CONTINUATION MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, June 25, 2012

CALL TO ORDER. Following due call and notice thereof, Mayor Burns called the recessed meeting to order at 5:00 p.m. in the Council Room, City Hall.

ROLL CALL. Members present: Mayor Robert H. Burns; Council Members: Randi Vick, Tom Murphy, and Bob Lemke. Members absent: Paul Fisch. Consultants and City staff present: City Clerk/Administrator Jennifer Feely. Visitors present: Argus Reporter Clay Schuldt.

NEW BUSINESS ITEMS.

A. INTERIM CLERK/ADMINISTRATOR INTERVIEWS. The Council reviewed a proposal submitted by CEDA for Clerk/Administrator services. Discussion ensued. Next, the Council interviewed Jim Norman for the position of interim Clerk/Administrator. After that, the Council interviewed Paul Sparks via telephone for the position of interim Clerk/Administrator. Further discussion ensued. The consensus of the Council was to extend an invitation to Mr. Sparks to attend a Special City Council meeting on Monday, July 9 at 5:00 p.m. for the purpose of conducting a follow-up interview in person. No official action was taken.

ADJOURNMENT. A motion to adjourn was made by Mayor Burns, seconded by Member Vick, at 5:55 p.m. All members present voted in favor and the motion was declared carried.

Robert H. Burns
Mayor

Jennifer Feely
City Clerk/Administrator

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, June 25, 2012

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

ROLL CALL. Members present: Mayor Robert H. Burns; Council Members: Randi Vick, Tom Murphy, and Bob Lemke. Members absent: Paul Fisch. Consultants and City staff present: City Clerk/Administrator Jennifer Feely, Administrative Coordinator Mike Gerardy, Accountant Stephanie Mann, Water/Wastewater Operator Ryan Skillings, Fire Chief Chuck Gavin, Firefighter Kurt Zehnder, and Animal Control Officer Mike Gavin. Visitors present: Caledonia Argus Reporter Clay Schuldt, Laura St. Mary, Duane Olson, and Neal Stapelkamp.

AGENDA APPROVAL. A motion was made by Member Vick, seconded by Member Lemke, to approve the agenda with the following additions: Lifeguard Scheduling and Steve Bauer Power Line Request. All members present voted in favor and the motion was declared carried.

CONSENT AGENDA. A motion was made by Member Vick, seconded by Member Lemke, to approve the consent agenda. 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, June 11, 2012 and the minutes of the Special Meeting held Monday, June 18, 2012, as presented.

B. APPLICATION FOR EXEMPT PERMIT: CALEDONIA ROD AND GUN CLUB. Attached with the agenda was an application for exempt permit from the Caledonia Rod and Gun Club for a raffle gambling event that will take place at St. Mary's Catholic School in Caledonia on August 11, 2012.

VISITORS AND COMMUNICATIONS.
A. ADJOURN INTO CLOSED SESSION FOR PRELIMINARY CONSIDERTATION OF CHARGES AGAINST AN INDIVIDUAL SUBJECT TO THE CALEDONIA CITY COUNCIL'S AUTHORITY. Mayor Burns stated that the matter would be postponed until the July 9 City Council meeting. No action was taken.

B. FIRE DEPARTMENT: AWARD FIRE PUMPER CONTRACT. Fire Chief Chuck Gavin was present to recommend that the Council award the fire pumper contract to Alexis Fire in the amount of $349,371.00. Mayor Burns stated that a mid-year fire district meeting was held on Thursday, June 21 to discuss financing the proposed new fire pumper truck, and that the Rural Fire District was in agreement that they would split the annual fire pumper payments equally with the City and that the Rural Fire District would contribute $19,000.00 towards the $90,000.00 down payment. It was noted that the Fire Department would be contributing $12,000.00 towards the down payment using 501c3 funds, while the City and Rural Fire District would each be contributing $19,000.00. The remaining $40,025.00 would be paid for using the proceeds from the sale of the existing fire pumper truck to the City of Spring Grove. Mayor Burns shared that Alexis Fire would supply the City with a loaner fire pumper at no charge so long as the City obtained financing through Alexis Fire for the purchase of the new pumper. The net amount to be financed through Alexis Fire was noted to be $259,371.00, which would bring the annual payment to $30,664.00 for a term of ten (10) years at 3.17%. Neal Stapelkamp with

Alexis Fire pointed out that the chassis payment would be due within thirty (30) days of the contract being signed. The chassis portion totaled $164,739.00. Mr. Stapelkamp also stated that shipment of the completed apparatus would be made within 330 calendar days after the contract was signed. Discussion ensued. Fire Chief Gavin noted that there will be atleast a 6% increase in cost if the purchase of the new fire truck was delayed a year, in addition to any other increases associated with new emissions standards. Member Murphy shared his concern with making sure that the City's general fund stays in the black and questioned whether this purchase could be delayed. A motion was made by Member Lemke, seconded by Mayor Burns, to approve moving forward with the purchase of a new fire pumper in the amount of $349,371.00 from Alexis Fire so long as financing can be obtained from Alexis Fire in the amount of $259,371.00 at 3.17% over the course of ten (10) years with the first payment not due until January 2014, the existing pumper is sold to the City of Spring Grove in the amount of $40,025.00 to help offset the down payment that is required, and that the City be able to acquire a loaner pumper truck from Alexis Fire at no additional charge. Voting in Favor: Lemke, Burns, and Vick. Voting Against: Murphy. The motion was declared carried.

C. WATER/WASTEWATER OPERATOR RYAN SKILLINGS. At the request of the City's Personnel Committee, Water/Wastewater Operator Ryan Skillings was present to offer his justification as to why an additional Water/Wastewater Operator is needed for forty (40) hours per week versus thirty (30) hours. Mr. Skillings distributed a handout of his daily tasks. Discussion ensued. Mr. Skillings requested consideration to purchase a laptop computer for the WWTP. It was noted that with the hire of an additional Water/Wastewater Operator, the City would still need to contract with Stantec for a Class A operator. Member Murphy suggested that perhaps Member Lemke would like to visit with former Water/Wastewater Operator Tony Klug to determine if there is an interest in returning on a contract basis for Class A operator services. Further discussion ensued. A motion was made by Mayor Burns, seconded by Member Murphy, to hire Coady Heiderscheit as an additional full-time Water/Wastewater Operator at an hourly rate of $15.00, contingent upon the completion of a favorable background check as well as completion of a six (6) month probationary period following Mr. Heiderscheit obtaining his Class D Minnesota water and wastewater licenses. All members present voted in favor and the motion was declared carried.

D. ADMINISTRATIVE COORDINATOR TOPICS.

1. DUANE OLSON ZONING. Administrative Coordinator Gerardy shared that Duane Olson was present to request the Council's consideration in granting a variance for 40 square feet as Mr. Olson would like to put up a garage that is 840 square feet while the zoning ordinance only permits 800 square feet. Discussion ensued. A motion was made by Member Lemke, seconded by Mayor Burns, to approve a variance of 40 square feet based upon the fact that it is only 1 square foot from the next level of square footage and because Mr. Olson's property is located in an older section of the City. Voting in Favor: Lemke and Burns. Voting Against: Vick and Murphy. The motion failed for a lack of majority. Mr. Olson stated that he would return to the July 9 meeting when Member Fisch was present for another vote.

2. ZONING MAP MATTER. Administrative Coordinator Gerardy shared that he contacted Davy Engineering regarding researching whether a portion of an I-1 district was correctly labeled on the City's zoning map. Mr. Gerardy reported that the cost for Davy Engineering to look into the matter would be approximately $1,800.00. Discussion ensued. After locating a 2006 zoning map, the matter was determined to be resolved. No action was taken.

3. SEALCOATING WORK ON WEST MAIN STREET. Administrative Coordinator Gerardy requested authorization to move forward with sealcoating work on West Main Street. Discussion ensued regarding whether the road should be widened. A motion was

made by Mayor Burns, seconded by Member Murphy, to move forward with sealcoating on West Main Street in the amount of approximately $7,498.67 using monies to be reimbursed from Houston County, pending the receipt of the anticipated reimbursement from Houston County. All members present voted in favor and the motion was declared carried.

4. SNOW PLOW TRUCK UPDATE. Administrative Coordinator Gerardy shared that IState sent a representative to Caledonia last week to take a look at the City's existing snow plow truck. It was noted that IState would give the City $5,000.00 for the truck if the City purchased a used snow plow truck from IState at a cost of $56,900. Mr. Gerardy noted that the front plow blade poses an issue because of the 12' width of the blade and that the City would likely need to get another blade at a cost of approximately $1,000.00. Mr. Gerardy went on to note that to buy a new snow plow truck, the City would have to spend at least $175,000.00. Mr. Gerardy noted that the used snow plow truck would last the City for approximately 15 years. Discussion ensued. A motion was made by Member Murphy, seconded by Mayor Burns, to approve the acquisition of the used snow plow truck at a cost of $56,900.00 with a trade in value for the existing snow plow truck at $5,000.00, bringing the total cost to $51,900.00, and on the basis that the used snow plow truck would be lumped into a certificate of indebtedness and paid for over the course of 15 years. All members present voted in favor and the motion was declared.

5. NORTH KINGSTON STREET. Administrative Coordinator Gerardy shared that a proposal was obtained in the amount of $21,200.00 to complete necessary street maintenance for 1,422 square yards of North Kingston Street near the entrance to North Park. Discussion ensued. A motion was made by Member Vick, seconded by Member Murphy, to approve spending $21,200.00 of budgeted street department funds for labor and services to mill and remove 2" of the existing asphalt surface and replace with a 3" hot mix asphalt surface for 1,422 square yards of North Kingston Street near the North Park entrance. Voting in Favor: Murphy, Lemke, and Vick. Voting Against: None. Abstaining: Burns. The motion was declared carried.

6. 110 VOLT OUTLETS AT BALLFIELD. Administrative Coordinator Gerardy shared that a request was received to install additional 110 volt outlets at the ballfield area. Mr. Gerardy reported that to install additional 110 volt outlets would likely cost the City approximately $1,200.00. Discussion ensued. The consensus was for the concession area and Legion shelter to be used for the time being until the necessary funds could be budgeted in an upcoming budget cycle.

7. OLD HIGHWAY DRIVE. Administrative Coordinator Gerardy shared that he would like to utilize approximately $1,665.00 of the remaining unused Street Department labor and services line item budgeted funds to repair about 225 feet of an approach to the Street Department. The consensus was to move forward with the necessary $1,665.00 repair to Old Highway Drive, as per the recommendation of Mr. Gerardy.

E. CITY ACCOUNTANT TOPICS.

1. CASH AND INVESTMENT REPORT. Accountant Mann was in attendance to report that as of April 30, 2012, the total cash balance was $1,037,295.17, and the total investment balance was $2,350,295.87. Discussion ensued.

2. BUDGET WORKSHEET. Attached with the agenda was the budget worksheet through May 31, 2012. Discussion ensued.

3. 2011 FINAL BUDGET NUMBERS. Attached with the agenda were final numbers for the 2011 budget. Discussion ensued.

4. DISTRIBUTION OF 2011 AUDIT REPORTS. Copies of the 2011 audit were distributed. Accountant Mann noted that the City's auditors would draft a letter shortly highlighting important points of the audit to be noted by the Council. Discussion ensued.

F. COMMUNICATIONS.

1. LETTER FROM ACE COMMUNICATIONS. City Clerk/Administrator Feely shared that attached with the agenda was a letter from ACE Communications. No action was taken.

2. NOTICE OF ANNUAL SUPPORT FEE INCREASE FROM BANYON DATA SYSTEMS. City Clerk/Administrator Feely shared that attached with the agenda was a notice of a support fee increase from Banyon Data Systems. No action was taken.

OLD BUSINESS.

A. CLERK/ADMINISTRATOR POSITION. City Clerk/Administrator Feely shared that a decision would need to be made regarding moving forward with filling the Clerk/Administrator position. Discussion ensued. The consensus of the Council was to forgo hiring Brimeyer Fursman, LLC, and instead conduct the hiring process on its own. If the hiring process doesn't go well, then the consensus was that Brimeyer Fursman, LLC should be contacted to assist with the search process. In the meantime, it was noted that the Council would be making a decision at its July 9 meeting regarding hiring an interim Clerk/Administrator.

B. SOLID WASTE ORDINANCE. City Clerk/Administrator Feely shared that attached with the agenda was a solid waste ordinance for review and adoption by the Council. It was noted that also attached with the agenda was an email from City Attorney Tim Murphy indicating that the ordinance met with his approval. Discussion ensued. A motion was made by Mayor Burns, seconded by Member Lemke, to repeal the existing solid waste ordinance and adopt the new solid waste ordinance. All members present voted in favor and the motion was declared carried.

NEW BUSINESS. None.

CLERK'S REPORT.

A. EMPLOYEE TIME RECORD. Attached with the agenda were the Employee Time Records for May 28, 2012-June 10, 2012.

B. PFA UPDATE. City Clerk/Administrator Feely shared that a draft agreement was recently received from Minnesota Public Facilities Authority regarding securing low interest financing for the pending sewer rehab and water meter projects. Feely noted that the City's bond counsel recommended holding off on issuing a notice to proceed until a formal authorization has been received from PFA. It was further noted that the formal authorization was expected to arrive on or around Monday, July 9.

C. MIDI LOAN PROGRAM UPDATE. City Clerk/Administrator Feely shared that all three of Caledonia's banks were offered an opportunity to place a bid for a $170,000 general obligation sewer revenue note. It was noted that Merchants Bank purchased the bond and was willing to offer the City an interest rate of 2.9%. Discussion ensued. The consensus of the Council was that the City was pleased that a local bank was interested in purchasing the bond.

MISCELLANEOUS.

A. STEVE BAUER POWER LINE REQUEST. City Clerk/Administrator Feely reported that City Light Department Line Foreman Matt Blocker was not able to attend the meeting as

suggested by the Council but that instead he supplied an email, a copy of which was attached with the agenda, with background information regarding Steve Bauer's request to remove a tree located at the 214 South Fifth Street in Caledonia. It was noted that no date had been set to remove the tree, but that Mr. Bauer preferred the tree be removed on the weekend. It was further noted that what is different about this request as compared to previous requests was that Mr. Bauer was requesting that the primary power be shut off versus the usual secondary power. As a result, the following properties would have their power disrupted for a period of 5-6 hours: 1012 East Grove Street, 1018 East Grove Street, 1003 East Grove Street, 1013 East Grove Street, 1019 East Grove Street, 1023 East Grove Street, 1019 East Grove Street, 214 South Fifth Street, and 1023 East Washington Street. It was also noted that the overhead lines could be buried but the cost to do so would be prohibitive. Discussion ensued. The consensus of the Council was for the power outage to take place on a day that works best with Mr. Blocker's schedule. Any time outside of the normal light department working hours would be billed to Mr. Bauer. In addition, it was noted that the City would send notice to the affect properties and bill Mr. Bauer for the cost to do so.

B. LIFEGUARD SCHEDULING. Member Vick inquired as to why two new lifeguards hired had limited hours scheduled for July at the swimming pool. City Clerk/Administrator Feely replied that she would talk to the Pool Manager and try to get them some additional hours. It was noted that one of the new hires did not yet have their lifeguard certification until after the July schedule was already put together but that the lifeguards were added to the schedule for a few hours.

ADJOURNMENT. A motion to adjourn was made by Mayor Burns, seconded by Member Vick, at 9:30 p.m. All members present voted in favor and the motion was declared carried.

Robert H. Burns
Mayor

Jennifer Feely
City Clerk/Administrator