

REGULAR MEETING OF THE CITY COUNCIL  
CITY OF CALEDONIA, MINNESOTA  
Monday, January 9, 2012

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, Bob Lemke, and Paul Fisch. Members absent: None. Consultants and City staff present: City Clerk/Administrator Jennifer Feely, Administrative Coordinator Mike Gerardy, Water/Wastewater Supervisor Tony Klug, and Line Foreman Matt Blocker. Visitors present: PowerPlus Engineers Tom Nigon and Chuck Gustafson, Willie Hoskins, and Caledonia Argus Reporter Charlie Warner.

AGENDA APPROVAL. A motion was made by Member Vick, seconded by Member Lemke, to approve the agenda with the following additions: Non-Union Wage Increase and East Grant Street Project. All members present voted in favor and the motion was declared carried.

CONSENT AGENDA. A motion was made by Member Vick, seconded by Member Lemke, 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, December 12, 2011, as presented.

B. 2012 UTILITY DEPOSIT INTEREST RATE. City Clerk/Administrator Feely shared that by December 15 of each year, the Commissioner of the Minnesota Department of Commerce is required to announce the interest rate for the next year. It was noted that the rate for 2012 is set at 0.1%.

C. LG214 PREMISES PERMIT APPLICATION: CAMP WINNEBAGO. To approve an application for a LG214 Premises Permit for Camp Winnebago at Elsie's Bar and Grill.

VISITORS AND COMMUNICATIONS.

A. POWERPLUS ENGINEERING: PRESENTATION OF PROPOSED 2012 ELECTRIC UTILITY WORK PLAN. PowerPlus Engineers Chuck Gustafson and Tom Nigon were present to discuss the proposed 2012 work plan. What follows is a description and cost estimate of the electric distribution improvement projects recommended for the 2012 calendar year. It was noted that the engineering and design will be done during the months of January and February 2012. Bids for the labor and material will be requested in February and March 2012. The projects are expected to be constructed during the summer and fall of 2012.

Project 1 – Miken

This project will improve the underground distribution in the industrial park area that serves the Miken customer. The construction consists of installing a larger transformer for Miken and installing underground cable so the transformers in the area are served from a loop-feed.

Project 2 – Courthouse

This project will improve the service in the old courthouse area. Underground cable will be installed to provide a loop-feed to the area. The transformer for the old courthouse will be relocated to provide additional clearance for switching the transformer. The project will install 15 kV equipment so the area can be served from Wild Turkey in the future.

Project 3 – Hospital

The remaining hospital distribution will be upgraded with new 15 kV equipment. The existing overhead equipment will be replaced with new equipment due to the age and condition of the equipment. The project will install 15 kV equipment so the area can be served from Wild Turkey in the future.

Project 4 – West/South Courthouse

The distribution west and south of the courthouse will be upgraded with new 15 kV equipment. The existing overhead equipment will be replaced due to the age and condition of the equipment. Some underground cable will be installed to improve the reliability of the existing underground distribution. The project will install 15 kV equipment so the area can be served from Wild Turkey in the future.

Project 5 – St. Mary’s

The distribution near St. Mary’s will be improved by installing new underground cable and some other underground equipment to improve the reliability of the existing underground distribution. The project will install 15 kV equipment so the area can be served from Wild Turkey in the future.

Project 6 – Whispering Pines

The distribution near Whispering Pines will be improved by installing new underground cable and some other underground equipment to improve the reliability of the existing underground distribution. The project will install 15 kV equipment so the area can be served from Wild Turkey in the future.

The following is the engineering cost estimate for the 2012 projects. This estimate will be revised and provided to the City of Caledonia after bids are received.

Project	Cost	Sum
Miken	\$55,807	\$55,807
Courthouse	\$107,339	\$163,146
Hospital	\$360,569	\$523,716
West/South Courthouse	\$232,283	\$755,998
St. Mary's	\$58,698	\$814,696
Whispering Pines	\$39,931	\$854,627

Nigon and Gustafson noted that the proposed projects will accelerate the plan to convert distribution to 12.5 kV. It was also noted that the projects will improve reliability by replacing 4 kV equipment with new 12.5 kV equipment. Nigon and Gustafson both indicated that the current economy should result in favorable prices for material and labor for construction. Lastly, Nigon and Gustafson shared that the average outage time for 2011 was 15 minutes, which was

noted to be a significant improvement from the previous years. Member Murphy suggested that the light department fund balance should be reviewed at the upcoming meeting to ensure a comfortable fund balance to pay for the 2012 projects. A motion was made by Mayor Burns, seconded by Member Vick, to accept the 2012 electric project recommendations by PowerPlus Engineering and bid on a sectionalized basis with options to pick and choose what projects to complete. All members present voted in favor and the motion was declared carried.

Next, an estimate to update electric distribution maps was reviewed. Mayor Burns stated that no action would be taken at the meeting, however, the estimate would be taken under advisement and voted upon at a later date.

B. PROPERTY LOCATED AT 324 WEST MAIN STREET. City Clerk/Administrator Feely shared that attached with the agenda was a second request for information which was received from Michael Connor, owner of the property located at 324 West Main Street, regarding diseased tree and sewer charges. Feely noted that a letter was sent to Mr. Connor, inviting him to attend the January 9 meeting. Feely shared that she spoke with Mr. Connor on January 6 at which time Mr. Connor indicated that he would be present at the meeting. Feely also shared that Mr. Connor requested that a phonecall be made to him regarding his time to speak before the Council as he would be across the street at an eating establishment the evening of the City Council meeting. Mayor Burns noted for the record that Mr. Connor was not present at the meeting and that an unsuccessful phonecall attempt was made to reach Mr. Connor at the eating establishment in which he indicated he would be waiting at. Discussion ensued. The consensus of the Council was to stand behind the decision that removing the diseased tree was necessary and that the sewer charges incurred at 324 West Main Street will not be waived.

C. ADMINISTRATIVE COORDINATOR TOPICS.

1. EDINA REALTY SIGN. Administrative Coordinator Mike Gerardy shared that a sign application was submitted by Edina Realty. Gerardy noted that the sign request was to replace an existing sign. A motion was made by Mayor Burns, seconded by Member Lemke, to approve the Edina Realty sign request. All members present voted in favor and the motion was declared carried.

2. SNO PAC FOODS. Administrative Coordinator Gerardy shared that attached with the agenda was an application submitted by Sno Pac Foods to construct a 90' x 300' addition to the existing Sno Pac Foods facility. Gerardy noted that the proposal meets all setback requirements and, therefore, no variance is required. Discussion ensued. Mayor Burns inquired as to whether equipment associated with the addition would generate concerns regarding noise and the need for buffering. Gerardy replied that the addition would be 250 feet from the residential district. The consensus of the Council was to table taking any action on the zoning application until the January 23 meeting so that Gerardy can speak with Sno Pac Foods and devise options to address noise concerns. No official action was taken.

3. SIREN UPDATE. Administrative Coordinator Gerardy shared that attached with the agenda was a quote for equipment to narrowband the City's civil defense sirens, totaling \$5,069.08. It was noted that the sirens are located at the Fire Station, Well #7, and Miken Sports. Discussion ensued. A motion was made by Member Fisch, seconded by Member Lemke, to approve the purchase of equipment necessary to narrowband the sirens.

4. GRANT STREET. Mayor Burns shared that he was approached by property owners located along East Grant Street regarding the proposed East Grant Street Improvement. Mayor Burns stated that if the property owners don't want curb and gutter, then the City should just put it back the way it is. Mayor Burns noted that the City should have the option to be able to pay for the engineering and legal expenses associated with the project in an effort to lessen the burden to the property owners to pay for expenses associated with curb and gutter. Mayor Burns stated that the options are to replace to current conditions or replace with bituminous and curb and gutter, and that the project should be bid in that fashion. No action was taken.

D. COMMUNICATIONS.

1. INVITATION FROM CALEDONIA FIRE DEPARTMENT. City Clerk/Administrator Feely shared that attached with the agenda was an invitation from the Caledonia Fire Department to attend the Fire Department's Annual Appreciation Dinner Blowout on Friday, January 20 at 6:00 p.m. Mayor Burns noted that he will be out of town and will not be able to attend.

2. LETTER FROM SOUTHEASTERN MINNESOTA LEAGUE OF MUNICIPALITIES (SEMLM). City Clerk/Administrator Feely shared that attached with the agenda was a letter from SEMLM regarding an upcoming annual meeting and Emerald Ash Borer (EAB) workshop scheduled for January 31, 2012 from 2:00 p.m.-8:30 p.m. Discussion ensued. The consensus is for Clerk/Administrator Feely, Administrative Coordinator Gerardy, and Member Murphy to attend the meeting.

3. LETTER FROM SEMCAC. City Clerk/Administrator Feely shared that attached with the agenda was a letter from SEMCAC thanking the Caledonia Liquor Store for a gift of \$80.00 to the Houston County Food Shelf.

4. LETTER FROM MINNESOTA CLERKS AND FINANCE OFFICERS ASSOCIATION (MCFOA). City Clerk/Administrator Feely shared that attached with the agenda was a letter from MCFOA regarding training opportunities for city clerks. Discussion ensued regarding the cost associated with such training as no pricing was listed with the letter. Feely will check into the costs associated with MCFOA training and report back at an upcoming meeting.

5. 2011 LMCIT PROPERTY/CASUALTY DIVIDEND MEMO. City Clerk/Administrator Feely shared that attached with the agenda was a letter from the League of Minnesota Cities Insurance Trust (LMCIT) regarding the City's 2011 Property/Casualty Dividend totaling \$19,430. Feely noted that the City budgeted an anticipated \$10,000 in dividend revenue for 2011, leaving the excess revenue to help offset general fund expenses. Discussion ensued.

6. LETTER FROM DEPARTMENT OF CORRECTIONS. City Clerk/Administrator Feely shared that attached with the agenda was a letter of apology from Zachary Jones regarding an incident in which Mr. Jones trespassed City property to enter the swimming pool during after hours.

CLAIMS

A. PREPAID CLAIMS. Following review, discussion and deliberation, a motion was made by Member Fisch, seconded by Member Vick, to approve the Prepaid Claims List for December 2011. All members present voted in favor and the motion was declared carried.

Caledonia Rod & Gun Club	Pass Thru Contribution	3,270.00
MN Ambulance Association	Individual Membership	25.00
North Central EMS Cooperative	2012 Membership Dues	75.00
Precision Office Machines	Register Maintenance	38.55
Quillin's IGA	Liquor Store Inventory & Wine Tasting	77.56
Amaril Uniform Company	Light – Uniforms (Evans)	147.97
Caledonia True Value	Water & Sewer – Misc.	140.99
D S Electric Supply	Light – Inventory	316.43
First Supply	STP – Repair Parts	33.39
Houston Co. Recorder	Recording Fee	46.00
St. John's Lutheran Church	Land/Lift Station Upgrade	1,845.00
Stuart C. Irby Co.	Light – Equipment Testing	56.86
Bound Tree Medical, LLC	Supplies	874.42
Carlson & City, Christopher	Meter Deposit Refund	250.26
Carrier & City, Todd	Meter Deposit Refund	125.38
Forrester & City, Michael	Meter Deposit Refund	125.38
League of MN Cities Ins. Trust	Annual Package – Insurance	758.00
Nelson, Sarah	2011 Uniform Allowance	44.84
O'Bieglo & City, Cherie	Meter Deposit Refund	250.31
Padrnos & City, Colen	Meter Deposit Refund	125.38
Reed & City, Christina	Meter Deposit Refund	250.51
Resco	Light – Inventory	27,949.61
Schott Distributing Co, Inc.	Liquor Store Inventory	3,368.61
Spring Grove Soda Pop, Inc.	Liquor Store Inventory	115.25
Wine Company	Liquor Store – Wine	85.00
Caledonia Oil Company	Unleaded	1,611.72
Edwards Investments	TIF 2-2 Interest Payment	3,122.75
Four Season's Community Cnt.	EDA – Event	210.00
Jack Neumann Trucking	Liquor – Freight Expense	65.00
Johnson Brothers Liquor Co.	Liquor Store Inventory	1,213.77
Landsom Brothers	Tree Removal	500.00
Metro Sales, Inc.	PD – Copier Agreement	42.43
Phillips Wine & Spirits	Liquor Store Inventory	686.20
Principal Life	Life/Ad&d/STD	560.04
Tri-State Ambulance	Intercept Fee	500.00
US Postal Service	2012 Annual Permit 76	190.00
West Main Townhomes	TIF Payment	5,574.86
Caledonia Conv. & Tourism	Tourism	1,009.39
Independent School District	City Share Crossing Guard	866.62
Tri-State Ambulance	Intercept Fee	250.00
US Postal Service	Stamped Envelopes	6,325.50
Commissioner of Revenue	State Withholding	1,359.83
ING Institutional Plan Services	TSA payday 12-27-11	580.00
Merchants Bank	Federal/FICA/Medicare	6,792.04

Northern Beverage Distribution	Liquor Store Inventory	2,336.45
Schott Distributing Co, Inc.	Liquor Store Inventory	926.50
Southern Wine & Spirits of MN	Liquor Store Inventory	876.03
Spring Grove Soda Pop, Inc.	Liquor Store Inventory	70.72
Baumel, Steven	PD – Contracted Service	25.00
Burroughs Equipment & Repair	Vehicle Inspection	3,484.25
Business Financial Planning	Cafeteria Plan	396.91
Buttell’s Lighting	Bulbs	173.43
Caledonia Volunteer Fire Dept.	Relief Association	600.00
City of Caledonia Emp. Assn.	Association Dues	70.00
Com-Tec Land Mobile Radio	AFG Award – 231 Pagers	3,209.46
Fire & Safety Office	20 Students Survival Training	800.00
Gavin, Mike	Animal Control	75.00
Hale Skemp Hansen Skemp Sleik	Case No. 11-CV-67-A	325.77
Jefferson Fire & Safety Inc.	Helmet Flashlight	71.61
MN Benefit Association	MBA payday 12-27-11	114.41
NCPERS Life Insurance	Payday 12-27-11	80.00
Paustis & Sons Wine Company	Liquor Store Company	89.25
Petty Cash	Replenish Petty Cash	129.78
Public Emp. Retirement Assn.	PERA Payday 12-27-11	5,686.22
Public Emp. Retirement Assn.	PERA/DCP Payday 12-27-11	240.00
United Healthcare Insurance Co.	Refund Payment	482.06
Wiste, Rachel	PD – Contracted Service	25.00
Felten, Susan	Reimbursement Registration Fee IV Class	175.00
Houston Co. Treasurer	Ho Co. Collection Site	3,340.00
MN Department of Revenue	Sales / Use Tax	16,375.00
MN Pollution Control Agency	WWTP Rehab Project	1,550.00
Petty Cash	Replenish Petty Cash	17.28
Richard’s Sanitation	Recycling – Collections December	5,988.50
Schott Distributing Co.	Liquor Store Inventory	2,234.50
VISA	Amb. – Equipment, Library, Phone Min.	2,378.73
Ziebell’s Hiawatha Foods, Inc.	Liquor Store Inventory	18.50
		<u>\$ 124,357.31</u>

Ace Link Telecommunications	Communication Expense	1,119.14
Blue Cross Blue Shield of MN	Health Insurance	28,030.00
Commissioner of Revenue	State Withholding	201.89
MN Department of Health	2012 Pool License	522.50
Northern Beverage Distribution	Liquor Store Inventory	2,486.10
Public Emp. Retirement Assn.	PERA Payday 1-3-12	774.54
Schott Distributing Co, Inc.	Liquor Store Inventory	9,039.64
Merchants Bank	Federal/FICA/Medicare	1,246.34
Spring Grove Soda Pop, Inc.	Liquor Store Inventory	271.45
Tri-State Ambulance	Intercept Fee	250.00
US Bank NA	General Obligation Sewer Revenue Bond	425.00
Verizon Wireless	Communication Expense	206.53
Northland Trust Services, Inc.	General Obligation Refunding Bond	131,865.00
Caledonia Conv. & Tourism	Tourism	105.45

American Society of Composers License Fee Renew

320.00  
\$ 176,863.58

B. CLAIMS PAYABLE. Following review, discussion and deliberation, a motion was made by Member Lemke, seconded by Member Vick, to approve the Payable Claims List for December 2011. All members present voted in favor and the motion was declared carried.

Affordable Tech Solution	Office Supplies/Tech Services	717.76
Airgas North Central	Welding Supplies, Oxygen/Acetylene	184.65
Alco Discount Store	Office Supplies, Truck Wax, Misc.	53.04
Allied Products Corporation	Park Areas - Flags	659.75
Artic Glacier	Ice	28.36
Baker & Taylor Books	Library – Books	243.93
Bellboy Corporation	Liquor Store Inventory	194.97
Bonanza Grain, Inc.	Rock For Ice Control	35.27
Business Financial Planning	FCC Renewal	110.00
Caledonia Implement Co.	Repair Parts, Bulk Steel	94.36
Caledonia Oil Company	Van Maintenance, Squad 18 Maint.	106.85
Carquest Auto Parts Store	Repair Parts	83.75
City of Caledonia – Utilities	Electric, Water & Sewer	11,374.49
Credit Bureau Data, Inc.	Collection Fee's	18.50
Crystal Canyon/Ecowater	Drinking Water	15.07
Curt & Candy's Hardware Hank	Misc.	78.93
Dalco	Misc. Supplies	87.82
Davy Engineering	Engineering Fees	8,920.70
Davy Laboratories	Lab	2,032.10
Demco	Easels	61.09
ECM Publishers	Advertisements	472.66
Eitzen State Bank	Investment & Certificate of Indebt.	217,870.25
Expert T Billing	Ambulance – Contracted Billing	594.00
Express Pressure Washers, Inc.	Touch Free Soap – FD	53.38
Goodyear Auto Service Center	4 Truck Tires 08	690.08
Gopher State One-Call	8 Location Notifications	11.60
Hanson Tire Service, Inc.	Tires	1,079.93
Highway Technologies, Inc.	Traffic Engineering – Sign Repair	175.07
Hoskins Electric Co.	Replace Ballast Library	153.46
Houston Co. Treasurer	Vehicle Registration Renew	272.00
Image Trend, Inc.	Annual Support – Ambulance	900.00
Jack Neumann Trucking	Liquor – Freight Expense	276.00
Johnson Brothers Liquor Co.	Liquor Store Inventory	4,042.42
Ken's Small Engine	Power Pruner, Tower 50 Repairs	333.90
Midwest Tape	Library – DVD's	115.50
MN Energy Resources Corp.	Natural Gas	5,910.78
Mississippi Welders Supply	Oxygen	185.84
MN Municipal Utilities Assn.	2012 Membership Dues	3,349.00
Philips Wine & Spirits Co.	Liquor Store Inventory	3,154.86
Quillin's IGA	Liquor Store Inventory	25.40
Richard's Sanitation	Refuse Disposal	155.84

Rippe, Hammell & Murphy	General Matters, Prosecution Matters	3,416.00
River States Truck & Trailer	Repair Parts Truck 1420	879.60
Schilling Supply Co.	Copy Paper, Towels, Bags, Sacks	421.95
SE Libraries Cooperating	Auto Fees	395.42
Secretary of State	UCC Fin. Amend/Cont Filing	20.00
SEMA Equipment, Inc.	Grease	43.28
Severson Oil Company	Hyd. Oil	629.22
Tri-County Electric Co-op	Electric Energy	183,429.57
United Auto Supply, Inc.	Fuel Treatment	574.54
Wiebke Tire	Dismount/Van Tires	70.00
Winona Controls, Inc.	Repair Parts	285.82
WWTP MPCA PFA Loan Fund	Loan Payment	<u>3,500.00</u>
		\$ 458,588.76

OLD BUSINESS. None.

NEW BUSINESS.

A. STANSFIELD VENDING MACHINE. City Clerk/Administrator Feely shared that attached with the agenda was a vending machine agreement from Stansfield Vending to sell snack items at Veteran's Memorial Park in 2012. Feely went on to note that for purposes of providing background, the vending machine route was pursued in the spring of 2010 in lieu of having a concession stand operator due to the hassle with trying to recruit individuals to operate the stand as well as the cost associated with individuals having to purchase sufficient insurance coverage. It was further noted that according to an email received from Stansfield Vending, if the sales do not increase to more than \$2,000.00 in 2012, the City will have to forgo collecting a 10% commission. Feely shared that in 2011, the sales totaled \$1,881.00. Of this amount, the City received \$176.00 in commissions which, it was noted, essentially covered the electric utility cost to operate the machine during the summer months. It was explained that the reason the City did not collect the full 10% was due to the fact that Stansfield Vending only issues commission checks totaling \$20.00 or more. Since commission checks are issued quarterly, the City did not receive the full 10%. Consequently, Mayor Burns stated that he would like the Stansfield Vending agreement to include an amendment whereby commissions are paid annually or semi-annually. The consensus was to make the change and approve at the upcoming meeting.

B. MMUA SCHOLARSHIP PROGRAM. City Clerk/Administrator Feely shared that attached with the agenda was information regarding the Tom Bovitz Memorial Scholarship Award program for high school seniors through Minnesota Municipal Utilities Association (MMUA). It was noted that the premise of the scholarship is to increase awareness of public power and promote positive public relations between electric utilities and customers. Discussion ensued. A motion was made by Member Murphy, seconded by Member Lemke, to offer the scholarship opportunity to Caledonia High School seniors and pay for the \$50.00 local winner prize out of the Caledonia Liquor Store fund. All members present voted in favor and the motion was declared carried.

C. RESOLUTIONS ACCEPTING DONATIONS TO THE CITY OF CALEDONIA. City Clerk/Administrator Feely shared that attached with the agenda were two (2) resolutions accepting the following donations to the City of Caledonia: \$1,600 Southeastern Minnesota Emergency Medical Services Grant to Ambulance, \$10,000 Arlin Falck Grant for Sidewalk

Extension Project, \$2,800 Arlin Falck Grant for Music in the Park Program, and \$3,270 Arlin Falck Grant for the Caledonia Rod and Gun Club. A motion was made by Mayor Burns, seconded by Member Lemke, to approve Resolution 1-2012 and Resolution 2-2012. All members present voted in favor and the motion was declared carried.

D. 2012 POSITIONS AND APPOINTMENTS. The Council reviewed the following list of 2012 Positions and Appointments:

### 2012 POSITIONS/APPOINTMENTS

Administrative Coordinator, Zoning Officer	Mike Gerardy
Ambulance Director	Mike Tornstrom
Economic Development Authority	Councilmembers Murphy and Vick
City Clerk/Administrator, Economic Development	Jennifer Feely
City Treasurer	Jennifer Feely
Deputy City Clerk	Joyce Guillaume
City Attorney	Tim Murphy
Auxiliary Mayor	Member Fisch
Community Education Representative	Mayor Burns
Official Newspaper	Caledonia Argus
Official Depositories	Bank of the West
	Merchants Bank
	Eitzen State Bank
	All Institutions Covered by FDIC
Fire Chief	Charles Gavin
1 <sup>st</sup> Assistant Chief	Kevin Jacobson
2 <sup>nd</sup> Assistant Chief	Todd Lemke
Safety Officer	Randall Ashbacher
Fire Marshal	Mike Meiners
Treasurer	James Houdek
Secretary	Matt Blocker
Police Chief	Kurt Zehnder
Weed Inspector	Mayor Burns
Assistant Weed Inspector	Mike Gerardy
Consulting Tree Inspector	Minnesota Forestry
City Health Administrator	Jennifer Feely
Animal Control Officer	Mike Gavin
Emergency Management Director	Councilmember Lemke
Planning and Zoning Commission	City Council
Airport Zoning Board	Mayor Burns
	Jennifer Feely
Library Board	Pam Griffith, President
	Diane Muenkel
	Lisa Michelsen
	Patty Schieber
	Hilda Oitzman

### Council Committees

General Government Committee  
Legislative, Judicial, Executive  
City Clerk/Administrator's Office  
Financial Administration  
Law  
Personnel Administration  
Salary Negotiations  
Pay Equity Oversight

Mayor Burns and Councilmember Murphy

Public Safety Committee  
Police Department  
Traffic Engineering  
Animal Control  
Other Protection

Councilmembers Lemke and Vick

Ambulance Department  
Fire Department/Fire District  
Civil Defense

Mayor Burns and Councilmember Fisch

Public Works, Health and Welfare Committee  
Street Department  
Streets, Sidewalk, Curb and Gutter  
Sanitation  
Health  
Welfare

Mayor Burns and Councilmember Vick

Culture – Recreation Committee  
Recreation Department  
Auditorium/Athletic Field  
Parks

Mayor Burns and Councilmember Vick

Programs  
Library  
Economic Development

Councilmembers Murphy and Vick

Seasonal-Recreation Department

Mayor Burns and Councilmember Vick

Enterprise Committee  
Light Fund  
Liquor Fund  
Water Fund  
Sewer Fund.

Councilmembers Lemke and Murphy

Discussion ensued. A motion was made by Mayor Burns, seconded by Member Lemke, to approve the 2012 Positions and Appointments. All members present voted in favor and the motion was declared carried.

E. POLICE FORFEITURE FUNDS. City Clerk/Administrator Feely shared that as per Minnesota Statute 609.5315, the money from the sale of forfeited property, after payment, seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be distributed as follows: (1) Seventy (70) percent of the money or proceeds must be forwarded to the appropriate agency for deposit as a supplement to the agency's operating fund; (2) Twenty (20) percent of the money or proceeds must be forwarded to the county attorney or other prosecuting attorney that handled the forfeiture for deposit as a supplement to its operating fund; and (3) the remaining ten (10) percent must be forwarded after resolution of the forfeiture to the state treasury and credited to the general fund. Discussion ensued. The consensus is to designate the proceeds that go to the law enforcement agency to be applied towards the purchase of a new squad car. A motion was made by Mayor Burns, seconded by Member Fisch, to approve disbursing the proceeds from the sale of two (2) forfeited vehicles in 2011, according to the distribution scheduled as outlined in Minnesota Statute 609.5315. All members present voted in favor and the motion was declared carried.

F. MRWA MIDI LOAN APPLICATION. City Clerk/Administrator Feely shared that attached with the agenda was a Minnesota Rural Water Association (MRWA) MIDI Loan Application Form and Standard Agreement. It was noted that in order to complete an application for financing to Public Facilities Authority (PFA), the City of Caledonia has to identify preliminary financing options for ineligible sewer rehab project costs. In addition, it was noted that the City recently agreed to pay the upfront costs associated with the pressure sewer system for Bonanza Grain, and would need to acquire financing to do so. Discussion ensued. The consensus of the Council is to hold off on submitting the preliminary application until the City finds out whether local banks are interested in supplying financing. No official action was taken.

G. WIRELESS COMMUNICATION PROPOSAL FOR WATER DEPARTMENT. Water/Wastewater Supervisor Tony Klug and Willie Hoskins with Hoskins Electric were present to discuss a proposal for installation of a wireless communications system between the City's wells, water tower, and wastewater treatment plant. Klug noted that the existing system was put in back in 1983. Hoskins went on to explain the technical aspects of the communications upgrade. Discussion ensued. Mayor Burns inquired as to whether the project needed to be competitively bid. Feely replied that due to the amount of the project, the work did not need to be competitively bid, but that obtaining an additional quote would be appropriate. The consensus of the Council is to table taking action until a review of the water fund is conducted at the upcoming January meeting when finances are evaluated.

H. RENEWAL OF ELSIE'S OPTIONAL 2AM LIQUOR LICENSE. City Clerk/Administrator Feely shared that Elsie's 2AM liquor license was set to expire at midnight on January 21, 2012 and that approval of a 2AM license renewal was required by the City Council. Feely also shared that per an email from Police Chief Kurt Zehnder, a copy of which was attached to the agenda, the police department reported no concerns with renewing Elsie's 2AM liquor license. Discussion ensued. Member Murphy stated that he is opposed to extending the sale of liquor hours. A motion was made by Mayor Burns, seconded by Member Lemke, to approve the renewal of Elsie's 2AM liquor license. Voting in Favor: Burns, Lemke, Vick, and Fisch. Opposed: Murphy. The motion was declared carried.

I. NON-UNION WAGE INCREASES. City Clerk/Administrator Feely inquired as to whether the Council would like to approve wage increases for non-union employees. Discussion

ensued. A motion was made by Member Murphy, seconded by Member Fisch, to approve a two (2) percent wage increase for the following regularly scheduled non-union employees: Accountant Stephanie Mann, Library Director Marla Burns, and Library Assistant Eileen Jacobson, effective January 1, 2012, and Police Chief Kurt Zehnder, with the stipulation that Chief Zehnder's increase is contingent upon a favorable review and will be effective the date of the favorable review. Voting in Favor: Murphy, Fisch, Vick, and Lemke. Opposed: None. Abstaining: Burns. The motion was declared carried.

#### CLERK'S REPORT.

A. EMPLOYEE TIME RECORD. Attached with the agenda were the Employee Time Records for November 28, 2011 – December 11, 2011 and December 12, 2011-December 25, 2011.

B. POLICE OFFICER ACTIVITY LIST. Attached with the agenda was the Police Officer Activity List for December 2011.

C. DISCHARGE MONITORING REPORT. Attached with the agenda was a discharge monitoring report showing an average Nitrogen Level of 9.0 mg/L.

D. AMBULANCE FUND AS SPECIAL REVENUE FUND. City Clerk/Administrator Feely shared that per her inquiry to the City's auditors, if the ambulance fund is going to be removed from the general fund, then the City will need to amend its general fund budget to remove the ambulance transactions and adopt an ambulance special revenue fund. Member Fisch stated that he would like to see staff time allocated appropriately to the special ambulance revenue fund as is done for the enterprise funds. It was noted that the general fund can be amended at the upcoming January 23 meeting when the City's accountant would be in attendance to discuss the City's finances.

E. CHAMBER OF COMMERCE SURVEY. City Clerk/Administrator Feely shared that she put together a survey, a copy of which was attached with the agenda, for the Caledonia Area Chamber of Commerce for the purpose of sending to all businesses in an effort to evaluate the effectiveness of the Chamber. It was noted that the survey results will hopefully identify better ways the Chamber can serve its membership as well as increase its membership base.

F. FOLLOW-UP FROM MEETING WITH SENATOR MILLER AND REPRESENTATIVE DAVIDS. City Clerk/Administrator Feely shared that attached with the agenda was a copy of email correspondence received from both Senator Miller's staff as well as Representative Davids's staff regarding concerns with the way MnDOT is handling a portion of the scheduled 2012 Highway 44 widening project contract that deals with highway lighting and trail restoration. It was noted that the response from the State of Minnesota stated that based upon the Limited Use Permit requirements, the costs associated with reconstruction of the impacted portions of the trail are the responsibility of the City. Mayor Burns questioned why the City should have to pay for restoration costs associated with the trail being disturbed due to the TH 44 widening project when MnDOT didn't contribute to the costs associated with the trail installation.

MISCELLANEOUS ITEMS. None.

CLOSED SESSION. The regular meeting was closed at 9:06 p.m. as permitted by Minnesota Statutes, section 13D.03, to discuss the City's labor negotiation strategy related to the City's negotiations with its Employee Association and its Police Association. The regular meeting was re-opened at 9:51 p.m.

ADJOURNMENT. A motion to adjourn was made by Mayor Burns, seconded by Member Lemke, at 9:52 p.m. All members present voted in favor and the motion was declared carried.

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Jennifer Feely  
City Clerk/Administrator

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Robert H. Burns  
Mayor