

CONTINUED MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Thursday, December 14, 2006

CALL TO ORDER: Following due call and notice thereof, Member Fisch called the meeting to order at 6:02 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Council Members Paul Fisch, Randi Vick, Gary Klug and Robert Standish. Members absent: Michael J. Morey. Consultants and City staff present: Stephanie Mann, Mike Gerardy and Robert L. Nelson. Visitors present: None.

BUSINESS ITEMS

A. 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 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 remaining to be allocated to undesignated expenditures.

B. 2006 LEVY: Ms. Mann commented that the proposed 2006 Levy was advertised in September as \$434,585 a \$39,508 (10%) increase over the 2005 Levy of \$395,077. Based upon the anticipated excess revenues, comment was made that an 8% increase may be more reasonable than the proposed 10% Levy.

ADJOURNMENT: Following discussion, Member Fisch determined that action on the 2007 Budget and 2006 Levy would be taken in the following continued meeting rather than this continued Truth-N-Taxation Meeting, therefore a motion to adjourn was made by Member Standish and seconded by Member Vick. All members present voted in favor, the motion was declared carried and the meeting then adjourned at 6:41 p.m.

Paul Fisch, Presiding Officer

Robert L. Nelson
City Clerk – Administrator

CONTINUED MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Thursday, December 14, 2006

CALL TO ORDER: Following due call and notice thereof, Member Fisch called the meeting to order at 6:42 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Council Members Paul Fisch, Randi Vick, Gary Klug and Robert Standish. Members absent: Michael J. Morey. Consultants and City staff present: Mike Gerardy, Chuck Gavin, Matt Hoscheit and Robert L. Nelson. Visitors present: None.

BUSINESS ITEMS:

A. 2007 BUDGET: Based upon discussion at the earlier Truth-N-Taxation Continued Meeting, a motion was made by Member Standish, seconded by Member Klug, to incorporate discussed changes and adopt a 2007 Budget for the General Fund in the amount of \$1,929,988. All members voted in favor and the motion was declared carried.

B. 2006 TAX LEVY: Based upon discussion at the earlier Truth-N-Taxation Meeting, a motion was made by Member Klug, seconded by Member Vick, to set the Tax Levy at an amount of \$426,683, being an 8% increase or a \$31,606 increase over the 2005 Levy. All members present voted in favor and the motion was declared carried.

C. LAWFUL GAMBLING: A motion was made by Member Klug, seconded by Member Standish, to approve an application for Exempt Permit, submitted by the Knights of Columbus

Council 1198, to conduct a raffle at the Caledonia High School, 825 North Warrior Avenue, on March 16, 2007, also waving the waiting period. All members present voted in favor and the motion was declared carried.

D. PARTIAL PAYMENT REQUEST: Michael Gerardy, Administrative Coordinator, recommended approval of a partial payment request in the amount of \$27,260 to Bernau Concrete, LLC, for work performed on the Electric Department Garage foundation. The requested amount represents 47% of the total bid cost, being in substantial compliance with the terms of the special provisions. Mr. Gerardy also discussed extending the contract completion date because of delays of inclement weather and damages that weather made to the foundation soils in the area of the proposed concrete floor. Following discussion, a motion was made by Member Vick, seconded by Member Klug, to approve the partial payment request in the amount of \$27,260. All members present voted in favor and the motion was declared carried. No action was taken on extending the contract completion date, but discussion included the fact that the Council was not bound to assess liquidated damages. Liquidated damages are to be assessed only if project delay is deemed to be caused by reasons under the contractors' control.

E. PROPERTY TAX ABATEMENT DEVELOPMENT AGREEMENT: Clerk Nelson reported to the Council that Joyce Iverson, EDA Director, had presented the Abatement Development Agreement with the comment that Attorney's for Hutton Company were still attempting negotiation of some items, but the County Attorney and City Attorney were rejecting those requested changes. The belief is that the document, as stated, will be the final addition. Following brief discussion, a motion was made by Member Fisch, seconded by Member Klug, to approve the Property Tax Abatement Development Agreement between the City Of Caledonia, Houston County and Hutton Partners, LLC, contingent upon their being no further changes to the Property Tax Abatement Development Agreement, annotated at the top of the pages as the December 11, 2006 revision. All members present voted in favor and the motion was declared carried.

F. ELECTRICAL POWER RELIABILITY: Chuck Gavin, Fire Chief and Matt Hoscheit, Firefighter, informed the Council of their efforts to obtain generators and restore heating capabilities to senior citizen apartment complexes during the power outage caused by a blowout at the downtown substation on December 7. They recommended that the City wire certain buildings for hook-up to a generator in the event of future outages. Brief discussion was held on the differences and characteristics of permanently mounted generator and portable generators. They were informed that a dollar value had been included in the 2007 Budget to install switches on the fire barn / city hall building.

G. WAGES: Member Fisch reported that the Wage Committee (Morey & Fisch) had prepared recommendations for wage increase for certain employees, who are not members of a labor association. Following discussion of the Committee recommendation, a motion was made by Member Fisch, seconded by Member Klug, to approve the following wage rates for calendar year 2007. All members present voted in favor and the motion was declared carried.

Name	2006 Rate	Increase	2007 Rate
Randy Shefelbine	\$ 24.50/hr.	+ \$ 1.00	\$ 25.50
Bob Nelson	\$ 60,200/yr.	+ \$ 1,800	\$ 62,000
Tree Disposal Site	\$ 8.00/hr	+ \$.50	\$ 8.50
Marla Burns	\$ 13.15/hr	+ \$.55	\$ 13.70
Eileen Jacobson	\$ 10.05/hr	+ \$.55	\$ 10.60

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Member Klug and seconded by Member Vick. All members present voted in favor, the motion was declared carried and the meeting then adjourned at 7:31 p.m. The next Regular Meeting of the City Council is scheduled for 7:00 p.m., Monday, January 8, 2007, in the Council Room, City Hall.

Paul Fisch, Presiding Officer

Robert L. Nelson
City Clerk - Administrator