

**Barnesville City Council  
Regular Meeting  
August 8, 2011**

Mayor Dahnke called this regular meeting to order at 7:00 p.m. Members present were Mayor Dahnke and Council members Darin Allmaras, Del Ellefson, Jeremy Krause, Merlin Strom and Jason Rick. Others in attendance were City Attorney John Shockley, City Administrator Mike Rietz, City Clerk Jeri Reep, TEC Manager Guy Swenson, EDA Director Karen Lauer, Police Chief Dean Ernst, Terry Ystenes, Shane Durensky, Ambulance Manger Jon Yeske, Brandon Anderson with People Service, Jon Olson with Ulteig Engineers, Todd Hagen with Ehlers & Associates, and Pam Aakre with the Record Review. Absent was council member Larry Davis, Jr.

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

Mayor Dahnke asked City Administrator Mike Rietz 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 asked if there were any additions or corrections to the agenda. City Administrator Mike Rietz stated that there were no additions.

**08-08-11-01** Motion by Mr. Allmaras and second by Mr. Ellefson to approve the agenda as presented. Motion carried.

**08-08-11-02** Motion by Mr. Allmaras and second by Mr. Rick to approve the consent agenda as presented. Motion carried. The following items were on the consent agenda:

1. Approval of the regular city council meeting minutes held on July 11, 2011.
2. Department head reports.
3. Approval of check numbers 71502-71711 in the amount of \$669,540.54 and EFT's in the amount of \$266,943.15.
4. Approval of the vendor agreement for Energy Assistance Program 2011-2012.
5. Approval of the Barnesville VFW Post 4628 liquor license request-Aug.27-28<sup>th</sup>, 2011.
6. Approval of the Ratzos' Pool Hall liquor license request-Aug. 27-28<sup>th</sup>, 2011.
7. Approval of lot merge request for Hope Lutheran Brethren Church, Parcel No. 50.575.0010, Lots 1 to 8, Blk 1, Original, and Parcel No. 50.575.0080, Lots 22 to 24, Blk 1, Original.
8. Approval of lot merge request for Eldon Solum, Parcel No. 50.275.0150, Lots 7 and South 18 1/2' of Lot 8, Blk 2, Great Northern Add'n, and Parcel No. 50.275.0160, N 6 1/2' of Lot 8 and all of 9 & 10, Great Northern Addition.
9. Approval of lot merge request for Kyle Haspel, Parcel No. 50.725.0360, Roosen's Addition. Lot 8, Blk 6, and Parcel No. 50.725.0370, Roosens Addition, Lot 10, Blk 6.

10. Approval of lot merge request for Barnesville EDA, Parcel No. 50.575.3270, lots 1 & 2, Blk 37, Original Townsite and Parcel No. 50.575.3280, Lot 3, Blk 37, Original Townsite.
11. Approval of lot merge request for Kathleen Burud, Parcel No. 50.575.1540, West 67' of Lot 7, Lot 8-10, Blk 19 a Original, and Parcel No. 50.575.1550, lots 11 & 12, Blk 19, Original.
12. Approval of lot merge request for School Dist. 146, Parcel No. 50.575.1250, 50.575.1340, 50.575.1330, 50.575.1320, 50.575.1310, 50.575.1290, 50.575.1280, 50.575.1270, and 50.575.1260 and Parcel No. 50.900.0530, 50.600.0120, 50.600.0160, 50.625.0010.
13. Approval to hire Travis Olson as Part-time liquor store clerk @ \$8.86 per hour.

Mayor Dahnke stated the next item on the agenda was the board and commission reports. Council member Merlin Strom stated that Planning & Zoning are still working on the parking ordinance. City Administrator Mike Rietz stated that the Park Board will be naming a pavilion at McGrath Park in memory of Public Works Supt. Dave Riddering.

Council member Larry Davis, Jr. arrived at 7:05 p.m.

Council member Jason Rick stated that the Community Education class's participation was good this summer. The Community Education will be asking for an increase in donation from \$15,000.00 to \$20,000.00.

**08-08-11-03** Motion by Mr. Davis and second by Mr. Strom to approve the board and commission reports as presented. Motion carried.

Mayor Dahnke stated the next item on the agenda was the resolution authorizing the issuance of \$2,020,000 General Obligation Temporary Improvement Bonds, Series 2011A.

Mr. Todd Hagen with Ehlers next discussed with council members the bond sale report. Mr. Hagen stated that this is a temporary bond. This is to temporarily finance the construction of various improvements to the City's streets, water system, and sewer systems in anticipation of the receipt of the issuance of permanent obligations. Because of the State shutdown, the PFA loan and the State guarantee to credit enhance the market-rate bonds were not available. Precedent to obtaining the loan and guarantee, the City will issue temporary financing until the loan and guarantee become available.

Mr. Hagen stated that 5 bids were received. The lowest bidder was Midwest Bank of Barnesville, MN. The following bids were received:

Midwest Bank Barnesville, MN	0.7504%
Piper Jaffray & Co. Minneapolis, MN	0.7985%

Oppeheimer & Co, Inc. Chicago, Illinois	1.4651%
Bremer Bank, National Association Fergus Falls, MN	1.5440%
Northland Securities, Inc. Minneapolis, MN	2.2430%

Mr. Hagen stated that the amount will be \$2,015,000 instead of the original amount of \$2,020,000. Mr. Hagen stated the closing date will be September 1, 2011.

**08-08-11-04** Motion by Mr. Rick and second by Mr. Allmaras to approve the following resolution. Upon a roll call vote the following voted aye: Council members Rick, Allmaras, Ellefson, Davis, Strom and Krause. The following were absent: none. Motion carried.

EXTRACT OF MINUTES OF A MEETING OF THE  
CITY COUNCIL OF THE CITY OF  
BARNESVILLE, MINNESOTA

HELD: AUGUST 8, 2011

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Barnesville, Clay County, Minnesota, was duly called and held at the City Hall in said City on Monday, the 8th day of August, 2011, at 7:00 P.M., for the purpose of awarding the sale of \$2,015,000 General Obligation Temporary Improvement Bonds, Series 2011A of the City.

The following members were present: Rick, Allmaras, Ellefson, Davis, Strom, and Krause, and the following were absent: none.

Member Rick introduced the following resolution and moved its adoption:

Resolution No. 08-08-11-04  
RESOLUTION ACCEPTING BID ON SALE OF  
\$2,015,000 GENERAL OBLIGATION  
TEMPORARY IMPROVEMENT BONDS, SERIES 2011A,  
PROVIDING FOR THEIR ISSUANCE,  
AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Barnesville, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue \$2,015,000 General Obligation Temporary Improvement Bonds, Series 2011A of the City, pursuant to Minnesota statutes, Chapters 429, 475 and 475.61, for the purpose of providing temporary financing for street and utility improvements in the City (the "Improvements"); and

B. WHEREAS, the construction of each of the improvement projects to be financed by the Bonds has heretofore been ordered; and

C. WHEREAS, offers to purchase the Bonds were solicited on behalf of the City by Ehlers & Associates Inc.; and

D. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

E. WHEREAS, the following offers were received, opened and recorded at the offices of Ehlers & Associates Inc. at 12 noon this same day:

<u>Bidder</u>	<u>Interest Rate</u>	<u>Net Interest Cost</u>
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See Attached

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Barnesville, Minnesota, as follows:

1. Acceptance of Offer. The offer of Midwest Bank (the "Purchaser") to purchase \$2,015,000 General Obligation Temporary Improvement Bonds, Series 2011A, of the City (the "Bonds," or individually a "Bond"), in accordance with the terms of proposal, at the rates of interest hereinafter set forth, and to pay therefore the sum of \$2,014,950 plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable offer received and is hereby accepted, and the Bonds are hereby awarded to the Purchaser. The City Clerk is directed to retain the deposit of said Purchaser and to forthwith return to the others making offers their good faith deposits.

2. Term of Bonds.

(a) Title: Original Issue Date; Denominations; Maturities. The Bonds shall be titled "General Obligation Temporary Improvement Bonds, Series 2011A," shall be dated September 1, 2011, as the date of original issue, and shall be issued forthwith on or after such date as fully registered bonds. The Bonds shall be numbered R-1 and shall mature on September 1, 2012 in the amount of \$2,015,000.

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors

or successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 (with respect to Redemption) and 10 (with respect to registration, transfer, exchange) Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the City Administrator, Barnesville, Minnesota (the "Bond Registrar") in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Bonds, neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the

purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10 (with respect to registration, transfer, exchange) hereof, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations, to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any

consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency registrar agreement shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(x) In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in paragraph 5 hereof (with respect to redemption), make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

(c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in

the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10 hereof. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10 (with respect to registration, transfer, exchange) hereof, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 10 (with respect to registration, transfer, exchange) hereof.

(d) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose. The Bonds shall provide funds to temporarily finance the construction of various public improvement projects in the City (the "Improvements"). The total cost of the Improvements, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. Work on the Improvements shall proceed with due diligence to completion. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Improvements proceeds with due diligence to completion and that any, and all permits and studies required under law for the Improvements are obtained. The City anticipates that it will receive loan funds from the Minnesota Public Facilities Authority (the "Authority") to pay for a portion of the project, and anticipates issuing definitive general obligations of the City, for which its full faith, credit and taxing powers are pledged.

4. Interest. Interest shall be payable on September 1, 2012.

5. Redemption. Bonds maturing on September 1, 2012, shall be subject to redemption and prepayment at the option of the City on March 1, 2012, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the City shall determine the order of Bonds to be prepaid; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar, prior to giving notice of redemption, shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of

such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the holder thereof or his, her or its attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. The City Administrator of the City of Barnesville, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 13 of this resolution.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
CLAY COUNTY  
CITY OF BARNESVILLE

R-\_\_\_\_\_ \$\_\_\_\_\_

GENERAL OBLIGATION TEMPORARY IMPROVEMENT  
BOND, SERIES 2011A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
	September 1, 2012	September 1, 2011	

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the City of Barnesville, Clay County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption, and to pay interest thereon on September 1, 2012 (the "Interest Payment Date"), at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of the City Administrator, Barnesville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

Redemption. All Bonds of this issue (the "Bonds") maturing on September 1, 2012, are subject to redemption and prepayment at the option of the Issuer on March 1, 2012, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the maturities and principal amount within each maturity to be prepaid; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Bonds.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed

as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or his, her or its attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose: General Obligation. This Bond is one of an issue in the total principal amount of \$2,015,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, which Bond has been issued pursuant to and in full conformity with the Constitution, laws of the State of Minnesota and the Charter of the Issuer and pursuant to a resolution adopted by the City Council of the Issuer on August 8, 2011 (the "Resolution"), for the purpose of providing temporary financing for street and utility improvements in the City of Barnesville. This Bond is payable out of the General Obligation Temporary Improvement Bond, Series 2011A Fund of the Issuer. The City anticipates that it will receive loan funds from the Minnesota Public Facilities Authority (the "Authority") to pay for a portion of the project, and anticipates issuing definitive general obligations of the City, for which its full faith, credit and taxing powers are pledged. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchanger Resolution. The Bonds are issuable solely as fully registered bonds in the denominations of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other authorized denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or by his, her or its attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an authorized denomination or denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided on the reverse side hereof with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution, laws of the State of Minnesota and Charter of the Issuer to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional, statutory or charter limitation of indebtedness.

IN WITNESS WHEREOF, the City of Barnesville, Clay County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the manual signatures of its Mayor and its Acting City Manager, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Bond Registrar's  
CERTIFICATE OF AUTHENTICATION

CITY OF BARNESVILLE,  
CLAY COUNTY,  
MINNESOTA

This Certificate is one of the  
Certificates described in the  
Resolution mentioned

within.

\_\_\_\_\_  
\_\_\_\_\_  
Mayor

BARNESVILLE CITY ADMINISTRATOR  
P.O. Box 550  
Barnesville, MN 56514-0550

\_\_\_\_\_  
Bond Registrar

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
City

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

Authorized Signature

Mayor Dahnke stated the next item on the agenda was the Front Street update. Mr. Jon Olson with Ulteig Engineers next updated council members on the status of Front Street. Mr. Olson stated that the Phase 1 (to 7<sup>th</sup> Avenue) was nearing completion. Phase 2 (south of 7<sup>th</sup> Avenue) is continuing to be worked on, and should be complete by the end of next week. Mr. Olson stated that the work is behind schedule by about one week. Mr. Olson stated that the budget amounts are on track. There have been four work orders issued, and the estimated increase of project to date is \$19,927.00. A total contingency in the amount of \$75,000 was assumed at project award. The following are the four work orders to date:

- 1) Clearing and grubbing was not originally included. Price of \$250 per tree was established. Net contract change (1,650) as tree transplanting were eliminated.
- 2) Established unit prices for 1.5" water services and 1.5" non-metallic conduit for sound system. Estimated increase to contract amount was \$9,540.00.
- 3) Subgrade corrections underneath sidewalks. Estimated increase to contract amount was \$10,537.50.
- 4) The use of soil guard and grass seed in lieu of sod. Change was recommended as seed typically has a higher survival rate this time of the year. An estimated change of (6,200.00) to contract.

One additional work order will be required:

- 1) Sealing of medallions. The contract did not originally include a sealant between brick and pavers. Due to intrusion of water and associated risk of frost damage, a sealant should be installed. Estimated increase in contract amount is \$7,700.00.

Council members had no further questions for Mr. Olson.

Mayor Dahnke stated the next item on the agenda was the 2<sup>nd</sup> Reading of Ordinance 2011-08. Accessory Buildings in Residential Zones.

**08-08-11-05** Motion by Mr. Strom and second by Mr. Davis to approve the 2<sup>nd</sup> reading of Ordinance 2011-08. Motion carried.

Ordinance 2011-08

AN ORDINANCE TO AMEND SECTION 11.62 OF THE  
BARNESVILLE MUNICIPAL CODE RELATING TO ACCESSORY STRUCTURES

BE IT ORDAINED by the City Council of the City of Barnesville that Section 11.62, Subd. 4 and Subd. 12 of the Barnesville Municipal Code are hereby amended as follows:

**SEC. 11.62. ACCESSORY STRUCTURES IN RESIDENTIAL DISTRICTS**

**Subd. 4. Number of Structures.** Only ~~one~~ two accessory buildings and/or structures on any single lot ~~except for an accessory building for storage not exceeding one hundred fifty (150) square feet in addition to a detached garage.~~ One building shall be 150 square feet or smaller and the other building shall be 150 square feet or larger, subject to lot coverage requirements. Buildings such as gazebos, outdoor living rooms and pool enclosures may be constructed in addition to the accessory buildings, subject to the lot coverage requirements.

**Subd. 12. Building Permit Required.** Any accessory building which is in excess of 120 square feet or larger is required to have a building permit before construction may begin.

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 8<sup>th</sup> day of August, 2011.

By:

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

Attest:

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

First Reading: July 11, 2011  
Second Reading: August 8, 2011  
Adopted: August 8, 2011  
Published: August 15, 2011

Mayor Dahnke stated the next item on the agenda was the 1<sup>st</sup> Reading of Ordinance 2011-09, an ordinance pertaining to drug paraphernalia.

Council member Del Ellefson stated that he would like to table this ordinance and see what happens with the City of Moorhead, if they pass the same ordinance.

**08-08-11-06** Motion by Mr. Davis and second by Mr. Ellefson to approve the 1<sup>st</sup> reading of Ordinance 2011-09, An Ordinance to create and enact Section \_\_\_ of the Barnesville City Code relating to Drug Paraphernalia. Motion carried.

ORDINANCE NO. 2011-09

AN ORDINANCE TO CREATE AND ENACT SECTION \_\_\_\_\_ OF THE BARNESVILLE CITY CODE RELATING TO DRUG PARAPHERNALIA.

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

SECTION 1. Section \_\_\_\_\_ of the Barnesville City Code is hereby created and enacted to read as follows:

\_\_\_\_\_: **OFFENSES RELATING TO DRUG PARAPHERNALIA:**

**Subd. 1.** It is unlawful for any person knowingly or intentionally to use or to possess drug paraphernalia. Any violation of this section is a petty misdemeanor.

**Subd. 2.** A person may not deliver, possess with intent to deliver, or manufacture with intent to deliver, drug paraphernalia, if that person knows or should reasonably know that the drug paraphernalia will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, enhance, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance in violation of Minnesota Statutes Chapter 152. Any violation of this section is a misdemeanor.

**Subd. 3. Definitions:**

**A. DRUG PARAPHERNALIA:** a) Except as otherwise provided in paragraph (b), "drug paraphernalia" means all equipment, products, and materials of any kind, which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, enhancing, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting,

ingesting, inhaling, or otherwise introducing into the human body a controlled substance in violation of Minnesota Statutes Chapter 152.

**B.** Drug paraphernalia" does not include the possession, manufacture, delivery, or sale of hypodermic needles or syringes.

**C.** The term "paraphernalia" includes, without limitation:

- i. Kits used, intended for use, or designed for use in planting, propagating, cultivating, growing, or harvesting of any species of plant which is a controlled substance or from which a controlled substance can be derived.
- ii. Kits used, intended for use, or designed for use in manufacturing, compounding, converting, producing, processing, or preparing controlled substances.
- iii. Isomerization devices used, intended for use, or designed for use in increasing the potency of any species of plant, which is a controlled substance.
- iv. Testing equipment used, intended for use, or designed for use in identifying or in analyzing the strength, effectiveness, or purity of controlled substances.
- v. Scales and balances used, intended for use, or designed for use in weighing or measuring controlled substances.
- vi. Diluents and adulterants, including quinine hydrochloride, mannitol, dextrose, and lactose, used, intended for use, or designed for use in cutting controlled substances.
- vii. Separation gins and sifters used, intended for use, or designed for use in removing twigs and seeds from, or in otherwise cleaning or refining, marijuana.
- viii. Blenders, bowls, containers, spoons, grinders, and mixing devices used, intended for use, or designed for use in compounding, manufacturing, producing, processing, or preparing controlled substances.
- ix. Capsules, balloons, envelopes, and other containers used, intended for use, or designed for use in packaging small quantities of controlled substances.

- x. Containers and other objects used, intended for use, or designed for use in storing or concealing controlled substances or products or materials used or intended for use in manufacturing, producing, processing, or preparing controlled substances.
  
- xi. Objects used, intended for use, or designed for use in ingesting, inhaling, or otherwise introducing controlled substances to include but not limited to marijuana, cocaine, hashish, or hashish oil into the human body, including:
  - (a) Metal, wooden, acrylic, glass, stone, plastic, or ceramic pipes with or without screens, permanent screens, hashish heads, or punctured metal bowls.
  - (b) Water pipes.
  - (c) Carburetion tubes and devices.
  - (d) Smoking and carburetion masks.
  - (e) Objects, sometimes commonly referred to as roach clips, used to hold burning material, for example, a marijuana cigarette, that has become too small or too short to be held in the hand.
  - (f) Miniature cocaine spoons and cocaine vials.
  - (g) Chamber pipes.
  - (h) Carburetor pipes.
  - (i) Electric pipes.
  - (j) Air-driven pipes.
  - (k) Chillums.
  - (l) Bongs.
  - (m) Ice pipes or chillers.
  
- xi. Ingredients or components to be used or intended or designed to be used in manufacturing, producing, processing, preparing, testing, or analyzing a controlled substance, whether or not otherwise lawfully obtained, including anhydrous ammonia,

nonprescription medications, methamphetamine precursor drugs, or lawfully dispensed controlled substances.

**Subd. 4. Drug Paraphernalia Guidelines:** In determining whether an object is drug paraphernalia, a court or other authority shall consider, in addition to all other logically relevant factors:

**A.** Statements by an owner or by anyone in control of the object concerning its use.

**B.** Prior convictions, if any, of an owner, or of anyone in control of the object, under any state or federal law relating to any controlled substance.

**C.** The proximity of the object, in time and space, to a direct violation of this ordinance.

**D.** The proximity of the object to controlled substances.

**E.** The existence of any residue of controlled substances on the object.

**F.** Direct or circumstantial evidence of the intent of an owner, or of any person in control of the object, to deliver the object to another person whom the owner or person in control of the object knows, or should reasonably know, intends to use the object to facilitate a violation of this ordinance. The innocence of an owner, or of any person in control of the object, as to a direct violation of this ordinance may not prevent a finding that the object is intended or designed for use as drug paraphernalia.

**G.** Instructions, oral or written, provided with the object concerning the object's use.

**H.** Descriptive materials accompanying the object, which explain or depict the object's use.

**I.** National and local advertising concerning the object's use.

**J.** The manner in which the object is displayed for sale.

**K.** Whether the owner, or anyone in control of the object, is a legitimate supplier of like or related items to the community, for example, a licensed distributor or dealer of tobacco products.

**L.** Direct or circumstantial evidence of the ratio of sales of the object or objects to the total sales of the business enterprise.

**M.** The existence and scope of legitimate uses for the object in the community.

**N.** Expert testimony concerning the object's use.

**O.** The actual or constructive possession by the owner or by a person in control of the object or the presence in a vehicle or structure where the object is located of written instructions, directions, or recipes to be used, or intended or designed to be used, in manufacturing, producing, processing, preparing, testing, or analyzing a controlled substance.

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 \_\_\_\_ day of \_\_\_\_\_ 2011.

APPROVED BY:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

| First Consideration:

| Second Consideration:

| Date of Publication:

Mayor Dahnke stated the next item on the agenda was the discussion of the Public Works Supt. position.

City Administrator Mike Rietz informed council that the Public Works/selection committee is recommending that the position be filled through the promotion of an internal candidate because they feel that there is at least one capable candidate internally, and this leaves open the option to reduce the size of the Public Works Department by one employee, should that be deemed appropriate in light of the recent LGA cuts.

Mr. Rietz stated that the Personnel & Finance committee indicated some interest in considering the option of splitting the Public Works into a street department and park department, with the two current supervisors reporting to the City Administrator.

Council member Darin Allmaras questioned how many different hats is City Administrator Mike Rietz going to have to wear, he is only one person. Council member Del Ellefson stated if the position was split into two department heads, it could save the city money. Public Works Supt. Terry Ystenes stated that the department is running one person short right now.

**08-08-11-07** Motion by Mr. Allmaras and second by Mr. Davis to post the Public Works Supt. position internally. Motion carried.

Mayor Dahnke stated the next item on the agenda was the contract renewal for Ohnstad Twichell.

City Administrator Mike Rietz informed council members that this agreement with Ohnstad Twichel, P.c., Attorneys at Law would be for a three year agreement. The amount will be \$1,850.00 per month during the first year of the agreement, and \$1,900 during the last two years of the agreement. The City shall pay additional compensation for litigation matters and bonding matters. Mr. John Shockley will be the lead attorney under this contract, to be assisted by Mr. Brian D. Neugebauer and Sean M. Fredricks.

**08-08-11-08** Motion by Mr. Davis and second by Mr. Ellefson to enter into an agreement with Ohnstad Twichel, P.C. Attorneys at Law with the agreement to continue through the 1<sup>st</sup> day of June, 2014. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Wellhead Protection Report.

**08-08-11-09** Motion by Mr. Davis and second by Mr. Allmaras to approve the Wellhead Protection Program report. Motion carried.

Mayor Dahnke stated the next item on the agenda was the Barnesville Business Incentive program.

EDA Director Karen Lauer informed council members that this program was started by the Main Street program in 1993 as a way to attract and assist new businesses to coming to town. Over that time, nearly 40 new and expanding businesses have utilized the program. Since the program's beginning, the City, as a local business, has provided "Free hookup and base utility charges for electric, water, sewer and telephone for one

year to businesses within the Barnesville service district who have new services connected or installed”.

**08-08-11-10** Motion by Mr. Rick and second by Mr. Davis to recommend proceeding with a two year agreement with the Barnesville Business Incentive Program. Motion carried.

Mayor Dahnke stated the next item on the agenda was the shelving purchase for the Liquor Store.

City Administrator Mike Rietz informed council members that the liquor portfolio is recommending purchasing new refurbished shelving for the Liquor Store in the amount of \$1,828.57 from cooper's Technology Group.

**08-08-11-11** Motion by Mr. Davis and second by Mr. Rick to approve the purchase of shelving for the Liquor Store from Cooper's Technology Group in the amount of \$1,828.57. 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.

**08-08-11-12** Motion by Mr. Davis and second by Mr. Rick to adjourn the meeting at 8:30 p.m. Motion carried.

Submitted by:

Attest:

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Jeri Reep  
City Clerk

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Fred Dahnke  
Mayor