

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, April 28, 2008

CALL TO ORDER: Following due call and notice thereof, Mayor Morey called the meeting to order at 6:30 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: Michael Murphy, Stephanie Mann, Mike Gerardy and Robert L. Nelson. Visitors present: Mike Rogich, Jason Gordon, Joe and Sally Slavicek, Cindy Creswell and Charlie Warner, Reporter.

BOARD OF REVIEW: At this time Mayor Morey recessed the regular meeting to conduct the Board of Review. Cindy Creswell, Houston County Assessors Office, was present to make a presentation to the Council of past years activities on property sales, law changes, and the like. There were no visitors present to inquire about their property values. Ms. Creswell reviewed each page of the 27 page booklet pertaining to the Municipality and Urban Sales, and the like, including the explicit sales made within the City of Caledonia during the past year. Ms. Creswell Completed her presentation at approximately 7:10 p.m. and there were still no visitors present to discuss the values of their properties. At this time, Mayor Morey closed the Board of Review and resumed the Regular Meeting.

CONSENT AGENDA: Following brief discussion, a motion was made by Mayor Morey, seconded by Member Klug, to approve the Consent Agenda Items, listed below. Members voting in favor: Morey, Klug, Standish and Perry. Opposed: None. Abstaining: Vick. The motion was declared carried.

A. MINUTES OF PAST MEETINGS: To approve the minutes of the Regular Meeting held Monday, April 14, 2008, as presented.

VISITORS AND COMMUNICATIONS

A. STORM WATER RUNOFF CONCERN: Joe and Sally Slavicek, 214 West Lincoln Street, addressed the Council concerning the condition of storm water runoff flowing from properties to the north, being immediately adjacent to Augedahl Construction and Cabinetry and areas north of that property. Ms. Slavicek stated that following the cleanup of the burned construction building, Augedahl's re-landscaped the area and erected a newer building leaving an open area immediately adjacent to their property. Over the course of time, the Augedahl's landscaped the area such that the storm water runoff would flow directly into their backyard causing a stream like condition were at times the amount of water coming in would be many feet wide and perhaps as deep as 6 inches flowing up and around the house such that it leaked into the basement and has started to rot some of the wood of the building. City Attorney Michael Murphy explained to the Council that the condition is not the liability of the City since the work was done as an independent action which was not presented to the City and is not in opposition to any city ordinance. Following discussion, a motion was made by Member Perry, seconded by Member Vick, to send a letter to Augedahl Construction and Cabinetry to encourage finding a solution to the apparent nuisance of storm water drainage which was apparently designed into the property layout following removal of the businesses burned building. All members voted in favor and the motion was declared carried.

B. ECONOMIC DEVELOPMENT: This item was tabled to the next meeting.

C. ACCOUNTANT: At this time Stephanie Mann, Accountant, presented the following reports to the Council.

1. CASH AND INVESTMENTS: She reported the cash and investments amount of \$2,969,459.53 as of March 31, 2008. Investments alone are \$2,608,000.
2. 2007 BALANCE SHEET: Ms. Mann briefly reviewed the assets liabilities and equity of the City of Caledonia for all funds informing the Council of the total asset amount of \$16,092,561.08 with the equal balance of total liabilities and equity, with liabilities being \$3,646,479.39 of that amount. These amounts at this time are un-audited.
3. 2007 GENERAL FUND BUDGET / ACTUAL COMPARISON: While the 2007 Budget indicated that both revenues and expenditures would be \$2,029,410.00 the actual, un-audited revenues were \$2,163,363.96 while the un-audited expenses were \$2,159,716.08 leaving a positive difference of \$3,647.88.

4. 2008 1ST QUARTER BUDGET WORKSHEET: Ms. Mann distributed copies of the budget worksheet showing the percentages of the budgeted amounts of expense used as of March 31.
5. STREET SWEEPER LOAN DATA: Ms. Mann distributed copies of a variety of amortizations with different interest rates and terms of payment. She explained that the street department purchased a new street sweeper in January 2008 with \$12,500 having been budgeted for this year. The remainder was to be taken as a loan from the electric department and at this time the council was to decide at what rate of interest and what scheduled dates payments were to be made from the general fund back to the electric department. Following discussion, a motion was made by Member Vick, seconded by Member Perry, to select the option with a 4% interest rate and semiannual payments of both principal and interest. All members present voted in favor and the motion was declared carried.
6. PERMANENT TRANSFER: Ms. Mann described a temporary transfer that was made back in 2002 or 2003 transferring \$60,000 from the electric department fund to the general fund. That transaction has remained in place until this time. Since the general fund is always short of cash, the likely hood that the money will be repaid is slim. Ms. Mann asked the Council for authorization to make that temporary advance a permanent transfer of the \$60,000 to be done with transactions for closing calendar year 2007 for preparation for the auditors who will be coming in May 2008. Following discussion, a motion was made by Member Vick, seconded by Mayor Morey, to authorize the temporary advance from the electric department to the general fund to be made a permanent transfer with the preparation for the closing out calendar year 2007. All members present voted in favor and the motion was declared carried.

B. ADMINISTRATIVE COORDINATOR TOPICS

1. PUBLIC HEARING – MOBILE HOME COURT: Mayor Morey recessed the Regular Meeting and opened a Public Hearing. Mike Rogich, owner, explained to the Council his plan for enlarging the eastside mobile home park by adding 13 new stalls and constructing an extension of eastside lane and creating a new sunset lane. Questions were asked about joining East South Street into the mobile home court from the west end. Mr. Rogich indicated he may consider doing that, but would have to move some existing buildings. When there was no further discussion, Mayor Morey closed the Public Hearing and resumed the Regular Meeting. At this time the council members briefly reviewed the information presented during the public hearing and a motion was made by Member Klug, seconded by Member Standish, to grant preliminary approval, condition upon the addition to the plat of a storm shelter and to make any changes for the final plat which maybe recommended by the cities consulting engineer, Davy Engineering Company which will be requested to review this illustration. All members voted in favor and the motion was declared carried.
2. ZONING APPLICATION – BEVERLY VARNEY: Mr. Gerardy presented a Zoning Application on behalf of Beverly Varney, 14102 State Highway 76, with input from Jason Gordon, the contractor hired to construct the proposed addition. Mr. Gordon explained the proposal to remove the existing 8' x 15' entryway and replace it with a 15' x 15' entryway relocating the door from the west side to the north side of the new entry. The new entry would be located approximately 5' from the west (rear) property line, requiring a 25' setback variance. Following discussion, a motion was made by Member Klug, seconded by Member Standish, to approve the application and grant the 25' setback variance. Members voting in favor: Morey, Klug, Standish and Perry. Opposed: Vick. The motion was declared carried.
3. GRAPPLE BUCKET QUOTE: Mr. Gerardy had obtained quotes from 3 different establishments on the price of a grapple hook. The quotes were as follows: Green Power Equipment - \$2,870; Caledonia Implement - \$2,440; and Joe Welch - \$1,491. Following brief discussion, a motion was made by Mayor Morey, seconded by Member Vick, to award the purchase to the low quote of Joe Welch in the amount of \$1,491. All members voted in favor and the motion was declared carried.
4. LEGION SHELTER DAMAGE: Mr. Gerardy informed the Council that a vehicle had driven into the American Legion Shelter and damage was done. He

- distributed pictures of the damage and stated he was working with a local contractor to obtain a bid and also with the insurance company of the owner of the vehicle to be reimbursed for the cost of the damage.
5. **CRACK FILL BIDS:** Mr. Gerardy reviewed the bids received at the past meeting saying that T.A.Z., the apparent low bidder at 92¢ per pound had all necessary documents incorporated with their bid and appeared to have all things in order for award of the contract at the stated 92¢ per pound. Following discussion, a motion was made by Mayor Morey, seconded by Member Standish, to award the low bid to T.A.Z. at 92¢ per pound. All members voted in favor and the motion was declared carried.
 6. **MN DOT SALT SHED INFORMATION:** Mr. Gerardy informed the Council that the State of Minnesota mailed a letter confirming that no subdivision of government as authority over the State, even concerning things such as zoning regulations. The State had submitted an application to construct an 80' x 80' salt shed which is basically the same design as the salt shed constructed by the City of Caledonia. Since Mr. Gerardy shared some of the setback regulations and the like of the City with the State, they did change the plan to locate the building further away from the property line as originally intended. Following discussion, a motion was made by Mayor Morey, seconded by Member Klug, to approve the MN DOT Zoning Application and not to charge any fee for the zoning purpose. All members voted in favor and the motion was declared carried.
 7. **RECREATION DEPARTMENT STAFFING:** Mr. Gerardy indicated there was need for someone to perform maintenance work on buildings and on the grounds for the recreation field, pool and playground area. The typical offer for such service is minimum wage and involves such work as mowing, painting, emptying trash and similar types of work. The Council authorized Mr. Gerardy to keep looking for staff and recommended checking with Experience Works and perhaps also with Britney Guillaume, the Director of the recreation service.

OLD BUSINESS

A. **APPRENTICESHIP PROGRAM:** Clerk Nelson reviewed the documents enclosed with the Agenda, which included a contract draft to be made with Timothy Evans regarding his apprenticeship program. The state apprenticeship agreement form had been revised from the last meeting to reflect on the changes directed by the Council, particularly granting credit for 1,000 hours as opposed to the 1,500 hours in the first draft. The state apprenticeship agreement showed 5 steps toward reaching the current top wage as a journey lineman at the rate of \$24.15 per hour. The initial step, granting 1,000 hours of credit for the journey lineman field had a wage of \$18.03 per hour to be effective at the agreement date of the apprenticeship program which was May 1, 2008. Following discussion, a motion was made by Mayor Morey, seconded by Member Standish, to adopt the contracts as stated. All members present voted in favor and the motion was declared carried.

B. **AGREEMENT – CREDIT BUREAU DATA, INC.:** Clerk Nelson informed the Council that the City of Caledonia, Ambulance Service, is attempting to enter an agreement with Credit Bureau Data to collect unpaid ambulance bills. The reporting of unpaid bills would be made to Credit Bureau Data by Winona Area Ambulance Service which does the ambulance billing for the City of Caledonia. Before performing such service however, a contract must be signed and on file with the Credit Bureau Data Company. Following discussion, a motion was made by Member Standish, seconded by Member Vick, to authorize entering into the agreement with Credit Bureau Data, Inc. and authorize Mayor Morey to sign on behalf of the City. All members present voted in favor and the motion was declared carried.

NEW BUSINESS

A. **DESIGN – AD – CONTEST:** Clerk Nelson explained that a representative of the Caledonia Argus came to the Clerk's Office with the subject ad, asking if the City wished to sponsor the event and explain that an answer was needed by the next day. The contest was for children who would draw up an advertisement for a City of Caledonia business which would then be advertised in the Caledonia Courier for a fee of \$45. Kendra Paus of St. John's School drew an advertisement for the City of Caledonia Electric Department. Nelson said he contacted Mayor Morey to obtain his opinion and ask if he would recommend entry to the Council at the future meeting if the City were to approve the ad in the timely manner requested. Mayor Morey indicated he would recommend approval to the Council. The question to the Council then was to approve \$45 for the cost of the advertisement by the young student to be shown in the Caledonia Courier. Following discussion, a motion was made by Mayor Morey, seconded by Member

Standish, to sponsor the \$45 ad. Member voting in favor: Morey, Klug, Standish and Perry. Opposed: Vick. The motion was declared carried.

B. LAPTOP QUOTES

1. ELECTRIC DEPARTMENT LAPTOP: Clerk Nelson presented a quote for the purchase of a laptop for the electric department having a separate 17" LCD Monitor and software programs which should facilitate the needs of the department. The entire cost was quoted at \$1,498.33, which includes Minnesota Sales Tax. Following brief discussion, a motion was made by Mayor Morey, seconded by Member Standish, to authorize the purchase of the laptop with the additional 17" LCD Monitor for the cost of \$1,498.33. All members present voted in favor and the motion was declared carried.
2. RECREATION AND OTHER CITY DEPARTMENTS: Clerk Nelson reported the second laptop used by the recreation department and other departments was quoted at \$1,208.75. Member Perry commented that the particular software program being purchased by this machine and the previous machine can be purchased from Microsoft and approved for installation on 3 computers. Following discussion, a motion was made by Member Vick, seconded by Member Perry to authorize purchase of the computer and equipment less the designated Office 2007 Home and Student Software Program for the price of \$175 which was to be purchased elsewhere. All members present voted in favor and the motion was declared carried.

C. HEALTH INSURANCE PROVIDERS: Member Vick endorsed obtaining quotes for health insurance coverage from other organizations including the Southeast Service Cooperative which is one of the companies bidding insurance for Houston County employees. Following discussion, a motion was made by Member Vick, seconded by Mayor Morey to investigate the rates of other companies which will be brought to the Council at the normal renewal time for city health insurance policy which is November 1, annual. All members present 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 April 7 – 20, 2008.

B. LETTER, DISTRICT 299, UNDERAGE DRINKING: Self explanatory.

C. PRECONSTRUCTION CONFERENCE: Nelson informed the Council Members there was to be a preconstruction conference with Great Lakes Line Company, related to the Electric Department Improvement Project, to be held at 9:00 a.m. on May 1 at the City Hall Council Room.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Mayor Morey and seconded by Member Vick. All members present voted in favor, the motion was declared carried and the meeting then adjourned at 9:20 p.m. The next Regular Meeting of the City Council is scheduled for 7:00 p.m., Monday, May 12, 2008, in the Council Room, City Hall.

Michael J. Morey, Mayor

Robert L. Nelson
City Clerk - Administrator