

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, August 23, 2010

CALL TO ORDER. Following due call and notice thereof, Mayor Burns called the meeting to order at 6:05 p.m. in the Council Room, City Hall.

ROLL CALL. Members present: Mayor Robert H. Burns; Council Members: Randi Vick, Robert Lemke, and Tom Murphy. Members absent: Peggy Perry. Consultants and City staff present: City Clerk/Administrator Jennifer Feely, Administrative Coordinator Mike Gerardy, City Accountant Stephanie Mann. Visitors present: Argus Reporter Charlie Warner.

AGENDA APPROVAL. The following items were added to the agenda for discussion: ACE Communications Notice and Ball Field Improvements. A motion was made by Mayor Burns, seconded by Member Vick to approve the agenda with the addition of the above-mentioned items. All members present voted in favor and the motion was declared carried.

CONSENT AGENDA. A motion was made by Member Vick, seconded by Member Murphy to approve the consent agenda items, listed below. 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, August 9, 2010 and the Special Meeting held Thursday, August 12, 2010, as presented.

VISITORS AND COMMUNICATIONS.

A. PUBLIC HEARING: ZONING APPLICATION. Mayor Burns recessed the Regular Meeting at 6:08 p.m. and opened a Public Hearing to consider a request by Ryan and Sarah Herman, 620 North Highway, proposing to install a 66"x30" non-illuminated sign. Administrative Coordinator Mike Gerardy noted that the City's policy doesn't generally allow for signage in the City's right of way. It was further noted that the sign was installed prior to contacting the City for a zoning application. A motion was made by Mayor Burns, seconded by Member Lemke to grant the zoning request so long as it is stipulated that any landscaping work needed as a result of work being completed in the City's right of way will be at the Herman's expense as signage is generally prohibited in the right of way. Voting in Favor: Burns, Lemke, Vick. Voting Against: Murphy. The motion was declared carried.

B. ZONING: BOB AND JAN KLUG PROPERTY. It was noted that City Attorney Tim Murphy met with Bob Klug prior to the meeting in an attempt to reach a resolution on whether the concrete structure for the relief of air is an encroachment or not. Representatives from the Houston County Jail Project were in attendance and were asked to return responses to the following items: (1) The decibel level at this location; (2) How far above ground will the concrete framing be; (3) Will there be a grading over the opening and the type of grading; (4) The location of the fan; (5) What will shield the area; and (6) Whether it is intake or exhaust. It was noted that the City will receive a response by the September 13 meeting.

C. UTILITY ASSESSMENT: PAM ROLAND. Pam Roland was not in attendance at the meeting; however, Ms. Roland submitted a special assessment request for charges incurred to replace a meter socket. A motion was made by Mayor Burns, seconded by Member Lemke to grant the special assessment request, as the work was ordered by the City, over a period of three years. All members present voted in favor and the motion was declared carried.

D. **BALL FIELD IMPROVEMENTS.** Todd Meiners and Ron DuCharme were present on behalf of Summer Rec parents to request the City's consideration in funding ball field improvements, such as dugout and field repairs. The consensus of the Council was to designate \$10,000 from the City, with the hope that the Legion would also contribute to the improvements. A motion was made by Member Murphy, seconded by Mayor Burns to allocate \$10,000 from 2010 capital improvement funds and the athletic field department surplus for dugout and field repairs. All members present voted in favor and the motion was declared carried.

E. **CITY ACCOUNTANT TOPICS.**

1. **CASH AND INVESTMENT REPORT.** City Accountant Stephanie Mann was in attendance to report that as of July 31, 2010, the total cash balance was \$757,000.62 and the total investment balance was \$2,699,900. Discussion ensued.
2. **BUDGET WORKSHEET.** City Accountant Mann reviewed the budget worksheet which showed the line item detail of revenues and expenditures through July 31, 2010.
3. **PRELIMINARY LEVY.** Discussion ensued concerning the 2011 preliminary levy. A motion was made by Mayor Burns, seconded by Member Murphy to certify a 5% increase over the 2010 levy amount, equal to a \$658,290 preliminary tax levy for 2011. All members present voted in favor and the motion was declared carried.

F. **ADMINISTRATIVE COORDINATOR TOPICS.**

1. **LEAF VAC.** Administrative Coordinator Mike Gerardy provided the Council with an update concerning the status of the leaf vac. Gerardy noted that the leaf vac needs to be repaired. Discussion ensued concerning whether it was in the City's best interest to invest more monies to repair the leaf vac versus setting aside monies for the future purchase of a new leaf vac. The consensus of the Council was to go without the leaf vac for 2010 and continue looking at pricing for a new or used leaf vac.
2. **BOILER LINE LEAK.** Administrative Coordinator Mike Gerardy shared with the Council that there is a leak in a boiler line. Gerardy will work on obtaining pricing to repair this item and present findings at the upcoming meeting.

G. **COMMUNICATIONS.**

1. **Mn/DOT Notice.**

OLD BUSINESS

A. **INVESTMENT AGREEMENTS.** Discussion ensued concerning the Floridian Custodial Services Agreement and the FNC Agreement. It was noted that the City has had investments with broker Pat Lengyel with CD Investments since the late 1980's and investments with FNC since the 1990's. It was noted that Floridian Custodial Services works with CD Investments as a custodial agent. City Attorney Murphy, after review of the Floridian Custodial Services Agreement, advised that the City should not sign the Floridian Custodial Agreement and recommended the City discontinue investing money with CD Investments as soon as the current investments mature. Member Murphy noted that he would like to propose various changes to the FNC agreement and will present at the upcoming meeting for review and approval. A motion was made by Member Murphy, seconded by Mayor Burns to authorize City Clerk/Administrator Jennifer Feely and City Accountant Stephanie Mann to make transactions, limited to certificates

of deposit and mutual funds, with respect to the City's investments. All members present voted in favor and the motion was declared carried.

B. ARGUS - SALUTES. A motion was made by Member Murphy, seconded by Member Vick to commit to advertising the same salutes as 2010, with the exception of one less salute, totaling a reduction of \$32.50. All members present voted in favor and the motion was declared carried.

C. WATER/WASTEWATER OPERATOR CLOTHING ALLOWANCE. A motion was made by Mayor Burns, seconded by Member Murphy to pay for (5) articles and pay embroidery costs. All members present voted in favor and the motion was declared carried.

D. SOLID WASTE CONTRACT. Greg Skauge, owner of Richard's Sanitation, was present to discuss the terms of the Solid Waste Contract. City Attorney Tim Murphy was also in attendance. A lengthy discussion ensued. The consensus was that City Attorney Murphy would re-write the contract to include the provisions discussed. A revised copy will be presented at an upcoming meeting.

NEW BUSINESS.

A. MN RURAL WATER ASSOCIATION – MICRO LOAN PROGRAM. City Clerk/Administrator Feely presented the Council with information concerning obtaining a \$200,000 Minnesota Rural Water Micro-Loan to assist in the financing of the South Street Sewer Project. A motion was made by Mayor Burns, seconded by Member Murphy to adopt the following resolution in the council packet: Resolution 7-2010, Providing for the Issuance, Sale, and Delivery of a \$203,600 General Obligation Sewer Revenue Notes, Series 2010 A. All members present voted in favor and the motion was declared carried.

B. LIQUOR STORE REQUEST: CARPET CLEANING MACHINE. Liquor Store Manager Patty Gavin requested the Council's consideration in purchasing a carpet cleaning machine versus hiring a carpet cleaning company to provide such a service. The consensus of the Council was to obtain a quote from the carpet cleaning outfit that recently provided carpet cleaning service at City Hall and hold off purchasing a carpet cleaning machine.

C. LIQUOR STORE CASHIER TRAINING. Liquor Store Manager Patty Gavin requested permission to participate in an on-line server training for liquor store cashiers at a cost of \$15 per person through the Minnesota Licensed Beverage Association (MLBA). A motion was made by Mayor Burns, seconded by Member Lemke to approve the liquor store cashier training at a cost of \$15 per person. All members present voted in favor and the motion was declared carried.

D. COUNCIL RESIGNATION. A motion was made by Mayor Burns, seconded by Member Vick to accept Peggy Perry's resignation as she will be in Australia for approximately one year and will be unable to fulfill her obligations as a City Council member during that time. All members voted in favor and the motion was declared carried. The consensus was to advertise for interested parties to submit a statement of interest to the City by September 10.

E. PROPOSED REFINANCING OF GENERAL OBLIGATION BONDS. City Clerk/Administrator Feely reviewed a proposed refinancing of the City's two General Obligation bond issues: General Obligation Improvement Refunding Bonds of 2003-A and General Obligation Water Revenue Refunding Bonds of 2003-B. Feely noted that the proposed refinancing could potentially reduce the City's overall future debt service payments. A representative from Northland Securities will be available at the upcoming meeting to discuss this proposed refinancing in more detail.

F. RESOLUTION ACCEPTING DONATION. A motion was made by Mayor Burns, seconded by Member Lemke to adopt Resolution 6-2010, accepting a \$1,500 donation from Cargill to assist the fire department in purchasing a rescue tube. All members present voted in favor and the motion was declared carried.

G. FIRE DEPARTMENT HOSE. A motion was made by Mayor Burns, seconded by Member Lemke to approve the purchase of fire hose at a cost not to exceed \$4,800. 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 July 26, 2010-August 8, 2010.

B. DISCHARGE MONITORING REPORT. Enclosed with the agenda was a discharge monitoring report showing an average Nitrogen Level of 4.75 mg/L.

C. CITIES, SERVICES, AND FUNDING DISCUSSION. City Clerk/Administrator Feely reviewed the latest information available concerning the outlook for funding of services and gave a brief overview of the Strong Towns report.

ADJOURNMENT. A motion to adjourn was made by Member Vick, seconded by Mayor Burns 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, September 13, 2010 at 6:00 p.m. in the Council Room, City Hall.

Robert H. Burns
Mayor

Jennifer Feely
City Clerk/Administrator