

**MINUTES – BENSON CITY COUNCIL – REGULAR MEETING
FEBRUARY 27, 2006**

The meeting was called to order at 6:30 p.m. by President Pro-Tem Gary Landmark. Members present: Sue Fitz, Lee Westrum, Bob Claussen (arrived at 6:42 p.m.), and Gary Landmark. Members absent: Paul Kittelson. Also present: City Manager Rob Wolfington, Public Works Director Elliot Nelson, City Attorney Don Wilcox, Fire Chief Greg Lee, John Bot, Chad Kesteloot, Dave Wanberg, Ken Aeikens, Laree Breen, Chuck Koenigs, Eric Everson, Kim Heidem, Peter Ollendick, Rob and Michelle Lee, and Ron Laycock.

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

It was moved by Westrum, seconded by Fitz and carried unanimously to approve the following minutes on the consent agenda:

- a. February 13, 2006 Benson City Council Meeting
- b. December 19, 2005 UMVRDC Meeting
- c. February 13, 2006 Benson Park Board Meeting
- d. February 6, 2006 Benson Planning Commission Meeting
- e. February 16, 2006 Benson EDA Meeting
- f. February 8, 2006 Prairie Country RC & D Council Meeting

The City Manager reviewed the following correspondence:

- a. Coalition of Greater Minnesota Cities dated January 18, 2006. The Coalition is requesting a voluntary contribution over and above the current dues. The City Manager recommended not participating. There was a consensus to not participate.
- b. Case, Corp. dated February 14, 2006. Case is requesting that the Council suspend making a final decision on the wheel loader bids that were considered at the February 13 Council meeting. Member Westrum stated that he wanted to stick with the decision from the last meeting. Member Fitz concurred with Westrum. Member Landmark expressed a warranty question between the two year versus the one year warranty. There was a consensus of the Council to move forward on the purchase of the John Deere loader that was approved at the February 13 Council meeting.
- c. Swift County Assessor dated February 21, 2006 RE: Notification of Board of Review schedule.

It was moved by Westrum, seconded by Fitz and carried unanimously to approve renewal of a Consumption and Display Permit to DeToy's Family Restaurant effective April 1, 2006 to March 31, 2007.

Dave Wanberg from Sanders, Wacker and Bergly presented the Central Business District Master Plan to the Council. Plans are to proceed this year with the north central park, the armory parking lot and the parking area in the northwest park.

The City Manager informed the Council that the 2010 Trail Enhancement Grant was funded at 80% to expand the trails in the Northside Recreation area.

Greg Lee, Benson Fire Chief, reviewed the 2005 Fire Department Report with the Council. He also informed the Council that the grass rig that was acquired through a 2005 grant is in service and is a great unit.

It was moved by Fitz, seconded by Claussen and carried unanimously to approve the Second Reading of An Interim Ordinance for Protecting Land-Use Planning Process within the Central Business District of the City of Benson by Restricting Signage.

The City Manager informed the Council that the following two bids were received to purchase

Lot 5, Block 6, Lynn Park Addition (Parcel No. 23-0680-000):

1. Peter Ollendick \$1,051
614 – 10th Street North
2. Rob and Michelle Lee \$2,505
615 – 10th Street North

After discussion, it was moved by Fitz, seconded by Claussen and carried unanimously to accept the bid from Rob and Michelle Lee contingent upon approval of a variance to allow construction of an accessory structure on a lot that is not contiguous to their residence.

The Public Works Director informed the Council that the following bids were opened at 12:00 Noon on February 24, 2006 for a new/unused loader mountable snow blower:

1. ABM Equipment & Supply Bid does not meet specifications
Hopkins, MN
2. Ruffridge-Johnson Equipment No Bid
Minneapolis, MN
3. St. Joseph Equipment \$54,520 Base Bid
Shakopee, MN \$ 918 Optional Wings

It was moved by Westrum, seconded by Claussen and carried unanimously to award the bid to St. Joseph Equipment in the total amount of \$59,719.81 (includes sales tax).

The City Manager informed the Council that the following proposals were opened at 12:00 Noon on February 24, 2006 for \$250,000 General Obligation Equipment Capital Notes:

1. First Security Bank \$308,843.75
2. Bank of the West \$311,232.50
3. State Bank of Danvers \$299,168.75

Council Member Fitz offered the following Resolution and moved its adoption:

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
\$250,000 GENERAL OBLIGATION CAPITAL NOTES, SERIES 2006
AND LEVYING A TAX FOR THE PAYMENT THEREOF**

(RESOLUTION NO. 2006-05)

A. WHEREAS, the City Council of the City of Benson, Minnesota (the "City") has heretofore determined and declared that it is necessary and expedient to issue \$250,000 General Obligation Capital Notes, Series 2006 (the "Certificates"), pursuant to Minnesota Statutes, Chapter 475 and Section 412.301, to finance the acquisition of certain items of capital equipment for the City, particularly a new dump truck, loader and snow blower (the "Equipment"); and

B. WHEREAS, each item of equipment to be financed by the Certificates has an expected useful life at least as long as the term of the Certificates; and

C. WHEREAS, the City has no outstanding certificates of indebtedness; and

D. WHEREAS, the principal amount of the Certificates does not exceed one-quarter of one percent (0.25%) of the market value of the taxable property in the City (\$102,767,000 times 0.25% is \$256,917.50) and

E. WHEREAS, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(2), the City is authorized to negotiate the sale of the Certificates without public sale because the principal amount of the Certificates, when added to the principal amount of all other obligations of the City (if any), which have been negotiated in like manner within the twelve calendar months preceding the actual date of issuance of the Certificates, does not and will not exceed the \$1,200,000.

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

1. Acceptance of Offer. The offer of the State Bank of Danvers (the "Purchaser"), to purchase the Certificates at the rate of interest hereinafter set forth, and to pay therefor the sum of par plus interest accrued to settlement, is hereby accepted.

2. Original Issue Date; Denominations; Maturities; Interest. The Certificates shall be dated April 1, 2006, as the date of original issue, be issued forthwith on or after such date in fully registered form, be numbered from R1 upward in the denomination of \$1,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations"), mature on October 1 in the years and amounts and bear interest payable semiannually on April 1 and October 1 of each year (each, an "Interest Payment Date"), commencing October 1, 2006, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2006	\$20,000	3.75%
2007	25,000	3.75
2008	25,000	4.00
2009-2011	30,000	4.00
2012-2014	30,000	4.25

3. Purpose. The Certificates shall provide funds to finance the acquisition of the Equipment. The total cost of the Equipment, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Certificates. The City covenants that it shall do all things and perform all acts required of it to assure that acquisition of the Equipment proceeds with due diligence to completion.

4. Registrar. The Clerk/Finance Officer, City of Benson, Minnesota, is appointed to act as Registrar and transfer agent with respect to the Certificates (the "Registrar"), and shall do so unless and until a successor Registrar is duly appointed. Any successor Registrar shall act as Registrar and transfer agent pursuant to any contract the City and successor registrar shall execute which is consistent herewith. The Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Certificates shall be paid to the registered holders (or record holders) of the Certificates in the manner set forth in the form of Certificate.

5. Form of Certificate. The Certificate, together with the Certificate of Registration and the Register of Partial Payments, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
SWIFT COUNTY
CITY OF BENSON

R-__

\$_____

GENERAL OBLIGATION CAPITAL NOTE, SERIES 2006

<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Interest Rate</u>
October 1, ____	April 1, 2006	%

REGISTERED OWNER: STATE BANK OF DANVERS

The City of Benson, Swift County, Minnesota (the "City"), acknowledges that it is indebted and, for value received, hereby promises to pay to the registered owner specified above, or assigns duly certified on the Certificate of Registration attached to and made a part of this Certificate (the "Owner"), in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for prior payment, and to pay interest thereon semiannually on April 1 and October 1 of each year (each, an "Interest Payment Date"), commencing October 1, 2006, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. At the time of final payment of all principal and interest on this Certificate, the Owner shall surrender this Certificate to the Clerk/Finance Officer, City of Benson, Minnesota (the "Registrar").

Manner of Payment. The principal of and interest on this Certificate are payable when due by check or draft mailed or otherwise delivered by or on behalf of the City Clerk/Finance Officer to the Owner hereof as of the end of the fifteenth day of the month, whether or not a business day (the "Record Date"), immediately preceding the applicable payment due date; provided that if the City shall be in default in payment of interest due on said date, whenever money becomes available for payment of such defaulted interest, the City Clerk/Finance Officer shall establish a special Record Date with respect to the payment thereof and shall mail written notice of the special Record Date not less than fifteen days prior to such date to the person that was the Owner of the Certificate as of the close of business of the City on the fifth business day of the City preceding such mailing, and the Owner as of the special Record Date shall be entitled to receive the payment of such defaulted interest. All principal of and interest on this Certificate are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts.

Date of Payment Not a Business Day. If the nominal date for payment of any principal of or interest on this Certificate shall not be a business day of the City or of the Owner, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Issuance; Purpose; General Obligation. This Certificate is one of an issue in the total principal amount of \$250,000, all of like date of original issue and tenor, except as to number, maturity, interest rate and denomination issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council, the governing body of the City, on February 27, 2006 (the "Resolution"), for the purpose of providing money to finance the acquisition of a new dump truck, loader and snow blower for the City. This Certificate is payable out of the General Obligation Capital Notes, Series 2006 Fund of the City. This Certificate constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

Optional Redemption. The Certificates are subject to redemption and prepayment without penalty at the option of the City, in whole or in multiples of \$5,000, on any date, upon thirty days' prior written notice to the Owner, at a redemption price of par plus accrued interest to date of prepayment. If redemption is in part, the City may select the specific principal installments hereof, or applicable portions

thereof, to be prepaid.

Transfer. This Certificate is transferable, as provided in the Resolution, upon the Register kept by the City Clerk/Finance Officer at City Hall upon surrender of this Certificate together with a written instrument of transfer duly executed by the Owner or the Owner's attorney duly authorized in writing, and thereupon a new, fully registered Certificate in the same aggregate principal amount shall be issued to the transferee in exchange therefor (or the transfer shall be duly recorded on the Register and the Certificate of Registration hereof), upon the payment of charges and satisfaction of applicable conditions, if any, as therein prescribed; provided that such transfer may occur only with respect to the entire Certificate and all of the remaining principal amount of the sole final maturity hereof. The City may treat and consider the person in whose name this Certificate is registered as the absolute Owner hereof for the purpose of receiving payment of or on account of the principal of and interest on this Certificate (except for the payment of interest to the Owner as of a Record Date) and for all other purposes whatsoever.

Qualified Tax-Exempt Obligation. This Certificate has been designated by the City as a "qualified tax-exempt obligation" within the meaning of and pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended..

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Certificate, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Certificate, together with all other debts of the City outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Benson, Swift County, Minnesota, by its City Council has caused this Certificate to be executed on its behalf by the manual signatures of its Mayor and its Clerk/Finance Officer, the corporate seal of the City having been intentionally omitted as permitted by law.

Date of Registration:

April 1, 2006

Registrable by: CLERK/FINANCE OFFICER
CITY OF BENSON, MINNESOTA

Payable at: OFFICE OF THE
CLERK/FINANCE OFFICER
CITY OF BENSON, MINNESOTA

CITY OF BENSON,
SWIFT COUNTY, MINNESOTA

By: [DO NOT SIGN]
Its: Mayor

By: [DO NOT SIGN]
Its: Clerk/Finance Officer

other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Capital Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Certificates may also be used to the extent necessary to pay interest on the Certificates due prior to the anticipated date of commencement of the receipt of the collection of taxes herein levied or covenanted to be levied; and provided further that if upon acquisition of the Equipment there shall remain any unexpended balance in the Capital Account, the balance shall be transferred to the Debt Service Account.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) all collections of taxes herein or hereafter levied for the payment of the Certificates and interest thereon; (ii) all funds remaining in the Capital Account after acquisition of the Equipment and payment of the costs thereof; (iii) all investment earnings on funds held in the Debt Service Account; and (iv) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest and any premiums for redemption of the Certificates. No portion of the proceeds of the Certificates shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Certificates were issued, and (2) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Certificates or \$100,000. To this effect, any proceeds of the Certificates and any sums from time to time held in the Fund (or any other City account which will be used to pay principal and interest to become due on the Certificates) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, the proceeds of the Certificates and money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Certificates to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

9. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Certificates there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2006	2007	\$36,080
2007	2008	35,096
2008	2009	39,296
2009	2010	38,036
2010	2011	35,025
2011	2012	35,516
2012	2013	34,177
2013	2014	32,838

The tax levies are such that if collected in full they will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Certificates. The tax levies shall be irrevocable so long as any of the Certificates are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

10. Defeasance. When all Certificates have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Certificates shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Certificates which are due on any date by irrevocably depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Certificate should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also at any time discharge its obligations with respect to any Certificates, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, subject to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

11. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Certificates, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Certificates, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Certificates.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Certificates or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Certificates and in all events within the period ending on the date which is the later of three years after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Certificate proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Certificates are issued, shall be treated as made on the day the Certificates are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of Bond Counsel stating in effect that such action will not impair the tax-exempt status of the Certificates.

12. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Certificates, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Certificates, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

13. Certificate of Registration. The Clerk/Finance Officer is hereby directed to file a certified copy of this resolution with the County Auditor of Swift County, Minnesota, together with such other information as the County Auditor shall require, and to obtain from the County Auditor the certificate that the Certificates have been entered in the County Auditor's Bond Register and that the tax levy required by law has been made.

14. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Certificates, certified copies of all proceedings and records of the City relating to the Certificates and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Certificates as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

15. Negative Covenant as to Use of Certificate Proceeds and Equipment. The City hereby covenants not to use the proceeds of the Certificates or to use the Equipment, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Equipment, in such a manner as to cause the Certificates to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

16. Tax-Exempt Status of the Certificates; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Certificates, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Certificates, and (3) the rebate of excess investment earnings to the United States if the Certificates (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small-issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (1) the Certificates are issued by a governmental unit with general taxing powers, (2) no Certificate is a private activity bond, (3) ninety-five percent or more of the net proceeds of the Certificates are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City), and (4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Certificates are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

17. Designation of Qualified Tax-Exempt Obligations; Issuance Limit. In order to qualify the Certificates as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Certificates are issued after August 7, 1986;

(b) the Certificates are not "private activity bonds" as defined in Section 141 of the Code;

(c) the City hereby designates the bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

(d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2006 will not exceed \$10,000,000;

(e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2006 have been designated for purposes of Section 265(b)(3) of the Code;

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

18. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

19. Headings. Headings in this Resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

Council Member Claussen seconded the foregoing Resolution and the following vote was recorded: AYES: Fitz, Claussen, Westrum, Landmark. NAYS: None. ABSENT: Kittelson. Whereupon the President Pro-Tem declared Resolution No. 2006-05 duly passed and adopted.

The Public Works Director requested authorization to purchase office cabinetry including installation fees for the wastewater treatment plant from Homestead Cabinetry in the amount of \$8,745. It was moved by Westrum, seconded by Claussen and carried unanimously to approve the purchase as requested.

The Public Works Director presented Change Order #6 for the Wastewater Treatment Facility Improvements Project. No action was taken, this was informational.

The City Manager informed the Council that on March 2 staff is expecting to find out the diagnosis of the substation transformer that was recently taken out of service. He reviewed a contract for Engineering Services for Phase One Electric System Improvements with DeWild, Grant, Reckert & Associates (DGR). He recommended approval of phase one of the contract. It was moved by Fitz, seconded by Claussen and carried unanimously to approve a contract for Engineering Services for Phase One Electric System Improvements with DGR as recommended.

The City Manager informed the Council that the City is in line to have MRES conduct an electric rate study in the third quarter of 2006.

The City Manager reviewed the City's 2005 accident/injury summary. It was moved by Westrum, seconded by Fitz and carried unanimously to accept the summary as presented.

It was moved by Fitz, seconded by Claussen and carried unanimously to accept the following 2006 budgets: 1) Concrete Projects Fund, 2) Storm Water Fund, 3) EDA, and 4) General Capital Outlay Fund.

The City Manager informed the Council that eight applications were received for the Building Official position. Staff recently completed interviewing three of the applicants. Because this is a

department head position he needs direction on how the Council wants to proceed. It was moved by Westrum, seconded by Claussen and carried unanimously to schedule a special City Council meeting for 6:00 p.m. on March 6 to interview the three top candidates.

It was moved by Claussen, seconded by Westrum and carried unanimously to adjourn the meeting at 8:05 p.m.

Mayor

Attest: _____
City Manager