

**Barnesville City Council  
Special Meeting  
June 23, 2008**

Mayor Dahnke called this special meeting to order at 7:00 p.m. Present were Mayor Dahnke and Council members Roger Cooper, Larry Davis, Jr., Del Ellefson, Jeremy Krause and Merlin Strom. Others in attendance were COO Mike Brethorst, City Attorney John Shockley, City Clerk Jeri Reep, Public Works Supt. Dave Riddering, TEC Coordinator Guy Swenson, EDA Director Karen Lauer, Police Chief Dean Ernst, Sr. Accountant Laurie Schell, Ambulance Manger Jon Yeske, Paul Williams, Karla Olson with Ulteig Engineers, Tom Koop and Chris Knopik with Larsen-Allen.

Mayor Dahnke asked COO Mike Brethorst to take roll call. The next item on the agenda was the pledge of allegiance. All rose to recite the pledge.

Mayor Dahnke stated the council would only be addressing items on the agenda. Mayor Dahnke asked for a motion to approve the agenda.

**06-23-08-01** Motion by Mr. Ellefson to approve the agenda. After some discussion, Mr. Ellefson withdrew his motion.

The first item on the consent agenda was the hiring of Sandy Ystenes as a Liquor Store Clerk.

**06-23-08-02** Motion by Mr. Cooper and second by Mr. Davis to approve the hiring of Sandy Ystenes as a Liquor Store Clerk at \$8.86 per hour. Motion carried

**06-23-08-03** Motion by Mr. Ellefson and second by Mr. Strom to approve the hiring of Rick Nicklay as a Golf course Supervisor at \$12.50 per hour. Motion carried.

**06-23-08-04** Motion by Mr. Ellefson and second by Mr. Strom to approve the hiring of Diane Hanson as a Customer Service/Accounts Payable Clerk at \$12.50 per hour. Those voting in favor of: Council members Cooper, Ellefson, Strom, and Krause. Council member Larry Davis, Jr. abstained from the vote. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Visser Trenching pay request. City Attorney John Shockley informed council members that the parties involved met on June 16, 2008 and had come to an agreement. Visser will sign and return to the City the final pay request prepared by the City Engineer no later than June 20, 2008. The City will pay Visser the retainage which it now holds regarding this project in the amount of

\$105,791.51. The City will pay Visser an additional sum of \$50,000.00. Visser will hold the city harmless from any and all claims arising from or related to this project by any of its subcontractors. Mr. Shockley stated the he recommends agreeing to the settlement as proposed, and authorize staff to sign the mediated settlement agreement.

**06-23-08-05** Motion by Mr. Ellefson and second by Mr. Davis to authorize staff to sign the mediated Settlement Agreement between the City of Barnesville and Visser Scraper Service. Motion carried.

Mayor Dahnke stated the next item on the agenda was the final pay request from Visser Scraper Service. COO Mike Brethorst stated that this is pay request No. 14 from Visser Scraper Service in the amount of \$105,791.75, plus the settlement amount of \$50,000.00.

**06-23-08-06** Motion by Mr. Davis and second by Mr. Ellefson to approve the final Pay Request No. 14 from Visser Scraper Service. This pay request reflects the remaining retainage on the project in the amount of \$105,791.75 plus the settlement amount of \$50,000.00 for a total payment of \$155,791.75. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Dennis and Sharon Braton fencing agreement. EDA Director Karen Lauer informed council that the EDA has been working with Mr. Braton to install a fence at 908 Front Street South. Mrs. Lauer stated the Mr. Braton did not have the financial ability to build a fence, and Mr. Braton does a lot of work for the City. The City of Barnesville will accept bids to install a fence around the Braton property, that this expense will be pre-paid, majority from the water fund. Mrs. Lauer estimated that the fence would be paid off in two to three years. Council member Larry Davis Jr. asked what happens if the fencing bids come in high. Mrs. Lauer stated that they estimate the bids to be around \$10,000.00. Council member Del Ellefson questioned why the City is becoming a bank. Mrs. Lauer stated that the EDA recommends the contract with Dennis and Sharon Braton.

**06-23-08-07** Motion by Mr. Davis and second by Mr. Cooper to authorize staff to enter into an agreement with Dennis and Sharon Braton and the City of Barnesville to install a fence at 908 Front Street South. Those voting in favor of: Council members Cooper, Davis, Strom and Krause. Those voting against: Council member Ellefson. Motion carried.

Mayor Dahnke stated the next item on the agenda was the J & J Braton lot merge request. EDA Director informed council members that Jim Braton is requesting a lot merge at 209 6<sup>th</sup> Ave NW, on which they have received a CUP to move an existing house. They are in the process of purchasing an additional 26 feet of property immediately to the east of this parcel and wish to merge this land with the existing parcel. This requires council approval.

**06-23-08-08** Motion by Mr. Ellefson and second by Mr. Strom to approve the lot merge request from J & J Braton Properties, LLC at 209 6<sup>th</sup> Ave NW, for an additional 26 feet of property immediately to the east of this parcel. Motion carried.

Mayor Dahnke stated the next item on the agenda is the 2<sup>nd</sup> reading of Ordinance 2008-8.

**06-23-08-09** Motion by Mr. Davis and second by Mr. Strom to approve the 2<sup>nd</sup> reading of Ordinance 2008-8. Motion carried.

**CITY OF BARNESVILLE  
ORDINANCE 2008-8**

**AN ORDINANCE TO AMEND SECTION 11.30 OF THE BARNESVILLE  
MUNICIPAL CODE RELATING TO THE I-1 LIGHT INDUSTRIAL DISTRICT**

BE IT ORDAINED by the City Council of the City of Barnesville that Section 11.30 is hereby amended as follows:

Subd. 3            Conditional Uses: ~~All other uses not listed above~~

**A. Home & Trailer Sales & Displays**

PASSED AND ADOPTED by the Barnesville City Council this 23rd day of June 2008.

APPROVED:

\_\_\_\_\_  
Fred Dahnke  
Mayor

ATTEST:

\_\_\_\_\_  
Jeri Reep  
City Clerk

Mayor Dahnke stated the next item on the agenda is the Ambulance bids received. Ambulance Manager Jon Yeske informed council members that he had received two bids for the Ambulance remount, and a completed financial analysis of the costs for pickup and delivery. Mr. Yeske recommends proceeding with the bid from North Central Ambulance from Lester Prairie, Minnesota, in the amount of \$86,092.00.

**06-23-08-10** Motion by Mr. Strom and second by Mr. Davis to award the bid from North Central Ambulance in the amount of \$86,092.00 for the Ambulance remount. Motion carried.

The next item on the agenda was the Resolution establishing a capitalization policy and capitalization threshold. COO Mike Brethorst stated that this is a Capital Asset Policy for the City.

**06-23-08-11** Motion by Mr. Copper and second by Mr. Ellefson to approve the following resolution: Upon a roll call vote those voting in favor of: Council members Cooper, Ellefson, Davis, Strom, Krause. Council member Hagen was absent. Motion carried.

#### **RESOLUTION 06-23-08-11**

### **A RESOLUTION ESTABLISHING A CAPITALIZATION POLICY AND CAPITALIZATION THRESHOLD**

**WHEREAS**, The City of Barnesville must be in full compliance with the new reporting requirements associated with GASB 34.

**WHEREAS**, A capitalization policy and capitalization threshold must be established to Appropriately record certain purchases and acquisitions as capital expenditures,

**NOW THEREFORE BE IT RESOLVED**, by the City Council of the City of Barnesville, Minnesota;

1. The City of Barnesville recognizes it will be fully compliant with GASB 34 reporting requirements. The City of Barnesville defines capital assets as land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, easements, and works of art and historical treasures. Capital assets in Barnesville will be inventoried and reported and, with certain exceptions, depreciated in government-wide statements. In the government wide statements, assets that are not capitalized are expended in the year of acquisition.
2. Additionally, the City establishes a capitalization threshold of \$5,000. The City of Barnesville will capitalize and depreciate an asset based upon the full-month convention method and the useful life schedule.

- a. Building 25-75 years
- b. Infrastructure 15-75 years
- c. Machine, Furniture, Equipment 3-15 years

By: \_\_\_\_\_

Attest: \_\_\_\_\_

*Mayor*

*City Clerk*

Mayor Dahnke stated the next item on the agenda was the 2007 audit presentation. Mr. Tom Koop and Chris Knopik with Larson Allen presented the 2007 audit to the council members. Some of the major focus for the 2007 audit were the PFA loan, 2006 audit concerns and some internal control issues. Mr. Koop suggested that the City have more in their reserves, the recommended amount in reserves is 180 days. Mr. Koop stated that our tax burden is lower than average for Clay County. Mr. Koop stated that they will file the report with the state, by the June 30,2008 deadline. Mr. Koop stated that the audit was very clean, with only four disclosures. Mayor Dahnke asked council members if they had any other questions for Mr. Koop, there were no other questions. Mayor Dahnke thanked Mr. Koop and Mr. Knopik for attending the meeting.

Mayor Dahnke next stated that council would take a five minute break. Council members took a break at 8:37 p.m.

Council reconvened at 8:45.

COO Mike Brethorst next discussed with the council on the City Visioning. Mr. Brethorst presented a slide presentation on where do we see ourselves. Mr. Brethorst discussed the budget, how fast do we want to get our reserves to get our cash balance up. After much discussion, Mayor Dahnke asked if council members had any other questions for Mr. Brethorst. There were no other questions.

**06-23-08-12** Motion by Mr. Ellefson and second by Mr. Davis to adjourn the meeting at 9:07 p.m. Motion carried.

Submitted by:

Attest:

\_\_\_\_\_  
Jeri L. Reep  
City Clerk

\_\_\_\_\_  
Fred Dahnke  
Mayor

