

Barnesville City Council
Regular Meeting
March 10, 2014

Mayor Gene Prim called this regular meeting to order at 7:00 p.m. Members present were Council members Betty Strom, Richard Sylvester, Larry Davis, Jr, Don Goedtke, Jason Rick 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, Police Chief Dean Ernst, TEC Manager Guy Swenson, EDA Director Karen Lauer, Ambulance Manger Jon Yeske, Public Works Supt. Terry Ystenes, Dan Lubbesmeyer with People Service, Joel Paulsen with KLJ Engineering, Todd Hagen with Ehlers & Associates, and Jacob Underlee with the Record Review.

Mayor Prim asked City Administrator Mike Rietz to take roll call.

The next item on the agenda was the pledge of allegiance. All rose to recite the pledge of allegiance.

Mayor Prim next asked if there were any corrections or additions to the agenda. Council member Sylvester stated that he would like to request that the discussion of the Old City Hall asbestos bids to the first item on the regular agenda.

03-10-14-01 Motion by Mr. Davis and second by Mr. Rick to approve the agenda as presented, with the discussion of the Old City Hall asbestos bids to the first item on the regular agenda. Motion carried.

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

03-10-14-02 Motion by Mr. Sylvester and second by Mr. Rick 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 February 10, 2014.
2. Approval of the minutes of the special meeting held on February 27, 2014.
3. Department head reports
4. Approval of check numbers 77263 – 77421 in the amount of \$287,717.53 and EFT payments in the amount of \$250,960.11.
5. Approval of pay request #2 for the Old City Hall elevator Project in the amount of \$38,730.00.
6. Approval of appointment of Rick Nicklay as Golf Course Supervisor.
7. Approval of appointment of Darla Ackerson as Golf Course Pro Shop Manager.
8. Approval of travel for TEC Manager Guy Swenson to attend the MRES Technology Days, March 25-26, 2014.
9. Approval of travel for TEC Manager Guy Swenson, TEC Assistant Diane Hanson, Tele. Supt. Elliot Goheen, and Cable TV Supt. Mike Pearson to attend the TOC-May 6-8, 2014.

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

Council member Goedtke stated that there was no Planning Commission meeting.

Council member Goedtke stated that Joint Powers had met the week earlier.

Council member Enstad stated that the Community Education would be meeting in April.

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

Mayor Prim stated the next item on the agenda was the Old City Hall Asbestos bids.

City Administrator Mike Rietz stated that VCI Environmental was the lowest responsible bidder to abate the asbestos in the former opera house space in the Old City Hall. Mr. Rietz stated that we had received 4 bids, ranging from \$48,000 to \$35,550.00. Mr. Rietz stated that the Building committee and the personnel and finance committee discussed this, and the consensus was to move forward with this work.

03-10-14-03 Motion by Mr. Davis and second by Mr. Sylvester to approve the bid from VCI Environmental in the amount of \$35,550.00 to abate the asbestos in the former opera house space in the Old City Hall. Council member Sylvester stated that he would like to see this move forward now. Council member Enstad stated that she was concerned about the residents in town having to pay for this asbestos removal, and not being able to use the space. The following voted aye: council members Rick, Goedtke, Strom, Davis and Sylvester. The following voted nay: council member Enstad. Motion carried.

Mayor Prim stated the next item on the agenda was the increase in bond rating

City Administrator Mike Rietz informed the council that the City had just received notification that our Standard and Poor's rating was increasing from an A- to an A+ rating.

Mr. Todd Hagen with Ehlers & Associates next approached council members. Mr. Hagen presented City Administrator Mike Rietz with a plaque showing the City's new Standard & Poor's rating of A+.

Mr. Todd Hagen next discussed the Fiber to the Home Bond pre-sale report. Mr. Hagen discussed the pre-sale report for the \$3,830,000.00 Communications System Revenue Bonds, Series 2014A. Mr. Hagen stated that the bonds would be sold on April 14, 2014. This bond is a revenue bond, and therefore not rated. Mr. Hagen stated that they will be working with local banks. Council members had no further questions for Mr. Hagen.

03-10-14-04 Motion by Mr. Rick and second by Mrs. Strom to approve the following resolution.

**Resolution Providing for the Sale of
\$3,830,000 Communication System Revenue Bonds, Series 2014A**

- A. WHEREAS, the City Council of the City of Barnesville, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$3,830,000 Communication System Revenue Bonds, Series 2014A (the "Bonds"), to finance the cost of upgrading the City's existing broadband communication system infrastructure from copper to fiber-optic; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to work with Midwest Bank in Barnesville, Minnesota ("Midwest") or another willing participant to provide for the sale of the Bonds in accordance with the terms set forth in the pre-sale report;

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

1. Authorizations. The City Council hereby authorizes Ehlers to structure the terms of the Bonds, provided that the final maturity shall be no later than February 1, 2035. The City Council authorizes the Mayor and City Administrator to consider the proposal of Midwest or another willing participant and take any other appropriate action with respect to the Bonds. Ehlers is further authorized to negotiate the sale of the Bonds with Midwest or others.
2. Meeting; Ratify Acceptance of Proposal; Award Bond Sale. The City Council shall meet at 7:00 p.m. on April 14, 2014 or another date set by City staff, to ratify the acceptance of a proposal from Midwest or others, to award the sale of the Bonds and to take any other appropriate action with respect to the Bonds.
3. Request for Proposals; Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of a request for proposals and an official statement for the Bonds and to execute and deliver the official statement on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by City Council Member Strom and, after full discussion thereof and upon a vote being taken thereon, the following City Council Members voted in favor thereof: Rick, Goedtke, Strom, Davis, Sylvester and Enstad

and the following voted against the same: none

Whereupon said resolution was declared duly passed and adopted. Motion passed.

Dated this 10th day of March, 2014.

Michael Rietz, City Administrator

Mayor Prim stated the next item on the agenda was the Capital Improvements Plan.

Mr. Joel Paulson with KLJ Engineering next discussed with council members the Capital Improvement Plan. Mr. Paulsen stated that they are missing one part of the plan. The purpose of the plan is to list potential projects in the future, for the next ten years. The City has received a grant from West Central Initiative to help in the cost. Some of the projects are the water treatment plant, sanitary sewer televising area, and County Rd 2 and Trunk Highway 34 trail. Mr. Paulsen stated that he would provide council members a complete draft at the April regular council meeting. Council members had no further questions for Mr. Paulson.

Council member Sylvester left the meeting at 8:00 p.m.

Mayor Prim stated the next item on the agenda was the discussion of the joint meeting with the EDA and School Board.

City Administrator Mike Rietz discussed with council members the proposed agenda. Mr. Rietz stated the proposed date for the meeting is Tuesday, March 25th. Mr. Rietz discussed the 2013 organizational highlights, short term goals and long term goals with council members. Council member Goedtke stated he thought one of the challenges is going to be residential lots.

Mayor Prim stated the next item on the agenda was the NFL Network agreement.

TEC Manager Guy Swenson stated the NFL Network is offering an early renewal of their affiliation agreement. One of the key features to the early renewal is a rate reduction. This agreement will extend our current agreement by an additional five years.

03-10-14-05 Motion by Mr. .Davis and second by Mrs. Strom to authorize TEC Manger Guy Swenson to execute the NFL Network Early Renewal Agreement through the National Cable Television Cooperative. Motion carried.

Mayor Prim stated the next item on the agenda was the Central Office computer replacement.

TEC Manager Guy Swenson informed council members that with the recent action by Microsoft to cease support for the Windows XP product and the additions to the Central Office equipment

with the Fiber to the Home Project, and the age of the current PC, staff is asking to use funds from our current capital budget to upgrade the Central Office computer and laptop. Mr. Swenson stated that funds are available in capital for this upgrade.

03-10-14-06 Motion by Mr. Rick and second by Mrs. Enstad to approve the upgrade of the Central Office computer, screens and printer per the quote from Digicom Technologies, not to exceed \$4,500.00. Motion carried.

Mayor Prim stated the next item on the agenda was the 1st reading of Ordinance 2014-03.

TEC Manager Guy Swenson stated that the purpose of the Electric Trenching Rebate was to help contractors defer the cost of burying the electric service to a new home. The amendment established a requirement for the contractor to submit a request for the electric trenching rebate within 6 months from the date of closing on the property. Previously there were no time restraints and contractors would wait and submit multiple property/multiple year requests at the same time. The second item that should be changed is in Section 10, to change the vote of the council from a “five-sixth” vote to “majority” vote of the council.

03-10-14-07 Motion by Mrs. Enstad and second by Mrs. Strom to approve the 1st reading of Ordinance 2014-03. Motion carried.

ORDINANCE 2014-03

AN ORDINANCE TO ESTABLISH ELECTRIC RATES AND CHARGES FOR RESIDENTIAL AND COMMERCIAL ELECTRIC SERVICES.

The City Council of the City of Barnesville does hereby ordain as follows:

WHEREAS, the City Council did previously Ordinance No. 2013-4 an ordinance to establish charges and,

WHEREAS, the Telephone/Electric/Cable TV (T.E.C.) Advisory Board for the City of Barnesville has recommended the following rates and charges for residential and commercial electric services;

NOW, THEREFORE, Ordinance No. , 2013-4 is hereby replaced as follows

MUNICIPAL AND PUBLIC UTILITIES - RULES AND REGULATIONS, RATES, CHARGES AND COLLECTIONS

Section 1. Code Requirement.

All wiring, connections and appurtenances shall be installed and performed strictly in accordance with the National Electrical Code. Failure to install or maintain the same in accordance therewith or failure to have or permit required inspections shall, upon

discovery by the City, be an additional ground for termination of electrical service to any consumer.

Section 2. Services.

New or changed service installations shall be made at the expense of the consumer, placed underground where designated by the City (refers to the exact buried location and whether the service should go to the transformer or closest pedestal), and the meter location shall also be designated by the City (refers to mounting the meter inside or outside of the building, on the building or at the transformer). Overhead service installations may be permitted by the City

- A. Temporarily during new construction;
- B. Temporarily during an emergency to prevent danger to persons or property;
- C. For a period of not more than seven months when soil conditions make excavation for underground service impractical; or
- D. Where to require underground service, the consumer has shown that such requirement is unduly burdensome.

Section 3. Electrical Installations.

All electrical installations shall comply with the following, where applicable:

- A. Soft starts may be required (as determined by the city's electrical engineer) for 20 to 30 HP motors and are required for motors larger than 30 hp. The City may, at its option, make an exception if the total connected motor load required is smaller than the consumer connected load, and the motor starting current is less than the current corresponding to the consumer's total connected load.
- B. Any establishment having a total motor load of 125 HP or more is required to have 440 volts for its motor load.
- C. All motor installations of less than 5 HP shall be supplied with 240 volt single phase energy except: (1) motors of 1/2 HP or smaller may be 120 volt; or (2) three phase motors of 3 HP or more may be served from existing secondary power circuits where only service wires and meters are required.
- D. The City shall make an installation charge for extraordinary expenses required by a consumer.

Section 4. Replacing or Converting to Underground.

- A. Converting to Underground. The City may, at its option and at its expense, convert any present service where no change is otherwise required by the consumer, from overhead to underground. Where this is done, the City shall only cover and refill the trench and other ditching maintenance or repair, and all

subsequent changing and repairing of the service shall be the obligation of the consumer.

- B. Replacing. Nothing herein shall prevent the City from replacing an overhead service with the same type.
- C. Meters and Placement Service. Placement of services and meters shall be determined by the City.

Section 5 Installation of Electric By-Pass Switches

A. RESIDENTIAL:

1. New Housing

All metered electric services will be equipped with an ELECTRIC BY-PASS SWITCH.

2. Existing Housing

When the existing metered electric service is upgraded or replaced an ELECTRIC BY-PASS SWITCH will be installed.

B. INDUSTRIAL/COMMERICAL:

1. New Buildings

All metered electric services will be equipped with an ELECTRIC BY-PASS SWITCH.

2. Existing Buildings

When the existing metered electric service is upgraded or replaced an ELECTRIC BY-PASS SWITCH will be installed.

C. FAILURE TO COMPLY:

In the event a contractor, home owner or building owner fails to comply with this ordinance an electric meter will not be installed and the electric service cables will not be connected to the Barnesville Municipal Power distribution system.

Section 6. Reconnection / Service Charges

Reconnection services will occur only during regular business hours, 7:30 a.m. through 4:30 p.m., Monday through Friday, except for Holidays, providing:

- A. Current bill, penalties service order charge and reconnect fee of \$100.00 are paid in full; however, should the customer request reconnection outside of the above mentioned regular business hours or on holidays, the reconnect fee shall be \$200.00.
- B. Formal payback agreement is established within the city utilities which shall include the reconnect fee whether it is \$100.00 or \$200.00.

1. Failure of the customer to adhere to the payment plan as established by the Barnesville Utilities shall result in immediate disconnection of service.
- C. Relocates: Relocating an established electric service from one location to another. \$19.95 Administrative fee applies.

Section 7 Electric Heating System Regulations

A. VIOLATION A MISDEMEANOR.

Every person whom violates a section, subdivision, paragraph or provision of this Chapter when he/she performs an act thereby prohibited or declared unlawful, or fails to act when such failure is thereby prohibited or declared unlawful, and upon conviction thereof, shall be punished as for a misdemeanor except as otherwise stated in specific provisions hereof.

Section 8 Electric Rate Schedules

A. RATE SCHEDULE #1:

GENERAL SINGLE PHASE service Residential: (RL1 & AR1)(HP-2 & HP-4 Summer Rate)

	Current	July 2014
Base Charge	\$13.50	\$14.00
Energy Charge:		
June – August	\$.1040 per kwh	\$.1130 per kwh
September – May	\$.0945 per kwh	\$.0960 per kwh

Available to all residential customers.

B. RATE SCHEDULE #2:

GENERAL SINGLE PHASE service Commercial: (RC1 & DI1)

	Current	July 2014
Base Charge	\$16.50	\$17.00
Energy Charge:		
June – August	\$.1050 per kwh	\$.1120 per kwh
September – May	\$.0975 per kwh	\$.0980 per kwh

Available to commercial customers for single phase service

C. RATE SCHEDULE #3

GENERAL THREE PHASE SERVICE: (GS6 & DI9)

	Current	July 2014
Base Charge	\$22.75	\$23.50

Energy Charge:

June – August	\$.1050 per kwh	\$.1120 per kwh
September - May	\$.0975 per kwh	\$.0980 per kwh

Available to all customers for three phase service with a calculated demand of 20 KW or less

D. RATE SCHEDULE #4

LARGE POWER THREE PHASE SERVICE (LP1 & DI1)

	Current	July 2014
Base Charge	\$37.00	\$38.00
Demand Charge		
All kw:		
June – August	\$12.75 per kw	\$13.90 per kw
September – May	\$10.30 per kw	\$10.30 per kw
Energy Charge		
All kwh	\$.0530 per kwh	\$.0530 per kwh

Available to all customers for three phase service with a calculated demand over 20 KW. Billing demand to be the maximum measured during any 15 minute interval during the billing period.

E. RATE SCHEDULE #6

SECURITY LIGHTS: (YL1)

	Current	July 2014
Charge per light	\$12.25 per month	No Change

Available to all customers for un-metered lights, 200 watts or less, owned, installed and maintained by the City.

SECURITY FLOOD LIGHTS: (YL2)

	Current	July 2014
Charge per light	\$24.50per month	No Change

Available to all commercial customers for un-metered lights, 200 watts or greater, owned, installed and maintained by the City.

F. DEFINITION OF TERMS:

1. Residential Customers: any electric service which includes the primary residence of any person or people.
2. Commercial Customers: any electric service which does not include the primary RESIDENCE of any person or people.
3. Base Charge: Applies to all services where a meter is required to measure energy or demand usage. The base charge does not apply to those meters installed where the only purpose is to measure energy utilized by dual fuel or off peak heating sources.

G. CHARGE TO DELIVER DISCONNECT NOTICES

1. A charge of \$25.00 will be applied to utility accounts when in the process of collecting past due charges for electricity it is necessary to hand carry and post a disconnect notice at the customer premise.
2. This charge will be waived one time per customer account.
3. This charge does not apply to notices delivered by mail.

Section 9 Electric Rate Incentives

A Dual Fuel Services (OP-1 & OP-2) (HP-1 & HP3 Winter Rate)

	Current	July 2014
Dual Fuel Service Rate:		
June – August	\$.1040 per kwh	\$.1130 per kwh
September - May	\$.0465 per kwh	\$.0470 per kwh

This rate is available to all customers with a dual fuel heating system (Including Heat Pumps) controlled by the city's load management system. To qualify:

1. A heating system must use electricity as its primary source of heat; and
2. The secondary source of heat must be fossil fuel, thermostatically controlled and capable of heating the structure to 68 degrees and maintaining that temperature; and
3. The dual fuel load shall be metered separately. Metering may be subtractive or direct metered

4. The customer must make a five year commitment to the program.
5. Tampering with, bypassing or in any way rendering the electric heat control inoperative will result in the immediate and permanent loss of the dual fuel rate, and, at council discretion, may result in criminal charges for theft of services.
6. Failure to fulfill the 5 year commitment will result in the immediate and permanent loss of the dual fuel rate.

B. Dual Fuel Incentive for Existing Buildings

An incentive will be offered for all customers converting to a dual fuel system.

A \$300.00 incentive will be paid to all customers that convert from an all electric heated home to a qualified dual fuel heating system. (ref section 9,A,1 - 5).

A \$100.00 incentive will be paid to all customers that that convert from a fossil fuel heating system to a qualified dual fuel heating system. (ref section 9,A,1 - 5).

C. Dual Fuel Incentive for New Construction

A \$200.00 one-time payment will be made to the general contractor.

D. Financing for Dual Fuel Installations

All new approved dual fuel heating installations are eligible for a 5 year, 6% annual interest loan of up to \$2,000.00. This loan will be paid back in equal monthly installments on the customer's utility bill. Loans for commercial customers will require prior approval by the T.E.C. Advisory Board or the City Council.

E. Off Peak Services

	Current	July 2014
Off Peak Service Rate:		
June – August	\$.1040 per kwh	\$.1130 per kwh
September - May	\$.0465 per kwh	\$.0470 per kwh

This rate is available for electric thermal storage (ETS) space heaters, under concrete slab electric heating systems and electric heated liquid filled under concrete slab heating systems. Off Peak Services must be metered separately and controlled by the city's load management system. Central Air-conditioners and water heaters do not qualify for the off peak rate, Ref paragraph F for water heater incentives and paragraph G for Central Air-conditioner incentives.

F. Water Heater Incentive Program

All electric water heaters are required to be connected to / and controlled by the city's load management system.

All customers shall be eligible for a rebate of \$2.00 per gallon for the installation of a new electric water heater with a storage capacity of at least 50 gallons. This rebate increases to \$3.00 per gallon for new water heaters with a minimum storage capacity of 80 gallons. The rebate shall be credited on the customer's utility bill as soon as the following are provided. Demand water heaters without storage do not qualify for this rebate.

1. Proof of purchase and installation of a qualifying water heater; and
2. Verification by electric utility personnel that the load controls have been installed and properly wired.
3. Tampering with, bypassing or in any way rendering the water heater control inoperative will result in the immediate loss of the water heater rebate. The customer will be responsible for all costs associated with the replacement and reconnection of the load controller including the cost of the replacement controller, any administrative fees, and, at council discretion, may result in criminal charges for destruction of property.

This incentive is limited to one rebate per address during any 5-year period. : (Water heater incentive subject to budget availability).

G. Central Air Conditioning Incentive Program

A \$5.00 per month credit is available to all customers that allow their central air-conditioner to be controlled by the city's load management system. This credit is available for the months of June through August. Qualifications for this rebate are;

1. Customer must have a central air-conditioning system such as a ducted or hi-velocity system. Window units and ductless mini split systems are not eligible.
2. Air-source heat pumps and geothermal heat pumps qualify if they are controlled by the city's load management system and are not receiving the dual fuel rate.

H. Distributed Generation Interconnection for Co-generation and Small Power Production.

1. The Distributed Generation Workbook is part of this ordinance and requires that;
2. All “Qualifying Facilities” must comply with the Distributed Generation Workbook. The Distributed Generation Workbook is available at City Hall.
3. All “Qualifying Facilities” must maintain insurance and submit proof of insurance certificates to City Hall annually.
4. All “Qualifying Facilities” will be charged an Application Fee of \$50.00 for a small Qualifying Facility and a \$250.00 to \$1,500.00 Application Fee for a large Qualifying Facility based on interconnection type and load (kw) size as detailed in the Generation Interconnection Application Fees in Section 9, Page 10 of the Distributed Generation Workbook.
5. Any changes to the generation or interconnection of a Qualifying Facility must be submitted to City Hall in writing 60 days before the proposed changes are to take effect.

I. Electric Trenching Rebate.

1. This rebate is available to all home builders or contractors to help defray the costs trenching associated with the installation of the underground electric service drop for new homes.
2. One \$250.00 rebate will be paid out to the general contractor per new home constructed within the Barnesville Municipal Utility service area provided the following conditions are met:
 - a. Contractor must submit an “Electric Trenching Rebate” invoice for \$250.00 to the City of Barnesville.
 - b. Submission must include proof of closing, including the address of the home and name of home owner.
 - c. Submission must be made to the City within 6 months of closing.

Section 10 Transfers to General Fund

A. Operating Transfer Calculation.

1. The operating transfer to the City of Barnesville’s General Fund is determined annually during the budget process. To meet the financial

goals of the electric fund and provide a reasonable transfer to the General Fund to meet its revenue resource requirements, a transfer rate of \$0.0095 per kwh sold to the Residential, General Service, Large Power, Dual Fuel, and Off-peak Classes of service.

2. Additional transfers may be authorized by the City Council provided that an unplanned, or emergency, expenditure out of the general fund budget occurs and it is necessary to fund said expenditure out of additional transfers from the utility provided that a ~~five-sixth~~ majority vote of all members of the City Council is required to authorize an additional transfer.

EFFECTIVE DATE: This ordinance shall become effective upon its passage and enactment, followed by publication according to law.

PASSED AND ADOPTED by the Barnesville City Council this 14th day of April, 2014.

APPROVED:

Eugene Prim, Mayor

ATTEST:

Jeri Reep
City Clerk

First Reading: March 10, 2014
Second Reading: April 14, 2014
Adopted: April 14, 2014
Publication: April 21, 2014

Mayor Prim stated the next item on the agenda was the discussion of the Ambulance Director update.

Ambulance Manager Jon Yeske informed council members that he would be resigning as Ambulance Manger in the near future. Mr. Yeske stated that they have identified a member of the Ambulance service that has interest in the position so we will be able to promote from within. The Police, Fire and Ambulance portfolio has interviewed this individual and are prepared to make an offer.

Mayor Prim sated the next item on the agenda was the discussion of the annexation of Barnesville Lumber.

City Administrator Mike Rietz discussed with council members if they would be interested in pursuing the annexation of Barnesville Lumber property. Mr. Rietz stated that this might be a good time to do this as it settles the issue for the new property owner. Council members felt that discussion should be held with Barnesville Township and Midwest Bank prior to proceeding.

Mayor Prim stated the next item on the agenda was the LMC Safety & Loss Workshop.

City Administrator Mike Rietz stated that if council was interested in attending, to let staff know.

03-10-14-08 Motion by Mr. Davis and second by Mrs. Strom to adjourn the meeting at 8:40 p.m. Motion carried.

Submitted by:

Attest:

Jeri Reep
City Clerk

Eugene Prim
Mayor