

**MINUTES - BENSON CITY COUNCIL REGULAR MEETING
CITY HALL
SEPTEMBER 7, 2021**

The meeting was called to order at 5:30 p.m. by Mayor Collins. Members present: Terri Collins, Mark Schreck, Jack Evenson and Jon Buyck. Members Absent: Lucas Olson. Also Present: Director of Finance Glen Pederson, Police Chief Ian Hodge, CEDA Representative Hillary Tweed, Public Works Director Dan Gens and Pioneerland Librarian Andrew Kelton.

The Council recited the Pledge of Allegiance.

The Mayor asked for any changes to the agenda. The following items were added to the agenda: TIF Interfund Loan Agreement, Approve the proposed General Fund Budget, Remove Conditional Use permit consideration for 1529 Oregon Ave., Add Small Cities Grant information. It was moved by Evenson seconded by Schreck and carried unanimously to approve the amended agenda.

It was moved by Evenson, seconded by Schreck and carried unanimously to approve the following items on the consent agenda:

- August 16, 2021 City Council Minutes
- July 19, 2021 EDA Minutes
- AFSCME Union Letter of Intent to Open Negotiations
- Wellhead Protection Plan Amendment
- Department of Public Services – Preliminary Plan to Re-open All Test Sites
- Electronic Transfers:
 - Payroll: August 26, 2021 - \$97,358.29
 - Journal: July - \$2,273,693.37
- Kalcon Construction Pay Request #8 AD Building – \$53,572.40

There was no one with unscheduled business to come before the Council.

First was a change in ownership at McKinney's on Southside. Brady Lee is buying the business. He is asking for approval of a liquor license transfer from Scott Vick to himself. Lee is taking over the business on October 1, 2021. It was moved by Schreck, seconded by Evenson and carried unanimously to approve the liquor license for Brady Lee at McKinney's on Southside from October 1, 2021 to April 12, 2022.

Next was an engagement letter from David Drown Associates, Inc. to be the municipal advisor for the City of Benson for professional services related to the TIF District to be created for the Cottage Square development. It was moved by Evenson, seconded by Buyck and carried unanimously to authorize the City Manager to sign the letter of engagement on behalf of the City Council.

Tweed presented a proposal for development consulting services for the proposed TIF District No. 8 with David Drown Associates. Their duties were lined out in their proposal. Estimated cost for their services are \$7,000 plus mileage. Councilmember Schreck introduced the following resolution and moved its adoption;

**CALLING FOR A PUBLIC HEARING ON
THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 8
WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 4, AND
THE ADOPTION OF TAX INCREMENT FINANCING PLAN RELATING THERETO**

(RESOLUTION NO. 2021-22)

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

1. Public Hearing. The City Council shall meet on Monday, November 1, 2021, at approximately 5:30 p.m. to hold a public hearing on the following matter; (a) the proposed establishment of Tax Increment Financing District No. 8, and (b) the proposed adoption of the Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, inclusive, as amended (the "Act").

2. Notice of Hearing. Filing of Plan. The City Manager is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and to place a copy of the Tax Increment Financing Plan, as proposed to be adopted, on file in the City Manager's Office at City Hall and to make such copies available for inspection by the public.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Buyck and upon vote being taken thereon, the following voted in favor: Collins, Evenson, Buyck, Schreck. Thereupon the Mayor declared Resolution 2021-22 duly passed and adopted.

Tweed then presented a resolution for consideration for approving up to \$253,499 for an Interfund loan. Pederson said this will be recaptured through the TIF District. We will borrow from the general fund and pay it back through TIF. Cottage Square has most sewer and water in at the Cottage Square Addition. No electric has been started there. We will be able to recoup our expenses we spent years ago. Pederson went on to say the connection fees for sewer and water will be collected on the building permit which will be \$4,500 per townhouse. After discussion, Councilmember Buyck offered the following resolution:

**CITY OF BENSON
SWIFT COUNTY
STATE OF MINNESOTA
RESOLUTION APPROVING THE TERMS OF UP TO A
\$253,499 INTERFUND LOAN IN CONNECTION WITH
A PROPOSED TAX INCREMENT FINANCING DISTRICT
(RESOLUTION NO. 2021-23)**

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

A. Background.

1. The City intends to establish Tax Increment Financing District No. 8 (the "TIF District") within Municipal Development District No. 4, and adopt a tax increment financing plan for the TIF District (the "TIF Plan").

2. The City may pay for certain costs to be identified in the TIF Plan consisting of land acquisition, public utilities, site improvements/preparation, other eligible improvements, and administrative costs (the "Qualified Costs") incurred in connection with the establishment of the TIF District and development of land within the TIF District, which costs may be financed on a temporary basis from City funds available for such purposes.

3. 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 made, in order to finance the Qualified Costs.

4. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, 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").

B. Terms of Interfund Loan.

1. The City hereby authorizes the advance of up to \$253,499 from the City's General 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 4.00% and will not fluctuate.

2. Principal and interest on the Interfund Loan (the "Payments") shall be paid annually on each December 31 commencing with the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (i) the date the principal and accrued interest of the Interfund Loan is paid in full, or (ii) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.

3. Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding twelve (12) months with respect to the TIF District and remitted to the City by Swift County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

4. 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.

5. The 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 tax increment pledged to the payment hereof under this resolution. The 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 the Interfund Loan or other costs incident hereto except out of 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 the 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 termination of the TIF District.

6. The City may amend the terms of the 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.

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

Councilmember Schreck seconded the foregoing resolution and the following vote was recorded: AYES: Schreck, Buyck, Collins, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2021-23 duly passed and adopted.

Tweed presented the CDBG-CV19 policies for the Armory grant to the Council. These are standard policies similar to the small cities grants in the past. It was moved by Evenson, seconded by Buyck and carried unanimously to approve and direct the City Manager to sign the policies on behalf of the City of Benson.

Next was the Coalition of Greater Minnesota Cities (CGMC) 2022 dues request. After discussion, it was moved by Evenson, seconded by Schreck and carried unanimously to add the CGMC dues to the 2022 budget in the amount of \$5,826. It was then moved by Buyck, seconded by Evenson and carried unanimously to approve \$790 to go into the 2022 budget for the Voluntary Assessment for the Environmental Action fund.

Pederson called the Council's attention to the League of Minnesota Cities Fall Forums September 29 – November 10, 2021 in various locations around the state. He also alerted the Council to MRES Fall Membership meeting November 9-10, 2021. If anyone wishes to attend these events they need to contact the City Manager's office.

Hodge approached the Council to discuss a K9 squad car going up for bids from the Paynesville Police Department. They are discontinuing their K9 program. This particular squad is outfitted for a K9 officer and by bidding on this vehicle, it could save the City on the purchase of a new K9 vehicle. He presented information on the 2021 Chevy Tahoe with 8,000 miles on it and said they have inspected it and found it to be in good order, and all that would be needed is to install a radio for approximately \$3,000. The current vehicle we are using is a 2014 Ford with 84,000 miles on it. It was in the 2021 budget to purchase a new K9 vehicle. He is seeking Council approval to submit a sealed bid for the vehicle. After further discussion, it was moved by Evenson, seconded by Schreck and carried unanimously to give Chief Hodge permission to submit a sealed bid for the 2021 Tahoe in the amount not to exceed \$50,000.

Councilmember Evenson offered the following resolution:

**POLICE OFFICER DECLARATION
(RESOLUTION NO. 2021-24)**

WHEREAS, the policy of the State of Minnesota as declared in Minnesota Statutes 353.63 is to give special consideration to employees who perform hazardous work and devote their time and skills to protecting the property and personal safety of others; and

WHEREAS, Minnesota Statutes Section 353.64 permits governmental subdivisions to request coverage in the Public Employees Police and Fire plan for eligible employees of police departments whose position duties meet the requirements stated therein and listed below.

BE IT RESOLVED that the City Council of the City of Benson hereby declares that the position titled Part-Time Police Officer, currently held by Brennan McAlpin meets all of the following Police and Fire membership requirements:

1. Said position requires a license by the Minnesota peace officer standards and training board under sections 626.84 to 626.863 and this employee is so licensed;
2. Said position's primary (over 50%) duty is to enforce the general criminal laws of the state;
3. Said position charges this employee with the prevention and detection of crime;
4. Said position gives this employee the full power of arrest, and
5. Said position is assigned to a designated police or sheriff's department.

BE IT FURTHER RESOLVED that this governing body hereby requests that the above-named employee be accepted as a member of the Public Employees Police and Fire Plan effective the date of this employee's initial Police and Fire salary deduction by the governmental subdivision.

Councilmember Schreck seconded the foregoing resolution and the following vote was recorded: AYES: Schreck, Buyck, Collins, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2021-24 duly passed and adopted.

Next was discussion on the temporary one-way street the Council granted to Northside Elementary School on Nevada Avenue during their construction last year. The Council asked Chief Hodge about the temporary one-way and his thoughts on a permanent one-way at this location. He said it seems to help eliminate safety concerns and the chaos before and after school to keep traffic flowing one way there. After discussion, it was moved by Schreck, seconded by Buyck and carried unanimously to make the temporary one-way street a permanent one-way on Nevada Avenue between 15th and 18th St. N. going west.

The City received a \$9,000 grant for cleaning and maintenance pertaining to COVID at the Benson Municipal Airport. There could be future similar grants we could look at. After discussion Council member Schreck offered the following resolution:

**RESOLUTION
AUTHORIZATION TO EXECUTE
MINNESOTA DEPARTMENT OF TRANSPORTATION
GRANT AGREEMENT FOR FEDERAL AIRPORT
EXPENSES REIMBURSEMENT
(RESOLUTION 2021-25)**

It is resolved by the City of Benson as follows:

1. That the state of Minnesota Agreement NO. 1046589, "grant Agreement for Federal Airport Expenses Reimbursement," for State Project No. A7601-C2 at the Benson Municipal Airport is accepted.
2. That the City Manager and Director of Finance are authorized to execute this Agreement and any amendments on behalf of the City of Benson.

Councilmember Buyck seconded the foregoing resolution and the following vote was recorded: AYES: Schreck, Buyck, Collins, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2021-25 duly passed and adopted.

Next the Department of Transportation Aeronautics Office selected the Benson Municipal Airport to receive a grant for pavement chip seal and beacon rehab in the amount of \$45,000. It was moved by Schreck, Seconded by Evenson and carried unanimously to accept the \$45,000 grant for the aforementioned projects.

Tweed presented a request for support from the Benson Golf Course annual Ribfest. It is a successful annual fundraiser for the Golf Club. It was not held last year due to COVID. After discussion it was moved by Schreck, seconded by Evenson and carried unanimously to approve support to the Golf Club in the amount of \$4,500 to be used in the purchase of ribs.

Pederson presented the Xcel Grant quarterly report as of June 2021.

Next Pederson reviewed the last two levies and the proposed 2022 levy with the Council. The levy is kept low by using the last annual payment from Xcel as negotiated by the City in the purchase of the property. He reminded the Council that once the levy is approved, they cannot raise it but they can reduce the levy at the last meeting in December. The levy amount adopted will be used on the proposed

property tax statements for 2022. He is proposing a 3% increase for 2022. The pool levy is done. Possible fund transfers were discussed to help keep the levy for 2022 down. Councilmember Evenson presented the following resolution:

**RESOLUTION ADOPTING PROPOSED 2021 PROPERTY
TAX LEVY, COLLECTIBLE IN 2022
(RESOLUTION NO. 2021-26)**

BE IT RESOLVED by the City Council of the City of Benson, County of Swift, Minnesota that the following proposed sums of money be levied for the current year, collectible in 2022, upon the taxable property in the City of Benson, for the following purposes:

General Fund Levy	\$408,027
Police Personnel	779,973
Library Fund Levy	123,724
G.O. CIP Bonds 2014 - Street Garage	69,169
G. O. CIP Bonds 2017 - Police Department	<u>85,549</u>
Total	\$1,466,442

BE IT FURTHER RESOLVED that the City Council will hold its Truth in Taxation Hearing on Monday, December 6, 2021 at 6:00 p.m. in the Benson City Council Chambers. Comments may be made by calling 320-843-4775, email to staff@bensonmn.org or by postal mail to 1410 Kansas Avenue, Benson, MN 56215.

Councilmember Schreck seconded the foregoing resolution and the following vote was recorded: AYES: Schreck, Buyck, Collins, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2021-26 duly passed and adopted.

Next Pederson presented a complete general fund budget proposal to the Council for discussion. Councilmember Evenson presented the following resolution:

**RESOLUTION CERTIFYING THE PROPOSED GENERAL FUND OPERATING BUDGET
FOR THE CALENDAR YEAR 2022 FOR THE CITY OF BENSON, MINNESOTA
(RESOLUTION NO. 2021-27)**

BE IT RESOLVED, that the proposed Operating Budget for the General Fund of the City of Benson, Minnesota, for the fiscal year beginning January 1, 2022 and ending December 31, 2022 is hereby approved.

BE IT FURTHER RESOLVED, that the budget is summarized as follows:

<u>Revenues</u>	
Taxes - General	\$1,188,000
Taxes - Library	123,724
State Grants and Aids	1,535,443
Other Revenues	<u>1,208,449</u>
Total Revenues	\$4,055,616
 <u>Expenditures</u>	
General Government	\$504,183
Public Safety	1,355,708
Highways, Streets and Roads	632,075
Parks and Recreation	527,610
Public Transit	10,700
Public Library	127,174

Capital Outlay	591,000
Other Expenditures	<u>200,550</u>
Total Expenditures	\$3,949,000

Excess (Deficiency) of Revenues over Expenditures **\$106,616**

Councilmember Buyck seconded the foregoing resolution and the following vote was recorded:
 AYES: Schreck, Buyck, Collins, Evenson. NAYS: None. Thereupon the Mayor declared Resolution
 2021-26 duly passed and adopted.

Pederson said the final budget will be voted on at the second meeting in December 2021.

There being no further business to come before the Council a motion was made by Evenson
 seconded by Schreck and carried unanimously to adjourn the Council meeting at 6:02 p.m.

Mayor

City Clerk