

REGULAR MEETING OF THE CALEDONIA CITY COUNCIL  
CITY COUNCIL CHAMBERS, CITY HALL  
CALEDONIA, MINNESOTA  
Monday, February 12, 2018

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, and Randi Vick. City staff present: Casey Klug, public works and zoning director; Adam Swann, clerk-administrator. Visitor(s) present: Craig Moorhead, *Caledonia Argus*; Cindy Vitse, Semcac; and Michelle Vrieze, Community and Economic Development Associates (CEDA).

CONSENT AGENDA: Member Burns moved to approve the consent agenda. Member Fisch seconded the motion. The motion passed 4-0, with Mayor Schroeder abstaining due to his absence at the Jan. 22, 2018 regular meeting. The consent agenda comprised the following items:

- a. Approval of minutes from January 22, 2018 regular meeting
- b. Approval of minutes from February 7, 2018 special meeting
- c. Approve purchase of 170K BTU tent heater and distribution ducting for \$2,040.49

PRESENTATION:

- a. Rick Frank, Houston County environmental services director
  - i. 2017 drop site report: Mr. Frank summarized the key findings of the Houston County drop site report for the period Jan. 1, 2017 – Dec. 21, 2017. Mr. Frank reported that the household hazardous waste collection dates for 2018 would be from 1:00-6:00 p.m. on the following dates: May 24, 2018 (Recycling Center – Houston); July 12, 2018 (Houston County Fair Grounds); and August 23, 2018 (Hokah Fire Station).
  - ii. Fluorescent light bulb collection dates: Mr. Frank reported that light bulb collection for households in 2018 and 2019 would be on the following dates: April 7, 2018 and April 6, 2019.

CLERK-ADMINISTRATOR:

- a. Updates
  - i. Small Cities Development Grant application: Clerk-Administrator Swann reported that the full application was due on February 22, 2018.
  - ii. Ambulance Dept. application to provide part-time advanced life support service: Swann reported that due to the efforts of Ambulance Director Mike Tornstrom the Ambulance Department had been approved to provide part-time advanced life support service. Swann reported that Tornstrom was going to be attending one of the Council meetings in March and would have more information about the impact of providing part-time advanced life support.
  - iii. Meeting with Houston County EDA: Swann reported that he and Allison Wagner, assistant to the clerk-administrator, had attended a joint meeting with EDA members from Houston County and other Houston County cities to discuss local issues and projects. Swann further reported that the Houston County EDA had voted to recommend to the Houston County Board of Commissioners that the Board approve a 50% tax abatement for Paul and Jenelle Jacobsen’s proposal to construct 16 apartments on 5 parcels on N. Gjere Ave.

iv. N. Kingston St. reconstruction project: Swann reported that the plans and specs for the project had been made available to prospective bidders and that bids would be opened on Feb. 22, 2018 at 10:00 a.m. in the City Council Chambers.

v. Semcac Senior Dining: Swann reported that Semcac's Senior Dining Program had moved to Elsie's Restaurant and Bar effective Feb. 1, 2018.

NEW BUSINESS:

a. Public hearing re Resolution 2018-005: A Resolution Authorizing a Small Cities Development Program Full Application for the City of Caledonia: At 6:03 p.m. Member Burns moved to adjourn the regular meeting and open a public hearing on Resolution 2018-005, a resolution authorizing a Small Cities Development Program full application for the City of Caledonia. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing opened at 6:03 p.m. Semcac Housing Coordinator Cindy Vitse, CEDA Director of Grants Michelle Vrieze, and Clerk-Administrator Swann reported on the proposed full application and explained that the application would seek funding to rehabilitate 15 owner-occupied residential homes, 10 commercial buildings, 10 mixed-use rental units within commercial buildings, and 1 multifamily building. The owner-occupied homes would have to be in Target Area A or Target Area B. The commercial, mixed-use, and multifamily components would be for rehabilitation of buildings and units in Downtown Caledonia. Councilmembers Fisch and Burns asked for an explanation of the income requirements to participate and the terms of the forgivable loans. No members of the public were present who wanted to address Council about the proposed resolution. Mayor Schroeder moved to close the public hearing at 6:12 p.m. Member Vick seconded the motion. All members present voted in favor of the motion, and the public hearing was closed at 6:13. The regular meeting reconvened at 6:13 p.m.

b. Consideration of Resolution 2018-005: A Resolution Authorizing a Small Cities Development Program Full Application for the City of Caledonia: Member Burns moved to approve Resolution 2018-005, a resolution authorizing the City of Caledonia to submit a full application for a Small Cities Development Program Grant to the Minnesota Department of Employment and Economic Development. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed 5-0.

c. Consideration of Resolution 2018-004: A Resolution Declaring a Slum and Blighted Area within the City of Caledonia: Member Vick moved to approve Resolution 2018-004: A Resolution Declaring a Slum and Blighted Area within the City of Caledonia. Member Burns seconded the motion. All members present voted in favor of the motion, and the motion passed.

d. Consideration of Resolution 2018-006: A Resolution Adopting the Houston County All-Hazard Mitigation Plan 2015 Update: Member Burns moved to approve Resolution 2018-006, a resolution adopting the Houston County All-Hazard Mitigation Plan 2015 Update. Member Vick seconded the motion. All members present voted in favor of the motion, and the motion passed.

e. Public hearing re Resolution 2018-003: A Resolution Approving a Property Tax Abatement for Construction of Two Residential Apartment Buildings: Member Fisch moved to adjourn the regular Council meeting and open a public hearing on Resolution 2018-003, a

resolution that would grant a 50% tax abatement to Paul Jacobsen and Jenelle Jacobsen for construction of two residential apartment complexes on five parcels in the City of Caledonia (with parcel ID numbers 211311000, 211312000, 211313000, 211314000, and 211315000). Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed. The public hearing opened at 6:30 p.m.

Member Burns reported that the Caledonia EDA had voted to recommend to the Council that the City approve a 50% property tax abatement for construction of two 8-unit apartment complexes because it would provide additional quality housing, which was needed in the City. The Caledonia EDA reasoned that it would be in the City’s interest to approve the tax abatement because the proposed abatement would still increase tax revenue to the City. Clerk-Administrator Swann reported that the five parcels were generating only a total of \$2,270 in property taxes for the City, County, and Caledonia School District and that it was estimated that the proposed development would generate \$19,649 in property taxes (for the City, County, and School District) based on an assessed value of \$1,005,200. Swann further reported that if the City approved a 50% abatement, the City would receive approximately \$2,717.22 in new property taxes each year during the abatement term and Paul and Jenelle Jacobsen would receive \$2,717.22. Swann further reported that the Houston County EDA had voted to recommend to the Houston County Board of Commissioners that the County approve a 50% tax abatement. Paul Jacobsen explained that he and Jenelle had not made a decision on whether to proceed with the project and that their decision was dependent on whether the project was financially viable. The members asked additional questions about the project, including how the apartments would be connected to public utilities and whether Paul and Jenelle Jacobsen were planning on installing sidewalks as part of the project.

At 7:00 Member Burns moved to close the public hearing and reconvene the regular City Council meeting. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed. At 7:01 pm. the regular City Council meeting reconvened.

f. Consideration of Resolution 2018-003: A Resolution Approving a Property Tax Abatement for Construction of Two Residential Apartment Buildings: Council discussed the proposed resolution. Member Burns moved to approve Resolution 2018-003 with an amendment that the 10-year abatement beginning with taxes payable in 2020 could be extended one year and start with taxes payable in 2021 if the project was not completed by January 1, 2019. Member Lemke seconded the motion. All members present voted in favor of the motion, and the motion passed 5-0.

g. Overtime report: Members reviewed the overtime report for the pay period Jan. 15-28, 2018. No further action was taken by the Council.

h. Prepaid claims: Members reviewed the prepaid claims for the period Jan. 9, 2018 - Feb. 8, 2018. Member Fisch moved to approve the prepaid claims listed below. The motion was seconded by Member Vick. All members present voted in favor of the motion, and the motion passed.

|                            |  |          |
|----------------------------|--|----------|
| Elsie’s Bar & Grill        | PD – Lunch for Chief’s Mtg               | 64.12    |
| G & F Distributing         | Liquor Store Inventory                   | 317.30   |
| Jack Neumann Trucking      | Liquor – Freight Exp                     | 284.00   |
| Johnson Brothers Liquor Co | Liquor Store Inventory                   | 7,035.24 |
| Mienergy Cooperative       | Green Acres Lighting, Tree Site – Energy | 89.57    |
| Phillips Wine & Spirits Co | Liquor Store Inventory                   | 3,358.12 |

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|------------------------------|---|------------|
| Viking Electric Supply       | Street Lighting – Misc                  | 38.50      |
| Wine Merchants               | Liquor Store Inventory                  | 64.00      |
| Zehnder, Kurt                | PD – Uniform Allowance                  | 369.05     |
| Airgas USA, LLC              | Sewer – Misc                            | 42.92      |
| American Safety Utility Corp | Mult – Flashlight                       | 391.99     |
| Banyon Data Systems          | Utility Billing Support                 | 795.00     |
| Burroughs Equip Repair Inc   | Mult – Repairs                          | 1,393.78   |
| Buttell’s Lighting           | Mult – Ballasts, Bulbs                  | 911.20     |
| Core & Main LP               | Water – Repair Parts                    | 626.56     |
| Eitzen State Bank            | Gen Invest – 1 Yr CD                    | 150,000.00 |
| First Supply LLC             | Stp – Repair Parts                      | 92.00      |
| Houston County Treasurer     | Mult – Vehicle Reg Renew                | 288.00     |
| PT Welding & Driveshaft      | PD/Amb – Fabricate Floor Grat           | 475.00     |
| Seachange Print Innovations  | Clerk’s Office – Forms                  | 99.49      |
| Sema Equipment, Inc          | FD – Chop Saw                           | 1,100.00   |
| Tri-State Ambulance, Inc     | Intercept Fee Run                       | 250.00     |
| Commissioner of Revenue      | State W/H – Payday                      | 2,007.36   |
| Merchant’s Bank              | Fed/Fica/Med – Payday                   | 9,638.07   |
| Public Emp Retirement Assn   | Pera Payday                             | 8,524.91   |
| Breakthru Beverage MN        | Liquor Store Inventory                  | 2,604.20   |
| Business Financial Planning  | Flex Plan – Adm Fees                    | 403.45     |
| Caledonia Police Reserves    | PD – 2017 Labor 213.0 HRS               | 426.00     |
| Caledonia True Value         | FD – Misc Repair Mtls                   | 314.81     |
| Meyer’s Lawn Service         | Streets – Snow Removal Assistance       | 140.00     |
| MN Benefit Association       | MBA Payday                              | 35.34      |
| MN Child Support Payment Ctr | 1 Case Id                               | 203.04     |
| MN State Retirement System   | MNDCP/Roth – Payday                     | 800.00     |
| NCPERS Minnesota             | NCPERS Payday 1/16/2018                 | 48.00      |
| Sandry Fire Supply, LLC      | FD – Equip Testing Fee                  | 1,372.95   |
| Schott Distributing Co, Inc  | Liquor Store Inventory                  | 3,152.10   |
| Southern Glazer’s of MN      | Liquor Store Inventory                  | 3,575.47   |
| Spring Grove Soda Pop        | Liquor Store Inventory                  | 73.25      |
| B & M Service Center         | Street Equip – Fuel                     | 111.00     |
| Eitzen State Bank            | Cert of Indebt Mult                     | 30,539.58  |
| Kraus Oil Co Inc             | Mult – Fuel                             | 2,285.44   |
| Northern Beverage Dist       | Liquor Store Inventory                  | 2,638.75   |
| Northern Hollow Winery       | Liquor Store Inventory                  | 112.56     |
| Principal Life               | Clerk’s Office – Life/Ad&d/Dep Life     | 525.24     |
| Schott Distributing Co, Inc  | Liquor Store Inventory                  | 4,491.15   |
| Spring Grove Soda Pop        | Liquor Store Inventory                  | 70.00      |
| US Bank                      | Aquatic Center – Interest & Principal   | 91,465.00  |
| Chief Supply                 | PD – Badge (Heim)                       | 200.65     |
| Core & Main LP               | Sewer – Repair Parts                    | 231.10     |
| Fogarty & City, James        | Meter Deposit Refund & Interest         | 252.24     |
| Groves & City, April         | Meter Deposit Refund & Interest         | 251.87     |
| Hammell & Murphy, PLLP       | City of Cal – General Matters           | 1,575.00   |
| Hoskins Electric Co          | Liquor Store Water – Cooler, Well Labor | 292.79     |
| Schmitz Refrigeration        | PD/Amb – Heater Repairs/Replace         | 313.15     |
| Wilson Motor Works           | Stp – Manure Pump Repair                | 806.47     |
| Zenke Incorporated           | Water – Labor/Svces                     | 4,936.25   |
| A-1 Fire Protection          | Mult – Misc                             | 165.32     |

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| Alpha Distributors             | Liquor Store – Cooler Repair | 172.60    |
| Becker, Nathan                 | Electric – Phone Stipend     | 25.00     |
| Betz, Mark                     | Street – Phone Stipend       | 25.00     |
| Boesen, Dan                    | Personal Phone Stipend       | 25.00     |
| Houston County Treasurer       | Ho Co Coll Site Feb 2018     | 4,690.00  |
| Jack Neumann Trucking          | Liquor – Freight Exp         | 138.00    |
| Johnson Brothers Liquor Co     | Liquor Store Inventory       | 3,135.15  |
| Klug, Casey                    | Public Works – Phone Stipend | 25.00     |
| Nelson, Craig                  | Personal Phone Stipend       | 25.00     |
| Phillips Wine & Spirits        | Liquor Store Inventory       | 2,309.22  |
| Rask, Nicholas D               | Animal Control – Rent/Misc   | 75.00     |
| Richard’s Sanitation, LLC      | Recycling Billed             | 7,150.00  |
| Schwartz, Dan                  | Street – Phone Stipend       | 25.00     |
| Tornstrom, Michael             | Amb – Phone Stipend Jan 2018 | 25.00     |
| Buttell’s Lighting             | Street Lighting – Bulbs      | 186.00    |
| Meyer’s Lawn Service           | Clean Up – 620 S Marshall St | 295.00    |
| Vinocopia, Inc                 | Liquor Store Inventory       | 700.80    |
| Breakthru Beverage MN          | Liquor Store Inventory       | 1,938.71  |
| G & F Distributing             | Liquor Store Inventory       | 440.80    |
| Pearson, Nathan                | PD – 2018 Uniform Allowance  | 300.00    |
| Schott Distributing Co, Inc    | Liquor Store Inventory       | 2,817.50  |
| Spring Grove Soda Pop          | Liquor Store Inventory       | 125.50    |
| Commissioner of Revenue        | State W/H – Payday           | 2,185.28  |
| Louks, Seth                    | PD – 2018 Uniform Allowance  | 170.91    |
| Merchant’s Bank                | Fed/Fica/Med – Payday        | 10,417.37 |
| MN State Retirement System     | MNDCP/Roth – Payday          | 800.00    |
| Pearson, Nathan                | PD – 2018 Uniform Allowance  | 101.53    |
| Business Financial Planning    | Café Plan Payday             | 313.45    |
| Mayo Clinic                    | Amb – Heartsaver CPR Cards   | 253.00    |
| Minnesota DNR – OMB            | Water Permit                 | 457.83    |
| MN Child Support Payment Ctr   | 1 Case Id                    | 203.04    |
| Public Emp Retirement System   | Pera Payday                  | 8,563.20  |
| Rommes, Darlene                | Refund Duplicate Pet Permit  | 10.00     |
| Southern Glazers of MN         | Liquor Store Inventory       | 1,185.25  |
| Swann, Adam G                  | Clerk/Adm – Travel Exp       | 26.71     |
| Tri-State Amb, Inc             | Intercept Fee Run            | 250.00    |
| WSB                            | Kingston St. Reconstruction  | 20,581.50 |
| Ziebell’s Hiawatha Foods, Inc  | Liquor Store Inventory       | 54.52     |
| Commissioner of Transportation | Park Area – Comm Sign Permit | 25.00     |
| MN Dept of Revenue             | Sales/Use Tax – Jan 2018     | 15,706.00 |
| Ziebell’s Hiawatha Foods, Inc  | Liquor Store Inventory       | -34.58    |
| Acentek                        | Mult – Comm Exp              | 1,270.49  |
| Coffield, Mark                 | PD – Health Insurance        | 477.89    |
| Commissioner of Revenue        | State W/H – Payday           | 248.76    |
| IUOE Local 49 Benefit Fund     | Mult – Health Ins            | 26,096.00 |
| Kraus Oil Co Inc               | WWTP – Reim Pressure Sewer   | 1,000.00  |
| League of MN Cities Ins Trust  | Annual Pay Plan – Work Comp  | 1,946.00  |
| Merchant’s Bank                | Fed/FICA/Med – Payday        | 1,288.37  |
| Minnesota Energy Resources     | Mult – Nat’l Gas             | 6,295.32  |
| Northern Beverage Dist         | Liquor Store Inventory       | 1,730.35  |
| Public Emp Retirement Assn     | Liquor Store Inventory       | 848.95    |

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| Spring Grove Soda Pop       | Liquor Store Inventory       | 110.00              |
| Verizon Wireless            | Mult – Comm Exp              | 194.76              |
| Visa                        | Mult – Misc                  | 473.18              |
| Kinneberg, Myron O          | Aud – 2018 Uniform Allowance | 120.27              |
| Schott Distributing Co, Inc | Liquor Store Inventory       | 4,768.10            |
| Vinocopia, Inc              | Liquor Store Inventory       | 114.50              |
|                             | <b>Total:</b>                | <b>\$475,570.58</b> |

i. Claims payable: Council reviewed the claims payable for February 2018. Member Burns moved to approve payment of the claims listed below. The motion was seconded by Member Lemke. All members present voted in favor of the motion, and the motion passed.

|                               |  |           |
|-------------------------------|--|-----------|
| Abrams & Schmidt LLC          | Consulting Attorney – Labor Svcs         | 837.00    |
| Airgas USA, LLC               | Street – Oxygen/Acetylene                | 152.72    |
| Allstar Engines, LLC          | Water Dept – Snowblower Repair           | 177.96    |
| Artic Glacier USA, Inc        | Ice                                      | 50.15     |
| Auto Value Parts Store        | Street/Aud – Misc, Boiler Maint Supplies | 10.48     |
| Baker & Taylor Books          | Library – Books                          | 379.12    |
| Banyon Data Systems           | UB Meter Device Support                  | 295.00    |
| Bergerson-Caswell, Inc        | Water – Miant Well Pump #7               | 45,225.00 |
| Blackstone Audio Inc          | Library – Books                          | 40.00     |
| Bonanza Grain, Inc            | Library – Books                          | 108.05    |
| Border States Electric Supply | Elec – Animal Guards                     | 1,055.93  |
| Bound Tree Medical, LLC       | Amb – Misc                               | 6,220.88  |
| Burroughs Equip Repair Inc    | Street Equip – Repairs/Maint             | 866.22    |
| Buttell’s Lighting            | City Hall – Ballasts                     | 79.50     |
| Caledonia Auto Repair, LLC    | PD – Tow Fee, Repairs                    | 524.00    |
| Caledonia Lumber Co, Inc      | Warming House – Bldg Repair              | 95.30     |
| Caledonia Oil Co, Inc         | Mult – Fuel                              | 2,142.62  |
| Center Point Large Print      | Library – Books                          | 75.09     |
| Chief Supply                  | PD – Misc/Drug Test Kits                 | 90.93     |
| City of Caledonia – Utilities | Mult – Electric, Water, Sewer            | 12,232.87 |
| Core & Main LP                | Mult – Marking Sticks                    | 151.60    |
| Dalco                         | Mult – Misc Supplies                     | 345.56    |
| Davy Engineering              | Mult – Misc                              | 9,670.56  |
| Davy Laboratories             | Stp – Lab                                | 1,647.25  |
| Discount Magazine Sub Ser     | Library – Magazine Subscriptions         | 934.48    |
| EO Johnson Company            | Mult – Copier Agr                        | 482.84    |
| ECM Publishers, Inc           | Mult – Misc                              | 511.60    |
| Expert T. Billing             | Amb – Contracted Billing                 | 864.00    |
| Finance & Commerce, Inc       | Bids – N Kingston Reconstruction         | 169.00    |
| First Supply LLC              | Water – Repair Parts                     | 303.40    |
| G & F Distributing            | Liquor Store Inventory                   | 343.20    |
| Gopher State One Call         | Light – 2018 Annual User Fee             | 50.00     |
| Hammell & Murphy, PLLP        | Mult – Legal Fees, General Matters       | 2,395.00  |
| Hawkins, Inc                  | Water/Sewer – Chemicals                  | 1,106.33  |
| Heiman Fire Equip, Inc        | FD – Name Panel                          | 74.59     |
| Hoskins Electric              | Liquor Store/Stp – Repairs, Labor        | 508.04    |
| Houston County Treasurer      | Streets – Maint MTLs/Sand                | 538.89    |
| Innovative Office Solutions   | Clerk’s Office – Office Supplies         | 74.67     |
| Ken’s Small Engine, Inc       | City Hall – Snowblower                   | 1,139.90  |

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| Kwik Trip Stores              | Mult – Fuel, Sm Eng Fuel             | 99.90               |
| Menard’s                      | Mult – Misc                          | 154.57              |
| Meyer’s Lawn Service          | Streets – Snow Removal Assist        | 175.00              |
| Michael’s Truck Equipment     | Street Equip – Sander Parts          | 148.85              |
| Mienergy Coopertive           | Light – Elec Energy, Green Acres Eng | 201,478.25          |
| Mississippi Welders Supply Co | Amb – Oxygen                         | 111.57              |
| Morton Salt                   | Streets – Winter Mint Mtls           | 7,192.39            |
| NBS Calibrations              | Stp – Service/Calibrate Equip        | 174.00              |
| PT Welding & Driveshaft Rep   | Street Equip – Shaft Mtls            | 53.40               |
| Richard’s Sanitation, LLC     | Refuse Disposal                      | 143.91              |
| Ronco Engineering Sales, Inc  | Street Equip – Repair Parts          | 273.65              |
| Schilling Supply Company      | Mult – Copy Paper, Bags, Sacks       | 231.60              |
| Scholastic Library Publishing | Library – Books                      | 156.00              |
| Schott Distributing Co, Inc   | Liquor Store Inventory               | 1,917.35            |
| SE Libraries Cooperating      | Library – Misc                       | 1,746.12            |
| Semnit                        | Mult – Tech Svces                    | 920.00              |
| Smith Schafer & Associates    | Annual Audit 2017                    | 3,750.00            |
| Southern Glazer’s of MN       | Liquor Store Inventory               | 1,548.87            |
| Spring Grove Soda Pop, Inc    | Liquor Store Inventory               | 222.80              |
| Tri-State Ambulance, Inc      | Amb – Cards, Intercept Fee Run       | 520.00              |
| Water Systems Company         | Clerk’s Office – Drinking Water      | 29.40               |
| Ziebell’s Hiawatha Foods, Inc | Liquor Store Inventory               | 97.79               |
|                               | <b>Total:</b>                        | <b>\$313,115.15</b> |

**ANNOUNCEMENTS:**

- a. The next regular Council meeting was scheduled for Monday, February 26, 2018 at 6:00 p.m.

**ADJOURNMENT:** There being no further business before the Council, a motion to adjourn was made by Member Vick, seconded by Member Lemke. All members present voted in favor, and the motion was declared carried to adjourn at 7:42 p.m.

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DeWayne “Tank” Schroeder  
Mayor

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Adam G. Swann  
Clerk-Administrator