REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, July 26, 2010

CALL TO ORDER. Following due call and notice thereof, Mayor Burns called the meeting to order at 6:05 p.m. in the Council Room, City Hall.

ROLL CALL. Members present: Mayor Robert H. Burns; Council Members: Randi Vick, Robert Lemke, and Tom Murphy. Members absent: Peggy Perry. Consultants and City staff present: City Clerk/Administrator Jennifer Feely, Administrative Coordinator Mike Gerardy, City Accountant Stephanie Mann. Visitors present: Argus Reporter Charlie Warner, John Esch, Gary Kruckow, Joanne Zard, Dusty Lange.

AGENDA APPROVAL. The following items were added to the agenda for discussion: EDA Request, Crossing Guard Agreement, Itron Meter Reading Devices, Swimming Pool Request, Park and Rec Director Hours. A motion was made by Member Vick, seconded by Member Murphy to approve the agenda with the addition of the above-mentioned items. All members present voted in favor and the motion was declared carried.

CONSENT AGENDA. A motion was made by Member Vick, seconded by Member Murphy to approve the consent agenda items, listed below. All members present voted in favor and the motion was declared carried.

A. MINUTES OF PAST MEETINGS. To approve the minutes of the Regular Meeting held Monday, July 12, 2010, as presented.

B. CHARTIBALE GAMBLING APPLICATION. To approve an Application to Conduct Off-Site Gambling at the Houston County Fairgrounds for the America Legion Post 249.

C. CHARITABLE GAMBLING APPLICATION. To approve a Lease for Lawful Gambling Activity at the City Auditorium for the American Legion Post 191.

VISITORS AND COMMUNICATIONS.
A. PUBLIC HEARING: ZONING ORDINANCE AMENDMENT. Mayor Burns recessed the Regular Meeting at 6:18 p.m. and opened a Public Hearing to consider a request by Ma Cal Developers to amend the City's Zoning Ordinance, Section 153.154, thereby eliminating the 150' rear setback for industrial property that abuts a residential district or school property. Dusty Lange, 920 Courtney Drive, was present to state that he would like to see the 150'rear setback for industrial zoned property to remain as it currently is. John Esch, Ma Cal Developers, stated that the lots he owns are useless with the 150' rear setback. Esch went on to state that as soon as potential buyers find out there is a 150' setback, they walk away. Esch told the Council that the next time around Ma Cal Developers will be asked to come through this door. Member Vick stated that the issue at hand is the setback requirement. Mayor Burns directed the audience to a map of Caledonia and pointed out the areas of town affected by the 150' rear setback requirement. Member Murphy asked Gary Kruckow, Ma Cal Developers, how many variances have been denied. Kruckow stated none. Member Murphy then asked if there have been any prospective buyers that have come to Ma Cal Developers and asked about obtaining a variance for the setback. Kruckow stated he wasn't sure what Member Murphy was getting at. Member Murphy noted that the Council is willing to work with potential developers. Esch remarked that the lots are useless with the 150' rear setback and then asked what the City would do if there was a business interested in coming to town that could provide a large number of jobs. Mayor Burns countered this statement by noting that they might be considered useless without a variance and

that the Council would work with a prospective business if it would be good for the community. Member Lemke noted that the setback requirement was 50' when the development moved in there and it wasn't until 2008 that the 150' was imposed. Member Vick stated that she wished the rest of the neighbors would have received letters and would like to see more input from the public. Administrative Coordinator Mike Gerardy noted that when more than 5 acres is affected by a proposed zoning amendment, the City is only required to publish a notice in the paper. Gerardy went on to note that no letters were sent out to property owners in 2008, when this issue was last discussed. Mayor Burns asked Ma Cal Developers if they would be satisfied with a 100' setback. Esch stated he wasn't sure yet but that he would like to see the 150' rear setback reinstated. When there were no further comments, Mayor Burns closed the Public Hearing at 6:53 p.m. and resumed the Regular Meeting. A motion was made by Mayor Burns, seconded by Member Lemke to amend Caledonia Ordinance, Section 153.54, in which the 150' rear setback would be reversed back to 50' for industrial zoned lots. Voting in favor: Mayor Burns and Member Lemke. Voting against: Member Murphy and Member Vick. Absent from the meeting: Member Perry. The motion failed for a lack of a majority as there was a 2-2 tie. The matter will be revisited at the August 9, 2010 meeting.

B. PUBLIC HEARING: CONDITIONAL USE PERMIT. Mayor Burns recessed the Regular Meeting at 6:55 p.m. and opened a Public Hearing to consider Lynette Privet's request for a conditional use permit to operate an in-home daycare center and beauty salon. Privet resides at 324 East Madison Street in Caledonia, which is classified as an R-1 Suburban Residential District. Staff noted that letters were sent to all property owners within 350 feet of the Privet residence. Privet stated that she intended to operate an in-home daycare center during the day and a beauty salon during the evening. Discussion ensued concerning allowable signage and parking restrictions. Privet noted that she would not operate the daycare and beauty salon at the same time. Privet went on to state that there would be no more than 1-2 vehicles at a time and any possible signage would not exceed 4'x4'. Mayor Burns then closed the Public Hearing at 7:10 p.m. and resumed the Regular Meeting. A motion was made by Mayor Burns, seconded by Member Lemke to grant a conditional use permit to Lynette Privet, located at 324 East Madison Street, to operate an in-home daycare center and beauty salon. All members present voted in favor and the motion was declared carried.

C. MN ENERGY RESOURCES: MR. RORY LENTON. Rory Lenton was present on behalf of Minnesota Energy Resources to answer any questions regarding the proposed MN Energy Resources Franchise Agreement. Discussion ensued. It was noted that City Attorney Tim Murphy has a list of proposed changes and will be in contact with Mr. Lenton. No action was taken.

D. CITY ACCOUNTANT TOPICS.

1. CASH AND INVESTMENT REPORT. City Accountant Stephanie Mann was in attendance to report that as of June 30, 2010, the total cash balance was $602,180.50 and the total investment balance was $2,699,900. Discussion ensued.

2. BUDGET WORKSHEET. City Accountant Mann reviewed the budget worksheet which showed the line item detail of revenues and expenditures through June 30, 2010.

3. LONG-TERM DEBT SCHEDULE. City Accountant Mann reviewed the long-term debt schedule. Discussion ensued.

E. ADMINISTRATIVE COORDINATOR TOPICS.

1. SOUTH STREET SEWER UPDATE. Administrative Coordinator Mike Gerardy provided the Council with an update concerning the South Street Sewer Improvement Project. No action was taken.

F. COMMUNICATIONS.
1. ACE Communications Group.
2. DEED: Brownfield Workshop.

OLD BUSINESS

A. CALEDONIA CARE AND REHAB COST-SHARING REQUEST TO PAVE GRAVEL DRIVE. No action was taken as the Council would like to find out how much money will be left after seal coating and overlays are completed for the year. City Clerk/Administrator Feely will confer with Administrative Coordinator Gerardy to find out what his plans are for overlays and crack sealing in 2010 and report back at the upcoming meeting.

B. 2 AM LIQUOR LICENSE. The Ranch, owned by Richard Schulze, requested permission to obtain a 2 AM Liquor License. City Clerk/Administrator Feely shared with the Council that the Police Chief reported that his department has not had any issues with the other bar in town that has a 2 AM liquor license and offered no reasons as to why The Ranch shouldn't be granted a similar license. A motion was made by Member Murphy, seconded by Member Lemke. Voting Against: Mayor Burns. Voting in Favor: Member Murphy, Member Lemke, and Member Vick. Absent: Peggy Perry. The majority voted in favor and the motion was declared carried.

NEW BUSINESS.

A. RESOLUTION ACCEPTING DONATIONS. A motion was made by Mayor Burns, seconded by Member Vick to accept donations received to assist the City in its music in the park program. All members present voted in favor and the motion was declared carried.

B. COMMUNITY MEETING TO DISCUSS PROPOSED POOL IMPROVEMENT. City Clerk/Administrator Feely inquired in a memo to the Council as to whether a community meeting could be held to discuss the proposed pool improvement to encourage community input as to ways in which the pool upgrade might be funded. Mayor Burns informed the Council that he has scheduled a meeting in Plainview to look at their pool and find out how they funded their pool improvement. Joanne Zard was in attendance at the meeting and asked if she could go with Mayor Burns to look at the pool. Mayor Burns emphasized that community support is necessary to make the improvement possible.

C. 2010 INSURANCE RENEWAL INFORMATION. Enclosed with the agenda was a letter to the Council from the City's Insurance Agent Tom Danielson summarizing the City's 2010 insurance renewal package. In Danielson's letter, he noted the following rate changes for 2010: municipal liability rates increased 3%; property rates stayed the same; auto liability rates decreased 4%; auto physical damage rates decreased 6%; and workers compensation rates decreased 2%. Other factors that may have affected the City's premiums other than rate changes would include changes in the City's expenditures and wages in addition to adding new property and vehicles. City Clerk/Administrator Feely noted that if there were any further questions, Danielson would be willing to attend an upcoming meeting to discuss the renewal information in more detail with the Council. A motion was made by Mayor Burns, seconded by Member Vick to accept the 2010 insurance renewal. All members present voted in favor and the motion was declared carried.

D. CROSSING GUARD AGREEMENT. A motion was made by Mayor Burns, seconded by Member Lemke to approve the 2010-2011 School Crossing Guard Agreement between the City and Independent School District No. 299. All members present voted in favor and the motion was declared carried.

E. ITRON METER READING DEVICES. City Clerk/Administrator Feely relayed a request from the City's Electrician Matt Blocker to purchase (3) Itron Meter Reading Devices at a cost of $5,200 each. It was noted that the City is currently borrowing such meter reading devices from Rochester Public Utility and they would like them back as they were initially loaned to the City until other arrangements could be made. No action was taken.

F. PARK AND REC DIRECTOR HOURS. City Clerk/Administrator Feely shared with the Council the status of the Park and Rec Director's hours for the 2010 season and noted, in advance, that the limit imposed on the Park and Rec Director's hours would likely be exceeded as there are still two weeks remaining in the ball season.

G. POOL REQUEST. A request was received from the Early Bird Swimmers to leave the pool open during the week of August 17-20 for the early morning swim hours. The consensus of the Council was to grant their request so long as the wages of the lifeguard on duty would be paid by the Early Bird Swimmers.

CLERK'S REPORT.

A. EMPLOYEE TIME RECORD. Enclosed with the agenda was the Employee Time Record for June 28, 2010-July 11, 2010. Council stated that they would like Ryan Skillings to take time off during the week so as to avoid accruing overtime for routine weekend work. City Clerk/Administrator Feely will work with Water/Wastewater Supervisor Tony Klug to ensure scheduling is consistent with Council's wishes.

B. COMMUNITY GRANT APPLICATION. City Clerk/Administrator Feely noted that enclosed with the agenda was a community grant application in which she completed and submitted for funding to assist the City's EMS departments in purchasing new equipment.

C. LMC DVD CLIP ENTITLED, "CITIES, SERVICES, & FUNDING". City Clerk/Administrator Feely played a short DVD clip from the League of Minnesota Cities about the future outlook of funding city services if no changes occur in the way we currently fund these services. City Clerk/Administrator Feely went on to state that she also played the clip at a recent staff meeting in an effort to communicate to staff some of the tough issues Council will be faced with when setting the 2011 budget and beyond.

D. MID-YEAR FIRE DISTRICT MEETING. The mid-year fire district meeting was scheduled for Wednesday, August 4 at 6:30 p.m.

E. INSIGHTS PERSONALITY PROFILE REQUEST. City Clerk/Administrator Feely noted that the Brimeyer Group was very kind to allow the office staff to partake in the Insights Personality Profile Assessment at no charge. The Brimeyer Group would now like to follow up with a session to review the group's profiles in an effort to promote team effectiveness by understanding how each person best communicates with others. City Clerk/Administrator Feely outlined the three options presented by Irina Fursman. Council discussed the request and figured in the City staff time that would be involved in such a session. The consensus of the Council was to not participate in such a session as there would be a cost to the City.

ADJOURNMENT. A motion to adjourn was made by Member Vick, seconded by Mayor Burns to adjourn the meeting at 10:00 p.m. All members present voted in favor and the motion was declared carried. The next regularly scheduled meeting of the City Council is scheduled for Monday, August 9, 2010 at 6:00 p.m. in the Council Room, City Hall.

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Robert H. Burns
Mayor

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Jennifer Feely
City Clerk/Administrator