

Barnesville City Council
Regular Meeting
November 10, 2014

Mayor Gene Prim called this regular meeting to order at 7:00 p.m. Members present were Council members Larry Davis, Jr, Jason Rick, Don Goedtke, Richard Sylvester and Cathy Enstad. Absent was council member Betty Strom. Others in attendance were, City Administrator Mike Rietz, Sara Nyhus-Wear with Ohnstad Twichell, City Clerk Jeri Reep, Finance Director Laurie Schell, TEC Manager Guy Swenson, EDA Director Karen Lauer, Police Chief Dean Ernst, Public Works Supt. Trevor Moen, Mike Kurkowski and Eric Mueller with People Service, Ambulance Manger Scott Nelson, Dennis & Sharon Braton, DJ Braton, Lyle & Brigetta Miller, and Jacob Underlee with the Record Review.

Mayor Prim next asked if there were any corrections or additions to the agenda. City Administrator Mike Rietz stated the only addition was to add the Old City Hall elevator project pay estimate No. 7.

11-10-14-01 Motion by Mr. Davis and second by Mr. Goedtke to approve the agenda as presented with the addition of the Old City Hall elevator project pay estimate No. 7. Motion carried.

Mayor Prim stated the next item on the agenda was the consent agenda.

11-10-14-02 Motion by Mr. Davis and second by Mr. Goedkte to approve 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 October 13, 2014.
2. Approval of the minutes of the special meeting held on October 20, 2014.
3. Approval of the Department head reports.
4. Approval of check numbers 78779 – 78980 in the amount of \$399,068.22 and EFT payments in the amount of \$185,620.50.
5. Set Truth-in-Taxation date for December 8, 2014.
6. Approval to hire Wayne Nosal as a seasonal public works employee at \$14.00 per hour.
7. Approval to hire Barry Schilling as seasonal public works employee at \$14.00 per hour.
8. Approval of gambling permit for Barnesville Fire Dept-Jan. 30, 2015.
9. Approval of KSTC-45 Memorandum of Understanding-High School Tournaments.
10. Approval of Old City Hall elevator project pay estimate No. 7 in the amount of \$39,489.11

Mayor Prim stated the next item on the agenda was the board and commission reports.

Council members reported on the boards and commissions they are on.

Mayor Prim next asked if there were any citizens present to be heard. There were none.

Mayor Prim stated the next item on the agenda was the public hearing on property maintenance assessments.

11-10-14-03 Motion by Mr. Sylvester and second by Mr. Rick to open the public hearing on the property maintenance assessments at 7:05 p.m. Motion carried.

City Administrator Mike Rietz updated council members on some of the assessments. Mr. Rietz stated that the Daniel Bartelson assessment had been removed. Mr. Dennis Braton has complied with 4 fines.

Mr. Lyle Miller next informed council members that they are working on their home, that the contractor they have got delayed and the project depends on the weather. Mr. Miller stated that they would need approximately 4-5 weeks to complete the project.

Mr. Dennis Braton next questioned what fines he has remaining. Police Chief Dean Ernst described what was remaining for fines on the Braton property. Mr. Braton stated the biggest complaint he has is anyone inside his fence.

Mayor Prim stated that a lot of progress has been made on the Braton property, but some still needs to be addressed.

Mayor Prim asked if there were any more comments to be made. There were none.

11-10-14-04 Motion by Mr. Davis and second by Mr. Sylvester to close the public hearing at 7:42 p.m. Motion carried.

Council member Enstad questioned Mr. Braton how long it would take to get the remaining fines in compliance. Mr. D.J. Braton stated possibly by November 19th.

11-10-14-05 Motion by Mr. Davis and second by Mrs. Enstad to post-pone the assessments for Mr. Dennis Braton's property until November 26, 2014.

11-10-14-06 Motion by Mr. Davis and second by Mr. Rick to hold a special meeting on Wednesday, November 26, 2014 at 6:30 p.m. for the property assessments for the Dennis Braton property. Motion carried.

11-10-14-07 Motion by Mr. Sylvester and second by Mr. Davis to grant an extension to the Lyle Miller property until May 1, 2015. Motion carried.

11-10-14-08 Motion by Mr. Davis and second by Mr. Sylvester to approve the following property maintenance assessments. Motion carried.

505752020	6TH AVE & 3 ST SE	ORIGINAL, LOT 021, BLK 024	MN HOUSING FINANCE	150
503500220	506 10TH AVE SE	HOLLANDS 1ST ADDN, LOT 15, BLK 3	BRYAN & DEANNA SWENSON	75
505751700	805 3RD ST SE	ORIGINAL, LOT 003, BLK 021	RICHARD SOLOM ESTATE	225
505751670	812 3RD STREET SE	ORIGINAL, LOT 019, BLK 020	MARK & MARCIA JODOCK	150
502290250	1108 9TH AVE SE	DEL ACRES 9, LOT 25, BLK 001	USDA RURAL DEVELOPMENT	375
505752890	118 FRONT ST S	ORIGINAL, LOT 20-23, BLK 33	DOUG MEYER	125
507450090	203 11 ST NE	STONERIDGE ADDN, LOT 009, BLK 001	PETER STEGER	300
505751620	809 4 ST SE	ORIGINA, LOT 004, BLK 020	DUSTIN ARNTSON	75
509000590	908 FRONT ST S	BG INTER OF N LINE OF OUT	DENNIS BRATON	2000
509000590	908 FRONT ST S	BG INTER OF N LINE OF OUT	DENNIS BRATON	2000
509000590	908 FRONT ST S	BG INTER OF N LINE OF OUT	DENNIS BRATON	2000
509000590	908 FRONT ST S	BG INTER OF N LINE OF OUT	DENNIS BRATON	2000

Mayor Prim stated the next item on the agenda was the continued public hearing on Modification of TIF District 1-3.

11-10-14-09 Motion by Mr. Rick and second by Mr. Goedtke to continue the hearing on the Modification of TIF District 1-3 at 8:02 p.m. and to close the hearing on the Modification of TIF District 1-3 at 8:02 p.m. Motion carried.

11-10-14-10 Motion by Mr. Rick and second by Mr. Goedtke to approve the following resolution. Upon a roll call vote, the following voted aye: Rick, Goedtke, Davis, Sylvester, and Enstad. The following voted nay: none. The following were absent: Strom. Motion carried.

**CITY OF BARNESVILLE
CLAY COUNTY
STATE OF MINNESOTA**

Council member Rick introduced the following resolution and moved its adoption:

RESOLUTION NO. 11-10-14-10

**RESOLUTION ADOPTING A MODIFICATION TO THE REDEVELOPMENT
PLAN FOR REDEVELOPMENT PROJECT NO. 1 AND ADOPTING A
MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR TAX
INCREMENT FINANCING DISTRICT NO. 1-3**

BE IT RESOLVED by the City Council ("Council") of the City of Barnesville, Minnesota ("City"), as follows:

Section 1. Recitals

1.01. The Board of Commissioners ("Board") of the Barnesville Economic Development Authority ("EDA") has heretofore established Redevelopment Project No. 1 (the "Project Area") and adopted the Redevelopment Plan therefor. It has been proposed by the EDA and the City that the City adopt a Modification to the Redevelopment Plan (the "Redevelopment Plan Modification") for the Project Area and a Modification to the Tax Increment Financing Plan (the "TIF Plan Modification" or "TIF Plan") for Tax Increment Financing District No. 1-3 (the "TIF District") (the Redevelopment Plan Modification and TIF Plan Modification are referred to collectively herein as the "Modifications"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.090 to 469.1082 and Sections 469.174 to 469.1794, all inclusive, as amended (the "Act") all as reflected in the Modifications, and presented for the Council's consideration.

1.02. The EDA and City have investigated the facts relating to the Modifications and have caused the Modifications to be prepared.

1.03. The EDA and City have performed all actions required by law to be performed prior to the adoption and approval of the proposed Modifications, including, but not limited to, notification of Clay County and Independent School District No. 146, having taxing jurisdiction over the property in the TIF District, approval of the Modifications by the EDA on November 19, 2014, and the holding of a public hearing upon published notice as required by law.

1.04. The City and EDA are not modifying the boundaries of the Project Area or the **TIF** District.

1.05. The City and EDA are not extending the life of the TIF District to the maximum allowed by law.

Section 2. Findings for the Redevelopment Plan Modification

2.01. The Council hereby finds that: (a) the land within the Project Area would not be available for development or redevelopment without the financial aid to be sought under the Redevelopment Plan

Modification; (b) the Redevelopment Plan Modification will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project Area by private enterprise; and (c) the Redevelopment Plan Modification conforms to the general plan for the development of the City as a whole.

2.02. These findings are based on the facts and conditions described in the Redevelopment Plan Modification, which is incorporated herein by reference.

Section 3. Findings for the TIF Plan Modification

3.01 The Council hereby reaffirms the original findings for the TIF District, namely that when it was established, it was established as "housing district".

3.02 The TIF Plan Modification is being completed to (i) extend the life of the TIF District to the maximum allowed by law; and (ii) adjust line item budget to anticipated actuals.

3.03 The TIF Plan Modification conforms to the general plan for development or redevelopment of the City as a whole. The fact supporting this finding is that the modifications to the TIF Plan will generally complement and serve to implement policies adopted in the City's comprehensive plan. The TIF Plan Modification was reviewed and commented upon by the City's Planning Commission on October 6, 2014, and was approved by the Commission on that same date.

3.04 The TIF Plan Modification will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Project Area by private enterprise. The facts supporting this finding are that the TIF Plan Modification will continue the redevelopment by private enterprise that has been stimulated under the original plan for the TIF District.

3.05 The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated after subtracting the present value of the projected tax increments for the maximum duration of the districts permitted by the TIF Plan Modification.

3.06 The Council further finds the future redevelopment, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

Section 4. Public Purpose

4.01. The adoption of the Modifications conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up, to provide housing opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

Section 5. Approval and Adoption of the Modifications

5.01. The Modifications, as presented to the Council on this date, are hereby approved, ratified, adopted and shall be placed on file in the office of Executive Director of the EDA.

5.02. The staff, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Modifications and for this purpose to negotiate, draft, prepare and present to this Council for its consideration all further Modifications, resolutions, documents and contracts

necessary for this purpose. Approval of the Modifications does not constitute approval of any project or a Development Agreement with any developer.

5.03. The Executive Director of the EDA is authorized and directed to forward a copy of the Modifications to the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor pursuant to M.S., Section 469.175, Subd. 4a.

5.04. The Executive Director of the EDA is further authorized and directed to file a copy of the Modifications with the Clay County Auditor.

The motion for the adoption of the foregoing resolution was duly seconded by Council member Goedtke, and upon a vote being taken thereon, the following voted in favor thereof: Rick, Goedtke, Davis, Sylvester and Enstad. The following were absent: Strom. The following voted against the same: none. Motion approved.

Dated: November 10, 2014

ATTEST:

Eugene Prim, Mayor

Michael Rietz, City Administrator

(Seal)

Mayor Prim stated the next item on the agenda was the public hearing establishing the 2015 tax abatements.

11-10-14-11 Motion by Mr. Rick and second by Mr. Goedtke to open the public hearing at 8:03 p.m. for the 2015 tax abatements. Motion carried.

City Administrator Mike Rietz informed council members that this program is for new residential construction and improvements to existing residential properties and grants those properties an abatement of their taxes for two years. This year we have only one property owner who has applied for the abatement.

11-10-14-12 Motion by Mr. Rick and second by Mr. Sylvester to close the public hearing on the 2015 tax abatements at 8:05 p.m. Motion carried.

11-10-14-13 Motion by Mr. Goedtke and second by Mr. Davis to approve the following resolution. Upon a roll call vote, the following voted aye: Rick, Goedtke, Davis, Sylvester and Enstad. The following voted nay: none. The following were absent: Strom. Motion carried.

CITY OF BARNESVILLE
CLAY COUNTY, MINNESOTA
RESOLUTION AUTHORIZING A PROPERTY TAX ABATEMENT FOR
QUALIFIED PROPERTY OWNERS
RESOLUTION NO. 11-10-14-13

WHEREAS: pursuant to proper notices duly given as required by law, the Mayor and Council met on November 10, 2014 and hard any and passed upon all objections to the proposed property tax abatements granted to properties located within the City of Barnesville.

NOW, THREFORE, BE IT RESOLVED by the City Council of the City of Barnesville, Minnesota:

1. Such proposed abatement, which applies to the property described as 107 15th Street SE, parcel number 50.235.0270, which qualifies with the program established by the Resolution 10-08-12-22, is hereby accepted and shall constitute the estimated total abated value of \$2,000.
2. Abated taxes are to be refunded at the end of the year of which they were paid.
3. The abatement shall not apply to any special assessments that are levied against the property.

PASSED, by the City Council of the City of Barnesville this 10th day of November, 2014.

Eugene Prim
Mayor

Jeri Reep
City Clerk

Mayor Prim stated the next item on the agenda was the resolution modifying the effective date of two-year property tax abatement program.

City Administrator Mike Rietz stated that this program provides an incentive that will lead to a larger tax base and continued participation will allow us to provide the same type of incentive as is available in the rest of the County.

11-10-14-14 Motion by Mr. Sylvester and second by Mr. Goedtke to approve the following resolution. Upon a roll call vote, the following voted aye: Rick, Goedtke, Davis, Sylvester, and Enstad. The following voted nay: none. The following were absent: Strom. Motion carried.

CITY OF BARNESVILLE
CLAY COUNTY, MINNESOTA
RESOLUTION AUTHORIZING A PROPERTY TAX ABATEMENT PROGRAM
RESOLUTION 11-10-14-14

Whereas, Minnesota law (469.1813-469.1816) authorizes political subdivisions to grant property tax abatements for economic development purposes including:

- General economic development, such as increasing the property tax base or the number of jobs in the area;
- Providing access to services for residents such as housing; and

Whereas, the City of Barnesville received a request from Clay County to join with the County and participate in a *“Two-year Residential Property Tax Abatement Program”* (hereinafter referred to as the *“Program”*); and

Whereas, it is the desire of the City of Barnesville to participate in the *“Program”* by abating its property taxes as allowed by Minnesota law; and

Whereas, as a condition precedent for a City to receive an abatement of Clay County residential property taxes the participating City must approve its Authorizing Resolution no later than December 31, 2014.

Now, Therefore Be It Resolved, by the Barnesville City Council that The City of Barnesville does herein approve participation in the *“Program”* for new home construction and improvements to existing homes for the period commencing January 1, 2015 and expiring December 31, 2016.

Be It Further Resolved, by the Barnesville City Council that the approved *“Program”* be fully compliant with Minnesota law 469.1813-469.1816 and subject to the following:

- A residential structure will qualify for the abatement if it is classified as 1a, 1b, 2a, 4a, 4b, 4bb, or 4d under Minnesota Statutes 273.13.
- The assessed value attributable to land and new residential structures shall be abated from property taxes, for two taxes payable years, corresponding to the first two years of full value assessment after construction has been completed, provided that no part of the structure was in existence prior to January 1, 2015 and construction of the structure is commenced prior to December 31, 2016. Construction is deemed to have been commenced if a proper building permit has been issued.

- For property classified as class 1a, 1b, 2a, 4b or 4bb the abatement is limited to the assessed value of the land and the new construction. For a property classified as class 4a or 4d, the abatement is limited to the assessed value of the new construction.
- The assessed value attributable to new improvements on existing properties classified as 1a, 1b, 2a, 4a, 4b, 4bb or 4d shall be abated from property taxes, for two taxes payable years, corresponding to the two assessment years after completion of the improvement, provided that the improvement is made after January 1, 2015 and prior to December 31, 2016. In order for an improvement to an existing property to be eligible for an abatement a proper building permit must have been issued prior to December 31, 2016. To be eligible for the abatement, the improvement must add at least \$25,000 to the value of the existing property, except for class 4a and 4d properties where the improvement must add at least \$50,000 to the value of the existing property. For class 2a property, only improvements to the existing house or garage are eligible for the abatement.
- The abatement shall not apply to any special assessments that are levied against the property.

PASSED, by the City Council of the City of Barnesville this 10th day of November, 2014.

Eugene Prim
Mayor

Attest:

Michael Rietz
City Administrator

- 1a Residential Homestead
- 1b Blind/Disabled Homestead
- 2a Homestead House, Garage and First Acres – Ag
- 4a Apartment 4+units
- 4b Residential non-homestead 1-3 units
Unclassified Manufactured Home
Ag non-homestead 2-3 units
- 4bb Residential non-homestead single unit
Ag non-homestead single unit
- 4d Qualifying low-income rental housing

Mayor Prim stated the next item on the agenda was the resolution adopting the assessment roll for Improvement District 2013-1.

City Administrator Mike Rietz stated that this resolution incorporates the changes based on the discussion at the last Council meeting.

11-10-14-15 Motion by Mr. Rick and second by Mr. Goedtke to approve the following resolution. Upon a roll call vote, the following voted aye: Rick, Goedtke, Davis, and Enstad. The following voted nay: Sylvester. The following were absent: Strom. Council member Sylvester stated that he objects to all citizens paying for this project. Motion carried.

RESOLUTION ADOPTING ASSESSMENT

Resolution No. 11-10-14-15

WHEREAS, pursuant to notice duly given as required by law, the City Council has met, heard and passed upon all objections to the proposed assessment for Improvement District 2013-1 and has amended such proposed assessment as it deems just;

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

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein is hereby found to be benefitted by the proposed improvement.
2. Such assessments shall be as follows:
 - a. The assessments shall be payable in equal annual installments including principal and interest extending over a period of 15 years, with interest at the rate of 4.83% per annum, in the amount annually required to pay the principal over such period at such rate, the first of said installments to be payable with general taxes for the year 2015, collectible with such taxes during the year 2015. Interest shall accrue from and after January 1st, 2015.
 - b. The owner of the property so assessed may at any time prior to the certification of the assessment to the County Auditor, pay to the City Treasurer, and thereafter at any time prior to November 15 of any year pay to the County Auditor, the whole of the principal amount of the assessment on such property provided that no such prepayment shall be accepted without payment of all installments due to and including December 31 of the year prepayment, and the original principal amount reduced only by the amounts of principal included in such installments computed on an annual amortization basis.
 - c. Assessment for Parcel 50.250.0070 shall be deferred until such time that a water or sewer service connection is made to the City system.
 - d. Assessment for Parcel 02.066.0020 shall be deferred for 5 years.
 - e. Assessment for Parcel 02.024.4403 shall be deferred until such time that the property is annexed by the City and water or sewer service connection is made to the City system.
 - f. Assessment for Parcel 50.250.0060 is reduced from \$31,960.58 to \$30,094.58.
 - g. The interest thereon for the period of deferment shall not be added to the principal

amount of the assessment when it becomes payable.

3. The City Clerk shall forthwith transmit a certified duplicate copy of this assessment to the County Auditor to be extended on the tax list of the County.

The motion for the adoption of the foregoing resolution was duly seconded by member Goedtke and upon a vote being taken thereon, the following voted in favor thereof: Rick, Goedtke, Davis, and Enstad and the following voted against the same: Sylvester.

Whereupon said resolution was declared duly passed and adopted.

Eugene Prim, Mayor

Attest:

Jeri Reep, City Clerk

Mayor Prim stated the next item on the agenda was the WDAY retransmission contract.

TEC Manager Guy Swenson informed council members that the WDAY retransmission contract is a 3 year agreement and included a substantial increase in rates. The TEC Board decided to recommend Council approve the agreement and directed Mr. Swenson to attempt to negotiate a better rate. Mr. Swenson stated that he did negotiate a better rate.

11-10-14-16 Motion by Mr. Davis and second by Mr. Sylvester to approve and authorize TEC Manager Guy Swenson to execute the WDAY Retransmission consent Agreement. Motion carried.

Mayor Prim stated the next item on the agenda was the Scripps Network renewal contract.

TEC Manager Guy Swenson informed council members that this agreement covers channels that we carry and does not contain a requirement to add any additional channels. This is a 6 year contract that expires on September 30, 2020.

11-10-14-17 Motion by Mr. Sylvester and second by Mr. Davis to authorize TEC Manager Guy Swenson to execute the Scripps network Renewal Contract. Motion carried.

Mayor Prim stated the next item on the agenda was the Otter Tail Power extra hours discussion.

TEC Manager Guy Swenson stated that with the Fiber to the Premise project and the Natural Gas project, the demands for locates has increased. These locates have consumed a huge amount of hours for Otter Tail Power staff, as well as City Staff. We presently are at a negative balance of 85 hours that we owe Otter Tail Power. TEC Board recommends approving the 50 hour buy down with Otter Tail Power.

11-10-14-18 Motion by Mr. Rick and second by Mr. Sylvester to approve the buy down of 50 hours from Otter Tail Power in the amount of \$6,450.00. Motion carried.

Mayor Prim adjourned the meeting at 8:20 p.m.

Submitted by:

Attest:

Jeri Reep
City Clerk

Eugene Prim
Mayor