, September 23, 2019 at 6:00 p.m.

b. The Tax Committee of the Minnesota House of Representatives would be holding a hearing at the Four Seasons Community Center on October 3, 2019, from approximately 3:00 p.m to 4:30 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Fisch, seconded by Mayor Schroeder. All members present voted in favor, 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