

Barnesville City Council
Special Meeting
July 24, 2002

Mayor Gene Prim opened this special meeting of the Barnesville City Council at 6:30 p.m. with council members Chad Hagen, Larry Davis Jr., Charles Martinson, Kim Simonsen, Jerry Ames and Roger Cooper present. Also present were City Administrator Ray Miller, Finance Director Brian Jacobson, General Manager, Gerald Dow, Angie Ernst, and Pam Aakre from the Record Review.

This special meeting was called by Mayor Prim to discuss city finances and to address a special liquor license request.

Finance Director Brian Jacobson gave the Council an overview of the current City financial situation. Mr. Jacobson has been doing reconciliations. He ends up with a \$5,000 to \$10,000 difference each month but feels this could be a timing difference as some checks are going through the bank at different times and may be posted in the following month.

The general fund cash is currently in the negative by 1.1 million. There are also several other funds that have a negative balance. There are other funds which have a surplus. Mr. Jacobson explained that the funds that have a surplus could simply be transferred in to the general and other funds with a negative balance to even the funds out. There is not a cash-flow problem; the funds just need to be evened out.

The next subject on the Council's agenda was to discuss securing bonds or loans to pay for prior expenditures, the 2nd Ave. improvements, and Capital expenditures. \$500,000 needs to be borrowed to pay for prior expenditures such as Del Acres 8th and 9th additions, and Blue Eagle Parkway. \$1,400,000 is needed to help finance the 2nd Ave. storm sewer improvements and the Stoneridge housing development. Part of the \$1,400,000 could come out of the water and sewer replacement fund. Mayor Prim suggested that since interest rates are currently very low, the City borrow the whole amount needed and make necessary payments out of the water and sewer replacement fund. The Council also looked at raising water and sewer rates. The Council looked at raising the rates City residents pay for KWH of electricity by _ or_ of a cent per KWH to help pay for city-owned telephone, cable and electric utilities. \$400,000 needs to be raised in this Capital Expenditure area. The Council will look at raising the rates at their August council meeting.

07-24-02-01 Motion by Mr. Davis and second by Mr. Simonsen to borrow up to \$500,000 to pay for prior expenses. Carried.

07-24-02-02 Motion by Mr. Davis and second by Mr. Cooper to borrow or bond \$1,400,000 to pay for the 2nd Ave. storm sewer replacement project and the Stoneridge housing development.

Mr. Simonsen questioned as to whether the previous motion should be only bonded and not borrowed because of the tie in on the special assessments on the Stoneridge development. Mayor Prim responded that there is still a choice as to whether the funds are borrowed or bonded.

Motion carried.

07-24-02-03 Motion by Mr. Simonsen and second by Mr. Martinson to borrow or bond \$400,000 for Capital Expenditures. Carried.

07-24-02-04 Motion by Mr. Simonsen and second by Mr. Davis to approve sending a letter of proposal to several different loan companies for bond rate comparisons. Carried.

This letter will ask the loan companies for 10, 15, and 20-year rates.

07-24-02-05 Motion by Mr. Simonsen and second by Mr. Cooper to approve swapping investments funds between general fund and electric fund and to close capital project funds that are completed. Carried.

The last item on the Council's agenda was to consider a written request for a special festival liquor permit to Big Bob's Bar and grill during the Potato Days Street Dance.

07-24-02-06 Motion by Mr. Cooper and second by Mr. Davis to approve the request by Big Bob's Bar and Grill for a special liquor permit during the Potato Days Street dance. Voting yea, were Mr. Hagen, Mr. Davis, Mr. Cooper, Mr. Martinson, and Mr. Ames. Voting nay was Mr. Simonsen. Carried.

Mayor Prim adjourned this special Council meeting at 7:30 p.m.

Submitted by:
Angela Ernst
Prim

Attest:
Eugene

Minutes Recorder

Mayor