

**MINUTES – BENSON CITY COUNCIL – REGULAR MEETING
SEPTEMBER 10, 2007**

The meeting was called to order at 5:30 p.m. by Mayor Paul Kittelson. Members present: Sue Fitz, Bob Claussen, Gary Landmark, and Paul Kittelson. Members absent: One vacancy. Also present: City Manager Rob Wolfington, Finance Director Glen Pederson, Public Works Director Elliot Nelson, City Attorney Don Wilcox, Mark Ruff, Shelly Aldrich, Rob Lee, Mark Schreck, Thomas Egan, Bud Converse, Craig Meyer, and Nathan Mast.

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

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

- a. August 27, 2007 Regular City Council Meeting
- b. July 30, 2007 SCBH Board Meeting
- c. August 8, 2007 Prairie Country RC & D Council Meeting

Variance #2007-01 from Swift County Implement, 380 Atlantic Avenue: They are proposing to erect a John Deere sign that is 29 ft. high with dimensions of 8' 7½" x 8' 7" and a Firestone sign that is 23 ft. high with dimensions of 3' x 12'. The City Manager informed the Council that the electric department needs 15 ft. clearance from the three-phase power lines so the sign will need to be set back 15 ft. more than the application drawing indicates. Staff recommends approval of the variance with the stipulation that the sign be set back 5 ft. from the three-phase power lines. The hardship for this variance is that they are an agriculture implement dealer and the taller sign is needed so it is visible above the large agriculture equipment. The Planning Commission recommended approval of the variance with the stipulation that the sign be set back 15 ft. from the three-phase power lines. It was moved by Landmark, seconded by Claussen and carried unanimously to accept the Planning Commission's recommendation and approve Variance #2007-01.

Variance #2007-02 from SCBH, 1815 Wisconsin Avenue: The SCBH has installed a fence along the north side of Lot 10, Block 51, Stone's First Addition. The fence screens their parking lot from a residential property. The fence is 6 ft. high and zoning does not allow a fence to exceed 42" in height in the front yard beyond the building line. The Planning Commission recommended approval of the variance. It was moved by Claussen and seconded by Landmark to accept the Planning Commission's recommendation and approve Variance #2007-02. The following vote was recorded: AYES: Claussen, Landmark, Kittelson. NAYS: None. ABSTAIN: Fitz. ABSENT: One vacancy.

Variance #2007-03 from Heather Brenner/Nathan Mast, 210 – 18th St. So.: They are proposing to attach a single car garage to the south side of their house within 1 ft. of the property line. The Planning Commission recommended approval of the variance. It was moved by Fitz, seconded by Claussen and carried unanimously to accept the Planning Commission's recommendation and approve Variance #2007-03.

The Planning Commission tabled Conditional Use Permit #2007-02 from Linden and Susan Reich, 885 Willoway.

The next item discussed was the issuance of an on-sale liquor license to Juan Valencia dba Mi Mexico to be located at 1315 Pacific Avenue. The discussion was continued to later in

the meeting to allow time for staff to confirm the number of on-sale liquor licenses the City can issue.

It was moved by Fitz, seconded by Claussen and carried unanimously to waive the rental fee for the Benson Women of Today to use the armory building on October 20.

Discussion of the bids for the Fire Station Vehicle Exhaust Removal System continued from the last Council meeting. Thomas Egan, TNC Industries, Inc., and Bud Converse, Nederman, Inc., each spoke about the alleged irregularities in the Nederman bid. The Fire Station Vehicle Exhaust Removal System Committee recommends awarding the bid to the lowest bidder (Nederman, Inc.). After discussion, it was moved by Landmark, seconded by Fitz and carried unanimously to award the bid to Nederman, Inc. in the amount of \$83,191.

The City Attorney informed the Council that there are errors in some of the legal descriptions of properties affecting the Cottage Square Plat. He anticipates it to take about three to four months to straighten out the descriptions but the developer would like to start the dirt work before the final plat is approved. It was moved by Fitz, seconded by Claussen and carried unanimously to allow the developer to start the dirt work before the final plat is approved.

The Finance Director and Mark Ruff and Shelly Aldrich from Ehlers and Associates came before the Council to discuss the sale of Electric Revenue Bonds. Council Member Claussen offered the following Resolution and moved its adoption:

**RESOLUTION PROVIDING FOR THE SALE OF
\$6,740,000 ELECTRIC REVENUE BONDS, SERIES 2007A
(RESOLUTION NO. 2007-11)**

- A. Whereas, the City Council of the City of Benson, Minnesota, has heretofore determined that it is necessary and expedient to issue the City's \$6,740,000 Electric Revenue Bonds, Series 2007A (the "Bonds"), to fund certain improvements to the City's electric utility system and refund the Series 2000 Electric Revenue Bonds; 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 solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

- 1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The City Council shall meet at City Hall on September 24, 2007, for the purpose of considering a resolution awarding the sale of the Bonds.
- 3. 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 an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

Council Member Fitz seconded the foregoing Resolution and the following vote was recorded: AYES: Claussen, Fitz, Landmark, Kittelson. NAYS: None. ABSENT: One Vacancy. Whereupon the Mayor declared Resolution No. 2007-11 duly passed and approved.

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

**A RESOLUTION DECERTIFYING
TAX INCREMENT FINANCING DISTRICT NO. 6
OF THE CITY OF BENSON
(RESOLUTION NO. 2007-12)**

WHEREAS, on August 17, 1995, the City of Benson (the “City”) created its Tax Increment Financing District No. 6, (the “District”) within its Development District No. 3 (the “Project”); and

WHEREAS, Minnesota Statutes, Section 469.174 to 469.179 authorizes the City Council to decertify a tax increment financing district on any date after all bonds and other obligations have been satisfied; and

WHEREAS, as of the date hereof all bonds and obligations to which tax increment from the District have been pledged have been paid in full; and

WHEREAS, the City desires by this resolution to decertify the District effective December 31, 2007, by which all taxing jurisdictions will benefit from an increased tax base effective for taxes payable in 2008; and

WHEREAS, the remaining tax increment in the fund for the District is hereby returned to the County Auditor for redistribution to the regular taxing jurisdictions.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Benson that the City’s staff shall take such action as is necessary to cause the County Auditor of Swift County to decertify the District No. 6 as a tax increment district and to no longer remit tax increment from the District to the City and return the remaining increment to the County Auditor of Swift County.

Council Member Claussen seconded the foregoing Resolution and the following vote was recorded: AYES: Landmark, Claussen, Fitz, Kittelson. NAYS: None. ABSENT: One Vacancy. Whereupon the Mayor declared Resolution No. 2007-12 duly passed and approved.

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

**RESOLUTION ADOPTING PROPOSED 2007 PROPERTY
TAX LEVY, COLLECTIBLE IN 2008
(RESOLUTION NO. 2007-13)**

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 2008, upon the taxable property in the City of Benson, for the following purposes:

General Fund Levy	\$685,338
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Claussen Properties II Abatement	12,000
Library Fund Levy	86,523
G.O. Capital Street Equipment 2006	<u>35,096</u>
Total	\$818,957

BE IT FURTHER RESOLVED that the following sum of money be levied for the current year, collectible in 2008, based upon the market value of the taxable property in the City of Benson, for the following purpose:

G.O. Swimming Pool	<u>80,664</u>
Total	\$80,664

BE IT FURTHER RESOLVED that the City Council will hold its Truth in Taxation Hearing on Monday, December 10, 2007 at 6:00 p.m. in the Benson City Council Chambers. A continuation hearing, if necessary, will be held at the same time and location on Monday, December 17, 2007.

Council Member Landmark seconded the foregoing Resolution and the following vote was recorded: AYES: Claussen, Landmark, Fitz, Kittelson. NAYS: None. ABSENT: One Vacancy. Whereupon the Mayor declared Resolution No. 2007-13 duly passed and approved.

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

**RESOLUTION CERTIFYING THE PROPOSED OPERATING BUDGET
FOR THE CALENDAR YEAR 2008 FOR THE CITY OF BENSON, MINNESOTA
(RESOLUTION NO. 2007-14)**

BE IT RESOLVED, that the proposed Operating Budget for the City of Benson, Minnesota, for the fiscal year beginning January 1, 2008 and ending December 31, 2008 is hereby approved.

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

<u>Revenues</u>	
Taxes - General Fund	\$685,338
Taxes - Library Fund	86,523
State Grants and Aids	1,158,602
Other Revenues	<u>1,033,471</u>
Total Revenues	\$2,963,934

<u>Expenditures</u>	
General Government	\$578,490
Public Safety	836,766
Highways, Streets and Roads	520,600
Parks and Recreation	310,810
Public Transit	169,365
Public Library	92,748
Capital Outlay	200,000
Other Expenditures	<u>181,697</u>
Total Expenditures	\$2,890,476

Excess (Deficiency) of Revenues over Expenditures

\$73,458

BE IT FURTHER RESOLVED, that the City Manager shall cause the entire Proposed Operating Budget to be printed and filed in the City Office for inspection and reference by the public.

Council Member Landmark seconded the foregoing Resolution and the following vote was recorded: AYES: Claussen, Landmark, Fitz, Kittelson. NAYS: None. ABSENT: One Vacancy. Whereupon the Mayor declared Resolution No. 2007-14 duly passed and approved.

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

ADDENDUM TO JOINT RESOLUTION BETWEEN THE TOWN OF SIX MILE GROVE AND THE CITY OF BENSON DESIGNATING AN AREA FOR ORDERLY ANNEXATION PURSUANT TO MINNESOTA STATUTE 414.0325 (RESOLUTION NO. 2007-15)

Part of Section 1, Township 121, Range 40, Six Mile Grove Township, Swift County, Minnesota:

BE IT RESOLVED by the Town of Six Mile Grove, hereinafter referred to as “the Town”, by and through its Board of Supervisors; and the City of Benson, hereinafter referred to as “the City”, by and through its City Council, that the Town and City do hereby jointly agree additionally as follows:

The City of Benson shall pay to the Town the amount of \$400.00 (\$50.00 X 8 years) for reimbursement for special assessments assigned to the Town from 2007 until 2015. The City and the Town agree that the City of Benson shall issue a check for a lump sum payment of \$400.00 to the Town instead of providing the Town equal payment of \$50.00 per year for eight years as set forth in Minn. Stat. § 414.036.

Council Member Claussen seconded the foregoing Resolution and the following vote was recorded: AYES: Fitz, Claussen, Landmark, Kittelson. NAYS: None. ABSENT: One Vacancy. Whereupon the Mayor declared Resolution No. 2007-15 duly passed and approved.

The City Manager informed the Council that the Senate Financing Committee is planning a visit to Benson to inspect the East Pacific Avenue (Gusty’s Road) Project as they plan to include this project in a bonding bill in next year’s legislative session. Local funding for this project is 50% of the project costs. The City Manager and Mayor plan to attend a County Board meeting to discuss their participation of at least 50% of the local funding because the project will benefit County residents as well as Benson residents.

It was moved by Claussen, seconded by Landmark and carried unanimously to approve the Second Reading of Chapter 97: Dangerous or Substandard Buildings Ordinance.

It was moved by Landmark, seconded by Fitz and carried unanimously to approve plans and specifications and authorize going out for bids to be opened at 2:00 p.m. on September 27, 2007 to furnish 15 kV Switchgear & 115 kV Control Panels.

It was moved by Fitz, seconded by Claussen and carried unanimously to approve Pay Estimate #1 from Harold K. Scholz Company for substation construction in the amount of \$23,787.64.

The Public Works Director updated the Council on the following:

- Railroad Park
- Seal Coating
- Substation, Transformer, Power Line
- CVAC Wastewater Review
- Senior Center Improvements (Furnace, Air Conditioning, Parking Lot)
- Airport Hangar and Fuel Pump

The Public Works Director informed the Council that the well at the golf course was inspected and it needs to be replaced. Bonestroo prepared an estimate to construct a gravel packed well in the amount of \$175,000. After discussion, it was moved by Fitz, seconded by Claussen and carried unanimously to authorize staff to have plans and specifications prepared to construct a new well outside of the well house at the golf course.

Reed Anfinson, President of the Benson Racquet and Fitness Center, informed the Council that he and a number of board members were stepping down and turning the racquet and fitness center over to the City effective October 1, 2007. A meeting of interested members will be held on Thursday to discuss future operations and he will report back to the Council at their next meeting.

The City Manager informed the Council that the City has possession of the old Benson Market Elevator property.

Staff informed the Council that the City can issue up to seven on-sale liquor licenses in the City. This would be the fifth on-sale liquor license. The Police Department has completed a successful background check on Juan Valencia dba Mi Mexico. It was moved by Fitz, seconded by Claussen and carried unanimously to approve an on-sale liquor license to Juan Valencia dba Mi Mexico.

It was moved by Fitz, seconded by Claussen and carried unanimously to meet on the first and third Mondays in October due to the Columbus Day holiday.

It was moved by Landmark, seconded by Fitz and carried unanimously to adjourn the meeting at 7:17 p.m.

Mayor

Attest: _____
City Clerk