

**MINUTES - BENSON CITY COUNCIL REGULAR MEETING  
CITY HALL  
NOVEMBER 4, 2024**

The meeting was called to order at 5:30 p.m. by Mayor Evenson. Members present: Jack Evenson, Nancy Maanum, Gary Landmark, Dan Enderson and Chris Carruth. Members Absent: None. Also present: City Clerk Valerie Alsaker, Director of Finance Lisa Kent, Public Works Director Elliot Nelson, City Manager Rob Wolfington, City Attorney Stephen Kowal, CEDA Representative Hillary Tweed, Police Chief Ian Hodge, Jon Hawley and Reed Anfinson.

The Council recited the Pledge of Allegiance.

The Mayor asked for any additions. Resignation of Councilmember Chris Carruth was added, and City Attorney Kowal asked to change amending the Ordinance for the Hospital Board Terms to an action item. It was moved by Carruth, seconded by Maanum and carried unanimously to approve the amended agenda.

It was moved by Landmark, seconded by Maanum, and carried unanimously to approve the consent agenda.

There was no one with unscheduled business.

Hawley approached to inform the Council the heat exchanger at the Racquetball Club is going bad. The furnace is 16 years old. With the age of the furnace, there is a risk of the circuit board or blower fan going bad which could cost \$2,000. Hawley said life expectancy of furnaces is around 15-18 years. Under warranty, the cost to replace the heat exchanger is \$1,500. Cost of a new furnace is \$4,800. Hawley also noted the air conditioner is 37 years old and still working, and the cost for that would be \$5,700. It was noted there are 60 memberships at the Racquetball Club. After discussion, it was moved by Enderson, seconded by Landmark and carried unanimously to approve replacing the furnace at a cost of \$4,800 to be paid out of the Park's budget.

Kowal approached with a first reading of an ordinance addressing term limits for the Hospital Board. This amendment is specifically addressing no-term limits to City appointed Hospital Board members. Enderson reminded the Council the Legislature could have reduced the number of board members in their last session, but there was not enough time to address it before their session was over for the year. They will try to address this in the upcoming legislative session. It was moved by Maanum, seconded by Landmark and carried unanimously to approve the 1<sup>st</sup> Reading of an Ordinance To Amend Section 32.02, Term Limits, Benson City Code.

Next Kowal presented a new ordinance addressing cannabis regulations for the City. Legal cannabis sales will begin in 2025. He said a group made up of Councilmembers Enderson and Evenson, City Clerk, City Finance Director, Police Chief and the City Manager have been working through the ordinance. After further discussion, it was moved by Landmark, seconded by Carruth and carried unanimously to approve the 1<sup>st</sup> reading of an Ordinance to Amend Title XI of The Benson City Code to Adopt Chapter 120 Enacting a Cannabis Ordinance in the City of Benson.

Kowal said with the new Cannabis Ordinance, the zoning table needs to be updated, which outlines where various cannabis businesses can be located in the City. After discussion, it was moved by Carruth, seconded by Enderson and carried unanimously to the 1<sup>st</sup> Reading of an ordinance Amending Benson City Code of Ordinances, Section 154.056 Uses.

Alsaker approached with the safety training contract with MMUA. She said the City has had a long working relationship with MMUA. They have administered our drug testing consortium since 1995, the linemen have done safety training with them for many years, and as conducting our own safety training for our employees became increasingly difficult, a decision was made several years ago to contract with MMUA to take over. Today, MMUA is asking for a 3.5% increase for 2025. They also would like to add an addendum to our agreement, allowing for a 60 day exit clause from the contract. With the current contract cities are bound for one year. After discussion, it was moved by Carruth, seconded by Maanum, and carried unanimously to approve the addendum as presented and approve safety training for 2025 in the amount of \$15,453.

Wolfington presented a pay request from Bolton & Menk for Neo Electrical Solutions for installation of the AWOS system at the airport. He reminded the Council this project is being reimbursed to the City at 100%. It was then moved by Landmark, seconded by Carruth and carried unanimously to approve pay request No. 1 to Neo Electrical Solutions in the amount of \$124,997.25.

Next Tweed presented a pay request from Engan Associates for Armory design. It was moved by Enderson, seconded by Landmark and carried unanimously to approve the pay request in the amount of \$18,684.62.

Wolfington approached to discuss the Armory project and possible financing options. He presented a resolution allowing for the issuance of a reimbursement bond. He said the question is are we doing none of the project, some of the project or all of the project. If the Council decides to do the entire project, in the packet is a draft resolution establishing procedures correlated to the compliance with bond regulation reimbursement under the IRS regulations. This resolution allows for reimbursement of expenses now and up to three years prior to the completion of the project, so you can use bond proceeds which are tax exempt for reimbursement expenses. The second part of this resolution that you would pass after you make the decision on how you are going to proceed is whether you use bonds or cash. If you use bonds we will use the official declaration of official intent. Our bond council Mary Ipple advises we pass this now out of an abundance of caution in case we want to utilize this option. If we choose not to do the project, there is no harm done. Enderson asked how much would we bond for, to which Wolfington said \$1 million. The bond would be for years 20 years and would cost you about \$70,000 per year in debt service. After discussion, Councilmember Maanum offered the following resolution:

**RESOLUTION ESTABLISHING PROCEDURES  
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND  
REGULATIONS UNDER THE INTERNAL REVENUE CODE  
(RESOLUTION 2024-23)**

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

1. Recitals.

- (a) The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.
- (b) The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).
- (c) The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.
- (d) The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Clerk to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

- (a) Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.
- (b) Each Declaration shall (1) contain a reasonably accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.
- (c) Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City does not reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.

- (d) The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City has made Declarations.
- 3. Reimbursement Allocations. The designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.
- 4. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Councilmember Enderson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Landmark, Enderson, Carruth, Maanum. NAYES: None. Thereupon the Mayor declared Resolution 2024-23 duly passed and adopted.

Wolfington said the second part of the Armory project is the Finance Options. He presented 4 options:

- 1. Referendum Bond
- 2. Tax Abatement GO Bonds
- 3. EDA Lease Revenue Bonds
- 4. City Lease Agreement

He discussed each option, stating Ehler’s preferred route is the Tax Abatement GO Bond. He said he only decided to bring the options as part of the big picture.

Councilmember Carruth offered the following resolution:

**RESOLUTION TRANSFERRING AMOUNT DESIGNATED FOR FUTURE  
CAPITAL OUTLAY TO THE GENERAL CAPITAL OUTLAY FUND  
(RESOLUTION NO. 2024-24)**

WHEREAS, the Benson City Council has established a fund known as the General Capital Outlay Fund, and

WHEREAS, the Council desires to track all capital outlay purchases for the General Fund through this fund, and

WHEREAS, there are monies appropriated in the General Fund 2024 Budget for this purpose.

NOW, THEREFORE, BE IT RESOLVED that the following amounts be transferred from the General Fund Appropriated Fund Balance to the General Capital Outlay Fund for:

Streets	260,000
Police	75,000
Parks	<u>181,000</u>
<b>TOTAL</b>	<b>\$516,000</b>

Councilmember Landmark seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Landmark, Enderson, Carruth, Maanum. NAYES: None. Thereupon the Mayor declared Resolution 2024-24 duly passed and adopted.

Councilmember Maanum offered the following resolution:

**RESOLUTION TRANSFERRING \$42,117 FROM THE EDA FUND AND \$12,746 FROM THE REVOLVING LOAN FUND TO THE GENERAL FUND  
(RESOLUTION NO. 2024-25)**

WHEREAS, the City of Benson is active in economic development, and

WHEREAS, the Economic Development Authority makes loans to local businesses in order to create jobs, and

WHEREAS, these loans are administered by personnel within the General Fund, and

WHEREAS, a 1% management fee on the beginning asset balance of these Funds is a reasonable fee to charge for this administration.

NOW, THEREFORE BE IT RESOLVED that the City Council authorized the transfer of \$42,117 from the EDA Fund and \$12,746 from the Revolving Loan Fund to the General Fund.

Councilmember Enderson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Landmark, Enderson, Carruth, Maanum. NAYES: None. Thereupon the Mayor declared Resolution 2024-25 duly passed and adopted.

Councilmember Enderson offered the following resolution:

**RESOLUTION AUTHORIZING TRANSFER OF XCEL ENERGY GRANT DOLLARS FOR ECONOMIC DEVELOPMENT PURPOSES  
(RESOLUTION 2024-26)**

WHEREAS, the City Council of the City of Benson, County of Swift, State of Minnesota, received grant dollars from Northern State Power (Xcel Energy) as part of the Benson Power LLC biomass plant closing, and;

WHEREAS, these grant dollars are limited in use for the purposes of economic development, and;

WHEREAS, the Council has determined that water treatment improvements qualify as an economic development purpose, and;

WHEREAS, the following projects are authorized use of grant dollars:

<b>Name</b>	<b>Budget</b>	<b>Transfer Out</b>
2020 Clear Well Project	\$2,644,805.00	\$160,362.05

NOW, THEREFORE, BE IT RESOLVED that \$160,362.05 as itemized on the attached invoices to be transferred from the NSP Grant Fund to the Water Fund.

Councilmember Carruth seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Landmark, Enderson, Carruth, Maanum. NAYES: None. Thereupon the Mayor declared Resolution 2024-26 duly passed and adopted.

Councilmember Landmark offered the following resolution:

**RESOLUTION AUTHORIZING TRANSFER OF XCEL ENERGY GRANT DOLLARS FOR  
ECONOMIC DEVELOPMENT PURPOSES  
(RESOLUTION 2024-27)**

**WHEREAS**, the City Council of the City of Benson, County of Swift, State of Minnesota, received grant dollars from Northern State Power (Xcel Energy) as part of the Benson Power LLC biomass plant closing, and;

**WHEREAS**, these grant dollars are limited in use for the purposes of economic development, and;

**WHEREAS**, the Council has determined that Sanitary Sewer Collection and treatment improvements qualify as an economic development purpose, and;

**WHEREAS**, the following project is authorized use of grant dollars:

<b>Name</b>	<b>Budget</b>	<b>Transfer Out</b>
2020 Deferred Maintenance	\$1,442,600	\$50,486.93

**NOW, THEREFORE, BE IT RESOLVED** that \$50,486.93 as itemized on the attached invoices to be transferred from the NSP Grant Fund to the Sewer Fund.

Councilmember Carruth seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Landmark, Enderson, Carruth, Maanum. NAYES: None. Thereupon the Mayor declared Resolution 2024-27 duly passed and adopted.

Nelson approached to remind the Council he has been here for one year as a temporary replacement as Public Works Director. He would like to see a permanent person come in. He said he is not giving a deadline, and is happy to stay around to consult and transition the next individual. Evenson thanked Nelson for everything he has done for the City. Wolfington said we have begun advertising locally. We will take a first look at applications on November 22, 2024, and will continue to advertise until the position is filled with a qualified individual. We went on to say there was an all employee meeting to inform the employees of the of the plan.

Councilmember Carruth said he is submitting his resignation for City Council tonight. He accepted a new job out of state, and he starts November 18, 2024. He said he appreciated his time on the Council and loved his time in Benson. The Council thanked Carruth and wished him well in the next chapter of his life.

Councilmember Enderson offered the following resolution:

**RESOLUTION DECLARING A VACANCY  
ON BENSON CITY COUNCIL  
(RESOLUTION NO. 2024-28)**

**WHEREAS**, Councilmember Chris Carruth was elected to the office of City Council at the November 7, 2022 municipal election and,

**WHEREAS**, Chris Carruth has resigned from the Benson City Council, as of November 4, 2024,

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BENSON, MINNESOTA, AS FOLLOWS:**

The council declares that a vacancy exists on council effective on November 4, 2024.

. Councilmember Maanum seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Landmark, Enderson, Carruth, Maanum. NAYES: None. Thereupon the Mayor declared Resolution 2024-28 duly passed and adopted.

There being no further business to come before the Council a motion was made by Landmark, seconded by Carruth and carried unanimously to adjourn the Council meeting at 6:08 p.m.

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Mayor

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City Clerk