

**MINUTES - BENSON CITY COUNCIL - REGULAR MEETING
OCTOBER 22, 2018**

The meeting was called to order at 5:30 p.m. by Mayor Collins. Members present: Jack Evenson, Terri Collins, Mark Schreck, Jon Buyck & Lucas Olson. Members Absent: None. Also present: City Manager Rob Wolfington, Director of Finance Glen Pederson, Police Chief Ian Hodge, City Attorney Ben Wilcox, Katie Reardon, Dawn Dailey, Roxy Lewis and Librarian Nicole Schmeising.

The Council recited the Pledge of Allegiance.

Mayor Collins asked for any changes or additions to the agenda. Wolfington asked to add BioPro and Brightmark Energy discussion. It was moved by Evenson, seconded by Schreck and carried unanimously to approve the amended agenda.

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

- September 26, 2018 City Council Minutes
- October 1, 2018 City Council Minutes
- August 7, 2018 Cemetery Board Minutes
- September 10, 2018 Planning Commission Minutes
- September 17, 2018 EDA Minutes
- October 4, 2018 Safety Committee Minutes
- Gambling Permit Benson Hockey Assn. Bingo 10/31/18 and 11/21/18
- Tentative Gambling Permit Benson Hockey Assn. – Raffle 1/27/2019
- WAPA Drought Adder Rate
- Library Board – Roxy Lewis Term: 1/1/2019 – 12/31/2021

There was no one with unscheduled business.

Past Librarian Dawn Dailey approached the Council. Before she resigned at the Benson Library, she nominated Katie Reardon for Outstanding Friends member of the year, and she received the award. Dailey presented the Outstanding Friends of the Library award to Katie Reardon for her volunteer work she does for the Benson Library.

Next was the BioPro – Brightmark Energy discussion. Wolfington stated bids for fixed assets at Benson Power were due on October 4. Both Brightmark Energy and BioPro Energy submitted bids. There was a proposal to have each company buy half of the assets that pertain to them. Xcel rejected BioPro's bid. BioPro came back with an unsolicited bid for the entire site at a substantially higher proposal. Wolfington said he was invited to CVEC last week. CVEC is hoping the City will support BioPro, as BioPro will partner with CVEC with their energy producing business. BioPro is asking the City for a meeting with the City and CVEC and a letter of support addressed to Xcel as we did with Brightmark Energy. Wolfington would like the Council to reiterate a letter of support for Brightmark Energy to Xcel and reject BioPro's requests. The Mayor and Evenson expressed their support for Brightmark Energy because of the long term relationship they have established. Schreck asked where we are legally, and Wilcox explained the City can support the company we feel comfortable with. BioPro wants us to waive our rights on the land and hope a letter of support would put them on the same playing field with Xcel as Brightmark Energy. Olson said he isn't ready to give a letter of support to BioPro, but would like to meet with them to hear what they have to say. The Mayor said that could take two more weeks and said we are getting behind in the process. After discussion, it was moved by Evenson to reject BioPro's requests. The motion was seconded by Schreck and the motion was carried unanimously.

Wolfington presented a letter from Xcel explaining the shut-down procedures. He said there will be someone there for security through the end of the year. Schreck asked about soil testing. Wolfington said there has been geo-testing there, wasn't sure of the extent and said he would look into it and let Schreck know.

Wolfington explained the City has a non-binding letter of intent with Missouri River Energy Services (MRES) at the Fibrominn Facility. In the letter, the City is asking MRES to consider terminating the Backup Service Agreement so the City can redirect the funds toward economic incentives to aid the development of the Brightmark project. MRES anticipates agreement with the following terms 1) the city pays MRES an accelerated buy-out payment based on the remaining terms of the Backup Service Agreement or 2) the Successful development of the site by Brightmark Energy. Wolfington recommended approval of the letter of intent. After discussion, it was moved by Schreck, seconded by Buyck and carried unanimously to authorize the Mayor to sign the letter of intent with MRES.

Next was a memo from Moss & Barnett, describing the possible revenue reduction with Charter Communication's franchise fee payment to the City. There is legislation proposed allowing deductions from the franchise fee for various "in-kind" contributions. This could result in a 20% reduction in franchise fees for the City. Wolfington suggested we join other cities in submitting comments against this proposed regulation to the FCC. After discussion it was moved by Evenson, seconded by Olson and carried unanimously approve Moss & Barnett submitting written comments against the FCC proposed ruling.

Next was a request from the Cemetery Board to earmark \$3,000 in next year's budget for stone repairs. Pederson said it is in the 2019 preliminary budget already.

Charter Communications has notified the City that they are simplifying its operating structure by reducing the number of operating entities and subsidiaries and aligning its cable operations into regional entities. Our franchise agreement will be merged into Spectrum Mid-American, LLC. The City is not required to take action on this change, however Charter has provided a resolution of approval for the City to use. Moss and Barnett, who have been working for the City on the franchise agreement with Charter advised we use our own resolution which would be more favorable to the City. The Council was in agreement to wait for the resolution from Moss and Barnett.

Wolfington gave an update on the sewer lift station alarms. All lift stations have new equipment installed for the alarm system and are almost up and running.

2018 Christmas lights were next on the agenda. Wolfington said several years ago lights were strung on the roof tops of the buildings. The lights are aging and it is in the work plan to repair or replace them. The Mayor stated with areas that are burned out and the lack of time to fix them, she would like to turn them off. Evenson suggested not lighting them this year, and work on getting them ready for next year. It was the consensus of the Council to work on getting all the lights ready for next year, and not light them this year.

Pederson approached the Council to explain Morgan Stanley, the company the City has been investing with, is getting out of the municipal investment business. Pederson would like to transfer our investments which are mostly brokered CD's to RBC Wealth Management in Minneapolis. After discussion, it was moved by Evenson, seconded by Buyck to authorize Pederson and Wolfington to open the new account and transfer the funds.

Councilmember Schreck offered the following resolution:

**RESOLUTION TRANSFERRING FUNDS FROM THE GENERAL FUND TO THE SANITARY
SEWER COLLECTION FUND FOR THE FIRST OF THREE ANNUAL PAYMENTS FOR THE
CONNECTION FEE OF SCANDI HAVEN VILLAGE
(RESOLUTION 2018-21)**

Whereas, a senior assisted living facility is being built by Swift County-Benson Health Services, and,

Whereas, the City of Benson acknowledges the impact of having such a facility located within the City, and,

Whereas, the City was requested to participate in the funding of the project by reducing the cost of the building permit, and,

Whereas, a portion of the building permit is for utility fund connection fees that are an integral part of the rate setting for those services, and,

Whereas, the City agreed to waive the \$99,120 sewer connection fee and increase the property tax levy by one third that amount over a three year period.

Now therefore be it resolved that the City Council approves a transfer from the General Fund to the Sanitary Sewer Fund in the amount of \$33,040.

Councilmember Evenson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Schreck, Collins, Buyck, Olson. NAYES: None. Thereupon the Mayor declared Resolution 2018-21 duly passed and adopted.

The Council reviewed the September budget report.

It was moved by Evenson, seconded by Schreck and carried unanimously to approve the bills and warrants in the amount of \$439,263.11.

The Mayor suggested the Council go into closed session to discuss the purchase of the old Rob's Motel east of Benson. It was moved by Evenson, seconded by Schreck and carried unanimously to close the meeting for discussions at 6:20 p.m.

The City reconvened at 6:51 p.m. The Mayor said the Council did not have the appetite to purchase the property at this time.

There being no further business to come before the Council upon motion by Evenson, seconded by Schreck and carried unanimously to adjourn the Council meeting at 6:52 p.m.

City Clerk

Mayor