

Barnesville City Council
Regular Meeting
June 8, 2009

Mayor Dahnke called this regular council meeting to order at 6:00 p.m. Members present were Mayor Dahnke and council members Roger Cooper, Larry Davis, Jr., Del Ellefson, Chad Hagen, Jeremy Krause and Merlin Strom. Others in attendance were City Attorney John Shockley, City Clerk Jeri Reep, TEC Manager Guy Swenson, and Sharon Klumpp with Springstead.

Ms. Sharon Klumpp discussed with council members the resumes that she received for the City Administrator position. Ms. Klumpp stated that 18 candidates met the minimum qualifications. Ms. Klumpp presented council members five candidates that she was recommending. Council members discussed the proposed candidates and decided to interview three applicants. Ms. Klumpp stated a date and time needed to be set for the interviews. After some discussion, council members agreed to interview for the City Administrator position on Tuesday, June 23rd at 4:00 p.m.

The applicants that will be interviewed will be: Mr. David Cziok from Litchfield, Minnesota, Mr. Bruce Messelt from Moorhead, Minnesota, and Mr. William Yokom from Barnesville, Minnesota.

At 6:36 p.m. Mayor Dahnke stated that council would be taking a recess until 7:00 p.m.

Mayor Dahnke called the meeting to order at 7:00 p.m.

Others in attendance were EDA Director Karen Lauer, Police Chief Dean Ernst, Public Works Supt. Dave Riddering, Sr. Accountant Laurie Schell, Brandon Anderson with People Service, Dan Hanson with Ulteig Engineers and Pam Aakre with the Record Review.

Mayor Dahnke asked City Clerk Jeri Reep to take roll call.

The next item on the agenda was the pledge of allegiance. All rose to recite the pledge.

Mayor Dahnke next asked if there were any additions or corrections to the agenda. Mayor Dahnke stated that we would move the audit report to the beginning of the agenda, that the discussion of the Barnesville Homes would be tabled until July, the addition of the Lakes & Prairie Community Action building permit request, addition of the Cable system upgrade, and the discussion of the Front Street project.

06-08-09-01 Motion by Mr. Davis and second by Mr. Krause to accept the agenda and the consent agenda as presented. Motion carried. The following items were on the consent agenda.

1. Approval of the minutes of the Regular meeting held on May 11, 2009.
2. Department Head reports.
3. Approval of check numbers 66327-66518 in the amount of \$262,568.85 and EFT payments in the amount of \$158,040.80.

4. Finance report-there was no report.
5. Approval to hire Chad Haugrud as a Seasonal Part time employee @ \$7.50 per hour.
6. Approval of the Cisco SMARTnet Service Agreement Renewal.
7. Approval of the Turner Network Services Contract.
8. Approval of the Speed Channel Renewal.
9. Approval of the FX Channel Renewal.
10. Approval of the Gambling Permit for the Barnesville Rod & Gun on August 29, 2009.
11. Accept the resignation of Bob Harris as the Golf Course Groundskeeper.
12. Hire David Herbig as the Golf Course Groundskeeper @ \$8.00 per hour

Mayor Dahnke stated the next item on the agenda was the board and commission reports. Council member Merlin Strom informed council members that Public Works Supt. Dave Riddering had cleaned the yard up behind the Chiropractor Clinic. Mayor Dahnke stated that Ambulance Manger Jon Yeske and he had attended the Clay County Commissioner meeting. Council member Roger Cooper stated that Verizon is installing a tower east of the City. Council member Larry Davis, Jr. stated that the Park lease was reviewed. Council member Jeremy Krause stated that the Golf Course had some irrigation problems, and a claim has been sent to the insurance company.

06-08-09-02 Motion by Mr. Davis and second by Mr. Strom to approve the board and commission reports as presented. Motion carried.

Mayor Dahnke stated that the next item on the agenda was the citizens to be heard. There was no one present.

Mayor Dahnke next called on representatives from Larsen-Allen to present the 2008 audit report.

Mr. Tom Koop, Mr. Chris Knopik, and Mr. Brian Koehn with Larsen-Allen discussed with council members the 2008 audit report. Larsen-Allen stated that the City of Barnesville had the following material weaknesses:

1. Lack of segregation of duties
2. Year-end closing procedures
3. Financial statement preparation
4. Controls over year end Liquor Store inventory process
5. Contract compliance
6. Out of State travel policy for elected officials.

Larsen-Allen stated that the City of Barnesville was in good financial condition, and the City would have a clean opinion. Larsen-Allen stated that they would submit the report to the State of Minnesota. Council members had no further questions for the auditors.

Mayor Dahnke stated the next item on the agenda was the Barnesville Homes. Mayor Dahnke stated that this item would be tabled until the July regular meeting.

Mayor Dahnke stated the next item on the agenda was the time and temperature sign. Mr. Del Ellefson stated that the Personnel & Finance committee recommends tabling this until the July regular council meeting.

Mayor Dahnke stated the next item on the agenda was the discussion of the Lakes & Prairie Community Action. Council member Jeremy Krause stated that the Group Work Camps would be in the area on July 26 thru August 1st. Lakes and Prairie was asking for a \$3,000 investment in the project. City Clerk Jeri Reep stated in the past, the city has waived the building permit fee for the homeowners.

06-08-09-03 Motion by Mr. Ellefson and second by Mr. Hagen to make a donation to the Lakes & Prairies Community Action in the amount of \$3,000.00 from the council discretionary fund. Also, that the building permit fee would be waived for the homeowners. Motion carried.

Mayor Dahnke stated the next item on the agenda was the 2nd reading of Ordinance 2009-2, the Aggregator of Retail Customers (ARC) Ordinance.

06-08-09-04 Motion by Mr. Hagen and second by Mr. Ellefson to approve the 2nd reading of the following ordinance. Motion carried.

ORDINANCE NO. 2009-2

AN ORDINANCE TO AMEND AND REENACT THE CONSOLIDATED RATE ORDINANCE OF THE BARNESVILLE CITY CODE RELATING TO ELECTRIC RATES AND CHARGES FOR RESIDENTIAL AND COMMERCIAL ELECTRIC SERVICES AND THE AGGREGATION OF DEMAND RESPONSE ON BEHALF OF RETAIL CUSTOMERS IN THE CITY OF BARNESVILLE.

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

SECTION 1. Legislative Findings. Whereas, the Federal Energy Regulatory Commission has issued Order No. 719, 125 FERC & 61,071, 73 Fed. Reg. 64,099 (October 28, 2008).

WHEREAS, pursuant to Order No. 719, 18 C.F.R. ' 35.28(g)(1)(iii) provides: AEach Commission-approved independent system operator and regional transmission organization must permit a qualified aggregator of retail customers to bid demand response on behalf of retail customers directly into the Commission-approved independent system operator=s or regional transmission organization=s organized markets, unless the laws and regulations of the relevant electric retail regulatory authority expressly do not permit a retail customer to participate.@

WHEREAS, pursuant to Order No. 719, 18 C.F.R. ' 35.28(g)(1)(k)(A) provides: Every Commission-approved independent system operator or regional transmission organization that operates organized markets based on competitive bidding for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved

independent system operator=s or regional transmission organization=s tariff) must accept bids from demand response resources in these markets for that product on a basis comparable to any other resources, if the demand response resource meets the necessary technical requirements under the tariff, and submits a bid under the Commission-approved independent system operator=s or regional transmission organization=s bidding rules at or below the market-clearing price, unless not permitted by the laws or regulations of the relevant electric retail regulatory authority.@

WHEREAS, pursuant to Chapter 216B of the Minnesota Statutes and the Barnesville Home Rule Charter, the City Council is authorized to enact ordinances governing the provision of electric power to customers located within the City of Barnesville=s service area.

WHEREAS, the City Council of the City of Barnesville has determined that it would be harmful to the demand response in the City of Barnesville, and the collective interests of the City of Barnesville, as a load-serving entity with an obligation to serve at retail, and the City of Barnesville=s retail customers to permit any entity other than the City of Barnesville itself or its authorized designee to aggregate demand response on behalf of its retail customers.

WHEREAS, the City Council of the City of Barnesville, as the electric retail regulatory authority for the City of Barnesville, has determined it to be desirable that the aggregation of demand response on behalf of retail customers located in the City of Barnesville to be bid directly into the organized electric and ancillary services markets administered by MRES(or any successor independent system operator or regional transmission organization to which the City of Barnesville is a member be performed by the City of Barnesville or its authorized designee, the following amendments to the Code of the City of Barnesville are hereby adopted.

SECTION 2. The Consolidated Rate Ordinance is hereby revised to add under the heading @Aggregation of Retail Customer Demand Response@ a new subsection 10 to provide as follows:

- A. The City of Barnesville or its authorized designee is the sole entity permitted to bid demand response on behalf of retail customers served by the City of Barnesville directly into any Commission-approved independent system operator=s or regional transmission organization=s organized electric markets.
- B. Retail customers served by the City of Barnesville wishing to bid their demand response into a Commission approved independent system operator=s or regional transmission organization=s organized electric markets may do so by participating in the program established by the City of Barnesville or its authorized designee. Retail customers are not permitted to participate in the demand response program of any other entity without the express prior authorization of the City of Barnesville.

SECTION 3. The Consolidated Rate Ordinance is hereby revised to add under the heading @Ancillary Services Provided by Demand Response Resources@ a new subsection 11 to provide as follows:

- A. The City of Barnesville or its authorized designee is the sole entity permitted to bid demand response on behalf of retail customers served by the City of Barnesville directly into any Commission-approved independent system operator=s or regional transmission organization=s organized markets for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved independent system operator=s or regional transmission organization=s tariff.)

- B. Retail customers served by the City of Barnesville wishing to bid their demand response into a Commission approved independent system operator=s or regional transmission organization=s organized markets for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission approved independent system operator=s or regional transmission organization=s tariff) may do so by participating in the program established by the City of Barnesville or its authorized designee. Retail customers are not permitted to participate in the demand response program of any other entity without the express prior authorization of the City of Barnesville.

SECTION 4. 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 8th day of June, 2009.

APPROVED BY:

Mayor

ATTEST:

City Clerk

Mayor Dahnke stated the next item on the agenda was the Bright Energy Solutions discussion. TEC Manager Guy Swenson stated that this is Missouri River replacement for the CIP program. This is a program to offer rebates to our customers for replacing old appliances and lighting fixtures with new energy efficient replacements. The energy saved with the new appliances or fixtures is then credited to our Conservation Improvement Program (CIP).

06-08-09-05 Motion by Mr. Ellefson and second by Mr. Strom to approve participation in all seven (Food Service, Specialty Measure (motors and pumps), Targeted Audit (schools), Energy Star Products, Residential Lighting, Appliance Turn-in, and Residential HVAC Missouri River Energy Services Bright Energy Solutions Programs. Motion carried.

Mayor Dahnke stated the next item on the agenda was the NBC Universal Ciller Channel addition. TEC Manager Guy Swenson stated that before we can receive authorization to add the USA HD content to our HD lineup our contract states that we must add a channel called Chiller. The cost to add chiller would be .11 per customer plus any one time upfront costs associated with the channel setup and the purchase of a receiver and modulator.

06-08-09-06 Motion by Mr. Hagen and second by Mr. Strom to authorize TEC Manager Guy Swenson to sign the Chiller Channel Participation form to add the Chiller channel to our lineup, with the term expiring on December 31, 2012, with the NBC Universal Contract. Motion carried.

Mayor Dahnke stated the next item on the agenda was the multiple boring locations. TEC Manager Guy Swenson stated that there are several small projects that will require street boring to complete this summer. Mr. Swenson stated that he received two bids. One from Steller Trenching, and a bid from Blue Sky Day-Lighting. Mr. Swenson stated that this is a budgeted item, and the project should not exceed \$36,317.50.

06-08-09-07 Motion by Mr. Strom and second by Mr. Ellefson to authorize Blue Sky Day-Lighting to perform the street boring as recommended, not to exceed \$36,317.50. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Good Samaritan Care Center service upgrade. TEC Manager Guy Swenson informed council members that the transformer bank at the Care Center is in need of repair. Mr. Swenson stated that the Care Center is being required to install a backup generator so the timing is right to facilitate the upgrade to a pad mount transformer. The total cost would be \$15,807.78. Mr. Swenson stated that staff recommends completing this project, and that there is funds available in the system upgrade.

06-08-09-08 Motion by Mr. Ellefson and second by Mr. Strom to approve the service upgrade to the Barnesville Good Samaritan Care Center, not to exceed \$15,807.78, plus any shipping and taxes. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Cable TV Bandwidth Upgrade from 550 mhz to 625 mhz. TEC Manager Guy Swenson informed council members that due to changes in programming contracts, content providers are requiring cable companies to add "not so popular" channels to their lineups in order to receive the HD content for all of their channels. Currently Barnesville Cable TV system is operating on 550 mhz and is at capacity with only room for two channels on the FM band. If were to increase our bandwidth of our system to 625 mhz, we could potential add 12 more channels to the system. Without this upgrade, no additional HD channels can be added at this time. There are funds available in the Cable TV restricted funds in the amount of \$34,771.38 for this upgrade.

06-08-09-09 Motion by Mr. Hagen and second by Mr. Ellefson to approve the upgrade to the Cable TV system from a 550 mhz to 625 mhz and purchase the required equipment, not to exceed \$26,748.50 plus any applicable taxes and shipping charges. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Park Access Lease. Public Works Supt. Dave Riddering informed council members that this lease does not include the Golf Course, or the Wagner Park. Also the lease changed from a 10 year lease, to a one year lease.

06-08-09-10 Motion by Mr. Davis and second by Mr. Strom to approve the Park Access Lease as presented. Motion carried.

Mayor Dahnke stated the next item on the agenda was the boulevard tree discussion. Police Chief Dean Ernst informed council members that this boulevard tree was cut down

by Mr. Chad Krueger at 224 4th Street SE, and left a stump with an approximately 20 inch diameter. Council member Roger Cooper stated that he would like to see Police Chief Dean Ernst to proceed with the paperwork necessary to send to the County Attorney Office.

Mayor Dahnke stated the next item on the agenda was the Heartland Rezoning request. EDA Director Karen Lauer informed council members that the Economic Development Authority recently acquired 45 acres of undeveloped, but platted property on the south side of the Heartland Addition, and Block 2, Heartland Addition. Because Block 2 has access to City water and sewer, the EDA is interested in rezoning and replatting Block 2 to be used for single family housing. Mrs. Lauer stated that the Planning Commission finds that 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 the area and there would be no detrimental effect on the neighboring properties. Staff recommends rezoning Block 2, Heartland Addition from R-3, Multi-Family Residential District to R-1, Single Family Residential District.

06-08-09-11 Motion by Mr. Krause and second by Mr. Strom to rezone Block 2, Heartland Addition from R-3, Multi-Family Residential District to R-1, Single Family Residential District. Council member Merlin Strom stated that there were no objections from anyone during the public hearing. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Heartland Third Addition Preliminary Plat. EDA Director Karen Lauer informed council members that the existing Heartland plat and the optimal use of the land area, the Planning Commission voted to recommend to the City Council a revised plat as presented. The recommended changes were based on the following:

1. Because the future is unknown, it was felt the City Engineer's recommendation to create a dedicated right of way instead of the existing utility easement maintains future development options. It was envisioned that this future right-of-way would be maintained by the City and used as an expansion to the Harry Holland Park.
2. While the proposed lot widths are buildable, they are smaller than the majority of the current Heartland lots; it was felt the corner lot would be very tight with the utility easements.
3. By decreasing the depth of the eastern lots it created width south facing lots which should be more attractive to buyers.

06-08-09-12 Motion by Mr. Ellefson and second by Mr. Cooper to approve the Heartland Third Addition Preliminary Plat as originally proposed by the EDA with changing the utility easement to a road right of way. Motion carried.

Mayor Dahnke stated the next item on the agenda was the complaint based enforcement policy. EDA Director Karen Lauer informed council members that this is regarding swimming pools. The Planning and Zoning Commission recommends that the City approve the resolution proposed. City Attorney John Shockley stated that it is in the Cities best interest to follow the resolution.

06-08-09-13 Motion by Mr. Hagen and second by Mr. Strom to approve the following resolution. On roll call vote, the following Members voted aye: Council members Hagen, Cooper, Ellefson, Davis, Strom and Krause. The following Members voted nay: none. The majority having voted aye, the motion carried and the resolution was duly adopted.

Resolution 06-08-09-13
Resolution Adopting Zoning Ordinance Enforcement Policy

WHEREAS: the Barnesville city Council has carefully considered previous zoning enforcement actions by the City of Barnesville; and

WHEREAS: the citizens of the City of Barnesville become aware of zoning ordinance violations before City enforcement staff is aware of said violations of City of Barnesville zoning ordinances; and

WHEREAS: the City of Barnesville believes that in addition to City staff enforcing zoning ordinances, the City of Barnesville will also prosecute zoning violations based upon citizen complaints.

NOW, THEREFORE, BE IT RESOLVED by the City council of the City of Barnesville that it is the policy of the City of Barnesville that general zoning ordinance violations will be prosecuted upon complaint signed by a resident of the City of Barnesville. The City of Barnesville's enforcement staff and police department may also enforce zoning ordinances when they determine, in their discretion, that the violations should be prosecuted.

Fred Dahnke
Mayor

Attest:

Jeri Reep
City Clerk

Mayor Dahnke stated the next item on the agenda was the 1st reading of Ordinance 2009-3, a permit for swimming pools.

EDA Director Karen Lauer stated that this would be a onetime fee, and the existing pools would be grandfathered in. Council member Larry Davis, Jr. did not think this was necessary. Council member Jeremy Krause stated he did not think we needed a fee for this.

06-08-09-14 Motion by Mr. Davis and second by Mr. Cooper to approve the 1st reading of Ordinance 2009-3. The fee amount will be changed from \$25.00 to \$5.00. Motion carried.

Ordinance 2009-3
AN ORDINANCE TO AMEND SECTIN 4.02 OF THE BARNESVILLE
MUNICIPAL CODE RELATING TO PERMITS AND FEES

BE IT ORDAINED by the City Council of the City of Barnesville
That Section 4.02 is hereby amended as follows:

SECTION 4.02
PERMITS AND FEES

MISCELLANEOUS FEES

Swimming Pool Permit (24 inches or deeper) \$5.00

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

PASSED AND ADOPTED by the Barnesville City council this 13th day of July, 2009.

Fred Dahnke
Mayor

Attest:

Jeri L. Reep
City Clerk

First Reading: June 8, 2009
Second Reading: July 13, 2009
Published: July 20, 2009

Mayor Dahnke stated the next item on the agenda was the discussion of the Liquor Store remodeling. Council member Merlin Strom stated that the Liquor Store had received two bids, one from Heald's Custom Homes, Inc. and the other from Phil Schritz. Council member Merlin Strom stated that he would like to table this until the July regular council meeting.

Council member Jeremy Krause next stated that he has received complaints that the Liquor Store is closing to early in the evening. Council member Del Ellefson stated he has received the same complaints. After some discussion, council stated the new hours for closing would be: Monday, Tuesday, Wednesday the store would close at 9:00 p.m. and Thursday, Friday, and Saturday the store would close at 10:00 p.m. The new hours will start July 1, 2009 or before if possible.

Mayor Dahnke stated the next item on the agenda was the discussion of public nuisances. Mayor Dahnke stated he wanted some of these properties to be cleaned up. City Attorney John Shockley stated that the city could charge property owners an Administrative Fine, Abatement, or criminal fines.

Mayor Dahnke stated the next item on the agenda was the Front Street Project. City Engineer Dan Hanson with Ulteig Engineering handed out the preliminary estimates for the Front Street (CSAH 52) Reconstruction. Mr. Hanson stated that this is the sub-committee recommendation. Mr. Hanson stated that an assessment hearing will be held at a later date. Mr. Hanson had two options for the city.

06-08-09-15 Motion by Mr. Davis and second by Mr. Krause to proceed with the preliminary cost estimate-Option 2 for the Front Street Reconstruction project. Motion carried.

06-08-09-16 Motion by Mr. Davis and second by Mr. Strom to adjourn the meeting at 9:42 p.m. Motion carried.

Submitted by:

Attest:

Jeri L. Reep
City Clerk

Fred Dahnke
Mayor