

Barnesville City Council
Regular Meeting
February 9, 2009

Mayor Dahnke called this regular meeting to order at 7:01 p.m. Present were Mayor Dahnke and Council members Roger Cooper, Larry Davis, Jr., Del Ellefson, Jeremy Krause and Merlin Strom. Council member Chad Hagen was absent. Others in attendance were City Attorney John Shockley, Public Works Supt. Dave Riddering, Sr. Accountant Laurie Schell, Police Chief Dean Ernst, TEC Manager Guy Swenson, Brandon Anderson with People Service, Dan Hanson with Ulteig Engineers, and Pam Aakre with the Record Review.

Mayor Dahnke asked TEC Manager Guy Swenson to take roll call. The next item on the agenda was the pledge of allegiance. All rose to recite the pledge of allegiance.

Mayor Dahnke next asked if there were any additions or corrections to the agenda. There were no additions or corrections.

02-01-09-01 Motion by Mr. Krause and second by Mr. Ellefson to approve the agenda and consent agenda as presented. The following items were on the consent agenda.

1. Approval of the minutes of the Regular meeting held on January 12, 2009.
2. Approval of the minutes of the Special meeting held on January 23, 2009.
3. Department head reports.
4. Finance report-Approval of check numbers 65594-65783 in the amount of \$327,303.64 and EFT payments in the amount of \$187,431.25.
5. Approval of the 2009 lifeguard wages.
6. Approval to hire the following lifeguards: Heather Dahl, Alec Albright, Jenny Hodge, Zack Olson, Zack Schultz, Devon Brakke, Taylor Dobmeier, Logan lass, Andrew Stout, and Shelby Lien.
7. Approval of the Main Street membership for the Telephone, Electric and Cable Dept. in the amount of \$200.00.
8. Approval to appoint Rick Raftevoid to the TEC Board for a three year term.
9. Approval to appoint Mayor Fred Dahnke to the EDA Board for a six year term.
10. Approval of the gambling permit for the Barnesville FFA-July 9-12, 2009.
11. Approval of the gambling permit for the Barnesville Lions, July 9-12, 2009.
12. Approval of the gambling permit for the Barnesville Lions, Aug. 29, 2009.
13. Approval of the City Organizational Chart.
14. Approval of the Golf Course Main Street membership.

Mayor Dahnke stated the next item on the agenda was the board and commission reports.

Council member Merlin Strom stated that the Planning Commission is working on buildings language and comp plan with the Park Board. Mayor Dahnke stated that there is a meeting scheduled on Feb. 26th with the Ambulance Dept. and surrounding townships. Council member Roger Cooper stated the on the Joint Powers Board there was a meeting to split a section of land. Council member Roger Cooper stated that the Community Education held a meeting, and summer recreation activities were discussed. Council member Jeremy Krause stated that the 2nd annual Chili Opener will be held on March 8th at the Golf Course.

02-09-09-02 Motion by Mr. Krause and second by Mr. Ellefson to approve the board and commission reports as presented. Motion carried.

Mayor Dahnke stated the next item on the agenda was the public forum. Mayor Dahnke asked if there were any citizens present to be heard. Mayor Dahnke recognized and thanked Boy Scout Austin Williams for attending the meeting. There were no citizens present to be heard.

Mayor Dahnke stated the next item on the agenda was the discussion of the excess liability insurance. Council member Del Ellefson stated that this is an option for excess liability insurance for \$1,000,000 and the cost would be \$8,870.00.

02-09-09-03 Motion by Mr. Krause and second by Mr. Ellefson not to approve the excess liability insurance. Motion carried.

Mayor Dahnke stated the next item on the agenda was the discussion to eliminate the full-time Customer Service position. Council member Del Ellefson stated that due to the Local Government Aid reduction, and budget restraints, that this position would be eliminated. Mr. Ellefson stated that this position was a part-time position, and the position was made full-time last fall. The Personnel & Finance Committee would like to change this position back to part-time.

02-09-09-04 Motion by Mr. Ellefson and second by Mr. Davis to terminate the full-time Customer Service position effective February 27, 2009. Motion carried.

Mayor Dahnke stated the next item on the agenda was to approve the Part-time Customer Service position and the Part-time Customer Service job description.

02-09-09-05 Motion by Mr. Ellefson and second by Mr. Davis to approve the Part-time Customer Service position and the part-time Customer Service job description. Motion carried.

Mayor Dahnke stated the next item on the agenda was the 2nd reading of Ordinance 2009-1, an electric rate increase.

02-09-09-06 Motion by Mr. Ellefson and second by Mr. Strom to approve the 2nd reading of Ordinance 2009-1. Motion carried.

ORDINANCE 2009-1

AN ORDINANCE TO *ESTABLISH* ELECTRIC RATES AND CHARGES FOR RESIDENTIAL AND COMMERCIAL *ELECTRIC SERVICES*.

The City Council of the City of Barnesville does hereby ordain as follows:

WHEREAS, the City Council did previously Ordinance No. 2008-14 an ordinance to establish charges and,

WHEREAS, the Telephone/Electric/Cable TV (T.E.C.) Advisory Board for the City of Barnesville has recommended the following rates and charges for residential and commercial electric services;

NOW, THEREFORE, Ordinance No. , 2008-14 is hereby replaced as follows

**MUNICIPAL AND PUBLIC UTILITIES -
RULES AND REGULATIONS, RATES,
CHARGES AND COLLECTIONS**

Section 1. Code Requirement.

All wiring, connections and appurtenances shall be installed and performed strictly in accordance with the National Electrical Code. Failure to install or maintain the same in accordance therewith or failure to have or permit required inspections shall, upon discovery by the City, be an additional ground for termination of electrical service to any consumer.

Section 2. Services.

New or changed service installations shall be made at the expense of the consumer, placed underground where designated by the City (refers to the exact buried location and whether the service should go to the transformer or closest pedestal), and the meter location shall also be designated by the City (refers to mounting the meter inside or outside of the building, on the building or at the transformer). Overhead service installations may be permitted by the City

- A. Temporarily during new construction;
- B. Temporarily during an emergency to prevent danger to persons or property;
- C. For a period of not more than seven months when soil conditions make excavation for underground service impractical; or

- D. Where to require underground service, the consumer has shown that such requirement is unduly burdensome.

Section 3. Electrical Installations.

All electrical installations shall comply with the following, where applicable:

- A. Motors of 20 HP or more must have line compensators on same. Provided, however, that the City may, at its option, make an exception if the total connected motor load required is smaller than the consumer connected load, and the motor starting current is less than the current corresponding to the consumer's total connected load.
- B. Any establishment having a total motor load of 125 HP or more is required to have 440 volts for its motor load.
- C. All motor installations of less than 5 HP shall be supplied with 240 volt single phase energy except: (1) motors of 1/2 HP or smaller may be 120 volt; or (2) three phase motors of 3 HP or more may be served from existing secondary power circuits where only service wires and meters are required.
- D. The City shall make an installation charge for extraordinary expenses required by a consumer.

Section 4. Replacing or Converting to Underground.

- A. Converting to Underground. The City may, at its option and at its expense, convert any present service where no change is otherwise required by the consumer, from overhead to underground. Where this is done, the City shall only cover and refill the trench and other ditching maintenance or repair, and all subsequent changing and repairing of the service shall be the obligation of the consumer.
- B. Replacing. Nothing herein shall prevent the City from replacing an overhead service with the same type.
- C. Meters and Placement Service. Placement of services and meters shall be determined by the City.

Section 5 Installation of Electric By-Pass Switches

- A. RESIDENTIAL:
 - 1. New Housing
All metered electric services will be equipped with an ELECTRIC BY-PASS SWITCH.

2. Existing Housing
When the existing metered electric service is upgraded or replaced an ELECRC BY-PASS SWITCH will be installed.

B. INDUSTRIAL/COMMERICAL:

1. New Buildings
All metered electric services will be equipped with an ELECRC BY-PASS SWITCH.
2. Existing Buildings
When the existing metered electric service is upgraded or replaced an ELECRC BY-PASS SWITCH will be installed.

C. FAILURE TO COMPLY:

In the event a contractor, home owner or building owner fails to comply with this ordinance an electric meter will not be installed and the electric service cables will not be connected to the Barnesville Municipal Power distribution system.

Section 6. Reconnection / Service Charges

Reconnection services will occur only during regular business hours, 7:30 a.m. through 4:30 p.m., Monday through Friday, except for Holidays, providing:

- A. Current bill, penalties service order charge and reconnect fee of \$100.00 are paid in full; however, should the customer request reconnection outside of the above mentioned regular business hours or on holidays, the reconnect fee shall be \$200.00.
- B. Formal payback agreement is established within the city utilities which shall include the reconnect fee whether it is \$100.00 or \$200.00.
 1. Failure of the customer to adhere to the payment plan as established by the Barnesville Utilities shall result in immediate disconnection of service.
- C. Relocates: Relocating an established electric service from one location to another. \$19.95 Administrative fee applies.

Section 7 Electric Heating System Regulations

A. VIOLATION A MISDEMEANOR.

Every person whom violates a section, subdivision, paragraph or provision of this Chapter when he/she performs an act thereby prohibited

or declared unlawful, or fails to act when such failure is thereby prohibited or declared unlawful, and upon conviction thereof, shall be punished as for a misdemeanor except as otherwise stated in specific provisions hereof.

Section 8 Electric Rate Schedules

A. RATE SCHEDULE #1:

GENERAL SINGLE PHASE service Residential: (RL1 & AR1)(HP-3 & HP-4 Summer Rate)

	Current	May 1, 2008	January 1,
2009			
Base Charge	\$11.00	\$12.00	\$13.00
Energy Charge	\$.072 per kwh	\$.078 Per kwh	\$.0885 per

kwh

Available to all residential customers.

B. RATE SCHEDULE #2:

GENERAL SINGLE PHASE service Commercial: (RC1 & DI1)

	Current	May 1, 2008	January 1,
2009			
Base Charge	\$12.00	\$14.00	\$16.00
Energy Charge	\$.079 per kwh	\$.083 Per kwh	\$.0925 per

kwh

Available to commercial customers for single phase service

C. RATE SCHEDULE #3

GENERAL THREE PHASE SERVICE: (GS6 & DI9)

	Current	May 1, 2008	January 1, 2009
2009			
Base Charge	\$16.00	\$19.00	\$22.00
Energy Charge	\$.079 per kwh	\$.083 Per kwh	\$.0925 per

kwh

Available to all customers for three phase service with a calculated demand of 20 KW or less

D. RATE SCHEDULE #4

LARGE POWER THREE PHASE SERVICE (LP1 & DI1)

	Current	May 1, 2008	January 1,
2009			
Base Charge	\$20.00	\$28.00	\$36.00
Demand Charge			

	All kw		\$7.80/kw	\$9.60 /kw
	Energy Charge			
kwh	All kwh	\$.049 per kwh	\$.049 Per kwh	\$.052 per

Available to all customers for three phase service with a calculated demand over 20 KW. Billing demand to be the maximum measured during any 15 minute interval during the billing period.

E. RATE SCHEDULE #6

SECURITY LIGHTS: (YL1)

	Current	May 1, 2008	January 1,
2009			
	Charge per light	\$12.25 per month	\$12.25

Available to all customers for un-metered lights, 200 watts or less, owned, installed and maintained by the customer.

F. DEFINITION OF TERMS:

1. Residential Customers: any electric service which includes the primary residence of any person or people.
2. Commercial Customers: any electric service which does not include the primary RESIDENCE of any person or people.
3. Base Charge: Applies to all services where a meter is required to measure energy or demand usage. The base charge does not apply to those meters installed where the only purpose is to measure energy utilized by dual fuel or off peak heating sources.

G. CHARGE TO DELIVER DISCONNECT NOTICES

1. A charge of \$25.00 will be applied to utility accounts when in the process of collecting past due charges for electricity it is necessary to hand carry and post a disconnect notice at the customer premise.
2. This charge will be waived one time per customer account.
3. This charge does not apply to notices delivered by mail.

Section 9 Electric Rate Incentives

A	Dual Fuel Services (OP-1 & OP-2) (HP-1 & HP2 Winter Rate)	Current	May 1, 2008	January 1,
2009	Dual Fuel Service Rate: \$.0405/kwh	\$.042/kwh	\$.045 /kwh	

This rate is available to all customers with a dual fuel heating system (Including Heat Pumps) controlled by the city's load management system. To qualify:

1. A heating system must use electricity as its primary source of heat; and
2. The secondary source of heat must be fossil fuel, thermostatically controlled and capable of heating the structure to 68 degrees and maintaining that temperature; and
3. The dual fuel load shall be metered separately. Metering may be subtractive or direct metered
4. The customer must make a five year commitment to the program.
5. Tampering with, bypassing or in any way rendering the electric heat control inoperative will result in the immediate and permanent loss of the dual fuel rate, and, at council discretion, may result in criminal charges for theft of services.
6. Failure to fulfill the 5 year commitment will result in the immediate and permanent loss of the dual fuel rate.

B. Dual Fuel Incentive for Existing Buildings

An incentive will be offered for all customers converting to a dual fuel system.

A \$300.00 incentive will be paid to all customers that convert from an all electric heated home to a qualified dual fuel heating system. (ref section 9,A,1 - 5).

A \$100.00 incentive will be paid to all customers that that convert from a fossil fuel heating system to a qualified dual fuel heating system. (ref section 9,A,1 - 5).

C. Dual Fuel Incentive for New Construction

A \$200.00 one-time payment will be made to the general contractor.

D. Financing for Dual Fuel Installations

All new approved dual fuel heating installations are eligible for a 5 year, 6% annual interest loan of up to \$2,000.00. This loan will be paid back in equal monthly installments on the customer's utility bill. Loans for commercial customers will require prior approval by the T.E.C. Advisory Board or the City Council.

E. Off Peak Services

	Current	May 1, 2008	January 1, 2009
Off Peak Service Rate:	\$.0405/kwh	\$.042/kwh	\$.045 /kwh

This rate is available for electric thermal storage (ETS) space heaters, under concrete slab electric heating systems and electric heated liquid filled under concrete slab heating systems. Off Peak Services must be metered separately and controlled by the city's load management system. Central Air-conditioners and water heaters do not qualify for the off peak rate, Ref paragraph F for water heater incentives and paragraph G for Central Air-conditioner incentives.

F. Water Heater Incentive Program

All electric water heaters are required to be connected to / and controlled by the city's load management system.

All customers shall be eligible for a rebate of \$2.00 per gallon for the installation of a new electric water heater with a storage capacity of at least 50 gallons. This rebate increases to \$3.00 per gallon for new water heaters with a minimum storage capacity of 80 gallons. The rebate shall be credited on the customer's utility bill as soon as the following are provided. Demand water heaters without storage do not qualify for this rebate.

1. Proof of purchase and installation of a qualifying water heater; and
2. Verification by electric utility personnel that the load controls have been installed and properly wired.
3. Tampering with, bypassing or in any way rendering the water heater control inoperative will result in the immediate loss of the water heater rebate. The customer will be responsible for all costs associated with the replacement and reconnection of the load

controller including the cost of the replacement controller, any administrative fees, and, at council discretion, may result in criminal charges for destruction of property.

This incentive is limited to one rebate per address during any 5-year period. : (Water heater incentive subject to budget availability).

G. Central Air Conditioning Incentive Program

A \$3.00 per month credit is available to all customers that allow their central air-conditioner to be controlled by the city's load management system. This credit is available for the months of June through September. Qualifications for this rebate are;

1. Customer must have a central air-conditioning system such as a ducted or hi-velocity system. Window units and ductless mini split systems are not eligible.
2. Air-source heat pumps and geothermal heat pumps qualify if they are controlled by the city's load management system and are not receiving the dual fuel rate.

EFFECTIVE DATE: This ordinance shall become effective upon its passage and enactment, followed by publication according to law.

PASSED AND ADOPTED by the Barnesville City Council this 9th day of February, 2009.

APPROVED:

Fred Dahnke, Mayor

ATTEST:

Jeri Reep

City Clerk

Mayor Dahnke stated the next item on the agenda was the summary of Ordinance 2009-1.

02-09-09-07 Motion by Mr. Strom and second by Mr. Ellefson to approve the summary of Ordinance 2009-1. Motion carried.

SUMMARY - ORDINANCE 2009-1

AN ORDINANCE TO ESTABLISH ELECTRIC RATES AND CHARGES FOR RESIDENTIAL AND COMMERCIAL ELECTRIC SERVICES.

The City Council of the City of Barnesville does hereby ordain as follows:

WHEREAS, the City Council did previously Ordinance No. 2008-14 an ordinance to establish charges and,

WHEREAS, the Telephone/Electric/Cable TV (T.E.C.) Advisory Board for the City of Barnesville has recommended the following rates and charges for residential and commercial electric services;

NOW, THEREFORE, Ordinance No. , 2008-14 is hereby replaced as follows

Section 2. Services.

New or changed service installations shall be made at the expense of the consumer, placed underground where designated by the City (refers to the exact buried location and whether the service should go to the transformer or closest pedestal), and the meter location shall also be designated by the City (refers to mounting the meter inside or outside of the building, on the building or on at the transformer). Overhead service installations may be permitted by the City

H. Water Heater Incentive Program

All water heaters are required to be connected to and controlled by the city's load management system.

All customers shall be eligible for a rebate of \$2.00 per gallon for the installation of a new electric water heater with a storage capacity of at least 50 gallons. This rebate increases to \$3.00 per gallon for new water heaters with a minimum storage capacity of 80 gallons. The rebate shall be credited on the

customer's utility bill as soon as the following are provided. Demand water heaters without storage do not qualify for this rebate.

4. Proof of purchase and installation of a qualifying water heater; and
5. Verification by electric utility personnel that the load controls have been installed and properly wired.
6. Tampering with, bypassing or in any way rendering the water heater control inoperative will result in the immediate loss of the water heater rebate. The customer will be responsible for all costs associated with the replacement and reconnection of the load controller including the cost of the replacement controller, and, at council discretion, may result in criminal charges for destruction of property.

EFFECTIVE DATE: This ordinance shall become effective upon its passage and enactment, followed by publication according to law.

PASSED AND ADOPTED by the Barnesville City Council this 9th day of February, 2009.

APPROVED:

Fred Dahnke, Mayor

ATTEST:

Jeri Reep
City Clerk

Mayor Dahnke stated the next item on the agenda was the discussion of the Blue Eagle sediment basin dredging project. Public Works Supt. Dave Riddering discussed with council members engineering for the Blue Eagle holding pond dredging project. Mr. Riddering stated that Blue Eagle Lake is in need of sediment removal by dredging of the lake. Mr. Riddering asked council to use funds to start this project, for preliminary engineering costs. Mr. Riddering asked that this project be funded from the Community Fund, since this is a community project.

02-09-09-08 Motion by Mr. Davis and second by Mr. Krause to authorize staff to proceed with the preliminary engineering report for the Blue Eagle holding pond

dredging project. The funds will be from the interest earned from the Community Fund, not to exceed \$12,000.00. Motion carried.

Mayor Dahnke stated the next item on the agenda was the update of the Front Street Project. Mr. Dan Hanson with Ulteig Engineers updated council members on the project, and that the project is still on line with the stimulus package.

Mayor Dahnke stated the next item on the agenda was the Fergus Falls Fire Mutual Aid Resolution. Mayor Dahnke stated that this is a resolution for mutual aid with the Fergus Falls Fire Dept.

02-09-09-09 Motion by Mr. Davis and second by Mr. Krause to approve the following resolution. Upon a roll call vote, those voting in favor of were the following: Council members Davis, Krause, Strom, Ellefson, and Cooper. Those voting against were the following: none. Council member Hagen was absent. Motion carried.

Resolution 02-09-09-09
Mutual Aid Fire Contracts

WHEREAS: a request has been made to establish or renew a mutual aid fire contract with the City of Fergus Falls, Minnesota,

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Barnesville, Minnesota to authorized the Mayor and Clerk to sign these agreements.

The above and foregoing resolution was offered at a regular meeting of the City Council held on February 9, 2009 by Council member Davis, who moved its adoption, was seconded by Council member Krause and adopted.

Whereupon the above resolution was duly adopted.

Attest:

Adopted:

Jeri L. Reep
City Clerk

Fred Dahnke
Mayor

Mayor Dahnke stated the next item on the agenda was the Heartland Replatting request. EDA Director Karen Lauer informed council members that staff has reviewed the Heartland Second Addition Plat in relation to both the Barnesville Subdivision Ordinance, and the 2004 City of Barnesville Comprehensive Plan. Mrs. Lauer stated that assuming that this area will be rezoned from R-3 multi-family residential to single family

residential, the lots as proposed as part of the plat meet the minimum lot width, lot depth and square footage requirements. The entire Heartland plat has been approved and duly recorded, that there are no concerns with Lot 4 being “land locked” as it will be accessible once 9th Street SE is extended to the south. Mrs. Lauer stated that the developer/builder will be responsible for all costs associated with extending water and sewer service lines from the mains onto the property. Not shown on the plat drawing but required by City’s subdivision ordinance, is a 10 foot utility easement on both side lot lines of Lot 2 (5 feet on both sides of the property line) and a 10 foot utility easement on the rear lot lines (5 feet on both sides of the property line). Also required by ordinance would be language in a Dedication section of the plat document stating “Easements for installation and maintenance of utilities and drainage facilities are reserved over, under, and along the designated areas marked “utility easements”.

02-09-09-10 Motion by Mr. Strom and second by Mr. Ellefson to approve the Heartland Replatting request as presented. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Heartland Rezoning Request. EDA Director Karen Lauer informed council members that Mr. Robert Sefkow, Chief Manger of Midwest Regional Development has requested that a portion of Block 1, Lot 1, parcel 50.335.0010, Outlot A, Heartland Addition be rezoned from R-3, Muti-Family Residential to R-1, Single Family Residential District. Mr. Stefkow is requesting a replatting of Block 1, as Heartland Second Addition which would create Lots 1, 2, 3, and 4. The rezoning request is just lots 1, 2, and 3. Mrs. Lauer stated that the Planning Commission finds the rezoning request is reasonable and is consistent with the 2004 City of Barnesville Comprehensive Plan. Based on the evidence presented, this rezoning is compatible with area and there would be no detrimental effect on the neighboring properties. Therefore, staff recommends rezoning Lots 1-3, Block 1, and Heartland Second Addition from R-3 and Multi-Family Residential District to R-1, Single Family Residential District.

02-09-09-11 Motion by Mr. Strom and second by Mr. Davis to approve the Heartland Rezoning request .Rezone Lots 1-3, Block 1, Heartland Second Addition from R-3, Multi-Family Residential District to R-1, Single Family Residential District. as presented. Motion carried.

Mayor Dahnke stated the next item on the agenda was the 2008 EDA yearend report. Mrs. Lauer discussed with council members the 2008 accomplishments of the Barnesville Development Authority. Council member had no questions for Mrs. Lauer.

Mayor Dahnke stated the next item on the agenda was the Redevelopment Project 1- and TIF 1-1. Mrs. Lauer informed council members that this is an amendment to modified redevelopment plan for redevelopment project No. 1 and tax increment financing plan for tax increment finance district No. 1-1.

Mayor Dahnke stated that the next item on the agenda was the Resolution Approving Amendment of Modified Redevelopment Plan for Redevelopment Project No. 1 and Tax Increment Finance Plan for Tax increment Financing District No. 1-1.

02-09-09-12 Motion by Mr. Davis and second by Mr. Strom to approve the following resolution. Upon a roll call vote, those voting in favor of were the following: Council members Davis, Krause, Strom, Ellefson, and Cooper. Those voting against were the following: none. Council member Hagen was absent. Motion carried.

RESOLUTION APPROVING AMENDMENT OF
MODIFIED REDEVELOPMENT PLAN FOR REDEVELOPMENT
PROJECT NO. 1 AND TAX INCREMENT FINANCING PLAN
FOR TAX INCREMENT FINANCING DISTRICT NO. 1-1

WHEREAS: pursuant to Section 1.14 of the Modified Redevelopment Plan for Redevelopment Project No. 1 and Tax Increment Financing Plan for Tax increment Financing District No. 1-1 (hereinafter referred to as the “Plan”) and Minnesota Statutes Section 469.175, subd. 4, the City of Barnesville (hereinafter the “City”) has the authority to amend and/or modify a tax increment financing plan; and

WHEREAS: the Developer has requested that the Plan be amended to exclude two parcels which are identified as:

(Parcel No. 50.335.0010 – Lot 1, Block 1, Heartland Addition; and Parcel No. 50.335.0020 – Lot 1, Block 2, Heartland Addition); and

WHEREAS: the City has determined that the removal of such parcels are in the best interest of the Plan; and

WHEREAS: pursuant to Minnesota Statutes Section 469.175, subd. 4e, the requirements for a public hearing do not apply because the only modification to the plan is the elimination of parcels from the District and the current net tax capacity of the parcels eliminated from the District equals or exceeds the net tax capacity of those parcels in the District’s original tax capacity.

NOW, THEREFORE, be it resolved by the City Council of the city of Barnesville as follows:

1. The Amendment to the Modified Redevelopment Plan for Redevelopment Project No. 1 and Tax Increment Financing Plan for Tax Increment Financing District No. 1-1 is hereby approved and adopted.
2. The above-described amendment is the only change the Modified Redevelopment Plan for Redevelopment Project No. 1 and Tax Increment Financing Plan for Tax Increment Financing District No. 1-1.

3. The City Clerk is authorized to forward a copy of the Plans and the single amendment to the Clay County Auditor and the Minnesota Department of Revenue pursuant to Minnesota Statutes Section 469.175, subd. 4.

APPROVED by the City Council of the City of Barnesville this 9th day of February, 2009.

Fred Dahnke
Mayor

Attest:

Jeri Reep
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by Member Strom, and upon vote being taken thereon, the following voted in favor of: Cooper, Ellefson, Davis, Strom, and Krause. The following members were absent and not voting: Hagen. The following members voted nay: none. The majority having voted aye, the motion carried and the resolution was duly adopted.

Mayor Dahnke stated the next item on the agenda was the Amendment to Development Agreement.

02-09-09-13 Motion by Mr. Strom and second by Mr. Davis to approve the following amendment to development agreement. Motion carried.

AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT, made effective as of this 9th day of February, 2009, by and between the City of Barnesville, a municipal corporation (the "City"), the Barnesville Economic Development Authority (the "EDA"), and Midwest Regional Development, LLC, a limited liability company (the "Developer");

WITNESSETH:

WHEREAS: the parties have previously entered into a Development Agreement on the 8th day of July, 1996 (hereinafter referred to as the "development agreement"); and

WHEREAS: the Developer has requested that two parcels be removed from the TIF District; and

WHEREAS: the EDA and City approve of said amendment to the Redevelopment Plan for the Tax Increment Financing District; and

WHEREAS: the parties seek to reaffirm the terms and conditions of the Development Agreement and add the additional terms and conditions to the Development agreement.

NOW THEREFORE, be it agreed by the parties that:

1. Parcel No. 50.335.0010, having a legal description of Lot 1, Block 1, Heartland Addition, and Parcel No. 50.335.0020, having a legal description of Lot 1, Block 2, Heartland Addition to the City of Barnesville, is excluded and decertified from the housing district contemplated in the Development Agreement.
2. Developer agrees and acknowledges that the decertification of the above described lots may negatively impact the payments generated by the housing district to Developer. As a result developer waives any and all claims against either the EDA or the City that arise from or are related to the removal of the above described parcels from the housing district.

City of Barnesville

By: _____
Its Mayor

By: _____
Its: City Clerk

Barnesville Economic Development
Authority

By: _____
Its: _____

By: _____
Its: _____

Midwest Regional Development, LLC

By: _____
Its: _____

By: _____
Its: _____

Mayor Dahnke stated the next item on the agenda was the reallocation of Small Cities Grant monies. The Council discussed the Small Cities Grant which must be completed by December 31, 2009. Based on less than anticipated interest from the commercial district, Karen Lauer recommended that a portion of the funds originally designated for commercial projects be moved into single family residential rehab where there is currently a waiting list.

02-09-09-14 Motion by Mr. Ellefson and second by Mr. Krause to approve the reallocation of \$56,000 in Small Cities Grant monies from Commercial to Single Family Residential and that on July 1, 2009 any unused remaining funds in Commercial also be moved into Single Family Residential.. Motion carried.

Mayor Dahnke stated the next item on the agenda was the 2008 4th quarter year end transfers. After a brief discussion the council decided to take no action at this time.

Mayor Dahnke stated the next item on the agenda was the discussion of the relocation of the Liquor Store. Mr. Shockley stated that he and 2 council members had completed a walk through at the old Dairy Queen building prior to the council meeting. The owner is interested selling the property and is asking \$52,000. Mayor Dahnke and Mr. Cooper both expressed concern that the timing of this purchase was really bad, with cuts in LGA and budgets being cut now may not be the best time for this purchase. After a brief discussion it was decided that more accurate pricing information was necessary to make a decision. Some members of the council were concerned that this property may not last long on the current market. Securing a 90 day purchase option would give the council time to acquire more accurate pricing on remodeling the existing building vs building a new structure as well as fit up costs including additional walk in coolers.

02-09-09-15 Motion by Mr. Davis and second by Mr. Ellefson to authorize City Attorney John Shockley to negotiate a 90 purchase option with the seller in the amount of \$52,000. Motion carried.

02-09-09-16 Motion by Mr. Davis and second by Mr. Ellefson to adjourn the meeting at 8:21 p.m. Motion carried.

Submitted by:

Attest:

Guy Swenson
TEC Manager

Fred Dahnke
Mayor