REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, February 11, 2008

CALL TO ORDER: Following due call and notice thereof, Mayor Morey called the meeting to order at 7:00 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Mayor Michael J. Morey; Council Members: Paul Fisch, Randi Vick, Gary Klug and Robert Standish. Members absent: None. Consultants and City staff present: Chuck Gavin, Matt Hoscheit, Nathan Speltz, Mike Meiners, Matt Klug, Jesse Peterson, Mike Gerardy, Tim Murphy and Robert L. Nelson. Visitors present: Jim Jennings, Nick Gengler and Charlie Warner, Reporter.

CONSENT AGENDA: Following brief discussion, a motion was made by Mayor Morey, seconded by Member Standish, 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, January 28 and Special Meeting held Monday, February 4, 2008, as presented.

B. MMUA WINTER CONFERENCE: At this time there were no council members who indicated they wished to attend the 2008 Winter Legislative Conference to be held March 13 – 14, at the Holiday Fair Select, Bloomington, MN.

C. MMUA CIP ASSESSMENT: To authorize payment to MMUA the City of Caledonia's Assessment of $417 for the purpose of lobbying and disseminating instructions regarding the conservation improvement programs of electric utilities.

D. OFFICE EQUIPMENT: To authorize the purchase of a laminator shown on Addendum #4 for a cost of $344.99.

E. OFFICE EQUIPMENT: To authorize installation of a server for the computers in the City Clerk's Office, Accountants Office and Administrative Coordinator's Office for the quoted amount of $9,709.72, understanding the installation was to take place on a Saturday and 1 of the office staff would receive overtime payment for assisting the installer.

VISITORS AND COMMUNICATIONS

A. ADMINISTRATIVE COORDINATOR

1. ZONING APPLICATION – GENGLER: Mike Gerardy, Administrative Coordinator, and Nick Gengler explained Mr. Gengler's proposal to construct a 30' x 40' garage and storage area at a location approximately 23' from the west property line and 35' from the east property line on a parcel which has a residential and industrial zoning division. Following discussion and questions from the Council, a motion was made by Member Klug, seconded by Member Standish, to approve the application and grant a 52' setback variance on west (side) property line; a 31' setback variance on the south (front) property line; a 50' setback variance on the north (rear) property line; and a 7,472 square foot variance on minimum lot size, having a lot of 12,528 square feet as opposed to the minimum 20,000 square foot area. All members voted in favor and the motion was declared carried.

2. ZONING APPLICATION – JENNINGS: Jim Jennings, dba Caledonia True Value, 520 Old Highway Drive, described along with Mr. Gerardy his proposal to construct a 40' x 54' addition onto the south side of the existing commercial building which would then be located approximately 18' from the south (front) property line and 60' from the west (side) property line. Following discussion, a motion was made by Member Standish, seconded by Member Klug, to approver the zoning application and grant a 70' setback variance on the west (side) property line and a 72' setback variance on the south (front) property line. All members voted in favor and the motion was declared carried.

3. ZONING APPLICATION – ROBLEY: Mr. Gerardy presented a zoning application on behalf of Don Robley to erect a 4' x 6' business sign on the front of the existing building at 107 East Main Street for a new business, "Robley Meats." The sign shall not be illuminated. A motion was made by Mayor Morey, seconded by Member Fisch, to approve the zoning application to Mr. Robley and his current business, such that a following business or a different owner to erect a

sign at a later must re-apply and receive a permit by the City Council for the new sign. All members voted in favor and the motion was declared carried.

4. ENERGY AUDIT: Mr. Gerardy informed the Council that 2 personnel from Dairyland Power Company and 1 from Tri-County Electric Cooperative, performed energy audits on the City Hall, Police and Ambulance Station, Liquor Store and City Auditorium. They will provide a written report on their investigation in approximately 3 weeks.

B. FIRE DEPARTMENT EQUIPMENT: Fire Chief Chuck Gavin attended the meeting with several firefighters to encourage the Council to consider authorizing the purchase of the following equipment.

1. GATOR: The firefighters reported having received donations from several sources including banks and implement companies for the purchase of a gator which would be used in woodland and field areas for firefighting and rescue purposes. They said the machine itself costs approximately $10,000 but with all accessories they would choose to have, the total cost would be approximately $17,600. They volunteered to purchase the machine with fire department foundation donations and relief associations gambling donations, if the City would agree to insure and maintain the vehicle. Following discussion, a motion was made by Mayor Morey, seconded by Member Klug, to accept the Fire Departments donation of a gator and agree that the City would insure and maintain the vehicle. All members voted in favor and the motion was declared carried.

2. TANKER: Referring to the presentation at the Fire District Meeting on February 7, the firefighters described their need for a new tanker to replace the 1975 vehicle with a 1,200 gallon tank. The vehicle to be purchased would have a 3,300 gallon tank and would be available within approximately 80 days. The vehicle was originally quoted at $147,000, but negotiations conducted by firefighters reduced the price to $144,700, being the current estimate price. Following discussion, a motion was made by Mayor Morey, seconded by Member Standish, that based upon the chassis being in stock and the condition of the 1975 being a safety hazard and non reliable vehicle that the City would precede with the immediate purchase of the chassis and 3,300 gallon tank with the Rural Fire District to share in one-half the cost. Further, that the city would reimburse itself for this immediate expenditure and consider that the down payment amount for the vehicle would be $15,000 with the remainder of costs to be spread over a 10 year period. All members voted in favor and the motion was declared carried.

C. HOUSTON COUNTY CRIMINAL JUSTICE CENTER: At this time City Attorney Murphy reviewed the dates of activities such as meetings or exchanging letters with the Houston County Commissioners or their attorney with regard to continuing to find a location for the criminal justice center. This review was prompted by the newspaper articles and letter to the editor submitted by Attorney Scott Anderson, as well as his letter to Attorney Murphy. Discussion was held on the County's demand to have the criminal justice center entered as a permitted use in the city's zoning ordinance in such manner that they need only submit an application which would be approved without discussion. Comment was made that to assure there would be no discussion, the criteria pertaining to the criminal justice center as a permitted use may have to be many type written pages long. Member Fisch commented that the reason for having it listed as a conditional use gave the city opportunity to look at specific criteria such as lightening around and about the facility, whether or not there should be a screening between it and residential properties, and the like. Following discussion, Clerk Nelson was directed to attempt to set up a meeting between County Commissioners and the City Council Committee without attorneys being present to further discuss moving ahead plans for the CJC with regard to amendments to the city zoning ordinance.

(8:45 p.m.: Member Standish left the meeting.)

D. COMMUNICATIONS

1. Historic Bluff Country News, February 2008.

CLAIMS

A. PREPAID CLAIMS: Following review, discussion and deliberation, a motion was made by Member Fisch, seconded by Member Klug, to approve the Prepaid Claims list for January 2008. All members present voted in favor and the motion was declared carried.

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| Alltel | Communication Expense | 80.11 |
| Bon Appetit | Library – Subscription | 14.00 |
| Caledonia Chamber | 2008 Contribution for Tourism | 675.00 |
| Caledonia True Value | Miscellaneous Items | 608.91 |
| Farmers Co-op Elevator | 4 Scoop Shovels | 181.05 |
| Geske, Dave | Arboviral Control – Summer 2007 | 1,995.00 |
| IOD Incorporated | PD-Medical Report | 13.53 |
| J and N Enterprises, Inc. | FD – Gas Analyzer | 2,488.34 |
| Jahn's Transfer, Inc. | Freight Expense – Light Dept. | 61.50 |
| MN Municipal Utilities Assn. | Registration Fee – Evans & Blocker | 800.00 |
| Nelson, Robert | Life Insurance Premium Reimbursement | 1,407.16 |
| SE MN Development Corp. | Clerk's Office – Maintenance Agreement | 84.00 |
| E O Johnson Company | Maintenance Agreement | 84.00 |
| MN Chiefs of Police Assn. | Registration Fee – Shefelbine | 325.00 |
| Betz, Mary | Reimbursement – EMT Course | 15.00 |
| Blocker, Matt | Reimbursement for Travel Expense | 335.32 |
| Mac Queen Equipment Inc. | 2007 Elgin Sweeper | 129,380.46 |
| Northern Beverage Distribution | Beer | 1,479.45 |
| Pepsi Cola Bottling Co. | Liquor Store – Soft Drinks | 85.00 |
| Schiltz, Mark P. | Reimbursement – EMT Course | 15.00 |
| Schott Distributing Co, Inc. | Beer | 1,409.95 |
| Schwirtz, Norene | Reimbursement – EMT Course | 15.00 |
| Spring Grove Soda Pop, Inc. | Soft Drinks | 35.50 |
| Yahoo! Custodian of Records | PD – Subpoena for Records | 20.41 |
| Alltel | Ambulance – Communication Expense | 129.44 |
| Franciscan Skemp Healthcare | Drug Screen | 48.00 |
| Immediate Response Abatement | City Hall – Asbestos Removal | 1,280.00 |
| Jack Neumann Trucking | Liquor – Freight Expense | 80.00 |
| Johnson Brothers Liquor Co. | Liquor / Wine | 2,369.72 |
| Klug, Anthony | Waders | 63.29 |
| Kraus Oil Company | Diesel | 1,357.50 |
| Metro Sales Inc. | Copier Agreement | 63.00 |
| Northern Beverage Distribution | Beer | 1,241.60 |
| Petty Cash | Replenish Petty Cash | 96.60 |
| Phillips Wine & Spirits Co. | Liquor / Wine | 1,290.56 |
| Schoeberl, Milton and Sharon | Tax Abatement | 130.50 |
| Seven Rivers Surplus LLC | New Electric Shop | 234.30 |
| Sno Pac Foods Inc. | Tax Abatement | 1,164.54 |
| Udayshri Hospitality LLC | Tax Abatement | 1,672.75 |
| West Main Townhomes | TIF Payment | 5,233.04 |
| Winona Controls, Inc. | Tax Abatement | 422.49 |
| Witt Real Estate, LLC | Tax Abatement | 461.28 |
| Stemper, James | Miscellaneous Reimbursement | 15.76 |
| Bank of the West | Federal/FICA/Medicare | 7,375.05 |
| Business Financial Planning | Cafeteria Plan | 544.98 |
| Buttell's Lighting | Bulbs | 151.85 |
| Commissioner of Revenue | State Withholding | 1,312.05 |
| Hoskins Electric Company | Electric Department Shop/Misc. | 14,274.64 |
| Houston County Treasurer | Vehicle License Tabs | 217.50 |
| Orchard Trust Co, LLC | TSA | 1,460.00 |
| Public Emp. Retirement Assn. | PERA | 5,127.74 |
| RESCO | Light – Inventory | 3,198.12 |
| Rodale | BC Annual Recipe Book | 49.90 |
| Schott Distributing Co, Inc. | Beer | 2,686.90 |
| Schulze Plumbing & Heating | New Electric Department Shop | 1,666.90 |
| SE MN Historic Bluff Country | Tourism | 959.99 |
| Tornstrom, Michael | Mileage Reimbursement, Supplies | 134.82 |
| Tri-State Ambulance, Inc. | Intercept Fee Run | 250.00 |
| USA Mobility Wireless, Inc. | Communication Expense | 53.01 |
| VISA | Miscellaneous Items | 864.20 |
| Debauche Truck & Diesel | Light – Truck Labor | 279.39 |
| Franciscan Skemp Healthcare | 2 CPR Cards | 4.00 |
| Gavin, Mike | Animal Control – Rent / Misc. | 75.00 |
| Grafix Shoppe | Graphics 2008 Crown Vic | 357.21 |
| Houston County Treasurer | Houston County Collection Site Feb. | 3,330.00 |
| Kraus Oil Co. Inc. | Unleaded | 1,176.00 |

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| Malherek & City, Michael | Meter Deposit Refund | 82.12 |
| MN Department of Revenue | Sales / Use Tax | 13,849.00 |
| MN Municipal Utilities Assn. | CIP Assistance | 417.00 |
| Principal Life | Life/Ad&d/STD | 607.95 |
| Rask & City, Dustin | Meter Deposit Refund | 131.17 |
| Richard's Sanitation | Collections | 5,983.35 |
| Schmidt, Joannie | Reimbursement – EMT Course | 100.00 |
| Torborg & City, Zachary | Meter Deposit Refund | 125.55 |
| Tri-State Ambulance | ALS Intercept | 250.00 |
| United Parcel Service | UPS Fee | 139.59 |
| US Postal Service | Utility Billing | 327.66 |
| US Postal Service | Stamped Envelopes | 1,152.60 |
| Watchguard Video | PD Digital Camera System | 4,975.00 |
| Bank of the West | Federal/FICA/Medicare | 1,225.79 |
| Commissioner of Revenue | State Withholding | 176.58 |
| Jackson Expo Group, Inc. | Booth Fee | 250.00 |
| Public Emp. Retirement Assn. | PERA | 614.38 |
| Griggs, Cooper & Co. | Liquor / Wine | 2,711.64 |
| Jack Neumann Trucking | Liquor – Freight Expense | 125.00 |
| Johnson Brothers Liquor Co. | Liquor / Wine | 2,711.09 |
| Northern Beverage Distribution | Beer | 949.00 |
| Phillips Wine & Spirits | Liquor / Wine | 732.54 |
| Schott Distributing Co, Inc. | Beer | 5,723.55 |
| Speltz, Nathan | Mileage Reimbursement | 80.80 |
| Spring Grove Soda Pop, Inc. | Beer & Soft Drinks | 130.00 |
| Tri-County Electric Co-op | Green Acres Lighting/Tree Site | 83.16 |
| Eitzen Fire Department | Mutual Aid – Fire | 220.00 |
| Merchants Bank | ACH Fee February 2008 | 20.57 |
| Northern Beverage Distribution | Beer | 1,432.50 |
| Schott Distributing Co, Inc. | Beer | 3,902.15 |
| Spring Grove Soda Pop, Inc. | Beer | 115.00 |
| | | $ 256,273.05 |

B. CLAIMS PAYABLE: Following review, discussion and deliberation, a motion was made by Member Fisch, seconded by Member Vick, to approve and authorize payment of the claims payable for January 2008. All members present voted in favor and the motion was declared carried.

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| Ace Link Telecommunications | Communication Expense | 1,042.07 |
| Adamson Industries Corp | PD 2008 Squad Car | 239.95 |
| Affordable Technology Solution | Technical Services | 790.44 |
| Airgas North Central | Oxygen/Acetylene | 111.65 |
| Alltel | Communication Expense | 79.95 |
| Artic Glacier Inc. | Ice | 74.47 |
| Baker & Taylor Books | Library Books | 567.84 |
| Blackburn MFG Co. | Light – Miscellaneous Items | 76.34 |
| Caledonia Haulers | Sewage Tanker Repair/Plow Truck Repairs | 307.74 |
| Caledonia Implement Co. | Fuel Treatment, HDWE | 49.52 |
| Caledonia Oil Company | Tire Repair | 15.00 |
| Caledonia Wheel Alignment | Maintenance on Car 18 | 452.33 |
| Carquest Auto Parts | Fittings/Hoses | 74.77 |
| Chatfield Ambulance | 1 Used Cot | 1,200.00 |
| Clarey's Safety Equipment | Hose, Tools, Equipment | 3,239.57 |
| Crystal Canyon Inc. | Drinking Water/Cooler Rent | 97.39 |
| Curt & Candy's Hardware Hank | Miscellaneous Items | 101.59 |
| D S Electric Supply | Bulbs, Dust to Dawn Kits | 922.45 |
| Dairyland Power Cooperative | Labor Wild Turkey Substation | 1,480.00 |
| DALCO | Floor Mats, Can Liners, Ice Melt | 685.55 |
| Davy Engineering | Caledonia Haulers Pretreatment Review | 584.01 |
| Davy Laboratories | Labs, 3 Total Coliforms | 1,378.70 |
| Department of Public Safety | PD – Remote Access | 540.00 |
| ECM Publishers, Inc. | Publications | 661.55 |
| Ellingson Motors | Van Maintenance | 33.04 |
| Farmers Coop Elevator Co. | Ice Control Ladder Truck | 23.70 |
| Galls Inc. | New Squad Accessories | 1,824.18 |
| Gareth Stevens, Inc. | Library Books | 227.40 |
| Gear Wash | Gear Wash (Flood) | 477.10 |

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| Gopher State One-Call, Inc. | 8 Location Notifications/User Fee | 108.70 |
| Hach Company | Chemicals | 235.10 |
| Hawkins, Inc. | Chemicals | 534.02 |
| Hoskins Electric Co. | Lift Station, Old Boiler | 144.23 |
| Houston County Recorder | Recording Fees | 92.00 |
| Jr. Burroughs Blading | Snow Removal | 287.50 |
| Kwik Trip Stores | PD – Gas | 66.44 |
| LaCrosse Truck Center, Inc. | 82 Plow Truck Parts | 931.21 |
| Lackore Electric Motor Repair | Air Compressor / Boiler Repair Parts | 940.77 |
| Menard's | Shelving – New Shop | 198.44 |
| Metro Fire | 5 Gallon Pail Foam | 650.00 |
| Midwest Tape | Library Books | 185.77 |
| Minnesota Energy Resources | Natural Gas | 11,021.85 |
| Mississippi Welders Supply | Oxygen | 131.25 |
| M-R Sign Company, Inc. | Signs | 402.58 |
| Pladsen Ford, Inc. | Pick-up Starter | 225.93 |
| Playaway | Audio Books | 209.94 |
| PowerPlus Engineering, LLC | 4 Year Plan | 908.28 |
| Printy Quik | Notary Stamp & Bottle Tickets | 80.21 |
| RESCO | Inventory | 86,521.78 |
| Richard's Sanitation | Refuse Disposal | 243.36 |
| Rippe, Hammell & Murphy | General Matters, Prosecution Matters | 6,358.00 |
| Sandry Fire Supply, LLC | Name Patch | 31.91 |
| Schilling Supply Company | Bags, Sacks, Soap/Pump | 191.46 |
| SE Libraries Cooperating | Receipt Printer, Portable Speakers, | 1,369.48 |
| Severson Oil Company | Oil | 109.50 |
| State of MN | Chemical Inventory Fee | 400.00 |
| Streicher's | New Squad | 330.97 |
| T & R Electric Supply Co, Inc. | Light – Inventory | 12,858.82 |
| Travelers Directory Service | Brochure Ad | 218.00 |
| Tri-County Electric Co-Op | Electric Energy | 158,527.27 |
| United Auto Supply, Inc. | Miscellaneous Items | 224.96 |
| Winona Controls, Inc. | Boiler Install | 16,994.82 |
| Witt's Pharmacy | Epipen, Accu-Check | 164.73 |
| WWTP MPCA PFA Loan Fund | 1993-96 PFA Loan | 3,500.00 |
| | | $ 322,888.55 |

OLD BUSINESS

A. ASSESSMENT ROLL: Clerk Nelson informed the Council that an assessment roll had been prepared for the Caledonia Mall, owner Mike Nanof, dba Matinee.org, in the amount of $152.80 for services performed by the City to clear snow and ice from the property sidewalk. Following brief discussion, a motion was made by Mayor Morey, seconded by Member Fisch, to approve the assessment roll. All present members voted in favor and the motion was declared carried.

B. APPRENTICESHIP PROGRAM: Clerk Nelson informed the Council that a state representative is scheduled to visit the City at 1:00 p.m. on February 14 to review current laws and requirements of the apprenticeship program for Tim Evans to become a certified journey lineman. No action was necessary at this time.

NEW BUSINESS

A. TOURISM: Clerk Nelson reviewed an advertisement in the LaCrescent Area Visitors Guide, asking the Council if they would choose to repeat the ad in cooperation and cost sharing with the Caledonia Chamber of Commerce for the 2008 summer edition of the visitors guide. Cost for a ¼ page ad is $155 which would be $77.50 each for the City and Chamber. Following discussion, a motion was made by Member Fisch, seconded by Member Klug to agree to join the Chamber with cost sharing if the Chamber wished to redo the advertisement. All members present voted in favor and the motion was declared carried.

B. CONTRIBUTION: The Council reviewed a petition by Experience Works to consider making a donation to the program as part of the 2007-2008 Older Worker Initiative. No action was taken by the council.

C. FLUORESCENT BULB PROGRAM: Clerk Nelson informed the Council that the County is planning the Annual Fluorescent Bulb Program for April 5, asking if the City wishes to join in the program as it has in the past. Following discussion, a motion was made by Mayor

Morey, seconded by Member Klug, to join in the Fluorescent Bulb Program with Houston County. All members present voted in favor and the motion was declared carried.

D. SUMMER RECREATION: Mayor Morey explained the recommendation of the Recreation Committee to hire a director, offering a wage of $17.50 to $22.50 per hour, hoping that a teacher may take the position. With regard to the swimming pool operation, Member Fisch recommended that a common laborer, not a certified lifeguard and swimming instructor, be hired to collect fees at the door, contrary to past practice of having a certified swimming instructor who has hire wages collect fees. This individual could be offered minimum wage. Following discussion, a motion was made by Mayor Morey, seconded by Member Klug, to authorize advertisement for a summer recreation director who would primarily oversee and manage the athletic field programs, but who would also guide the swimming pool managers, at a fee to range between $17.50 and $22.50, depending upon qualifications and experience. Members voting in favor: Morey, Fisch and Klug. Opposed: Vick. Absent: Standish. The motion was declared carried.

E. FIRE DISTRICT MEETING: Mayor Morey summarized the discussions at the Fire District Meeting held February 7, indicating that a significant portion of the meeting was devoted to the need for replacement of equipment which was discussed earlier this evening with the firefighters and the approvals for a gator and new 3,300 gallon tanker.

F. AMBULANCE MANAGEMENT COURSE: Clerk Nelson reported that Mike Tornstrom, Ambulance Director, requested authorization to attend an ambulance management course at Northland Inn, Brooklyn Park, for a cost $175 registration fee, hotel fees, mileage, meals, parking, and the like. Following discussion, a motion was made by Mayor Morey, seconded by Member Fisch, to authorize Mr. Tornstrom's attendance at the management course. All present members voted in favor and the motion was declared carried.

G. BUSINESS APPRECIATION DAY: Clerk Nelson, on behalf of Joyce Iverson, asked the Council is they believe the City should sponsor the entire cost of holding a business appreciation day or whether she should solicit contributions from banks and utility companies as has been done in the past. The Council by general consensus indicated that contributions should be solicited.

CLERK'S REPORT

A. POLICE ACTIVITY REPORT: Enclosed with the Agenda was the Police Activity and Summary List for January 2008.

B. PRETREATMENT ANNUAL REPORT: Enclosed with the Agenda was the Waste Water Pretreatment Annual Report for calendar year 2007.

C. INSURANCE POLICY ENDORSEMENT: Enclosed with the Agenda was an endorsement showing an increase in coverage from $1,000,000 to $1,200,000 which now complies with a new state law for the maximum that a claim can be filed against the City. There will no additional charge, this year, for this added coverage by the League of MN Cities.

D. ENERGY SUMMIT: Enclosed with the Agenda was a flyer describing an Energy Summit Meeting for green buildings and green communities to be held at the Winona State University on February 20. Council Members were invited to attend.

E. DISCHARGE MONITORING REPORT: Enclosed with the Agenda was the Discharge Monitoring Report for January 2008 showing a Monthly Average Total Nitrogen Level of 3.51 mg/l.

F. EMPLOYEE TIME RECORD: Distributed at the meeting was the Employee Time Record for pay period January 28 – February 10, 2008.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Fisch and seconded by Member Vick. All members present voted in favor, the motion was declared carried and the meeting then adjourned at 9:50 p.m. The next Regular Meeting of the City Council is scheduled for 7:00 p.m., Monday, February 25, 2008, in the Council Room, City Hall.

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Michael J. Morey, Mayor

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Robert L. Nelson
City Clerk - Administrator