

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, May 22, 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, Roger Schmitz, Thomas Nigon, Chuck Gavin and Robert L. Nelson. Visitors present: Mr. and Mrs. Lincoln Middendorf and David Heiller, Reporter.

CONSENT AGENDA: Following brief discussion, a motion was made by Member Klug, seconded by Member Standish, to approve the Consent Agenda items, listed below. All members voted in favor and the motion was declared carried.

A. MINUTES OF PAST MEETINGS: To approve the minutes of the Regular Meeting held Monday, May 8, and the Special Meeting held Tuesday, May 16, 2006, as presented.

B. EMPLOYEE APPOINTMENT: To appoint Kathryn Peach to the position of volunteer ambulance attendant as recommended by Robert Augedahl, Director.

C. EXEMPT PERMIT: To approve an Application for Exempt Permit, submitted by the Caledonia Rod and Gun Club for a gambling event to take place at Caledonia Veteran's Memorial Park on June 16, 2006, to sell tipboards, waiving the waiting period.

D. EXEMPT PERMITS: To approve an Application for Exempt Permit, submitted by the Caledonia Lions Club to conduct a gambling event at Veteran's Memorial Park on June 17, 2006, to include pulltabs and tipboards and for an event to be conducted at the Houston County Fairgrounds on August 20, 2006, to include raffles, waiving the waiting periods for both.

VISITORS AND COMMUNICATIONS

A. ZONING APPLICATION – MIDDENDORF: Lincoln and Kimberley Middendorf, 1023 East Grove Street, reviewed their application proposing to construct an 8' x 44' porch on the south side of the existing home, being located approximately 26' from the south (front) property line, requiring a 4' setback variance. Following discussion about the facts surrounding the request, finding that granting such variance would not adversely impact the Zoning Ordinance intent and finding that the request was similar to other approved variances, a motion was made by Member Standish, seconded by Mayor Morey, to approve the Zoning Application and grant a 4' setback variance on the south (front) property line. All members voted in favor and the motion was declared carried.

B. ADMINISTRATIVE COORDINATOR

1. STORM WATER POND: Michael Gerardy, Administrative Coordinator, explained an estimate received from Davy Engineering Company for surveying and monumenting the storm water detention pond on the north side of West Main Street which Ma-Cal Developers proposed to dedicate to the City. The estimate is \$2,000. Following discussion, a motion was made by Member Klug, seconded by Member Fisch, to authorize the survey and monumentation of the storm water retention pond for the estimate of up to \$2,000. All members voted in favor and the motion was declared carried.
2. PROPERTY DAMAGE CLAIM: Mike Gerardy, Administrative Coordinator, explained that conversations had been held with Mr. and Mrs. Joe Hayes who own the property adjacent to the Street Department Shop on Old Highway Drive. Their building is located just a few feet from the property line across the chain link fence from the city salt shed which is also only a few feet from the property line. While dumping and loading salt, salt dust is carried by the wind and settles on the horizontal ledge at the base of the building. When it rains the salt liquefies and corrodes through the paint and into the metal siding. Mr. Gerardy concluded there is no contest of the cause of corrosion. The City and Mr. Hayes are seeking estimates for sand blasting and repainting the affected areas.
3. WATER/SEWER DEPARTMENT EQUIPMENT: Mr. Gerardy informed the Council that the metal locator used by the Water and Sewer Department staff is becoming aged and a newer version is requested for authorization to purchase at a cost of approximately \$800. The present locator would continue to be used by

other departments for less sophisticated work. Following brief discussion, a motion was made by Member Fisch, seconded by Member Vick, to authorize the purchase of a new metal locator for the approximate cost of \$800. All members voted in favor and the motion was declared carried.

C. **ELECTRIC DEPARTMENT:** Roger Schmitz, City Electrician, informed the Council of his proposal to replace the underground circuits leading from the substation behind City Hall to various points where energy is distributed to various wires leading to all parts of the city. One circuit would lead from the substation to Decorah Street, another to Ramsey Street, another to East Main Street nearby the Bud Demmer property and another to Weichert Motors. Mr. Schmitz explained that the wires had been installed years ago and electrical usage has increased steadily throughout those years. While the lines are sufficient to carry a normal circuit load, Mr. Schmitz is concerned when an outage may occur on one circuit, requiring a transfer of that load to other circuits. Mr. Schmitz also explained that over the past three weeks there had been two blowouts of the electrical circuit feeding the westerly portion of the City. While the absolute cause of those outages is uncertain, one outage was perhaps caused by rocks cutting through the rubber coating of the electrical line, buried underground. When the wire was excavated for repair, several rocks, approximately 2" in diameter, were found adjacent to the wire. Mr. Schmitz reported that the circuits are still on back feed. Following discussion, Mayor Morey instructed Mr. Schmitz to deliver drawings of the proposed segments of line to be replaced at the earliest opportunity. In the meantime, contact should be made with PowerPlus Engineering Consulting Firm to begin discussions for the proposed replacement with preparations of plans and specifications for bid.

D. **ELECTRIC RETAIL RATE CHANGE:** Thomas Nigon, PowerPlus Engineering, reviewed his study of the City Of Caledonia electrical facility including a suggested new rate schedule in acknowledgment of the wholesale rate increase from Tri-County Electric Cooperative to the City Of Caledonia. Mr. Nigon briefly reviewed his 21 page study, including the cost of service study which distributed appropriate, calculated cost and rate amounts to various types of electrical users, such as residential, commercial, three phase and large power. More detail discussion was given to the comparisons of existing and suggested rates, shown in Tables 12 and 13 of the report. Following discussion, a motion was made by Member Klug, seconded by Member Vick, to adopt the new rates effective with the utility billing of July 1, 2006, and to audit the effective of the new rates on the revenues and expenses of the electric department in one year. All members voted in favor and the motion was declared carried.

Monthly Customer Charge and Energy Rates

1 = Existing Rate, 2 = Recommended Rate

Customer Class	Base 1	Base 2	Energy 1	Energy 2
Residential	\$5.30	\$8.00	\$0.0650	\$0.0900
Dual Fuel	\$5.30	\$2.00	\$0.0330	\$0.0500
Commercial-Single phase	\$6.80	\$14.00	\$0.0690	\$0.0880
Commercial-Three phase	\$10.80	\$18.00	\$0.0690	\$0.0880
Large Power	\$26.30	\$40.00	\$0.0550	\$0.0500
High School	\$180.00	\$180.00	\$0.0300	\$0.0500
Peak Alert (SPF)	\$160.00	\$160.00	\$0.0400	\$0.0500
Street Lighting	0.00	0.00	\$0.0417	\$0.0680

Existing and Recommended Demand Charges

1 = Existing Rate, 2 = Recommended Rate

Customer Class	Demand1	Demand2	Winter1	Winter2	Summer1	Summer2
Large Power	\$5.75	\$8.00	0.00	0.00	0.00	0.00
High School	\$8.20	\$8.00	0.00	0.00	0.00	0.00
Peak Alert (SPF)	\$2.00	\$3.00	28.54	23.10	28.54	42.68

Street Lighting Recommended Charges

1 = Existing Rate, 2 = Recommended Rate

Customer Class	Monthly1	Monthly2
Residential	\$1.00	\$1.60
Commercial	\$2.00	\$3.20

E. FIRE DEPARTMENT: Chuck Gavin, Fire Chief, reported on the trip to investigate a 1971 Ladder Truck at Steelton, Pennsylvania, over the past weekend. While at Steelton, he and Matt Hoscheit inspected three other trucks, each having more miles than the 1971 model and costing \$7,000 to \$10,000 more. After inspecting the 1971 Ladder Truck, they made an offer of \$21,500 provided that the Steelton Fire Department had a test performed of the ladder equipment and repair performed on two faulty paint spots on the vehicle. Mr. Gavin said the ladder test costs approximately \$1,000. Following brief consideration of the offer, the Steelton Fire Chief agreed to the terms offered and drafted a sales agreement for the \$21,500 amount.

F. COMMUNICATIONS

1. LaCrosse Land Fill
2. LMC Friday Fax, 5-5-06
3. LMC Friday Fax, 5-12-06
4. LMC Friday Fax, 5-19-06

CLAIMS

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

Fine Cooking	Library Subscription	29.95
Jahn's Transfer, Inc.	Liquor – freight expense	73.67
Northern Beverage Distribution	Beer	685.10
Petty Cash	Replenish Petty Cash	97.75
Spring Grove Soda Pop, Inc.	Beer & Soft Drinks	232.20
Caledonia True Value	Miscellaneous Items	409.30
Carquest Auto Parts	Miscellaneous Items	205.31
Extreme Beverage, LLC	Mix & Soft Drinks	64.00
Root River SWCD	Spring Tree Order	95.85
Nelson, Robert L.	Mileage Reimbursement	55.50
Schroeder Landscaping	Aerate Lawn	112.50
Bureau of Criminal Appr.	Registration Fee – Shefelbine	45.00
Kraus Oil Inc.	Unleaded Fuel	1,428.00
Metro Sports	1 set of bases for summer rec	99.00
Midwest Wireless Comm.	Mobile Unit	138.24
Northern Beverage Distribution	Beer	1,506.35
Schott Distributing Co., Inc.	Beer	6,333.50
Spring Grove Soda Pop, Inc.	Beer & Soft Drinks	141.15
Bank of the West	Fed/Fica/Med payday 4-25-06	6,486.94
Brad's Electric, Inc.	Fire Barn – Generator Labor	436.04
City Of Caledonia	Employee Share Health Insurance	383.55
City Of Caledonia Emp. Assn.	Association Dues	80.00
Commissioner of Revenue	State Withholding April 2006	2,540.82
Drenckhahn & City, Brent	Meter Deposit Refund	76.45
Franciscan Skemp Healthcare	Drug Screen – Blocker	52.00
Houston County Highway Dept.	Safety T-shirts	135.79
Houston County Treasurer	Ho. Co. Collection Site	3,300.00
Johnson Brothers Liquor Co.	Liquor / Wine	2,371.02
Kaczorowski, & City, Lukas	Meter Deposit Refund	78.25
Kimmell & City, Amber	Meter Deposit Refund	125.00
Minnesota NCPERS	NCPERS payday 4-25-06	80.00
MN Benefit Association	MBA payday 4-25-06	165.88
Orchard Trust Co, LLC	TSA payday 4-25-06	1,380.00
Phillips Wine & Spirits Co.	Liquor / Wine	1,992.23
Public Emp. Retirement Assn.	PERA payday 4-25-06	4,308.15
Reinke & City, Dean	Meter Deposit Refund	79.50
Schulze Plumbing & Heating	Meter Deposit Refund (L. Flemming)	53.00
Wilder, Gary	Meter Deposit Refund	125.00
Ziebell's Hiawatha Foods, Inc.	Liquor – Mix	107.38
Coulee Region Softball	League Fee- Year 2006	10.00
Gavin, Mike	Animal Control – Rent & Expense	225.00
LaCrosse Area Independent	League Fee – Year 2006	100.00
Sam's Club	Membership Renewal	147.70
United Parcel Service	Ups Fee	73.32
Arch Wireless	Mobile Unit	51.27
Richard's Sanitation	Recycling Collections – April	5,709.00
Riverland Community College	MN Fire EMS Rescue School	489.00

US Postal Service	Utility Billing April 2006	301.79
Wiebke Fur Company	10x50 Binoculars for Fire Department	200.00
MN Dept. of Revenue	Sales Tax	11,107.00
ABM Equipment & Supply	Aerial Device on Chassis for Light Dept.	93,520.85
Ace Link Telecommunications	Communication Expense	948.78
Bank of the West	Fed/Fica/Med payday 5-2-06	1,157.13
Buttell's Lighting	Liquor Store – Bulbs	214.07
Houston County Auditor	Special Assessment Adm Charges	813.45
Houston County Treasurer	Sales Tax 06 Boom Truck	3,049.92
Kraus Oil Company Inc.	Diesel	1,385.00
Merchants Bank	ACH Fee May 2006	20.15
Municipal Economic Dev.	TIF Management Services	93.60
Northern Beverage Distribution	Beer	3,734.35
Principal Life	Life/Ad&d/Std	585.69
Schott Distributing Co, Inc.	Beer	3,329.15
SE MN Development Corp.	Comm RLF/Caledonia Oil	490.93
SE MN Historic Buff Country	Tourism	381.65
Spring Grove Soda Pop, Inc.	Beer & Soft Drinks	214.10
VISA	Miscellaneous Dept Expenses	1,224.83
Aquila	Natural Gas	2,303.62
B & D Sealcoating MFG	Crack Fill/Seal Coat 2006	12,443.40
Bank of the West	Fed/Fica/Med payday 5-9-06	6,618.09
Blue Cross Blue Shield of MN	Health Insurance	20,185.00
Caledonia Police Association	PD Association Dues – May 2006	67.00
City Of Caledonia	Employee Share Health Insurance	383.55
Griggs, Cooper & Co.	Liquor / Wine	2,595.77
Houston County Treasurer	Recording Fee - Erdman	46.00
Johnson Brothers Liquor	Liquor / Wine	3,059.68
Johnson, Allan	Mileage Reimbursement	135.05
National Child Protect Train	Registration Fee – Rolbiecki	15.00
Northern Beverage Distribution	Beer	483.85
Orchard Trust Co, LLC	TSA Payday 5-9-06	1,380.00
Public Emp. Retirement Assn.	PERA payday 5-2-06	539.12
Schott Distributing Co, Inc.	Beer	4,844.00
Spring Grove Soda Pop, Inc.	Beer	60.00
Tri-County Electric Co-op	Lighting	70.71
Ellingson Motors	2006 Truck – Street Department	20,466.00
Houston County Treasurer	Sales Tax on 2006 Street Truck	1,367.79
Sam's Club	Air Conditioner	158.12
		<u>\$ 247,252.04</u>

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

Alco Discount Store #273	Dry Cloths	4.46
Artic Glacier Inc.	Ice	140.35
Baker & Taylor Books	Library Books	736.47
Burroughs Blading	Waterway Repair	120.00
Caledonia Drugs	First Aid Supplies & Gloves	20.77
Caledonia Electronics	Office Supplies	408.95
Caledonia Implement	Filter / Oil	10.15
Caledonia Lumber Co., Inc.	Screws, Ez Mix Crete	59.11
Caledonia Oil Company	Vehicle Labors	517.20
Caledonia Ready Mix	Catch Basin Repair	44.46
Caledonia Veterinary Service	Nitro – Exams & Shots	221.82
Caledonia Wheel Alignment	Mount 4 Tires	131.13
Communications Service, Inc.	Pager Repairs for Ambulance	45.26
Crystal Canyon Inc/Ecowater	Drinking Water	80.58
Curt & Candy's Hardware Hank	Miscellenous Items	263.14
Davy Laboratories	3 Total Coliforms	1,535.47
Demco	Office Supplies	91.50
Dunn Blacktop Company	Cold Mix	153.36
ECM Publishers	Advertisements & Notices	505.60
Emergency Medical Products	Miscellaneous Supplies – Ambulance	672.53
Farmers Coop Elevator Co.	Park Area	83.07
Fastenal Company	Street Miscellaneous	13.08

First Supply	Test Cap & Gripper Plug	16.36
Full Circle Image	Library – Ink Cartridge	138.35
Gopher State One – Call, Inc.	64 Location Notifications	92.80
Great River Water Treatment	Boiler Water Treatment	107.52
Green Power Equipment	Fitting & Other Equipment	51.88
Hanson Tire Service, Inc.	Truck #96 Tires	221.33
Hawkins, Inc.	Chemicals	1,337.45
In The Swim	Chemicals & Paint for Pool	2,230.70
Information Management Serv.	Technician Services	1,432.94
Metro Fire	Foam	390.00
Midland Telecom, Inc.	Pager Repair	118.24
Midwest Tape	Library – DVDs	47.65
Minnesota Revenue	2005 Annual Permit Fees	1,450.00
Mississippi Welders Supply	Oxygen	43.13
Murphy’s Frame & Axle, Inc.	Vehicle Repair	643.02
Myhre Construction LLC	Grind & Cleanup of Stump Removal	205.00
Neehah Foundry Company	Manhole Cover & Storm Sewer Mat	1,106.35
P & H Services	Battery & Pager Repairs	121.80
PowerPlus Engineering, LLC	Rate Review	550.00
Printy Quik	Caledonia Brochures	185.84
R & T Enterprises	Neomarkers	49.95
Rask Welding & Repair	Weld Alum Pump Housing	45.00
Richard’s Sanitation	Refuse Disposal – April 2006	140.40
Rippe, Hammell & Murphy	Prosecution Matter	2,652.75
Schilling Paper Company	Copy Paper	445.15
SE Libraries Cooperating	Auto Fees	401.33
Servocal Instruments Inc.	Service Flowmeters	380.00
St. Mary Auto Body Shop	Towing Expense	218.33
Team Distributing, Inc.	Hand Soap	83.86
Tri-County Electric Co-op	Locate Primary Cable	218.90
United Auto Supply, Inc.	Switch Truck & Miscellenous Items	209.69
United Laboratories	Cleaning Chemicals	1,535.63
Wiebke Tire Company	Rotate/Balance 4 Tires	25.00
Winona Controls, Inc.	Valve Repair	366.20
Witt’s Pharmacy – Caledonia	Nitro/Albuterol Supplies	13.96
WWTP MPCA PFA Loan Fund	1993-96 PFA Loan – May 2006	3,725.00
Zarnoth Brush Works, Inc.	Broom Refils	684.79
Tri-County Electric	Electric Energy – April 2006	<u>88,565.69</u>
		\$ 116,110.45

OLD BUSINESS

A. **LAND PURCHASE:** The issue of whether or not the City wished to purchase the vacant lot lying between the Municipal Liquor Store and China Buffet was briefly discussed. Consideration was given to the initial asking price of \$14,000 for the parcel. Following discussion, finding no immediate or near future plans for utilization of this parcel of land, no motion was made to purchase the property.

B. **EMPLOYEE POSITION:** At this time a recommendation was made by the Parks and Recreation Committee to hire Caleb Augedahl as a Seasonal Employee to perform janitorial and grounds keeping duties throughout cities properties, as directed. Following discussion, a motion was made by Member Klug, seconded Member Vick, to hire Caleb Augedahl, effective immediately, at a rate of \$7.00 per hour for employment of up to and including 32 hires per weeks for janitorial and grounds keeping duties. Members voting in favor: Morey, Vick, Klug and Standish. Opposed: Fisch. The motion was declared carried.

NEW BUSINESS

A. **ACCOUNTANT POSITION:** Clerk Nelson reported that thirteen employment applications had been received for the Accountant Position. He stated the clerk’s office staff would gather estimates for a workstation, computer and apparatus and other office equipment which would be necessary at the workstation during the time interviews were being conducted to enable presentation of a cost estimate for setting up the workstation for the new position.

CLERK’S REPORT

A. **EMPLOYEE TIME RECORD:** Enclosed with the Agenda was the Employee Time Record for pay period April 24 – May 7, 2006.

B. ISO RATING: Clerk Nelson distributed copies of an e-mail from Tom Danielson, Danielson Insurance Agency, addressing a question of the effect the newly acquired ISO Rating of Class Four as opposed to the previous Class Five for the Fire Department effected property insurance premiums. In summary, the Insurance Services Office (ISO) is a recommending agency. All insurance companies determine their own rates and methods to calculate risk, considering various types of structures and building materials. Some insurance companies may choose to ignore ISO recommendations for premium rates in various classes of fire protection districts. Other insurance companies may consider the ISO recommendations, but not list a separate line item fee or discount based upon the fire district class.

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 9:22 p.m. The next Regular Meeting of the City Council is scheduled for 7:00 p.m., Monday, June 12, 2006, in the Council Room, City Hall.

Michael J. Morey, Mayor

Robert L. Nelson
City Clerk - Administrator