

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, January 26, 2009

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, Peggy Perry, Robert Lemke and Tom Murphy. Members absent: None. Consultants and City staff present: James Kochie, Randy Shefelbine, James Stemper, Michael Gerardy, Stephanie Mann and Robert L. Nelson. Visitors present: Beverly Aasum, Tony Vick, Mike Rogich, Jane Hayes, Bruce Kuehmichel, Ken Wright, Alan Breitbach, Dorothy Breitbach, Gary Klinski, Roger and Donna Pearson, Tracy Pearson, Diane Schulze, Arden Krueger Jr., Eileen Jacobson, Jan and Sandy Welscher, Larry and Joanne Bjergum, Mike & Cindy Schuldt, Nancy Rask, Jackie Rask, Randy Bearbower, Jenny Fitzpatrick, Joe Rud, Lilah Kuecker and Charlie Warner, Reporter.

CONSENT AGENDA: Following brief review, a motion was made by Member Vick, seconded by Member Murphy, 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, December 8, 2008, as presented.

VISITORS AND COMMUNICATIONS

A. PUBLIC HEARING – ZONING APPLICATION, MOBILE HOME COURT: At this time, Mayor Burns recessed the Regular Meeting and opened a Public Hearing to hear testimony on a proposed mobile home park along the south right-of-way line of East Grant Street, proposed by Mike Rogich. Many visitors objected to the proposed mobile home park on the condition that the present mobile home parks of Mr. Rogich were in great disarray having garbage and trash stored outside the trailers. Complaints were made on the condition of the trailers, themselves. They contended that police were often called to the site of the present mobile home park and did not want that kind of activity in their neighborhood. There were complaints over concerns of safety in as much as there are daycare facilities in the immediate neighborhood and senior citizens and children in the area, which may be threatened by the volume of additional traffic from a mobile home court. A contention was made that Mr. Rogich already had property in his present mobile home park on the eastside of town to expand. Mr. Rogich said he had 50 lots in his two present mobile home parks and each was filled. If he were allowed to expand to this area, he said all mobile homes to be parked on the property would be 2009 models and that they mobile homes parked at Hectors construction old site, now property of Dean Foltz, are not the ones to be installed on his proposed mobile home court. He said because of the terrain at the eastside mobile home park it would cost him \$50,000 to expand his present facilities, needing first to put in a sanitary sewer lift station. Copies of the illustration for his proposed park were distributed to the visitors. When there were no further comments, Mayor Burns closed the public hearing at 6:55 p.m. and resumed the Regular Meeting. Upon the recommendation of Clerk Nelson, a motion was made by Member Murphy, seconded by Member Lemke, to extend the review period for sixty calendar days to give the Council time to investigate some of the concerns expressed at the public hearing and to determine the adequacy of city utilities in the area of the proposed mobile home park. The sixty day extension for review of the zoning application will run to April 5, 2009. All members voted in favor and the motion was declared carried.

B. DAVY ENGINEERING COMPANY

1. SEWER AND WATER EXTENSIONS: James Kochie, Davy Engineering Company, reviewed a proposal for installation of water and sanitary sewer main from Main Street southward through the Evergreen Cemetery and paralleling STH 44/76 to a location adjacent to County State Aid Highway #12 at the South end of Caledonia Lumber Company property. Mr. Kochie estimated the cost of the water main extension at \$248,770 and the sanitary sewer main extension to include a lift station at \$337,290. As an alternate to the sanitary sewer lift station Mr. Kochie submitted an estimate for a pressure sewer and individual grinder pumps at \$40,610. There was discussion of water main being brought in from the property of Caledonia Implement Company to the east, but there was no cost estimate at this time though it appeared off hand that it would be a lesser cost, but also providing less volume of water flow with a 6" main instead of a 10" main. No motions were made by the Council at this time.

2. **SOUTH WINNEBAGO STREET IMPROVEMENTS:** Mr. Kochie reviewed the plans for improvements to South Winnebago Street, within the City limits, describing the need for water main extension, sanitary sewer main extension, storm water, sidewalks and other issues of construction. He explained some of the cost sharing between the City and Houston County. Understanding that there is a problem with property owners for installing sidewalk on the east right-of-way, Mr. Kochie agreed that consideration could be given to placing the sidewalk in the west right-of-way. Mr. Kochie said the Houston County proposal for construction of this area of Winnebago Street was to be completed in 2010. The total estimated construction cost for line items involving the City is \$214,088 with the city share at \$145,425.80 and the county share at \$68,662.20. No motions were made by the Council at this time.

C. **POLICE DEPARTMENT:** Police Chief Randy Shefelbine and Officer Jim Stemper were present. Chief Shefelbine responded to a question asked previous to the meeting by Mayor Burns about the circumstances of the City of Caledonia contracting with the Houston County Sheriff Office for police protection as opposed to continuing the Caledonia Police Department. Chief Shefelbine contended that the overall cost would probably be more expensive and that service would be less personalized than it is using the City's own police department. He gave examples from his experience as a deputy for Houston County when another City contracted for service. The service typically only covered emergency types of incidents and did not provide police service for nuisance things such as issuing parking citations and responding to calls for barking dogs and the like. Chief Shefelbine recommended the city continue its police department for the kind of personalized service it has come to expect.

D. **ADMINISTRATIVE COORDINATOR:** Mike Gerardy, Administrative Coordinator had no other issues to discuss with the Council than the earlier item of Mike Rogich's Mobile Home Court.

E. **CITY ACCOUNTANT**

1. **ENTERPRISE FUNDS BUDGET:** Stephanie Mann, City Accountant, presented and reviewed briefly copies of a budget for the City Enterprise funds, being Water, Sanitary Sewer, Houston County Collection Site, Electric Department, Municipal Liquor Store and Economic Development Authority Revolving Loan Fund. While there were some inquiries about the budget, no action was taken by the Council at this time.
2. **INDEBTEDNESS:** Ms. Mann reviewed a handout showing the debt of the City, itemizing the various funds for separate bonds and the payments into future years as far as 2017. Only one debt, the USDA Loan to the Economic Development Authority goes beyond 2017.
3. **CASH AND INVESTMENTS:** Ms. Mann reviewed the cash balance of the City showing a total cash and investments balance at \$2,916,037.89 of which \$2,308,150 are investments.
4. **LIQUOR STORE PURCHASES:** Ms. Mann brought back discussion on possible purchase of a computer system to inventory liquor store sales items. The question originally posed was whether to purchase a computer system which would assist in keeping inventory on a current basis, such system costing approximately \$3,200 to include training or to simply purchase a new cash register for a cost of up to \$500. Following discussion, a motion was made by Mayor Burns, seconded by Member Murphy, to approve purchase of the computer operated inventory system and software program to include installation and training for an amount not to exceed \$3,200. All members voted in favor and the motion was declared carried.
5. **AMEND 2008 BUDGET:** Ms. Mann explained to the Council, while small budget changes are not typically offered to the Council for amendment, there was a significant change with regard to a fire department tanker and recommended the Council change the budget amount for the fire department totals as well as changing the street equipment amount to include the trade cost for a new street sweeper. Following discussion, a motion was made by Member Vick, seconded by Member Perry to amend the fire department budget to include the cost of a new tanker at \$145,000. All members voted in favor and the motion was declared carried. A motion then followed by Mayor Burns, seconded by Member Vick, to amend the budget for street equipment to increase the budgeted amount by

\$116,880.46 to reflect the cost of a new street sweeper. All members voted in favor and the motion was declared carried.

F. COMMUNICATIONS

1. Ace Communications Group, Notice of Channel Line-Up Differences.

OLD BUSINESS

A. CERTIFICATE OF INDEBTEDNESS: Clerk Nelson presented a copy of an extract of minutes prepared by the firm of Kennedy and Graven stating the intent of the City Council to issue a certificate of indebtedness for an amount of \$144,000 at an interest rate of 4.45% for a period of 10 years to the Eitzen State Bank. Following discussion, a motion was made by Mayor Burns, seconded by Member Perry, to adopt the resolution as summarized above for the \$144,000 Certificate of Indebtedness to be repaid over a period of 10 years period. All members voted in favor and the motion was declared carried. (The entire Resolution is available for review at the City Clerk's Office.)

B. CLERK'S OFFICE EQUIPMENT: Clerk Nelson requested authorization to order a new computer for his workspace, stating that his computer is 5 or 6 years old, the oldest in the office. The new computer is recommended with additional software programs not on the existing computer, with the thought in mind that Clerk Nelson's replacement will be more computer literate. The package proposed at this time would cost \$2,081. 24, allowing \$340 labor for installation of the new machine. Following discussion, a motion was made by Mayor Burns, seconded by Member Lemke, to authorize purchase of the computer package as described for an amount of \$2,081.24. All members voted in favor and the motion was declared carried.

NEW BUSINESS

A. BANNER INSTALLATION: Clerk Nelson reported that David Klinski is requesting authorization again this year to install a banner in the north park to advertise the celebration of "Quail Forever" which is to be held on March 21, 2009. The banner would be installed during the last week of February and left until the event was held. The Council authorized installation of the banner for that time period by general consensus.

B. ELECTRICAL RATE: Clerk Nelson recommended a change of rate for the summer and winter Seasonal Peak Period Demand which applies solely to Sno Pac Foods. The reason for the rate change is because of a wholesale rate increase from Tri-County Electric to the City of Caledonia. The proposed rate change is from \$23.10 for the winter season and \$42.68 for the summer season to \$24.00 per KW for the winter season and \$50.00 per KW for the summer season. Following brief discussion, a motion was made by Mayor Burns, seconded by Member Lemke, to change the rates as recommended. All members voted in favor and the motion was declared carried.

C. FEDERAL STIMULUS PACKAGE: Discussion was held on the Federal Stimulus Package being formulated in the Federal Congress and regarding a meeting to be held by Congressman Tim Walz with an invitation to municipalities to submit all construction plans and improvement plans which may be qualified for the federal stimulus package. The Council agreed by general consensus to list all projects being discussed by the City of Caledonia at this time and to include the long range possibility of constructing a street extension to Warrior Avenue to reach northward to State Trunk Highway 76.

D. FOUNDERS DAY ADDRESS: Clerk Nelson reported that Founders Days is requesting to use the physical address of City Hall as their physical address so they do not have pay for a change in corporate data each time a new president is elected. Following brief discussion, the council approved of the request by general consensus.

E. SETTLEMENT TERMS FORM: Following brief discussion, a motion was made by Mayor Burns, seconded by Member Lemke, to approve the settlement terms form drafted by Attorney Hoff following the mediation session this date with Houston County regarding the location and size of the proposed Criminal Justice Center on the Courthouse Square Area. All members voted in favor and the motion was declared carried.

F. SECURITY DEPOSIT INTEREST RATE: Following brief discussion, a motion was made by Mayor Burns, seconded by Member Murphy, to set an interest rate of 1% to apply to security deposits held by the City for calendar year 2009 as required by the State of Minnesota. All members voted in favor and the motion was declared carried.

CLERK'S REPORT

A. **ELECTED OFFICIALS – WHAT YOU NEED TO KNOW ABOUT NIMS:** Enclosed with the Agenda was a FEMA Fact Sheet describing what council members should know about the National Incident Management System (NIMS).

B. **PARKING TICKETS:** Enclosed with the Agenda was an e-mail from the League of MN Cities responding to an inquiry about the legality of publishing people's names in the local newspaper should they fail to pay their parking tickets. The e-mail said that while the practice is legal, great care need be taken to assure that no minors' names were published or names of those who are protected by law and whose whereabouts are to be kept confidential. In addition, the City could be subject to some liability if any published information were found to be in error.

C. **AMBULANCE DEPARTMENT:** Clerk Nelson reported that Mike Tornstrom, Ambulance Director, contacted the Clerk's Office to announce that his daughter, Britney, will be performing a work study program through the School for the Ambulance Department. The work study program is scheduled for 1.5 hours per day for approximately 4 days per week and will last for about one half the semester.

D. **APPOINTMENTS:** Clerk Nelson asked the Council Members to review the list of appointments and council committees to determine whether or not they had been typed correctly in the minutes of the past meeting.

E. **PREPAID CLAIMS:** Clerk Nelson responded to questions concerning the prepaid claims at the meeting of January 12. With regard to deposits of the Business Financial Planning (cafeteria plan monies) of city employees, the funds are held in an FDIC insured account. With regard to cell cards purchased for the police departments' computers, the initial cost was \$263.72, \$130.86 each. The monthly cost thereafter is approximately \$70.00 per card or for the two cards \$140.00 per month. There may have been a misunderstanding of the quoted price when Chief Shefelbine mentioned a \$60.00 cost per card in his presentation to the Council. Regarding the cost of roofing the Auditorium, the original estimate was \$62,920 and the council did approve a change order for \$4,360 at a Council Meeting on November 24, 2008. The total project cost then was \$67,280.

F. **EMPLOYEE TIME RECORD:** Distributed at the meeting was the Employee Time Record for pay period January 12 – 25, 2009.

MISCELLANEOUS ITEMS:

A. **BUDGET:** Mayor Burns discussed the possible Local Government Aid cuts which will be made by the State of Minnesota and said with the Councils permission he would contact Sheriff Doug Ely to discuss the possible rate structure for providing contracted police services to the City of Caledonia, should the Council decide in the future to disband the Caledonia Police Department. He would also check with Spring Valley and Harmony to inquire of their satisfaction with the contracted police services they have for their cities.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Perry and seconded by Mayor Burns. All members voted in favor, the motion was declared carried and the meeting then adjourned at 10:19 p.m. The next Regular Meeting of the City Council is scheduled for 6:00 p.m., Monday, February 9, 2009, in the Council Room, City Hall.

Robert H. Burns, Mayor

Robert L. Nelson
City Clerk - Administrator