

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, June 13, 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: Randi Vick, Tom Murphy, Bob Lemke, and Paul Fisch. Members absent: None. Consultants and City staff present: City Clerk/Administrator Jennifer Feely and Administrative Coordinator Mike Gerardy. Visitors present: Matt Blocker and Argus Reporter Charlie Warner.

AGENDA APPROVAL. A motion was made by Member Fisch, seconded by Member Lemke, to approve the agenda with the following addition: Clarification on Open Meeting Law. All members present voted in favor and the motion was declared carried.

CONSENT AGENDA. A motion was made by Member Fisch, seconded by Member Lemke, to approve the consent agenda. All members present 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 23, 2011 and the Continued City Council Meeting held Tuesday, May 24, 2011, as presented.

B. APPLICATION FOR SOFT DRINK LICENSE: RALPH TUCK. To approve an application for a soft drink license for Ralph Tuck.

VISITORS AND COMMUNICATIONS.

A. ZONING APPLICATION: 821 SOUTH PINE STREET. Administrative Coordinator Gerardy stated that a zoning application was submitted by Milton Schoeberl, 821 South Pine Street, proposing to construct a 30'x40' (1,200 square feet) garage for storage. Discussion ensued. Mayor Burns stated that the concern is the size of the building and setting precedence. Member Fisch inquired as to whether the ordinance could be amended as it was designed for single lots versus double lots. Member Murphy stated that ordinances are designed to be fair. Member Murphy further stated that based upon the language in the ordinance, he would not vote in favor of the application. If the ordinance were amended, then he would vote in favor of the zoning request. Mayor Burns asked if the building could be smaller. Schoeberl replied that he would not like to make it smaller. Schoeberl went on to note that the building will look nice as he intends to put vinyl siding on the outside. A motion was made by Mayor Burns, seconded by Member Lemke, to approve the zoning request for a 532 square foot variance based upon the fact that it is a double lot, a dead end street, and there were no objections from surrounding property owners. Voting in favor: Burns, Lemke, Fisch, and Vick. Voting against: Murphy. The motion was declared carried.

B. ZONING APPLICATION: 725 EAST GRANT STREET. Administrative Coordinator Gerardy shared that a zoning application was received from 725 East Grant Street proposing to construct an addition onto the existing front porch and steps of the property. Gerardy noted that the proposal required consideration of a 1'6" setback variance from the (front) property line. Gerardy pointed out that the new dimensions would be 7'x6"x13'x6", and that the new construction would be located approximately 6'5" from the north (front) property line. Mayor Burns stated that he did not want to see an enclosed structure. Gerardy agreed and noted that he informed the property owner that no roof would be allowed. Mayor Burns asked if there were any

concerns from surrounding property owners. Gerardy replied that no concerns were raised by neighboring properties. Given the fact that such zoning requests have been granted in the past, a motion was made by Member Vick, seconded by Mayor Burns, to approve the zoning permit so long as no roof is ever constructed over the porch. All members present voted in favor and the motion was declared carried.

C. CITY FINANCE TOPICS.

1. REVIEW OF GAS UTILITY USAGE AS OF MAY 31, 2011. Attached with the agenda was a printout of gas utility charges for the years 2007-2011. City Clerk/Administrator Feely explained that the 2011 gas utility charges indicated that the amounts budgeted for gas usage would be less than actual expenditures. Member Murphy inquired as to why that was. Feely replied that it is a combination of colder temperatures and gas rate increases. Member Fisch inquired as to whether a different door could be installed in the front lobby. Mayor Burns stated that a trap door would be ideal. Member Fisch directed Feely to have Administrative Coordinator Gerardy look into whether a door could be installed near the elevator in the lobby area so as to avoid such a draft. No official action was taken.

2. REVIEW BUDGET WORKSHEET AS OF MAY 31, 2011. Attached with the agenda was a budget worksheet as of May 31, 2011. Discussion ensued.

3. DISCUSSION REGARDING RESPONSE PLAN FOR DEALING WITH A POTENTIAL STATE GOVERNMENT SHUTDOWN. City Clerk/Administrator Feely stated that the 2011 legislative session ended on midnight on May 23, 2011 without a complete budget signed into law. Feely noted that if no budget agreement for the 2012-2013 biennium is reached by the end of June, a state government shutdown will occur on July 1, 2011. Feely stated that the looming state government shutdown could last anywhere from a couple of days to several months, depending upon how long it takes for a budget agreement to be reached. According to the League of Minnesota Cities (LMC), the appropriation for Local Government Aid (LGA) is a standing appropriation defined in Minnesota Statutes 477A.03, subdivision 2a. Apparently, this means that even though the omnibus tax bill was vetoed, the LGA appropriation remains in effect and requires no further action by the legislature and governor. Feely went on to point out that the concern then is whether there will be sufficient staff available at the Department of Revenue and Minnesota Management and Budget Offices to send payments to each city by the scheduled distribution date, which is July 20. Feely stated that according to a LMC publication, the language contained in Minnesota Statutes 477A.03, subdivision 2, seems to address the funding of staffing necessary as it states that a sum sufficient to discharge the duties imposed by Minnesota Statutes 477A.011 to 477A.014 is annually appropriated from the general fund to the commissioner of revenue. Looking beyond the distribution of 2011 LGA, there is a concern about 2012 LGA certifications. By July 31, the commissioner of revenue is supposed to notify cities of their LGA amounts for the coming year. If there is a government shutdown, there is a possibility that there may not be sufficient staffing necessary to perform the 2012 calculations. Feely explained this is troublesome since cities are required to certify a preliminary levy by September 15. It was noted that it will be difficult to set a levy without any indication of what the certified 2012 LGA amount will be. Feely stated that the City's 2011 certified LGA is \$990,839. Due to the fact that the City Council approved figuring in a 30% reduction, only \$693,590 was plugged into the 2011 budget. LGA payments are scheduled to be disbursed on July 20 and December 26. Feely shared that the concern is that the City will have to operate for an indefinite period without its first half of the certified LGA payment. Feely also pointed out that the City receives its first half of the Public Employee Retirement Association (PERA) aid payment on or around July 20. PERA aid totals \$2,790, and is split into two equal disbursements. If both aids are delayed, the City will be operating with approximately \$350,000 less than anticipated. Feely explained that if there is a government shutdown and LGA and other

state aid payments are delayed, the City's general fund will continue to operate in the same manner that it is currently. It was noted that as it is right now, the City's general fund is in the red and being subsidized by other funding sources, such as the enterprise funds or debt service reserve funds. It was further noted that the general fund has been operating in this manner for as many years as the City's general fund has been in the negative. Feely explained that there is no need to do a fund transfer unless the Council really feels it is necessary to do so. Feely also explained that if the City gets short on cash, it can start pulling investments as they come due. It was noted that as of May 31, 2011, the City has \$2.7 million in investments. Discussion also took place regarding implementing a spending freeze on non-essential items. Feely stated that there aren't many areas in which City departments can make cuts as most are operating bare bones the way it is. Member Vick inquired as to whether layoffs would be necessary. Feely stated that she didn't know yet. Mayor Burns stated that we'll have to wait and see what happens. Feely wrapped up the discussion by noting that the best thing the City can do is prepare itself for the worst-case scenario so that if LGA is delayed for several months, the City has a plan to be able to provide its citizens with the services that it has come to expect from local government.

D. ADMINISTRATIVE COORDINATOR TOPICS.

1. PLAYGROUND EQUIPMENT. Administrative Coordinator Gerardy shared that repairs are needed at the playground next to the pool as vandalism was done to a slide and tunnel. Member Fisch inquired as to whether the playground equipment was covered by the City's insurance. The consensus of the Council is for City Clerk/Administrator Feely to check with City Insurance Agent Tom Danielson as to whether it makes sense to submit a claim to insurance since the total cost of the repairs is estimated at \$1,900. Gerardy pointed out that the first priority is to fix the slide and then the tunnel. No official action was taken.

2. WATER TOWER REPAIR. Administrative Coordinator Gerardy shared that the Ramsey Street Water Tower has a leak and needs to be fixed. Gerardy explained that the inlet tube is leaking about a gallon of water an hour right below the ball or water tank of the tower, which was built almost 30 years ago. Gerardy went on to note that the reason for the leak is due to the sway of the tower caused by winds. As a result, the expansion joints have sustained wearing over the years. Member Fisch inquired as to whether the other water tower has been looked at to see if there are similar concerns. Gerardy replied that the other tower had not been checked, but noted that he didn't have any concerns with the other tower. Gerardy shared that the repair will take approximately two days. The tower will be turned off and the City will rely on the other tower until the fix is complete and a disinfection process has taken place. After making phone calls to various companies, Gerardy anticipates the fix to be around \$15,000. Discussion ensued. The consensus of the Council was to fix the water tower as soon as possible. A motion was made by Mayor Burns, seconded by Member Fisch, to approve soliciting proposals to fix the Ramsey Street Water Tower. All members present voted in favor and the motion was declared carried.

E. COMMUNICATIONS.

1. A letter from Credit Bureau Data, Inc. was included with the agenda, thanking the City for being a customer.

CLAIMS

A. PREPAID CLAIMS. A question arose as to the ambulance mutual aid claim paid for John Speltz. City Clerk/Administrator Feely will contact Ambulance Director Mike Tornstrom to obtain more information and report back at the upcoming meeting. Following review, discussion and deliberation, a motion was made by Member Vick, seconded by Member Fisch,

to approve the Prepaid Claims List for May 2011. All members present voted in favor and the motion was declared carried.

American Test Center	Unit #50 Inspection	2,000.00
Buttell's Lighting	City Hall – Bulbs	25.52
G & F Distributing	Liquor Store Inventory	312.25
Jack Neumann Trucking	Liquor – Freight Expense	142.00
Johnson Brothers Liquor Co.	Liquor Store Inventory	3,519.44
Mathy Construction Co.	Street Maintenance Materials	448.73
Merchants Bank	ACH Fee	26.45
Phillips Wine & Spirits	Liquor Store Inventory	1,594.05
Quarter Master	PD Uniform Allowance – Johnson	19.99
Servocal Instruments	Flow Meter Calibration	390.00
South Central College	Safety & Health Training	638.62
St. Joseph Equipment	Street Eq. – Loader Repairs	272.08
St. Mary Auto Body Shop	PD – Tow GMC Sierra	42.75
Star Energy Services	2011 Project & Service Mapping	1,070.50
Tri-County Electric Co-op	Electric Energy	95.88
United Laboratories	Cleaning Supplies	439.51
Verizon Wireless	Communication Expense	58.82
Bound Tree Medical, LLC	Ambulance – Misc. Supplies	1,276.68
Expert T Billing	Ambulance – Contracted Billing	767.25
Municipal Emergency Services	FD – Drywall Hook	145.24
Resco	Light – Inventory	11,979.32
SE MN League of Municipalities	Membership Dues	35.00
L.B.	Meter Deposit Refund	125.09
B.B. & City	Meter Deposit Refund	125.15
R.E. & City	Meter Deposit Refund	201.12
Northern Beverage Distribution	Liquor Store Inventory	1,464.45
Ranzenberger, Katie	Reimbursement – Pool Supplies	22.55
Schott Distributing Co, Inc.	Liquor Store Inventory	2,522.65
Spring Grove Soda Pop, Inc.	Liquor Store Inventory	152.55
Bound Tree Medical, LLC	Ambulance – Supplies	372.05
Business Financial Planning	Cafeteria Plan	396.91
Caledonia True Value	STP – Misc.	80.76
City of Caledonia Emp. Assn.	Association Dues	70.00
Commissioner of Revenue	State Withholding	1,287.81
E O Johnson Company	Clerk's Office – Copier Maintenance	592.15
Express Pressure Washers, Inc.	FD – Touch Free Soap	106.77
Fire Safety USA, Inc.	FD – Equipment Parts	93.63
In the Swim	Pool – Chemicals	1,187.94
ING Institutional Plan Services	TSA Payday	580.00
ITE Fire Apparatus	Tower 50 Repair Parts	144.54
Jack Neumann Trucking	Liquor – Freight Expense	35.00
Merchants Bank	Federal/FICA/Medicare	6,323.83
Minnesota NCPERS Life Ins.	NCPERS Life Insurance	80.00
MN Benefit Association	MBA	114.41
US Postal Service	Stamped Envelopes	2,380.50
Wirtz Beverage Minnesota	Liquor Store Inventory	1,084.84
Everett & Vanderwiel, PLLP	Labor / Service	3,196.56
Houston Fire Department	Mutual Aid	80.00
Municipal Emergency Services	FD – Uniforms (M. Hoscheit)	1,012.42

Public Emp. Retirement Assn.	PERA	5,169.03
Resco	Light – Inventory	482.37
Extreme Beverage, LLC	Liquor Store Inventory	67.00
Northern Beverage Distribution	Liquor Store Inventory	773.75
Schott Distributing Co, Inc.	Liquor Store Inventory	4,169.65
Spring Grove Soda Pop	Liquor Store Inventory	101.05
Ziebell's Hiawatha Foods, Inc.	Liquor Store Inventory	100.58
Caledonia Conv & Tourism	Tourism	1,016.50
G & F Distributing	Liquor Store Inventory	684.00
Jack Neumann Trucking	Liquor Store – Freight	126.00
Johnson Brothers Liquor Co.	Liquor Store Inventory	2,731.97
La Crescent Youth Baseball	Registration Fee	120.00
Phillips Wine & Spirits	Liquor Store Inventory	1,373.62
Tri-State Ambulance	Intercept Fee Run	250.00
Verizon Wireless	Ambulance – Communication Expense	56.88
Houston Co. Recorder	Recording Fee	46.00
League of MN Cities Ins. Trust	Claim	508.00
Metro Sales, Inc.	PD – Copier Agreement	74.95
Resco	Light – Inventory	4,383.34
TDS Media Direct, Inc.	Liquor – Brochure Ad	195.00
Verizon Wireless	PD – Communication Expense	106.25
Caledonia Oil Company	Diesel & Unleaded	3,711.55
DuCharme, Ron	Reimbursement – Baseball Equipment	241.68
Northern Beverage Distribution	Liquor Store Inventory	2,469.35
Schott Distributing Co, Inc.	Liquor Store Inventory	7,640.52
Spring Grove Soda Pop, Inc.	Liquor Store Inventory	62.75
Tri-State Ambulance, Inc.	Intercept Fee Run	500.00
Business Financial Planning	Cafeteria Plan	396.91
Commissioner of Revenue	State Withholding	1,379.03
Gavin, Mike	Animal Control	75.00
Houston County Treasurer	Ho. Co. Collection Site	3,385.25
ING Institutional Plan Services	TSA	580.00
Jack Neumann Trucking	Liquor – Freight Expense	35.00
Merchants Bank	Federal/FICA/Medicare	6,653.69
MN Dept. of Revenue	Sales / Use Tax	15,827.00
Motorola Solutions, Inc.	AFG/Equipment	484,872.93
Northern Beverage Distribution	Liquor Store Inventory	1,221.15
Paustis & Sons Wine Company	Liquor Store Inventory	194.50
Public Emp. Retirement Assn.	PERA	5,576.62
Richard's Sanitation	Recycling – Collections	6,130.80
Sandry Fire Supply, LLC	FD – Training SCBA/RIT	120,161.50
Wirtz Beverage Minnesota	Liquor Store Inventory	1,628.45
Commissioner of Revenue	State Withholding	228.23
Merchants Bank	Federal/FICA/Medicare	1,314.56
Public Emp. Retirement Assn.	PERA	804.31
ACE Link Telecommunications	Communication Expense	1,182.11
DuCharme, Ron	Reimbursement – Baseball Equipment	237.53
Faulks Bros Construction Inc.	Ballpark – Infield Mix	1,282.18
Principal Life	Life/Ad&d/STD	563.34
Resco	Light Inventory	79,362.46
Schott Distributing Co., Inc.	Liquor Store Inventory	4,245.35
Speltz, Jon	Ambulance – Mutual Aid	42.00

Spring Grove Soda Pop	Liquor Store Inventory	129.75
Stars of Tomorrow, Inc.	Registration Fee	275.00
Tornstrom, Brittany	Ambulance – Training Reimbursement	600.00
Tri-State Ambulance	Intercept Fee Run	250.00
US Bank NA	GO Sewer Revenue Refunding Bond	6,731.25
US Postal Service	Annual Fee	220.00
VISA	Pool, Library, Light	269.74
Blue Grass 52 Band	Music in the Park 6-14-11	250.00
CW VonArx & The Highway 3	Music in the Park 7-5-11	500.00
Mayer, Hans	Music in the Park 6-28-11	500.00
Warner, Charlie	Music in the Park 6-21-11	150.00
Credit Bureau Data, Inc.	Utility Collection Fees	303.88
Jack Neumann Trucking	Liquor – Freight Expense	96.00
Johnson Brothers Liquor Co.	Liquor Store Inventory	1,591.17
MN Energy Resources	Natural Gas	2,715.24
MN Rural Water Association	Membership Dues	210.00
Phillips Wine & Spirits Co.	Liquor Store Inventory	1,679.28
World Point ECC, Inc.	Amb. Training Supplies	383.95
Blue Cross Blue Shield of MN	Health Insurance	26,097.00
Expert T Billing	Contracted Billing	693.00
Advertising Concepts	Rec Park – Shirts/Caps	2,332.00
E.M. & City	Meter Deposit Refund	125.25
J.M. & City	Meter Deposit Refund	125.33
Northern Beverage Distribution	Liquor Store Inventory	5,399.35
Schott Distributing Co, Inc.	Liquor Store Inventory	4,354.45
Southern Wine & Spirits of MN	Liquor Store Inventory	3,137.28
Spring Grove Soda Pop, Inc.	Liquor Store Inventory	154.15
Tri-County Electric Co-op	Electric Energy	88.08
M.Y. & City	Meter Deposit Refund	125.32
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		\$883,162.12

B. CLAIMS PAYABLE. Following review, discussion and deliberation, a motion was made by Mayor Burns, seconded by Member Murphy, to approve the Claims Payable List for May 2011. All members present voted in favor and the motion was declared carried.

Affordable Technology So.	Office Supplies	797.95
Airgas North Central	Oxygen/Acetylene	97.07
Alco Discount Store	Misc. Supplies	102.63
Artic Glacier, Inc.	Ice	318.08
Baker & Taylor Books	Library Books	690.32
Bonanza Grain, Inc.	Landscaping Materials	70.00
Caledonia Implement Co.	Street Equipment – Misc. Parts	2.04
Caledonia Lumber Co.	Materials for Sideboard	57.77
Caledonia Oil Company	2006 Crown Vic, FD – Truck Misc.	417.08
City of Caledonia – Utilities	Electric, Water & Sewer	11,660.69
Clarey’s Safety Equipment	FD – Repair Part	31.95
Crystal Canyon/Ecowater	Drinking Water	30.03
Curt & Candy’s Hardware Hank	Keys & Misc.	51.40
D S Electric Supply	Bulbs	115.21
Dalco	T. Tissue, Foam Soap, Misc. Supplies	264.70
Davy Engineering	Rehab A – Design	8,505.23
Davy Laboratories	Lab	1,641.58

ECM Publishers, Inc.	Advertising	473.70
Farmer's Coop Elevator Co.	Grass Seed	94.58
First Supply	Fountain Repairs, Concession Stand	133.03
Gopher State One-Call	Location Notifications	116.00
Green Power Equipment	Street – Grease	42.43
Gundersen Lutheran	Police – Photos	10.00
Hawkins, Inc.	Chemicals	2,069.55
Independent School District	City Share X-ing Guards	1,645.85
Ken's Small Engine	Mower Parts/Repairs	37.34
LaCrosse Tribune	Library – Subscription	144.00
Menard's	2011 Infield Project	97.76
Midwest Tape	DVD(s)	96.56
Minnesota Dept. of Commerce	1 st Quarter Fiscal	409.45
Minnesota Dept. of Health	Water Service Connection Fee	1,809.00
Mississippi Welders Supply	Oxygen	134.49
P & H Services	2 Mobile Units	76.62
Richard's Sanitation	Refuse Disposal	179.22
Rippe, Hammell & Murphy	General Matters, Prosecution Matters	2,944.50
Rogich, Mike	Storage Unit Rent	450.00
Ruffridge Johnson Equipment	Coco Mat for Ballfield	90.56
Sandry Fire Supply, LLC	1 Helmet	210.32
Schilling Supply Company	Copy Paper, Towels, Bags	477.16
Schmitz Refrigeration	Liquor Store – Cooler Repair	96.50
Schulze Plumbing & Heating	Toilet Repair, Sink Hole, Sewer Pipe Repairs	923.91
SE Libraries Cooperating	Barcodes, Auto Fees	397.82
Tri-County Electric Co-op	Electric Energy	142,354.19
United Auto Supply, Inc.	Misc., Bulbs & Motor Tune-up	97.56
Verizon Wireless	Communication Expense	42.47
Wiebke Tire	Mower Maintenance	20.00
Witt's Pharmacy	Amb – Misc.	5.08
WWTP MPCA PFA Loan	Loan Payment	3,500.00
Zep Sales & Service	Trash Bags	<u>217.73</u>
		\$ 184,252.11

OLD BUSINESS.

A. FOLLOW-UP TO 2AM BAR INQUIRY. Mayor Burns asked if the Liquor Committee had any concerns that they would like to discuss. Member Lemke replied that there were no additional concerns brought forth regarding the 2AM bar closing time.

NEW BUSINESS.

A. RESULTS OF RECENT ALCOHOL COMPLIANCE CHECK. City Clerk/Administrator Feely shared that the Caledonia Police Department recently completed a second round of alcohol compliance checks. Out of the ten establishments holding liquor licenses, only two failed. Hometown Liquor and Good Times comprised the two establishments that failed the compliance check. Attached with the agenda was a copy of the letter that Feely sent to all liquor license holders back in May reminding them of the repercussions of failing a future compliance check. Feely went on to note that the City pays for each of its Hometown Liquor Clerks to participate in an on-line S-A-L-E-S (Selling-Alcohol-Legally-Effectively-Safely) training seminar put on by the Minnesota Licensed Beverage Association. Member Vick inquired as to the next step in the process. Feely replied that as per an earlier inquiry to the City Attorney after the initial round of compliance checks, the City should not take any action until the establishments have either admitted guilt in court or are found guilty of violating the sale of

liquor to minor laws. Discussion ensued. Feely suggested that the City may want to look into implementing a policy in which Hometown Liquor Clerks are to card all buyers of alcohol. Discussion ensued. No official action was taken as the Council will wait until the individuals who failed the compliance checks have been found guilty of violating the sale of liquor to minor laws.

B. ACCEPT RESIGNATION FROM LIQUOR STORE CLERK. City Clerk/Administrator Feely shared that Liquor Store Manager Patty Gavin received a verbal resignation from Liquor Store Clerk Katie Schmitz. It was noted that Schmitz began working for the City in December 2010. It was further noted that Schmitz was asked to provide a written resignation but chose not to comply with such request. A motion was made by Member Fisch, seconded by Member Vick, to approve the resignation from Katie Schmitz, effective June 13, 2011. All members present voted in favor and the motion was declared carried.

C. AUTHORIZATION TO HIRE ADDITIONAL HELP AT LIQUOR STORE. City Clerk/Administrator Feely shared that Liquor Store Manager Patty Gavin has requested permission to advertise for additional part-time help at the liquor store as she is having difficulty filling all of the shifts with the existing roster of employees. A motion was made by Member Fisch, seconded by Member Vick, to advertise for 1-2 additional part-time liquor store clerks. All members present voted in favor and the motion was declared carried.

D. AMBULANCE CREW MEMBER RESIGNATION. City Clerk/Administrator Feely shared that attached with the agenda was a resignation from Ambulance Crew Member Andrew Ballantine. It was noted that Ballantine served the Caledonia Ambulance since December 2010. A motion was made by Member Fisch, seconded by Member Lemke, to accept the resignation of Ambulance Crew Member Andrew Ballantine, effective April 30, 2011. All members present voted in favor and the motion was declared carried.

E. HIRING OF ADDITIONAL EMT. City Clerk/Administrator Feely shared that a hiring committee, consisting of Feely, Mayor Burns, Member Murphy, and Ambulance Director Mike Tornstrom, recently interviewed Karissa Meyer for the position of part-time EMT for the Caledonia Ambulance. It was noted that Meyer is currently serving as an intern for the Caledonia Ambulance Department and is nearing completion of the basic EMT course. Based upon the recommendation of the hiring committee, a motion was made by Member Lemke, seconded by Mayor Burns, to hire Karissa Meyer as an EMT at an hourly rate of \$14.00, contingent upon the successful completion of the basic EMT course and background check. All members present voted in favor and the motion was declared carried.

F. INSURING CITY FENCES DISCUSSION. City Clerk/Administrator Feely requested the Council's direction in whether to pursue insuring City fences and electrical boxes as two fences had been damaged in 2010. As a result, much time was spent trying to collect full restitution from the responsible parties since the fences were not insured. Feely went on to share information provided by City Insurance Agent Tom Danielson regarding approximately how much it would cost to insure property in the open. According to Danielson, the rate per \$100 of insurance for property in the open is approximately .87. It was noted that property in the open would include fences and electrical boxes. Mayor Burns inquired as to whether the City could insure a certain number of linear footage versus insuring certain fences. Feely replied that according to information obtained from Danielson, the City has to provide an accurate description of the location of each property to be insured. Feely went on to share that according to the information obtained, if the going rate is \$13.00 per linear foot for the fences, and the City decides to insure 2,000 feet of fence, the amount of coverage would be \$26,000.00 while the annual premium would be approximately \$226.00 (26,000 divided by 100=260 multiplied by

.87=226.20). It was also noted that if an electrical box were valued at \$13,000.00, the cost to insure it would be about \$113.00 annually. Member Murphy inquired as to whether there are other items besides fences and electrical boxes that aren't insured. Feely replied that it was her understanding that in years past, the City has had the opportunity to insure fences and electrical boxes but has opted not to in an effort to save money. Mayor Burns stated that since any insurance premiums for electrical boxes would be paid out of the enterprise fund, there shouldn't be problem with insuring various electrical boxes. The consensus of the Council is for Feely to contact Danielson to find out what other City property is not insured. No official action was taken.

G. POLICE CHIEF UNIFORM ALLOWANCE. City Clerk/Administrator Feely shared that Police Chief Kurt Zehnder requested that he receive a uniform allowance similar to that of what full-time police officers receive that are covered by the labor agreement between the police association and City of Caledonia. Discussion ensued. The consensus of the Council is to leave the employment agreement language as is for the time being since it can be negotiated when Zehnder's review is completed. No official action was taken.

H. ELECTRIC UTILITY MATTER INVOLVING THE HOUSTON COUNTY FAIR BOARD. City Clerk/Administrator Feely shared that a couple months ago, the City was contacted about an electric utility matter concerning the Houston County Fair utility account. Upon further investigation of the account, it was discovered that the City had been undercharging the Houston County Fair due to the fact that when a new meter was installed in 2007, the meter should have had a multiplier of two put on it, but, for whatever reason, did not. Consequently, the City ended up billing the Fairgrounds for half of the power that they have been using. It was noted that the total owed to the City is \$3,131.66. Feely shared that the City's Enterprise Committee, consisting of Member Lemke, Member Murphy, Feely, and City Electrician Matt Blocker, met with representatives of the Fair Board to discuss the matter and devise a payment plan. The Fair Board offered to pay the \$3,131.66 in charges back to the City at \$52.19 per month with 0% interest over the course of five years. Based upon the recommendation of the Enterprise Committee, a motion was made by Mayor Burns, seconded by Member Murphy, to allow the Fair Board to pay \$3,131.66 in electric charges to the City at \$52.19 per month with 0% interest for five years. All members present voted in favor and the motion was declared carried.

I. ESTIMATE FOR PRIMARY METERING AT HOUSTON COUNTY FAIRGROUND. City Clerk/Administrator Feely shared that attached with the agenda was an estimate for primary metering at the Houston County Fairground. By installing the primary metering, the Houston County Fairground will be charged the large power demand each month, in addition to the demand charge and usage rate for electricity used. City Electrician Matt Blocker noted that installing the primary metering will eliminate multiple meters and will pay for itself within three to five years. Blocker shared that the only thing the City owns is the meters and pole while the City is paying to energize the wires and transformers. Blocker also stated that Tri-County Electric recommends primary metering. Member Fisch inquired as to whether the Fairgrounds will be the only location to have such transformers. Blocker replied that the Historical Society also has their own transformer. A motion was made by Member Murphy, seconded by Member Lemke, to approve the purchase and installation of primary metering at the Houston County Fairground at an estimated cost of \$2,260.00. All members present voted in favor and the motion was declared carried.

J. DARE INSTRUCTOR RECERTIFICATION COURSE. City Clerk/Administrator Feely shared that Police Officer Allan Johnson requested authorization to attend an upcoming mandatory recertification training for DARE instructors on August 9, 2011 in Willmar. It was

noted that the cost of the training is \$150.00, while lodging runs at a rate of \$77.00 per night, plus tax. Member Fisch stated that if it's cheaper to have Johnson spend another night in a hotel rather than drive home after the training, to do so. A motion was made by Mayor Burns, seconded by Member Fisch, to approve sending Officer Johnson to the Summer 2011 DARE Recertification Course and have Johnson stay two nights, if necessary, so as to avoid overtime. All members present voted in favor and the motion was declared carried.

K. AUTHORIZATION TO SELL OLD FIRE DEPARTMENT AIR PACKS, AIR BOTTLES, AND FIRE HOSE. City Clerk/Administrator Feely shared that Fire Chief Chuck Gavin requested authorization to sell six air packs at a cost of \$375.00 per air pack and six air bottles at a cost of \$100.00 per air bottle to the Rushford Fire Department. Feely noted that according to Gavin, the City has sixteen air packs and twenty-four air bottles available for sale. Discussion ensued. A motion was made by Mayor Burns, seconded by Member Fisch, to approve the sale of air bottles and air packs to the Rushford Fire Department so long as the equipment is sold "as is". All members present voted in favor and the motion was declared carried.

L. STATUS OF MINNESOTA DEPARTMENT OF HEALTH GRANT. City Clerk/Administrator Feely shared with the Council that given the looming state government shutdown, the City received notice from the Minnesota Department of Health stating that no work could be performed on the wells after June 30 until authorization was given. Feely asked the Council whether they would like to proceed and have the wells sealed the week of June 20 as planned, or hold off until after the government shutdown takes place. Discussion ensued. The consensus of the Council is to delay any work on sealing the wells until after the state government shutdown. No official action was taken.

M. MUSIC IN THE PARK SIGN. Member Vick shared that the sign used for Music in the Park is no longer available. As a result, Around Town Promotions was contacted to rent a portable sign. Vick noted that the sign will cost \$250.00 for the 2011 Music in the Park. Discussion ensued. A motion was made by Mayor Burns, seconded by Member Lemke, to approve renting a sign from Around Town Promotions at a cost of \$250.00, to be paid for using donations. All members present voted in favor and the motion was declared carried.

N. CELL PHONE FOR LIGHT DEPARTMENT. City Clerk/Administrator Feely shared that City Electrician Matt Blocker had recently informed her that he had been using anywhere from 300- 500 minutes a month for City calls on his personal cell phone from contractors and so forth. Feely noted that she and City Accountant Stephanie Mann recently met with a Verizon representative to see if there were ways to obtain better pricing on the City's existing cell phone plans as well as find out how much it would cost to outfit Blocker with a cell phone. Feely reported that after visiting with the Verizon representative, a number of changes were made to the City's account so as to obtain a cost savings. In addition, information was gathered regarding setting up a plan for Blocker. Discussion ensued regarding whether or not to purchase a military style phone to handle wear and tear. Feely noted that on the government plan, each department has the ability to upgrade their respective phones at no charge every ten months. Feely inquired as to whether the Council would like Blocker to provide several months worth of cell phone bills so as to provide proof as to the number of City calls being made and received. The consensus of the Council was that this was not necessary. A motion was made by Member Fisch, seconded by Member Lemke, to authorize outfitting City Electrician Blocker with a cell phone plan consisting of 450 minutes per month and a basic phone. All members present voted in favor and the motion was declared carried.

O. RESOLUTION ACCEPTING A GRANT TO THE CITY. A motion was made by Member Fisch, seconded by Member Vick, to accept \$3,000.00 from the American Legion Post #191 to be used towards the ball field renovation project at Veteran's Memorial Field. All members present voted in favor and the motion was declared carried.

P. 2011-2012 WORKERS' COMPENSATION PLAN. City Clerk/Administrator Feely shared that attached with the agenda was a copy of the 2011-2012 workers' compensation renewal data and associated work papers. Feely noted that City Insurance Agent Tom Danielson reviewed the renewal paperwork and recommends that the City select the regular premium option. It was noted that the proposed net deposit premium for 2011-2012 is \$44,233.00. For comparison purposes, it was noted that the 2009-2010 net deposit premium totaled \$29,986 while the 2010-2011 net deposit premium totaled \$40,466. Various factors, such as the experience modification rating, can significantly affect the premium amount from year to year. Discussion ensued. Based upon City Insurance Agent Tom Danielson's recommendation, a motion was made by Mayor Burns, seconded by Member Lemke, to renew the 2011-2012 workers' compensation plan with the regular premium option at a net deposit premium of \$44,233.00. All members present voted in favor and the motion was declared carried.

Q. LIABILITY COVERAGE WAIVER FORM. City Clerk/Administrator Feely shared that attached with the agenda was a liability coverage waiver form from the League of Minnesota Cities Insurance Trust. Feely explained that the City will need to determine whether or not to waive the monetary limits on tort liability as established by Minnesota Statutes Section 466.04, to the extent of the limits of liability coverage obtained from LMCIT. Feely shared that the City's past practice has been to waive the monetary limits of liability. In addition, Feely noted that City Insurance Agent Tom Danielson recommends waiving the monetary limits of liability. A motion was made by Member Fisch, seconded by Member Murphy, to waive the monetary limits on tort liability established by Minnesota Statutes 466.04, to the extent of the limits of the liability coverage obtained from LMCIT. All members present voted in favor and the motion was declared carried.

CLERK'S REPORT.

A. EMPLOYEE TIME RECORD. Attached with the agenda was the Employee Time Record for May 16, 2011 - May 29, 2011. A motion was made by Member Lemke, seconded by Mayor Burns, to approve the Employee Time Record for the period of May 16, 2011-May 29, 2011.

B. POLICE OFFICER ACTIVITY LIST. Attached with the agenda was the Police Officer Activity List for May 2011.

C. DISCHARGE MONITORING REPORT. Attached with the agenda was a discharge monitoring report showing an average Nitrogen Level of 11.25 mg/L. The consensus of the Council is for Water/Wastewater Supervisor Tony Klug to provide an explanation in writing as to reasons why the average nitrogen level is high for those months in which it exceeds the normal range.

D. CONCILIATION COURT UPDATE. City Clerk/Administrator Feely informed Council that the fence matter was settled outside of conciliation court.

E. UPDATE ON STATUS OF SEWER REHABILITATION PROJECT. City Clerk/Administrator Feely provided an update with respect to the status of the paperwork associated with applying for funding for the pending sewer rehabilitation project.

F. STATUS OF ELECTRIC RATE STUDY. City Clerk/Administrator Feely provided an update with respect to the status of the completion of the electric rate study.

G. UPDATE ON POOL SCHEMATIC DESIGN. City Clerk/Administrator Feely provided an update with respect to the pool schematic design work being done and announced that the upcoming Community Pool Steering Meeting will be held at 7:00 p.m. on June 28 at the American Legion Park Shelter.

MISCELLANEOUS.

A. OPEN MEETIN LAW CLARIFICATION. A question arose as to how to handle a situation in which a Councilmember, serving in a capacity outside of the City, needs to attend a City committee meeting. Discussion ensued. It was noted that the Council is very mindful of the Open Meeting Law and is very careful in ensuring that it is followed.

B. BALLFIELD PROJECT. Park and Rec Committee Members Ron DuCharme and Todd Meiners were present to discuss their concerns about the ball field renovation project with the Council. DuCharme and Meiners stated that they were concerned that the ball field isn't playable and the only way to fix it is to add more material. DuCharme and Meiners estimated that three more loads are needed. A request was made to not use the field in 2011 and instead use the ball field at the middle/high school. DuCharme noted that more time is needed to figure out how to apply the material without lifting up the washed lime chips. DuCharme and Meiners stated that they will have no problem coming up with the additional \$12,000.00 needed to order more material. Member Fisch stated that perhaps more money could be added to the 2012 budget to assist with this project. Mayor Burns stated that the City needs to put a hold on the project for now and see whether more infield mix is needed as well as the best method to apply the material. Member Fisch requested that DuCharme and Meiners return with a recommendation in two weeks. Discussion wrapped up with a request by DuCharme and Meiners for another Park and Rec meeting. Both noted that Sunday evenings work best with their schedules.

ADJOURNMENT. A motion to adjourn was made at 9:50 p.m. by Member Vick, seconded by Mayor Burns. 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, June 27, 2011 at 6:00 p.m. in the Council Room, City Hall.

Jennifer Feely
City Clerk/Administrator

Robert H. Burns
Mayor