REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, September 28, 2009

CALL TO ORDER: Following due call and notice thereof, Mayor Burns called the meeting to order at 6:06 p.m. in the City Auditorium, Gymnasium Floor Level.

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: Mike Gerardy, Matt Blocker and Robert L. Nelson. Visitors present: Wendy Stenberg, Michelle Vrieze, Jane Schiltz, Gerry Klug, Carrie O'Heron, Brian & Kathy Langen, Joe & Carlene Boone, Ed Ferkingstad, Scott Dolle, Chris Lueck, Roland Bolduan, James Peterson, David Tessmer, Mary Besse, Dennis Torgerson, David Haugstad, David Schoh, Stan & Linda Bahr, Irma Klug, Millie Schroeder, Lawrence & Judy Fruechte, Eric Klug, Mike Stark, Steve & Mary Buttell, Gordy Becker, Caroline Thimmisch, Tim & Sheila Murphy, Ralph Marilyn Berg, Todd Meiners, Keith Comstock and Charlie Warner, Report.

AGENDA APPROVAL: To add Joel Boone on behalf of the American Legion to request permission to hold outdoor music to be considered under visitors and communications. A motion was made by Mayor Burns, seconded by Member Perry, to include the above issue on the Agenda. All members voted in favor and the motion was declared carried.

CONSENT AGENDA: Following brief discussion, a motion was made by Member Vick, seconded by Member Lemke, to approve the Consent Agenda items, listed below, including the Exempt Permit submitted by the Knights of Columbus at the meeting as paragraph E. 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, September 14 and Special Meeting held Monday, September 21, 2009, as presented.

B. PART TIME POLICE OFFICER ROSTER: To approve the appointment of Brooke Privet, Ryan Jordan, Jesse Vold and Anthony Wurst as part time police officers for the Caledonia Police Department.

C. PERA DEDUCTIONS: To adopt a Resolution to deduct PERA contributions from part time police officer's Ryan Jordan and Brooke Privet's wages, understanding that they past the earnings limit of $425 per month, performing work for the City of Caledonia.

D. MMBA REGIONAL MEETING: To authorize Patty Gavin, Liquor Store Manager, and Nancy Steele, Assistant Manager, to attend the MMBA Regional Meeting in Redwing on October 20, understanding the registration fee is $15 per person. The driver is to be reimbursed for mileage and all other allowable expenses will be honored by the City.

E. APPLICATION FOR EXEMPT PERMIT: To approve the Application for Exempt Permit submitted by Knights of Columbus Council 1198 to conduct a charitable gambling event at St. Mary's School, 308 East South Street, on January 17, 2010 to conduct a raffle and to waiver the 30 waiting period.

VISITORS AND COMMUNICATIONS

A. SMALL CITIES DEVELOPMENT: Jane Schiltz, Economic Development Director introduced Wayne Stenberg and Michelle Vrieze from the Southeast Minnesota Development Corporation to present a proposal to the Council for a small cities development grant. Mr. Stenberg explained that the grant would be applicable to the entire city, not having any specified area such as a historical location. The grant would be open to both residential and commercial structures. Improvements such as roofing, siding, lead pipe removal and installation of handicap ramps are examples of what projects may be done to the structures. It is a 12 year loan program so if residential owners retain ownership and occupancy of their residence for thirteen years the entire improvement cost is forgiven. If residents remain in their home for two years, but less than thirteen years, the repayable portion drops by 10%. A survey would be circulated around the community to determine who would have interest and be qualified for this program. For commercial and rental structures, the proposed loan versus owner payment cost would be divided with 40% of the expense provided by the owner, 20% a low interest loan and 40% a grant. The fee for drafting the grant for the City of Caledonia would be $700 payable in 2010. Jane Schiltz informed the council that the Economic Development Authority Members recommended approval of the proposed small cities development project. Following discussion, a motion was made by Mayor Burns, seconded by Member Perry, to authorize the grant to be written by

Southeast Minnesota Development Corporation with the expectation of payment in the amount of $700 to be made in 2010. All members voted in favor and the motion was declared carried.

B. AMERICAN LEGION: Joel Boone, On behalf of the American Legion, requested permission for an outdoor band to play from 7:00 to 11:00 p.m. on Saturday, October 10, at the American Legion Site on South Marshall Street. Following brief discussion and questions, a motion was made by Mayor Burns, seconded by Member Lemke, to approve the request for the outdoor band to play from 7:00 to 11:00 p.m. on October 10. All members voted in favor and the motion was declared carried.

C. ELECTRICAL IMPROVEMENT PROJECT: At 6:31 p.m. Tom Nigon and Chuck Gustafson, Electrical Engineers from PowerPlus Engineering Company began their presentation to explain how improvements were recommended to be made to the electrical services in Sunnyside Drive and the Foltz Addition on the Northwest part of the City. They explained the rational for the proposal change to install transformers along the front yard property line instead of the rear yard property line where electrical apparatus is currently located. They explained that the wiring installed in the late 1970s and early 1980s was not a very high quality material and it had now outlived its expected lifetime. They explained and showed illustrations of all the buildings, shrubbery, trees and decorations which have been installed in the easement area over the time these developments have been in existence. The electrical engineers indicated one of the reasons why it would be more expensive to leave the electrical apparatus in the rear yard easement areas is the necessity to hand dig many hundreds or perhaps thousands of feet of trench to uncover lines from other utilities which are already buried there. Lengthy discussion was conducted on why the improvement was necessary and what specific lines would be replaced and what other lines would remain in place. There was also extensive discussion on the route chosen by the electrical engineers, asking if transformer boxes, for instance, could not be located in other areas. Matt Blocker, City Electrician, advised the attendees that one concern for leaving the apparatus in the easement area adjoining the rear property yards was that repairs or replacements of damaged electrical service lines or transformers may take many hours if it occurs during adverse weather conditions such as thunderstorm or a winter snow storm. One resident recommended the engineers provide an estimate to replace the secondary wiring along with the primary wiring and do everything at one time. Mr. Gustafson explained the long range goal of having load from all circuits leading out of the city hall substation transferred over to the wild turkey substation. This improvement would accomplish part of that goal. One resident commented that the only way he would allow the transformer box to be placed on his front yard property line with an easement to be obtained to run the electrical wires back to existing underground wires along the rear property line, would be when the City handed him a court order that he no longer had a choice about whether or not to grant an easement on the side property line. At approximately 8:30 p.m., this issue was closed for discussion. No motions were made at this time.

D. ELECTRIC DEPARTMENT: Matt Blocker, City Electrician, presented a quote from Moe Fencing in the amount of $1,885 for fencing to be placed around the transformer located near the football field at the Caledonia High School. Mr. Blocker reported that students are sitting on this transformer during games and resting their feet or even standing on the meter which is plugged into the transformer, causing a safety hazard should the meter become dislodged and someone tried to reconnect it. Following brief discussion, a motion was made by Mayor Burns, seconded by Member Vick, to approve the proposal for $1,885 to install protective fencing around the transformer near the Caledonia High School Football Field. All members voted in favor and the motion was declared carried.

E. SURVEY LAND PARCEL: Mr. Gerardy informed the Council that a quote had been received from Davy Engineering Company to survey approximately 6,000 square feet of land to be dedicated by Caledonia Lumber Company to the City of Caledonia as part of an exchange of land on the east side of Caledonia for this parcel on the west side of Caledonia adjacent to C.S.A.H #12. The estimate for the survey was $2,535. Following discussion, a motion was made by Mayor Burns, seconded by Member Lemke, to approve the survey to be conducted for the estimated cost of $2,535 by Davy Engineering Company. All members voted in favor and the motion was declared carried.

F. CITY ACCOUNTANT'S REPORTS: Stephanie Mann, City Accountant, reviewed the following reports with the Council.

1. CASH AND INVESTMENTS: Ms. Mann reported that as of the end of August, the grand total cash and investment was $3,110,418.02 of which $2,547,900 was investments.

2. BUDGET WORKSHEET: Ms. Mann briefly reviewed the budget worksheet and responded to several questions about the general fund and enterprise funds.

3. 2008 FINANCIAL STATEMENT REVIEW: Ms. Mann reviewed a worksheet showing a comparison for calendar years 2007 and 2008 with the 2008 budget figures along with data showing amounts over or under budget on each line item. There were many questions as to the final conditions of the year for numerous line items and department subtotals.

4. LEVY LIMIT NOTICE: Ms. Mann and Clerk Nelson reviewed the levy limit notice received from the State of Minnesota for calendar years 2009 and 2010. Lengthy discussion was held on the fact that the State typically announces the municipalities are held to a 3.9% increase for 2009, 2010 and 2011 levy limits but according to the formulas calculated by the State for general fund levy, the City's allowable levy dropped from $460,000 in 2008 to $441,000 in 2009 and $424,000 in 2010. Ms. Mann also reviewed the proposed property tax levy, announcing that the amounts of the original proposal to the council in September had been changed to reflect the $424,000 levy limit now received from the State. Her presentation and discussion with the Council ended at approximately 9:45 p.m.

G. POLICE CAR REFURBISHING BID: Member Lemke said he had received quotes from Police Chief Zehnder for work to be done, including rust elimination and repainting on one of the older police vehicles. Bids had been received from St. Mary Auto Body Shop and Weichert Motors with both businesses giving the same identical quote of $1,670. Clerk Nelson suggested the bidders could be asked to detail the amount of work and type of work represented by their bid. If one intended a greater amount of work, the award could be made to him. If both bidders represented an identical amount of work to be performed, he recommended the award be based on the flip of a coin. No motion was taken by the Council at this time.

RECESS: The time being nearly 10:00 p.m. the Council agreed by general consensus to continue this meeting at 7:00 p.m., Wednesday, September 30, 2009, in the Council Room, City Hall. The meeting was then recessed by Mayor Burns at 9:55 p.m.

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Robert H. Burns, Mayor

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Robert L. Nelson
City Clerk – Administrator

CONTINUED MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Wednesday, September 30, 2009

CALL TO ORDER: Following due call and notice thereof, Mayor Burns called the meeting to order at 7:00 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: Mike Gerardy and Robert L. Nelson. Visitors present: None.

OLD BUSINESS

A. LOST VACATION TIME – GUILLAUME: Clerk Nelson asked if arrangements had been made to conduct a meeting with Joyce Guillaume or with the City Employee Association regarding her request for reconsideration of lost vacation days, occurring approximately two years ago. Mayor Burns and Member Perry said they would schedule a meeting with Mrs. Guillaume to discuss the issue with her.

B. CLERK-ADMINISTRATOR'S POSITION: Mayor Burns and Member Perry discussed the results of a background investigation conducted a prospective successor to the Clerk – Administrator's position. Following discussion, considering all known data, the Council agreed by general consensus to continue the search for a future Clerk – Administrator. In order to fill the office temporarily, acknowledging Clerk Nelson is to retire October 9, he Council agreed to extend an invitation to all fulltime city employees to draft an essay indicating why they wished to be an interim administrator and state their qualifications for the position, which may last up to a period of six months. The essay is to be returned to the Clerk's Office by 5:00 p.m., Monday, October 5, 2009.

C. ATHLETIC FIELD BLEACHERS: Clerk Nelson asked what the status was for proceeding with replacing the shingles on the Athletic Field Bleacher. Member Murphy commented that he would contact Joel Boone to address the issue at an American Legion Meeting which was to be held soon and determine whether or not the work could be completed yet this fall. The Legion had been requested to consider providing one half the cost for the shingles and their installation. Member Murphy indicated that Mr. Boone said he could also acquire a crew to install the shingles.

NEW BUSINESS

A. SECRETARY'S COMPUTER: The Council reviewed the estimate in the amount of $90.00 to interconnect the secretary's clerk's office computer with her police station computer, enabling her to access any of her programs from either workstation. Following discussion, a motion was made by Mayor Burns, seconded by Member Perry, to approve the $90.00 labor estimate to make that interconnection. All members voted in favor and the motion was declared carried.

B. LEAGUE OF MINNESOTA CITIES REGIONAL MEETING: Clerk Nelson asked if any Council Members wished to attend the Regional League of Minnesota Cities Meeting to be held at Stewartville on October 29. Among topics to be presented are fire relief association pensions, a legislative update, a discussion on cities dealing with fiscal crisis and social media 101. Mayor Burns indicated he would try to attend.

C. LIQUOR STORE EMPLOYEE: Clerk Nelson reminded the Council that Nancy Steele, appointed to the position of Assistant Manager, will complete her probationary period on October 13, 2009, and recommended that the Council Committee visit with Patty Gavin, Liquor Store Manager, to determine circumstances for Ms. Steele's future terms of employment.

D. FIRE DEPARTMENT BLOWOUT: Clerk Nelson informed the Council that an e-mail had been received from Matt Hoscheit, requesting the City sponsor the Fireman's Blowout has it had in the past. Nelson informed the Council that he had contacted insurance agent Tom Danielson to inquire about the need for special insurance in the event the City were to sponsor the Blowout. If alcoholic beverages are given away as in the sense of a social event, the City is already covered by its present insurance package. If alcoholic beverages are to be sold, then the City needs to purchase some quite expensive liquor liability coverage. Council Member Lemke, also a firefighter, responded that the alcoholic beverages have always been given away. Following discussion, the Council agreed by general consensus to sponsor the event to the extent of past years, being that the City would provide the location (City Auditorium) and the insurance coverage.

CLERK'S REPORT

A. EMPLOYEE TIME RECORD: Enclosed with the Agenda was the Employee Time Record for pay period September 7 – 20, 2009.

B. FIRE AND POLICE STATE AID: Clerk Nelson reported that the City had received the annual distribution of fire aid and police aid. Fire aid was $17,151 down from $19,681 received in 2008 and police aid of $23,629, down from $31,613 received in 2008.

MISCELLANEOUS ITEMS

A. ZONING APPLICATION: Mayor Burns introduced discussion concerning the recent zoning application received from Greg Weichert who wanted to construct a large, unattached garage to store classic vehicles. Mayor Burns said he had reviewed sections of the zoning ordinance and that he would not have a problem, personally, if Mr. Weichert were to submit another application for a smaller size garage, having dimension of something like 22' x 36'.

B. COBRA INSURANCE COVERAGE: Mayor Burns introduced discussion concerning Cobra continuation of insurance, with regard to retired Police Chief Randy Shefelbine. Shefelbine commented that he had been told the City prepays insurance when he was given his cobra documents, among which is the form to select an option of continuation or not to continue insurance coverage. With that understanding, he purchased some prescription drugs in June using the insurance benefit. Later, he signed and submitted the form choosing not to continue Cobra coverage. The insurance company is now attempting to recoup the expenses of the medication he purchased. Mr. Shefelbine claims the expense should be the City's because he was mislead when he was told that the insurance premium is prepaid by the City. Following discussion, the Council agreed by general consensus that the Cobra information is available in the documents distributed to Mr. Shefelbine or available from the insurance agent representing the City. Liability for correct interpretation and use of the insurance policy was the responsibility of Mr. Shefelbine; he should have investigated the issue prior to making the purchase. It does not follow that a person

would use an insurance benefit, then attempt to terminate the insurance coverage at a date prior to using it as a benefit.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Vick and seconded by Member Perry. All members voted in favor, the motion was declared carried and the meeting then adjourned at 9:02 p.m. The next Regular Meeting of the City Council is scheduled for 6:00 p.m., Monday, October 12, 2009, in the Council Room, City Hall.

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Robert H. Burns, Mayor

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Robert L. Nelson
City Clerk - Administrator