

**MINUTES - BENSON CITY COUNCIL - REGULAR MEETING  
OCTOBER 16, 2017**

The meeting was called to order at 5:30 p.m. by Mayor Landmark. Members present: Terri Collins, Jack Evenson, Gary Landmark, Stephanie Heinzig & Lucas Olson. Members Absent: None. Also present: City Manager Rob Wolfington, Director of Finance Glen Pederson, Police Chief Hodge, Director of Public Works Dan Gens, City Attorney Don Wilcox, Firemen Rob Lee, Mark Plumhoff, Eric Tolifson, and Bob Hoberg, County Auditor Kim Saterbak, Tim Giesek from the DNR, Shelly Eldridge from Ehlers and Associates, Kurt Waldbillig and Dan Enderson with Swift County Benson Health Services, Swift County Commissioner Eric Rudnigen and Jay Alsaker.

The Council recited the Pledge of Allegiance.

Mayor Landmark asked if there were any changes to the agenda. Wolfington asked to strike the Public Hearing for a diseased elm as the tree was taken down today, also the application for a variance request for 1328 Atlantic Avenue was rescinded by the applicant, and to add 1<sup>st</sup> Reading of an Ordinance to Vacate Alley. It was moved by Evenson, seconded by Collins and carried unanimously to approve the amended agenda.

It was moved by Collins, seconded by Evenson and carried unanimously to approve the following items on the Consent Agenda:

- October 2, 2017 City Council Minutes
- October 2, 2017 Planning Commission Meeting
- September 5, 2017 Planning Commission Meeting
- July 20, 2017 EDA Meeting
- October 9, 2017 Library Meeting
- MnDOT Office of Freight – Gustie’s Road Application Information
- Police Report
- CenterPoint Energy’s Request to the Public Utility Commission Rate Increase
- Additional Request to Rename Northside Rec

The Mayor asked for people with unscheduled business to which there were none.

Next Shelly Eldridge with Ehler’s and Associates approached the Council. Pederson reminded the Council at the October 2, 2107 meeting they discussed the refinancing of the Electric Revenue Refunding Bonds Series 2017A, and at that time presented three options for refinancing. The option being recommended is to engage in private negotiations. Eldridge presented the presale information, and predicted a savings of approximately \$500,000 by refinancing these bonds. Pederson stated the reason he would like to execute the refinancing soon is to lock in the interest rate as it is expected to go up. After discussion, councilmember Collins offered the following resolution:

**Resolution Providing for the Sale of \$3,720,000  
Electric Revenue Refunding Bonds, Series 2017A  
(Resolution No. 2017-23)**

- 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 \$3,720,000 Electric Revenue Refunding Bonds, Series 2017A (the "Bonds"), to current refund the City’s Electric Revenue Bonds, Series 2007 for interest cost saving; and

B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds and is therefore authorized to work with Robert W. Baird & Company Incorporated ("Baird") to provide placement agent services for the sale of the Bonds in accordance with the terms set forth in the pre-sale report and Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

1. Authorization; Findings. The City Council hereby authorizes Ehlers to structure the terms of the Bonds to provide for optimal cost savings. The City Council authorizes the Mayor to consider the proposal of Baird and take any other appropriate action with respect to the Bonds. Ehlers is further authorized to negotiate the sale of the Bonds with Baird.
2. Meeting; Ratify Acceptance of Proposal; Award Bond Sale. The City Council shall meet at 5:30 p.m. on November 20, 2017 or another date set by City staff, to ratify the acceptance of a proposal from Baird, to award the sale of the Bonds and to take any other appropriate action with respect to the Bonds.
3. Request for Proposals; Term Sheet. 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 a request for proposals and a term sheet for the Bonds.

Councilmember Evenson seconded the foregoing resolution and the following vote was recorded: AYES: Collins, Heinzig, Evenson, Landmark, Olson. NAYES: None. Thereupon the Mayor declared Resolution 2017-23 duly passed and adopted.

Next Enderson approached the Council. Wolfington said last Friday he and Councilmember Collins attended a meeting with the hospital. They reviewed the hospital's Brehmer Bank loan proposal and there is a financing gap that needs to be closed. At the meeting the question was asked what could the City and County do to fill the \$750,000 gap in their assisted living project. Enderson stated the \$50,000 grant from the Sonsteng Foundation annually for ten years could not be considered in the loan process. Wolfington said the City could sign a loan guarantee for \$750,000 over the life of the loan to close the gap, and give the Benson HRA the authority to authorize the loan. Currently the Hospital makes a loan payment to Swift County in the amount of \$122,000 per year. They are being asked to forgo three years of payments to cash flow the project. The Hospital in turn would use that money to pay toward the line of credit to the bank. The City would then ask the Hospital for a payment in lieu of taxes in the event it's a tax free property. If they are deemed tax free, it will leave the debt service on the TIF bonds short \$30-35,000 per year which will have to come out of the City's General fund. Wolfington stated it would need to go through an administrative process of public hearings and published in the paper and could take 30-60 days. He estimated it would cost \$10,000 to hire Ehlers to do the document preparations. Enderson stated the USDA Guarantee isn't finished yet. Landmark said if the project has an overrun in cost who pays? Enderson said there is a \$300,000 contingency and a "not to exceed" clause in the project agreement. Wolfington reminded the Council in addition to the \$750,000 and the 1.2 million TIF bond for sewer and water will only pay for 60% of the debt service payment of that bond which leaves a 40% shortfall to pay the bonds. All this obligation must be carried in our audit report. After discussion, Wolfington was directed to engage Ehlers to get some information for us on the feasibility of this option. Wolfington stated the County will be looking at this option at their County Commissioner meeting tomorrow morning. Commissioner Rudnigen stated this is listed on their agenda as a discussion item and no action will be taken. There was discussion with Eldridge whether the HRA could issue TIF in order to secure this guarantee. Landmark asked if this financing to the Hospital will go against our debt service to which Wolfington stated yes.

Next Wolfington and Wilcox discussed the utility easement running east and west to the south of Scofield will need to be vacated for the Hospital project. It was moved by Collins, seconded by Heinzig

and carried unanimously to approve the 1<sup>st</sup> Reading of An Ordinance to Vacate Utility Easement. CenturyLink is expected to ask \$48,000 to relocate their utilities.

Next Tim Gieseck from the DNR approached to discuss shared aquifers and how they are looking at more efficient ways to manage them. Their area hydrologist has expressed concern about the depletion of our aquifers and water usage. They want to move forward and open a dialog on conservation and education to start planning now rather than if a crisis arises with our water supply.

Next Rob Lee and Eric Tolifson with the Benson Fire Department Relief Association came forward to discuss Benson Fire Department Bylaw changes and to discuss the Firemen's Relief Association. They would like to change the Bylaws to remove fees and dues to participate, as well as to increase the benefit to those in the Relief Association from \$1,100 to \$1,300 per year. After discussion Evenson offered the following resolution:

**RESOLUTION APPROVING BENSON FIRE RELIEF BYLAW AMENDMENT  
CITY OF BENSON  
(RESOLUTION NO. 2017-24)**

**WHEREAS**, the Benson Fire Relief Board has reviewed its bylaws; and

**WHEREAS**, the bylaws need to be updated and approved by the Council to reflect the benefit increase and other operational procedures; and

**WHEREAS**, the Benson Fire Relief Board is recommending approval of the bylaws as amended, and attached as Exhibit "A",

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Benson, Minnesota hereby approves the amended Benson Fire Relief Bylaws.

Councilmember Olson seconded the foregoing Resolution and the following vote was recorded: AYES: Collins, Heinzig, Evenson, Landmark, Olson. NAYES: None. Thereupon the Mayor declared Resolution 2017-24 duly passed and adopted.

Next Lee discussed the Benson Fire Relief Association has been managing the retirement fund until now. The rules and regulations are getting harder to keep up with and they are asking to join the State run program which is managed by PERA. It would be at no additional cost to the City. After discussion, Evenson offered the following resolution:

**CITY OF BENSON  
Voluntary Statewide Lump-Sum  
Volunteer Firefighter Retirement Plan  
(RESOLUTION No. 2017-25)**

A RESOLUTION OPTING TO JOIN THE VOLUNTARY STATEWIDE LUMP-SUM VOLUNTEER FIREFIGHTER RETIREMENT PLAN

**The City Council of the City of Benson, Minnesota, does ordain:**

**WHEREAS:** The City is authorized to join the Voluntary Statewide Lump-Sum Volunteer Firefighter Retirement Plan administered by the Public Employees Retirement Association (PERA); and

**WHEREAS:** The City and the City's Fire Department Relief Association have jointly consented to and obtained a cost analysis for joining the Voluntary Statewide Lump-Sum Volunteer Firefighter Retirement Plan from PERA not more than 120 days ago; and

WHEREAS: The City highly values the contributions of City Fire Department members to the safety and wellbeing of our community and wishes to safeguard their pension investments in a prudent manner; and

WHEREAS: The existing benefit level for the City Fire Department is currently at the \$1,300.00 benefit level per year of service

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BENSON, MINNESOTA:**

- 1) The City hereby approves coverage by and requests participation in the Voluntary Statewide Lump-Sum Volunteer Firefighter Retirement Plan administered by PERA under the terms provided in the PERA cost analysis at the \$1,300.00 benefit level per year of service, effective January 1, 2018; and
- 2) The City Clerk/Administrator and Mayor are hereby authorized to execute all documents necessary to effectuate the intent of this resolution.

Councilmember Collins seconded the foregoing Resolution and the following vote was recorded: AYES: Collins, Heinzig, Evenson, Landmark, Olson. NAYES: None. Thereupon the Mayor declared Resolution 2017-25 duly passed and adopted.

Wolfington discussed the intersection at Nevada Avenue and 16<sup>th</sup> Street North. Currently Nevada Avenue is used by parents to transport their children to and from Northside School. There are stop signs going north and south. Wolfington said the Planning Commission recommended making this intersection a four way stop. Landmark and Collins expressed concern about traffic backing up onto Highway 29. After discussion it was moved by Heinzig, seconded by Evenson and carried unanimously to amend the stop sign plan making the intersection of 16<sup>th</sup> Street North and Nevada a four way stop. Hodge said they will monitor traffic flow after the signs are placed and see if this change will cause any traffic problems.

Next were pay requests for overhead to underground work. It was moved by Collins, seconded by Evenson and carried unanimously to approve a pay request from Goff Electric in the amount of \$30,636.23. It was moved by Collins, seconded by Evenson and carried unanimously to approve a second pay request from Goff Electric in the amount of \$6,406.93.

Wolfington discussed the upcoming State legislative session. He shared his concern over the possibility of an amendment to the Xcel Energy agreement, and is asking the Council to approve an agreement with Flaherty & Hood, P.A. to stay abreast of any possible changes to the agreement for us. After discussion, it was moved by Collins, seconded by Olson and carried unanimously to approve the agreement with Flaherty and Hood for services not to exceed \$15,000.

Wolfington shared an invite the City of Benson received from the MPCA concerning a meeting to discuss wastewater discharge permits in the Minnesota River Basin on October 18 in Mankato. He and Gens will be attending the meeting to see if Benson will have any new permits or regulations.

Pederson and Hodge approached the Council with quotes for a new phone system for the Police Department. They are going with a cloud based system and presented the following quotes:

<b>Vendor</b>	<b>Initial Charge</b>	<b>Recurring Mo. Charge</b>	<b>5 year Total</b>
MARCO	\$8,140.00	\$751.00	\$53,200
Telesystems	\$748.50	\$509.18	\$31,299
MNIT	\$6,858.12	\$177.61	\$17,514

After discussion, it was moved by Evenson, seconded by Olson and carried unanimously to approve the quote from MNIT as presented.

Next were pay requests from Marcus Construction for the police department building construction management. It was moved by Collins, seconded by Evenson and carried unanimously to approve pay request #2 to Marcus Construction in the amount of \$6,366.40. Next was a change order. It was moved by Collins, seconded by Olson and carried unanimously to approve a change order from Marcus Construction for fencing in the amount of (\$4,185.00). It was moved by Evenson, seconded by Collins and carried unanimously to approve pay request #3 to Marcus Construction Co., Inc. in the amount of \$7,980.07.

Mid-Central Concrete submitted a change order for concrete work at the police department building. It was moved by Collins, seconded by Evenson and carried unanimously to approve a change order for dirt work in the amount of \$7,435.00. It was moved by Evenson, seconded by Heinzig and carried unanimously to approve pay request #2 in the amount of \$32,729.40.

Next were two pay requests from Chester Contracting for construction work on the police department building. It was moved by Collins, seconded by Evenson and carried unanimously to approve pay request 2 in the amount of \$35,150.00. It was moved by Evenson, seconded by Olson and carried unanimously to approve pay request #3 to Chester Contracting in the amount of \$21,489.00.

It was moved by Collins, seconded by Olson and carried unanimously to approve the following election judges for the General Election on November 6, 2017:

Jan Baukol	Gene Doscher
Alta Larson	Diane Doscher
Jan Pagel	Karen Nelson
Mary Langan	Sue Fitz
Marge Scheffler	Susan Snow
Mike Scheffler	Jim Hilleren
Pam Lawatsch	Glen Pederson
LoAnn Hagen	Val Alsaker
Dennis Laumeyer	Pam Anderson

Pederson stated he received a notice from the South West-West Central (SWWC) Services Coop of a \$38% rate increase on the employee health insurance. He along with Justin Kroeger from Flexible Benefits Administrators started looking for alternatives to the current policy and found PEIP (Public Employee Insurance Plan) which is a state plan with a large pool and very stable. If the City were to go with PEIP, it will offer significant savings. The City and the unions would have to open their contracts to make the changes in insurance. Both AFSCME and LELS have voted to approve the new plan. Since deductibles are higher, the City would then kick more into the employees HSA to help defray some of the out of pocket costs. It is estimated the City will save \$40,000 in the first year under this new plan. It was moved by Evenson, seconded by Collins and carried unanimously to approve the insurance policy change and to open both union contracts to include the amended insurance changes.

The Council reviewed the budget report.

It was moved by Evenson, seconded by Collins and carried unanimously to approve the bills and warrants in the amount of \$440,082.00.

There being no further business to come before the Council upon motion by Collins, seconded by Evenson and carried unanimously to adjourn the Council meeting at 6:49 p.m.

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Mayor

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City Clerk