

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Tuesday, May 27, 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: Randi Vick, Gary Klug, Robert Standish and Peggy Perry. Members absent: None. Consultants and City staff present: Stephanie Mann, Michael Gerardy and Robert L. Nelson. Visitors present: Leo Dolle, Christine Graw, Leonard Klug and Charlie Warner, Reporter.

CONSENT AGENDA: Following brief discussion, a motion was made by Member Vick, seconded by Member Klug, 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, May 12, and Special Meeting held Monday, May 19, 2008, as presented.

B. EMPLOYMENT

1. FIREFIGHTER: To appoint Cory Gantenbien as a volunteer firefighter for the City of Caledonia.
2. UMPIRE: To appoint Dylan Klein, as an umpire for the 2008 baseball and softball season.

C. PARK / AUDITORIUM USE: To authorize the Caledonia Argus to utilize the gazebo or the City Auditorium Gymnasium floor, on Tuesday, August 12 in the evening to conduct a fundraiser for a scholarship program in memory of Dave Heiller. The event would be conducted in the Gazebo, outdoors, unless the weather is intemperate, forcing attendees inside the auditorium.

VISITORS AND COMMUNICATIONS

A. ECONOMIC DEVELOPMENT: Jane Schiltz, EDA Director, reported an education seminar on tax abatement and tax increment financing to be held at Preston and presented by David Drown & Associates. She also reported on a joint proposal by the Chamber and Economic Development Authority to hold a workshop on improvement in customer service which is planned for June 10 and costs \$10 per person. She requested authorization for herself and Stephanie Mann, City Accountant, to attend both of the above seminars at cost of \$10 per person. She reported that S & S Cycle is celebrating 50 years of business and is planning to publish a booklet for distribution of 20,000 copies. She is hoping the City and Chamber could do a joint advertisement to lure visitors to Caledonia. The publication will be completed the end of June. She also reported a trade show to be held from September 7 – 12, being a national car show with a maximum of 250 entries. As of April 4 there were already 150 reservations. The cars will be passing through the cities of Decorah, Spring Grove, Caledonia and Brownsville along their route. She hoped to have the Four Seasons Community Center open on September 10 when they would plan to pass through Caledonia. The Four Seasons would be a stop off point for refreshments and conversation. Southeast Minnesota Development Corporation is planning to conduct a program focusing on strong communities/strong businesses with technical assistance and growth for cities remaining in Minnesota; included as examples of accomplishment in this area are APN, Miken, Northern Engraving and Eitzen Manufacturing. Following discussion, a motion was made by Member Vick, seconded by Member Klug, to authorize the attendants of Jane and Stephanie Mann at the tax abatement and TIF seminar as well as the boot camp to be held for improvement in customer service for a fee in attendants of \$10 per person. All members voted in favor and the motion was declared carried.

B. ACCOUNTANT: Stephanie Mann, City Accountant, reported on the following documents. The April 30th cash balance was \$301,608.07 with the investment balance at \$2,608,000; the amount of cash decreased by \$59,851.46 from the previous month, while investments remained the same. Ms. Mann reviewed the budget worksheet, showing the amounts and percentages of the current budget expended thus far during the year. She also reviewed the schedule of long term debt, showing the amounts paid during calendar year 2007 as \$473,312.19 and the amounts to be paid over future years as far as 2017 with a summary amount shown for all years from 2018 to 2023. Ms. Mann also reviewed the combined financial statement and balance sheet showing the total assets and total liabilities and equity at \$15,520,676.84. The profit and loss statement as of the end of April showed a loss of \$512,001.57.

C. ADMINISTRATIVE COORDINATOR

1. ZONING APPLICATION – GRAW: Christine Graw, 223 South 2nd Street, reviewed her Zoning Application, proposing to remove an existing 6' x 16' porch and replace it with a 12' x 19' enclosed porch which will be located approximately 14' from the west (front) property line, requiring a 16' setback variance. She explained that currently the steps are on the west side of the porch, but the improvement proposal is to place the steps on the north side. Following discussion, a motion was made by Mayor Morey, seconded by Member Standish, to approve the application and grant the setback variance of 16' for the proposed 12' x 19' porch. All members voted in favor and the motion was declared carried.
2. ZONING APPLICATION – HOSCHEIT: At this time the Council reviewed an application from Joseph and Connie Hoscheit, 413 East Lincoln Street, proposing to construct an addition comprised of an 8' x 12' breezeway and an 18' x 30' family room with an attached 28' x 30' garage to the rear of the existing dwelling. The addition will be approximately 5' from the east (side) property line, requiring a 5' setback variance. Mr. Gerardy reviewed the application with the Council. When there was no further discussion, a motion was made by Member Klug, seconded by Mayor Morey, to approve the Zoning Application and grant the 5' setback variance on the east property line. All members voted in favor and the motion was declared carried.
3. ZONING APPLICATION – KLUG: Leonard Klug, 316 East Jefferson Street, reviewed his application proposing to construct a 24' x 32' unattached garage and a 7' x 19' deck on the front of the existing dwelling. The proposed garage will be located approximately 5' from the south (rear) property line and the proposed deck will be located approximately 15' from the north (front) property line, thereby requiring a 5' setback variance on the garage and 15' setback variance on the deck. When there was no further discussion, a motion was made by Mayor Morey, seconded by Member Standish, to approve the Zoning Application and grant the requested 5' setback variance on the south (rear) property line and 15' setback variance on the north (front) property line. Members voting in favor: Morey, Klug, Standish and Perry. Opposed: Vick. The motion was declared carried.
4. HOUSTON COUNTY FOLLOW-UP: Mr. Gerardy reported that he had contacted QED Engineering, asking for information on the capacity of the pond north of Main Street concerning the volume of water to be detained, but QED Engineering had not yet found any calculations regarding the pond volume and capacity. Following discussion, a motion was made by Mayor Morey, seconded by Member Perry, to authorize Davy Engineering to calculate the capacity of the pond regarding detention of storm water runoff for a specified rain fall frequency. All members voted in favor and the motion was declared carried.
5. GENERATOR ROOM UPDATE: Mr. Gerardy informed the Council that the total costs for construction of the generator and the building it is housed in, is \$73,072.85.
6. RECREATION AREA WORKERS: Mr. Gerardy said that Britney Guillaume, Recreation Department Director, said she would ask coaches to help out with the care and maintenance of the fields and parks and the coaches indicated they would be willing to help if they had the time. Mayor Morey recommended the City post notice; advertise in the Argus and on the local television channel for a part-time employee to work on the athletic fields and park areas. Following discussion, a motion was made by Mayor Morey, seconded by Member Perry, to hire an individual for up to 32 hours per week at \$7.00 per hour and to advertise for the position in the local high school, the Caledonia Argus and on our local television network and by posting notice on the front door of City Hall, continuing the advertisement until the position is filled. Members voting in favor: Morey, Standish and Perry. Opposed: Vick and Klug. The motion was declared carried.
7. WATER TOWER CLEANING: Mr. Gerardy informed the Council that a contractor had submitted a quote in the amount of \$10,400 plus sales tax to power wash and chemically treat the outside of both water towers with a high pressure washer and to do necessary spot painting. No motions were made at this time.

D. COMMUNICATIONS

1. Notice, Annual Chamber Golf Outing.

OLD BUSINESS

A. POLICE ASSOCIATION LABOR AGREEMENT: Clerk Nelson reported that the Police Association Labor Agreement had been lying idle for an extended period of time while the grievance procedure on a sergeant's position was being processed through the court system. Now that the grievance procedure had ended, Clerk Nelson asked if the council were ready to pursue the labor negotiations and what members of the council now constituted the committee to negotiate, considering the change in council membership. Following brief discussion, Mayor Morey indicated that the appropriate committee was now Randi Vick and Gary Klug.

B. COMMITTEE REPORT: At this time Gary Klug and Robert Standish gave their committee report on the findings of the operating hours of the municipal liquor store. Member Klug reported that on weekday nights, Monday – Thursday, the liquor store is open from 9:00 a.m. to 9:00 p.m. except from January 1 through March 31 when it closes at 8:00 p.m. On weekends the store opens at 9:00 a.m. and closes at 10:00 p.m. Weekends would be Friday night and Saturday night. This information was presented in response to a report by Elsie Vesterse of Elsie's Bar and Grill, who said customers were stopping there asking where they could purchase off-sale liquor, since the municipal liquor store was already closed.

C. POLICE OFFICER POSITION: Member Vick, on behalf of the council committee comprised of Member Klug and herself, informed the Council that based upon employment applications, interviews and a background investigation, Member Vick made a motion that an offer of employment be made to Chad Heuser to fill a vacate police officer full-time position, contingent upon the results of a physical and physiological evaluation. The motion was seconded by Member Klug. When discussion ended, all members voted in favor and the motion was declared carried.

NEW BUSINESS

A. ELECTRIC UTILITIES WHOLESALE RATES: Enclosed with the Agenda was a notice from Tri-County Electric Cooperative on the wholesale rate increases for electricity for the period May 1, 2008 through April 30, 2009. The Council accepted the rate information by general consensus.

B. INSURANCE LIABILITY COVERAGE: Clerk Nelson recommended adoption of the liability coverage waiver form which the Council has done for the past many years. Although certain issues have a claim limitation applied to them by Minnesota State Law, there are 4 or 5 issues which do not fall under the tort liability statute. Following discussion, a motion was made by Mayor Morey, seconded by Member Klug, to adopt the liability coverage waiver form which then raises the liability coverage to the insurance amount of \$1,200,000. All members voted in favor and the motion was declared carried.

C. LAWSUIT: Clerk Nelson reminded the Council of the claim against the City for sanitary sewer backup into a residential unit last August. The storm water infiltrated the sanitary sewer system through a manhole on private property through a private extension of the sanitary sewer. The insurance companies question to the Council is as follows. Does the Council wish to attempt a negotiated settlement with the property owner? If so, the payment, which maybe \$14,000 or greater, would be made directly by the City. Alternatively the City Council could choose to deny liability, which has been the tactic of the insurance company to date. Should the property owner file a lawsuit against the City, then if the court case were lost, the League of Minnesota Cities Insurance Trust would pay the settlement. Following brief discussion, a motion was made by Mayor Morey, seconded by Member Vick to instruct the insurance company to continue to deny liability for the sanitary sewer backup. All members voted in favor and the motion was declared carried.

D. FARMER'S MARKET: Clerk Nelson informed the Council that there was a request from the Farmer's Market organization to conduct their sales on Saturday and Sunday at the North Park. The past location had become unusable for unstated reasons. Following discussion, a motion was made by Member Standish, seconded by Mayor Morey, to approve their use of the North Park, contingent upon their understanding that it was a first come, first serve basis, meaning that if a large organized gathering were already in place in the shelters, the farmers market sales would have to be conducted on the grounds of the park area instead of the occupied shelters. All members voted in favor and the motion was declared carried.

E. BRUSH TRUCK MOTOR REPLACEMENT: Discussion was introduced concerning the Fire Department brush truck which had recently had a rebuilt motor installed because

compression on the original motor was not satisfactory. The rebuilt blew-up with less than an estimated 500 miles on it; rather than return to the motor parts company for installation of a replacement engine, the firefighters opted to purchase a new motor as opposed to a rebuilt motor and install that for a cost of \$2,236.29. That invoice has now been presented to the City of Caledonia. Following discussion, a motion was made by Mayor Morey, seconded by Member Standish, to return the bill to the Fire Department to be paid from their foundation or charitable gambling funds. All members voted in favor and the motion was declared carried.

F. MEETING WITH FIRE CHIEFS: A motion was made by Mayor Morey, seconded by Member Vick, to call a meeting with the Fire Chiefs for review of their purchasing procedures, and the like. 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 May 5 – 18, 2008.

B. MUSIC IN THE PARK: Enclosed with the Agenda was a summary roster of Music In the Park musicians and dates for the 2008 summer season.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Klug and seconded by Member Vick. All members voted in favor, the motion was declared carried and the meeting then adjourned at 9:28 p.m. The next Regular Meeting of the City Council is scheduled for 7:00 p.m., Monday, June 9, 2008, in the Council Room, City Hall.

Michael J. Morey, Mayor

Robert L. Nelson
City Clerk – Administrator

SPECIAL MEETING OF THE CITY COUNCIL CITY OF CALEDONIA, MINNESOTA Monday, June 2, 2008

CALL TO ORDER: Following due call and notice thereof, Mayor Morey called the meeting to order at 6:31 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Mayor Michael J. Morey; Council Members: Randi Vick, Gary Klug and Robert Standish. Members absent: Peggy Perry. Consultants and City staff present: Roger Schmitz and Robert L. Nelson. Visitors present: None.

BUSINESS ITEM

A. ELECTRIC SYSTEM IMPROVEMENT PROJECT: Roger Schmitz, City Electrician, reviewed an illustration showing a hand drawn plan for extending or replacing electrical service along West Main Street serving residences or businesses, including the Houston County Manned Dumpster Site and an extension of line along County State Aid Highway 12, also serving residences and the Back 40 Restaurant. These improvements are estimated to cost \$20,500 of additional work for Great Lakes Line Builders. Mr. Schmitz also alluded to a \$5,000 addition of work around the elementary school, but there was no illustration showing that part. Following discussion, a motion was made by Member Standish, seconded by Mayor Morey, to approve the additional work shown on the illustration for West Main Street and the illustration for C.S.A.H. #12 for the estimated cost of \$20,500. All members present voted in favor and the motion was declared carried.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Mayor Morey and seconded by Member Standish. All members present voted in favor, the motion was declared carried and the meeting then adjourned at 6:55 p.m.

Michael J. Morey, Mayor

Robert L. Nelson
City Clerk - Administrator