

**MINUTES - BENSON CITY COUNCIL REGULAR MEETING  
CITY HALL  
SEPTEMBER 9, 2024**

The meeting was called to order at 5:30 p.m. by Mayor Evenson. Members present: Jack Evenson, Nancy Maanum and Gary Landmark, Chris Carruth, Dan Enderson. Members Absent: None. Also present: City Clerk Valerie Alsaker, Director of Finance Lisa Kent, City Manager Kyle Harris, City Attorney Stephen Kowal, Rob Wolfington, Jordon Ahrndt, Diane, Zoe & Beth Halvorson and Kylie Conger with the Flower Basket, Deb Selk, Toni Lindstrom, Jan Luzum, Angela Nissen, Jon Buyck and Reed Anfinson. Present Telephonically: Zielsdorf Auction, Stacy Erickson.

The Council recited the Pledge of Allegiance.

Mayor Evenson asked if there were any changes to the agenda. The EDA Enabling Resolution and Public Hearing was removed from the agenda. It was moved by Carruth, seconded by Landmark and carried unanimously to approve the agenda.

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

- August 19, 2024 City Council Minutes
- July 22, 2024 EDA Minutes
- MRES Area Meetings Sign Up
- Charter Communications – Chanel Changes
- Charter Communications Franchise Payment to the City of Benson-\$7,520.25
- Pioneerland Library System - 3<sup>rd</sup> Quarter 2024 Pay Request - \$28,636.75
- Electronic Transfers:  
Payroll: 8/22/24 - \$113,978.09

There was no one with unscheduled business.

Harris approached to present a Conditional use Permit at 1625 Aldrich Avenue to move a garage onto the property. The garage is currently sitting on blocks, but will have a poured cement foundation with blocks under the garage. He then presented the findings of facts from the Planning Commission as follows:

1. Compliance with the Comprehensive Plan:
  - The proposed project is in compliance with the Comprehensive Plan. Among other things, the comprehensive plan promotes City growth, safety and resident wellbeing. The proposed garage will keep belongings and vehicles inside and off the street.
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2. Promote and enhance the general public welfare and will not be detrimental or endanger the public health, safety, morals or comfort:
  - This garage project, has a proposed result being consistent with the community appearance, will likely enhance the neighborhood and improve general public welfare. There is no evidence of concern over endangering the public, or negatively affecting health, morals, or comfort of other residents.

3. Will not be injurious to the use and enjoyment of other property in the immediate vicinity or diminish and impair property values within the neighborhood:
  - The proposed garage poses no concerns over restriction of light or air to neighboring properties. The proposed investment in this property is likely to marginally improve local property values.
4. Will not impede the normal and orderly development and improvement of surrounding property for uses permitted in the district:
  - Since the proposed project does not involve greenspace requirements or height restrictions, it will not impede surrounding property owners from developing or improving their properties in normal, permitted ways. It will, however, be closer to the east lot line than permitted. It will be 5 feet from the east property line. The neighbor to the east has a garage that will parallel the proposed garage. The Planning Commission feels it will not impede surrounding property owners from developing or improving their properties in normal, permitted ways.
5. Will conform to the applicable regulations of the district in which it is located:
  - There are no proposed zoning or other regulation infringements planned. The aspect of this project requiring the conditional use permit is just to move in a detached garage that is closer to the east property line than allowed.
6. Complies with the general and specific performance standards as specified by Section 154.178 of the Benson zoning ordinance:
  - Yes, there is no conflict with ordinance §154.178, or any applicable performance standard.

After further discussion, it was moved by Carruth, seconded by Maanum and carried unanimously to approve the conditional use permit at 1625 Aldrich Avenue to move the garage in as presented.

It was moved by Landmark, seconded by Enderson and carried unanimously to approve the 2<sup>nd</sup> Reading of an Ordinance to Amend the Zoning Map as presented.

Mayor Evenson said with the end of the payment in lieu of taxes from Xcel, the City is faced with budget cuts. He presented a plan with a map of a compromise in decreasing the hanging and ground flower pots in half, and concentrate the pots in the downtown area, which will be more efficient for watering. There was discussion on how and who should water the pots, and it was the consensus of the Council to keep the flowers. The Mayor proposed for the preliminary budget, we put \$15,000 in for the flower program, and between the preliminary budget, and the final budget, get the actual costs worked out with the decrease in pots. After discussion, it was moved by Landmark, seconded by Maanum to continue the flower program. Enderson discussed placement of pots, and citizen comments he received. The motion then carried unanimously.

Harris presented Change Order No. 2 for the AWOS Replacement project. He stated the water table is so high this year, they are required to change the plan for the AWOS foundations. Corrections will include re-mobilization, dewatering, culvert in place of a sono-tube, hydrovac use and aggregate for soil corrections. This will add two weeks to the project. The change order is for an additional \$145,840.00 in cost for the project. MnDOT will be paying this additional cost in full. After discussion, it was moved by Enderson, seconded by Carruth and carried unanimously to approve the pay request as presented.

Nelson presented a wire quote for the continued overhead to underground project. It was moved by Landmark, seconded by Maanum and carried unanimously to approve the wire quote from Border States in the amount of \$8,184.99.

Nelson presented a primary wire quote. This is to replace primary wire used this year, and to have wire in stock for any unexpected repair. It was then moved by Maanum, seconded by Carruth and carried unanimously to approve the primary wire purchase from Stuart C. Irby in the amount of \$12,837.83.

Next was a pay request from Engan Associates for design development, construction documents, procurement and construction administration for the Armory project. Enderson asked if we are still on track with the project. Harris said there has been no change and believes we are on track. Tweed stated the schematics and preliminary design documents are done and bids are set to go out in September. It was moved by Enderson, seconded by Maanum and carried unanimously to approve the pay request from Engan Associates in the amount of \$33,573.93.

Tweed approached the Council with a request from the UMRDC to extend the latest owner occupied and commercial rehab small Cities contract agreement by three months. This project is for the latest small cities grant for owner occupied and commercial rehab projects. This will give contractors currently working on projects time to finish their projects. There were 20 owner occupied projects. Since there was some funds left over for this part of the program, two additional owner occupied projects were added. Out of the commercial projects, 2 dropped out. It was then moved by Landmark, seconded by Maanum and carried unanimously to approve Amendment #1 for the Grant Contract Agreement #CDP-20-0043-O-FY21 deadline from September 30, 2024 to December 31, 2024.

Harris presented a resolution for an interfund loan from the general fund to TIF District III of the proposed CSNelson development. The survey is done. The amount is for \$35,000, which will be used to cover Rodeberg and Berryman to design the preliminary plat. Once this is developed, then the financing aspect can be pursued and a development agreement will be drawn up. This resolution stated the City will be reimbursed through the TIF district at a 4% interest rate. Enderson asked if this expense is part of the \$100,000 previously approved for the project, to which Harris said yes. Councilmember Enderson offered the following resolution:

**RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF  
CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING  
DISTRICT NO. 8  
(RESOLUTION 2024-14)**

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

Section 1.       Background.

1.01. The City has approved the establishment of Tax Increment Financing District 8: Nelson Townhomes Project (the “TIF District”) within Municipal Development District No. 4 (the “Project Area”) and has adopted a Tax Increment Financing Plan (the “TIF Plan”) for the purpose of financing certain improvements within the Project Area.

1.02. The City has determined to pay for certain costs identified in the TIF Plan consisting of site planning, 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 \$35,000 from the General fund or so much thereof as may be paid as Qualified Costs. The City shall reimburse itself for such advances from Available Tax Increment (defined below) together with interest at the rate of 4%, which does not exceed the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan is authorized. Interest accrues on the principal amount from the date of each tranche.

2.02. Principal and interest (“Payments”) on the outstanding Interfund Loan balance shall be paid annually on each December 31 (each a “Payment Date”), commencing on the first Payment Date on which the City has Available Tax Increment (defined below), or on any other dates determined by the City Manager, 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, or as determined by the City Manager, generated in the preceding twelve (12) months with respect to the property within the TIF District and remitted to the City by Swift County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, 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. Before the latest decertification of any tax increment financing district from which the interfund loan is to be repaid, the City may modify or amend the terms of this Interfund Loan, in writing, 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.

Councilmember Maanum seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Landmark, Enderson, Maanum, Carruth. NAYES: None. Thereupon the Mayor declared Resolution 2024-14 duly passed and adopted.

Kent approached the Council to say she advertised for a new Liquor Store Manager, and received eleven applications. After interviews, she recommended to the Council they appoint Janie Reuss as the new manager. After discussion, it was moved by Landmark, seconded by Enderson and carried unanimously to appoint Janie Reuss as the new Liquor Store Manager at an annual salary of \$72,800.

Kent stated with her new payroll/accounting employee, she will need to add her as a check signer on certain accounts. It was moved by Maanum, seconded by Carruth and carried unanimously to authorize the following as check signers on all accounts: Mayor Jack Evenson, Director of Finance Lisa Kent, City Manager Kyle Harris. Incidental Fund: Valerie Alsaker and Sara Jensen, and Sara Jensen on the Hospital Fund.

Lastly Harris discussed his plans for the preliminary budget that needs to be set at the next City Council meeting. With the current estimated preliminary levy, the increase is 25.6%. Harris said this year we will not have the payment in lieu of taxes money from Xcel, and he is not planning any utility transfers as that money will be needed for upcoming projects. He ran through his plans for the budget. Landmark asked about road projects. Enderson asked for explanations on Police wages and what taxes will come in from Abundant Ag.

There being no further business to come before the Council a motion was made by Carruth, seconded by Landmark and carried unanimously to adjourn the Council meeting at 6:42 p.m.

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Mayor

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City Clerk