REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, July 23, 2007

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: Paul Fisch, Randi Vick, Gary Klug and Robert Standish. Members absent: None. Consultants and City staff present: Michael Gerardy, Joyce Iverson, Stephanie Mann and Robert L. Nelson. Visitors present: Bob and Jan Klug, Larry Thompson, Ann Thompson, Larry Salm, Doug Ely, Mark Schiltz, Jenny Mulholland and Charles Warner, Reporter.

CONSENT AGENDA: Separating a motion for approval of minutes of past meetings, a motion was made by Member Klug, seconded by Mayor Morey, to approve the minutes of the Regular Meeting held Monday, July 9 and Special Meetings held Wednesday, July 11 and Monday, July 16, 2007, as presented. Members voting in favor: Morey, Fisch, Klug and Standish. Opposed: None. Abstaining: Vick. The motion was declared carried. There after a motion was made by Member Standish, seconded by Member Fisch, to approve the remaining items on the Consent Agenda, listed below. All members voted in favor and the motion was declared carried.

B. APPLICATION FOR EXEMPT PERMIT:

1. CALEDONIA ROD AND GUN CLUB: To approve an Application for Exempt Permit to conduct a raffle, sell pull tabs and tip boards at St. Mary's Catholic School, 308 East South Street, on October 13, 2007. Further, to approve waiver of the waiting period.

2. CALEDONIA LIONS CLUB: To approve an Application for Exempt Permit, submitted by Caledonia Lions Club, proposing to conduct a raffle at the Caledonia Municipal Auditorium, 219 East Main Street, on December 8, 2007. Further, approve waiver of the waiting period.

C. APPLICATION TO SELL 3.2 MALT LIQUOR: To ratify previous approval to sell retail Malt Liquor, requested by the Caledonia Lions Club for a benefit event, requesting a change in location from Veteran's Memorial Field, previously scheduled for August 10 and 11 and now being requested for St. Mary's School, 308 East South Street, on October 13, 2007.

D. MATERNITY LEAVE: To authorize Amy Hoscheit to take 12 weeks of maternity leave starting approximately January 9, 2008.

VISITORS AND COMMUNICATIONS

A. PUBLIC HEARING – 7:05 P.M. – EDA TAX ABATEMENT PROJECTS: At this time Joyce Iverson, EDA Director, reviewed a loan agreement draft between the City of Caledonia Economic Development Authority and K Properties, LLC. The proposed loan agreement for an amount of $30,000 at 4% interest repayable over a period of 10 years, Ms. Iverson also reviewed corrected estimates for property tax abatement to K Properties from a previously approved amount of $5,000, to increase to an amount of $6,000 and for a property tax abatement for Winona Controls from a previously approved amount of $6,000 to the currently projected amount of $7,500. When all testimony was heard, Mayor Morey closed the Public Hearing and resumed the Regular Meeting at 7:15 p.m. At that time a motion was made by Member Klug, seconded by Member Fisch, to approve the mathematical corrections for projected tax abatement reimbursements to an amount of $6,200 for K Properties, LLC and to an amount of $7,500 for Winona Controls Project. All members voted in favor and the motion was declared carried.

B. CRIMINAL JUSTICE CENTER: Larry Thompson, acting as a private citizen requested the council to make an immediate decision on approving or denying the variances and vacation of streets associated with the proposed criminal justice center on the courthouse square. Mr. Thompson said the cost for the facility was increasing daily and thought it would be beneficial to Houston County for the City to give an immediate answer based on the information available at this time. No action was taken by the City Council.

C. CRIMINAL JUSTICE CENTER: Ann Thompson, Houston County Commissioner, made inquires of the City Council regarding a requested traffic study by the City, asking who would be intended to pay for that study and asked for clarification on the actual number of parking stalls and their dimensions. Mayor Morey responded that the city engineers would be requested to do the traffic study at city expense. The study would hopefully provide information on the routes of travel being taken by vehicles at approximately 8:00 a.m. when employees are coming to work at

the courthouse and school children are being delivered to St. Mary's Parochial School. He would also request Davy Engineering to make a recommendation on the requested closing or vacation of the two city streets. No action was taken by the City Council.

D. ADMINISTRATIVE COORDINATOR:

1. ZONING APPLICATION – MR. AND MRS. KEN MULHOLLAND: Mike Gerardy and the Mulholland's explained their application to enclose an existing carport, having dimensions of 11' x 24' and being located approximately 8' from the north (side) property line at their home on 811 South Winnebago Street. The proposal requires a 2' setback variance on the north property line. Following discussion, a motion was made by Member Standish, seconded by Member Klug, to approve the zoning application and requested 2' setback variance. All members voted in favor and the motion was declared carried.

2. GENERATOR INSTALLATION: Mike Gerardy, Administrative Coordinator, presented a plan and specification for installation of the 125 KW Generator behind the City Hall for operation of the City Hall, Fire Barn and City Auditorium during a power outage. Mr. Gerardy explained that the 200 KW Generator was not going to be used for this location because it was made for the military and there are no replacement parts available in the event it need repair. The 125 generator is not a self enclosed unit so the City would have to purchase an enclosure to contain the generator. 125 KW may not be sufficient to operate everything in the buildings so there may be need to leave off air conditioning or stoves or other electrical appliances in the event the generator is used for all the buildings at once. Following discussion, a motion was made by Member Standish, seconded by Member Vick, to authorize Mr. Gerardy to advertise for bids to install the 125 KW Generator behind the City Hall. All members voted in favor and the motion was declared carried.

3. MISCELLANEOUS ITEMS: Mr. Gerardy informed the Council that the electric department garage was having the doors installed this week and he was preparing the electrical specifications for wiring the building. Today he received the information for salt shed bids on the concrete base. Brief discussion was also held an electric department 1 ton truck with Mr. Gerardy commenting that the present vehicle uses 2 quarts of oil per week. A new vehicle of the same model and style would cost approximately $60,000. The police department is looking forward to purchasing a new car in 2008. Mr. Gerardy reported that the fencing throughout the sanitary sewer yard area is being done at this time.

E. ACCOUNTANTS REPORT

1. TRANSFER AND BUDGET RECOMMENDATIONS: Stephanie Mann, Accountant and Clerk Nelson recommended transfer of $99,422 from fund 352, Debt Retirement Fund, to fund 101, General Fund, to support the purchase price of the ambulance made in January 2007; also, to amend the General Fund Budget to show the proposed expenditure of $99,422 for the ambulance. Following brief discussion, a motion was made by Member Fisch, seconded by Member Klug, to make a motion as recommended above. All members voted in favor and the motion was declared carried.

2. CASH AND INVESTMENT BALANCES: Ms. Mann reviewed the cash and investment monthly balances showing total cash and investments at $3,093,189.26 with cash being $290,006.26 of that amount. The Council accepted the report by general consensus.

3. BUDGET WORKSHEET: Ms. Mann reviewed the budget worksheet as of June 30, 2007, showing the prior year actual expenditures, current year expenditures and the current year budget. Also shown was the current year to date unexpended fund account and percent of unexpended funds. The council accepted the report by general consensus.

4. SURVEY BACKGROUND: Ms. Mann reviewed briefly the survey of water and sanitary sewer rates of other communities.

F. NUISANCE COMPLAINT RESPONSE: David Rask, East South Street, did not appear at the meeting since the meeting adjourned before he was able to attend at the estimated time of 10 p.m.

OLD BUSINESS

A. ZONING APPLICATION – LAWSON: Clerk Nelson explained a telephone conversation with a state representative regarding the circumstances of a manufactured home being a permitted use in a residential district as long as it complied with all other criteria that applied to all other types of housing. This applies to manufactured homes that are produced after July 1, 1972. Homes manufactured before that time are subject to municipal ordinance restrictions. Nelson explained that any maintenance to be done to a mobile home manufactured after July 1, 1972 was to be submitted to the state department having jurisdiction and having the results of the state review presented to the city council for informational purposes. Relating this information to the manufactured home of Paulette Lawson, 825 North Kingston Street, means that modifications to the mobile home can be made if permitted by the state agency. Further, the manufactured home is not a non-conforming use.

NEW BUSINESS

A. DONATIONS: Enclosed with the Agenda was a list of contributors who donated monies in the amounts of $25 to $250 to the Summer Athletic Fields Programs. A motion was made by Member Klug, seconded by Member Standish, to accept the donations from the individuals listed and direct that the monies be applied to the Summer Athletic Field Programs. All members voted in favor and the motion was declared carried.

B. WAGE STRUCTURE: Clerk Nelson inquired of the Council whether or not they wished to have a presentation by Paul Ness who helped design a wage schedule for the City, which was never adopted, but was intended to keep the City compliant with the pay equity laws. Nelson explained that the schedule presented by Mr. Ness had ranges of pay for personnel at the introductory level through years of experience and was structured in such manner that in all probability it would meet criteria for pay equity laws at least as written at this current time. Following discussion, the Council by general consensus instructed that Mr. Ness was not to appear before the Council for a current recommendation but to bring a sample of the recommendation in the past for review by the Council.

C. COMPUTER BACK-UP: Clerk Nelson presented a quote from Affordable Technology Solutions for 24 back-up tapes which would be used to back-up the Clerk's Office computers and Police Station computers once each month. Theses tapes would provide security for an entire year's data. Currently the back-up system as only one week of stored data, Nelson explained this recommendation was made by Tostrud and Temp, City Auditors, during their 2006 Audit work. Following discussion, the Council directed that further investigation be made determining the reasons why a monthly back-up was necessary when the city had a weeks back-up under the present method.

D. VOLUNTEER INSURANCE COVERAGE: Clerk Nelson recommended renewal of the Volunteer Insurance Coverage for an amount of $431. He explained this insurance covers those who sporadically volunteer to do things for the City such as remove weeds from the gardens. The City has carried this insurance for many years. Following discussion, a motion was made by Member Fisch, seconded by Member Vick, to approve renewal of the Volunteer Insurance Coverage for an amount of $431. All members voted in favor and the motion was declared carried.

F. SCHOOL CROSSING GUARD AGREEMENT: Following brief review of the proposed agreement, a motion was made by Mayor Morey, seconded by Member Standish, to approve the School Crossing Guard Agreement between the City of Caledonia and Independent School District 299 for calendar year 2007-2008. All members voted in favor and the motion was declared carried. The current wage to be paid school crossing guards is $13.14 per hour. This agreement is restricted to the crossing of Minnesota State Highway 44/76.

CLERK'S REPORT

A. STATE AID: Clerk Nelson reported that the City received $395,080 in Local Government Aid and PERA Rate Increase Aid on July 19.

B. HOUSTON COUNTY DOT MEETING: Interested council members are invited to attend a Houston County DOT Meeting to discuss the future construction of Winnebago Street also known as CSAH No. 5. The meeting is to be held at 3:00 p.m., Tuesday, July 31 at the Houston County Commissioners Room.

C. ANNUAL POPULATION ESTIMATE: Enclosed with the Agenda was the annual population estimate for the City of Caledonia as of April 1, 2006, made by the State Demographer's Office. The population estimate is 2,940 and the number of households 1,250.

D. SELCO LIBRARY FUNDING: Enclosed with the agenda were the minutes of a SELCO Meeting of Houston County Libraries held June 13, 2007, showing the amount of tax aid to be supplied to SELCO by Houston County during the years 2008, 2009 and 2010. Those aid amounts are $106,401, $109,593 and $112,881, respectively.

E. EMPLOYEE TIME RECORD: Enclosed with the Agenda was the Employee Time Record for pay period July 2 – 15, 2007.

F. SMLMN NEWSLETTER: Enclosed with for informational purposes only was the Southeastern Minnesota League of Municipalities Newsletter for July 2007.

G. MID-YEAR FIRE MEETING: Clerk Nelson announced that the mid-year fire meeting is scheduled for 7:00 p.m., Tuesday, July 24, 2007, in the Council Room, City Hall. Committee Representation from the City Council is Mayor Morey and Member Fisch.

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 voted in favor, the motion was declared carried and the meeting then adjourned at 9:11 p.m. The next Regular Meeting of the City Council is scheduled for 7:00 p.m., Monday, August 13, 2007, in the Council Room, City Hall.

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Michael J. Morey, Mayor

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Robert L. Nelson
City Clerk - Administrator