

REGULAR MEETING OF THE CITY COUNCIL  
CITY OF CALEDONIA, MINNESOTA  
Monday, September 14, 2015

CALL TO ORDER: Following due call and notice thereof, Mayor Gran called the meeting to order at 6:00 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Mayor Joshua Gran, Council Members: Bob Lemke, DeWayne Schroeder and Bob Burns. Absent: Member Paul Fisch. City Staff Present: City Clerk/Administrator Ted Schoonover, Administrative Coordinator Mike Gerardy, City Accountant Stephanie Mann, City Engineer Mike Davy, Police Chief Kurt Zehnder, Police Sergeant Jim Stemper. Guests: Shannon Sweeney, George Eilertson and Caledonia Argus reporter: Zach Olson.

AGENDA: Motion by Member Burns, second by Member Lemke to approve the agenda. All present voted in favor and the motion was declared carried.

CONSENT AGENDA APPROVAL: Motion by Member Lemke, second by Member Burns to approve the consent agenda, which consisted of the regular meeting minutes from the August 24, 2015 regular meeting. All members present voted in favor and the motion was declared carried.

VISITORS AND COMMUNICATIONS: None.

ADMINISTRATIVE COORDINATOR: City Engineer Davy was present to discuss the bids received for the Kraus Pressure Sewer system that the council approved to proceed at its July 27, 2015 meeting. The bids received were higher than expected but through some negotiations Davy Engineering managed to get them within reason. The lowest bid was from Winona Mechanical, Inc. came in at \$57,478.95 but that was without street restoration or paving. This would mean that Mr. Krause would pay for his section of the piping and pumping and would pay the city a hook fee of \$8,211.28. Any additional customers would also pay that amount. By completing this project the city advances its utilities to the Westside of Highway 44/76 and further enhances future grants and loans for infrastructure from the state of Minnesota. In accordance with Ordinance #53 Wiebke Tire would have one year to hook up for the same costs as Krause Oil. Mayor Gran again stated that he disagreed with the city's position of installing a sewer line for one person and making all the residents responsible for the bill. Engineer Davy responded that this is an investment into the future of Caledonia and shouldn't be looked at as project for just one person but a project for the betterment of the City of Caledonia. Motion by Member Schroeder, second by Member Lemke to approve the low bid of Winona Mechanical Inc. without street restoration in the amount of \$57,478.95. Roll call of votes. Yes: Members Schroeder, Lemke. No: Members Gran and Burns. Motion failed for a lack of a majority.

Engineer Davy then presented the City Council with a proposed Certification of Adoption of a Water Supply Plan. In accordance with Minnesota Statute the city needs to adopt this plan to become compliant. Thus far the city has a very good and established conservation plan, and this will only add to that current plan. He did mention that our unaccounted usage is above the recommended 10% but it is not excessive. Motion by Member Burns, second by Member Schroeder to approve the Water Supply Plan as presented. Discussion followed. Engineer Davy then stated that the city needed to review and update or increase its water and sewer rates in accordance with the rate increases he proposed several months ago, failure to do so will cause the city to fall behind and will eventually snow ball into a very large jump on increase to all rates that may be too much for the residents to sustain. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Member Schroeder to set a public hearing for September 28, 2015 at 6:15 for a 2'6" variance for 219-227 S. Decorah St. All members present voted in favor and the motion was declared carried.

CITY ACCOUNTANT:

Stephanie Mann was present and introduced Shannon Sweeny from David Drown Associates who was there to discuss TIF Districts. He stated that the City of Caledonia has a TIF that really needs to be de-certified. The project has been completed and paid off and all that remains is the residual payments. By putting it back on the tax rolls the city would recoup the same amount of revenue as they currently are and would avoid the risk of excessive administrative charges to continue with the TIF funding. Motion by Member Burns, second by Mayor Gran to Decertify TIF 1-1 Williams Hotel. All members present voted in favor and the motion was declared carried.

George Eilertson from Northland Securities Inc. was present to discuss options on bonding for the proposed swimming pool. A twenty year bond will give the city much more flexibility in repayment. He also mentioned that during his conversations with Administrator Schoonover and Accountant Mann that there will be a \$60,000 bond payment that will be paid off in 2017. So if we could come up with some type of scenario where our first principle payment wasn't until 2018 we could then do a bond and not have to assess the taxpayers and leave the levy close to where it is currently. Worst case scenario would be that we would have to come up with a principle and interest

payment for 2017 from some other source. The council then asked about the 15 year bond and asked if that was a better way to proceed. Mr. Eilertson stated that is the city's decision it would be a higher payment but it also gives you a lower interest payment. In addition he stated that he recommends the city request a bond rating call through Standard and Poors Inc to see what type of rating we can obtain, this too could reduce interest rates and lower the overall costs to borrow the funds. In an effort to proceed Mr. Eilertson stated he would ask that the city council make a motion to allow him to prepare the bond offering documents for a 15 year bond. This would allow him to proceed with the credit rating and to prepare the bond to be let. Motion by Mayor Gran, second by Member Burns to Authorize Northland Securities Inc, specifically George Eilertson to prepare the bond offering documents for a 15 year bond for the swimming pool project. All members present voted in favor and the motion was declared carried.

Accountant Mann presented the council with several scenarios for a proposed 2016 budget. She stated that we need to keep in mind that we are unsure of the pool costs and that her and Administrator Schoonover's recommendation is to propose a levy increase of 6.75% to ensure we can cover all expenses and the new pool bond. Mayor Gran was adamant that we leave the levy at its current rate and if needed we would cut expenses in other areas. Again Mann stated that we can leave it at a zero increase but then we are forced to implement that amount on the final budget, its in the city's best interest to propose a higher levy than needed to ensure that we can operate effectively and that we can always lower it upon adoption but under no circumstances can we increase it from what we propose. She also reminded the council that this decision would need to be made on September 28, 2015. She then stated that the council needed to set the Truth in Taxation (TNT) meeting for the 2016 Annual Budget. Motion by Mayor Gran, second by Member Burns to set the Truth in Taxation (TNT) meeting for December 14, 2015 at 6:05 p.m. at City Hall in the City Council Chambers. All members present voted in favor and the motion was declared carried.

#### CITY CLERK/ADMINISTRATOR:

Police Chief Kurt Zehnder and Police Sergeant Jim Stemper was present to request that the city offer a fulltime officer position to Seth Louks effective September 28, 2015. He was interviewed by the personnel committee and was found to be the best applicant for this position. He is a native to Minnesota and has over 14 year's experience as an officer and an investigator. He would be a true asset to this community and department. Member Burns stated that the personnel committees recommendation to the council was to hire Seth Louks as a fulltime police officer. Motion by Member Lemke, second by Member Burns to hire Seth Louks as a fulltime police officer effective September 28, 2015. All members present voted in favor and the motion was declared carried.

Administrator Schoonover presented the council with quotes for the pathway lighting project for the poles, RLF cabinet and labor to install them in the amount of \$10,708.00. He also stated that this was not the entire project and that these items needed to be ordered in order to get them installed this year, the money has already been allocated and was part of the bond that we used to pay for the project. Mayor Gran felt that we didn't need lights and that we should hold off until the entire project could be quoted to see the overall costs. Consensus of the council was to table this until all the quotes were available to complete the project. No further action was taken.

Schoonover informed the council that a resident who had a water service line break was refusing to pay for the replacement of the asphalt paving in front of her residence. It was located at 119 W. South St. and was estimated to cost \$752.00. The councils consensus was to bill the home owner and if not payed to assess the charges to the property taxes as its policy is that the home owner is liable for all repairs from the water main to the residence and therefore she should be held accountable for the repairs. Schoonover stated he would bill her accordingly. No further action was taken.

Motion by Member Burns, second by Member Lemke to purchase 8 LED light bulbs for street lights to see how effective they are. All members present voted in favor and the motion was declared carried.

Schoonover stated that the personnel committee and City Electrician Matt Blocker interviewed applicants for the Journeyman Lineman position and were making the recommendation to hire Nathan Becker as the Journeyman Linemen starting at \$25.94 per hour. In addition the city would agree to allow Mr. Becker to continue with his apprenticeship program started through Dairyland Power and pay him his hourly wage while attending his scheduled apprenticeship classes through 2016. Motion by Mayor Gran, second by Member Burns to hire Nathan Becker as presented in the offer of employment. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Member Lemke to approve the Memorandum of Agreement (MOA) between the City of Caledonia and the International Union of Operating Engineers Local 49 approving the wage grid for Journey Apprentice Lineman position. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Member Schroeder to approve the advance schedule of advertisements in the Argus for 2015-2016. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Mayor Gran to allow Sandy Jennings to retain a key for the Auditorium for the Mayville 4-H club members to meet monthly. The only exception is that whomever the leader is for that year would be required to come in and sign the agreement. All member present voted in favor and the motion was declared carried.

Schoonover informed the council that during the balloon rally in October a horse and buggy will transport guests to the old cemetary located behind the old creamery building and they will be holding a cemetary walk. He also stated that individuals will be available to attend to any debris left behind from the horses. No further action was taken.

Motion by Member Burns, second by Member Lemke to approve Liquor Store Manager Patty Gavin to attend the annual MMUA conference in Austin on October 22, 2015. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Mayor Gran to approve the claims as presented. All members present voted in favor and the motion was declared carried.

Ability Building Center, Inc.	Rec Park – Ground keeping Crew	128.00
Abrams & Schmidt LLC	Consulting Attorney – Labor/Svcs	3,851.50
Airgas USA, LLC	Street – Oxygen/Acetylene	134.57
American Lock & Key	Light Dept – Padlocks	564.00
Artic Glacier USA, Inc.	Ice	446.00
Auto Value Parts Store	Misc	137.03
Baker & Taylor Books	Library – Books	1,413.05
Becker & Stemper Electric	Misc	542.48
Bonanza Grain, Inc	Storm Sewer – Mtls	207.55
Buttell’s Lighting	Street Lighting X-Mas Bulbs	300.00
Caledonia Implement Co	Stp – Repair Parts	8.45
Caledonia Lumber Co, Inc	Catch Basin Mtls	79.70
Caledonia Oil Co	PD – Parts/labor/car maint	70.00
Caledonia Ready Mix, Inc	Catch Basin – Mtls	298.50
Caledonia True Value	Misc	580.12
Caledonia Wheel Alignment	Misc	732.00
Carquest Auto Parts Store	Street – Safety Glasses	8.35
City of Caledonia – Utilities	Electric, Water, Sewer	14,937.42
Communications Service WI	PD – Service, Batteries	864.30
Dalco	Misc Supplies	449.15
Davy Engineering	Water – Eng Fees	3,813.87
Davy Laboratories	Stp – Lab	3,884.21
E O Johnson Company	Copier Agr	870.61
ECM Publishers, Inc	Misc	473.40
Electric Pump	Stp – Pump Insp & Lift Station Rep	2,240.00
Farmers Coop Elevator Co	Parks Areas – Weed Spray	58.09
Farrell Equipment & Supply Co	Traff Eng – Tool	19.99
Fastenal Co	FD – Gloves	159.90
First Supply LLC	Water – Repair Parts	2,122.70
Flexible Pipe Tool Company	Stp – Repair Parts	250.95
G & F Distributing	Liquor Store Inventory	469.10
Gopher State One Call	Light – Location Notifications	59.55
Hawkins, Inc	Chemicals	2,309.40
Innovative Office Solutions	Office Supplies & Planners	609.22
J P Cooke Co	Animal Control – 2016 Lic/Tags	134.16
Jeff’s Automotive Repair	Street Equip – Repairs #20	255.28
Lackore Electric Motor Repair	Aud – Repair Parts	339.31
League of Minnesota Cities	Membership Dues	3,031.00
Locators & Supplies, Inc	Light – Misc	115.10
Mathy Construction Co	Streets – Cold Mix for Patching	494.76
Menard’s	Tools Repair Parts	14.33
Meyer Brothers, Inc	Curb/Sidewalk N Marshall & Jeff St.	3,432.00
Meyer’s Lawn Service	Bush Hog – J Hauser Lot Gjere Av	95.00
Millennium Credit Consultants	Amb Payments	29.69
Minnesota Dept of Commerce	Light – 2 <sup>nd</sup> Qtr Fiscal Yr	506.27
Minnesota Dept of Health	Water Svc Conn Fee	1,809.00
Mississippi Welders Supply Co	Amb – Oxygen	80.53
MN Dept of Labor & Industry	Pressure Vessel/Boiler & Fee	60.00
Municipal Pipe Tool Co, Inc	Misc – Sewer	23,697.90
Resco	Light – Inventory	977.75
Richard’s Sanitation, LLC	Refuse Disposal	247.00
Schilling Supply Company	Misc	267.37
Schulze Plumbing & Heating	Misc	241.50
SE Libraries Cooperating	Library – Auto Fees	459.12
SEMA Equipment	FD – Repair Parts	168.27
Semnit	Tech Svcs	730.00
Sherwin-Williams Co	Traffic Eng – Paint Sprayer Supp	9.28
Southern Wine & Spirits of MN	Liquor Store Inventory	3,622.02
Storlie’s Portable Pit Stops	Rec Park – Toilet Rent (St. John’s)	45.00
Taste of Home Books	Library – Taste of Home Christmas	31.98
Tri County Electric Co-Op	Elec Energy/Green Acres Lighting	202,373.24
Tri-State Ambulance, Inc	Intercept Fee Run	250.00
US Aquatics	Aquatic Ctr – Amended Document	36,651.00
Water Systems Company	Clerk’s Office – Drinking Water	13.72
Zarnoth Brush Works, Inc	Street Equip – Disp Gutter Broom	215.00
Zep Sales & Service	Park Areas – Can Liners	301.80
Ziebell’s Hiawatha Foods, Inc	Liquor Store – Inventory	18.75
Grand Totals:		323,838.14

Motion by Member Burns, second by Member Lemke to approve the pre-paid claims as presented. All members present voted in favor and the motion was declared carried.

Airgas USA, LLC	Street-Oxygen/Acetylene	134.57
Cordes, Wade & Melissa	Handicap Corner	1,080.00
Hammell & Murphy, PLLP	City of Cal – General Matters	872.50
Jack Neumann Trucking	Liquor – Freight Exp	76.00
Johnson Brothers Liquor Co	Liquor Store Inventory	2,205.54

Penguin Management, Inc	FD – Detector	279.00
Phillips Wine & Spirits Co	Liquor Store Inventory	1,739.90
Resco	Light – Inventory	5,176.64
US Aquatics	Aquatic Ctr – Amended Document	36,651.00
Verizon Wireless	Mult – Comm Exp	227.60
All Star Engines, LLC	Street Equip – Clean Saw Carb	75.00
Avenet, LLC	1 Yr Host/Maint/Support	550.00
Boesen, Dan	Personal Phone Stipend Aug	25.00
Bound Tree Medical, LLC	Amb – Misc	391.39
Bulman & City, Brooke	Meter Deposit Refund	250.25
Caledonia Oil Co	Mult – Unleaded	1,068.10
Expert T Billing	Amb – Contracted Billing	650.00
G & F Distributing	Liquor Store Inventory	235.75
Hilderbrandt & City, Robyn	Meter Deposit Refund	125.05
Houston County Treasurer	Ho Co Coll Site Sept	4,011.00
Klug, Anthony J	Consulting Services	800.00
Mayo Clinic Health System	Amb – Health Care Cards	50.00
Nelson, Craig T	Personal Phone Stipend Aug	25.00
Northern Beverage Dist	Liquor Store Inventory	1,461.40
Ott & City, Stormy	Meter Deposit Refund	250.12
Rask, Nicholas D	Animal Control – Rent/Misc	75.00
Schott Distributing Co, Inc.	Liquor Store Inventory	6,930.15
Seachange Print Innovations	Clerk’s Office – Forms	72.23
Winona Controls, Inc.	Stp – Parts/Labor(Boiler)	1,076.58
Ziebell’s Hiawatha Foods, Inc	Liquor Store Inventory	18.75
Commissioner of Revenue	State W/H – Payday	1,577.53
Prince, Trent	PD – 2015 Uniform Allowance	136.49
American Red Cross	Pool 2015 Learn to Swim	300.00
B & M Service Center	Street Equip – Fuel	262.35
Bank of Zumbrota	Stp – Te Micro Loans	16,380.00
Business Financial Planning	Café Plan Payday	384.60
Caledonia True Value	Misc	552.58
G & F Distributing	Liquor Store Inventory	41.50
League of MN Cities Ins. Trust	Annual Pay Plan	207.00
Merchant’s Bank	Fed/FICA/Med – Payday	9,001.44
Meyer Brothers, Inc.	Curb Replacement/Sidewalk	544.00
MN Benefit Association	MBA Payday	45.77
MN Child Support Payment Ctr	One Case	200.73
MN Dept of Labor & Industry	City Hall/Library – Elevator	100.00
MN Retirement System	MNDCP/Roth – Payday	495.00
Morey, Mike	Reim	81.64
NCPERS Minnesota	NCPERS Payday	64.00
Public Emp Retirement Assn	PERA Payday	6,406.92
Southern Wine & Spirits of MN	Liquor Store Inventory	959.99
Ziebell’s Hiawatha Foods, Inc.	Liquor Store Inventory	43.80
Principal Life	Life/AD&D/Dep Life	399.42
Resco	Light – Inventory	945.63
Sherwin-Williams Co	Crosswalk Paint	292.45
Buttall’s Lighting	Traffic Light Bulbs	84.40
Ceda	EDA – Business Proposal	1,443.75
Coca-Cola Bottling Company	Liquor Store Inventory	103.68
Dahl Automotive	PD – Squad #22 Repair Parts	197.97
Northern Beverage Dist	Liquor Store Inventory	5,486.70
Resco	Light – Inventory	1,142.14
Schott Distributing Co, Inc.	Liquor Store Inventory	4,656.55
Semnit	Tech Svcs	660.00
Tri-State Ambulance, Inc	Intercept Fee Run	1,250.00
Center States Joint Board	Amb – Refund Duplicate Payment	564.20
Hohensteins	Liquor Store Inventory	60.74
Houston County Attorney	Contr Victim/Witness Office	2,000.00
KLM Engineering, Inc	Water – Antenna Inspection	3,550.00
Mayo Clinic Health System	Amb – Hearsaver/First Aid	130.00
Mayville Repair	FD – Parts/Labor 1420 Pumper	394.50
McCormik Funeral Home	Reim – Defective Sidewalk	149.50
Mutual of Omaha	Reim – Defective Sidewalk	1,006.87
Stemper, James	2015 Uniform Allowance	137.15
Caledonia Conv & Tour Bureau	Toursim	787.98
Houston County Treasurer	Recording Fee	46.00
Steele Construction & Lands	Forr/Nurs – Diseased Tree	995.00
G & F Distributing	Liquor Store Inventory	254.45
Jack Neumann Trucking	Liquor – Freight Exp	154.00
Johnson Brothers Liquor Co	Liquor Store Inventory	3,976.98
JPZ Products	FD – Rescue Auger	812.35
Northern Beverage Dist	Liquor Store Inventory	1,029.05
Phillips Wine & Spirits Co	Liquor Store Inventory	2,244.25
Richard’s Sanitation, LLC	Recycling	6,758.80
Schott Distributing Co, Inc	Liquor Store Inventory	1,577.55
Spring Grove Soda Pop, Inc	Liquor Store Inventory	226.65
Wirtz Beverage Minnesota	Liquor Store Inventory	1,570.73
Herman’s Service	PD – Towing Charge	225.00
MN Dept of Revenue	Sales/Use Tax – Aug 2015	19,649.00

Paustis Wine Company	Liquor Store Inventory	1,445.25
Ziebell's Hiawatha Foods, Inc.	Liquor Store Inventory	91.30
Business Financial Planning	Café Plan Payday	384.60
Caledonia Police Association	PD Assn Dues – Sept 2015	70.00
Commissioner of Revenue	State W/H – Payday	1,748.37
IUOE Local #49	Union Dues	402.00
Merchant's Bank	Fed/FICA/Med – Payday	9,828.74
MN Child Support Payment Ctr	1 Case	200.73
MN State Retirement System	MNDP/Roth – Payday	495.00
Public Emp Retirement Assn	Pera Payday	7,712.59
Acentek Ascending Technology	Comm Exp	1,139.61
IUOE Local 49 Benefit Fund	Health Ins	16,320.00
Verizon Wireless	Comm Exp	223.99
Northern Beverage Dist	Liquor Store Inventory	1,507.60
Schott Distributing Co, Inc.	Liquor Store Inventory	10,357.00
Spring Grove Soda Pop, Inc.	Liquor Store Inventory	106.05
Visa	Misc	231.94
Henry Schein, Inc	Amb – Supplies	571.35
CDW Government	Amb – Svc agr & two computers	5,534.10
Jack Neumann Trucking	Liquor – Frieght Exp	160.00
Johnson Brothers Liquor Co.	Liquor Store Inventory	5,137.70
Minnesota Energy Resources	Nat'l Gas	1,255.24
Northern Beverage Dist	Liquor Store Inventory	1,981.55
Phillips Wine & Spirits Co	Liquor Store Inventory	1,423.36
Wine Merchants	Liquor Store Inventory	140.00
Blue Cross Blue Shield of MN	PD – Health Ins	1,525.42
Bubbers, Gary F.	Park Areas – Labor/Svces	247.50
Buttell's Lighting	Street Lighting – X-Mas Bulbs	300.00
Houston County Treasurer	Recording Fee	46.00
Schott Distributing Co, Inc	Liquor Store Inventory	5,142.50
Spring Grove Soda Pop, Inc	Liquor Store Inventory	99.05
Grand Totals:		245,201.09

Motion by Mayor Gran, second by Member Lemke to approve the gambling permit for the Rod and Gun Club for an event on November 27, 2015 at Elsie's Bar and Grill. All members present voted in favor and the motion was declared carried.

Schoonover presented the employee overtime report and the police September shift report. No action taken.

The next regular meeting will be on Monday September 28, 2015, at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, A motion to adjourn was made by Member Schroeder second by Member Lemke. All voted in favor and the motion was declared carried to adjourn at 9:05 p.m.

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Ted A. Schoonover  
Clerk-Administrator

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Joshua D. Gran  
Mayor