

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, January 23, 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, and Accountant Stephanie Mann. Visitors present: Caledonia Argus Reporter Charlie Warner.

AGENDA APPROVAL. A motion was made by Member Lemke, seconded by Member Vick, to approve the agenda with the following addition: Liquor License Matter. All members present voted in favor and the motion was declared carried.

CONSENT AGENDA. A motion was made by Member Lemke, 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, January 9, 2012, as presented.

VISITORS AND COMMUNICATIONS.

A. ADMINISTRATIVE COORDINATOR TOPICS.

1. SNO PAC FOODS ZONING. Administrative Coordinator Gerardy shared that per his conversation with Sno Pac Foods, the air compressors will be located on the north side of the building. Gerardy went on to note that the drawing was revised so as to include fewer air compressors, thereby reducing noise pollution. Gerardy also reported that Sno Pac Foods agreed to explore screening options, if noise becomes an issue. Gerardy wrapped up his report by noting that he tried to use the decibel reader but was unable to obtain an accurate reading due to the wind. The consensus of the Council was that the Sno Pac Foods zoning request should be approved contingent upon Sno Pac Foods' willingness to provide screening if complaints surface regarding noise pollution from its air compressors.

2. MnDOT TH44 MUNICIPAL COOPERATIVE AGREEMENT. Administrative Coordinator Gerardy shared that attached with the agenda was a cooperative construction agreement from the State of Minnesota in conjunction with the trail and lighting construction to be performed on T.H. 44 within corporate limits. Discussion ensued. It was noted that the City's estimated total cost for the project is \$144,860.38, while approximately \$93,447 is for lighting and roughly \$50,000 is for street and engineering expenses. The consensus of the Council is to pay for the light portion out of light department funds and the street and engineering expenses out of the general fund or through borrowed funds. A motion was made by Mayor Burns, seconded by Member Lemke, to approve the Cooperative Construction Agreement with the State of Minnesota Department of Transportation for bike and lighting construction to be performed on T.H. 44 within the corporate City limits. All members present voted in favor and the motion was declared carried. A second motion was made by Mayor Burns, seconded by Member Vick, to pass a resolution providing for payment by the City to the State of the City's

share of the costs of the grading, bituminous mill and overlay and Bridge 28X07 construction and other associated construction to be performed upon, along and adjacent to Trunk Highway No. 44 from 0.14 miles south of CSAH 12 to 0.20 miles east of Butterfield Road within the corporate City limits under State Project No. 2804-33 (T.H. 44=044). All members present voted in favor and the motion was declared carried.

B. CITY ACCOUNTANT TOPICS.

1. CASH AND INVESTMENT REPORT. City Accountant Mann was in attendance to report that as of December 31, 2011, the total cash balance was \$1,366,578.02, and the total investment balance was \$2,444,295.87. Member Fisch inquired about the Houston County Collection Site fund and whether an increase should be made to the recycling charge so as to work to eliminate the current fund deficit. Discussion ensued. The consensus of the Council is to put together a plan and review at the upcoming February 27 meeting.

2. YEAR END DEBT SHEET. Attached with the agenda was a long term debt sheet. Member Fisch inquired as to whether it would be possible to pay off debt with investments since the City is only making around 1% at the present time. Discussion ensued.

3. 2012 BUDGET WORKSHEET AND 2011 BUDGET AMENDMENT DISCUSSION. Accountant Mann reviewed the 2012 budget worksheet that was attached with the agenda. Discussion then ensued regarding whether to amend the 2011 budget. Member Fisch stated that amendments should be made to the budget whenever donations or grants are received. The consensus is to make any necessary amendments at the February 27 meeting.

4. AMBULANCE SPECIAL REVENUE FUND. Accountant Mann shared that attached with the agenda was a proposed ambulance special revenue fund. Discussion ensued. Member Murphy suggested it would wise to review a three year average for calls and administrative expenses. The consensus is that a three year average for calls and administrative expenses will be reviewed at the February 27 meeting prior to any action being taken.

5. ENTERPRISE FUNDS. Accountant Mann shared that attached with the agenda was a copy of the 2012 enterprise fund budgets. Discussion ensued.

6. SEWER RATE DISCUSSION. Accountant Mann shared that attached with the agenda were two spreadsheets that the City received from Davy Engineering as part of its 2010 sewer rate study. It was noted that Mann updated the spreadsheets with current sewer fund operating numbers. Discussion ensued. The consensus of the Council was that if an increase were to be approved, it would be effective January 1, 2012 and billed during the second quarter. A motion was made by Mayor Burns, seconded by Member Fisch, that effective January 1, 2012, the monthly fixed meter charge will increase by 5.5% for all meters, except for Caledonia Haulers, which will increase from \$1,787.94 per month to \$3,015.96 per month, as well as increase the sewer usage rate from \$3.22 per 100 cubic feet to \$3.24 per 100 cubic feet. All members present voted in favor and the motion was declared carried.

C. COMMUNICATIONS.

1. LETTER FROM ACE COMMUNICATIONS GROUP. City Clerk/Administrator Feely shared that attached with the agenda was a notice from ACE

Communications regarding a new “basic plus” video package which is in addition to other packages Ace currently offers.

2. FLYER FROM MINNESOTA MUNICIPAL BEVERAGE ASSOCIATION (MMBA). City Clerk/Administrator Feely shared that attached with the agenda was a flyer from MMBA regarding the 2012 MMBA Boot Camp. Discussion ensued. No action was taken.

3. TRI-COUNTY ELECTRIC WHOLESALER CITIES MEETING. City Clerk/Administrator Feely shared that attached with the agenda was a notice from Tri-County Electric regarding an upcoming meeting for all wholesaler cities to attend on Wednesday, February 15, from 7:00 p.m.-9:30 p.m., in Rushford. Feely shared that she will plan on attending. Member Fisch and Member Lemke indicated a possible interest in attending the meeting as well.

OLD BUSINESS.

A. WWTP WIRELESS COMMUNICATIONS UPGRADE. City Clerk/Administrator Feely shared that discussion took place at the January 9 City Council meeting regarding a proposal received from Hoskins Electric to install a new wireless communications system between the City’s wells and water tower. At that time, the consensus was to delay approving the proposal until a review of the water fund balance could be completed. Feely noted that the unofficial year-end water fund balance for 2011 is \$69,544.43, while the 2010 unrestricted net assets for the water fund was \$358,286. Combining these two totals, Feely noted that the unofficial, pre-audit, water fund balance appears to be \$427,830.43. Feely also noted that attached with the agenda was a print-out of the year-end water fund balance as well as an excerpt from the 2010 audit regarding unrestricted net assets. It was noted for the record that a second proposal was obtained from Norman’s Electric in the amount of \$33,000.00, however, it was explained that Water/Wastewater Supervisor Tony Klug preferred to go with Hoskins Electric due to the fact that Hoskins Electric is familiar with the City’s current system. Discussion ensued. A motion was made by Member Fisch, seconded by Member Lemke, to approve the purchase of a wireless communications system from Hoskins Electric to be paid for using water fund monies. All members present voted in favor and the motion was declared carried.

B. STANSFIELD VENDING MACHINE AGREEMENT. City Clerk/Administrator Feely shared that attached with the agenda was an amended Memorandum of Agreement with Stansfield Vending for the purpose of offering snack sales at Veteran’s Memorial Park during the summer park and rec season. It was noted that the consensus at the January 9 meeting was to delay approving the agreement until an amendment could be made regarding the frequency with which commissions would be paid. A motion was made by Member Lemke, seconded by Member Vick, to approve signing the Stansfield Vending Agreement with a language change regarding the frequency with which commission checks are issued. All members present voted in favor and the motion was declared carried.

C. MIDI LOAN FOLLOW-UP. City Clerk/Administrator Feely shared that following the January 9 City Council meeting, a phonecall was made to Shannon Sweeney with David Drown Associates, Inc. (DDA) regarding obtaining more information regarding how the MIDI loan program works. Feely went on to report her findings with respect to the MIDI loan fee and shared that it is dispersed as follows: \$3,100 for legal expenses, \$1,000 MN Rural Water Association, and \$710 for pay agent expenses. Feely noted that as per Mr. Sweeney, the City

can delay submitting an application for funding until bids for the sewer rehab project are in so as to avoid paying interest on money that isn't being used. Discussion ensued. The consensus of the Council is to take no action at the present time.

NEW BUSINESS.

A. **PRESSURE SEWER EXTENSION AGREEMENT.** City Clerk/Administrator Feely shared that attached with the agenda was a proposed pressure sewer extension agreement in which Bonanza Grain has reviewed and is in agreement with. Discussion ensued. A motion was made by Member Murphy, seconded by Member Vick, to approve the agreement so long as "court costs, if any" is added to Section 9, and before the project is bid, easements are obtained for the full length of the Bonanza Grain property and, lastly, to change the term in Section 11 from 20 years to 10 years. All members present voted in favor and the motion was declared carried.

B. **RELACEMENT OF TWO LIBRARY COMPUTERS.** City Clerk/Administrator Feely shared that attached with the agenda was a proposal to purchase two (2) computers for the Caledonia Library, totaling \$1,236. It was noted that the computers would be purchased using budgeted library fund monies. A motion was made by Mayor Burns, seconded by Member Lemke, to approve the purchase of two (2) new computers from SELCO. All members present voted in favor and the motion was declared carried.

C. **RESPONSE TO RECENT ALCOHOL COMPLIANCE CHECK FINDINGS.** City Clerk/Administrator Feely shared that the Caledonia Police Department recently completed another round of compliance alcohol compliance checks. Of the ten (10) establishments that sell liquor, Good Times and Quillin's both allegedly failed the checks. It was noted that as per an email Feely received from Officer Allan Johnson, that both individuals accused of selling alcohol to a minor have been charged. It was noted that notices were sent via certified mail last August to all liquor license holders in Caledonia, warning of the consequences of future violations of alcohol to minor laws. It was explained that the notice stated that the Council shall reserve the right to select the day or days during which a license would be suspended. As of August, 2011, the consensus of the Council was that a one day suspension would take place on a Friday, with the date of the suspension at the discretion of the City Council. Subsequent violations would result in longer periods of suspension. Discussion ensued. Mayor Burns stated that in the interest of fairness, the establishment in which an employee was found guilty of selling alcohol to a minor shall select which Friday during February, March, or April they would like to have their liquor license suspended.

D. **WAGE INCREASE FOR NON-UNION PART-TIME AND SEASONAL EMPLOYEES.** City Clerk/Administrator Feely shared that inquiries have been received regarding whether there will be a 2012 wage increase for non-union part-time and seasonal employees. Discussion ensued. The consensus of the Council was that wage increases for non-union part-time and seasonal employees will not take place in 2012 as no funds were budgeted for such increases, with the exception of the regular, part-time library staff. However, Mayor Burns noted that if Animal Control Officer Mike Gavin wants to discuss a wage increase with the City Council, then he can attend an upcoming meeting to do so.

E. **LIQUOR LICENSE MATTER.** City Clerk/Administrator Feely shared that a non-sufficient funds notice was received regarding an on-sale liquor license payment. Discussion

ensued. A motion was made by Mayor Burns, seconded by Member Lemke, to suspend the license at 8:00 a.m. on Wednesday, January 25, if cash payment is not received by 5:00 p.m. on Tuesday, January 24. Voting in Favor: Burns, Vick, Murphy, Lemke, and Fisch. Voting Against: None. The motion was declared carried.

CLERK'S REPORT.

A. EMPLOYEE TIME RECORD. Attached with the agenda were the Employee Time Records for December 26, 2011 – January 8, 2012.

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

C. DISCHARGE MONITORING REPORT. Attached with the agenda was a discharge monitoring report showing an average Nitrogen Level of 4.63 mg/L.

D. FUND BALANCE POLICY. City Clerk/Administrator shared that the City's auditors, Tostrud and Temp, recently notified the City of the need to adopt a fund balance policy. Feely stated that a draft policy will be submitted for Council review and approval at an upcoming meeting.

E. HOST CITY - APRIL 30, 2012 SEMLM MEETING. City Clerk/Administrator Feely shared that Caledonia will be the host city for the upcoming April 30, 2012 SEMLM meeting. Feely noted that the meeting will take place at the Four Seasons Community Center and that Good Times Bar and Grill will cater the meal. Member Fisch suggested that Feely contact the Caledonia Area Convention and Tourism Bureau (CACTB) to see if there would be an interest in splitting the cost as CACTB could set up a table with tourism information at the meeting.

CLOSED SESSION. The regular meeting was closed at 9:30 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 10:15 p.m.

ADJOURNMENT. A motion to adjourn was made by Mayor Burns, seconded by Member Vick, at 10:20 p.m. All members present voted in favor and the motion was declared carried.

Jennifer Feely
City Clerk/Administrator

Robert H. Burns
Mayor