REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, November 13, 2006

CALL TO ORDER: Following due call and notice thereof, Mayor Morey called the meeting to order at 7:00 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Mayor Michael J. Morey; Council Members Paul Fisch, Randi Vick, Gary Klug and Robert Standish. Members absent: None. Consultants and City staff present: Michael Gerardy, Matt Blocker and Robert L. Nelson. Visitors present: John Conway, Randy Steele, Jason Yanke, Deb Schellsmidt and Jane Palen, Report.

CONSENT AGENDA: Following brief discussion, a motion to approve the Consent Agenda items, listed below, was made by Mayor Morey and seconded by Member Klug. Members voting in favor: Morey, Vick, Klug and Standish. Opposed: None. Abstaining: Fisch. The motion was declared carried.

A. MINUTES OF PAST MEETINGS: To approve the minutes of the Regular Meeting held Monday, October 23; Special Meetings held Monday, October 30 and Friday, November 3, 2006, as presented.

B. GAMBLING APPLICATION: To approve an Application for Exempt Permit, submitted by the Caledonia Rod and Gun Club, proposing to conduct a raffle on February 16, 2007, at the Caledonia City Auditorium, 219 East Main Street, granting approval with no waiting period.

C. RETAIL ON-SALE BEER LICENSE: To approve an Application for a Retail On-Sale Beer License, requested by Caledonia Founders Days, to be held at the City Auditorium, 219 E. Main Street on December 1 and December 2.

VISITORS AND COMMUNICATIONS
A. FOUNDERS DAYS: Due to illness, the Founders President, Noel Brenza, was unable to attend.

B. AUDITORIUM USE

1. REQUEST BY JOHN CONWAY: John Conway requested authorization for a group of friends to use the auditorium on a sporadic basis to play basketball from approximately 7:00–9:00 p.m. and indicated that use would probably not occur on a Tuesday or Thursday evening. Clerk Nelson introduced discussion concerning whether or not the Council wished to institute a charge for persons utilizing the auditorium as individual groups, at least to the extent of reimbursing the City for lighting costs. In summary, the Council chose to study the issue before implementing a charge. A motion was made by Member Standish, seconded by Member Klug, to authorize Mr. Conway and others to utilize the City Auditorium for playing basketball at no charge. All members voted in favor and the motion was declared carried. Upon Mr. Conway's departure, he donated $20 cash to the City.

2. REQUEST BY DEB SCHELLSMIDT: Mrs. Schellsmidt requested authorization to use the auditorium gymnasium floor level in February 2007 to conduct a semi-formal dinner and dance. She said the meal would be beef tenderloin followed by 3 hours of dancing with a live band from Chicago. Alcoholic beverages would be served by Sonny & Bev's bar, who are applying for a caterer's license from the State of Minnesota. Tables and chairs will be rented from another provider and brought to the Auditorium. Mrs. Schellsmidt said the intent of the Sweetheart Dance is to acquire funds for contribution to a benefit or charitable purpose in a minimum amount of $500. Following discussion, a motion was made by Member Klug, seconded by Member Standish, to authorize the requested use of the auditorium gymnasium floor level from the Sweetheart Dance for a fee of $75, provided that Mrs. Schellsmidt and her associates participate in clean-up following the event. All members voted in favor and the motion was declared carried.

C. ADMINISTRATOR COORDINATOR TOPICS

1. ZONING APPLICATION–O'HERON: Mike Gerardy, Zoning Administrator reviewed the Zoning Application on behalf of Mr. O'Heron, 502 East Grove Street. The application proposed to construct a 12' x 20' storage shed to be located approximately 12.5' from the west (front) property line and 6' from the

south (rear) property line, requiring a 17'6" and 4' setback variance, respectively. Following discussion and review of the illustration drawn by Mr. Gerardy, a motion was made by Mayor Morey, seconded by Member Standish, to approve the application and grant the stipulated variances. Members voting in favor: Morey and Standish. Opposed: Fisch, Vick and Klug. The motion was declared failed. A motion was then made by Member Fisch, seconded by Member Vick, to approve only the 17'6" variance on the west (front) property line. All members voted in favor and the motion was declared carried.

2. ELECTRIC DEPARTMENT BUILDING BIDS: Mr. Gerardy opened bids received for the proposed Electric Department Garage. Bids were as follow.

Building Concrete Foundation	
Bernau Concrete	$58,400
Randy Steele Construction	$59,500
Meyer Brothers	$94,750

Building Superstructure	
Caledonia Lumber Company	$109,006.87
Colsch Building Specialists	$111,535.10
Olympic Builders	$121,400
John Esch Construction	$126,889.64

Following review and discussion, a motion was made by Mayor Morey, seconded by Member Fisch, to accept the apparent low bids of Bernau Concrete and Caledonia Lumber Company for the amounts of $58,400 and $109,006.87, respectively. All members voted in favor and the motion was declared carried.

3. LOADER QUOTES: Mr. Gerardy presented three quotes for trade-in of the city front end loader. John Deere: $27,221; Caterpillar: $33,097; and Case: $19,500. Following brief, a motion was made by Member Klug, seconded by Member Standish, to authorize trade-in of the current loader for a new Case Loader at the quoted price of $19,500, to be ordered now with payment to be made in 2007. Also, to reserve the right for the City to reimburse itself for this expense through a Certificate of Indebtedness provided this purchase is an eligible expense. All members voted in favor and the motion was declared carried.

4. ELECTRIC DEPARTMENT BUILDING: Mr. Gerardy informed the Council that an additional foundation was needed for a crane to maneuver electrical transformers around the storage area in the proposed building. The additional concrete foundation and supporting structure is estimated to cost $6,000. Following discussion, a motion was made by Member Fisch, seconded by Member Standish, to approve up to $6,000 for the described crane. All members voted in favor and the motion was declared carried.

D. COMMUNICATIONS

1. The Wheel, Rotary Club, November 2006.

CLAIMS

A. PREPAID CLAIMS: Following review, discussion and deliberation, a motion was made by Mayor Morey, seconded by Member Vick, to approve the Prepaid Claims list for October 2006. All members voted in favor and the motion was declared carried.

Tri-County Electric	Electric Energy	132,083.09
Burmeister Electric Company	Inventory	180.59
Carquest Auto Parts	Tractor Lamps	8.88
Clarey's Safety Equipment	Hydro Test Air Cyl.	165.00
Engineering America, Inc.	Rebuild Motor	1,512.80
Kraus Oil Company Inc.	Unleaded Fuel	985.50
Printy Quik	Bottle Tickets	43.63
Schott Distributing Co, Inc.	Beer	2,231.90
Spring Grove Soda Pop, Inc.	Beer	376.25
US Postal Service	Postage Cold Weather Rule	185.65
Winona Controls, Inc.	Boiler Repairs	724.00
Dept. of Labor & Industry	Boiler Exam–Kinneberg	50.00
Caledonia True Value	Miscellaneous Items	178.03
E O Johnson Company	Maintenance Agreement	76.00

Information Management Ser.	Tech Services–Clerk's Office	284.16
Jack Neumann Trucking	Liquor–Freight Expense	119.00
Johnson Brothers Liquor Co.	Liquor / Wine	3,871.57
Phillips Wine & Spirits Co.	Liquor / Wine	362.86
Schumacher Elevator Co.	City Hall–Elevator Maintenance Ag.	586.07
Ziebell's Hiawatha Foods, Inc.	Liquor–Soda / Mix Etc.	24.76
Caledonia Volunteer Fire Dept.	2006 Fire State Aid	26,614.00
Commissioner of Revenue	State Withholding	1,444.66
Gavin, Patricia	Mileage–Regional MMBA Meeting	66.31
Hanson Tire Service, Inc.	Tires	464.68
Universal Truck Equipment	#185 & #98 Truck Parts	1,473.97
Midwest Wireless Comm.	Mobile Units	126.82
Shefelbine, Randy	Expense from Training	383.69
Minnesota Dept. of Health	Registration Fee–Klug & Schroeder	50.00
Bank of the West	Federal/FICA/Medicare	6,648.44
Bonanza Grain, Inc.	Black Dirt, Sand & Crushed Rock	366.79
Caledonia Rotary Club	City Membership	170.00
City of Caledonia	Employee Health Share for Insurance	527.53
City of Caledonia Emp. Assn.	Association Dues–October	80.00
Commissioner of Revenue	State Withholding Tax	1,228.22
Griggs, Cooper & Company	Liquor / Wine	1,733.15
Houston County Recorder	Recording Fee–City of Caledonia	46.00
Jack Neumann Trucking	Liquor–Freight Expense	41.50
Midland Telecom, Inc.	Pagers (3)	1,084.00
Minnesota NCPERS Life Ins.	NCPERS	64.00
MN Benefit Assocation	MBA	165.88
MN Dept. of Labor & Industry	Boiler / Pressure	30.00
Municipal Economic Dev.	TIF Management Services	1,683.34
Northern Beverage Distribution	Beer	1,752.25
Orchard Trust Co, LLC	TSA	1,395.00
Public Emp. Retirement Assn.	PERA	4,421.73
Rolbiecki, Charles	2006 Uniform Allowance	50.00
Schmitz Refrigeration Htg & A.	Cooler Repair	55.00
Schott Distributing Co, Inc.	Beer	1,048.92
SE MN Historic Bluff Country	Tourism	1,419.30
Spring Grove Soda Pop, Inc.	Beer	78.30
United Systems Technology Inc.	PD- Maintenance	2,965.00
Winona Area Ambulance Ser.	Contracted Billing	1,242.00
Caledonia Oil Company	Diesel	345.00
EBSCO Subscription Ser.	Magazine Subscription	1,104.39
Jilek, Brad	Storage Rental	240.00
VISA	Travel Expense & Anti-Virus	314.57
Arch Wireless	Mobile Units	53.03
Bartelt & City, Brenda	Meter Deposit Refund	129.61
Budde & City, Drew	Meter Deposit Refund	127.79
Coleman & City, Dawn	Meter Deposit Refund	127.52
Connor & City, Mike	Meter Deposit Refund	201.81
Erickson & City, Lori	Meter Deposit Refund	127.86
Grau & City, Joseph	Meter Deposit Refund	79.36
Erickson & City, Stephanie	Meter Deposit Refund	126.52
Halverson & City, Evelyn	Meter Deposit Refund	84.90
Hubka & City, Tamiko	Meter Deposit Refund	130.47
Koch & City, Pat	Meter Deposit Refund	128.80
Northern Beverage Distribution	Beer	226.55
O'Bieglo & City, Jesse	Meter Deposit Refund	208.25
Pepsi Cola Bottling Co.	Liquor Store–Soft Drinks	69.50
Printy Quik	Printing	61.57
Schott Distributing Co., Inc.	Beer	5,362.10
Shefelbine, Randy	Reimbursement for Office Supplies	31.64
Soleberg & City, Glenda	Meter Deposit Refund	226.40
Spring Grove Soda Pop, Inc.	Beer	190.00
United Parcel Service	Ups Fee	110.13
US Postal Service	Utility Billing Service	301.77
Caledonia Oil Company	Unleaded Fuel	342.00
Gavin, Mike	Animal Control–October 2006	75.00
Houston County Treasurer	Ho Co Collection Site	3,300.00
Jack Neumann Trucking	Liquor–Freight Expense	75.60

Johnson Brothers Liquor Co.	Liquor / Wine	1,109.32
Klug, Kimberly	Seminar Fee	50.00
MN Department of Revenue	Sales / Use Tax–October 2006	14,579.00
Petty Cash	Replenish Petty Cash	65.00
Phillips Wine & Spirits Co.	Liquor / Wine	167.50
PT Welding & Driveshaft	Parts–Street Department	418.54
Richard's Sanitation	Recycling–Collections	6,044.50
Schmidt, Joannie	Seminar Fee	40.00
Ziebell's Hiawatha Foods, Inc.	Liquor–Mix	31.61
Wells Fargo Brokerage Services	PD/Ambulance Loan Payment	11,957.68
Bank of the West	Federal/FICA/Medicare	1,205.40
Commissioner of Revenue	State Withholding Tax	189.18
Information Management Ser.	Computer–Utility Billing	1,262.54
Kinneberg, Myron	Mileage Reimbursement	68.53
Nelson, Robert	Reimburse for Electric Department Plans	28.49
Public Emp. Retirement Assn.	PERA	528.66
Tri-County Electric Co-op	Electric Energy	80.18
WPS–Medicare Part B	Refund–Overpayment	176.90
Ace Link Telecommunications	Communication Expense	984.18
Department of Public Safety	Liquor Store Retailer's Card	20.00
Northern Beverage Distribution	Beer	732.10
Schott Distributing Co, Inc.	Beer	2,688.20
Spring Grove Soda Pop, Inc.	Beer	138.50
Bank of the West	Federal/ FICA / Medicare	6,540.42
Caledonia Police Association	PD Association Dues	120.00
City Of Caledonia	Employee Share Health Insurance	527.53
Commissioner of Revenue	State Withholding Tax	1,204.48
Merchants Bank	ACH Fee November 2006	20.36
Minnesota Energy Resources	Natural Gas	2,282.11
Morey, Michael	Mileage Reimbursement	48.06
Orchard Trust Co, LLC	TSA	1,395.00
Principal Life	Life / Ad&d / Std	604.02
Public Emp. Retirement Assn.	PERA	4,357.51
Ken's Small Engine	Saw Chain	53.18
Blue Cross Blue Shield of MN	Health Insurance	20,301.00
Caledonia Oil Company	Diesel & Unleaded	554.00
Ranzenberger, Dorothy	Reimbursement for 2 months of Ins.	540.00
		$ 298,641.33

B. CLAIMS PAYABLE: Following review, discussion and deliberation, a motion was made by Member Fisch, seconded by Member Standish, to approve and authorize payment of the Claims Payable for October 2006. All members voted in favor and the motion was declared carried.

Accurint	Contract Fee	33.50
Airgas North Central	Oxygen / Acetylene	148.95
Alco Discount Store #273	Communication Expense	138.44
Artic Glacier Inc.	Ice	132.20
B & Sealcoating	Paint Center Lines on Esch Drive	135.00
Baker & Taylor Books	Library–Books	283.22
Burmeister Electric Company	Inventory	770.29
Buttell's Lighting	Bulbs	16.70
Caledonia Drugs	Gloves	6.97
Caledonia Electronics	Office Supplies	397.57
Caledonia Implement Co.	98 Truck Box Accessories	146.98
Caledonia Lumber Company	98 Truck Box Materials	303.53
Caledonia Oil Company	Car #19 Maintenance	923.21
Caledonia Wheel Alignment	#20 Truck Maintenance	272.08
Carquest Auto Parts	Oil Filter, Fuel Filter	81.56
Clarey's Safety Equipment	Lens, Latex Gloves & Hose	783.00
Crystal Canyon Inc./Ecowater	Drinking Water/Cooler Rent	118.08
Curt & Candy's Hardware Hank	Bulbs, Smoke Alarms, Miscellaneous	160.55
D S Electric Supply Inc.	Inventory & Miscellaneous	969.95
Dakota Supply Group	Inventory	714.15
Davy Laboratories	3 Total Coliforms, Sludge Analysis	1,603.68
ECM Publishers, Inc.	Notices & Advertisements	637.38
Ellingson Motors	25 Car Wash Ticket	133.37

Farmers Coop Elevator Co.	Park Areas–Chemicals	51.07
Gopher State One-Call, Inc.	43 Location Notifications	62.35
Graphic Controls LLC	Miscellaneous Information	590.46
Green Power Equipment	955 Tractor Parts	314.22
Hawkins, Inc.	Chemicals	1,822.98
High Voltage Test Laboratory	Equipment Testing	139.29
Hoskins Electric Company	Miscellaneous	324.60
Information Management Serv.	Clerk's Office Technical Support	61.81
IOD Incorporated	Incident Report / Services	25.30
Jack Neumann Trucking	Liquor–Freight Expense	104.50
Johnson Brothers Liquor Co.	Liquor / Wine	1,981.11
Ken's Small Engine	Saw Chain	53.18
Lackore Electric Motor Repair	Drill Press Part	82.87
Mathy Construction Co.	Asphalt Patching	471.88
Midwest Tape	Library–DVDs	90.96
Minnesota Pipe & Equipment	Bell Joint Repair	146.06
Mississippi Welders Supply Co.	Oxygen	118.85
MN Municipal Utilities Assoc.	2006 Dues Assessment	385.35
Phillips Wine & Spirits Co.	Liquor / Wine	1,964.22
PowerPlus Engineering, LLC	4 Year Electric Improvement Plan	872.51
Printy Quik	Receipt Books	50.97
Public Safety Equipment, LLC	Body Armor	4,924.80
Rippe, Hammell & Murphy	General Matters	3,219.25
Schilling Supply Company	Bags, Towels & Copy Paper	322.40
Schulze Plumbing & Heating	Holes for Black Topping	255.45
Schwaab, Inc.	Stamps	125.45
SE Libraries Cooperating	Public PC Management	1,591.33
St. Mary Auto Body Shop	2 Tow's	85.20
T & R Service	PCB Analysis	15.00
Torgerson's Paint & Floor	Grout Sealer / Brushes	21.24
Traffic Marking Service	North Kingston Street, Yellow Line	300.60
Tri-County Electric Co-op	Electric Energy	136,107.17
Weichert Motors	Welding Supplies/Van Repairs	1,232.50
Winona Controls, Inc.	Repairs	999.14
Zarnoth Brush Works, Inc.	Broom Refills	387.66
Zep Manufacturing Co.	Trash Bags & Hand Soap	156.09
		$ 168,368.18

OLD BUSINESS

A. RECOGNITION: Member Standish recommended that the City recognize the achievement of Ardell Lien, who recently completed his solo sailing trip around the world. The Council agreed to investigate recognition activity.

B. LAND USE / EASEMENT INQUIRY: Clerk Nelson informed the Council that Dean Foltz had made inquiry at the Clerk's Office of the possibility for assessing a parcel of land located south of the old railroad track along the east side of Caledonia. Mr. Foltz proposed asking for an Easement off Grant Street to assess this particular parcel. Mr. Foltz had also mentioned the possibility of the City vacating the railroad track area or having a survey performed to locate the boundary of the old railroad right-of-way. Following discussion, Mayor Morey directed Clerk Nelson to make an inquiry of the City Attorney's opinion on the matter.

C. EDA POSITION CONTRACT: This item was again postponed to a future meeting.

D. ANIMAL CONTROL ORDINANCE: Clerk Nelson recommended the Council change the late payment fee from a single $2.00 additional charge to a $2.00 per month charge for three successive months following the final date for current licensing. Nelson recommended that, since the final date for licensing is the last day of February, a $2.00 late fee be surcharged on March 1, again on April 1 and again on May 1. On June 1 and thereafter owners of any unlicensed animals would be subject to a citation from the Police Department in addition to the above late fees. Following discussion, a motion was made by Mayor Morey, seconded by Member Fisch, to re-establish fees for late payment according to the description given by Clerk Nelson. Members voting in favor: Morey, Fisch, Klug and Standish. Opposed: Vick. The motion was declared carried.

NEW BUSINESS

A. CANVAS ELECTION RESULTS: In accordance with Minnesota Statutes, the Council reviewed the tabulation of election results for the office of Mayor and Council Member. The

Council reviewed the tally of votes according the list shown below, declaring the successful candidates to be Michael J. Morey for Mayor; Randi Vick and Paul Fisch for Council Member. Following discussion, a motion was made by Member Klug, seconded by Member Standish, to approve the review of the vote tally and declaring the canvassing procedure complete. All members voted in favor and the motion was declared carried.

B. RESIGNATION: Enclosed with the Agenda was a letter from Robert Augedahl, resigning his position as Ambulance Director effective at the end of day November 30, 2006. Mr. Augedahl indicated he wished to continue on the Ambulance Service as an EMT. Following brief discussion, a motion was made by Member Vick, seconded by Member Fisch, to accept the resignation of Robert Augedahl as Ambulance Director effective November 30, 2006. All members voted in favor and the motion was declared carried.

C. AUDIT QUOTE: Following review of the audit quote submitted by Tostrud & Temp for an amount of $16,000 - $18,000 to perform the annual audit for calendar year 2006, a motion was made by Member Fisch, seconded by Member Vick, to approve the quote and award the annual audit to Tostrud & Temp. All members voted in favor and the motion was declared carried.

D. DECERTIFICATION RESOLUTION: The Council reviewed the Decertification Resolution prepared by Michelle Hartman on behalf of the City. This resolution was previously presented to the Caledonia Economic Development Authority who concurred with its adoption and recommended it to the City Council. The Decertification is effective December 31, 2006, when future tax increments would be declined. Following discussion, a motion was made by Member Fisch, seconded by Member Klug, to adopt the Decertification Resolution for Tax Increment Financing District #1-4, Ma-Cal Industrial Park. All members voted in favor and the motion was declared carried.

CLERK'S REPORT

A. FUTURE MEETINGS:

11-16-06	Special Meeting, Comprehensive Plan
11-27-06	Regular Meeting
12-4-06	Truth N Taxation Meeting, 6:00 p.m.
12-11-06	Regular Meeting, including Public Hearing for Comprehensive Plan
12-14-06	Truth N Taxation Continued Meeting, 6:00 p.m.
12-25-06	Cancel / Reschedule Regular Meeting

B. SMLM: Enclosed with the Agenda was a letter from the Southeastern Minnesota League of Municipalities providing information about the organization.

C. PENSION DIVISION NEWSLETTER: Enclosed with the Agenda was a Pension Division Newsletter from the Minnesota State Auditors Office discussing investment authority, survival supplemental benefits and other issues.

D. POLICE DEPARTMENT ACTIVITY REPORT: Enclosed with the Agenda was the Police Office Activity Report for October 2006.

E. CABLE TV: Enclosed with the Agenda was a letter from Mediacom advertising the addition of 4 new channels to Mediacom's Digital Plus Line-up. Those channels are Fox Reality–Channel 222, Lifetime Real Woman–Channel 268, Fuel–Channel 179 and CCTV–Channel 270.

F. DISCHARGE MONITORING REPORT: Enclosed with the Agenda was the Discharge Monitoring Report for October 2006, showing a Total Monthly Average Nitrogen Level of 2.33 mg/l.

G. EMPLOYEE TIME RECORD: Enclosed with the Agenda was the Employee Time Record for pay period October 23–November 5, 2006.

H. TAX INCREMENT FINANCING DIVISION NEWSLETTER: Enclosed with the Agenda was the Tax Increment Financing Division Newsletter, November 2006, providing information on training opportunities and certain data pertaining to the modification of a TIF District.

I. LACROSSE DISPOSAL SYSTEM: Enclosed with the Agenda were copies of a LaCrosse Disposal System newsletter, October 2006.

J. PATRONAGE DIVIDEND: Clerk Nelson informed the Council that the City had just recently received its capital credit check from Tri-County Electric Cooperative in the amount of $25,700.44

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Standish and seconded by Member Klug. All members voted in favor, the motion was declared carried and the meeting then adjourned at 9:04 p.m. The next Regular Meeting of the City Council is scheduled for 7:00 p.m., Monday, November 27, 2006, in the Council Room, City Hall.

Michael J. Morey, Mayor

Robert L. Nelson
City Clerk–Administrator