

City Council Special Meeting

June 24, 2002

This special meeting of the Barnesville City Council was called to order by Mayor Gene Prim at 7:00p.m. in the council chambers of the Barnesville City Hall. Council members Roger Cooper, Larry Davis JR, Charles Martinson, Kim Simonsen, and Jerry Ames were present. Also present were Gerald Dow, Jeri Davis, Brian Jacobson, Todd Meyer, Dennis Brown, Tom Trowbridge, Angie Ernst, and Pam Aakre from the Record Review. Absent was council member Chad Hagen.

Mayor Prim started the meeting out by questioning whether or not the Council needed to have a special meeting for the new fireworks legislation. The Council will go with the new state laws and do not need a special meeting for this. Jeri Davis will get a copy of this and distribute it in the Council Member boxes.

The first item on the agenda was the Health Insurance rates for City Employees and Council members. The City will be changing it's health insurance provider from Health Partners to Medica as of July 1st. Finance Director Brian Jacobson had the Council look at a four page handout which gave an analysis of insurance rates. There are four people who would change age brackets at this time. That would increase rates by about \$100 for the year.. Mr. Jacobson spoke with Erin Ryan of the League of Minnesota Cities. Ms. Ryan said that the city should go with two groups. One would consist of active and early retirees and the other of council members. The council members should be charged a banded rate or the city would have two issues. The first issue would be subsidy. It could be considered employees are subsidizing retirees. The second issue would be compensation. It could be considered compensation if blending occurs. Mr. Jacobson was concerned that if the council was blended into the premium this would be considered a pay raise for council members. He spoke to Ms. Ryan again and she said there is no legal prohibition for this. Including the council increases the average premium, which does increase the cost to the city. Mr. Martinson felt that Council members should not receive City insurance. He looks at it as an employee benefit and the Council members are not City employees. Mr. Cooper stated he felt it was okay to allow the Council members to purchase insurance, but not if it makes the other City employees rates go up because of the Council members being added in. The City could save \$3,200 by not including the council members in their insurance plan. Mr. Davis felt the way the Council receives their insurance should be left the way it is with the council blended with all city employees. Mr. Simonsen stated that this is going to have to be looked at again next year as there will be a 25%-35% increase in rates.

06-24-02-01 Motion by Mr. Davis and second by Mr. Simonsen to approve the blended rate with discussion. 2 yea and 3 no. Motion defeated.

If council members are not included in the blended rate, they would be charged the standard rate. Mr. Ames questioned as to whether he was required to participate in the insurance plan. He was informed that he is not required to participate and if he does not, he would not be billed for insurance.

06-24-02-02 Motion by Mr. Martinson and second by Mr. Cooper to approve the Council members pay their own insurance costs. Carried by a margin of 4 to 1.

The City Assessment Policy was discussed next. Tom Trowbridge from Larson-Peterson presented the council with samples of assessment policies from area cities. At the present time, the City does not have a formal assessment policy. The assessment policy would be used a guideline for assessing water, sanitary sewer, and storm lines, and street improvements. This would cover both new developments and existing developments that need improvements done.

There was discussion about whether or not the developer is responsible for assessment costs in new developments. The city currently pays assessment costs on the greenspace such as parks in new developments.

Mayor Prim stated that in the already developed areas of town, property owners have paid their assessments on the streets and sewer once already. He feels the citizens should not have to pay again and that the City should be responsible for paying for the improvements. The funds for the improvements would have to come from other places. Some options are...

1. City water and sewer are currently operating at a break-even level. Rates may have to be raised to help pay for necessary improvements.
2. Raise utility rates.
3. City-Wide Assessments.

Mr. Jacobson stated that the City is not allowed to assess more than the benefit cost. If the value of a citizen's property is not raised as much as the cost of the assessment; it is not allowable.

The council will have a committee look at assessment options in detail and come up with a recommendation for the council. There will be citizens on the committee as well as some council members. There needs to be a policy created between now and November.

06-24-02-03 Motion by Mr. Simonsen and second by Mr. Martinson to have Larsen-Peterson do an assessment analysis. Carried.

06-24-02-04 Motion by Mr. Simonsen and second by Mr. Davis to set a Public Hearing regarding the assessments for July 15, 2002. Carried.

Mr. Trowbridge presented the Council with the bids he received on the Water Treatment Plant modification. PKG Contracting Inc. had the lowest bid with a base bid of \$85,969 and a bid of \$113,969 that would include the use of a batch plant to keep the water filtered while work is done on the plant. The base bid would not include the batch plant and the water would not be filtered for iron and manganese for approximately one week during repairs. It would still be chlorinated and chemically treated however.

06-24-02-05 Motion by Mr. Ames and second by Mr. Martinson to go with the base bid of \$85,969. 2 yea, 3 nay. Motion defeated.

06-24-02-06 Motion by Mr. Davis and second by Mr. Cooper to go with the batch plant bid of \$113,969. 3 yea, 2 nay. Carried.

Meeting adjourned by Mayor Prim at 8:40p.m.

Submitted by:

Angela Ernst
Minutes Recorder

Attest:

Eugene Prim
Mayor