

**Barnesville City Council**  
**Special Meeting**  
**June 20, 2017**

Mayor Prim called this special meeting to order at 6:30 p.m. Members present were Council members Jason Rick, Don Goedtke, David Brown, and Brad Field. Absent was Council member Davis and Strom. Others in attendance Sara Nyhus-Wear with Ohnstad Twitchell, City Clerk Jeri Reep, EDA Director Karen Lauer, Finance Director Laurie Schell, Public Works Supt. Trevor Moen, TEC Manager Guy Swenson, Scott Kolbinger with KLJ Engineering, and Michael Stein with the Record Review.

Mayor Prim stated the first item on the agenda was the additional financing for development costs in the Del Acres Gilbertson 2<sup>nd</sup> Addition.

Council member Strom arrived at 6:31 p.m.

Mayor Prim stated that the EDA does not have the funds for additional expenses in the Del Acres Gilbertson 2<sup>nd</sup> Addition. Mayor Prim stated if the City approves the interfund loan, the city will receive the money as the lots are sold. Five lots have already been sold in the development. Mayor Prim stated the lot price may increase, and the housing committee will meet to discuss the price of the lots.

Council member Rick asked Engineer Scott Kolbinger with KLJ Engineering if they were aware of the water tables at any time. Mr. Kolbinger stated that they were not aware of the water table.

Council member Field stated that if tiling work is completed in the development, that this could be a selling point.

**06-20-17-01** Motion by Mr. Field and second by Mr. Rick to approve the following resolution to approve up to \$360,000.00 and the actual amounts dispersed as needed. Council member Brown questioned if drain trail ever gets plugged. TEC Manager Guy Swenson expressed his concerns about the location and vaults, that the trenching is close to the infrastructure. The trenching needs to be packed properly. EDA Director Karen Lauer stated that the contractors will meet all OSHA requirements. Upon a roll call vote, the following voted aye: Council members Rick, Goedtke, Strom, Brown and Field. The following were absent: Council member Davis. The following voted nay: none. Motion carried.

CITY OF BARNESVILLE, MINNESOTA  
RESOLUTION NO. 6-20-17-01

RESOLUTION APPROVING AN ADDITIONAL \$100,000 INTERFUND LOAN  
TO THE EDA FOR THE CONTINUED DEVELOPMENT OF THE  
DEL ACRES GILBERTSON 2ND ADDITION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BARNESVILLE,  
MINNESOTA (the "CITY") AS FOLLOWS:

Section 1. Background.

1.01. On March 9, 2015, the City Council approved an Interfund Loan to the EDA in the maximum amount of \$260,000 for the EDA's land purchasing, platting, surveying, and initial marketing efforts in the City, including the purchase of additional land to expand the Del Acres Gilbertson Addition (the "Project").

1.02. The City provided funds to finance the Project on a temporary basis from the Water and Sewer Funds (collectively, the "Fund"), which funds are administered by the City and have balances that are legally available for such purposes.

1.03. The EDA has begun to reimburse the Fund and will continue to reimburse the Fund from lot sales in accordance with the terms of the attached Development Agreement.

Section 2. Increase of Interfund Loan Amount

2.01. The EDA has determined that in order to continue the development and sale of lots in the Del Acres Gilbertson 2nd Addition, drain tile needs to be installed to address on site ground water issues. This work can be completed at a cost not to exceed \$100,000.

2.02. The City will provide the EDA the additional requested amount of up to \$100,000 from the Sewer Fund.

2.03. The EDA shall repay to the Fund the principal amount of funds advanced for the Project in a total amount not to exceed \$360,000 for the Project. The Development Agreement will be amended and approved by both the City Council and the Barnesville EDA to reflect this increased amount.

2.04. This resolution is evidence of an internal borrowing by the City and 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, 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.

2.05. 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.

Adopted this 20<sup>th</sup> day of June, 2017.

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Mayor

ATTEST:

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City Clerk

Mayor Prim stated the next item on the agenda was the tiling work on 13<sup>th</sup> Street SE. Mayor Prim stated that the culvert height at 2<sup>nd</sup> Ave SE needs to be dealt with to drain property, the ditch needs to be graded properly. Mayor Prim asked if there were any other questions, there were none.

Mayor Prim adjourned the meeting at 6:55 p.m.

Submitted by:

Attest:

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Jeri Reep  
City Clerk

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Eugene Prim  
Mayor