

Barnesville City Council
Regular Meeting
December 8, 2008

Mayor Dahnke called this regular meeting to order at 7:00 p.m. Present were Mayor Dahnke, and Council members Larry Davis, Jr., Del Ellefson, Jeremy Krause, Roger Cooper and Merlin Strom. Council member Chad Hagen was absent. Others in attendance were City Attorney John Shockley, COO Mike Brethorst, City Clerk Jeri Reep, EDA Director Karen Lauer, TEC Coordinator Guy Swenson, Public Works Supt. Dave Riddering, Police Chief Dean Ernst, Sr. Accountant Laurie Schell, Brandon Anderson from People Service, Jean Bernier, Diane Peterson, Cliff Johnson and Pam Aakre from the Record Review.

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 of allegiance.

Mayor Dahnke next asked if there were any additions or corrections to the agenda. COO Mike Brethorst stated that the only additions to the agenda were the WAPA contract rate of delivery and the Retransmission consent agreement with Red River Broadcast Co.

12-08-08-01 Motion by Mr. Cooper and second by Mr. Strom to approve the agenda and consent agenda as presented, with the addition of the WAPA contract rate of delivery and the retransmission consent agreement with Red River Broadcast Co. Motion carried. The following items were on the consent agenda.

1. Approval of the minutes of the Regular meeting held on November 10, 2008.
2. Approval of the minutes of the Special meeting held on November 17, 2008.
3. Department head reports.
4. Finance Report-Approval of check numbers 65190-65343 in the amount of \$189,298.05 and EFT payments in the amount of \$110,968.83.
5. Approval of the Ottertail Power lease agreement.
6. Renewal of the Weather Channel agreement.
7. Approval of the expiration of the Tech TV agreement.
8. Approval of the following liquor license renewals.
 - a. Combination license-VFW Post #4628, American Legion Post #153, and Ratzos Pool Hall.
 - b. Sunday Liquor license-VFW Post #4628, American Legion post #153, and Ratzos Pool Hall.
9. Approval of the following cigarette license renewals.
 - a. Fire Hall Liquors, Barnesville Super Valu, Barnesville Amoco, and Farmers Coop General Store.

10. Approval to appoint Paul Karsnia to the Planning Commission, with term expiring December 31, 2012.
11. Approval to appoint Mike Detloff to the Planning Commission with term expiring December 31, 2012.
12. Approval to accept the resignation of COO Mike Brethorst.
13. Approval to accept the Sexual Harassment Policy.
14. Approval to accept the Pro Turf Systems 2009 service agreement in the amount of \$20,980.00.
15. Approval to hire Kelli Froslic as Inventory Specialist.

Mayor Dahnke stated the next item on the agenda was the Board and Commission reports.

Council member Merlin Strom informed council members that Gary Fraedrich has resigned from the Planning Commission, and wanted to thank Mr. Fraedrich for his years of service. Mr. Strom stated that Mr. Paul Karsnia was appointed to the Planning Commission. Mayor Dahnke stated that certain staff members are NIMS compliant. Council member Larry Davis Jr. informed council that the Parks Department is looking for a new member. Council member Jeremy Krause informed council members that the Golf Course is looking for a Pro Shop Manger.

12-08-08-02 Motion by Mr. Davis 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. There were none.

Mayor Dahnke stated the next item on the agenda was the job description of the City Administrator. COO Mike Brethorst stated that he would like to see the city change the title of this position changed from Chief Operation Officer to City Administrator.

12-08-08-03 Motion by Mr. Ellefson and second by Mr. Strom to approve the job description of City Administrator. Motion carried.

Mayor Dahnke stated the next item on the agenda was the agreement for an executive search service for the City Administrator position. COO Mike Brethorst informed council members that he had contacted three firms, Brimeyer Group, Inc., Eide Bailey, and Springsted Incorporated. The cost for Springsted is \$13,885.00, plus out of pocket expenses not to exceed \$2,374.00. Mr. Brethorst stated that this expense would be paid from the salary that the COO would have received. Mr. Brethorst stated that the Personnel and Finance Committee recommend Springsted, Incorporated to perform the search for a new Administrator.

12-08-08-04 Motion by Mr. Ellefson and second by Mr. Davis to proceed with the agreement with Springsted, Incorporated, in the amount of \$13,885.00 plus out of pocket expenses not to exceed \$2,374.00 for the search of a City Administrator. Motion carried.

Mayor Dahnke stated the next item on the agenda was the DSL modem purchase. TEC Coordinator Guy Swenson informed council members that this is a request to purchase 200 modems, the original request was for 100 modems, but there are monies available in the 2008 budget for 200 modems. Mr. Swenson stated that we supply a lot of modems, and would like to see the request be increased to 200 modems in the amount of \$14,250.00.

12-08-08-05 Motion by Mr. Ellefson and second by Mr. Strom to approve the purchase of 200 modems from Goldfield Telecom LC in the amount of \$14,250.00. Motion carried.

Mayor Dahnke stated the next item on the agenda was the MUX/HD Receiver purchase. TEC Coordinator Guy Swenson informed council members that with additional High Definition equipment we could offer 10 additional channels on the HD tier. The city would need to purchase 4 additional MUX's at a cost of \$12,500.00 each and 8 HD receivers at \$855.00 each for a total of \$56,840.00. Mr. Swenson stated that the quote received from Adams Global Company was the wrong amount. Mr. Swenson stated he would like to purchase 2 MUX's and 2 receivers, and the estimated cost is \$29,600.00, plus shipping costs.

12-08-08-06 Motion by Mr. Strom and second by Mr. Davis to allow TEC Coordinator Guy Swenson to purchase 2 MUX's from Transparent Video Systems at \$12,500 ea and 2 receivers, from the National Cable TV Coop for \$2300.00 each. The estimated cost is \$29,600.00, plus shipping. Motion carried.

Mayor Dahnke stated the next item on the agenda was the connect Minnesota non-disclosure agreement. TEC Coordinator Guy Swenson informed council members that Connect Minnesota, a non-profit subsidiary of Connected Nation has been selected by the MN Dept. of Commerce-Telecommunications Division to collect information and create maps indicating what areas of MN have high speed internet available and what areas do not. Mr. Swenson stated that City Attorney John Shockley has reviewed the agreement, and recommends staff to sign the agreement.

12-08-08-07 Motion by Mr. Ellefson and second by Mr. Cooper to authorize TEC Coordinator Guy Swenson to sign the Connect Minnesota non-disclosure agreement. Motion carried.

Mayor Dahnke stated the next item on the agenda is the Retransmission Consent Agreement with Red River Broadcast Company. TEC Coordinator Guy Swenson informed council members that this is a three year contract, and that this is for broadcast on the analog channel-KVRR, the "Analog Broadcast Signal".

12-08-08-08 Motion by Mr. Ellefson and second by Mr. Strom to authorize TEC Coordinator Guy Swenson to sign the Retransmission Consent Agreement with Red River Broadcast Co., LLC, for a three year agreement. Motion carried.

Mayor Dahnke stated the next item on the agenda was the 1st reading of Ordinance 2008-16, an ordinance regulating sump pump drainage. City Attorney John Shockley informed council members that this is a slight amendment to the current ordinance. COO Mike Brethorst informed council members that the sump pumps are draining onto streets, and making ice. Council member Roger Cooper questioned if this ordinance was necessary.

12-08-08-09 Motion by Mr. Davis and second by Mr. Ellefson to approve the 1st reading of Ordinance 2008-15. Motion carried.

1 ORDINANCE NO. 2008- 15

AN ORDINANCE TO AMEND AND REENACT SUBDIVISION 2 OF SECTION 3.60 OF THE BARNESVILLE MUNICIPAL CODE RELATING TO SUMP PUMP DRAIN REGULATIONS

BE IT ORDAINED by the City Council of the City of Barnesville, as follows:

SECTION 1. Subdivision of Section 3.60 of the Barnesville City Code is hereby amended and reenacted to read as follows:

Subd. 2. Sump Pump Drainage. All premises upon which sump pumps are, presently or in the future, installed or in use shall have permanently installed thereon a drain for the discharge of water from such pump directly into the storm sewer system or into a natural waterway. Property owners shall maintain their sump pump discharge so as to avoid unnecessary build-up of ice near the sump pump discharge point. In the event that sump pump water discharge is causing ice build-up in the streets, on the sidewalks and/or gutters, the property owner shall divert the water into their back yards, until such time that ice build-up no longer occurs. Dumping the sump pump discharge water into the sanitary sewer is still not allowed under these conditions. The type, size and placement of materials used, and the manner of construction of the drain from the discharge on the pump to the discharge end of the drain, shall be incorporated into written standards proposed by the Wastewater Superintendent, and adopted by resolution of the Council. All underground drain construction hereafter performed shall be inspected by the Wastewater Superintendent before it is covered.

SECTION 2. This ordinance shall take effect upon publication in accordance with the Barnesville City Charter.

PASSED by the City Council of the City of Barnesville this 12th day of January, 2009.

APPROVED BY:

Mayor

ATTEST:

City Administrator

First Consideration:

Second Consideration:

Date of Publication:

Mayor Dahnke stated the next item on the agenda was the base rate policy. COO Mike Brethorst stated that this is a written policy of the utility billing for water and sewer for apartment complexes. This was discussed at the October regular meeting.

12-08-08-10 Motion by Mr. Strom and second by Mr. Cooper to approve the base rate policy as presented. Those voting in favor of were the following: Council members Cooper, Ellefson and Strom. Those voting against were the following: Council members Davis and Krause. Motion carried.

1 CITY OF BARNESVILLE BASE RATE POLICY

A. Introduction

The City of Barnesville is committed to maintaining an efficient, customer oriented, and financially stable water and waste water utility system. In early 2007, several apartment complex owners asked the Barnesville city council to review its billing practices with respect to apartment complexes. City staff and elected officials reviewed the practices and determined that amendments to the city's billing practices were not warranted.

B. Background and Structure

The City of Barnesville utilizes a water billing system which charges: (1) a base charge and (2) a water usage charge. The base charge is imposed for the availability of the water system infrastructure. Each water user or unit is charged a base charge to have access to the system. This charge covers installation, repair and maintenance of the water infrastructure system. The base charge does not include an allocation of water. Further the base charge is not related to whether a water user or unit has a water meter. Thus, to illustrate by example, a vacant house still receives the base charge even when no water is being used. This base charge covers the cost associated with the infrastructure needed to maintain water service to that water user.

The usage charge is for the volume or amount of water actually used by a unit. Thus, a user of water pays: (1) a base charge for access to the system and (2) for the actual amount of water used. By having this two tiered system, the City of Barnesville is able to fairly apportion the costs of its infrastructure and collect fees based upon water usage. At the time the City of Barnesville adopted and approved this system, it researched and collected data on the methodologies for paying for infrastructure improvements and for maintenance.

C. Example of Application of Policy.

Eight-plex apartment complexes would be charged nine base charges. One for each unit and one for the building itself. This occurs because the building itself uses water for washing machines, watering of grass, etc. Each unit receives a charge because each unit is the equivalent of a single family housing unit. Quite simply, the amount of capacity and infrastructure needed to support an apartment unit is equivalent to a single detached residential unit. The City of Barnesville then charges the apartment complex owner for the actual amount of volume of water utilized in the building, and the building

owner may, at his or her discretion, incorporate this charge into the rents of his or her tenants.

D. Legal Basis for Policy.

Water utility rate setting is a legislative act which is entitled to judicial deference. Dargani v. Rich Prairie Sewer and Water District, 2006 W.L. 619058 (Minn. Ct. App. 2006) (upholding water rate structure which charged for a base rate and then an additional charge for each 1,000 gallons used above the base rate). An individual challenging an established rate system must show by clear and convincing evidence that the system results in an unjust, unreasonable or inequitable rate. City of Moorhead v. Minn. Pub. Util. Com'n, 343 N.W.2d 843, 846 (Minn. 1984)(Emphasis added).

In Rich Prairie Sewer and Water District, the Plaintiffs were challenging a water rate system which charged property owners on a per unit and per meter basis. 2006 W.L. 619058 *1. Each user that was served by a single meter and who had a single unit equaled one equivalent residential unit (ERU). Id. The District also charged apartment complexes by the number of units in each complex or one ERU per apartment unit. Id. The District reasoned:

That an apartment complex is an aggregation of dwelling units, and usage by residents of apartments and single family dwellings would not differ greatly.

Id. In upholding the water rate system, the Minnesota Court of Appeals noted that perfect equality in establishing a rate system is not expected nor required. Id. *4. The Court ultimately determined that the system utilized by the District was neither inequitable or unjust. The City of Barnesville utilizes a system nearly identical to the one at issue in Rich Prairie Sewer and Water District. Thus, the City of Barnesville's sewer system is consistent with Minnesota Law and has been fairly and correctly applied.

E. Review and Approval of Policy.

This policy was reviewed and approved on the following date: December 8, 2008.

Mayor Dahnke stated the next item on the agenda was the Teamsters Local 120 agreement with the Police Department. COO Mike Brethorst stated that very few changes were made to the contract, and that the Personnel and Finance committee recommend signing the contract.

12-08-08-11 Motion by Mr. Krause and second by Mr. Ellefson to authorize staff to sign the Teamsters Local 120 agreement. Motion carried.

Mayor Dahnke stated the next item on the agenda was the CUP request from Anytime Fitness. EDA Director Karen Lauer informed council members that this CUP request from Anytime Fitness is to internally illuminate their business sign located on the west ½ of Lot 3, Block 1; Thompson's Subdivision, 602 Front Street North. Mrs. Lauer stated that the Planning Commission recommends this CUP with the conditions stated.

12-08-08-12 Motion by Mr. Davis and second by Mr. Strom to approve the CUP request from Anytime Fitness located on the west ½ of Lot 3, Block 1; Thompson's Subdivision, 602 Front Street North. The following conditions will be placed on the CUP.

1. The sign location must remain as shown, with the one side of the sign strapped to the post and all four legs permanently anchored into the asphalt.
2. Electricity to the sign must be hard wired in compliance with commercial electrical code, rather than simply being plugged into an electrical outlet.
3. The light bulbs which make up the arrow may not flash but must be solidly lit.
4. The City of Barnesville reserves the right to inspect the property for conformity with these conditions.

Motion carried.

Mayor Dahnke stated the next item on the agenda was the Leadership Barnesville project team request. Mr. Cliff Johnson next approached the council members and discussed placing a "Welcome to Barnesville" sign at the entrance of Highway 52 from the south. Mr. Johnson stated that this is for the Leadership Barnesville program, and this project would be the project that his team would be working on. Mr. Johnson was asking the City to donate a sign for this entrance. Mr. Johnson stated that the Leadership team would ask Mr. Darrell Dodge to make the entrance sign.

12-08-08-13 Motion by Mr. Ellefson and second by Mr. Strom to allow the Leadership Barnesville project team to place a "Welcome to Barnesville" sign on Highway 52 from the south. Motion carried.

Mayor Dahnke stated the next item on the agenda was the 2009 budget. COO Mike Brethorst next presented council members a presentation on the 2009 budget. Mr. Brethorst stated that the Local Government Aid may be reduced in 2009. Mr. Brethorst stated that the 2008 tax rate is 37.51%, and he is recommending for 2009 either a 39.234% increase or a 43.334% increase. Mr. Brethorst presented two options for the 2009 budget. Mr. Brethorst was recommending Option B-which would be a levy in the amount of \$450,169. Mr. Brethorst stated that he did receive one call from Mr. Kevin Solum stating that he was concerned about his property value. After the budget presentation, council members had no further questions for Mr. Brethorst.

Mayor Dahnke stated the next item on the agenda was the Truth in Taxation hearing.

12-08-08-14 Motion by Mr. Strom and second by Mr. Ellefson to open the public hearing at 8:10 p.m. Motion carried.

Mayor Dahnke asked if there were any public comments for the hearing. Mayor Dahnke asked the question three times. There were no citizens present for the public hearing.

12-08-08-15 Motion by Mr. Cooper and second by Mr. Strom to close the public hearing at 8:12 p.m. Motion carried.

Mayor Dahnke stated the next item on the agenda was the 2009 levy resolution. Council member Del Ellefson was recommending at 9.41% increase. Mr. Ellefson was recommending Option A-would like the staff to shape the budget instead of increasing the levy amount. Council member Jeremy Krause stated that he would rather trim the capital expenditures, and not charge the tax payers. TEC Coordinator Guy Swenson stated that council can't expect staff to continue cutting expenditures, and can't continue cutting the telephone fund. Mr. Swenson stated that the quality of service to the taxpayers is a big issue. Mr. Swenson wanted to go on record to being opposed to cutting the capital expenditures. COO Mike Brethorst stated that staff recommends cutting costs from the General Fund, not the revenue funds. It was COO Mike Brethorst's recommendation to keep the levy at the Original Levy amount and not to reduce it.

12-08-08-16 Motion by Mr. Ellefson and second by Mr. Krause to approve the levy-Option A, as presented. Council member Roger Cooper questioned if the council should adopt the levy-option B, that this increase is not that much different than Option A. The following members voted in favor of adopting the following levy resolution-Option A. Council members Davis, Ellefson, and Krause. Those voting against the following levy resolution-Option A were Council members Cooper and Strom. Motion carried.

CITY OF BARNESVILLE
OF CLAY COUNTY, MINNESOTA
2009 LEVY
RESOLUTION 12-08-08-16

BE IT RESOLVED that the City of Barnesville, Minnesota is required to maintain a budget for its fiscal operations.

BE IT FURTHER RESOLVED that the City of Barnesville, Minnesota has the legal authority to use its taxation authorities to levy necessary funds to operate the city.

BE IT FUTHER RESOLVED that the City of Barnesville, Minnesota is continually monitoring its budget and develops a fiscal budget based on the calendar year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Barnesville that 2009 LEVY be adopted as follows:

I. 2009 LEVY \$430,312

Adopted this 8th day of December, 2008.

Approved this 8th day of December, 2008

Fred Dahnke
Mayor

Attest: _____
Michael M. Brethorst
City Administrator

Mayor Dahnke stated the next item on the agenda was the 2009 employee's wages. COO Mike Brethorst informed council members that the Personnel & Finance Committee had met, and recommended the following wage increases for employees.

12-08-08-17 Motion by Mr. Ellefson and second by Mr. Krause to approve the following wage increases for employees. Motion carried.

| | |
|---|---------|
| Laurie Schell | \$18.50 |
| Diane Hanson | 14.25 |
| Michael Brethorst | 36.72 |
| Shana Cihak | 16.85 |
| Jeri Reep | 22.88 |
| Holly Aberle | 11.00 |
| Guy Swenson | 26.66 |
| Guy Swenson-40 additional hours of vacation | |
| Laurie Ernst | 10.67 |
| Patrolman | 15.81 |
| Mark Pearson | 21.08 |
| Christopher Olson | 20.56 |
| Jeff Tharldson | 20.56 |

| | |
|---------------------------|------------|
| Dean Ernst | 27.04 |
| Lisa Cook | 11.00 |
| Nickita Bartelson | 9.57 |
| David Riddering | 30.12 |
| Kelly Poppel | 13.50 |
| Shane Durensky | 16.70 |
| Parks Maint. I | 13.10 |
| Recycle Attendant | 8.72 |
| Recycle Attendant | 8.00 |
| Street Maint. I | 13.00 |
| Park Maint. II | 16.00 |
| Summer Temp-Streets | 8.50 |
| Rink Attendant | 7.25 |
| Summer temp-Parks | 8.00 |
| Meter Reader | 10.90 |
| Meter Reader | 9.63 |
| Lifeguard I | 8.95 |
| Lifeguard II | 8.65 |
| Lifeguard III | 8.05 |
| Lifeguard IV | 7.85 |
| Lifeguard V | 7.25 |
| Mike Pearson | 22.70 |
| Tom Olson | 26.27 |
| Angela Mikulecky | 14.00 |
| Liquor Clerk | 9.40 |
| Liquor Clerk | 9.13 |
| Lqr Clerk-Inventory Spec. | 9.90 |
| Jon Yeske | 15.25 |
| EMT | 7.25 |
| Ambulance Volunteer | 20.54 |
| Karen Lauer | 23.85 |
| Theresa Olson | 12.73 |
| Rhonda Spilde | 10.00 |
| Election Judge | 7.25 |
| Golf Board Treasurer | 4800.00/yr |
| Golf Supervisor | 12.50 |
| Mower | 9.25 |
| Mower | 8.75 |
| Mower | 8.25 |
| Maintenance/Temp | 7.25 |
| Pro Shop Scheduler | 9.25 |
| Nancy Kava | 8.65 |
| Mary Ann Thompson | 8.65 |
| Gloria Emerson | 8.40 |
| Bernie Kieselbach | 7.25 |
| Chanda Christianson | 7.25 |

Mayor Dahnke stated the next item on the agenda was the 2009 budget resolution.

12-08-08-18 Motion by Mr. Cooper and second by Mr. Strom to approve the following 2009 budget resolution as presented. Upon a roll call vote, those voting in favor of were the following: Council members Cooper, Ellefson, Davis, Strom and Krause. The following voted against: None. Council member Chad Hagen was absent. Motion carried.

CITY OF BARNESVILLE
OF CLAY COUNTY, MINNESOTA
2009 BUDGET
RESOLUTION 12-08-08-18

BE IT RESOLVED that the City of Barnesville, Minnesota is required to maintain a budget for its fiscal operations.

BE IT FURTHER RESOLVED that the City of Barnesville, Minnesota has the legal authority to use its taxation authorities to levy necessary funds to operate the city.

BE IT FUTHER RESOLVED that the City of Barnesville, Minnesota is continually monitoring its budget and develops a fiscal budget based on the calendar year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Barnesville that 2009 Budget be adopted.

Adopted this 8th day of December, 2008.

Approved this 8th day of December, 2008.

Fred Dahnke
Mayor

Attest: _____
Michael M. Brethorst

Chief Operating Officer

Mayor Dahnke stated the next item on the agenda was the 2008 audit by Larson-Allen. COO Mike Brethorst informed council members that Larson Allen has submitted an understanding of services for the 2008 audit. The amount for the 2008 audit is in the amount of \$29,500.

12-08-08-19 Motion by Mr. Ellefson and second by Mr. Krause to approve the expenditure to Larson Allen for the 2008 audit, in the amount of \$29,500.00. Motion carried.

Mayor Dahnke stated the next item on the agenda was the job description for the Proshop/club house Manager. COO Mike Brethorst informed council members that this is a new position, and it would be 30 hours per week. Mr. Brethorst stated that this position would be posted internally.

12-08-08-20 Motion by Mr. Krause and second by Mr. Strom to approve the job description of the Proshop/Club House Manager as presented. Motion carried.

Mayor Dahnke stated the next item on the agenda was to post the vacancy of the ProShop/Club House Manager position.

12-08-08-21 Motion by Mr. Ellefson and second by Mr. Davis to authorize staff to post the ProShop/Club House Manager position. Motion carried.

COO Mike Brethorst next wanted to thank the City Council, citizens and staff for the years that he has been the Chief Operating Officer. Mr. Brethorst has accepted another position, and his last day with the City will be December 25, 2008.

Mayor Dahnke next asked for a motion to adjourn.

12-08-08-22 Motion by Mr. Davis and second by Mr. Strom to adjourn the meeting at 8:35 p.m. Motion carried.

Submitted by:

Attest:

Jeri L. Reep
City Clerk

Fred Dahnke
Mayor

