

**MINUTES - BENSON CITY COUNCIL - REGULAR MEETING  
DECEMBER 15, 2014**

The meeting was called to order at 5:30 p.m. by the Mayor. Members present: Paul Kittelson, Mike Fugleberg, Jack Evenson, Stephanie Heinzig & Sue Fitz. Members Absent: None. Also present: City Manager Rob Wolfington, Director of Finance Glen Pederson, Director of Public Works Dan Gens, Police Chief Ian Hodge, Andy Abner, Mike Bates and Ray Staton from the Benson Sportsman's Club.

It was moved by Fitz, seconded by Evenson and carried unanimously to approve the following minutes:

- December 1, 2014 City Council Meeting
- September 8, 2014 Planning Commission Meeting
- December 3, 2014 Safety Committee
- November 17, 2014 Isthmus Engineering

It was moved by Evenson, seconded by Fugleberg and carried unanimously to approve Mark Schreck's application to the Planning Commission with his term expiring on 12/31/2017.

It was moved by Evenson, seconded by Heinzig and carried unanimously to approve renewal of the following 2015 Cigarette Licenses: Benson Food Shop, Holiday Station, Darold's Super Valu, Do-Mats Family Foods, Glacial Plains and Dollar Store.

It was moved by Fugleberg, seconded by Fitz and carried unanimously to approve a Special Use Permit to allow disposing of septic tank sludge and holding tank sewage into the Benson Wastewater Facility for 2015 to Slaughter's Plumbing and Septic Service LLC. and Tostenson Septic, LLC.

Wolfington shared an e-mail from the Benson Chamber of Commerce informing them of the Chamber's current status and immediate plans.

Next were two letters from MRES outlining increases to the S-1 Rate Schedule and the Northern Cities Group Transmission Rate.

Next was a fund request from the new Pioneerland Band Festival Committee to support the 2015 Annual Band Festival in the amount of \$3,500. This has been budgeted for next year. Heinzig said this amount is 25% of the total cost of the event. After discussion, it was moved by Fugleberg, seconded by Evenson and carried unanimously to approve the donation to the Pioneerland Band Fest in the amount of \$3,500.

Next was a notice from Western Area Power Administration (WAPA) with a notification of change to the Drought Adder rate effective January 1, 2015.

Hodge, Staton, Bates and Abner approached the Council on behalf of the Benson Sportsman's Club. They presented their bi-laws and articles of incorporations which have been filed with the state. There was discussion on locating the shooting range alongside of the landfill. Hours of use were discussed as well as the NRA rules and state statutes that will be followed when designing the shooting range. It was agreed there will be a lease drawn up between the City of Benson and the Benson Sportsman's Club for use of the land. The Sportsman's Club will be applying for a special use permit with Swift County as well.

Wolfington presented MRES's First Amendment to the Operations and Maintenance Agreement. After review it was moved by Fitz, seconded by Heinzig and carried unanimously to approve the MRES First Amendment to Operations and Maintenance Agreement.

The lease with Case on the north edge of the Civic Center was discussed. Case notified Wolfington they are planning to vacate this property in May or June of 2015. Options were discussed for use of the space, such as the Street Department moving in there. Pederson felt this was a good opportunity to turn this space into a recreational area which would be good for the community. Wolfington has had some interest in a couple businesses possibly wanting to rent the space. After discussion Wolfington said he will have a plan for the space at the January 12, 2015 meeting.

Councilmember Heinzig offered the following Resolution and moved its adoption:

**RESOLUTION SETTING ASSESSMENTS FOR CURRENT SERVICES  
BY THE CITY OF BENSON, MINNESOTA FOR 2014 PAYABLE 2015  
(RESOLUTION NO. 2014-23)**

BE IT RESOLVED, by the Benson City Council that the following assessments for 2014 as prepared by the City Manager are hereby approved and made a part thereof; and,

BE IT FURTHER RESOLVED, that the assessments hereinafter noted shall be submitted to the County Auditor on or before December 19, 2014 and placed on the tax roll for collection with the taxes collectable in 2015.

<b>Charges</b>	<b>Name &amp; Mailing Address</b>	<b>Legal Description &amp; Parcel No.</b>	<b>Amnt Due</b>
Diseased Elm Removed 312 – 16 <sup>th</sup> St. S.	Charles Houston 312 – 16 <sup>th</sup> St. S.	Lot 6, Block 3 McKinney's 1 <sup>st</sup> Addn. 23-0420-000	\$280.00
Water Meter Frost Plate 400 – 14 <sup>th</sup> St. S.	Kris Meyer 702 – 16 <sup>th</sup> St. S.	Lot 1, Block 8 McKinney's 1 <sup>st</sup> Addn. 23-0459-000	\$80.00
Mowing Charges 301 – 10 <sup>th</sup> St. N.	Nationstar Mortgage LLC DBA Champion Mortgage Co. 350 Highland Drive Lewisville, TX 75067	Lots 9-10, Block 11 City of Benson Addn. 23-0056-000	\$256.50
Mowing Charges 206 – 17 <sup>th</sup> St. S.	Ben Miller P.O. Box 244 Starbuck, MN 56381-0244	Lot 6-7, Block 50 Stone Addition 23-0547-000	\$171.00
<b>TOTALS</b>			<b>\$787.50</b>

Council Member Fugleberg seconded the foregoing Resolution and the following vote was recorded: AYES: Fitz, Kittelson, Heinzig, Evenson, Fugleberg. NAYS: None. Thereupon the Mayor declared Resolution 2014-23 duly passed and adopted.

It was moved by Fitz, seconded by Evenson and carried unanimously to approve the following Public Utilities Bad Debts List as of December 31, 2014:

<b>ACCT</b>	<b>NAME</b>	<b>ELEC</b>	<b>WATE</b>	<b>SEWE</b>	<b>TAX</b>	<b>GARB</b>	<b>PEN</b>	<b>ST SWR</b>	<b>TOTAL</b>
101-0013-	Michael Lemke	154.29	0.00	0.00	12.72	58.78	9.79	0.00	235.58
101-0024-	Stephanie Novotny	371.62	62.50	56.00	19.82	25.14	7.66	4.57	547.31
101-0143-	Dustin Melcher	390.38	0.00	0.00	26.84	0.00	0.00	0.00	417.22
102-0032-	Trevor Ahrndt	88.19	61.15	69.18	13.28	31.06	4.48	5.65	272.99

102-0140-	Kirk Johnson	100.24	9.22	40.89	1.61	4.47	0.00	.81	157.24
103-0043-	Jack Solomon	287.03	0.00	0.00	21.03	0.00	0.00	0.00	308.06
103-0100-	Kevin Sorenson	153.51	36.33	44.78	13.40	20.10	0.00	0.00	268.12
103-1400-	Bruce Berghorst	216.77	0.00	0.00	.47	0.00	0.00	0.00	217.24
104-0002-	Amy Alsaker	281.34	147.07	239.18	11.47	66.71	42.24	12.13	800.14
104-0143-	Tierney Holl	12.01	0.00	0.00	.83	0.00	0.00	0.00	12.84
104-0143-	Christian Morales	47.72	0.00	0.00	3.29	0.00	.48	0.00	51.49
104-0143-	Brianna Battalion	104.49	0.00	0.00	7.18	0.00	0.00	0.00	111.67
104-0143-	Shawn Berg	17.19	0.00	0.00	1.18	0.00	0.00	0.00	18.37
104-0155-	Shirley Bailey	11.62	0.00	0.00	2.18	0.00	0.00	0.00	13.80
104-0159-	Sean Kurkosky	191.88	0.00	0.00	13.18	0.00	0.00	0.00	205.06
201-0020-	Dustin Knuteson	310.17	66.96	45.43	9.81	12.10	0.00	2.20	446.67
201-0022-	Jim Thorson	162.30	0.00	0.00	12.50	13.75	0.00	2.50	191.05
202-0005-	Aaron Dotson	282.05	62.48	411.20	9.49	35.28	114.3	6.41	921.21
202-0006-	Shana Oleson	137.94	47.21	67.85	11.86	18.07	0.00	1.29	284.22
202-0011-	EH Pooled 313 LP	266.91	0.00	0.00	0.00	0.00	0.00	0.00	266.91
202-0083-	Aaron Dotson	760.11	95.30	49.00	36.49	26.00	74.71	4.00	1045.61
202-0095-	Robert Nordgren	434.89	50.84	58.29	22.27	46.17	74.99	4.76	692.21
204-0190-	Eric McGeary	370.57	50.50	68.60	14.84	30.00	36.94	4.00	575.45
205-0002-	Gerald Laughlin	49.90	0.00	0.00	3.44	0.00	0.00	0.00	53.34
205-0007-	Cale Wurzbarger	69.33	0.00	0.00	4.76	0.00	0.00	0.00	74.09
205-0405-	Rachael Kellen	26.69	0.00	0.00	0.00	0.00	0.00	0.00	26.69
205-0405-	Gareth Tloutan	135.21	0.00	0.00	9.29	0.00	4.43	0.00	148.93
205-0410-	Sonja Bankovich	69.63	0.00	0.00	0.00	0.00	0.00	0.00	69.63
205-0510-	Chauntel Smith	79.24	0.00	0.00	3.02	0.00	2.78	0.00	85.04
205-0529-	Jen Casado	150.91	0.00	0.00	10.38	0.00	1.02	0.00	162.31
205-0532-	Chesta Morris	185.82	0.00	0.00	2.37	0.00	35.76	0.00	223.95
205-0551-	Brianna	187.37	0.00	0.00	10.31	0.00	7.65	0.00	205.33
205-0554-	Rosalie Spath	102.08	0.00	0.00	7.02	0.00	0.00	0.00	109.10
205-0610-	Brianna Boyd	90.67	0.00	0.00	3.99	0.00	4.32	0.00	98.98
205-0615-	Amanda	88.57	0.00	0.00	3.81	0.00	1.35	0.00	93.73
205-0616-	Jeremy Cook	291.00	0.00	0.00	20.00	0.00	7.83	0.00	318.83
205-0623-	Trista Collins	63.77	0.00	0.00	4.39	0.00	0.00	0.00	68.16
301-0004-	William Hrcirik	164.91	5.34	6.89	1.43	3.09	0.00	.56	182.22
301-0134-	Heidi Staton	406.47	64.10	113.83	10.63	26.00	31.99	2.00	655.02
302-0068-	Travis Frederiks	458.95	118.98	162.54	29.91	43.29	29.31	7.87	850.85
302-0102-	Kenny Fitzgerald	193.87	79.78	89.02	22.72	39.97	13.80	7.27	446.43
302-0114-	Gene Weber	738.01	0.00	0.00	0.00	0.00	0.00	0.00	738.01
302-0114-	Cynthia Inman	390.41	28.15	32.43	13.03	14.56	3.75	2.65	484.98
303-0020-	M. Kauther/C.	38.61	17.10	20.55	3.07	4.26	0.00	.77	84.36
303-0023-	Midland Mortgage	7.70	0.00	0.00	0.00	0.00	0.00	0.00	7.70
303-0037-	James Citterman	48.85	29.25	31.50	6.62	14.14	0.00	2.57	132.93
303-0061-	Jesse Monson	19.88	10.86	58.49	4.68	26.26	8.93	4.77	133.87
303-0061-	Chase Home	57.17	0.00	44.45	2.56	17.47	1.46	3.18	126.29
303-0088-	Rachael Sherpersky	385.95	33.53	40.57	11.46	14.78	4.22	2.69	493.20
303-0148-	Susan Casey	124.83	96.48	127.64	16.88	21.63	3.57	3.93	394.96
303-0148-	Fred Zwart	14.98	11.91	15.37	2.53	6.90	0.00	1.26	52.95
304-0014-	Tom Ranney	1773.0	85.75	141.60	53.87	44.00	326.1	8.00	2432.42
304-0152-	Samantha	101.57	0.00	0.00	0.00	0.00	0.00	0.00	101.57
304-0187-	Kristal Nagy	520.47	64.79	202.93	16.79	26.54	48.81	2.64	882.97
304-0212-	Lilia Villarreal	116.26	0.00	0.00	7.52	0.00	2.41	0.00	126.19
304-0217-	Nicole Rode	64.93	0.00	0.00	4.46	0.00	30.81	0.00	100.20
305-0009-	Nicole Rode	47.70	0.00	0.00	3.28	0.00	-47.71	0.00	3.27
305-0012-	Alyssa Erickson	95.65	0.00	0.00	6.58	0.00	3.17	0.00	105.40
305-0014-	Ryan Stewart	176.30	0.00	0.00	12.12	0.00	5.91	0.00	194.33
305-0021-	Darlene Riley	86.92	0.00	0.00	3.05	0.00	0.00	.64	90.61
305-0053-	Oscar Bustos II	25.76	0.00	0.00	1.77	0.00	0.00	0.00	27.53
305-0133-	Kim Wroblecki	124.00	0.00	.00	3.49	0.00	4.12	0.00	131.61

305-0140-	Denise Jensen	104.72	0.00	0.00	7.19	0.00	1.54	0.00	113.45
305-0201-	Nicole Thorson	18.21	0.00	0.00	1.06	0.00	0.00	0.00	19.27
305-0229-	Tamara Owens	9.20	0.00	0.00	.63	0.00	0.00	0.00	9.83
306-0116-	Andrew Schreiber	95.70	0.00	0.00	6.58	0.00	.91	0.00	103.19
306-0125-	Ashleigh Lumpkin	20.88	0.00	0.00	.75	0.00	0.00	0.00	21.63
402-0074-	Tabatha Stoll	207.43	75.90	49.84	21.65	22.38	15.27	4.07	396.54
402-0089-	Joseph Chevalier	47.00	19.00	24.50	5.61	11.00	0.00	2.00	109.11
403-0069-	Richard Cochran	23.34	7.84	8.85	1.87	2.75	0.00	.50	45.15
502-0093-	Sara Dubon	319.53	0.00	0.00	26.40	49.50	6.99	0.00	402.42
502-0110-	ABS Diesel	84.54	46.81	35.93	8.60	0.00	0.00	5.81	181.69
502-0120-	Mike Burskin	85.30	0.00	0.00	14.13	0.00	3.85	10.88	114.16
		<b>13942.</b>	<b>1485.1</b>	<b>2357.33</b>	<b>681.4</b>	<b>776.15</b>	<b>930.0</b>	<b>122.38</b>	<b>20294.8</b>

Councilmember Fugleberg offered the following Resolution and moved its adoption:

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, SERIES 2014A, PLEDGING FOR THE SECURITY THEREOF NET REVENUES AND LEVYING A TAX FOR THE PAYMENT THEREOF**

**(RESOLUTION NO. 2014-24)**

A. WHEREAS, the City of Benson, Minnesota (the "City"), owns and operates a municipal water system (the "Water System"), and a municipal sanitary sewer system (the "Sewer System", and together with the Water System, the "System"), each is operated as separate revenue producing public utilities; and

B. WHEREAS, (i) the net revenues of the Water System are pledged to the payment of the City's outstanding \$3,341,460 General Obligation Water Revenue Note of 2011, dated September 7, 2011, and the outstanding "Water System Improvement Portion" of the \$1,000,000 original principal amount of General Obligation Water and Sewer Revenue Bonds, Series 2009A, dated as of August 11, 2009 (the "Outstanding Water Bonds") and; (ii) the net revenues of the Sewer System are pledged to the payment of the City's outstanding \$4,296,200.63 original principal amount of a General Obligation Sewer Revenue Note of 2004, dated July 26, 2004 and the outstanding "Sewer System Improvement Portion" of the \$1,000,000 original principal amount of General Obligation Water and Sewer Revenue Bonds, Series 2009A, dated as of August 11, 2009 (the "Outstanding Sewer Bonds"); and (iii) the net revenues of the System are pledged to the outstanding "System Refunding Portion" of the \$1,000,000 original principal amount of General Obligation Water and Sewer Revenue Bonds, Series 2009A, dated as of August 11, 2009 (the "Outstanding System Bonds") and

C. WHEREAS, the City Council has heretofore determined and declared that it is necessary and expedient to issue General Obligation Bonds, Series 2014A (the "Bonds" or individually a "Bond"), pursuant to Minnesota Statutes, Section 475.21 and Chapter 475 to finance the expansion of the City's public works facility (the "Capital Improvements"); Chapters 475 and 444 to finance improvements to the System (the "System Improvements"); and Minnesota Statutes, Chapter 475 and Minnesota Statutes, Sections 410.32 and 412.301 to finance purchase of capital equipment (the "Equipment"); and

D. WHEREAS, on November 17, 2014, the City Council held a public hearing on the proposed issuance of general obligation capital improvement plan bonds and, pursuant to resolution approved and adopted the 2015 through 2019 Five-Year Capital Improvement Plan (the "Plan"), and approved the issuance of general obligation capital improvement plan bonds to finance the acquisition and betterment of a public works facility, all pursuant to the Plan and in accordance with the provisions of Minnesota Statutes, Section 475.521; and

E. WHEREAS, if a petition signed by voters equal to five percent of the votes cast in the City in the last general election requesting a vote on the issuance of the capital improvement plan bonds is filed with the City Clerk within thirty days after the date the public hearing on the issuance of the Bonds is held, the issuance of the Bonds must then be approved by the voters; the thirty day period will expire on December 17, 2014; and

F. WHEREAS, other than the Bonds, there are no other bonds issued by the City under Minnesota Statutes, Section 475.521; and

G. WHEREAS, each item of Equipment to be financed by the Equipment Portion of the Bonds, as hereinafter defined, has an expected useful life at least as long as the term of the Equipment Portion of the Bonds; and

H. WHEREAS, the principal amount of the Equipment Portion of the Bonds does not exceed one-quarter of one percent (0.25%) of the estimated market value of the taxable property in the City (\$164,333,400 times 0.25% is \$410,834); and

I. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the sale of the Bonds and is therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Ehlers; and

J. WHEREAS, the City Council member designates the Mayor, the Finance Director and Ehlers as a "Pricing Committee" and the Pricing Committee may set the date and time to receive proposals pursuant to the Terms of Proposal established for the Bonds as long as the date is no later than December 22, 2014; and

K. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

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

1. Acceptance of Proposal. The City shall proceed forthwith to issue the Bonds, in the form and upon the terms set forth in this Resolution. The authority to accept the most favorable proposal for the purchase of the Bonds (the "Purchaser"), the principal amount, the interest rates and the amount of the Purchaser's discount is hereby delegated by the City Council to the Pricing Committee; provided that (i) the principal amount of the Bonds shall not exceed \$1,700,000 and (ii) the true interest cost on the Bonds shall not exceed 3.50%.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated December 30, 2014, as the date of original issue, be issued forthwith on or after such date in fully registered form, be numbered from R 1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations"), be issued in a principal amount, bear interest and mature as set forth in the Certificate of Pricing Committee. As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bonds.

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10 hereof, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen calendar days in advance of such special record date to the extent possible.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(x) In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in paragraph 5, make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

(c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (d) shall limit or restrict the provisions of paragraph 10.

(d) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purposes. The Capital Improvements Portion of the Bonds shall provide funds to finance the Capital Improvements. The System Portion of the Bonds shall provide funds to finance the System Improvements. The Equipment Portion of the Bonds shall provide funds to finance acquisition of the

Equipment. The Capital Improvements, System Improvements and Equipment are herein referred to together as the Project. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2015, calculated on the basis of a 360-day year of twelve 30-day months and will bear interest as established by the authority given to the Pricing Committee based on the Purchaser's proposal.

5. Redemption. All Bonds maturing on February 1, 2025 and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2024, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. U.S. Bank National Association, in St. Paul, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor-paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

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

R-\_\_\_\_\_ \$\_\_\_\_\_

GENERAL OBLIGATION BOND, SERIES 2014A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1,	December 30, 2014	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Benson, Swift County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, unless called for earlier redemption, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2015, 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. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of U.S. Bank National Association, in St. Paul, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing on February 1, 2025, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2024, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot

by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$1,445,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Constitution, Charter of the Issuer and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on December 15, 2014 (the "Resolution"), for the purpose of providing money to finance various municipal improvement projects within the jurisdiction of the Issuer and the purchase of capital equipment. This Bond is payable out of the General Obligation Bonds, Series 2014A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, 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 Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or the Holder's attorney duly authorized in writing at the office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice

to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of 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, Charter of the Issuer and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the Issuer has covenanted and agreed with the Holders of the Bonds that it will impose and collect charges for the service, use and availability of its municipal water and sanitary sewer system (the "System") at the times and in amounts necessary to produce net revenues, together with other sums pledged to the payment of the System Portion of the Bonds, as defined in the Resolution, adequate to pay all principal and interest when due on the System Portion of the Bonds; and that the Issuer will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the principal and interest on System Portion of the Bonds as they respectively become due, if the net revenues from the System, and any other sums irrevocably appropriated to the Debt Service Account are insufficient therefor; and that this Bond, together with all other debts of the Issuer 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, charter or statutory limitation of indebtedness.

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

Date of Registration:

Registrable by: U.S. BANK NATIONAL ASSOCIATION

\_\_\_\_\_  
BOND REGISTRAR'S  
CERTIFICATE OF  
AUTHENTICATION

Payable at: U.S. BANK NATIONAL ASSOCIATION

CITY OF BENSON,  
SWIFT COUNTY, MINNESOTA

This Bond is one of the Bonds described in the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION  
St. Paul, Minnesota,  
Bond Registrar

/s/ Facsimile  
\_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Authorized Signature

/s/ Facsimile  
\_\_\_\_\_  
Finance Director/City Clerk

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - \_\_\_\_\_ as custodian for \_\_\_\_\_

(Cust)

(Minor)

under the \_\_\_\_\_ Uniform

(State)

Transfers to Minors Act

Additional abbreviations may also be used though not in the above list.

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ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Notice:

\_\_\_\_\_ The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: \_\_\_\_\_

\_\_\_\_\_

(Include information for all joint owners if the Bond is held by joint account.)

PREPAYMENT SCHEDULE

This Bond has been prepaid in part on the date(s) and in the amount(s) as follows:

Date

Amount

Authorized signature of Holder

\_\_\_\_\_



8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Finance Director/City Clerk and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form hereinabove set forth, shall have been duly executed by the Bond Registrar. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of December 30, 2014. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered hereunder.

10. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or his, her or its attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Finance Director/City Clerk is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Finance Director/City Clerk to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Fund and Accounts. There is hereby established a special fund to be designated "General Obligation Bonds, Series 2014A Fund" (the "Fund") to be administered and maintained by the Finance Director/City Clerk as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. The Operation and Maintenance Account heretofore established by the City shall continue to be maintained in the manner heretofore provided by the City. All moneys for the System remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Account shall constitute or are referred to as "net revenues" until the System Portion of the Bonds and the Outstanding System Bonds have been paid. There shall be maintained in the Fund the following separate accounts to which shall be credited and debited all income and disbursements of the System as hereinafter set forth. The Finance Director/City Clerk and all officials and employees concerned therewith shall establish and maintain financial records of the receipts and disbursements of the System in accordance with this resolution. In such records there shall be established accounts or accounts shall continue to be maintained as the case may be, of the Fund for the purposes and in the amounts as follows:

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds, less capitalized interest and any amount paid for the Bonds in excess of the minimum bid. From the Construction Account there shall be paid all costs and expenses of making the Capital Improvements and the System Improvements and acquiring the Equipment, including the cost of any construction or other contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. Moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of taxes or net revenues herein levied or covenanted to be levied; and provided further that if upon completion of the Project there shall remain any unexpended balance in the Construction Account, the balance shall be transferred to the Debt Service Account.

(b) Debt Service Account. There shall be maintained separate subaccounts in the Debt Service Account to be designated the "Capital Improvements Debt Service Subaccount", the "System

Improvements Debt Service Subaccount" and the "Equipment Debt Service Subaccount." There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:

(i) Capital Improvements Debt Service Subaccount. To the Capital Improvements Debt Service Subaccount there shall be credited: (A) capitalized interest in the amount of \$14,010.83 (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Capital Improvements Portion of the Bonds on or before August 1, 2015); (B) any collections of all taxes herein or hereinafter levied for the payment of the Capital Improvements Portion of the Bonds and interest thereon; (C) a pro rata share of all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (D) all investment earnings on funds held in the Capital Improvements Debt Service Subaccount; and (E) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Capital Improvements Debt Service Subaccount. The Capital Improvements Debt Service Subaccount shall be used solely to pay the principal and interest and any premium for redemption of the Capital Improvements Portion of the Bonds and any other General Obligation Bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

(ii) System Improvements Debt Service Subaccount. To the System Improvements Debt Service Subaccount there shall be credited: (A) the net revenues of the System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to the System Improvements Debt Service Subaccount, sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the System Portion of the Bonds; (B) any collections of all taxes which may hereafter be levied in the event that the net revenues of the System and other funds herein pledged to the payment of the principal and interest on the System Portion of the Bonds are insufficient therefore; (C) a pro rata share of all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (D) all investment earnings on funds held in the System Improvements Debt Service Subaccount; and (E) any and all other moneys which are properly available and are appropriated by the governing body of the City to the System Improvements Debt Service Subaccount. The System Improvements Debt Service Subaccount shall be used solely to pay the principal and interest and any premium for redemption of the System Portion of the Bonds and any other General Obligation Bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

(iii) Equipment Debt Service Subaccount. To the Equipment Debt Service Subaccount there shall be credited: (A) all collections of taxes herein or hereinafter levied for the payment of the Equipment Portion of the Bonds and interest thereon; (B) a pro rata share of all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (C) all investment earnings on funds held in the Equipment Debt Service Subaccount; and (D) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Equipment Debt Service Subaccount. The Equipment Debt Service Subaccount shall be used solely to pay the principal and interest and any premium for redemption of the Equipment Portion of the Bonds.

No portion of the proceeds of the Bonds 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 Bonds 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 Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account, Operation and Maintenance Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage

regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. 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 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

16. Covenants Relating to the Capital Improvements Portion of the Bonds.

(a) Tax Levy. To provide moneys for payment of the principal and interest on the Capital Improvements Portion of the Bonds 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>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
20__-20__	20__-20__	To be determined

(b) Coverage Test. The tax levies are such that if collected in full they will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Capital Improvements Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Bonds 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.

17. Covenants Relating to the System Portion of the Bonds.

(a) Sufficiency of Net Revenues; Coverage Test. It is hereby found, determined and declared that the net revenues of the System are sufficient in amount to pay when due the principal of and interest on the System Portion of the Bonds and the Outstanding System Bonds and a sum at least five percent in excess thereof. The net revenues of the Water System are sufficient in amount to pay when due the principal of and interest on the Outstanding Water Bonds and a sum at least five percent in excess thereof. The net revenues of the Sewer System are sufficient in amount to pay when due the principal of and interest on the Outstanding Sewer Bonds and a sum at least five percent in excess thereof. The net revenues of the System are hereby pledged on a parity lien with the Outstanding Water Bonds, the Outstanding Sewer Bonds and the Outstanding System Bonds for the payment of the System Portion of the Bonds and shall be applied for that purpose, but solely to the extent required to meet the principal and interest requirements of the Bonds as the same become due. As used herein the term net revenues means the gross revenues derived by the City from the operation of the System, including all charges for service, use, availability, and connection to the System, and all monies received from the sale of any facilities or equipment of the System or any by-products thereof, less all normal, reasonable, or current costs of owning, operating, and maintaining the System. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the System will be sufficient in addition to all other sources, for the payment of the System Portion of the Bonds and such additional obligations and any such pledge and appropriation of the net revenues may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

(b) Excess Net Revenues. Net revenues in excess of those required for the foregoing may be used for any proper purpose.

(c) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the Bonds that it will impose and collect charges for the service, use, availability and connection to the System at the times and in the

amounts required to produce net revenues adequate to pay all principal and interest when due on the System Portion of the Bonds and the Outstanding System Bonds. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations."

18. Covenants Relating to the Equipment Portion of the Bonds

(a) Tax Levy. To provide moneys for payment of the principal and interest on the Equipment Portion of the Bonds 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>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
20__-20__	20__-20__	To be determined

(b) Coverage Test. The tax levies are such that if collected in full they, together with other revenues herein pledged for the payment of the Equipment Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Equipment Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Equipment Portion of the Bonds 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.

19. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described to:

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at [www.emma.msrb.org](http://www.emma.msrb.org) in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

(b) Provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking.

(c) Provide or cause to be provided to the MSRB notice of a failure by the City to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such occurrence.

(d) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and Finance Director/City Clerk of the City, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

20. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall,

to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, 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, without regard 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.

21. 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 Bonds, 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 Bonds, 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 Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds 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 Bonds 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 Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds 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 its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

22. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, 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 net revenues of the System appropriated and pledged to the payment of principal and interest on the System Portion of the Bonds, together with other funds irrevocably appropriated to the System Improvements Debt Service Subaccount herein established, shall at any time be insufficient to pay such principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as it becomes due. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, 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.

23. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed in the office of the County Auditor of Swift County, together with such other information as the County Auditor shall require, and to obtain the County Auditor's Certificate that the Bonds have been entered in the Bond Register and the tax levies required by law have been made.

24. 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 Bonds, certified copies of all proceedings and records of the City relating to the Bonds 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 Bonds 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.

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

26. Tax-Exempt Status of the Bonds; 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 Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States if the Bonds (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 small issuer 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 (i) the Bonds are issued by a governmental unit with general taxing powers; (ii) no Bond is a private activity bond; (iii) ninety five percent or more of the net proceeds of the Bonds 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 (iv) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or treated as one issuer with the City) during the calendar year in which the Bonds 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.

27. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds 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 Bonds are issued after August 7, 1986;
- (b) the Bonds 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 2014 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2014 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

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.

28. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Ehlers is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

29. 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

30. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Klein Bank, Chaska, Minnesota on the closing date for further distribution as directed by the City's financial advisor, Ehlers.

31. 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.

Councilmember Evenson seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-24 duly passed and adopted.

It was moved by Fitz, seconded by Evenson and carried unanimously to approve the 2014 November Budget Report.

Councilmember Evenson offered the following Resolution and moved its adoption:

**RESOLUTION ADOPTING FINAL 2014 PROPERTY  
TAX LEVY, COLLECTIBLE IN 2015  
(RESOLUTION NO. 2014-25)**

BE IT RESOLVED by the City Council of the City of Benson, County of Swift, Minnesota that the following sums of money be levied for the current year, collectible in 2015, upon the taxable property in the City of Benson, for the following purposes:

General Fund Levy	\$631,310
Claussen Properties II Abatement	20,000
Wages and Benefits of Police Personnel	587,000
Library Fund Levy	<u>109,710</u>
<b>TOTAL</b>	<b>1,348,020</b>

BE IT FURTHER RESOLVED that the following sum of money be levied for the current year, collectible in 2014, based upon the market value of the taxable property in the City of Benson, for the following purpose:

G.O. Swimming Pool	<u>\$75,705</u>
<b>Total</b>	<b>\$75,705</b>

BE IT FURTHER RESOLVED that \$64,126.13 is irrevocably appropriated from the Utility Fund to the equipment portion of the \$1,130,000 G. O. Bond, Series 2012A Fund to cover that portion of the 2015 tax levy.

The City Clerk is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Swift County, Minnesota.

Councilmember Fugleberg seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-25 duly passed and adopted.

Councilmember Evenson offered the following Resolution and moved its adoption:

**RESOLUTION CERTIFYING THE FINAL OPERATING BUDGET  
FOR THE CALENDAR YEAR 2015 FOR THE CITY OF BENSON, MINNESOTA  
(RESOLUTION NO. 2014-26)**

BE IT RESOLVED, that the Final Operating Budget for the City of Benson, Minnesota, for the fiscal year beginning January 1, 2015 and ending December 31, 2015 is hereby approved.

BE IT FURTHER RESOLVED, that the General Fund Budget is summarized as follows:

**Revenues**

Taxes - General Fund	1,238,310
Taxes – Library	109,710
State Grants and Aids	1,229,290
Other Revenues	<u>1,158,742</u>
<b>Total Revenues</b>	<b>3,736,052</b>

**Expenditures**

General Government	606,450
Public Safety	1,002,300
Highways, Streets and Roads	602,430
Parks and Recreation	404,650
Public Transit	182,125
Library	117,160
Capital Outlay	533,000
Other Expenditures	<u>299,687</u>
<b>Total Expenditures</b>	<b>3,747,802</b>

**Excess (Deficiency) of Revenues over Expenditures (\$11,750)**

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

Councilmember Heinzig seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-26 duly passed and adopted.

It was moved by Fugleberg , seconded by Fitz, and carried unanimously to approve the following: Water Fund, Sewer Fund, Electric Fund, Garbage Collection Fund, Liquor Fund, General Capital Outlay Fund including reclassifications, Community Development Revolving Fund and Economic Development Authority 2015 budgets.

Councilmember Fitz, offered the following Resolution and moved its adoption:

**RESOLUTION TRANSFERRING \$3,392 FROM THE EDA FUND AND \$12,896 FROM THE REVOLVING LOAN FUND TO THE GENERAL FUND (RESOLUTION NO. 2014-27)**

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 \$3,392 from the EDA Fund and \$12,896 from the Revolving Loan Fund to the General Fund.

Councilmember Evenson seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-27 duly passed and adopted.

Councilmember Heinzig, offered the following Resolution and moved its adoption:

**RESOLUTION DESIGNATING ECONOMIC DEVELOPMENT FUNDS FOR OPERATING CAPITAL INVESTMENT (RESOLUTION NO. 2014-28)**

WHEREAS, the City of Benson operates an Economic Development Fund to finance economic development projects and investments.

NOW. THEREFORE BE IT RESOLVED that the City Council authorizes a committed fund balance in the Economic Development fund of \$300,000 for the purchase of industrial property and industrial property investments.

Councilmember Evenson seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-28 duly passed and adopted.

Councilmember Fitz, offered the following Resolution and moved its adoption:

**RESOLUTION TO APPROVE BUDGETED TRANSFERS  
(RESOLUTION NO. 2014-29)**

WHEREAS, the City of Benson has maintained the following funds, and

WHEREAS, the City Council has determined that it is prudent to make transfers in 2014 in order to fund certain projects or programs.

NOW, THEREFORE BE IT RESOLVED that the following amounts be transferred from the following funds:

	<b>Budgeted</b>	<b>Transferred</b>
From Cemetery Perpetual Care to General Fund	1,650	1,354
From General Fund to Concrete Projects Fund	15,000	15,000
<b>TOTAL</b>	<b>16,650</b>	<b>16,354</b>

Councilmember Fugleberg seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-29 duly passed and adopted.

Councilmember Evenson, offered the following Resolution and moved its adoption:

**RESOLUTION TRANSFERRING AMOUNT DESIGNATED FOR FUTURE  
CAPITAL OUTLAY TO THE GENERAL CAPITAL OUTLAY FUND  
(RESOLUTION NO. 2014-30)**

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 2014 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:

Administration	5,000
City Hall	20,000
Police Department	50,000
Fire Department	110,000
Street Department	220,000
Park	70,000
Armory	25,000
Airport	<u>20,000</u>
<b>TOTAL</b>	<b>520,000</b>

Councilmember Heinzig seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-30 duly passed and adopted.

Councilmember Fugleberg, offered the following Resolution and moved its adoption:

**RESOLUTION TRANSFERRING 25% OF THE NET PROFIT  
OF THE UTILITY FUND TO THE GENERAL FUND  
(RESOLUTION NO. 2014-31)**

WHEREAS, the City charter allows for the transfer of no more than 25% of the net profit from the Utility Fund to any other fund in any one year provided that a ten year Capital Improvement Program has been studied and implemented and that the fund does not need this money to fulfill its Improvement Program, and

WHEREAS, the City Council has adopted a ten year Capital Improvements Program as part of its 2014 Budget, and

WHEREAS, the City Council as part of its 2014 General Budget included a transfer of 25% of the net profit of the Utility Fund be transferred to the General Fund.

NOW, THEREFORE BE IT RESOLVED that the City Council transfers \$104,898 from the Utility Fund to the General Fund.

Councilmember Evenson seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-31 duly passed and adopted.

Councilmember Fitz offered the following Resolution and moved its adoption:

**RESOLUTION TO APPROVE TRANSFER FROM LIBRARY ENDOWMENT FUND  
(RESOLUTION NO. 2014-32)**

WHEREAS, the City of Benson established the Library Endowment Fund in March of 1995 with excess dollars left over from the new building construction, and

WHEREAS, the interest earned in this fund is available for the purchase of capital equipment, and

WHEREAS, the fund has earned \$364.32 in interest during 2014, and

WHEREAS, the City Council has budgeted to transfer interest earnings in an amount up to \$450.00.

NOW, THEREFORE BE IT RESOLVED that the \$364.00 interest earned be transferred from the Library Endowment Fund to the operating Library Fund to help cover the costs of capital equipment.

Councilmember Heinzig seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-32 duly passed and adopted.

Fugleberg said the personnel committee met before the Council meeting, and decided to review the League of Minnesota Cities salary comparisons before recommending any changes to administrative salaries.

The mayor closed the Council meeting at 6:17 p.m. in order to conduct the City Manager's review.

The Mayor reconvened the Council meeting at 6:25 p.m. It was noted the City Manager's review was satisfactory.

Councilmember Fitz offered the following Resolution and moved its adoption:

**POLICE OFFICER DECLARATION  
(RESOLUTION NO. 2014-33)**

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 Josiah Puckett 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 Fugleberg seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-33 duly passed and adopted.

There being no other business, a motion was made by Heinzig, seconded by Fugleberg and carried unanimously to adjourn the meeting at 6:28 p.m.

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Mayor

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City Clerk