

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, November 24, 2008

CALL TO ORDER: Following due call and notice thereof, Mayor Morey called the meeting to order at 6:00 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Mayor Michael J. Morey; Council Members: Randi Vick, Gary Klug, Robert Standish and Peggy Perry. Members absent: None. Consultants and City staff present: Stephanie Mann, Jane Schiltz, Mike Gerardy and Robert L. Nelson. Visitors present: Tom Murphy, Joe Schieber, Harley Doering, Tom Molling, Robert Lemke, Mike Werner, Brian Pogodzinski and Charlie Warner, Reporter.

CONSENT AGENDA: Following brief discussion, a motion was made by Mayor Morey, seconded by Member Vick, to approve the Consent Agenda Items, listed below. All members voted in favor and the motion was declared carried.

A. MINUTES OF PAST MEETINGS: To approve the minutes of the Regular Meeting held Monday, November 10, 2008, as presented.

VISITORS AND COMMUNICATIONS

A. ADMINISTRATIVE COORDINATOR TOPICS

1. ZONING APPLICATION – HOUSTON COUNTY: Mayor Morey recessed the regular meeting and opened a public hearing to receive testimony concerning the zoning application proposing to construct a complex for the Houston County Department of Transportation. Brian Pogodzinski, Houston County Engineer, along with Tom Molling, Maintenance Superintendent, and Mike Gerardy, Zoning Administrator reviewed Houston County DOT's Zoning Application to construct a new office area which also includes a license station and shop area and vehicle maintenance area along with other buildings to house vehicles, including the trucks, power patrols and equipment owned and operated by the county as well as a cold storage area for impounded vehicles. There is also to be a salt storage structure measuring 150' x 200'. The site plan/contour map was reviewed with regard to the distance of buildings from property lines, pond areas for storm water control and runoff patterns to determine what direction the water would leave the property. While the public notice indicated there is to be a 60' setback variance on the east (front) property line where the office building and shop area is to be located, discussion revealed that the building sits sufficiently far from the property line not to require a variance. There was discussion of the requested 60' setback variance on the south (side) property line for the cold storage area which is to be located 90' from the property line. Inquiry was made concerning the cities' right to order street improvements for the proposed future street running from Warrior Avenue northward to STH 76. The City responded that the Council could order street improvements and special assess the costs to abutting property owners and perhaps to property owners within a designated area who may be perceived as benefiting from the improvement. Mr. Doering indicated there was an agreement between him and his wife and the school district which made it the Independent School Districts responsibility for funding any street construction from Warrior Avenue to STH 76. Discussion was held on possible need for a buffer a fence to keep nuisance characteristics from this property from interfering with those already in place or vise versa. Discussion resulted in a determination that the explicit type of separator such as a row of trees or a chain link fence may depend upon the type of nuisance which would exhibit itself once the property was in use for the Department of Transportation's purpose. Mr. Pogodzinski commented that the office building acted as a buffer for the noisier activities of trucks and front end loaders and such to the west, separating them from the Doering Estates residential division east of the office building. Houston County had submitted a list of requests along with the zoning application. When there was no further testimony Mayor Morey closed the public hearing and resumed the regular meeting at 6:42 p.m. At this time Mayor Morey took the list of requests, attached to the zoning application and addressed each request individually. Request #1: A motion was made by Mayor Morey, seconded by Member Perry, to grant a stipulation that a radio tower shall be constructed to meet the high requirements as established by the Zoning Ordinance for the Houston County Airport and shall have a setback of 1' from all property lines for every foot of height. All members voted in favor and the motion was declared carried. Request #2: A motion was made by Mayor Morey, seconded by Member Perry, to deny

the request that the City shall maintain all storm water retention and detention facilities upon final stabilization of the site. All members voted in favor and the motion was declared carried. Request #3: A motion was made by Mayor Morey, seconded by Member Standish, to grant a 60' setback variance on the south property line, acknowledging that the advertised request for variance of 60' on the east property line is unnecessary since the office building meets the setback requirements. All members voted in favor and the motion was declared carried. Request #4: A motion was made by Mayor Morey, seconded by Member Standish, to exempt Houston County from installing a sidewalk along the right-of-way of STH 76 until such time as further development of the area occurs and the council would order all property owners abutting STH 76 to install sidewalk. All members voted in favor and the motion was declared carried. Request #5: A motion was made by Mayor Morey, seconded by Member Standish, to grant a height variance of 15' to permit a sloped roof on the salt shed and vehicle storage shed, each then to have a maximum height of 50'. All members voted in favor and the motion was declared carried. Request #6: A motion was made by Mayor Morey, seconded by Member Klug, to agree that the City of Caledonia would install a street light at the intersection of North Warrior Avenue and STH 76 at City expense. All members voted in favor and the motion was declared carried. Request #7: A motion was made by Mayor Morey, seconded by Member Standish, to waive the requirements for posting a bond for the site excavation. All members voted in favor and the motion was declared carried. Request #8: A motion was made by Mayor Morey, seconded by Member Standish, to agree to a classification of the building as a warehouse/office building with a need to have one parking stall for every 2,000 square feet of building space or one space per employee at peak shift and to authorize parking stalls to have a dimension of 9' x 20'. All members voted in favor and the motion was declared carried. Request #9: A motion was made by Mayor Morey, seconded by Member Standish, to deny Houston County's request to hold it harmless for any damages that may come to North Warrior Avenue and/or Esch Drive for the life of those roadways. Further, to deny the County request that the City rebuild those roadways to a 10 ton design limit at the full expense of the City when reconstruction is required. All members voted in favor and the motion was declared carried.

2. AUDITORIUM SOUND SYSTEM: Mr. Gerardy informed the Council that he had obtained quotes for 2 cordless microphones and receivers to be used in the City Auditorium whenever it was necessary to have a public hearing there rather than in the small council room in City Hall. The microphones could be used for some other City government events as well. He reported receiving a quote of \$280 plus tax for each of the 2 microphones and recommended their purchase. Following discussion, a motion was made by Mayor Morey, seconded by Member Standish, to authorize the purchase of the 2 cordless microphones for City events at the Auditorium for a cost of up to \$600. All members voted in favor and the motion was declared carried.
3. AUDITORIUM ROOF REPAIR: Mr. Gerardy informed the Council that the roof replacement was approximately 1/3 done. He also informed the Council that there will be some additional cost due to unforeseen work that must be done on the short wall surrounding the perimeter of the roof and which will be done on a time and material basis.

B. ECONOMIC DEVELOPMENT AUTHORITY

1. SMALL CITIES DEVELOPMENT GRANT: Jane Schiltz, EDA Director, informed the Council that the Southeast Minnesota Development Corporation would be writing a Small Cities Development Grant for the City of Caledonia without charge. She reminded the Council that a grant was written last year, and a fee was paid of \$2,500, but no award was received by the City. A motion was made by Member Klug, seconded by Member Standish, to authorize participation of the City of Caledonia for the Small Cities Development Grant to be written by the Southeast Minnesota Development Corporation. All members voted in favor and the motion was declared carried.
2. DOWNTOWN REHABILITATION FUND: Mike Werner, EDA President, recommended continuation of the commercial program for business owners to rehabilitate their store fronts, and the like, as a boon to the downtown business area. He encouraged the Council to create a new supply of seed money for such

projects by budgeting \$1,000 a year to be added to the funds for these types of projects.

3. BUSINESS APPRECIATION EVENT: Ms. Schiltz reported that the Business Appreciation events had not been well attended the last two years and had encountered trouble with scheduling due to the March season when at least two dates had to be cancelled because of snow fall. Since the periodic "Mixers" of the Chamber of Commerce seem to be popular and drawing many business persons, she recommended there be no Business Appreciation Event in the spring of 2009 and allow the Chamber of Commerce "Mixers" to substitute. The Council concurred by general consensus.

C. CITY ACCOUNTANT TOPICS

1. CASH AND INVESTMENT BALANCES: Stephanie Mann, Accountant, presented the Council with a figure of \$2,632,323.21 as the total cash and investments amount. Total investments are \$2,308,150. Discussion referenced the investment balance as of January 31 at \$2,904,000 noting the near \$600,000 difference from the end of January to the end of October. Ms. Mann commented that the anticipated revenues at the end of the year would not replenish the funds to the January balance. Substantial amounts of monies were spent for a street sweeper and electric department improvement, a new tanker for the fire department and other purchases which had depleted the city's funds.
2. BUDGET WORKSHEET: Ms. Mann reviewed the budget worksheets as of the end of October showing the general fund expenditures at \$1,736,881.24. Including the purchase of the tanker and street sweeper the expenditures are at \$1,998,761.70. The general fund budget for calendar year 2008 was set at \$2,038,390.
3. INDEBTEDNESS WORKSHEET: Ms. Mann reviewed the indebtedness of the City, showing a total balance of all debt at \$2,438,615. Two of the largest bonds will be paid off on or before January 1, 2018.
4. CAFETERIA PLAN: Ms. Mann asked the Council if they would be willing to increase the medical payment portion of the cafeteria plan to \$2,000 per year, per employee from the current maximum of \$1,500. She explained the benefits to the City of savings in tax deductions. She also explained the risk, in the event a City employee would use the full amount of medical benefit early in the year and then resign before the contribution could be taken from their payroll checks. Following discussion, a motion was made by Member Klug, seconded by Member Standish, to increase the maximum medical care withholdings from \$1,500 to \$2,000 under the cafeteria plan. All members voted in favor and the motion was declared carried.

D. COMMUNICATIONS

1. Letter, SEMCAC, November 2008.

OLD BUSINESS

A. CLOTHING ALLOWANCE CLARIFICATION: Clerk Nelson explained that the Caledonia Employee Association had considered the question of whether or not Mike Gerardy and Myron Kinneberg were to be given the inside or outside clothing allowance rate, the difference being \$60.00 and \$125.00, respectively. The Association concluded that the decision should be made by the City Council. Following brief discussion, a motion was made by Mayor Morey, seconded by Member Standish, to designate both Mike Gerardy and Myron Kinneberg as outside employees. Members voting in favor: Morey, Standish and Perry. Opposed: Vick and Klug. The motion was declared carried.

B. INSURANCE QUALIFICATION: Clerk Nelson requested the Council Committees set a time to discuss whether or not health insurance should be granted to the part-time employee who had requested coverage at an earlier date. The prospective committee indicated it may be proper for the incoming council to make that decision and the council tabled the question indefinitely by general consensus.

C. WAGES FOR COUNCIL AND NON ASSOCIATION MEMBERS: Members Vick and Klug introduced their wage increases for calendar year 2009 for the City Council and those employees who are not members of an Association. Members Vick and Klug were divided in their opinion of a wage increase for the Council but united in all other recommendations.

Following discussion, a motion was made by Member Vick, seconded by Mayor Morey, to increase the Councils wages from \$2,800 to \$2,900 and the Mayors from \$3,000 to \$3,100. In addition to increase the pay for special meetings from \$20 to \$25 per meeting for both Council Members and Mayor and to retain the amount of \$10 per hour for meetings of Council Members attending as committee members or specially requested to advise heads of departments, and the like. Members voting in favor: Morey, Vick, Standish and Perry. Opposed: Klug. The motion was declared carried. Thereafter, a motion was made by Mayor Morey, seconded by Member Vick, to adopt the 2009 wages for employees who are not members of an Association as shown on Addendum #8, which is copied below. All members voted in favor and the motion was declared carried.

Department	Employee		2008	Increase	2009
Council	Members	Annual	2,800.00	100.00	2,900.00
	Special Meetings	Per Mtg	20.00	5.00	25.00
	Other meetings, etc.	Hourly	10.00	0.00	10.00
Mayor	Mike Morey	Annual	3,000.00	100.00	3,100.00
	Special Meetings	Per Mtg	20.00	5.00	25.00
	Other meetings, etc.	Hourly	10.00	0.00	10.00
Clerk's Office	Bob Nelson	Annual	64,000.00	1,040	65,040.00
	Stephanie Mann	Hourly	17.75	.65	18.40
Election	Head judge (2)	Hourly	8.00	N/A	-
	General judge	Hourly	7.25	N/A	-
Police	Chief - Randy Shefelbine	Hourly	26.00	.65	26.65
Ambulance	Director - Mike Tornstrom	Monthly	950.00	25.00	975.00
	Attendants	Hourly	14.00	0.00	14.00
	Standby	Hourly	2.00	0.00	2.00
	First Responders - Call Time	Hourly	12.00	0.00	12.00
	First Responders - Standby	Hourly	1.00	0.00	1.00
	Meetings	Per Mtg	10.00	0.00	10.00
Fire Dept	Fire Chief - Chuck Gavin	Annual	3,000.00	125.00	3,125.00
	1st-2nd Assistant Chief	Annual	1,600.00	0.00	1,600.00
	Safety Officer	Annual	1,200.00	0.00	1,200.00
	Fire Marshal	Annual	600.00	0.00	600.00
	Equip Custodian	Annual	500.00	0.00	500.00
	Assistant Equip Custodian (2)	Annual	300.00	0.00	300.00
	Secretary	Annual	250.00	0.00	250.00
	Treasurer	Annual	250.00	0.00	250.00
	Fire Relief Officers	Annual	250.00	0.00	250.00
	Firefighters	Hourly	12.00	0.00	12.00
Animal Control	Mike Gavin	Monthly	300.00	0.00	300.00
Athletic Field	Manager	Hourly	18.50	0.00	18.50
	Asst Manager/Asst Director	Hourly	10.00		
	Minimum Wage + \$.50	Hourly	6.65/7.05		7.05
	Increase each yr of return	Hourly	0.20		0.20
Pool	Manager	Hourly	9.55/9.95		
	Asst Manager	Hourly	N/A		
	Minimum Wage + \$.50	Hourly	6.65/7.05		7.05
	Increase each yr of return	Hourly	0.20		0.20
	Increase for WSI Certification	Hourly	1.00		1.00
	Increase for Manager	Hourly			
Skating Rink	Increase for Asst Manager	Hourly			
	Part-Time	Hourly	N/A		6.55
Park Areas	C. Augedahl/J. Hesse	Hourly	7.00	0.00	7.00
	Gary Bubbers	Hourly	11.25	.75	12.00
For/Nurs	Frank Gerardy	Hourly	8.50	0.00	8.50
Library	Marla Burns	Hourly	14.30	.54	14.84

	Eileen Jacobson	Hourly	11.20	.42	11.62
	Part-Time-Occasional	Hourly	7.50	0.00	7.50
Liquor	Part-Time - Starting	Hourly	6.50	.75	7.25
	Part-Time - After 3 months	Hourly	7.75	.50	8.25

NEW BUSINESS

A. AUDITING SERVICE: Following explanation of the proposal from Tostrud & Temp to conduct the audit for calendar year 2008, explaining that the rates are the same as were applied to the 2007 audit, being \$19,750 unless a single audit is required for federal funds received by the City in which case the amount would not exceed \$21,500. A motion was made by Mayor Morey, seconded by Member Standish, to accept the quote and appoint Tostrud & Temp to conduct the 2008 Audit. All members voted in favor and the motion was declared carried.

B. ATHLETIC FIELD EQUIPMENT: Clerk Nelson reported that the recreation committee recommended purchasing certain athletic field equipment at this time since the off-season price is substantially less than purchasing in the summer season. The recreation committee recommends purchasing 2 new helmets for each team, plus bases, softballs and baseballs and other miscellaneous items. They request up to \$700 for purchases at this time. Following discussion, a motion was made by Member Standish, seconded by Member Klug, to authorize the recreation committee to spend up to \$700 for recreation field items. All members voted in favor and the motion was declared carried.

C. MUSIC IN THE PARK: The Council was asked to set aside up to \$1,500 as a contribution from the Municipal Liquor Store account to conduct the music in the park program for the summer of 2009. Following discussion, a motion was made by Mayor Morey, seconded by Member Standish, to approve the use of up to \$1,500 from the Municipal Liquor Store funds to conduct the 2009 music in the park program. 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 November 3 – 16, 2008.

B. DISCHARGE MONITORING REPORT: Clerk Nelson reported that the reason for the failed test of Total Average Monthly Nitrogen submitted to the Council at the November 10th meeting was the result of a slug of milk received from the industrial user of Caledonia. The slug killed the treatment process, causing the high average for the month.

C. FUTURE MEETINGS / EVENTS

1. December 1, Truth N Taxation Meeting, 6:00 p.m.
2. December 5, Christmas Parade, 7:00 p.m.
3. December 8, Council Meeting, 6:00 p.m.
4. December 9, Truth N Taxation Continuation Meeting (if necessary), 6:00 p.m.

D. STATE MANDATED TRAINING: Clerk Nelson reported that Council Member Randi Vick and Mayor Elect Bob Burns along with himself attended the Local Board of Appeal and Equalization training on November 18. This training must be repeated every 4 years. The mandate for this training is Minnesota Statute 274.014.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Mayor Morey and seconded by Member Perry. All members voted in favor, the motion was declared carried and the meeting then adjourned at 8:34 p.m. The next Regular Meeting of the City Council is scheduled for 6:00 p.m., Monday, December 8, 2008, in the Council Room, City Hall.

Michael J. Morey, Mayor

Robert L. Nelson
City Clerk – Administrator

CALL TO ORDER: Following due call and notice thereof, Mayor Morey called the meeting to order at 6:00 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Mayor Michael J. Morey; Council Members: Randi Vick, Gary Klug, Robert Standish and Peggy Perry. Members absent: None. Consultants and City staff present: Stephanie Mann, Mike Tornstrom, Randy Shefelbine, Mike Gerardy and Robert L. Nelson. Visitors present: Tom Murphy and Bob Burns.

BUSINESS ITEM

A. TRUTH N TAXATION PUBLIC HEARING: Mike Gerardy, Randy Shefelbine and Mike Tornstrom were present to review the needs of their departments or departments which they represented to the Council for the importance of certain vehicles and equipment needs. They also answered Council questions concerning any particular equipment or program needs. Following discussions with the heads of department, Stephanie Mann, Accountant, began an explanation of the overall draft budget with particulars on capital asset items requested by various departments and then began a line by line review of the draft budget with the overall intent of eliminating excess expenditures of \$227,490 or acquiring additional revenues to make up a portion of the difference. The council continued the line item review for the remainder of the meeting decreasing several line items and increasing a few. Council Member Vick departed the meeting at 10:55 p.m. When the Council concluded the review of all line items, the difference between anticipated revenues and expenditures had decreased from the \$227,490 to approximately \$20,000. A decision was made to have Ms. Mann double check the calculations and report to the Regular Meeting of December 8 with an accurate difference of revenues and expenditures and with recommendations of what measures may be taken to achieve a \$0.00 balance. The Council then concluded there would be no need to return for a continuation meeting.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Klug and seconded by Member Perry. All members present voted in favor, the motion was declared carried and the meeting then adjourned at 11:48 p.m.

Michael J. Morey, Mayor

Robert L. Nelson
City Clerk - Administrator