

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, October 26, 2009

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, Robert Lemke, Peggy Perry (6:50 p.m.) and Tom Murphy. Members absent: None. Consultants and City staff present: Matt Blocker, Stephanie Mann, Shannon Sweeney and Mike Gerardy. Visitors present: Charlie Warner, Report.

AGENDA APPROVAL: Mayor Burns asked if there were any additions to the Agenda before approval. Mayor Burns wanted to give an ambulance committee report and discuss the interim clerk-administrator wage; Member Murphy wanted to add discussion on assisted liquor store manager; Member Vick wanted to talk about the root beer stand property on North Kingston Street. Interim Clerk Gerardy wanted to talk about residential driveways and wished to discuss Randy Shefelbine's status. Chief Zehnder had sent over a request to attend a FEMA Training. Mayor Burns suggested talking about the continued Clerk – Administrator search. A motion was made by Mayor Burns, seconded by Member Lemke to add the above mentioned items to the Agenda. All members present voted in favor and the motion was declared carried.

CONSENT AGENDA: Following brief discussion, a motion was made by Member Lemke, seconded by Member Vick, to approve the Consent Agenda items, listed below. 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, October 12, 2009, as presented.

B. CHARITABLE GAMBLING: To approve an Application for Exempt Permit, submitted by the Caledonia Rod and Gun Club, for an event to be held November 19, 2009, at Elsie's Bar & Grill, 226 E. Main Street, to include a raffle and to waive the 30 day waiting period.

C. CHARITABLE GAMBLING: To approve an Application for Exempt Permit, submitted by the Caledonia Rod & Gun Club, for an event to be held January 29, 2010 at the City Auditorium, 219 E. Main Street, to include raffles & tipboards; Furthermore, to waive the 30 day waiting period.

D. PERA DEDUCTIONS: To adopt a resolution to deduct PERA contributions from part-time Police Officer Jeffery J. Marx's wages, understanding that he passed the earnings limit of \$425 performing work for the City of Caledonia.

E. CHARITABLE GAMBLING: To approve an Application for Exempt Permit, submitted by the Caledonia Soccer Club, for an event to be held March 15, 2010 at the Caledonia Middle/High School, 825 North Warrior Avenue, to include a raffle and to waive the 30 day waiting period.

VISITORS AND COMMUNICATIONS

A. DAVID DROWN ASSOCIATES: Shannon Sweeney of David Drown Associates was here to talk about the refunding of the 2002 Sewer Revenue Bonds. The refunding would have at minimum an approximate savings of \$15,028, based on the current interest rates. To achieve the savings, Mr. Sweeney recommends purchasing a credit rating from Standard & Poor's. He also commented that S & P has been giving a better bond rating than Moody's in most MN Cities this year. The cost of the rating is around \$3,800 and is already factored into the savings analysis. Mr. Sweeney commented that he believes with our rating we would be able to get a good interest rate. Member Vick asked if this rating will change over time or stay consistent. Mr. Sweeney responded that the rating changes nearly every time a city has a review done by Standard & Poor's. Mr. Sweeney stated that if there is no savings in the refunding then the City owes David Drown Associates nothing in return. Mayor Burns asked if the Council decided to refinance at this time, the City could realize \$1,500 to \$1,600 per year savings over the 10 year life of the bond. Mr. Sweeney replied yes with the rates at what they are today. The interest rate on the bond principal of \$495,000 drops from approximately 4.84% to 3.15% with the refunding. This is also the only bond the City can refinance at this time. After discussion, a motion was made Member Murphy, seconded by Member Vick, to approve the refinancing of the 2002 revenue bonds with a savings of \$15,000 over life of bond. All members present voted in favor and the motion was declared carried.

B. CITY ACCOUNTANT'S REPORT

1. **CASH & INVESTMENTS:** Ms. Mann reviewed the Cash and Investments sheet; reporting that the September 30th balance of cash was \$613,822.41 and investments totaled \$2,448,900.
2. **2009 BUDGET WORKSHEET:** Ms. Mann then reviewed the estimated 2009 Budget worksheet for the general fund with discussion then on the \$354,287.40 under budget estimate. The budget worksheet detail was reviewed as part of the estimated 2009 budget worksheet. Revenues were \$1,265,204.14 & expenditures were at \$1,228,350.00 through September 2009.

(6:51 p.m. Member Perry arrived at the meeting)

3. **WATER & SEWER RATE ANALYSIS:** A review of a water & sewer rate analysis spreadsheet was done. The information was collected by the City of Chatfield & shared with various cities. It compared water & sewer rates for a user with 5,000 gallons & also detailed out base rates, usage rates & other charges by City.
4. **SPECIAL BUDGET MEETING:** A motion was made by Mayor Burns, seconded by Member Perry, to have a Special Meeting on Monday, December 7th at 6:00 p.m. with a Continued Meeting date of December 8th, if needed. All members voted in favor and the motion was declared carried.
5. **FIRE DEPARTMENT REVENUE & EXPENDITURE HISTORY:** The Council and Ms. Mann reviewed the Fire Department Revenue & Expenditures. Following review, the Council directed Interim Clerk Gerardy to invite Chief Chuck Gavin to the next Regular Council Meeting to do a 3rd quarter budget review.

C. ELECTRIC DEPARTMENT: Matt Blocker presented a quote from Austin International for new digital read electric meters with an automatic read capabilities called AMR at a cost of \$25 each compared to a \$96 each normal charge. He also explained the meters would be able to be read manually or with a remote reader, when the City switches over to that system. Mayor Burns started discussion asking if the new meters could be installed on the homes involved in the 2010 electric project and therefore a section of the city would be done at one time. This method of installation would keep the meters from being sporadically spread all over the different parts of town and having a mixture of the new type meters and the old type meters mixed together. Member Murphy suggested that maybe this would be one of the four criteria the City could use to meet the energy conservation improvement program that has to be in place by January 1, 2010 according to federal government regulations. Discussion then continued on how many meters to buy at this time so we were sure to have the same type meters that would utilize the same remote reader when the time would come to use the reader. Several suggestions were made with a final decision to buy 15 pallets at a cost of \$2,400 per pallet for a total cost of \$36,000 plus tax and shipping. A motion was made by Mayor Burns, seconded by Member Lemke, to buy 15 pallets of the digital read electric meters, at the above mentioned cost. All members voted in favor and the motion was declared carried.

OLD BUSINESS

A. CJC CONSTRUCTION ROUTE: Interim Gerardy explained that during the CJC Committee Meeting held on Tuesday, October 13 it was determined that the Main Street and Pine Street CJC Route would work okay to get to the construction stage area except for when the building construction started and the access off of South Pine would be blocked off. At that time the staging area would not be accessible without going to East South Street off of South Pine Street and then into the staging area which had not been previously discussed. Gerardy felt the need to rethink the CJC primary routes and alternate routes and possibly consult with Chief Zehnder. Member Lemke suggested possibilities of West Washington Street to South Kingston to East South Street or an option of Main Street to South Winnebago Street to East South Street. Member Perry inquired West Main Street to Kingston Street to East South Street would also be an option; keeping in mind that we would like to keep trucks on County roads as much as possible. Following discussion, the Council instructed Gerardy to meet with Chief Zehnder and discuss all options and bring information back to next meeting for council review.

NEW BUSINESS

A. DAY AFTER THANKSGIVING: Gerardy inquired of the Council if they had any objections to closing the City offices on the day after thanksgiving, Friday, November 27 and allowing the city employees to take a day of vacation. Following brief discussions about this being done the last few years, a motion was made by Member Perry, seconded by Mayor Burns, allowing city offices to be closed on Friday, November 27th, explaining that any employees that wanted to work on that day could work instead of taking a vacation day. All members voted in favor and the motion was declared carried.

B. EDA POSITION

1. **2010 CONTRACT:** Gerardy introduced discussion on the 2010 contract proposal with Southeastern Minnesota Development Corporation, SEMDC. The contract is in the amount of \$34,592, which is the same contracted amount in 2009. Following brief, a motion was made by Mayor Burns, seconded by Member Murphy, to approve the 2010 contract with SEMDC for EDA services in the amount of \$34,592 and to authorize himself to sign the contract on behalf of the City. All members voted in favor and the motion was declared carried.
2. **STAFF APPRAISAL:** Mayor Burns and Member Lemke stated they did not feel comfortable filling out the appraisal form since they had not had much contact with the SEMDC staff since taking office January 1, 2009. Other Council Members also commented that they did not feel they could not give a fair appraisal either, but felt SEMDC and EDA Director Jane Schiltz has done a proficient job for the City of Caledonia. Following discussion, the Council directed Interim Clerk Gerardy to invite Jane Schiltz and SEMDC President Ron Ziegler to a future meeting.

C. SANITARY MAINTENANCE CONTRACT: Gerardy presented a new five year contract from Municipal Pipe Tool Company of Hudson, Iowa. He stated this would be our 3rd contract agreement with them, all of which have been for a period of five years. The company provides the services of jetting, cleaning and televising of sanitary sewer lines throughout the City. The new proposed contract has an increase of 12¢ per foot for all work performed. Gerardy explained he had consulted with Tony Klug, Water / Waste Water Superintendent on this matter and Mr. Klug recommended signing the new five year contract. Following discussion, a motion was made by Member Lemke, seconded by Member Vick to approve the contract with Municipal Pipe Tool. All members voted in favor and the motion was declared carried.

D. CITY AUDITORIUM STORM WATER ISSUE: Interim Clerk Gerardy explained that in the past during rain falls, especially in 2007 and 2008, the ground outside of the auditorium get so saturated with storm water that water leaks into the auditorium basement along the south and east walls where the base of the wall and floor meet. He stated that digging on the outside of the building and installing drain tile would be a very expensive option and he felt installing a devise on the inside of the wall referred to as a beaver system would be a less expensive option. He went onto to explain the beaver system, stating that it collects water and directs it to a sump pump or some other devise where it could be pumped out of the building into the storm sewer system. Interim Clerk Gerardy explained there was \$5,000 set aside in the initial 2009 budget to address the auditorium storm water issue. After considerable discussion about the issue, The Council directed Gerardy to investigate this matter further and bring the issue back to a future meeting.

E. CONDITIONAL USE PERMIT: Barbara Huning at 428 E. South Street had submitted a conditional use permit application on September 3, 2009, proposing to conduct an in home business. Approximately 30 days after submittal she had called Interim Clerk Gerardy to request that the project be put on hold until further notice. Gerardy explained that he had left a message with Ms. Huning approximately a week to ten days ago asking her to call the office to inform him whether she wished to have the deadline extended, because if the deadline was not extended the application would have to be denied because the sixty day deadline was approaching. Mayor Burns asked for clarification on the sixty day deadline. Gerardy explained that the sixty day rule is in effect on all zoning application requests or conditional use permit requests, stating that the Council needs either approve or deny an application within the sixty day limit unless the application is asked to be extended for another sixty days by the applicant but this request must be made within the first sixty days or else the request is automatically granted. Following discussion, a motion was made by Member Vick, seconded by Member Perry to deny the Conditional Use Permit request. All members voted in favor and the motion was declared carried.

CLERK'S REPORT

A. EMPLOYEE TIME RECORD: Enclosed with the Agenda was the Employee Time Record for pay period October 5 – 18, 2009.

B. DISCHARGE MONITORING REPORT: Enclosed with the Agenda was the Discharge Monitoring Report showing a Total Average Monthly Nitrogen Level of 4.02 mg/l.

C. POLICE DEPARTMENT REPORTS: Enclosed with the Agenda was the Police Officer Activity Summary and Police Officer Activity Lists for August & September 2009.

MISCELLANEOUS ITEMS

A. **AMBULANCE REPORT:** Mayor Burns reported on his meeting with the Caledonia Ambulance Department and stated that ambulance department revenues are keeping ahead of expenses in 2009 to this point. Mayor Burns continued that when the 2009 budget was set certain requests were made for items, one being a new monitor system for the one of the ambulances, which was not an approved purchase in the 2009 budget. Mayor Burns further commented that after the language in the township contracts was that when the ambulance department had extra revenues the townships preferred the money to be used for equipment and now may be the approximate time to purchase the requested monitor. Member Vick asked where the money was all going to come from since the approximate cost for the new monitor was \$15,000. Mayor Burns explained that with a combination of City funds and the ambulance department 501C3 Fund the requested equipment could be purchased. Following discussion, a motion was made by Mayor Burns, seconded by Member Perry, to approve the purchase of the new monitor system, explaining that \$10,000 would come from the ambulance budget and \$5,000 would come from the ambulance department 501C3 fund. All members voted in favor and the motion was declared carried.

B. **INTERIM ADMINISTRATOR WAGE:** Mayor Burns commented that he and Member Perry had met as a Committee to discuss the Interim Clerk - Administrator wage. Mayor Burns and Member Perry recommended to the Council that Mike Gerardy's wage should be changed to \$31.27 an hour, retroactive to October 12th when appointment was made as Interim Clerk-Administrator. This would be equivalent to the wage Bob Nelson was receiving when he retired October 10, 2009. He clarified that when a permanent City Clerk – Administrator was hired Mike Gerardy would go back to the wage the Administrative Coordinator position would be at. Following discussion, A motion was made by Mayor Burns, seconded by Member Perry, to increase Mr. Gerardy's wage to \$31.27 per hour, retroactive to October 12th, while he is serving as Interim Clerk – Administrator. Members voting in favor: Burns, Perry, Murphy and Lemke. Opposed: Vick. Following the motion, Member Vick asked about what Gerardy's wage would be if he was needed in snow plowing and snow hauling operations and was working overtime. After lengthy discussion Council Members expressed if would be at one and one half times the new pay rate. Member Vick asked if it would be possible to find part-time help for snow hauling operations that were not city employees and met licensing requirements that the city has in place, therefore eliminating the high overtime pay rates that would possibly be paid. After brief discussion, Gerardy was directed to check with city insurance representative Tom Danielson to see what would be required of the City or the people they hire as part time help for snow hauling operations and driving city vehicles.

C. **ASSISTANT LIQUOR STORE MANAGER:** Member Murphy reported to the Council that Assistant Liquor Store Manager Nancy Steele's probation period was over. Member Murphy continued that after himself and Member Lemke had meet to discuss the situation that they are recommending a pay raise of 20¢ per hour retroactive to the date the probationary period ended. The proposed increase would change the wage from the current \$9.50 rate to \$9.70 an hour rate. Murphy also stated that this raise would be included in whatever the January 1, 2010 raise would be for part-time employees, however, if the 2010 wage increase was not to be more than 20¢ per hour for part-time employees no further wage increase would be granted. Gerardy was directed to look into whether this violates employee association contract agreements and was told to bring back information to the next meeting.

D. **ROOTBEER STAND:** Member Vick reported she had a phone call from an interested party looking at purchasing the Paulette Lawson property at 825 North Kingston Street, which was also the site of the old rootbeer stand. She continued that the party had inquired if the rootbeer stand could be reopened and asked if the manufactured home could be removed and another manufactured home or stick built home put in its place. Gerardy responded that the rootbeer stand was a conditional use and the manufactured home was a conditional use in an R-2 District. He continued that according to Law once a conditional use is not used for that purpose for a period of one year the conditional use permit expires. The property owner would have to come and reapply with another zoning application for a new conditional use permit and go through the proper stages in order to get another conditional use permit. In the case of the manufactured home, it is currently grandfathered in at its current location, but once it is removed, a new application would be filed and current setbacks would go into effect in order to position a double wide manufactured home or a regular stick built home on the property.

E. **DRIVEWAYS:** Gerardy reported that he had investigated a report of some driveways that we installed after the June 22nd meeting in which a resident had come to the council meeting with a driveway request and asked for a wider driveway. The request on June 22nd was for a 40 foot wide driveway and after having conferred with city engineers, they recommended a width of 32 feet for a driveway in a city right-of-way area. At that same Council Meeting the Council

adopted the 32 foot wide recommendation and all residential driveways are to be held to that 32 foot standard without a special permit. After brief discussion Gerardy was directed to send letters to residents that had installed driveways wider than the 32 foot wide standard set at the June 22, 2009 meeting and give them notification their driveways had to be adjusted to meet the new standard in the city right-of-way area.

F. RANDY SHEFELBINE: Gerardy requested clarification on the Randy Shefelbine issues, being he found himself in the middle of the situation with Clerk Nelson retiring and being appointed Interim Clerk-Administrator. Mayor Burns suggested the \$532 request be denied because of lack of proof. Member Murphy suggested the reimbursement for the cost of prescription medication be denied based on its belief that he had the responsibility to clarify the terms of COBRA insurance before using the insurance benefit. Mayor Burns suggested the claims for court case work be reviewed and approved for payment at Council Meetings as they are received from Randy Shefelbine. Following discussion, a motion was made by Mayor Burns, seconded by Member Perry, to deny the request from Randy Shefelbine for reimbursement. All members voted in favor and the motion was declared carried.

G. FEMA TRAINING: Chief Zehnder submitted a request to take a FEMA Class for incident command training at the FEMA Center for Domestic Preparedness in Aniston, AL. The training would be all expenses paid, this being travel, lodging, meals, etc. The only expense to the City would be for Chief Zehnder's wages. The training would be four days, January 24 – 28, 2010. By general consensus the Council denied request based on needing more information and asked if Chief Zehnder could come to the next meeting.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Mayor Burns and seconded by Member Perry. All members voted in favor, the motion was declared carried and the meeting then adjourned at 9:45 p.m. The next Regular Meeting of the City Council is scheduled for 6:00 p.m., November 9, 2009, in the Council Room, City Hall.

Robert H. Burns, Mayor

Michael F. Gerardy
Interim City Clerk - Administrator