

Barnesville City Council
Regular Meeting
April 13, 2015

Mayor Gene Prim called this regular meeting to order at 7:00 p.m. Members present were Council members Jason Rick, Betty Strom, Don Goedtke, Richard Sylvester, Larry Davis Jr. and Cathy Enstad. 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 with People Service, Ambulance Manger Scott Nelson, Joel Paulsen with KLJ Engineering, Mike Strodtman with MN Rural Water, Josh Kadrmas with Houston Engineering, DeLyle Fankhanel and Pam Aakre with the Record Review.

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

Mayor Prim next asked if there were any additions or corrections to the agenda. City Administrator Mike Rietz stated the only addition was to add the golf course employees.

04-13-15-01 Motion by Mr. Sylvester and second by Mrs. Strom to approve the agenda as presented with the addition of approval to hire golf course employees. Motion carried.

04-13-15-02 Motion by Mr. Rick and second by Mr. Goedtke 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 March 9, 2015.
2. Approval of department head reports
3. Approval of check numbers 79583 – 79739 in the amount of \$667,680.63 and EFT payments in the amount of \$466,784.18.
4. Approval of 1st quarter transfers
5. Approval of pay increase for part-time Paramedic B.J. Carlson in the amount of \$12.00 per hour.
6. Accept the resignation of Main Street Director Karen Hagen.
7. Approve to hire Richard Reep as part time Golf Course mower at \$9.00 per hour.
8. Approval of the Arvig FTTP project payment in the amount of \$138,121.02
9. Approval of travel for TEC Manager Guy Swenson for the following dates:
 - Attend the MRES BES Strategic Meeting-June 3, 2015
 - Attend the MRES Annual meeting –May 6-7, 2015
 - Attend the APPA National Conference-June 9, 2015
10. Approval to hire the following as seasonal Golf Course Pro-Shop employees:
 - a. Mary Lien, Dalton Norman, Jordan Bang, Anne Kramer, Alec Halverson, Brenda Amundson, Benjamin Norman and Stacia Sytsma at \$9.00 per hour.
 - b. Kenneth Emerson and Gloria Emerson at \$9.25 per hour.
 - c. Harold Opsahl at \$10.00 per hour
 - d. Allan Kertscher at \$11.50 per hour

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 the Wellhead Protection Plan Amendment.

04-13-15-03 Motion by Mr. Rick and second by Mrs. Strom to open the public hearing for the Wellhead Protection Plan Amendment at 7:04 p.m. Motion carried.

Mr. Mike Strodman with Minnesota Rural Water next discussed with council members an overview of the Wellhead Protection Plan Amendment. Mr. Strodman stated that the vulnerability of the aquifer that underlies the city's well fields was assessed based on geologic logs from wells in the area, surficial geological and soils maps, and chemical and isotope data. Mr. Strodman discussed the implementation schedule thru 2024. The Wellhead Protection Team intends to work with Clay County, the City, Humboldt Township and the State and local agencies to continue to manage land use within the DWSMA to the extent available.

Mr. Strodman next asked if council members had any questions for him. There were no further questions.

Mayor Prim next asked if there was any public comment from the citizens present for the Wellhead Protection Plan Amendment. There were no comments from the public.

04-13-15-04 Motion by Mr. Rick and second by Mr. Goedtke to close the public hearing on the Wellhead Protection Plan Amendment at 7:12 p.m. Motion carried.

04-13-15-05 Motion by Mr. Davis and second by Mrs. Enstad to approve the Wellhead Protection Plan Amendment as presented. Motion carried.

Mayor Prim stated the next item on the agenda was the fish passage and settling pond dredging bids.

Mr. Josh Kadrmas with Houston Engineering informed council members that bids were received for the fish passage. The lowest responsible bidder was Hough, Inc at \$224,759.00 for the base bid (the fish passage) and \$118,970.00 for Alternate #1 (dredging the settling pond). Mr. Kadrmas stated that this bid is below the estimate that was included in the grant, leaving a lot of grant money available. There were a total of six bids received.

04-13-15-06 Motion by Mr. Davis and second by Mr. Sylvester to approve the bid from Hough, Inc. in the amount of \$224,759.00 for the base bid, and \$118,970.00 for Alternate #1 for the fish passage and settling pond dredging project. Motion carried.

Mayor Prim stated the next item on the agenda was the appointment of the Blue Eagle Lake task force.

Mayor Prim discussed with council members this proposed Blue Eagle task force. Mr. Prim stated that the council's priority is for the improvement of Blue Eagle Lake. Mayor Prim stated that he has contacted people that are willing to serve on the task force for Blue Eagle Lake. Mayor Prim stated the following have agreed to serve on this committee: Sheila Carlson, Bruce Albright, Josh Kadrmas, Public Works Supt. Trevor Moen, and City Administrator Mike Rietz, Council member Betty Strom, Mayor Prim, and Leslie George with the MN DNR. Mayor Prim was asking for council support for this task force for Blue Eagle Lake.

04-13-15-07 Motion by Mr. Sylvester and second by Mr. Goedtke to approve the following for the Blue Eagle Task Force: Sheila Carlson, Bruce Albright, Josh Kadrmas, Public Works Supt. Trevor Moen, City Administrator Mike Rietz, Council member Betty Strom, Mayor Prim, and Leslie George with the MN DNR. Motion carried.

Mayor Prim stated the next item on the agenda was the street cut permit and policy.

City Administrator Mike Rietz stated that the current street cut permit is \$400.00, and the money is intended to cover our material costs to replace the asphalt. Mr. Rietz stated the policy that is being recommended brings the fee in line with the actual cost for those materials. This policy also clarifies that it is the property owner's responsibility to repair or replace the curb if that is damaged or removed as part of the street.

04-13-15-08 Motion by Mr. Davis and second by Mrs. Strom to approve the street cut policy as presented. Motion carried.

POLICY PURPOSE:

To establish a fee to recover the costs associated with final rehabilitation of the street cut area.

POLICY STATEMENT:

The permit fee for street cuts on municipal properties will be \$200.00 for the 1st 70 square feet. Any cuts larger than 70 square feet will have to pay an additional \$3.00 per square foot once the final dimension is determined.

If curb and gutter are removed it is the responsibility of the permit applicant to replace it. If the curb and gutter are not replaced within 60 days the city will contract out the work and the cost will be the responsibility of the permit applicant.

All street cuts must be requested, permit fees paid, and the request approved in advance. Emergency repairs to the existing service lines are exempted from the prior approval requirement but the public works department must be notified immediately. Emergency notification during normal business hours can be made by calling 354-2292. Other times call 354-2281 and ask for the public works department "on-call" person to be notified, who will view the site and record the emergency works being done. Permit fees must be paid the next office work day.

Mayor Prim stated the next item on the agenda was the KLJ Task Order #7-Del Acres-Peterson Addition and Task Order #8-Improvement District 2015-01.

Mr. Joel Paulsen with KLJ Engineering discussed with council members that the task orders are for the preliminary work on the Del Acres-Gilbertson Phase 2 project and the preliminary work on the NW and NE Improvement area utility replacement project. These task orders are for the work necessary to get to a point where the project has been defined and a definite lump sum fee for design and estimated hourly fee for construction can be determined.

04-13-15-09 Motion by Mr. Rick and second by Mrs. Strom to authorize staff to sign the Task Order #7-Del Acres-Peterson Addition and Task Order #8-Improvement District 2015-01. The following voted aye: Rick, Goedtke, Strom, Davis, and Sylvester. The following voted nay: Enstad. Motion carried.

Mayor Prim stated the next item on the agenda was the approval of the massage license.

City Administrator Mike Rietz informed council members that an application from Tara Hanson for a Massage Parlor and an application from Jane DeCrans for a massage therapist license. Barnesville City Code requires City Council approval for all Massage Therapist licenses. The Barnesville Building Inspector has conducted an inspection of the massage room and finds it to be in compliance with City Code. Staff is recommending approval of the license.

04-13-15-10 Motion by Mr. Davis and second by Mr. Sylvester to approve the Massage Parlor License for Tara Hanson and the Massage Therapist License for Jane DeCrans. Motion carried.

Mayor Prim stated the next item on the agenda was the Del Acres-Gilbertson Addition update.

City Administrator Mike Rietz discussed with council members the timeline outlined to expand the Del Acres Gilbertson addition. This addition will have a total of 47 homes. The outline calls for bids on infrastructure work in November of 2015. Mr. Rietz stated that this is an informational item only. Council members had no further questions.

Mayor Prim stated the next item on the agenda was the Amendment to the WGN America Distribution Agreement.

TEC Manager Guy Swenson informed council members that WGN has completed the conversion from a Superstation to a Cable Network. As a cable network they must renew the retransmission agreement every three years. This agreement will run from January 1, 2015 to January 1, 2018. Staff recommends approving the Amendment to the WGN America Distribution Agreement.

04-13-15-11 Motion by Mr. Sylvester and second by Mrs. Enstad to authorize staff to execute the Tribune Media-Amendment to the WGN America Distribution Agreement. Motion carried.

Mayor Prim stated the next item on the agenda was the SAIFI, SAIDI and CAIDI reports.

TEC Manager Guy Swenson stated that the State Legislature created a new requirement that is now codified at MN Stat. 216B.81, which requires all utilities to adopt standards for safety, reliability and service quality. Mr. Swenson stated that this is an annual reporting.

04-13-15-12 Motion by Mr. Rick and second by Mrs. Enstad to approve the SAIFI, SAIDI and CAIDI reports as presented. Motion carried.

Mayor Prim stated the next item on the agenda was the Weather Channel renewal.

TEC Manager Guy Swenson stated that this is a 5 year renewal with a 2 year extension making it a 7 year renewal. TEC Board is recommending approval of this renewal.

04-13-15-13 Motion by Mrs. Strom and second by Mrs. Enstad to authorize TEC Manager Guy Swenson to execute the Weather Channel NCTC Participation Agreement for the full 7 year term. Motion carried.

Mayor Prim stated the next item on the agenda was the wireless router purchase.

TEC Manager Guy Swenson stated that this next request was to purchase additional routers to continue the fiber to the premise rollout. Staff is requesting to purchase 190 routers in the amount of \$16,678.20. Mr. Swenson stated that this will be the final request for additional routers and should be enough to complete the fiber project as well as provide spares for failures in the future.

04-13-15-14 Motion by Mrs. Strom and second by Mrs. Enstad to approve the purchase of 190 routers from Border States in the amount of \$16,678.20. Motion carried.

TEC Manager Guy Swenson stated that he had an additional request to extend the Arvig fiber project to May 15, 2015. Mr. Swenson stated that Arvig is very close to having the project completed, but with staffing issues, Mr. Swenson would like to see the completion date changed to May 15th.

04-13-15-15 Motion by Mr. Sylvester and second by Mr. Rick to extend the contract with Arvig Construction to May 15, 2015 for the fiber project. Motion carried.

Mayor Prim stated the next item on the agenda was the 2014 EDA report.

EDA Director Karen Lauer next discussed with council the 2014 annual EDA report. Mrs. Lauer stated that per state statute, this is an annual report for the council. Mrs. Lauer stated that it has been a busy year. Some of the highlights and accomplishments were: demolished the Alto, Tansem and Mudderman properties using the pooled TIF dollars to spur new housing project, responded to 29 inquires from people interested in moving to Barnesville, took the lead role, along with City staff in discussions with Xcel Energy to bring natural gas to Barnesville are just a few of the highlights and accomplishments for the year. Mrs. Lauer stated that Chair Eric Spilde was not able to attend the meeting tonight, but would like to meet with council members

in July to discuss the EDA goals. Council members had no further questions for Mrs. Lauer and thanked her for her accomplishments.

Mayor Prim stated the next item on the agenda was the resolution approving the interfund loan for TIF 1-3.

Mrs. Lauer informed council members that this TIF project is for the Sandstone Apartments.

04-13-15-16 Motion by Mr. Rick and second by Mr. Goedtke to approve the following resolution. Upon a roll call vote, the following voted aye: council members Rick, Goedtke, Strom, Davis, Sylvester and Enstad. The following voted nay: none. Motion carried.

**CITY OF BARNESVILLE
CLAY COUNTY
STATE OF MINNESOTA
RESOLUTION NO. 04-13-15-16**

**RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF
CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING
DISTRICT NO. 1-3**

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

Section 1. Background.

1.01. The City has heretofore approved the establishment of Tax Increment Financing District No. 1-3 (the "TIF District") within the Redevelopment Project #1 (the "Project"), and has adopted a Tax Increment Financing Plan (the "TIF Plan") for the purpose of financing certain improvements within the Project.

1.02. The City has determined to pay for certain costs identified in the TIF Plan consisting of land/building acquisition, site improvements/preparation, public utilities, streets and sidewalks, other housing improvements, interest and administrative costs (collectively, the "Qualified Costs"), which costs may be financed on a temporary basis from City funds available for such purposes.

1.03. Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the City's general fund or any other fund from which such advances may be legally authorized, in order to finance the Qualified Costs.

1.04. The City intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

Section 2. Terms of Interfund Loan.

2.01. The City hereby authorizes the advance of up to \$50,000 from the EDA Fund or so much thereof as may be paid as Qualified Costs. The City shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under

Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 4% and will not fluctuate.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the Authority has Available Tax Increment (defined below), or on any other dates determined by the City Administrator, through the date of last receipt of tax increment from the TIF District.

2.03. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, tax increment available after other obligations have been paid, generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the City by Clay County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1799, all inclusive, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

2.04. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

2.05. This Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The City may amend the terms of this Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This resolution is effective upon the date of its approval.

Dated: April 13, 2015

ATTEST:

Mayor

City Administrator

(Seal)

Mayor Prim stated the next item on the agenda was the update on the police radios.

City Administrator Mike Rietz informed council members that staff has met with Brian Green with the Clay County Sheriff's office. Mr. Rietz stated that the current radio systems will be obsolete in the future. Mr. Rietz stated that staff will include funds to the police budget for the 2016 budget to help cover these expenses. Mr. Rietz stated that this is just an informational item only.

Mayor Prim adjourned the meeting at 7:55 p.m.

Submitted by:

Attest:

Jeri Reep
City Clerk

Eugene Prim
Mayor