REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, July 12, 2010

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 Robert H. Burns; Council Members: Randi Vick, Tom Murphy, Peggy Perry, and Robert Lemke. Members absent: None. Consultants and City staff present: City Attorney Tim Murphy, City Clerk/Administrator Jennifer Feely and Administrative Coordinator Mike Gerardy. Visitors present: Argus Reporter Charlie Warner and Tostrud & Temp Auditor Mike Temp.

AGENDA APPROVAL. The following item was added to the agenda for discussion: Personnel Matter. A motion was made by Mayor Burns, seconded by Member Vick to approve the agenda with the addition of the above-mentioned item. All members present voted in favor and the motion was declared carried.

CONSENT AGENDA. A motion was made by Mayor Burns, seconded by Member Vick to approve the consent agenda. 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, June 28, 2010; Emergency Meeting held Thursday, July 1, 2010; and the Special Meeting held on Tuesday, July 6, 2010, as presented.

B. SOFT DRINK LICENSE: 4-H. To approve a soft drink license submitted by the 4-H Federation to serve soft drinks in the 4-H Food Stand at the Houston County Fair.

VISITORS AND COMMUNICATIONS.

A. MIKE TEMP, TOSTRUD & TEMP, S.C. Mike Tostrud, Tostrud & Temp, S.C. was present to provide an overview of the 2009 audit report. Tostrud began his presentation with a summary of how the audit report is put together. Tostrud then discussed the following components of the report over the span of an hour and a half: Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Supplemental Information, and Compliance Reports. Overall, Tostrud reported that the City will want to work to bring the general and sewer funds back into the black. An option available to get the general fund back to a positive balance would be to make a permanent transfer from the light fund. He went on to state that the Council may also want to consider increasing sewer rates to help offset the costs associated with infrastructure upgrades.

B. ADMINISTRATIVE COORDINATOR TOPICS.

1. CONCRETE QUOTES FOR FIRE BARN APRON. Administrative Coordinator Mike Gerardy shared that he obtained two quotes for concrete work in front of the fire barn. Gerardy noted that $15,000 was budgeted for this improvement. Discussion ensued. A motion was made by Member Lemke, seconded by Member Perry to proceed with the lowest bid obtained for 82 feet in length of concrete work in front of the fire barn in addition to the replacement of a fire hydrant. All members present voted in favor and the motion was declared carried.

2. AIR CONDITIONING UNITS AT CITY HALL. Administrative Coordinator Gerardy shared an estimate obtained from a local plumber to install a new air conditioning unit at City Hall as two of the window units are not working properly. No action was taken as there were no monies budgeted to replace the air conditioning units at City Hall. This item will be considered for inclusion in the 2011 budget.

3. SEWER SYSTEM CONNECTION REQUEST. Administrative Coordinator Gerardy stated that an individual who lives on the edge of City limits has inquired about connecting to the City's sewer system as his septic system is in need of repairs. Mayor Burns asked if there was an agreement made when the lift station property was gifted that contained specific provisions in which property owners that connect to the lift station have to abide by. Member Vick inquired as to whether the City owned the land in which the lift station resides. Gerardy will look into these issues and report back at an upcoming meeting.

4. SOUTH STREET SEWER UPDATE. Administrative Coordinator Gerardy informed Council that Davy Engineer Mike Davy recommended that the Grant and Lincoln Street improvements be left out of the South Street Sewer Project and instead be included in an upcoming infrastructure project as a total reconstruction is needed versus only installing a liner. Gerardy also noted that he has a meeting on Thursday morning at 9:00 a.m. to discuss coordinating the South Street Sewer Project with the Houston County Justice Center Project.

D. COMMUNICATIONS.
1. ACE Notice.
2. League of Minnesota Cities Notice Concerning an Increase for 2011 Dues.

CLAIMS

A. PREPAID CLAIMS. Following review, discussion, and deliberation, a motion was made by Member Vick, seconded by Member Lemke, to approve the Prepaid Claims List for July, 2010. All members voted in favor and the motion was declared carried.

Advertising Concepts	Rec Park – Shirts/Caps	2,704.00
Buttell's Lighting	Bulbs	294.97
Caledonia True Value	Water Expense / Fire Department	94.84
Conway & City, Jessica	Meter Deposit Refund	126.13
Daley & City, Chad	Meter Deposit Refund	125.09
Dawson Truck Parts, Inc.	Fire Department Service #1420	411.28
Foremost Promotions	FD – Items for School Tours	442.30
Galls, An Aramack Company	PD – Uniforms	287.25
Gavin, Patricia	Liquor Store – Beer Cave	517.55
Gray & City, Susan	Meter Deposit Refund	125.11
ING Institutional Plan Services	TSA payday 6-15-10	630.00
Jack Neumann Trucking	Freight Expense	42.00
Klug & City, Matthew	Meter Deposit Refund	201.80
League of MN Cities	Registration Fee	295.00
Martin & City, Shane	Meter Deposit Refund	116.61
Mechtel & City, Ramon	Meter Deposit Refund	126.13
Modahl & City, Heather	Meter Deposit Refund	126.13
Moen & City, Tammy	Meter Deposit Refund	125.87
Moore & City, Korey	Meter Deposit Refund	201.80

Municipal Emergency Services	FD – Uniform (Helmet Lettering)	94.00
Myhre & City, Jeremy	Meter Deposit Refund	128.18
My-Lor, Inc.	FD – Gear Tags for New Members	353.73
Northern Beverage Distribution	Beer	165.70
Prince & City, Krisa	Meter Deposit Refund	125.71
Public Emp. Retirement Assn.	PERA payday 6-15-10	5,578.26
Rippe, Hammell & Murphy	General Matters	1,221.75
Sauer & City, Kathleen	Meter Deposit Refund	125.61
Schmitz Refrigeration, Htg	PD/Amb. – Air Conditioner Repair	311.55
SE MN League of Municipalities	Membership Dues	35.00
Wirtz Beverage Minnesota	Liquor / Wine	2,079.31
Dave's Auto Sales	Light – 2009 Van	15,376.00
Galls, An Amamark Company	PD – Vests for Accident Scene	115.84
Hoskins Electric Co.	Liquor Store – Buzzer Repair	204.69
Petty Cash	Replenish Petty Cash	55.71
Schulze Plumbing & Heating	Pool – Toilet Replaced	350.80
Ducharme, Ron	Reimbursement – Rec Supplies	91.35
Ellenz, Robert	Refund – Ambulance Overpayment	189.14
Northern Beverage Distribution	Beer	3,550.70
Schott Distributing Co, Inc.	Beer	1,975.71
Schwaab, Inc.	Liquor Store – Stamps	127.39
Spring Grove Soda Pop, Inc.	Beer & Soft Drinks	327.25
Tri-State Ambulance	Intercept Fee	250.00
Houston County Hwy Dept.	County Maps for Resale	90.00
Houston County Recorder	Easement for 2010 Project	46.00
SE MN Historic Bluff Country	Tourism	1,162.42
Stuart C. Irby Co.	Light – Inventory	1,173.49
Verizon Wireless	Ambulance – Communication Exp.	60.18
Caledonia Oil Co.	Diesel	1,380.50
Jack Neumann Trucking	Liquor – Freight Expense	134.00
Johnson Brothers Liquor Co.	Liquor / Wine	3,829.32
Phillips, Wine & Spirits Co.	Liquor / Wine	1,610.98
Schulte, Linda	Refund – Ball Registration	40.00
Caledonia Volunteer Fire Dept.	Relief Association Dues	600.00
Gavin, Mike	Animal Control	75.00
Houston County Treasurer	April 2010 Fluorescent Bulb Col.	564.66
Northern Beverage Distribution	Beer	4,341.70
Schott Distributing Inc.	Beer	4,420.95
Spring Grove Soda Pop, Inc.	Beer & Soft Drinks	93.30
Verizon Wireless	PD – Communication Expense	145.74
Business Financial Planning	Cafeteria Plan	556.52
Caledonia Oil	Unleaded	1,429.22
Commissioner of Revenue	State Withholding	2,042.79
D.S. Erickson & Associates	Acct. 00108042	454.62
Galls, An Aramark Company	Police Chief – Uniforms	36.49
ING Institutional Plan Services	TSA payday 6-29-10	630.00
Jack Neumann Trucking	Freight Expense	52.00
Merchants Bank	Federal/FICA/Medicare	11,023.98
Public Emp. Retirement Assn.	PERA payday 6-29-10	5,974.85
Public Emp. Retirement Assn	PERA/DCP payday 6-29-10	157.00
US Postal Services	Utility Billing June 2010	386.97
USA Mobility Wireless	Communication Expense	45.37

VISA	Beer Cave, Chair Mat, Summer Reading	376.32
Wirtz Beverage Minnesota	Liquor / Wine	3,050.56
Bob Bovee & Gail Heil	Music in the Park	350.00
Good Friends	Music in the Park	400.00
Houston County Treasurer	Ho. Co. Collection Site	3,340.00
Jim Busta Band	Music in the Park	599.99
MN Dept of Revenue	Sales / Use Tax	16,204.60
Municipal Emergency Services	FD – Uniforms	15,610.99
Principal Life	Life/Ad&d/Std	560.29
Richard's Sanitation	Recycling – Collections	6,107.40
Schulze – Krueger, Diane	Music in the Park	200.00
South Central College	Firefighter Survival Training	243.00
Bobcat of the Coulee Region	FD – Maint Parts for Light Tower	100.28
Commissioner of Revenue	State Withholding	209.90
Ducharme, Ron	Reimbursement – Rec Supplies	228.87
Extreme Beverage, LLC	Liquor Store – Energy Drink	100.50
G & F Distributing	Beer	47.00
Houston County Recorder	Recordings – Houston Co. & Easement	92.00
Merchants Bank	Federal/FICA/Medicare	1,178.37
Nelson, Robert L.	Consulting Fee	105.00
Northern Beverage Distribution	Beer	1,235.20
Printy Quik	Cal Tourney T-Shirts	400.00
Public Emp. Retirement Assn.	PERA payday 7-2-10	713.57
Schott Distributing	Beer	9,722.30
Spring Grove Soda Pop, Inc.	Beer & Soft Drinks	323.05
Tri-County Electric Co-op	Electric Energy	88.52
Ziebell's Hiawatha Foods, Inc.	Soda/Mix	72.54
Ace Link Telecommunications	Communication Expense	1,065.10
Holmen Youth Baseball	Registration Fee	125.00
Huesmann, Alan	Refund Ambulance Overpayment	785.25
Jack Neumann Trucking	Freight Expense	110.00
Johnson Brothers Liquor Co.	Liquor / Wine	2,463.28
Northern Beverage Distribution	Beer	1,527.95
Phillips Wine & Spirits Co.	Liquor / Wine	682.17
Franciscan Skemp Healthcare	HCP Cards	90.00
League of MN Cities Ins. Trust	Work Compensation Insurance	40,466.00
Tri-County Electric Co-op	Light – Labor	388.81
Blue Cross Blue Shield of MN	Health Insurance	24,200.00
Schott Distributing Co., Inc.	Beer	1,466.40
		$ 217,374.86

B. CLAIMS PAYABLE. Following review, discussion, and deliberation, a motion was made by Mayor Burns, seconded by Member Perry, to approve and authorize payment of the Claims Payable for July, 2010. All members voted in favor and the motion was declared carried.

Affordable Technology	Office Supplies	281.88
Airgas North Central	Oxygen / Acetylene	84.84
Alco Discount Store	Phone / Office Supplies / Cleaning Supplies	329.65
American Lock & Key	Padlock Keys	12.66
American Safety Utility Corp.	Light – Tools	121.57
Artic Glacier, Inc.	Ice	425.78
Baker & Taylor Books	Library Books	841.07

Bearing Distribution Inc.	Impeller Repair Parts	79.79
Ben Meadows	Marking Paint	215.04
Bonanza Grain, Inc.	2010 Project	174.21
Bound Tree Medical, LLC	Ambulance – Supplies	842.70
Business Financial Planning	Flex Adm Fees	99.00
Caledonia Implement	Street Equipment	301.68
Caledonia Lumber Co, Inc.	Beer Cave, Fire Dept., Traffic Eng.	163.10
Caledonia Ready Mix, Inc.	Catch Basin Materials	114.36
Carquest Auto Parts	Safety Glasses	17.37
Clarey's Safety Equipment	Tools/Equipment	52.43
Crystal Canyon	Drinking Water	15.11
Curt & Candy's Hardware Hank	Ballasts, Paint, Misc.	123.02
D S Electric Supply	Light – Misc.	367.62
Dalco	Cleaning Supplies	297.34
Davy Engineering	Engineering Fees	1,586.48
Davy Laboratories	Lab	1,596.21
Easy Dinners Healthy Recipes	Library – Books	30.90
ECM Publishers	Advertisements	1,311.33
Family Circle	Library Books	28.91
First Supply	Sewer Line Repair Parts	23.06
Gopher State One-Call	30 Locate Notifications	43.50
Hawkins, Inc.	Chemicals, Replacement Pump	1,262.01
Hoskins Electric	Beer Cave Labor, Bulbs	182.27
League of MN Cities Ins. Trust	Vol Acc Plan	365.00
Menard's	Pool – 4 Chairs	59.92
Metro Sales, Inc.	Copier Agreement	45.15
Meyer Brothers	Sidewalk Maintenance	5,854.96
Midwest Tape	DVD's	47.23
Mississippi Welders Supply	Oxygen	146.18
Oxmoor House	Library Books	17.91
P & H Services	Battery/Ant	144.50
Peterbilt of Winona	Tanker 1460 Repairs	1,013.23
Pro Hydro-Testing, LLC	Testing Expense	625.00
Quillin's	Concessions for Swim Day	52.53
Resco	Light – Inventory	2,015.00
Richard's Sanitation	Refuse Disposal	293.16
Sandry Fire Supply, LLC	Uniforms	3,623.03
Schilling Supply Company	Copy Paper, Bags, Towels	381.75
SE Libraries Cooperating	Auto Fees, 2 Desktops	1,477.88
Seven Rivers Surplus LLC	Socket Sets (2)	34.20
SLJ Design	Lettering 2009 Van	10.69
Southeast Consultants, Inc.	EDA Services	8,648.00
Tri-County Electric Co-op	Electric Energy	152,906.87
United Auto Supply, Inc.	Misc./Parts 1440/Fuels & Additives	120.98
US Bank NA	General Obligation Loan	18,581.25
Verizon Wireless	Communication Expense	48.08
Weichert Motors	Acetylene	36.66
Winona Controls	Motor / Pump Repair	208.92
WWTP MPCA PFA Loan	Loan Payment	208.92
Zep Sales & Service	Trash Bags	195.92
		$ 211,478.89

OLD BUSINESS.

A. MN ENERGY RESOURCES NATURAL GAS FRANCHISE AGREEMENT. City Clerk/Administrator Feely informed the Council that Mr. Rory Lenton, External Relations Manager with MN Energy Resources, will be at the July 26 meeting to discuss the proposed ordinance. City Attorney Tim Murphy suggested that a committee meet to review and discuss the terms of the proposed ordinance. A committee consisting of Mayor Burns, Member Murphy, City Attorney Murphy, and City Clerk/Administrator Feely will meet to review and discuss the proposed ordinance prior to the July 26 meeting.

NEW BUSINESS.

A. RESOLUTION ACCEPTING DONATIONS. City Clerk/Administrator Feely shared that as per Minnesota Statutes 465.03, the City will need to adopt Resolution 3-2010, "Resolution Accepting Donations to the City of Caledonia", to accept donations received from various businesses in support of the summer park and rec program. A motion was made by Mayor Burns, seconded by Member Perry. All members present voted in favor and the motion was declared carried.

B. DRUG AND ALCOHOL TESTING POLICY. City Clerk/Administrator Feely presented a proposed drug and alcohol testing policy, which was put together based upon information taken from various cities drug and alcohol testing policies. City Attorney Tim Murphy reviewed the policy and recommended approval. A motion was made by Mayor Burns, seconded by Member Perry to adopt the Drug and Alcohol Testing Policy, as presented. All members present voted in favor and the motion was declared carried.

C. WATER/WASTEWATER OPERATOR CLOTHING ALLOWANCE. Discussion ensued concerning the dollar amount in which the newly hired water/wastewater operator could utilize to become adequately outfitted for the position. Absent a personnel policy, the Council agreed to follow the language in the employee association agreement for new hires. Mayor Burns noted to contact Gerardy as he was the past employee association president and may know of a more recent practice. A motion was made by Mayor Burns, seconded by Member Perry to follow the most recent past practice with respect to clothing allowance for new hires that work outside. All members present voted in favor and the motion was declared carried.

D. HEALTH INSURANCE RENEWAL RATES. Enclosed with the agenda was the monthly renewal rates from Blue Cross Blue Shield for comprehensive major medical insurance. No action was taken.

E. 2 AM LIQUOR LICENSE REQUEST. The Ranch, owned by Richard Schulze, requested permission to obtain an Optional 2 AM Liquor License. Member Murphy inquired as to whether there have been issues with Elsie's Bar and Grill as they have a license to sell liquor until 2 AM. City Clerk/Administrator Feely stated that she has not been made aware of any issues; however, she will contact the Police Department and report back any findings at the upcoming meeting. No action was taken.

F. SEWER BASE RATE CHARGE. City Clerk/Administrator Feely presented a proposed $1.25 sewer base charge adjustment in proportion to meter size, as seen in the table below, based upon the recommendation of Davy Engineering, to help offset the costs associated with the unexpected sewer improvement project.

Meter Size	5/8" or ¾"	1"	1 ¼"	1 ½"	2"	3"	4"	Caledonia Haulers

Multiplier	1	2	3	4	7	16	28	185
Current Monthly Base Charge	$5.81	$10.10	$14.40	$18.70	$31.60	$70.30	$109.00	$756.26
Adjusted Fixed Monthly Charge	$7.06	$12.60	$18.15	$23.70	$40.35	$90.30	$144.00	$987.51

Overall, the City can expect to receive approximately a $3,200 monthly increase in sewer revenues. A motion was made by Member Vick, seconded by Member Perry to increase the sewer base charge by $1.25, in proportion to meter size as indicated in the table enclosed with the agenda. All members present voted in favor and the motion was declared carried.

G. POLICE CHIEF PROBATIONARY PERIOD. A motion was made by Member Murphy, seconded by Member Vick to extend Police Chief Kurt Zehnder's probationary period, which was set to expire on July 19, by an additional 90 days. The extension takes effect at midnight on July 19. All members present voted in favor and the motion was declared carried. Mayor Burns noted, for the record, that the vote was unanimous.

H. POLICE CHIEF HOURS. Member Vick inquired as to why the Police Chief does not work Mondays. Discussion ensued concerning the Police Chief's work schedule. Member Vick went on to note that it has been brought to her attention that the Police Chief has not been scheduling far enough in advance and, consequently, it has been difficult to find part-time police officers to fill open shifts. A motion was made by Member Murphy, seconded by Mayor Burns to have the Police Chief on duty, Monday thru Friday, 8:00 a.m.-5:00 p.m. All members present voted in favor and the motion was declared carried. Mayor Burns noted, for the record, that the vote was unanimous.

CLERK'S REPORT.

A. EMPLOYEE TIME RECORD. Enclosed with the agenda was the Employee Time Record for June 14, 2010-June 27, 2010.

B. POLICE OFFICER ACTIVITY LIST. Enclosed with the agenda was the Police Officer Activity List for June, 2010.

C. ALCOHOL COMPLIANCE CHECK GRANT. Enclosed with the agenda was a letter from the Minnesota Institute of Public Health (MIPH) notifying the City that the Caledonia Police Department was selected by MIPH as a recipient of the Alcohol Compliance Check grant program. It was noted that Officer Allan Johnson submitted the grant.

D. DISCHARGE MONITORING REPORT. Enclosed with the agenda was a discharge monitoring report showing an average Nitrogen Level of 4.62 mg/L.

E. RECAP OF ANNUAL LEAGE OF MINNESOTA CITIES CONFERENCE. City Clerk/Administrator Feely provided an overview of the League of Minnesota Cities (LMC) Annual Conference that she recently attended which was held in St. Cloud. Due to the unexpected lengthiness of the meeting, the consensus was to postpone the viewing of the DVD clip from the LMC entitled, "Cities, Services, & Funding", until the upcoming meeting.

MISCELLANEOUS ITEMS

A. PARK AND REC COMMITTEE UPDATE: PROPOSED POOL UPGRADE. Mayor Burns and Member Vick provided an overview of feedback received concerning the proposed pool improvement. No action was taken as the consensus was to continue discussion on the matter at the upcoming Park and Rec Committee meeting.

ADJOURNMENT. A motion to adjourn was made at 10:00 p.m. by Mayor Burns, seconded by Member Lemke. 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, July 26, 2010 at 6:00 p.m. in the Council Room, City Hall.

_____
Robert H. Burns
Mayor

_____
Jennifer Feely
City Clerk/Administrator