

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, March 28, 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, and Paul Fisch. Members absent: Member Vick. Consultants and City staff present: City Clerk/Administrator Jennifer Feely, Administrative Coordinator Mike Gerardy, and Accountant Stephanie Mann. Visitors present: Argus Reporter Charlie Warner and Matt Blocker.

AGENDA APPROVAL. The following items were added to the agenda for discussion: Sunday Liquor Issue, City Employees Plugging Vehicles in at Work, MnDOT Path, and Chamber Space. A motion was made by Member Murphy, 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 Mayor Burns, seconded by Member Fisch to approve the Regular City Council Minutes of February 28, 2011. All members present voted in favor and the motion was declared carried.

B. EXEMPT PERMIT: CALEDONIA FOUNDERS, INC. A motion was made by Mayor Burns, seconded by Member Lemke to approve an exempt permit for the Caledonia Founders, Inc. on June 17 and June 18, 2011 at 214 East Main Street. All members present voted in favor and the motion was declared carried.

VISITORS AND COMMUNICATIONS.

A. CALEDONIA FOUNDERS, INC.: TEMPORARY ON-SALE LIQUOR LICENSE REQUEST. Sue Bauer, a representative of the Caledonia Founders, Inc., was present to request the Council's consideration in granting a temporary on-sale intoxicating liquor license to sell strong beer at the Houston County Fairgrounds on June 17 and 18, 2011. Mayor Burns stated that he was not in favor of 3.2% beer and asked why strong beer is necessary. Bauer replied that they sell more alcohol when they serve strong beer. Bauer also noted that Caledonia Founders, Inc. will be renting the Houston County Fairgrounds for the event. It was further noted that beer will be sold within the confines of the beer tent located at the fairgrounds, beginning at 5:00 p.m. and ending at Midnight on June 17. Beer will be sold out of a beer wagon at the fairgrounds and within the confines of the ball field area until 7:00 p.m. on June 18 and will then be sold within the confines of the beer tent located at the fairgrounds until midnight. Member Murphy stated that he was not in favor of strong beer and that he did not want to see anything larger than twelve ounce cans being sold. Discussion ensued. A motion was made by member Lemke, seconded by Member Fisch to approve a temporary on-sale liquor license for Caledonia Founders, Inc. on June 17, 2011 and June 18, 2011. All members present voted in favor and the motion was declared carried.

B. HOUSTON COUNTY AG SOCIETY: REQUEST FOR TEMPORARY ON-SALE LIQUOR LICENSE. Emily Johnson, a representative of the Houston County Ag Society, was present to request the Council's consideration in granting a temporary on-sale intoxicating liquor license to sell strong beer at the Houston County Fairgrounds, August 18 through August 21, 2011. An additional request was made to obtain a license to sell 3.2% beer on August 17, 2011 at the Houston County Fairgrounds. City Clerk/Administrator Feely explained that there were

some concerns raised regarding alcohol leaving the beer tent that was operated by the Houston County Ag Society during the Houston County Fair in 2010. It was noted that Member Vick and Clerk/Administrator Feely attended a Houston County Fair Board meeting last November to discuss the above-mentioned concerns with the Fair Board. Johnson noted that the reason the beer left the beer tent in 2010 was because of a lack of accessible porta toilets in the beer tent. To remedy the situation, Johnson noted that additional porta toilets have been secured so as to avoid any beer leaving the tent. A motion was made by Mayor Burns, seconded by Member Fisch to grant the Houston County Ag Society a temporary 3.2% beer license for August 17 of the 2011 Houston County Fair, and a temporary on-sale liquor license for August 18 through August 21 of the 2011 Houston County Fair so long as beer is only sold in twelve ounce cans and kept within the confines of the beer tent. All members present voted in favor and the motion was declared carried.

C. ELECTRICAL PROJECT: BID PRESENTATION. PowerPlus Engineers Tom Nigon and Chuck Gustafson were in attendance to present the bids received for the East Conversion and Hospital Conversion Electrical Projects for 2011-2012. Nigon reported that requests for proposals were sent to six contactors. The contractors that received bid packages included the following: Great Lakes Line Builders, Karian Peterson, Pieperline Construction, Push, Michels Power, and Normans Electric. It was noted that Karian Peterson came in as the low bidder. It was further noted that the Karian Peterson firm received the bid for the 2010 Caledonia project for the Foltz/Sunnyside conversion. Nigon stated that PowerPlus Engineering recommended that the low bid be awarded to Karian Peterson for the 2011 projects.

Karian Peterson	Great Lakes	PUSH	Michels
\$374,771.28	\$478,633.93	\$522,344.94	\$635,052.64

Nigon went on to provide the Council with the following updated engineering cost estimate for the projects. The engineering estimate included costs from the Karian Peterson labor bid, the RESCO material bid, materials from stock, estimated costs for the ballfield lighting upgrade, and engineering costs.

Description	Cost
Labor-Contract	\$380,000.00
Material	\$260,000.00
Ball Park Labor	\$11,000.00
Staking/Design	\$20,000.00
Engineering – Contracts/Specs	\$9,000.00
Engineering – Inspections	\$6,000.00
Total Cost Estimate	\$868,000.00

Next, Nigon explained the Construction Work Plan Budget as follows for the projects from the 2011-2014 construction work plan for the City of Caledonia electric utility.

Project	Cost
East Conversion	\$299,758.00
Hospital Conversion	\$427,794.00
Capacitor Installations	\$30,000.00
Total	\$757,552.00
Difference Estimate	-\$71,552.00

Nigon wrapped up discussion by noting that the labor and material bids are competitive. He went on to note that the projects represent approximately 50% of the total projects in the four year work plan. Nigon stated that he recommended that the labor bid be awarded to Karian Peterson and that the material bid be awarded to RESCO. It was noted that the projects are estimated to begin construction in June 2011 and be completed by the end of the summer of 2011. Discussion ensued. Mayor Burns asked City Light Department employee Matt Blocker if there were any change orders with the 2010 project. Blocker replied that there were no change orders with the 2010 project. Blocker went on to state that he was comfortable with Karian Peterson and thought that they did a good job on the 2010 project. Member Fisch inquired about restoration. Blocker stated that there was one property in which black dirt and seed had to be applied as well as repair a cracked sidewalk due to heavy machinery. A motion was made by Mayor Burns, seconded by Member Murphy to accept the low bid from Karian Peterson in the amount of \$374,771.28. All members present voted in favor and the motion was declared carried.

D. LIGHT DEPARTMENT: HYDRO EXCAVATOR. City Light Department employee Matt Blocker was present to share that the City was the successful bidder on a Ditch Witch FX30 Vacuum that was sold at an auction in Caledonia for \$11,000.00. Blocker stated that the hydro excavator will be picked up to be serviced. Blocker estimated this to cost approximately \$6,000.00. According to Blocker, servicing the hydro excavator will get it in good working condition. Member Fisch inquired as to how long the servicing will take. Blocker noted that it should only take about two to three days. No official action was taken on information presented.

E. LIGHT DEPARTMENT: Ballpark Lighting Project. City Light Department employee Matt Blocker was present to report that three quotes were obtained from local electricians to perform necessary electrical work at the ballpark. The following quotes were obtained:

Becker and Stemper Electric	\$6,322.23
Brad's Electric	\$4,976.00
Hoskins Electric	\$4,650.00

Mayor Burns asked Blocker if he reviewed the quotes and whether everything looked good. Mayor Burns went on to note that the City will go with the low bid if it's all the same. Blocker replied that the low bid meets what the City is looking for. Discussion ensued. A motion was made by Mayor Burns, seconded by Member Fisch to accept the low quote from Hoskins Electric in the amount of \$4,650.00. All members present voted in favor and the motion was declared carried.

F. FIRE DEPARTMENT: RIT AIR PACKS. City Clerk/Administrator Feely shared that the bid opening for the RIT Air Packs took place on Tuesday, March 22 at 11:00 a.m. in the Council Chambers at City Hall. Those present included the following: Member Lemke, Fire Chief Chuck Gavin, Assistant Fire Chief Matt Hoscheit, Feely, and Sandry Fire Supply Representative Neal Stapelkamp. Feely went on to note that only one bid was received, and it was from Sandry Fire Supply, LLC, in the amount of \$118,913.50. It was noted that the bid package was then reviewed for compliance with the City's specifications. Mr. Stapelkamp was present during this time to answer questions. It was further noted that the RIT Air Packs would be purchased using the FY 2010 Assistance to Firefighters Grant. Mayor Burns asked if everything looked good. Gavin and Hoscheit stated that everything looks good and that the bid came in lower than expected. Gavin went on to share that per the FEMA grant administrator, the unused dollars in the grant fund can be reallocated for approved items, such as an air compressor. Member Murphy inquired as to whether the air packs being ordered are the best that the City can

get. Hoscheit replied that they are essentially the Cadillac version of air packs available. Member Murphy went on to stress that given the uncertainty surrounding LGA, the City has to watch every expenditure being made. Member Fisch inquired as to whether it would be wise to purchase three additional face masks given the bid came in lower than anticipated. Discussion ensued. A motion was made by Mayor Burns, seconded by Member Fisch to approve the lone bid received from Sandry Fire Supply, LLC, in the amount of \$118,913.50, along with the additional purchase of three face masks. All members present voted in favor and the motion was declared carried.

G. FIRE DEPARTMENT: AIR COMPRESSOR. Fire Chief Chuck Gavin and Assistant Chief Matt Hoscheit were present to request authorization to purchase an air compressor from Alex Air Apparatus in the amount of \$18,600.00. Gavin stated that the new air compressor would be paid for using \$9,000.00 of 501c3 funds, \$4,500 from the FY 2010 Assistance to Firefighters Grant, and \$5,100.00 to be split amongst the City and Rural Fire District. Gavin noted that the existing compressor will be advertised for sale and that any revenue would go back to the City. Gavin stated that he would like to advertise the sale of the compressor to the surrounding communities. City Clerk/Administrator Feely recommended advertising on the League of Minnesota Cities website if there is no interest from surrounding communities. Discussion ensued. A motion was made by Mayor Burns, seconded by Member Fisch to authorize spending \$5,100 out of the City's general fund to pay for the air compressor with the understanding that half of this amount will be reimbursed by the Rural Fire District. All members present voted in favor and the motion was declared carried.

H. CITY ACCOUNTANT TOPICS.

1. CASH AND INVESTMENT REPORT. City Accountant Stephanie Mann was in attendance to report that as of February 28, 2011, the total cash balance was \$663,255.22 and the total investment balance was \$2,832,900.00. Discussion ensued.

2. BUDGET WORKSHEET. City Accountant Mann reviewed the budget worksheet which showed the line item detail for revenues and expenditures through February 28, 2011. Discussion ensued. Member Murphy requested that a meeting be held at the Liquor Store on Friday, April 1 to compare Liquor Store Manager Patty Gavin's profit and loss sheet to that of the Mann's. Member Murphy requested that Member Lemke, Mann, and City Clerk/Administrator Feely attend this meeting.

3. YEAR-END BUDGET WORKSHEET. City Accountant Mann reviewed the year-end budget worksheet and noted that she has been very busy with journal entries and preparing for the audit. In an effort to lessen Mann's workload and time spent at city council meetings, Mayor Burns asked the Council whether they felt it was necessary to have Mann put together and present a budget worksheet during the first and second quarters of the year. The consensus was that a budget worksheet is not necessary until the second meeting in July and every month thereafter until the end of the year. City Clerk/Administrator Feely recommended that the Cash and Investment Report continue to be reviewed once a month at Council meetings. It was decided that if there is anything unusual with department expenditures, then Feely will report to the Council during the first and second quarters of the year.

I. ADMINISTRATIVE COORDINATOR TOPICS.

1. ANOTHER PLOW TRUCK TO BID ON. Administrative Coordinator Gerardy informed the Council that he looked at a 1995 plow truck in Middleton, Wisconsin, and would like authorization to bid on it. Gerardy noted that service records were reviewed and it looks like a good plow truck. A motion was made by Mayor Burns, seconded by Member Fisch to

authorize Gerardy to bid up to \$25,000.00 on a used plow truck. All members present voted in favor and the motion was declared carried.

2. DUMP SITE ATTENDANT. Administrative Coordinator Gerardy requested permission to hire Orv Danielson as a tree site attendant at \$8.50 per hour. A motion was made by Member Fisch, seconded by Member Murphy to hire Orv Danielson as a Tree Disposal Site Attendant at an hourly rate of \$8.50 per hour. All members present voted in favor and the motion was declared carried.

J. COMMUNICATIONS.

1. NOTICE FROM HOUSTON COUNTY. A notice was attached with the agenda from Houston County Environmental Services Director, Rick Frank, regarding an upcoming one day collection of fluorescent and HID bulbs on Saturday, April 9 from 8:00 a.m. to 3:00 p.m. at the supervised drop site in Caledonia.

OLD BUSINESS.

A. JOINT POWERS AGREEMENT WITH BUREAU OF CRIMINAL APPREHENSION. City Clerk/Administrator Feely shared that discussion took place at the March 14 City Council meeting regarding approving a Joint Powers Agreement (JPA) with the Bureau of Criminal Apprehension (BCA). It was noted that the consensus at that time was to gather more background information. Feely went on to note that per an email from the BCA, there are essentially eleven different User Agreements for services that BCA offers. The BCA is consolidating the different agreements into one master agreement. Feely explained that this means that if the City requests a new service in the future, a new agreement will not have to be signed. Feely further explained that the City's police department currently has agreements for the following services: Computerized Criminal History Data, Criminal Justice Data Communication, and the Criminal History Maintenance System. It was noted that the City's police department has recently requested access to the Minnesota Repository of Arrest Photos and the Predatory Offender Registration System. According to the BCA, the services that can be accessed are based upon what each agency is eligible for. Member Fisch requested that the City Clerk/Administrator be notified before any other services are accessed by the police department. Discussion ensued. A motion was made by Member Fisch, seconded by Mayor Burns to approve the JPA with BCA so long as the City Clerk/Administrator is contacted for authorization before any additional programs are added. All members present voted in favor and the motion was declared carried.

NEW BUSINESS.

A. CREDIT BUREAU DATA REQUEST. City Clerk/Administrator Feely shared that attached with the agenda was a Client Web Access – Confidentiality Agreement from Credit Bureau Data, Inc. that enables the City to submit collection account data electronically. Feely went on to note that it was not necessary to sign another agreement with Credit Bureau Data for collection services as such an agreement was approved by the Council in 2004, even though the City never sent Credit Bureau Data any collection data for inactive utility accounts. Credit Bureau Data will attempt to collect on accounts with an unpaid balance of \$10.00 or more. It was noted that at the present time, the City has \$39,463.84 in unpaid charges for inactive utility accounts for the period of 2005 to 2010. Due to the statute of limitations, Credit Bureau Data can only go as far back as six years to collect unpaid accounts. Feely noted that Credit Bureau Data recommended writing off 2005 accounts and those with balances under \$10.00. It was noted that writing off those charges results in a loss of \$1,610.98, leaving \$37,852.86 that Credit Bureau Data can attempt to collect on behalf of the City. Feely wrapped up discussion by noting that once everything is in place with respect to certifying delinquent charges for collection with property taxes, there should only be a few situations in which the City should have to write-

off charges, beginning with those incurred April 15 and on. A motion was made by Mayor Burns, seconded by Member Fisch to approve signing the Credit Bureau Data Client Web Access – Confidentiality Agreement. All members present voted in favor and the motion was declared carried.

B. RESOLUTION ACCEPTING A GRANT TO THE CITY OF CALEDONIA. A motion as made by Mayor Burns, seconded by Member Fisch to approve Resolution 2-2011: Accepting a FY 2010 Assistance to Firefighters Grant in the amount of \$126,146.00 for the purchase of RIT Air Packs. All members present voted in favor and the motion was declared carried.

C. MnWARN. City Clerk/Administrator Feely shared that attached with the agenda was a copy of a MnWARN Mutual Aid Agreement. Discussion ensued. The consensus was to develop a revised rental rate schedule before approving the agreement. The issue will be revisited at the upcoming meeting.

D. POOL TELEPHONE. City Clerk/Administrator Feely shared that due to the fact that the pool is only in operation three to four months every year, a phonecall was made to ACE Communications to find out options existed with respect to either disconnecting the line or obtaining a vacation rate for those months in which the pool is not in use. Feely went on to note that if the City were to disconnect the line altogether during the months in which the pool is closed, there would be an \$18.00 reconnect fee when the pool reopened. In addition, there would be no guarantee that the City could obtain the same phone number when the service is reconnected. It was noted that another option included selecting the vacation rate which would allow the City to be charged half its normal rate for those months in which the phone is not in service. It was further noted that the City currently pays approximately \$40.00 per month for phone service at the pool. Since the pool number is already an unlisted number, the consensus was to disconnect the phone during the months in which the pool is normally closed in an effort to realize a cost savings of about \$300.00 per year. A motion was made by Member Fisch, seconded by Member Murphy to approve disconnecting the phone during the months in which the pool is closed. All members present voted in favor and the motion was declared carried.

E. BUREAU OF MEDIATION RESPONSE. City Clerk/Administrator Feely shared that attached with the agenda was a response from the Bureau of Mediation Services (BMS) as a result of the conference call that she and Sergeant Jim Stemper participated in. Feely went on to note that the response is an informal opinion and not to be used in arbitration. After reviewing the response, Mayor Burns stated that it appears that the BMS agrees with the City's interpretation on compensation. Discussion was wrapped up with Feely noting that she will be sending a notice to the Police Association informing them that any past practice with respect to the City inadvertently paying out compensation for hours that were compounded, pyramided or counted twice for the same hours worked, will no longer continue. No official action was taken.

F. RESOLUTION ACCEPTING FEASIBILITY REPORT AND CALLING HEARING ON IMPROVEMENT. City Clerk/Administrator Feely shared that attached with the agenda was Resolution 3-2011: Resolution Receiving Feasibility Report and Calling Hearing on East Grant Street Improvement. Mayor Burns inquired as to whether the entire \$260,000 would be assessed to the affected property owners. Feely replied that she didn't know the exact amount that would be paid for by the affected property owners at this time but that the projected total project cost was estimated at \$260,000. Feely went on to note that she sent letters to all affected property owners and that a notice was published in the paper. It was further noted that the hearing will take place at 6:30 p.m. on Tuesday, April 12 in the Council Chambers at City Hall. A motion was made by Mayor Burns, seconded by Member Murphy to approve Resolution 3-2011:

Resolution Receiving Feasibility Report and Calling Hearing on East Grant Street Improvement. All members present voted in favor and the motion was declared carried.

G. EMPLOYEES PLUGGING VEHICLES INTO CITY. Mayor Burns stated that he was approached by a citizen regarding why the City disconnected the phone at the Auditorium to save \$500.00 when the City was allowing a police officer to plug in his diesel pickup to the City's electricity while on-duty. Discussion then ensued regarding whether employees should be permitted to park their personal vehicles in City garages. Member Fisch stated that he thought this topic of parking personal vehicles in the police garage was permitted. Mayor Burns asked the Council if there should be a policy to deal with parking in City buildings. Member Murphy stated that as long as a City vehicle isn't left running outside while an employee's personal vehicle is in the garage, he was okay with allowing such a practice. The consensus of the Council is to allow parking of personal vehicles in City garages so long as they are not needed for City vehicles. Further, the plugging in of vehicles to City electrical outlets is prohibited.

H. TRAIL PROJECTS. Administrative Coordinator Gerardy and City Clerk/Administrator Feely provided an update with respect to the trail projects being worked on. Discussion ensued. The consensus is to solicit quotes for engineering services.

I. COUNTY STATE HIGHWAY FIVE PROJECT. Mayor Burns provided a recap of the meeting that he, Member Vick, City Clerk/Administrator Feely, and Administrative Coordinator Gerardy attended. It was noted that a copy of the proposed Cooperative Agreement will be included in the upcoming Council packet for review and approval. No official action was taken.

J. SUNDAY LIQUOR ISSUE. Member Murphy shared the Minnesota Municipal Beverage Association's stance on selling off-sale liquor on Sundays. Member Murphy requested that the City offer a stand on the matter. Discussion ensued. The consensus was to revisit at the upcoming meeting.

K. CHAMBER SPACE. Mayor Burns shared that the library space might be a location for the Chamber as it is open until noon on Mondays, Wednesdays, and Fridays. The downside with this option is that the Chamber Office would have to be mobile as there is no room to store their supplies.

CLERK'S REPORT.

A. EMPLOYEE TIME RECORD. Enclosed with the agenda was the Employee Time Record for Mar.7, 2011-Mar. 20, 2011.

B. 2010 CENSUS DATA. City Clerk/Administrator Feely shared that attached with the agenda was recently released redistricting data for Minnesota that she obtained from the League of Minnesota Cities. Feely noted that according to the 2010 Census, the population of Caledonia is 2,868. By race, there is 2,775 white, thirty-eight (38) Black, ten (10) American Indian, nineteen (19) Asian, three (3) other race, and twenty-three (23) multiple races. There are sixteen (16) Hispanic who may be of any race. Of those sixteen (16), thirteen (13) are listed as white along, one (1) is listed as American Indian alone, one (1) is listed as some other race along, and one (1) multi race. Feely further noted that this data represents the first look at the local 2010 Census results and indicated that additional data will be released throughout the spring and summer.

C. DISCHARGE MONITORING REPORT. Attached with the agenda was a discharge monitoring report showing an average Nitrogen Level of 7.87 mg/L.

D. LEAGUE OF MINNESOTA CITES FRIDAY FAX. Attached with the agenda was a Friday Fax from the League of Minnesota Cities.

MISCELLANEOUS ITEMS.

None.

ADJOURNMENT. A motion was made by Mayor Burns, seconded by Member Lemke to adjourn the meeting at 9:45 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, April 11, 2011 at 6:00 p.m. in the Council Room, City Hall.

Robert H. Burns, Mayor

Jennifer Feely, City Clerk/Administrator