

REGULAR MEETING OF THE CITY COUNCIL  
CITY OF CALEDONIA, MINNESOTA  
Monday, April 14, 2014

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

ROLL CALL: Members present: Mayor Bob Burns, Council Members: DeWayne Schroeder, Bob Lemke and Randi Vick. City Staff Present: City Accountant Stephanie Mann, Administrative Coordinator Mike Gerardy and City Clerk/Administrator: Ted Schoonover, Tom Wentz; Smith & Schafer Associates, Guests present: Emily Johnson, Bob Hosch, Mary Mell, Joanne Zard, Tim and Kelly Meyer, Michael Schansberg, Becky Collies, Gary Kruckow, Michael Kruckow, Jerry Kraus, Caledonia Argus reporter Kelley Stanage.

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

CONSENT AGENDA APPROVAL: Motion by Mayor Burns, second by Member Schroeder to approve the consent agenda, which consisted of the regular meeting minutes from March 24, 2014 all members present voted in favor and the motion was declared carried.

VISITORS AND COMMUNICATIONS: Mary Mell and Joanne Zard were present to inform the council that pool plans are now in and the project is still moving forward. They are in the process of developing the petition with some assistance of Attorney Tim Murphy and should have it on the streets getting signatures very soon. They also want to ensure that this remains a priority for the city as well as the committees.

CITY ACCOUNTANT: Stephanie Mann introduced Tom Wentz from Smith & Schafer to review the 2013 Annual Audit. Wentz presented the council with a handout of slides that detailed the city's finances. Overall the city is in a very good financial condition. The unassigned reserve fund is sitting at 30% which meets the goals set by the State of Minnesota. The city over the next several years will be paying of some long term debt which will also improve the overall condition of the city's finances. The water, sewer and electric funds have adequate revenues to meet their expenditures. He would like to see the city move the fire, ambulance and library funds into a special revenue fund keeping them separate from the general fund. This could be done starting in 2015. Mr. Wentz complimented the city staff and council for being good stewards of the city's finances and sees no issues with its operations and feels it is being well managed.

ADMINISTRATIVE COORDINATOR: Mike Gerardy presented the council with a zoning variance request from Michael Schansberg at 824 E. Grove St. He is adding onto his garage and requires an additional 84 square feet for a total of 884 square feet. Motion by Member Schroeder, second by Member Lemke to approve the variance. Mayor Burns, Members Lemke and Schroeder voted in favor and member Vick voted against. The motion received a majority of yes votes and was declared carried.

Gerardy then presented the council with another variance request from Tim and Kelly Meyer for an addition to their existing garage they require an additional 88 square feet for a total of 988 square feet as well as a 4' setback from the East (side) property line. Motion by Mayor Burns, second by Member Schroeder to approve the variances as presented. Mayor Burns, Members Schroeder and Lemke voted in favor and Member Vick voted against. The motion received a majority of yes votes and was declared carried. Member Vick commented that her no votes were because the ordinance needs to be updated and she was not against either project.

Gerardy mentioned that Dennis Gavin is preparing to add onto his shop and will require a public hearing. We are hoping to have this at the April 28, 2014, meeting at 6:15 p.m. The consensus of the council was to set that date and time for the hearing.

Gerardy then presented a proposal from Davy Engineering and Kraus Oil. Mr. Kraus received two noncompliant letters from the county and he needs to resolve his sewage problem. Davy proposed a single line going down the Kraus property and then going East under the highway. Kraus would be responsible for the line on his property and the city for the line under the highway. There was detailed discussion about if the other property owners could eventually hook onto the line if it's built. Gerardy stated that several years ago we looked into that but it was never completed. Another option was for Kraus to build a storage tank and have it pumped similar to what Kruckow did. The consensus of the council was to get with Davy and see what it would take to make it so all seven property owners could connect to it if needed and to ensure future growth would have a line to connect to. No action taken.

Gerardy then asked the council to allow him to proceed with obtaining bids/quotes for a new lawn mowing tractor for the street department. It is budgeted for and we will be trading in the old one. The consensus was to get the bids and quotes. No action taken.

NEW BUSINESS: Administrator Schoonover stated that the contract between Affordable Technology Solutions is now no longer in existence as they have closed their business effective April 11, 2014. Schoonover presented the council with a proposal from Southeast MN IT, LLC. They will provide the needed maintenance for a flat fee effective April 27, 2014, in the amount of \$340.80. This will cover all the cities computer systems. Motion by Mayor Burns, second by Member Lemke to approve the proposal and enter into the agreement as presented. All members present voted in favor and the motion was declared carried.

Schoonover presented the council two temporary on-sale liquor licenses for the Houston County Fair for August 13 -16, 2014 and August 17, 2014. Motion by Mayor Burns, second by Member Vick to approve both licenses. All members present voted in favor and the motion was declared carried.

Schoonover presented the council with a temporary gambling permit for the Caledonia Rod and Gun Club for an event at St. Mary's on July 12, 2014. Motion by Mayor Burns, second by Member Vick to approve the permit. All members present voted in favor and the motion was declared carried.

It was brought to the attention of the council that because of Windows XP not being supported any longer they are being required by SELCO to purchase 4 new computer systems to ensure their security remains in tact. Friends of the library are purchasing two of the needed 4 and they are requesting the city purchase the other two for a cost of \$1,660.00. Motion by Member Vick, second by Member Lemke to approve the purchase. All members present voted in favor and the motion was declared carried.

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

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|---------------------------------|----------------------------------------------|-----------|
| Abdo-Spotlight-Magic Wagon      | Library Books                                | 1,042.10  |
| Abrams & Schmidt LLC            | Consulting Attorney                          | 351.00    |
| Affordable Technology Sol.      | Amb – Computer, Office Supplies              | 1,166.62  |
| Airgas USA, LLC                 | Oxygen/Acetylene                             | 127.27    |
| Alco Stores, Inc.               | Miscellaneous Items                          | 30.58     |
| Auto Parts & Recycling          | Van Seat                                     | 75.00     |
| Baker & Taylor Books            | Library – Books                              | 1,130.61  |
| Bearing Distributors Inc.       | Repair Parts                                 | 186.29    |
| Becker & Stemper Electric       | PD/Amb – Repairs                             | 56.54     |
| Bell Lumber & Pole Company      | Light – Inventory                            | 10,808.27 |
| Blue Cross Blue Shield of MN    | Coffield Health Insurance                    | 1,430.87  |
| Bonanza Grain, Inc.             | Water – Main Break Materials                 | 51.00     |
| Bound Tree Medicals, LLC        | Ambulance – Misc.                            | 367.28    |
| Bulman, Kevin                   | FD – Travel Expense                          | 89.60     |
| Caledonia Imp. Co.              | Loader Repairs, Repair Parts, Fuel/Additives | 172.57    |
| Caledonia Oil Co.               | Labor/Maintenance                            | 329.00    |
| Caledonia True Value            | Miscellaneous Items                          | 221.85    |
| Caledonia Wheel Alignment       | Unit 20 Repairs                              | 15.00     |
| Carquest Auto Parts Store       | Repair Parts, Fluids, Maint. Parts           | 132.93    |
| City of Caledonia               | Utilities                                    | 11,090.41 |
| Clarey's Safety Equipment, Inc. | Fire Extinguisher Maintenance/Insp.          | 444.30    |
| Dakota Supply Group             | Light – Inventory                            | 1,418.27  |
| Dalco                           | Towels/Misc                                  | 146.76    |
| Davy Engineering                | WWTP Facility Plan                           | 220.19    |
| Davy Laboratories               | Lab                                          | 1,539.42  |
| Ditch Witch of Minnesota, Inc.  | Equipment Repair Labor                       | 49.50     |
| E O Johnson Company             | Copier Agreement                             | 399.03    |
| ECM Publishers, Inc.            | Advertisements                               | 555.54    |
| Ellingson Motors                | Van Maintenance                              | 39.60     |
| Energywise Radiant, Inc.        | Heater Parts                                 | 105.40    |
| Expert T Billing                | Ambulance Billing                            | 702.00    |
| Extreme Beverage, LLC           | Liquor Store Inventory                       | 100.50    |
| Fastenal Co.                    | Parts, Sign Bolts, Misc. Parts               | 788.57    |
| Fire Safety USA, Inc.           | Coupled Fire Hose                            | 210.00    |
| First Supply LLC                | Markers for Elect. Boxes, Repair Parts       | 819.22    |
| Fitzpatrick Auto Transport      | PD – Towing                                  | 100.00    |
| Global Imports, Inc.            | Batteries                                    | 307.42    |
| Hammell & Murphy, PLLP          | Prosecution                                  | 2,862.00  |
| Hawkins, Inc.                   | Chemicals, Repair Parts                      | 2,821.98  |
| Hoskins Electric Company        | Labor/Repairs on Pump                        | 317.91    |
| Innovative Office Solutions     | Calculators, Office Supplies                 | 242.52    |
| Johnson Brothers Liquor Co.     | Liquor Store Inventory                       | 123.00    |
| Kwik Trip Stores                | PD – Fuel                                    | 27.30     |
| La Crosse Truck Center, Inc.    | Repair Parts                                 | 464.78    |
| Laser Product Technologies      | Printer Repair                               | 145.67    |
| Mayo Clinic Health System       | Annual Consortium Fee                        | 245.00    |
| Menard's                        | Small Equipment                              | 144.98    |
| Midwest Beverage & Brokerage    | Liquor Store Inventory                       | 113.20    |
| Midwest tape                    | Library – DVD's                              | 169.92    |
| MN Energy Resources             | Natural Gas                                  | 8,634.56  |

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| Mississippi Welders Supply Co. | Oxygen                                     | 151.44       |
| Northern Beverage Distribution | Liquor Store Inventory                     | 781.35       |
| RDO Equipment, Co.             | Loader Repairs                             | 319.70       |
| Richard's Sanitation, LLC      | Refuse Disposal                            | 86.58        |
| Rourke Educational Media       | Library – Books                            | 113.94       |
| Schilling Supply Company       | Perf Paper, Copy Paper , Tissue            | 502.32       |
| Schott Distributing Co, Inc.   | Liquor Store Inventory                     | 1,434.50     |
| SE Libraries Cooperating       | Auto Fee's                                 | 437.72       |
| Showcases                      | Library – CD/DVD Cases                     | 46.10        |
| Southern Wine & Spirits of MN  | Liquor Store Inventory                     | 816.32       |
| Spring Grove Soda Pop, Inc.    | Liquor Store Inventory                     | 18.50        |
| Star Energy Services           | Light – Project                            | 150.00       |
| Tri-County Electric Co-op      | Electric Energy                            | 178,705.06   |
| Tri-State Ambulance, Inc.      | Intercept Fee                              | 500.00       |
| Uniforms Unlimited, Inc.       | Tazer Cartridges                           | 281.40       |
| United Auto Supply, Inc.       | Parts, Miscellaneous Items, Fuel/Additives | 267.40       |
| Wastecorp Pumps, LLC           | Parts                                      | 262.98       |
| Water Systems Company          | Drinking Water                             | 7.11         |
| Yaggy Colby Associates         | TH 44 Shared Use Path                      | 3,570.50     |
| Zarnoth Brush Works, Inc.      | Broom Refill/Disposal                      | 657.00       |
|                                |                                            | \$242,243.25 |

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

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| Credit Bureau Data, Inc.        | Utility Collection Fee's          | 90.98     |
| E O Johnson Company             | Copier Agreement                  | 506.03    |
| Millennium Credit Consultants   | Agency Commission                 | 438.01    |
| Star Energy Services            | Light – Project                   | 7,805.75  |
| Tri-State Ambulance, Inc.       | Intercept Fee                     | 500.00    |
| Water Systems Company           | Drinking Water                    | 13.47     |
| Baker & Taylor Books            | Library Books                     | 586.88    |
| Discount Magazine Sub Service   | Library Magazine Subscriptions    | 876.50    |
| Farm & Home Publishers          | Library – Plat Book & Director    | 42.50     |
| Kraus Oil Company Inc.          | Unleaded                          | 1,624.50  |
| Midwest Beverage & Brokerage    | Liquor Store Inventory            | 57.20     |
| Midwest Tape                    | Library – DVD's                   | 402.81    |
| Pearson, Nathan                 | 2014 Uniform Allowance            | 63.77     |
| Rask, Nicholas                  | Animal Control                    | 75.00     |
| Resco                           | Light – Inventory                 | 10,256.26 |
| Schott Distributing Co, Inc.    | Liquor Store Inventory            | 5,336.05  |
| SE Libraries Cooperating        | Auto Fee's & Barcode              | 446.86    |
| World Point ECC, Inc.           | Ambulance – Supplies              | 73.15     |
| Commissioner of Revenue         | State Withholding                 | 1,413.99  |
| Merchants Bank                  | Federal/FICA/Medicare             | 7,149.90  |
| Business Financial Planning     | Cafeteria Plan                    | 192.30    |
| ING Institutional Plan Services | TSA – Payday 3-18-14              | 480.00    |
| MN Benefit Association          | MBA Payday 3-18-14                | 62.59     |
| MN Child Support Payment Cnt.   | Case ID 001470764201              | 216.88    |
| NCPERS Minnesota                | NCPERS Payday 3-18-14             | 80.00     |
| Public Emp. Retirement Assn.    | PERA Payday 3-18-14               | 6,087.35  |
| A1 Precision Pumping, Inc.      | Sewer – Sewer Line E. Grant St.   | 250.00    |
| Airgas USA, LLC                 | Oxygen/Acetylene                  | 91.98     |
| B & M Service Center            | Fuel, Battery                     | 467.95    |
| Blue Cross Blue Shield of MN    | PD – Health Insurance             | 1,430.87  |
| Bound Tree Medical, LLC         | Ambulance – Supplies              | 330.64    |
| Buttell's Lighting              | Bulbs                             | 119.52    |
| Caledonia True Value            | Miscellaneous Items               | 145.93    |
| Caledonia Vol. Fire Department  | Relief Association                | 600.00    |
| Gexpro                          | Light – Inventory                 | 179.04    |
| Kwik Trip Stores                | Scrip                             | 2,574.00  |
| On-Site Computers, Inc.         | Tech Services                     | 1,564.08  |
| Resco                           | Light – Misc & Inventory          | 2,177.38  |
| Smith Schafer & I Associates    | Annual Audit 2013                 | 9,500.00  |
| Southern Wine & Spirits of MN   | Liquor Store Inventory            | 1,492.52  |
| US Postal Service               | Stamped Envelopes                 | 302.65    |
| Bound Tree Medicals, LLC        | Ambulance – Supplies              | 17.92     |
| Mayo Clinic Health System       | Health Cards                      | 670.00    |
| Principal Life                  | Life/Ad&d/Dependent Life          | 417.11    |
| Four Seasons Comm. Center       | EDA - Event                       | 210.00    |
| Geiger                          | PD – Tshirts to GREAT Graduation  | 185.71    |
| Northern Beverage Distribution  | Liquor Store Inventory            | 2,741.45  |
| Schott Distributing Co., Inc.   | Liquor Store Inventory            | 7,538.90  |
| Spring Grove Soda Pop, Inc.     | Liquor Store Inventory            | 198.20    |
| Dakota Supply Group             | Light – Inventory                 | 2,404.69  |
| G & F Distributing              | Liquor Store Inventory            | 185.00    |
| Houston County Treasurer        | Ho. Co. Collection Site           | 4,011.00  |
| Jack Neumann Trucking           | Liquor – Freight Expense          | 52.00     |
| Johnson Brothers Liquor Co.     | Liquor Store Inventory            | 835.74    |
| King, Randy                     | Reim. Tourney Fee Summer Rec 2013 | 175.00    |

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|---------------------------------|-----------------------------------|----------------------|
| Merchants Bank                  | Federal/FICA/Medicare             | 391.78               |
| Phillips Wine & Spirits Co.     | Liquor Store Inventory            | 1,457.25             |
| Public Emp. Retirement Assn.    | PERA Payday 3-26-14               | 113.74               |
| Resco                           | Light – Inventory                 | 5,631.40             |
| Spring Valley, City of          | Registration Fee                  | 40.00                |
| US Postal Service               | Stamped Envelopes                 | 1,479.90             |
| Iowa Bankers Mortgage Corp.     | Refund Duplicate Payment          | 76.46                |
| Houston Co. Treasurer           | Recording Fee                     | 46.00                |
| Buttell's Lighting              | Street Light – Bulbs              | 587.76               |
| FS3, Inc.                       | Light – Trailer                   | 7,699.75             |
| Gavin, Patricia                 | Manager – Travel Expense          | 147.28               |
| Mayo Clinic Health System       | Health Cards                      | 410.00               |
| Midwest Beverage & Brokerage    | Liquor Store Inventory            | 84.00                |
| Schott Distributing Co., Inc.   | Liquor Store Inventory            | 6,667.70             |
| Spring Grove Soda Pop, Inc.     | Liquor Store Inventory            | 85.80                |
| Anderson & City, Sarah          | Meter Deposit Refund              | 250.25               |
| Caledonia Conv & Tourism        | Tourism                           | 227.60               |
| Fruechte & City, Emma           | Meter Deposit Refund              | 250.25               |
| Halverson & City, Daniel        | Meter Deposit Refund              | 250.25               |
| Kies & City, Erin               | Meter Deposit Refund              | 250.10               |
| Klug, Nathan                    | Meter Deposit Refund              | 250.25               |
| Kwik Trip Stores                | Scrip                             | 900.00               |
| McGuire & City, Pat             | Meter Deposit Refund              | 250.08               |
| MN Department of Revenue        | Sales/Use Tax                     | 17,562.00            |
| Moss & Barnett                  | Mediacom Franchise Renewal        | 3,195.50             |
| O'Mara Meyer & City, Julia      | Meter Deposit Refund              | 250.25               |
| Peterson & City, Michael        | Meter Deposit Refund              | 250.25               |
| Richard's Sanitation, LLC       | Collections – March               | 6,813.70             |
| Tri-State Ambulance, Inc.       | Intercept Fee                     | 250.00               |
| Ace Link Telecommunications     | Communication Expense             | 1,098.93             |
| Business Financial Planning     | Cafeteria Plan                    | 192.30               |
| Caledonia Police Association    | PD Association Dues               | 95.00                |
| Commissioner of Revenue         | State Withholding                 | 1,720.14             |
| ING Institutional Plan Services | TSA Payday 4-1-14                 | 550.00               |
| IUOE Local #49                  | Union Dues                        | 360.25               |
| Merchants Bank                  | Federal/FICA/Medicare             | 8,885.58             |
| MN Child Support Payment Cnt.   | Case ID 001470764201              | 216.88               |
| Nelson, Craig                   | 2014 Uniform Allowance            | 125.00               |
| Public Emp. Retirement Assn.    | PERA Payday 4-1-14                | 7,240.17             |
| Tornstrom, Michael              | Reimbursement – Misc.             | 14.94                |
| VISA                            | Library – Books, Office Equipment | 1,102.54             |
| Caledonia Oil Company           | Unleaded                          | 1,514.95             |
| IUOE Local 49 Benefit Fun       | Health Insurance                  | 18,074.00            |
| Klug, Anthony                   | Consulting Services               | 800.00               |
| League of MN Cities Ins. Trust  | Water/Sewer – Claim               | 1,000.00             |
| Mayo Clinic Health System       | Health Cards                      | 40.00                |
| Ranzenberger, Dorothy           | 2014 Clothing Allowance           | 60.00                |
| Verizon Wireless                | Communication Expense             | 204.29               |
| G & F Distributing              | Liquor Store Inventory            | 283.50               |
| Jack Neumann Trucking           | Liquor – Freight Expense          | 50.00                |
| Johnson Brothers Liquor Co.     | Liquor Store Inventory            | 1,494.02             |
| Merchants Bank                  | ACH Fee April 2014                | 31.98                |
| Northern Beverage Distribution  | Liquor Store Inventory            | 1,716.00             |
| Phillips Wine & Spirits Co.     | Liquor Store Inventory            | 529.43               |
| Schott Distributing Co, Inc.    | Liquor Store Inventory            | 1,455.65             |
| Spring Grove Soda Pop, Inc.     | Liquor Store Inventory            | 208.35               |
| Betz, Mark                      | 2014 Clothing Allowance           | 125.00               |
|                                 |                                   | <u>\$ 190,827.11</u> |

The council then reviewed the permanent part-time employees that included the library, liquor store and discussed that they should receive the same increase as the other city employees. \$.20 cents effective on January 1, 2014 and \$.25 on July 1, 2014. Motion by Member Lemke, second by Member Vick to give those employees the same as the bargaining unit members to include the City Accountant if she agreed to join the bargaining unit and the MOU was passed by both parties. This increase will not affect Administrator Schoonover or Police Chief Zehnder, these will be addressed at a later date. Roll call of votes. Yes: Members Schroeder, Lemke, Vick, No: None. Abstain: Mayor Burns. The majority of votes were yes therefore the motion was declared carried.

Schoonover presented the council with a request for him to attend the Annual League of Minnesota Cities meeting June 18-20, 2014, in St. Cloud, MN. Motion by Mayor Burns, second by Member Lemke to approve the attendance. All members present voted in favor and the motion was declared carried.

Schoonover mentioned that he was asked by the resident at 216 McPhail St. if they could block off the street and have a block party and roast a hog. After a short discussion it was determined that the resident would need to come to the council with a more detailed plan and information such as where to close the road, who all is involved etc... Schoonover stated he would contact them and have them at the next meeting.

Employee time sheets were reviewed as well as the monthly law enforcement summary. The Mayor mentioned that Spring is here and it's important that residents understand the parking ordinance and that the Police Department needs to ensure we are enforcing it. He will meet with the Chief and discuss the matter.

Mayor Burns stated that we had three applicants that showed an interest and applied for the empty council position. We then also had one person that I approached and asked. Since then we have had two other residents show an interest as well. Eddie Hodges and Paul Fisch. The Mayor wanted to state that the first three applicants were all highly qualified and would all do a good job, and in fact all six of the candidates would be a good fit so with that in mind. Motion by Mayor Burns, second by Member Schroeder to appoint Shelly Sheehan to fill the vacant council position. Roll call of votes. Yes: Mayor Burns. No: Members Schroeder, Lemke, Vick. Motion failed for a lack of a majority.

Motion by Mayor Burns, second by Member Vick to appoint Karen Gran to fill the vacant council position. Roll call of votes. Yes: Mayor Burns, Member Vick. No: Members Lemke, Schroeder. Motion failed for a lack of a majority.

Motion by Mayor Burns, second by Member Vick to appoint Traci Heaney to fill the vacant council position. Roll call of votes. Yes: Mayor Burns, Member Vick. No: Member Schroeder. Abstain: Member Lemke. Motion failed for a lack of a majority.

Motion by Mayor Burns, second by Member Vick to appoint Peggy Perry to fill the vacant council position. Roll call of votes. Yes: Mayor Burns, Member Vick. No: Members Lemke and Schroeder. Motion failed for a lack of a majority.

Motion by Mayor Burns, second by Member Schroeder to appoint Paul Fisch to fill the vacant council position. Roll call of votes. Yes: Mayor Burns, Members Schroeder and Vick. No: Member Lemke. Motion received a majority and was declared carried.

The next regular meeting will be on Monday, April 28, 2014, at 6:00 p.m. However there will be a special meeting on April 16, 2014 for an interview for the water/wastewater operator position.

ADJOURNMENT: There being no further business before the Council, A motion to adjourn was made by Member Schroeder, second by Member Vick. All voted in favor and the motion was declared carried to adjourn at 8:22 p.m.

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Robert H. Burns

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Ted A. Schoonover  
Clerk-Administrator