REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, November 10, 2008

CALL TO ORDER: Following due call and notice thereof, Mayor Morey called the meeting to order at 6:00 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Mayor Michael J. Morey; Council Members: Randi Vick, Gary Klug, Robert Standish and Peggy Perry. Members absent: None. Consultants and City staff present: Tim Murphy, Mike Gerardy and Robert L. Nelson. Visitors present: Karen Jostad, Nick King, Mark Schiltz, Richard Kleist, Ann Thompson, Robert Burns, Robert Lemke, Doug Ely and Charlie Warner, Reporter.

CONSENT AGENDA: Following brief discussion, a motion to approve the Consent Agenda Items, listed below, was made by Mayor Morey, seconded by Member Standish. All members present voted in favor and the motion was declared carried.

A. MINUTES OF PAST MEETINGS: To approve the minutes of the Regular Meeting held Monday, October 27, 2008, as presented.

B. EMPLOYMENT: To appoint Britney Tornstrom as a First Responder for the Ambulance Service.

C. WORKSHOP: To authorize Tim Evans to attend the MMUA Workshop at Marshall, MN for a registration fee of $400 plus hotel expense, mileage, meals and other reimbursable expenses for a seminar to be given December 16 – 18, 2008.

D. EXEMPT PERMIT: To approve an Application for Exempt Permit, submitted by St. Mary's Parish to conduct a raffle at St. Mary's Grade School on April 3, 2009 and to waive the waiting period.

VISITORS AND COMMUNICATIONS

A. CLOSED SESSION: At this time a motion was made by Mayor Morey, seconded by Member Vick, to enter a closed session for a conference with the City Attorney in preparation for a discussion with county commissioners and representatives about the Criminal Justice Center for which there is a currently a lawsuit between Houston County and the City of Caledonia. All members voted in favor and the motion was declared carried. At this time all visitors left the council chambers. Following the closed session, visitors were brought back into the council chambers at approximately 6:10 p.m. A short time later, being reminded that the meeting had not been brought back to a public meeting by motion, a motion was made by Mayor Morey, seconded by Member Klug, to end the closed session and resume the regular meeting retroactive to approximately 6:10 p.m. All members voted in favor and the motion was declared carried.

B. CRIMINAL JUSTICE CENTER: City Attorney Murphy commented that the Council Members and County Commissioners could certainly enter preliminary discussion to lay a plan for addressing the need of a Criminal Justice Center to include preparation of plans and submittal to the City under its Zoning Ordinance. He recommended issues concerning the current lawsuit in process should be avoided unless both entities had their attorney's present. Ann Thompson, Houston County Commissioner, responded that she had conferred with the Houston County Attorney who also advised similarly to Mr. Murphy and commented that this public meeting was perhaps not the forum to negotiate the details of a future Criminal Justice Center but to simply agree to meet and negotiate through committee's of the County Commissioners and City Council. There was mutual agreement that each governmental entity would appoint a committee to meet and begin to lay general plans for future discussions and presentation of a Criminal Justice Center plan.

C. ADMINISTRATIVE COORDINATOR TOPICS

1. ZONING APPLICATION – JOSTAD: A Zoning Application was proposed by Karen Jostad, 719 East Grove Street, proposing to remove an existing garage and construct a new 18' x 28' unattached garage on the same location, being approximately 3' from the west (side) property line, requiring a 7' setback variance. Zoning Administrator Mike Gerardy showed the Council an illustration of the proposed project. Ms. Jostad and her contractor, Nick King, explained to the Council the house is 19' from the property line and the location of the garage would be difficult to enter if it were moved farther away from the property line having a short distance of approximately 4' between the house and garage. If the

garage is moved over farther, the car would not have room to maneuver to make the turn to enter their garage because the house would be in the way. During the course of discussion, Nick King left the meeting to measure the distance from the front yard property line to the face of the garage. The next door neighbors' garage is approximately 4' from the property line. Following discussion, a motion was made by Member Perry, seconded by Member Standish, to approve the application and grant the 7' setback variance. Members voting in favor: Morey, Perry and Standish. Opposed: Vick and Klug. The motion was declared carried.

2. ZONING APPLICATION – JANDT / FREDRICKSON FUNERAL HOME: Mr. Gerardy explained to the Council that the funeral home owners were requesting a change in the existing face of their business sign. Following his explanation, confirming that their would be no change in dimension of the sign or the like, a motion was made by Mayor Morey, seconded by Member Klug, to approve the proposed sign change. All members voted in favor and the motion was declared carried.

3. TRUCK MAINTENANCE: Mr. Gerardy advised the Council on necessary maintenance repair of a 1996, 1 Ton Truck estimated to cost over $1,000. Following discussion, a motion was made by Mayor Morey, seconded by Member Vick, to authorize a maintenance expenditure of up to $1,200 for the 1996, 1 Ton Truck. All members voted in favor and the motion was declared carried.

CLAIMS

A. PREPAID CLAIMS: Following review, discussion and deliberation, a motion was made by Member Klug, seconded by Member Perry, to approve the Prepaid Claims list for October 2008, there was a question raised on billings from Ameri Pride on uniform allowance for a city staff person. All members voted in favor and the motion was declared carried.

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| Ace Communications | Library – Activate 2 phone jacks | 63.90 |
| Affordable Technology | Tech Services | -42.50 |
| Ameri Pride | 2008 Uniform Allowance – Gerardy | 103.97 |
| Bonanza Grain, Inc. | Bissen Street Lift Station & Salt Shed | 544.22 |
| Jack Neumann Trucking | Liquor – Freight Expense (Replacement) | 0.00 |
| Ken's Small Engine | FD – Maintenance #1410 | 209.80 |
| Rushford, City of | FD – Training | 75.00 |
| Tri-State Ambulance, Inc. | Intercept Fee Run | 250.00 |
| Winona Area Ambulance Ser. | Contracted Billing | 2,813.50 |
| League of MN Cities | Registration Fee – Bob Burns | 20.00 |
| Tri-State Ambulance Inc. | Intercept Fee Run | 250.00 |
| E O Johnson Company | Copier Maintenance – Clerk's Office | 92.00 |
| Houston County Public Health | Hep B#3 Tim Schroeder | 60.00 |
| Metro Sales Inc. | Copier Agreement | 59.77 |
| Meyer Brothers | Sidewalk Installation | 1,250.00 |
| MN Dept. of Labor & Industry | Elevator Operator License | 200.00 |
| Schumacher Elevator Co. | Elevator Maintenance Agreement | 646.14 |
| US Postal Service | Postage Stamps | 42.00 |
| Alltel | Communication Expense | 62.53 |
| Bank of the West | Federal/FICA/Medicare | 6,519.34 |
| Business Financial Planning | Cafeteria Plan | 544.98 |
| Caledonia Oil Company | Unleaded | 1,506.69 |
| City of Caledonia Emp. Assn. | Association Dues | 80.00 |
| Commissioner of Revenue | State Withholding | 1,139.97 |
| Esch Builders | Black Pipe, Air Line Extension | 164.10 |
| Extreme Beverage, LLC | Mix/Soft Drinks | 67.00 |
| Griggs, Cooper & Co. | Liquor / Wine | 1,331.81 |
| Jack Neumann Trucking | Liquor – freight expense | 35.00 |
| Ken's Small Engine | Maintenance on Leaf Vac | 176.66 |
| League of MN Cities Ins. Trust | Adjust Values | 596.00 |
| Minnesota NCPERS Life Ins. | Payday 10-21-08 | 80.00 |
| MN Benefit Association | payday 10-21-08 | 157.27 |
| Northern Beverage Dist. | Beer | 2,892.35 |
| Orchard Trust Co, LLC | payday 10-21-08 | 1,480.00 |
| Pepsi Cola Bottling Co. | Liquor Store – Soft Drinks | 76.50 |
| Phillips Wine & Spirits Co. | Liquor / Wine | 342.00 |
| Printy Quik | Liquor Store – Bottle Tickets | 54.75 |
| Public Emp. Retirement Assn. | Payday 10-21-08 | 5,074.78 |

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| Schott Distributing Co, Inc. | Beer | 1,798.50 |
| Spring Grove Soda Pop, Inc. | Beer & Soft Drinks | 173.70 |
| U.S. Department of Education | Garnishment Order – Evans | 162.10 |
| Houston County Highway Dept. | Street – Maintenance Salt | 30,000.00 |
| QuarterMaster | PD – Badges (reserve unit) | 279.89 |
| Affordable Technology Sol. | Tech Services | 42.50 |
| CDR International | 2 Used Phones | 156.00 |
| Gavin, Patricia | Mileage Reimbursement | 125.19 |
| Riverland Community College | Training / Grain Bin Trailer | 780.00 |
| Russ's Sandblasting | Street Equipment – Blast 2 Dump Trucks | 250.00 |
| Schott Distributing Co, Inc. | Beer | 3,507.30 |
| SE MN Historic Bluff Country | Tourism | 1,245.45 |
| Spring Grove Soda Pop, Inc. | Beer | 80.05 |
| US Postal Service | Stamped Envelopes | 717.60 |
| MN Municipal Beverage Assn. | Registration Fee – Server Training | 150.00 |
| Schwirtz, Dan | 2008 Uniform Allowance | 125.00 |
| USA Mobility Wireless, Inc. | Communication Expense | 57.37 |
| VISA | Annual Fee / Training Manual | 71.95 |
| Collins Brothers, Inc. | Liquor Store – Seasonal Bags | 57.69 |
| First Supply | Hydrant Parts | 646.57 |
| Hy-Viz, Inc. | Hydrant Markers | 900.00 |
| Jack Neumann Trucking | Liquor – Freight Expense | 47.00 |
| Johnson Brothers Liquor Co. | Liquor / Wine | 1,510.79 |
| Phillips Wine & Spirits Co. | Liquor / Wine | 89.50 |
| Affordable Technology Sol. | Tech Services | 212.50 |
| Gavin, Mike | Animal Control – Rent / Misc. | 75.00 |
| Houston County Recorder | Recording Fee – Jeff Ostern | 46.00 |
| Houston County Treasurer | Ho. Co. Collection Site | 3,330.00 |
| Pearson Education | Instruction Materials EMT Class | 582.86 |
| United Parcel Service | Ups Fee | 93.69 |
| US Postal Service | Utility Billing October 2008 | 333.95 |
| Alston & City, Curtis | Meter Deposit Refund | 10.00 |
| Merrick & City, Diane | Meter Deposit Refund | 125.21 |
| MN Dept. of Revenue | Sales / Use Tax | 16,418.00 |
| Northern Beverage Distribution | Beer | 2,657.98 |
| Petty Cash | Replenish Petty Cash | 90.15 |
| Principal Life | Life Insurance / Ad&d / STD | 719.33 |
| Ranzenberger, & City, Brandon | Meter Deposit Refund | 214.61 |
| Richard's Sanitation | Recycling – Collections for October | 6,090.70 |
| Rommes & City, Elizabeth | Meter Deposit Refund | 137.38 |
| Sand & City, Gary | Meter Deposit Refund | 210.23 |
| Schott Distributing Co. | Beer | 6,377.10 |
| Schroeder & City, Brent | Meter Deposit Refund | 129.32 |
| Spring Grove Soda Pop | Beer & Soft Drinks | 207.55 |
| US Postal Service | Postage Stamps | 42.00 |
| Wold & City, Brandon | Meter Deposit Refund | 137.38 |
| Bank of the West | Federal/FICA/Medicare | 7,881.85 |
| Business Financial Planning | Cafeteria Plan | 544.98 |
| Caledonia Police Association | PD Association Dues | 85.00 |
| Commissioner of Revenue | State Withholding | 1,293.86 |
| Orchard Trust Co, LLC | payday 11-4-08 | 1,480.00 |
| Public Emp. Retirement Assn. | Payday 11-4-08 & 11-14-08 | 5,662.40 |
| U.S. Department of Education | Garnishment Order – Evans | 161.43 |
| Ace Link Telecommunications | Communication Expense | 1,051.40 |
| Caledonia Oil Company | Diesel | 1,514.70 |
| League of Mn Cities | Registration for League Meeting | 240.00 |
| Merchants Bank | ACH Fee November 2008 | 20.64 |
| Tornstrom, Michael | Mileage Reimbursement | 70.20 |
| Tri-County Electric Co-op | Electric Energy | 75.92 |
| Tri-State Ambulance | Intercept Fee | 250.00 |
| | | $ 130,567.00 |

B. CLAIMS PAYABLE: Following review, discussion and deliberation, a motion was made by Member Klug, seconded by Member Vick, to approve and authorize payments of the Claims Payable list for October 2008. All members voted in favor and the motion was declared carried.

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| Ability Building Center | Flag Repair | 40.00 |

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| ABM Equipment & Supply | Equipment Maintenance & Repair | 2,134.29 |
| Affordable Technology Sol. | Miscellaneous Office Supplies | 709.88 |
| Airgas North Central | Oxygen / Acetylene | 78.58 |
| Alco Discount Store | Phone Minutes | 39.99 |
| Alex Air Apparatus, Inc. | Equipment Tests/Services | 785.00 |
| Alltel | Fire Department – Communication Exp. | 61.22 |
| Amaril Uniform Company | Safety Uniforms | 2,463.47 |
| Artic Glacier Inc. | Ice | 127.99 |
| Baker & Taylor Books | Library – Books | 684.29 |
| Better Homes & Gardens Books | Library Book | 22.27 |
| Bonanza Grain, Inc. | Rock for Sidewalk | 38.34 |
| Braun Pump & Controls | Bissen & Bush Street Lift Stations | 15,457.49 |
| Burroughs Equipment & Repair | Truck #98 Repairs | 984.52 |
| Caledonia Implement Co. | Miscellaneous Items | 167.89 |
| Caledonia Lumber Co, Inc. | 98 Truck Parts | 14.31 |
| Caledonia Oil Company | Van Parts / Repairs | 10.33 |
| Caledonia Ready Mix, Inc. | Repairs/Rock/Stone | 584.04 |
| Carquest Auto Parts | Hearing Protectors | 39.66 |
| Clarey's Safety Equipment | Miscellaneous Items | 119.55 |
| Communication Service Inc. | Service on Pagers | 202.35 |
| County Materials Corp. | Rings to Raise Manhole | 91.56 |
| Crystal Canyon | Drinking Water | 63.42 |
| Curt & Candy's Hardware Hank | Miscellaneous Items | 184.62 |
| D S Electric Supply Inc. | Inventory / Wall Heater | 373.32 |
| Davy Engineering | Winnebago Street/Mercury Plan | 3,054.62 |
| Davy Laboratories | Lab Analysis | 2,242.67 |
| DEMCO | Library – Miscellaneous | 170.19 |
| Dept. of Public Safety | Liquor Store Retailer's Card | 20.00 |
| ECM Publishers, Inc. | Advertisements | 1,046.90 |
| Ellingson Motors | Car Wash Tickets | 200.00 |
| Farmers Coop Elevator | Chemicals | 418.78 |
| Fastenal Co. | Street Equipment – Parts | 53.29 |
| First Supply | Hydrant Parts | 142.43 |
| Franciscan Skemp Healthcare | 6 HCP Cards | 12.00 |
| Gopher State One-Call, Inc. | 47 Location Notifications | 65.25 |
| Green Power Equipment | Street Equipment – Grease / Repair Parts | 65.97 |
| Hawkins, Inc. | Chlorinator Parts | 492.13 |
| Houston County Public Health | Flu Shot | 683.00 |
| Jack Neumann Trucking | Liquor – freight expense | 116.00 |
| Jim Cordes Publishing | Library Books | 23.95 |
| Johnson Brothers Liquor Co. | Liquor / Wine | 2,125.59 |
| Jones Library Sales, Inc. | Library – Shelving | 482.00 |
| Kemske / Oswald | Clerk's Office – Calendars | 36.84 |
| Ken's Small Engine | Equipment Repairs | 79.99 |
| Klug, Anthony | 2008 Uniform Allowance | 125.00 |
| L-3 Com Mobile Vision | PD – Battery | 91.90 |
| Line-X of Southwestern WI | Truck Beds | 1,000.00 |
| Michael's Truck Equipment | Repair Part | 126.74 |
| Midwest Tape | Library DVD(s) | 384.39 |
| Minnesota Energy Resources | Natural Gas | 2,212.14 |
| Mississippi Welders Supply | Oxygen | 44.90 |
| Momentos Gifts & Laser | FD – Gear ID Tags | 70.04 |
| Phillips Wine & Spirits Co. | Liquor / Wine | 2,025.25 |
| Power Monitors Inc. | PMI Monitor | 6,670.52 |
| Racom Corporation | Pager Service / Parts | 205.81 |
| Richard's Sanitation | Refuse Disposal – October | 140.40 |
| Rippe, Hammell & Murphy | General Matters / Prosecution Matters | 3,445.25 |
| Rodale | Library Book | 39.94 |
| Sandry Fire Supply, LLC | Boots | 498.21 |
| Schilling Supply Company | Liquor – Bags | 232.51 |
| Schmitz Refrigeration | Oven Repair | 390.84 |
| Schott Distributing Co, Inc. | Beer | 1,952.45 |
| Schulze Plumbing & Heating | Repair Leak | 380.00 |
| Schwaab, Inc. | Stamp Ink | 17.67 |
| SE Libraries Cooperating | Auto Fees | 417.42 |
| Severson Oil Company | Oil | 434.97 |
| Spring Grove Soda Pop, Inc. | Beer & Soft Drinks | 65.10 |

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| St. Mary Auto Body Shop | Truck 84 Repairs | 550.00 |
| Storey Kenworthy | Meter Book Covers | 72.40 |
| Streicher's | PD – Badges (new numbering system) | 526.99 |
| Teffs Carpet Cleaning | Liquor Store – Clean Carpet | 857.75 |
| Tri-County Electric Co-op | Electric Energy | 139,824.26 |
| United Auto Supply, Inc. | Miscellaneous Items | 98.49 |
| Weichert Motors | Acetylene | 52.89 |
| Wiebke Tire Co. | Exhaust Pipe Repair / Mount Tires | 68.48 |
| World Point ECC, Inc. | Training Supplies (Ambulance) | 226.75 |
| WWT MPCA PFA Loan Fund | Loan payment | 3,500.00 |
| | | $ 203,759.44 |

OLD BUSINESS

A. CANVASS ELECTION RESULTS: Clerk Nelson reviewed the printout from the M100 Machine for the November 4 General Election. The vote tallies were reviewed for the office of Mayor, the 4 year Council Member terms, and the 2 year Council Member term. These tally sheets are filed in the office of the Clerk Administrator. Following review, a motion was made by Member Klug, seconded by Mayor Morey, to approve the canvass of election results. All members voted in favor and the motion was declared carried.

NEW BUSINESS

A. RETIREMENT: The Council reviewed the notice of retirement submitted by Roger Schmitz, City Electrician, for his proposed retirement date of December 31, 2008, that being his last day of work and employment. Following discussion, a motion was made by Member Klug, seconded by Member Vick, to accept his retirement notice and direct that a letter be sent thanking him for his years of service. All members voted in favor and the motion was declared carried. Further, thereafter, discussion took place on advertisement for a replacement to fill the position of City Electrician. Discussion ended with a motion made by Member Klug, seconded by Mayor Morey, to advertise for a replacement, projecting a wage of up to $26.80 per hour, depending upon qualifications. All members voted in favor and the motion was declared carried.

B. NEW STATE ASSESSMENT FEE: The Council reviewed a notice of assessment for swimming pool fees payable to the Minnesota Department of Health. This new fee has a base rate of $150 with an additional $180 if it is a public pool with an additional $100 if there is a kiddy pool as part of the public swimming pool. The total fee for the City of Caledonia is $430. This fee is being charged retroactively for calendar year 2008, even though the pool has already closed for the season in mid August. The state representative who delivered the notice said as soon as the city pays this fee it will receive another billing for calendar year 2009. Following discussion, a motion was made by Member Vick, seconded by Member Klug, to authorize payment of the new state assessment fee for swimming pools in the amount of $430. All members voted in favor and the motion was declared carried.

C. CHRISTMAS PARADE: The Council reviewed an invitation from Caledonia Founders Days to take part in the Annual Caledonia Winter Wonderland Parade to take place Friday, December 5 at 7:00 p.m. The Council indicated they wished to participate as usual and also would prefer to have a float in the parade.

D. DAY AFTER THANKSGIVING: Clerk Nelson asked on behalf of the City Employees' if the Council would approve closing down the City businesses on the day after Thanksgiving, giving those who were to travel over the weekend or receive guests the ability to utilize the entire weekend rather than have it broken up by the Friday duty day. Following brief discussion, a motion was made by Member Standish, seconded by Member Perry, to approve the request to take the Friday after Thanksgiving off, closing down the City businesses and utilizing vacation time for the day. Members voting in favor: Morey, Klug, Standish and Perry. Opposed: Vick. The motion was declared carried.

E. ANIMAL LICENSES: The Clerk's Office submits a recommendation to increase animal licenses from $5.00 to $7.00 per year. Following brief discussion, a motion was made by Mayor Morey, seconded by Member Standish, to increase animal licenses by an amount of $2.00 from $5.00 to $7.00 per year. All members voted in favor and the motion was declared carried.

F. MUNICIPAL ACCOUNT APPORTIONMENTS: Enclosed with the Agenda was a letter from the Houston County Department of Transportation, proposing to transfer funds which are in a County State Aide Highway Account for roadways inside municipal limits to the roadway fund for outside the municipal limits. Clerk Nelson explained that according to information from the County, if these funds are not spent in a two year period or transferred to a different account, then the allocation from the State of Minnesota will be reduced. Nelson reported that a similar

request had been made a couple of years earlier and the Council concurred. Following discussion, a motion was made by Member Klug, seconded by Member Vick, to approve the request to transfer of funds, except that the County should be asked if the funds could be utilized instead for a City project to complete sidewalk improvements such as to replace defective sidewalk or to fill in gaps where there is no sidewalk along Winnebago Street or other County State Aide Highway Streets inside the municipal limits. All members voted in favor and the motion was declared carried.

G. WAGES: The Council Committee of Member Vick and Klug presented their initial recommendations to the Council for wage rates of personal for calendar year 2009, allowing for the fact that they had not concluded on a recommendation for a couple of positions. Following brief discussion, the Council agreed by general consensus to postpone their recommendations until they had all positions considered and ready for a recommendation on each.

H. PART-TIME POLICE OFFICER LIST: Following brief discussion, a motion was made by Member Vick, seconded by Member Klug, to approve placing the names of Noah Hiller, Anthony Haug and Tim Irwin on a list of officers authorized to work part-time for the City of Caledonia, such list of names having been given to the Council by Police Chief Randy Shefelbine. All members voted in favor and the motion was declared carried.

CLERK'S REPORT

A. FRANCHISE FEES: Clerk Nelson presented the following franchise fees for the period July 1 – September 30, 2008.

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| Ace Communication Group: | $3,964.41 |
| Mediacom Communications: | $2,238.43 |
| Total | $6,202.84 |

B. DISCHARGE MONITORING REPORT: The Discharge Monitoring Report was enclosed with the Agenda, showing a Total Average Monthly Nitrogen Level for October 2008 of 15.6 mg/l.

C. POLICE ACTIVITY REPORT: Distributed at the meeting was the police activity list and police activity summary for October 2008.

D. MEETING NOTICE: Distributed at the meeting was a notice from Root River Soil and Water Conservation District for a meeting to be held at 6:00 p.m., Thursday, November 20.

E. EMPLOYEE TIME RECORD: Distributed at the meeting was the Employee Time Record for pay period October 20 – November 2, 2008.

MISCELLANEOUS ITEMS

A. PLANNED RETIREMENT: Member Perry brought up the planned retirement of Clerk Administrator Nelson who intends to retire in October 2009. She suggested that the City make preparation to advertise and interview for a replacement who would have opportunity to spend a few months before Clerk Nelson retires.

B. CRIMINAL JUSTICE CENTER: Richard Kleist, who made his personal recommendations to the council concerning the future Criminal Justice Center as to its necessary size and possible location.

ADJOURNMENT: There being no further business before the Council, a motion to adjourn was made by Mayor Morey and seconded by Member Perry. All members voted in favor, the motion was declared carried and the meeting then adjourned at 8:03 p.m. The next Regular Meeting of the City Council is scheduled for 6:00 p.m., Monday, November 24, 2008, in the Council Room, City Hall.

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Michael J. Morey, Mayor

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Robert L. Nelson
City Clerk - Administrator