

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

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
Buttall'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	MNDPC/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

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
Buttelt'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	MNDGP/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

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
Total: \$475,570.58		

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
Buttett'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

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

Total: \$313,115.15

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.

DeWayne "Tank" Schroeder
Mayor

Adam G. Swann
Clerk-Administrator