REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, January 8, 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, Stephanie Mann, and Robert L. Nelson. Visitors present: Steve Bauer, Walter Macomber and Jane Palen, Report.

CLOSED MEETING: At this time, Mayor Morey recessed the Regular Meeting and called a Closed Meeting for a telephone conference with the League of Minnesota Cities appointed consulting attorney Julie Fleming-Wolffe to discuss a claim by a City Employee for wages due and payable. (NOTE: City Council Members and Clerk-Administrator Nelson were the only persons present during the closed meeting. Other city staff and visitors, listed above, arrived after the closed session.) The closed session ended at 7:15 p.m. and Mayor Morey resumed the Regular Meeting.

CONSENT AGENDA: Following brief discussion and corrections of the minutes of the first continued meeting held December 14, a motion was made by Member Klug, seconded by Member Standish, to approve the Consent Agenda items, listed below. All members voted in favor and the motion was declared carried.

A. MINUTES OF PAST MEETINGS: Following brief discussion, clarification was made that the minutes of the first continued meeting held December 14 regarding the 2007 Budget for the City of Caledonia did not include changes made during final discussion of the Truth-N-Taxation process and adoption of the budget. Following is the restated paragraph for the 2007 Budget showing the correct amounts.

2007 BUDGET: Following the meeting of December 4, investigation was made of the proposed changes to the draft budget submitted by City Accountant Stephanie Mann with a final tally revealing that the budgeted revenues exceeded expenditures by $154,280. Based on discussions with department heads and staff since that meeting, recommendations were made to delete the proposed certificate of indebtedness for a revenue amount of $52,400 and to complete the top portion of the salt shed scheduled for construction in 2007 for an added expense of $24,000. Other changes included elimination of a generator for an estimated cost of $5,000 and other miscellaneous changes resulting in a subtotal of approximately ~~$72,230~~ $64,328 excess revenues over expenditures. The Council planned that $50,000 of that amount would be dedicated to the cash deficiency of the General Fund with ~~$22,230~~ $14,328 remaining to be allocated to undesignated expenditures.

B. DONATION: Approval of a donation in the amount of $1,500 from American Legion Post 191 to be passed thru the City to Caledonia Green.

VISITORS AND COMMUNICATIONS

A. CITY ACCOUNTANT: Stephanie Mann, Accountant, reviewed the condition of the water and sewer department funds, describing a proposal for rate increases of the base rates and usage rates for each department averaging to an 11% increase for the water rates and 16% increase for the sewer rates. Ms. Mann clarified that the base rates could be adjusted as of the February 1st billing, but usage rates, approved and applied at this time would not be collectable until the May 1st billing since water meters are read quarterly. Water usage from mid-October through mid-January will be billed on the February, March and April 1st billings. Water usage following a rate increase at this time would be used between mid-January and mid-April and billings would reflect the increase on May 1st. Following discussion, a motion was made by Member Fisch, seconded by Mayor Morey, to implement the rate increases for water and sanitary sewer as outlined by Ms. Mann, increasing the base rate as of February 1, 2007 and increasing the usage rate on the billing of May 1, 2007. All members voted in favor and the motion was declared carried.

B. ADMINISTRATIVE COORDINATOR TOPICS:

1. ELECTRIC DEPARTMENT GARAGE CONSTRUCTION: Mike Gerardy, Administrative Coordinator and Steve Bauer, Caledonia Lumber Company, reviewed a Change Order for construction of the City Electric Department Garage. Because of a change in concrete wall elevation, additional materials are required for the superstructure, including extra labor charges for installation of

those materials. In addition, a decision was made by the City to install 10 windows for natural lighting, the grand total of the change order being $5,237.37. Following discussion and explanation, a motion was made by Member Standish, seconded by Member Fisch, to approve the Change Order for the total amount of $5,237.37. All members voted in favor and the motion was declared carried.

2. ELECTRIC DEPARTMENT GARAGE CONSTRUCTION – WINTER SUSPENSION: Mr. Gerardy and Mr. Bauer explained the disadvantages of continuing construction at this time, since the concrete contractor had been unable to complete his work. Soil conditions are undesirable, being saturated and frozen. Until base materials are thoroughly dried and compacted, there is fear for pouring a concrete flour. Mr. Bauer stated that this bid for the superstructure work was calculated on the premise that the concrete floor would be fully installed when he began working on the superstructure. If the floor is not installed, he will request a Change Order based on additional labor and hauling expense for assembly of certain frame work off site and delivery to the project site. Following discussion, a motion was made by Member Fisch, seconded by Member Klug, to suspend the project for the winter season until weather was suitable for reasonable completion of the project, when a notice to start work would be issued to the contractors. All members voted in favor and the motion was declared carried.

3. SAFETY MEETING: Mr. Gerardy reported that the League of Minnesota Cities is holding a safety meeting on ergonomics and requested authorization for Stephanie Mann and Jessica Kruse to attend for a registration fee of $15 each, the meeting to be held January 25. A motion was made by Member Vick, seconded by Mayor Morey to authorize the attendance as requested. All members voted in favor and the motion was declared carried.

4. MISCELLANEOUS ITEMS: Mr. Gerardy reported that the Electric Department staff had inserted the poll bases on STH 44 for the planned streetlights at the intersection of Esch Drive. Upon inspecting the 16 new pole wraps around street lights on West Main Street, 132 bulbs were found missing (stolen).

C. COMMUNICATIONS
1. The Wheel, January 2007.
2. Letter, Clerk's Office, 12-29-06.

CLAIMS

A. PREPAID CLAIMS: Following review, discussion and deliberation, a motion was made by Mayor Morey, seconded by Member Klug, to approve the Prepaid Claims list for December 2006. All members voted in favor and the motion was declared carried.

Crystal Canyon Inc.	Cooler Rent / Water	55.36
Metro Sales	PD – Copier Agreement	64.30
Northern Beverage Distribution	Beer	1,128.80
Schott Distributing Co, Inc.	Beer	2,352.45
Spring Grove Soda Pop, Inc.	Soft Drinks	35.30
Blocker, Matt	Mileage – MMUA Training	275.90
Minnesota Energy Resources	Natural Gas	5,986.95
US Postal Service	Stamped Envelopes	1,522.05
Bank of the West	Federal/Fica/Medicare	7,051.84
Caledonia Police Association	PD Association Dues	10.00
City Of Caledonia	Employee Share Health Insurance	701.53
City of Caledonia Emp. Assn.	Association Dues – Month of December	80.00
Commissioner of Revenue	State Withholding Tax	1,275.34
Minnesota NCPERS Life Ins.	NCPERS	64.00
MN Benefit Association	MBA	165.88
Orchard Trust Co, LLC	TSA	1,395.00
Public Emp. Retirement Assn.	PERA payday 12-19-06	4,454.99
Public Emp. Retirement Assn.	PERA/DCP	215.50
B & M Service Center	5 Gallons	47.00
Bubbers, Gary	Travel Expense	15.38
Caledonia True Value	Street Equipment	275.96
Crane Authority	Materials for New Shop	5,636.00
Feine, Jeff	Sidewalk Replacement	112.74
Franciscan Skemp Healthcare	Hep B Immunization	447.25
Independent School District	City Share Crossing Guard	762.60

Kraus Oil Co, Inc.	Unleaded	1,068.75
Petty Cash	Replenish Petty Cash	79.68
Schulze Plumbing & Heating	New Shop, Water Service	3,979.18
Stemper, James	Travel Expense	27.72
Crane Authority	Materials for New Shop	108.28
David Drown Associates	Comprehensive Plan Fee	23,000.00
Midwest Wireless Comm.	Mobile Unit	127.68
Northern Beverage Distribution	Beer	1,147.30
Schott Distributing Co, Inc.	Beer	1,802.40
Spring Grove Soda Pop, Inc.	Beer & Soft Drinks	165.68
Caledonia Boxing Club & City	Meter Deposit Refund	226.40
Aramark	Uniforms	107.26
Bonanza Grain, Inc.	Concrete Surround	3,762.45
Caledonia Green	Pass Thru Contribution	1,500.00
Caledonia Fire Department	Relief Association Dues	600.00
Eitzen State Bank	Go Tax Increment Bonds	5,682.50
Gavin, Mike	Animal Control	75.00
Houston County Women's Res.	Meter Deposit Refund	84.90
Klinski, Lyle	Meter Deposit Refund	79.92
Knutson, Loretta	Meter Deposit Refund	141.50
Mullen & City, Jerome	Meter Deposit Refund	84.90
Norby & City, Melissa	Meter Deposit Refund	80.97
Renslo & City, Suzanne	Meter Deposit Refund	82.49
Roland & City, Pam	Meter Deposit Refund	226.40
SE MN Historic Bluff Country	Tourism	1,250.20
VISA	Miscellaneous Items	789.51
Wiste & City, David	Meter Deposit Refund	84.90
Williams Spafford Group	2006 Reimbursement	1,673.15
Richard's Sanitation	Collections 2006	5,587.50
Schott Distributing Co, Inc.	Beer	754.20
Spring Grove Soda Pop, Inc.	Beer	109.00
United Parcel Service	Ups Fee	79.58
US Postal Service	Utility Billing December	299.08
MN Department of Revenue	Sales / Use Tax	13,832.00
Ace Link Telecommunications	Communication Expense	989.75
Arch Wireless	Mobile Unit	53.03
Bank of the West	Federal / Fica / Medicare	7,971.44
Bernau Conrete	New Shop Construction	27,260.00
Caledonia Police Association	PD Association Dues	120.00
City of Caledonia	Employee Share Health Insurance	585.53
Commissioner of Revenue	State Withholding	1,418.83
Houston County Treasurer	Ho Co. Collection Site	3,310.00
Jilek, Brad	Storage Rental Agreement	120.00
Lewis, Jessica	Meal Reimbursement	7.69
Merchants Bank	ACH Fee January 2007	20.36
Northern Beverage Distribution	Beer	1,208.13
Orchard Trust Co, LLC	TSA	1,395.00
Principal Life	Life/Ad&d/Std	604.02
Public Emp. Retirement Assn.	PERA	5,460.62
Schott Distributing Co, Inc.	Beer	4,558.65
Spring Grove Soda Pop, Inc.	Beer & Soft Drinks	111.70
Tri-County Electric	Tree Disposal Site & Green Acres Lighting	81.95
Ziebell's Hiawatha Foods, Inc.	Liquor – Mix	39.22
		$ 158,418.52

B. CLAIMS PAYABLE: The Claims Payable listed, distributed at the meeting, were re viewed, discussed and deliberated followed by a motion made by Member Fisch and seconded by Member Klug to approve and authorize payment of the Claims Payable List for December 2006. All members voted in favor and the motion was declared carried.

Airgas North Central	Oxygen / Acetylene	63.05
Alco Discount Store #273	Tree Removal Bags, Batteries	5.83
Alden Pool & Municipal Supply	Metering Pump	734.42
Alex Air Apparatus, Inc.	Blade for k-12 saw	306.93
Artic Glacier Inc.	Ice	56.20
Baker & Taylor Books	Library Books	248.54
Brad's Electric, Inc.	Repair Kitchen Receptacle	73.80

Braun Pump & Control, Inc.	McPhail Lift Station Labor	1,441.41
Caledonia Drugs	Gloves	6.97
Caledonia Electronics	Office Supplies & Miscellaneous items	236.73
Caledonia Haulers, Inc.	Light – Bucket Truck Repair	146.14
Caledonia Implement Co.	Bulk Hardware	21.09
Caledonia Lumber Co, Inc.	Treated Ply & Concrete Mix	126.18
Caledonia Oil Company	Car 18 Maintenance & Gas	405.02
Carquest Auto Parts	Anti Freeze, Etc	70.36
Civic Systems, LLC	Semi-Annual Support	2,149.00
Comstock Trucking	36 Yard Sand New Shop	198.00
Connie's Body Shop	Tow 93 Tempo	95.85
Crystal Canyon Inc.	Drinking Water / Cooler Rent	37.60
Curt & Candy's Hardware Hank	Misc.	166.66
D S Electric Supply Inc.	Panel	87.84
Dahl Automotive	Car Maintenance	74.79
DALCO	Miscellaneous Supplies	286.56
Davy Laboratories	3 Total Coliforms	1,500.33
Display Sales Company	X-Mas Garland	1,544.25
ECM Publishers, Inc.	Advertisements	341.30
Ellingson Motors	25 Car Wash Tickets	100.00
Emergency Medical Products	Miscellaneous Supplies	195.53
Energywise Radiant Inc.	New Shop Heater	4,526.25
Esch Builders	Drill Near Miken	2,032.90
Farmers Coop Elevator	Chemicals	131.00
First Supply	Materials for New Shop	507.90
Gopher State One-Call	6 Location Notifications	8.70
Green Power Equipment	Cable Ties, Etc.	24.06
Hawkins, Inc.	Chemicals	939.23
Hoskins Electric Co.	Whispering Pines Generator	312.00
Image Tech Services	Marking Paint	159.24
Information Management Ser.	Technical Services	1,846.88
Ken's Service Center	Towing	131.95
Ken's Small Engine	Sharpen Chain, 2 Saws	1,729.73
Kwik Trip Stores	Gas for PD	46.31
Mauss Pumping Service, Inc.	Portable Toilet Rent	85.20
Midwest Tape	DVDs	147.04
Minnesota Energy Resources	Natural Gas	8,028.82
Mississippi Welders Supply	Oxygen	80.70
MN Municipal Utilities Assn.	Electric Utility Member Dues	2,756.00
Municipal Pipe Tool Co., Inc.	TV Inspection	4,289.45
P & H Services	Radio for 2006 Ambulance	1,838.60
Personal Touch Monogramming	Monogramming for shirts	31.46
Printy Quik	Business Cards – Logan	39.94
Quillin's	Gas	50.00
Rippe, Hammell & Murphy	Prosecution Matters	4,650.75
Schilling Supply Company	Rolls Towels	198.56
Schulze Plumbing & Heating	Dig Sewer Line New Shop	703.13
SE Libraries Cooperating	Auto Fees	419.33
SE MN Development Corp.	Comm RLF/Nelson	229.00
Southeast Consultants, Inc.	EDA Services 1st Quarter	8,073.00
St. Joseph Equipment, Inc.	Wheel Loader	20,767.50
St. Mary Auto Body Shop	Tow Merc Villager	53.25
Synergy Graphics, Inc.	Sunday Liquor Licenses	24.36
T & R Service	PCB Analysis	15.00
Tom's Speedometer Shop	Perk Repairs	20.00
Tri-County Electric Co-op	Electric Energy	150,809.54
United Auto Supply, Inc.	Miscellaneous Items	187.98
United Laboratories	Cleaning Supplies	165.25
Winona Controls, Inc.	Boiler Repairs	230.37
Zep Manufacturing Company	Trash Bags	80.09
		$ 227,090.85

OLD BUSINESS

A. WAGES DUE AND PAYABLE: A motion was made by Mayor Morey, seconded by Member Standish, to authorize consulting attorney Julie Fleming-Wolffe to pursue resolution of the claim for wages in accordance with the plan she outlined to the City Council during the

closed session just after 7:00 p.m. this evening. All members voted in favor and the motion was declared carried.

B. AMBULANCE SERVICE EMPLOYMENT

1. JOB DESCRIPTION: The Council reviewed the draft Job Description for Ambulance Director, making 1 change, being that the person appointed, if not already certified to instructed EMT Classes, become certified within a period of 1 year. A motion was made by Mayor Morey, seconded by Member Vick, to approve the Job Description with the above change; and to authorize advertisement for the employment opportunity for 2 weekly issues in the Caledonia Argus and 1 advertisement each in the Lacrosse Tribune and Houston County News. All members voted in favor and the motion was declared carried.

2. PROBATIONARY PERIOD: The Council agreed by general consensus that the probationary period for the appointed ambulance director would be 1 year.

3. WAGES: Following discussion, the Council agreed by general consensus that the wage range for the newly appointed director would be between $800 - $1,000 per month depending upon qualifications.

NEW BUSINESS

A. CLERK'S OFFICE MACHINES: The Council reviewed an estimate for 2 computers for a total purchase price, including Minnesota Sales Tax, of $2,112.90, not including installation charges. The budget estimate for the purchase of 2 computers was $3,200.00. Following discussion, a motion was made by Member Klug, seconded by Mayor Morey, to authorize the purchase of the 2 new computers for the amount of $2,112.90 and installation fees. All members voted in favor and the motion was declared carried.

B. CHAMBER OF COMMERCE CONTRIBUTION: Clerk Nelson reported that last year the City donated $675 to the Caledonia Area Chamber of Commerce for tourism and advertisement to the City, asking if the Council wished to contribute the same this year and reminding the Council that the 2007 line item budget for contributions and donations was $3,500. Following discussion, a motion was made by Member Fisch, seconded by Member Klug, to approve a donation to the Caledonia Area Chamber of Commerce in the amount of $675 to be applied toward tourism and advertisement to the City. All members voted in favor and the motion was declared carried.

C. 2007 POSITIONS / APPOINTMENTS: Mayor Morey made recommendations for 2007 Positions and Appointments. Following discussion, a motion was made by Mayor Morey, seconded by Member Standish, to approve the 2007 Positions and Appointments as discussed at the meeting. All members voted in favor and the motion was declared carried.

2007 POSITIONS / APPOINTMENTS

Administrator Coordinator, Zoning Officer	Mike Gerardy
Ambulance Director	
Economic Development Authority	Morey and Vick
City Clerk – Administrator	Robert L. Nelson
Economic Development Authority Director	Joyce Iverson
Deputy City Clerk	Joyce Guillaume
City Treasurer	City Clerk – Administrator
City Attorney	Timothy A. Murphy/Michael J. Morey
Auxiliary Mayor	Paul Fisch
Community Education Representative	Randi Vick or Bob Standish
Official Newspaper	Caledonia Argus
Official Depositories	Bank Of The West Merchants Bank Minnesota 4M Fund All Institutions Covered by FDIC Insurance
Fire Chief	Charles Gavin
1st Assistant Chief	Mike Meiners (Training)
2nd Assistant Chief	Dan Schwirtz
3rd Assistant Chief	
Fire Marshal	Brad Hoscheit
Equipment Custodians	Mitch Betz Jesse Peterson
Treasurer	James Houdek
Secretary	Terry Ranzenberger
Police Chief	Randy Shefelbine
Weed Inspector	Mayor
Assistant Weed Inspector	Administrative Coordinator

Consulting Tree Inspector	Minnesota Forestry
City Health Administrator	City Clerk – Administrator
Animal Control Officer	Mike Gavin
Emergency Management Director	Mayor
Planning and Zoning Commission	City Council
Airport Zoning Board	Council Member Klug
	City Clerk – Administrator
Library Board	Pam Griffith, President
	Kathe Trisch
	Lisa Michelsen
	Mark Coffield
	Hildy Oitzman

COUNCIL COMMITTEES

General Government Committee	Morey and Fisch
Legislative, Judicial, Executive	
City Clerk – Administrator' Office	
Financial Administration	
Law	
Personnel Administration	
Salary Negotiations	
Pay Equity Compliance Oversight	
Public Safety Committee	Fisch and Morey
Police Department	
Ambulance Department	
Fire Department/Fire District	
Civil Defense	
Traffic Engineering	
Animal Control	
Other Protection	
Public Works; Health and Welfare Committee	Standish and Vick
Street Department	
Streets, Sidewalks, Curb and Gutter	
Sanitation	
Health	
Welfare	
Culture-Recreation Committee	Klug and Vick
Recreation Department	
Auditorium / Athletic Field	
Programs	
Parks	
Library	
Economic Development	
Seasonal-Recreation Committee	Morey and Klug
Enterprise Funds Committee	Klug and Standish
Water Department	
Sewer Department	
Electric Department	
Liquor Store	

D. DONATION: A motion was made by Member Vick, seconded by Member Klug, to accept a $6,000 contribution from the Caledonia Fire Department Relief Association Gambling Account, received December 18, 2006 and apply it toward purchase of ladder truck equipment as proposed to the Council at the Regular Meeting of December 11. All members voted in favor and the motion was declared carried.

E. SEMDC AGREEMENT: Following discussion, a motion was made by Mayor Morey, seconded by Member Vick, to enter into the contract for professional services with the Southeast Minnesota Development Corporation to renew the contracted position for Economic Development Authority Director for an annual fee not to exceed $32,292, according to the stipulated contract terms. All members voted in favor and the motion was declared carried.

CLERK'S REPORT

A. SPECIAL MEETING: Clerk Nelson reminded the Council Members of the Special Meeting to be held at 7:00 p.m., Thursday, January 11, 2007, in the Commissioners Room, Houston County Courthouse, to review the Draft Comprehensive Plan with representatives of Houston County, Caledonia Township and Mayville Township.

B. INSURANCE RATE DAT A: Enclosed with the Agenda was a letter from Danielson Insurance Agency and a detailed listing of changes in rates, dividends and coverage from the League of Minnesota Cities Insurance Trust.

C. ANNUAL REPORTS: Enclosed with the Agenda for informational purposes only were copies of annual reports submitted to the State of Minnesota for State Peace Officer Aid and State Fire Aid.

D. LMC SEMINARS: Enclosed with the Agenda were advertisements for LMC Seminars for newly elected or experienced officials.

E. POLICE DEPARTMENT: Enclosed with the Agenda was the Officer Activity List and Officer Activity Summary for December 2006.

F. EMPLOYEE TIME RECORD: Enclosed with the Agenda were Employee Time Records for pay period December 4 – 17 and 18-31, 2006.

G. COUNCIL WAGES: Enclosed with the Agenda was a copy of the Minutes from the July 10, 2006 Regular Meeting when Council Salaries were increased from the amount of $2,500 to $3,000 for Mayor and from $2,300 to $2,800 for Council Members along with an hourly rate increase from $5.00 to $10.00 per hour for meetings with staff and Committee Meetings. Those rates became effective January 1, 2007.

H. RESIGNATION: Mayor Morey shared a copy of his letter of resignation to the Caledonia Ambulance Service as an EMT. The letter was dated December 20, 2006.

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 9:50 p.m. The next Regular Meeting of the City Council is scheduled for 7:00 p.m., Monday, January 22, 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