

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL
CITY COUNCIL CHAMBERS, CITY HALL
CALEDONIA, MINNESOTA
Monday, December 11, 2017

CALL TO ORDER: Following due call and notice thereof, Mayor 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 DeWayne “Tank” Schroeder, Robert Burns, Paul Fisch, Robert Lemke (arrived at 7:33 p.m.), and Randi Vick. City staff present: Ashley Dress, library director; Stephanie Mann, accountant; Adam Swann, clerk-administrator. Visitor(s) present: Craig Moorhead, *Caledonia Argus*; David Strike, and Holly Becker.

CONSENT AGENDA: Member Fisch moved to approve the consent agenda. Member Burns 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 November 27, 2017 regular meeting
- b. Approval of request from Scott Koepke for key to Municipal Auditorium Gymnasium
- c. Approval of MN Dept. of Commerce utility deposit interest rate (1.6%) for deposits with Caledonia Electric Division in 2018
- d. Approval of 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
- e. Approval of applications from Lee Babler (d/b/a Elsie’s), Sasa Lee, LLC (d/b/a Good Times Restaurant & Bar), and MAAD Alley, LLC for 2018 on-sale intoxicating liquor licenses and on-sale Sunday intoxicating liquor licenses
- f. Approval of application from American Legion 191 (d/b/a American Legion Club) for 2018 club on-sale liquor license and Sunday intoxicating liquor license
- g. Approval of application from The Wired Rooster, LLC (d/b/a The Wired Rooster Coffee Shoppe) for 2018 on-sale wine license

PUBLIC COMMENT:

- a. David Strike: Mr. Strike presented Council with a letter requesting a forgivable loan from the City to open a hotel.

CLERK-ADMINISTRATOR:

- a. Updates
 - i. 2020 Census Local Update of Census Addresses Operation (LUCA): Clerk-Administrator Swann reported that the City had registered for LUCA, which would allow the City to review and comment on the U.S. Census Bureau’s residential address list for the 2020 Census. The City wanted to make sure that the Census address list for Caledonia was accurate so that every citizen could be counted.
 - ii. Negotiation with Law Enforcement Labor Services: Swann reported that he and Councilmembers Robert Burns and Paul Fisch had met with Law Enforcement Labor Services, the new union for the Police Department, on November 28, 2017, to start negotiations on a new labor agreement.

UNFINISHED BUSINESS:

- a. Implementation of step pay structure for full-time, non-union employees: Member Fisch moved to accept Swann’s recommendations that i) Ambulance Director Mike Tornstrom be placed on the step pay structure starting January 1, 2018 and be eligible for the next step on his anniversary date on

September 19, 2018 and ii) Police Chief Kurt Zehnder be placed on the step pay structure effective January 1, 2018 and eligible for the next step on his employment anniversary date on July 20, 2019. Member Burns seconded the motion. The motion passed 5-0 (Mayor Schroeder: YES; Member Burns: YES; Member Fisch: YES; Member Lemke: YES; and Member Vick: YES).

NEW BUSINESS:

a. Public hearing (i.e., truth-in-taxation hearing) re City's final 2018 General Fund budget and levy for taxes payable in 2018: Mayor Schroeder adjourned the regular Council meeting to hold a public hearing on the City's final 2018 General Fund budget and levy for taxes payable in 2018. Caledonia resident Holly Becker was present and expressed concern about the valuation of her vacant lot. Ms. Becker was advised by the Council that she should talk with the County Assessor's Office if she had concerns about her property assessment. No other members of the public were present who wanted to address Council. The Council reviewed and discussed the proposed 2018 General Fund budget of \$2,150,540, which included \$20,625 for the City's reserve funds. Council members noted that the City would need to keep increasing the City's reserves in order to maintain reserves of at least 50% of the City's General Fund budget. The Council reviewed and discussed the total proposed levy of \$813,525, which was a 3% increase over the levy set in 2016 for taxes payable in 2017. The total proposed levy included \$533,785 for the General Fund, \$24,000 for economic development tax abatements, \$76,925 for the Caledonia Library, and \$178,815 for indebtedness. The Library levy of \$76,925 was an increase of \$5,935 from the levy set in 2016 for taxes payable in 2017. At 6:51 p.m. Mayor Schroeder closed the public hearing and reconvened the regular Council meeting.

b. Consideration of 2017 budget amendments: Accountant Stephanie Mann reported on the City's 2017 General Fund budget. Mann reported that the City had transferred money to the General Fund for capital items and had received FEMA aid and street aid that hadn't been budgeted. Member Burns moved to amend the City's General Fund budget from \$1,952,930 to \$2,208,240, an increase of \$255,310. Member Vick seconded the motion. The motion passed 4-0 (Mayor Schroeder: YES; Member Burns: YES; Member Fisch: YES; and Member Vick: YES).

c. Consideration of monthly stipend for Ambulance Dept. Outreach Training Coordinator Joannie Schmidt: Member Burns moved to approve a \$50 increase in Joannie Schmidt's monthly stipend for her work as the Ambulance Department outreach training coordinator, effective January 1, 2018. Member Vick seconded the motion. The motion passed 4-0 (Mayor Schroeder: YES; Member Burns: YES; Member Fisch: YES; and Member Vick: YES).

d. Consideration of final 2018 General Fund budget: Member Burns moved to approve the final 2018 General Budget of \$2,150,540, which included a budget surplus of \$20,625. Member Fisch seconded the motion. The motion passed 4-0 (Mayor Schroeder: YES; Member Burns: YES; Member Fisch: YES; and Member Vick: YES).

e. Consideration of Capital Improvement Plan for 2018-2022: Council reviewed and discussed the proposed Capital Improvement Plan for 2018-2022. Member Fisch moved to approve the plan. Mayor Schroeder seconded the motion. The motion passed 3-1 (Mayor Schroeder: YES; Member Burns: NO; Member Fisch: YES; and Member Vick: YES).

f. Consideration of Resolution 2017-014: A Resolution Adopting Final Levy for Taxes Payable in 2018 (3% Increase): Council reviewed and discussed Resolution 2017-014, a resolution adopting a final levy of \$813,525 for taxes payable in 2018. The levy of \$813,525 was a 3% increase over the levy set in 2016 for taxes payable in 2017. The total proposed levy included \$533,785 for the General Fund, \$24,000

for economic development tax abatements, \$76,925 for the Caledonia Library, and \$178,815 for indebtedness. Member Fisch moved to approve Resolution 2017-014. Member Burns seconded the motion. The motion passed 4-0. (Mayor Schroeder: YES; Member Burns: YES; Member Fisch: YES; and Member Vick: YES.)

g. Consideration of Operation and Maintenance Agreement between Dairyland Power Cooperative and the City of Caledonia: Council reviewed and discussed the proposed operation and maintenance agreement between the City of Caledonia and Dairyland Power Cooperative. Member Burns moved to approve the operation and maintenance agreement. Member Fisch seconded the motion. The motion passed 4-0 (Mayor Schroeder: YES; Member Burns: YES; Member Fisch: YES; and Member Vick: YES).

h. Consideration of Resolution 2017-015: A Resolution Designating Annual Polling Places: Member Fisch moved to approve Resolution 2017-015, a resolution designating the Municipal Auditorium at 231 East Main Street as the City’s polling place in 2018 for its two election precincts. Member Burns seconded the motion. The motion passed 4-0 (Mayor Schroeder: YES; Member Burns: YES; Member Fisch: YES; and Member Vick: YES).

i. Overtime report: Members reviewed the overtime report for the pay period Nov. 20-Dec. 3, 2017. Members expressed concern about the amount of overtime used by the Sewer Division the weekend of December 2-3. No further action was taken by the Council.

j. Prepaid claims: Members reviewed the prepaid claims for the period Nov. 15-Dec. 8, 2017. Member Vick moved to approve the prepaid claims listed below. The motion was seconded by Member Burns. All members present voted in favor of the motion, and the motion passed 5-0.

Caledonia Fire Dept Relief Assn	Fire Aid/Suppl Fire Aid	30,491.66
Suburban Propane	Acct Final – PD W/Closing Cost	40.48
Becker, Nathan	Electric – Phone Stipend	25.00
Betz, Mark G	Street – Phone Stipend	25.00
Boesen, Dan	Personal Phone Stipend	25.00
Houston County Treasurer	Ho Co Coll Site Dec 2017	4,686.50
Klug, Casey	Public Works – Phone Stipend	25.00
Nelson, Craig T	Personal Phone Stipend	25.00
Rain Drop Products, LLC	Aquatic Ctr – Tot Slide/Exit	12,576.00
Rask, Nichols D	Animal Control – Rent/Misc Exp	75.00
Schwartz, Dan	Street – Phone Stipend Nov	25.00
Tornstom, Mike	Amb – Phone Stipend	25.00
Molly’s Winery	Liquor Store Inventory	130.00
Spring Grove Soda Pop, Inc	Liquor Store Inventory	128.75
Wieser Bros Gen Contractor Inc	Aquatic Center – Final Payment	10,000.00
Commissioner of Revenue	State W/H – Payday	1,814.33
Merchant’s Bank	Fed/Fica/Med – Payday	9,616.89
MN State Retirement System	MNDCP/Roth – Payday	860.00
Acker & City, Misty	Meter Deposit Refund & Interest	252.80
Baskett, Dale	Meter Deposit Refund & Interest	252.20
Business Financial Planning	Café Plan Payday	311.53
Caledonia True Value	Mult – Misc	573.99
CEDA	EDA – SCDP Grant Writing SVCE	500.00
G & F Distributing	Liquor Store Inventory	270.65

Mayo Clinic	Amb – Heartsaver CPR Cards	276.00
MN Benefit Association	MBA Payday	35.34
MN Child Support Pmt Ctr	Case ID 001470764201	203.04
NCPERS Minnesota	NCPERS Payday	48.00
Northern Beverage Dist	Liquor Store Inventory	2,097.70
Principal Life	Mult – Life/AD&D/Dep Life	525.24
Public Emp Retirement Assn	Pera Payday	8,184.73
Richard’s Sanitation, LLC	Recycling Billed 11/01/2017	7,112.50
Schott Distributing Co, Inc	Liquor Store Inventory	4,981.47
Semcac	EDA – Pre-App Sm Cities Grant	350.00
Southern Glazer’s of MN	Liquor Store Inventory	1,859.56
Steele & City, Jade	Meter Deposit Refund & Interest	252.94
Vinocopia, Inc	Liquor Store Inventory	213.17
W Klaetsch Paving, LLC	Streets – Patching Marsh/Jeff	4,900.00
Airgas USA, LLC	Mult – Misc	35.60
Meyer Concrete	Curb Repair, Sidewalk, Storm Drain, Ext.	3,756.00
Molly’s Winery	Liquor Store Inventory	260.00
Schuldt, Terry	Streetscapes – 2017 Watering	300.00
Vinocopia, Inc	Liquor Store Inventory	82.50
Artisan Beer Company	Liquor Store Inventory	41.50
Jack Neumann Trucking	Liquor – Freight Exp	114.00
Johnson Brothers Liquor Co	Liquor Store Inventory	2,722.99
Phillips Wine & Spirits Co	Liquor Store Inventory	1,119.85
Resco	Light – Misc	379.51
Spring Grove Soda Pop, Inc	Liquor Store Inventory	257.25
Stuart C Irby Co	Light – Misc	870.00
Dalco	Mult – Misc Supplies	569.79
Melde, Lydia	Pool – Reim WSI Course Fee	150.00
Ronco Engineering Sales, Inc	Street Equip – Sander Motor	216.83
Todd’s Towing & Transport	PD – Tow Fee	100.00
Dress, Ashley	Library – Reim Office Supplies	5.76
Houston County Sheriff	PD – Community Guide (Half)	96.25
MN Dept of Revenue	Sales/Use Tax – Nov 2017	15,832.00
Tri-State Ambulance, Inc	Intercept Fee Run	250.00
WSB	Kingston St. Reconstruction	1,062.00
Ziebell’s Hiawatha Foods, Inc	Liquor Store Inventory	89.59
Breakthru Beverage MN	Liquor Store Inventory	2,099.63
Commissioner of Revenue	State W/H – Payday	897.45
G & F Distributing	Liquor Store Inventory	253.60
Klug, Casey	Reim – Misc Supplies	38.71
Merchant’s Bank	Fed/Fica/Med – Payday	7,180.87
Paustis Wine Company	Liquor Store Inventory	498.99
Public Emp Retirement Assn	Pera Payday	4,535.19
Schott Distributing Co, Inc	Liquor Store Inventory	6,836.60
Spring Grove Soda Pop, Inc	Liquor Store Inventory	31.50
Verizon Wireless	Mult – Comm Exp	195.01
Business Financial Planning	Café Plan Payday	311.53
Commissioner of Revenue	State W/H – Payday	1,836.71
IUOE Local #49	Union Dues – Dec 2017	414.00
Law Enforcement Labor Svce	PD – Union Dues Dec 2017	196.00
Merchant’s Bank	Fed/FICA/Med – Payday	9,587.72
MN Child Support Payment Ctr	1 Case Id	203.04

MN State Retirement System	MNDCP/Roth – Payday	860.00
Public Emp Retirement Assn	Pera Payday	8,116.55
Caledonia Oil Co	Mult – Fuel	2,401.80
Coffield, Mark	PD – Health Insurance	450.00
IUOE Local 49 Benefit Fund	Mult – Health Ins	24,640.00
Minnesota Energy Resources	Mult – Nat’l Gas	3,885.70
Stemper, James	2017 Uniform Allowance	63.65
Temple Display LTD	Streetscapes – Lights N Park	735.32
Visa	Mult – Misc	1,577.18
Zenke Incorporated	Storm Sewer – Jefferson & Marshall	27,244.64
Acentek	Mult – Comm Exp	1,276.96
ECM Publishers, Inc	Library – One Year Subscription	44.00
Petty Cash	Replenish Petty Cash	81.72
	Total:	\$238,600.93

k. Claims payable: Council reviewed the claims payable for December 2017. Member Fisch moved to approve payment of the claims listed below. The motion was seconded by Member Burns. All members present voted in favor of the motion, and the motion passed.

Abrams & Schmidt LLC	Consulting Attorney – Labor/Svcs	486.00
Airgas USA, LLC	Street – Oxygen Acetylene	142.70
Artic Glacier USA, Inc	Ice	66.39
Auto Value	Stp – Misc Parts/Supplies	80.62
Baker & Taylor Books	Library – Books	478.55
Baycom.inc	Amb – Battery	264.00
Bearing Distributors Inc	Stp – Replacement Hose	147.23
Bonanza Grain, Inc	Skating Rink – Blading	243.30
Bound Tree Medical, LLC	Amb – Supplies	1,255.46
Brueggen Concrete Designs	Sidewalks – Grind Trip Hazards	176.00
Caledonia Chamber of Comm	Liquor Store – Membership Renewal	175.00
Chief Supply	PD – Flashlight Replacement	130.49
City of Caledonia-Utilities	Mult – Misc	8,093.34
Davy Engineering	Mult – Misc	5,212.68
Davy Laboratories	Stp – Lab	1,986.25
E O Johnson Company	Mult – Misc	482.84
ECM Publishers, Inc	Mult – Misc	865.90
Eitzen Fire & Rescue	FD – Mutual Aid Barn Fire	400.00
Ellingson Motors	Street Equip - #06 Repair/Labor	131.02
Fastenal Co	Mult – Misc	129.82
Flaherty & Hood, PA	Consulting Atty – Legal Fees	1,480.00
Galls, LLC	PD – General Equip	382.48
Gopher State One Call	Light – Location Notifications	22.95
Hawkins	Mult – Chemicals	1,722.90
Innovative Office Solution	Mult – Office Supplies	370.87
Jack Neumann Trucking	Liquor – Freight Exp	120.00
J-Line Design	PD – Rec Permit Stickers	90.00
Johnson Brothers Liquor Co	Liquor Store Inventory	2,267.84
Ken’s Small Engine, Inc	Mult – Misc	147.88
Law Enforcement Systems, Inc	PD – Office Supplies	125.00
Mienergy Cooperative	Mult – Electric Energy, Lighting	166,337.81

Minnesota Dept of Commerce	Light – 3 rd Otr Fiscal Yr 2018	595.51
Minnesota Dept of Health	Water Svc Conn Fee 4 th Qtr 2017	1,860.30
Mississippi Welders Supply Co	Amb – Oxygen	95.05
MN Chiefs of Police Assn	Tree Care Registry – Year 2018	253.00
MN Dept of Agriculture	Tree Care Registry	25.00
My-Lor, Inc	FD-Alum ID Tags	188.25
Northern Beverage Dist	Liquor Store Inventory	4,779.15
Phillips Wine & Spirits Co	Light Store Inventory	1,869.97
RCT Sewer & Vac	Storm Sewer – Camera 2 Lines	400.00
Ronco Engineering Sales, Inc	Stp – Repair Part (Hose)	305.23
Schilling Supply Company	Liquor – Bags	119.65
Schmitz Refrigeration, HTG & A	Liquor Store – Cooler Repair	104.00
Schott Distributing Co, Inc	Liquor Store Inventory	4,194.17
SE Libraries Cooperating	Library – Auto Fees	577.94
Seachange Print Innovations	Clerk’s Office – Forms	41.02
Sema Equipment, Inc	Street – Mow Tractor Maint	55.55
Semnit	Mult – Tech Svces	880.00
Sherwin-Williams Co	Traffic Eng – Yellow Paint	68.30
Spring Grove Soda Pop	Liquor Store Inventory	261.15
Steele Const/Landsc Inc	Forr/Nurs – Tree Removal	775.00
Todd’s Towing & Transport	PD – Tow Fee	125.00
US Bank	Go Sewer Rev Bonds 2009	76,387.50
USA Bluebook	Stp – Misc	165.93
Viking Electric Supply	Park Areas – Xmas Light Timer	142.40
Water Systems Company	Clerk’s Office – Drinking Water	21.55
Wiebke Tire & Exhaust, LLC	Light – Mt/Dismt Unit 08	80.00
Wine Merchants	Liquor Store Inventory	128.00
Winona Controls, Inc	Mult – Boiler Maint, Ext	<u>66,466.05</u>
	Total:	\$354,979.96

ANNOUNCEMENTS:

a. A special Council meeting was scheduled for Tuesday, December 19, 2017 at 6:00 p.m. The purpose of the meeting was to hold a neighborhood meeting with WSB & Associates, Inc. and residents of N. Kingston St. to discuss the proposed 2018 N. Kingston Street Reconstruction Project.

b. The next regular Council meeting was scheduled for Monday, January 8, 2018 at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Burns, seconded by Member Fisch. All members present voted in favor, and the motion was declared carried to adjourn at 8:00 p.m.

DeWayne “Tank” Schroeder
Mayor

Adam G. Swann
Clerk-Administrator