

REGULAR MEETING OF THE CITY COUNCIL  
CITY OF CALEDONIA, MINNESOTA  
Monday, January 24, 2011

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: Robert Lemke, Tom Murphy, Randi Vick and Paul Fisch. Members absent: None. Consultants and City staff present: City Clerk/Administrator Jennifer Feely and Administrative Coordinator Mike Gerardy. Visitors present: Argus Reporter Charlie Warner and Matt Blocker.

AGENDA APPROVAL. The following items were added to the agenda for discussion: MMBA Bootcamp Request, MnDOT Letter, and Discussion with Representative Greg Davids. A motion was made by Member Vick, seconded by Mayor Burns to approve the agenda with the addition of the above-mentioned items. All those present voted in favor and the motion was declared carried.

A. MINUTES OF PAST MEETINGS. A motion was made by Member Vick, seconded by Member Murphy to approve the Regular City Council Minutes of January 10, 2011. All members present voted in favor and the motion was declared carried.

B. APPLICATION FOR EXEMPT PERMIT: KNIGHTS OF COLUMBUS COUNCIL 1198. A motion was made by Member Vick, seconded by Member Murphy to approve an exempt permit for the Knights of Columbus Council on June 19, 2011. All members present voted in favor and the motion was declared carried.

VISITORS AND COMMUNICATIONS.

A. INTRODUCTION OF NEW SEMDC EDA SUPPORT STAFF. Southeastern Minnesota Development Corporation (SEMDC) Business Development Specialist Andrew Barbes was present to introduce himself to the City Council. Barbes noted that he is looking forward to working with community. Barbes noted that he will be in the office on Monday and Thursday, the first week of each month. For the remaining weeks of the month, he will be at City Hall on Mondays and Tuesdays.

B. 2011-2014 ELECTRICAL PROJECT PRESENTATION BY POWER PLUS ENGINEERING. Power Plus Engineers Chuck Gustafson and Tom Nigon were in attendance to present the proposed 2011-2014 Caledonia Electric Utility Construction Work Plan.

What follows is a summary of the projects and recommendations for 2011-2014:

Project 1 – Convert Distribution of East Area

The 4 kV distribution east of County Highway (South Winnebago Street) is served from Feeder 2 (East). The load should be converted to 12.5 kV because road improvements to County Highway 5 require that a portion of the distribution be relocated. Some older electrical

distribution equipment will be replaced with new equipment. The voltage conversion from 4 kV to 12.5 kV will improve voltage and reduce loading on the East 4 kV feeder.

#### Project 2 – Convert Hospital Feeder

The 4 kV distribution north and east of the Caledonia substation is served from Feeder 3 (Hospital). The load should be converted to 12.5 kV due to the age and condition of the electrical distribution equipment. The hospital feeder has a poor history of reliability so the project should improve reliability. The older poles and wire will be replaced with new equipment. The voltage conversion from 4 kV to 12.5 kV will improve the voltage and eliminate the Hospital 4 kV feeder by transferring the remaining 4 kV distribution to the East feeder.

#### Project 3 – Install 12.5 kV Feeder and Convert Portion of Sunset Feeder to 12.5 kV

The 4 kV distribution west of the Caledonia substation is served from the 4 kV Sunset Feeder 5. The load near Honeysuckle Lane should be converted to 12.5 kV so a third 12.5 kV feeder can be installed from Wild Turkey substation. This area will benefit by having the 3<sup>rd</sup> 12.5 kV feeder because of the proximity of the 4 kV feeders that will allow for tie feeders in the future when the 4 kV feeders are converted to 12.5 kV.

The project includes the installation of a new 12.5 kV feeder from the Wild Turkey substation. The 12.5 kV substation project includes extending the 12.5 kV bus and installing a new feeder recloser with feeder exit cable.

#### Project 4 – Foltz Cable Replacement

Projects were completed in 2010 to install a new 12.5 kV feeder to the subdivision. The cable installed within the subdivision was not replaced so step-down transformers from 12.5 to 4kV were installed. The cable should be replaced due to the age and condition of the cable. The existing cable was installed in 1975 and some of the cable has failed. The new cable and transformers are proposed to be installed along the front of the lot lines. The existing equipment is installed at the rear of the lots. Installing the electric equipment along the front lines will improve the accessibility to the equipment and will cost less than replacing the cable in the existing rear lot location.

#### Project 5 – Sunnyside Cable Replacement

Projects were completed in 2010 to install a new 12.5 kV feeder to the subdivision. The cable installed within the subdivision was not replaced so step-down transformers from 12.5 to 4 kV were installed. The cable should be replaced due to the age and condition of the cable. The existing cable was installed in 1977 and some of the cable has failed. The new cable and transformers are proposed to be installed along the front of the lot lines. The existing equipment is installed at the rear of the lots. Installing the electric equipment along the front lines will improve the accessibility to the equipment and will cost less than replacing the cable in the existing rear lot location.

#### Project 6 – Replace Wild Turkey Regulators

The load on the Wild Turkey substation will increase due to transferring load from the Caledonia substation to Wild Turkey. The load on the Wild Turkey regulators could be higher than the regulator rating so the regulators should be replaced with new regulators with a higher rating.

#### Project 7 – Install Two – 600 kVAR 12.5 kV Capacitors

Caledonia should install 2-600 kVar 12.5 kV capacitor banks in order to improve the power factor at the 12.5 kV Wild Turkey substation to 0.98. One of the capacitors will be installed on the portion of the East feeder distribution that is to be converted to 12.5 kV. The other capacitor will be installed in the Hospital feeder area that will be converted to 12.5 kV.

### Cost Estimate of Recommended Distribution Projects

Project	No.	Cost	Year	Feeder	Fdr. No.
East Conversion	1	\$299,758	2011	East	2
Hospital Conversion	2	\$427,794	2012	Hospital	3
Center Feeder	3	\$431,983	2013	Sunset	5
Foltz Cable Replace	4	\$115,803	2014	East-12 kV	1
Sunnyside Cable Replace	5	\$199,807	2014	West-12 kV	2
Capacitor Installations (2)	6	\$30,000	2013		
Total		\$1,505,144			

\*Wild Turkey Regulator cost of \$60,000 is a substation cost so this is not included in the distribution projects summary.

What follows is a cost estimate for the four-year plan:

Equipment	Units	Unit Cost	Total Cost
New customers overhead	8	\$1,200	\$9,600
New customers underground	8	\$1,800	\$14,400
Distribution projects	5.4		\$1,505,144
Wild Turkey regulator	1	\$60,000	\$60,000
Transformers – pole-mounted	8	\$2,000	\$16,000
Transformers – pad-mounted	8	\$3,000	\$24,000
Meters- 1-ph qty.	16	\$150	\$2,400
Meters- 2-ph qty.	4	\$425	\$1,700
Pole replace	40	\$1,500	\$60,000
Lights	40	\$160	\$6,400
Total			\$1,699,644

Discussion ensued. During the presentation, it was noted that the 2010 outages were higher than normal due to outages on the 4 kV Hospital feeder. It was also noted that the goal of the conversion from 4 kV to 12.5 kV is to eliminate the substation behind City Hall and rely solely on the new substation. Doing so would reduce losses and improve reliability, while allowing for the future retirement of the 4 kV substation and distribution. Mayor Burns asked City Electrician Matt Blocker what he thought of the 2011 project. Blocker replied that it was a good plan, however, he'd like to see the projects speed up, if possible. Blocker went on to note that the majority of the 2010 outages were due to problems associated with the Hospital feeder. A motion was made by Member Murphy, seconded by Member Lemke to authorize the preparation of the East Conversion and Hospital Conversion Projects for advertising for 2011-2012 at an estimated cost of \$700,000. All members present voted in favor and the motion was declared carried.

C. FIRE DEPARTMENT GRANT UPDATES. Fire Chief Chuck Gavin and Assistant Chief Matt Hoscheit were present to provide the City Council with an update as to the status of the FEMA grant applications. It was noted that the City is still in the running for a \$132,785 FEMA grant for the purchase of RIT air packs. If awarded, the City's share would be 5% of the total award. Gavin also went on to note that Houston County is still in the running for the \$661,218 FEMA grant for the purchase of communications equipment. It was noted that Caledonia has agreed to serve as the fiscal agent for the grant. The Council commended the Fire Department for their efforts in trying to secure various grants.

D. CITY ACCOUNTANT TOPICS.

1. CASH AND INVESTMENT REPORT. City Accountant Stephanie Mann was in attendance to report that as of December 31, 2010, the total cash balance was \$1,750,565.76 and the total investment balance was \$2,832,900.00. Discussion ensued.

2. BUDGET WORKSHEET/AMENDMENTS. City Accountant Mann reviewed the budget worksheet which showed the line item detail for revenues and expenditures through December 31, 2010. Mann asked the Council if they would like to make an amendment to the 2010 budget now or wait until the final figures are more firm. The consensus was to wait to make an amendment until most of the adjusting entries have been made.

3. LONG-TERM DEBT SCHEDULE. City Accountant Mann reviewed the long-term debt schedule. Discussion ensued.

4. LIQUOR STORE INVENTORY UPDATE. City Accountant Mann provided a recap of the liquor store inventory report. Discussion ensued.

E. ADMINISTRATIVE COORDINATOR TOPICS.

1. KNOX BOX. Administrative Coordinator Mike Gerardy shared with the Council that he contacted three cities to find out more information about knox-boxes. Gerardy reported that one city requires a knox-box if there is no sprinkler system in the building. The consensus was to go to the businesses and explain the reasoning and benefits to having knox-boxes. Discussion ensued regarding amending the Fire Ordinance to include knox-box language. Member Murphy recommended that Gerardy contact City Insurance Agent Tom Danielson to find out if commercial property owners can get an insurance reduction by installing a knox-box at their business.

2. MnDOT UPDATE. Administrative Coordinator Gerardy shared a response that he and City Clerk/Administrator Feely received from MnDOT Project Manager Tony Wagner regarding trail extension questions. Gerardy noted that according to Wagner, any trail construction in the MnDOT Right-of-Way would be subject to MnDOT approval of a Limited Use Permit (LUP). Further, MnDOT would not be able to show future city trail construction in their plans as MnDOT is only able to show construction that will occur as part of a MnDOT project, not future construction. Lastly, Gerardy went on to note that according to Wagner, the trail extensions would require engineering and design, which has yet to be completed. As part of the LUP approval, MnDOT could provide some design review comments but the City would need to complete the design and engineering work in-house or hire a consultant to complete. Discussion ensued.

3. SECURITY CAMERA SYSTEM. Administrative Coordinator Gerardy presented the Council with another quote to purchase surveillance cameras. A motion was made by Mayor Burns, seconded by Member Lemke to authorize spending \$2,157 to purchase a

surveillance camera system with DVR recording system, with the capability of upgrading the number of cameras, from Caledonia True Value for installation at the Liquor Store. All members voted in favor and the motion was declared carried.

4. **BOY SCOUTS PROJECT.** Administrative Coordinator Gerardy shared that the Caledonia Boy Scouts recently completed a project on December 6, 2010 which consisted of tearing apart wood and making shelving in the City Auditorium. The shelving is used by the Boy Scouts and the Park and Rec Program. Gerardy noted that the Boy Scouts did the labor and were requesting the City's consideration in paying \$179.90 for the materials. Mayor Burns commented that the Boy Scouts did a nice job and that the shelving looks good and freed up space in the City garage. A motion was made by Member Lemke, seconded by Mayor Burns to pay \$179.90 out of the 2010 Auditorium budget for the cost of materials. All members present voted in favor and the motion was declared carried.

#### F. COMMUNICATIONS.

1. **LETTER FROM CALEDONIA ROD AND GUN CLUB.** A letter from the Caledonia Rod and Gun Club was attached with the agenda. The letter thanked the City for allowing the Rod and Gun Club to submit an application to the Arlin Falck Foundation under the City's name. It was noted that the Rod and Gun Club did not receive a grant.

2. **LETTER FROM MNDOT.** Mayor Burns shared that he received a letter from MnDOT regarding an upcoming meeting regarding the District 6 Municipal Agreement Solicitation Program. Mayor Burns and Member Lemke stated that they would be going. Mayor Burns requested that Administrative Coordinator Gerardy attend as well.

#### OLD BUSINESS.

A. **AMBULANCE BILLING – REMOTE ACCESS AGREEMENT.** City Clerk/Administrator Feely shared that City Attorney Tim Murphy reviewed the ambulance billing agreement and authorized approval. A motion was made by Member Vick, seconded by Member Murphy to approve signing the remote access ambulance billing agreement. All members present voted in favor and the motion was declared carried.

B. **INTERIM USE PERMITS ZONING AMENDMENT UPDATE.** City Clerk/Administrator Feely shared that a public hearing has been scheduled for Tuesday, February 1, 2011 at 6:00 p.m. to amend the Caledonia Zoning Ordinance to include Interim Use Permit (IUP) language. Feely went on to note that City Attorney Tim Murphy reviewed the proposed amendment and authorized approval. No action was taken as this was included for informational purposes only.

C. **MMBA BOOTCAMP REQUEST.** City Clerk/Administrator Feely explained that the consensus of the Council at the January 10, 2011 was to table the MMBA Bootcamp request until the January 24, 2011 meeting. A motion was made by Member Murphy, seconded by Member Lemke to authorize Liquor Store Manager Patty Gavin to attend the MMBA Bootcamp in Breezy Point, February 21-23, 2011. All members present voted in favor and the motion was declared carried.

#### NEW BUSINESS.

A. **2011 PIPELINE SAFETY AWARENESS AND EMERGENCY RESPONSE COURSE.** City Clerk/Administrator Feely shared that attached with the agenda was a flyer for an upcoming 2011 Pipeline Safety Awareness and Emergency Response Program to be held on February 2, 2011 in Caledonia from 6:00 p.m.-8:15 p.m. It was noted that City Light Department employees

Matt Blocker and Tim Evans were planning to attend. No action was taken as this was included for informational purposes.

B. SCDP INCOME DOLLARS. City Clerk/Administrator Feely shared that the Caledonia EDA recently received a request from Michelle Vriese with SEMDC to utilize \$8,117 of Small Cities Development Program (SCDP) commercial income dollars for a housing project in Caledonia. It was noted that the EDA denied the request as the consensus was to use the income dollars on commercial projects only. According to Ms. Vriese, the state mandates that any existing income dollars at the time of the application for additional funding has to be used to leverage funds towards the new application. Discussion ensued. A motion was made by Member Murphy, seconded by Member Vick to commit the available \$8,117 SCDP Program Income as leverage for the joint community, comprehensive SCDP application, based upon the advisement of SEMDC since the state mandates that existing income dollars have to be used to leverage funds towards the new application. All members present voted in favor and the motion was declared carried.

C. MnWARN. City Clerk/Administrator Feely shared information regarding Minnesota's Water/Wastewater Agency Response Network (MnWARN). Feely explained that MnWARN promotes and supports a statewide response to utility emergencies and disasters through mutual assistance for water, wastewater, and stormwater utilities in Minnesota. Participation is voluntary and membership is free. Mayor Burns questioned if participation was really free as the City would still have to reimburse the entities that responded to an emergency through equipment and personnel costs. Discussion ensued. No action was taken. The consensus was to revisit the topic at an upcoming meeting.

D. SET PUBLIC HEARING DATE FOR CERTIFICATION OF DELINQUENT UTILITY CHARGES DISCUSSION. City Clerk/Administrator Feely shared that discussion took place at the November 22, 2010 and December 13, 2010 City Council meetings regarding certifying delinquent utility charges to be collected with taxes. The consensus at that time was to pursue certification of delinquent utility charges after conferring with the City Attorney as to whether electric charges could also be certified. Feely went on to report that City Attorney Murphy indicated that electric charges could be certified so long as the property owner contracts for utility service. Mayor Burns set a public hearing for February 14, 2011 at 7:00 p.m.

E. PRELIMINARY DRAFT OF PROPOSED PERSONNEL POLICY. City Clerk/Administrator Feely presented the Council with a preliminary draft personnel policy. Feely shared that the League of Minnesota Cities strongly recommends that cities develop personnel policies in an effort to guide councils and administrative staff in decision-making employment matters. Feely went on to note that any provisions agreed to by the City and a bargaining unit in a union contract will prevail over requirements established in a personnel policy. No action was taken as the consensus was to refer the matter to the City's Personnel Committee, which is comprised of Mayor Burns, Member Murphy, and City Clerk/Administrator Feely.

#### CLERK'S REPORT.

A. EMPLOYEE TIME RECORD. Enclosed with the agenda was the Employee Time Record for Dec.27, 2010-Jan. 9, 2011. The Council directed City Clerk/Administrator Feely to send the Caledonia Police Association a letter reminding them that double-dipping of compensation is prohibited as per the Police Association contract.

B. POOL PROJECT DISCUSSION. City Clerk/Administrator Feely shared that she has been in contact with the Caledonia School in an effort to try and cost-share a publication in

which an advertisement could be sent to all households in the school district to promote the pool project.

MISCELLANEOUS ITEMS. Member Murphy shared that he recently spoke to Representative Greg Davids about a bill that Davids is sponsoring for funding of LGA. Murphy went on to share that Davids would like to propose legislation in which cities would have the ability to institute a sales tax. Discussion ensued amongst the Council regarding the pros and cons of instituting a sales tax. Mayor Burns and Member Fisch noted that they will be making a trip to the Capitol to visit with Representative Davids and Senator Jeremy Miller.

ADJOURNMENT. A motion was made by Member Lemke, seconded by Member Murphy to adjourn the meeting at 10:10 p.m. 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, February 14, 2011 at 6:00 p.m. in the Council Room, City Hall.

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Robert H. Burns  
Mayor

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Jennifer Feely  
City Clerk/Administrator