

City Council Regular Meeting Agenda
City Council Chambers
December 1, 2014

Page

1. 5:30 p.m. Call the Meeting to Order at City Hall (Mayor)
2. Persons with Unscheduled Business to Come Before the City Council (Mayor)
3. Review the Consent Agenda: (Mayor)
 - a. Minutes:
 - 2-5 ▪ 11.17.14 City Council Meeting
 - 6 ▪ 10.23.14 EDA Meeting
 - 7-8 ▪ 10.27.14 SCBH Minutes
 - 9 ▪ 11.26.14 Benson Tourism Board
 - b. Applications:
 - Vacancies on Boards & Commissions:
 - Park Board – 2
 - Benson Area Tourism Board – 4
 - Cemetery Board - 1
 - Airport Commission – 2
 - c. Correspondence:
 - 10 ▪ Charter Communications Rate Increase
 - 11-13 ▪ Centerpoint Energy Rate Increase
 - d. Overnight Travel: None
4. MnDOT Regional Transit Operations Manager Bev Herfindahl
5. Charter Communications Proposed Change in Ownership
 - 14 ▪ Cover Letter
 - 15-28 ▪ Moss & Barnett Report
 - 29-30 ▪ Proposed Resolution
- 31 6. Fuel Bids 12/1/14 – 12/1/16
- 32-38 7. League of Minnesota Cities 2014-15 Insurance Coverage Changes, Rates and Dividends
- 39 8. Consider Resolution for Water and Sewer Assessments
- 40 9. Small Cities Board Approvals
- 41-43 10. Consider 2nd Reading of Ordinance #202 Amending Gas Energy Franchise Fees
- 44-65 11. 6:00 p.m. Truth in Taxation Hearing
- 66 12. New File Server
- 67 13. Pay Request: Central Specialties – Paver Laid Bituminous - \$91,046.14
14. Adjourn: Mayor

DRAFT

**MINUTES - BENSON CITY COUNCIL - REGULAR MEETING
NOVEMBER 17, 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, Assistant City Attorney Ben Wilcox, Sally Jones, Police Chief Ian Hodge, Shelly Eldridge, Marion McGovern, Patty Schreck, Beth Schlangan, Tim Essig, Anita Flodstrom, Mark Anderson, Coreen Miller, Ron Vadnais, Bill Dethloff, Brian Samuelson and Kathy Dolan.

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

- November 3, 2014 City Council Meeting
- October 2, 2014 Special EDA Meeting

There was a memo from the Minnesota Department of Commerce with direction on correct information to provide customers in reference to the cold weather rule.

Wolfington reviewed a letter from Western Area Power Administration, announcing Western's Upper Great Plains Region has signed a membership agreement enabling it to join the Southwest Power Pool regional transmission organization as a transmission owner. This application is before the Federal Energy Regulatory Commission for approval. The concern is if this is approved, our rates will go up. There is a comment period and some meetings that may be attended on this possible agreement.

Next the Council discussed the request for partnership on a walking track that could be added to the new gym the Benson School District is hoping to build. The City's share would be \$620,000. After discussion, it was moved by Fitz, seconded by Evenson and carried unanimously not to participate in the new gym addition with the Benson School District.

Wilcox came forward and reviewed the Municipal Utilities Franchise Ordinance. Wolfington reminded the Council the franchise fees would generate revenue for street repairs. The Council agreed this is a fairer way of funding. It was moved by Heinzig, seconded by Evenson and carried unanimously to approve a 2nd Reading of the Benson Municipal Utilities Franchise Ordinance.

Councilmember Fitz offered the following resolution:

**A RESOLUTION ADOPTING A SCHEDULE OF
ELECTRIC UTILITY FRANCHISE FEES
FOR THE CITY OF BENSON, MINNESOTA
(RESOLUTION NO. 2014-18)**

WHEREAS, the City of Benson has approved a Franchise ordinance for the Municipal Electric Utility, and

WHEREAS, the City Council for the City of Benson has determined the fairest method for funding street repairs be in the form of a fee on each utility bill.

Whereas, the following fees are hereby adopted to be collected monthly on each type of utility bill:

Residential	\$ 3.00 per month
Commercial	\$10.00 per month
Commercial Demand	\$20.00 per month
Large Power	\$40.00 per month

NOW, THEREFORE BE IT RESOLVED that the City Council authorizes these franchise fees to be effective with the adoption of the Franchise Ordinance and until such time that it is changed.

Council Member Fugleberg seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-18 duly passed and adopted.

Next was discussion on changing the gas energy franchise fee rates with Centerpoint Energy. With the increase in fees, it will generate an additional \$16,750 to assist the Utility Franchise fees for street repairs. It was moved by Heinzig, seconded by Evenson and carried unanimously to approve the 1st Reading Amending Special Ordinance 202 An Ordinance Implementing a Gas Energy Franchise Fee on Centerpoint Energy Minnesota Gas ("Centerpoint Energy") for Providing Gas Energy Service Within The City Of Benson, Minnesota.

Shelly Eldridge from Ehlers and Associates approached the Council to discuss the pre-sale report for the \$1,445,000 General Obligation Bonds, Series 2014A.

Mayor Kittelson opened the public hearing on the City's Five Year Capital Improvement Plan for Financing Purposes under Chapter 475 at 6 p.m.

Mayor Kittelson also opened the floor for comments at 6 p.m. from the public for feedback on the proposed Blight Ordinance.

There was discussion on the CIP bond for the public works building. The Mayor called for public comment on this bond, to which there was none.

Next the Mayor discussed and took comment from those in attendance on the blighted property ordinance. One suggestion was to use Chapter 97: Dangerous or Substandard Buildings and not create a new Chapter 98. There were comments for and against the new ordinance. The Council came to the conclusion to leave the comment period open until December 31, 2014, and people are to bring their written comments into City Hall for compilation.

The Mayor closed the public hearing on the Five Year Capital Improvement Plan at 7:13 p.m.

Councilmember Evenson offered the following resolution:

RESOLUTION GIVING PRELIMINARY APPROVAL TO THE ISSUANCE OF GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS IN AN AMOUNT NOT TO EXCEED \$600,000 AND ADOPTING THE CITY OF BENSON, MINNESOTA, CAPITAL IMPROVEMENT PLAN FOR THE YEARS 2015 through 2019 (RESOLUTION 2014-19)

A. WHEREAS, the City Council of the City of Benson, Minnesota (the "City") proposes to issue its general obligation capital improvement plan bonds (the "Bonds") and adopt the City of Benson, Minnesota, Capital Improvement Plan for the Years 2015 through 2019 (the "Plan"); and

B. WHEREAS, the City has caused notice of the public hearing on the intention to issue the Bonds and on the proposed adoption of the Plan to be published pursuant to and in accordance with Minnesota Statutes, Section 475.521; and

C. WHEREAS, a public hearing on the intention to issue the Bonds and on the proposed Plan has been held on this date, following published notice of the public hearing as required by law; and

D. WHEREAS, in approving the Plan, the City Council considered for each project and for the overall Plan:

1. The condition of the City's existing infrastructure, including the projected need for repair and replacement;
2. The likely demand for the improvement;
3. The estimated cost of the improvement;
4. The available public resources;
5. The level of overlapping debt in the City;
6. The relative benefits and costs of alternative uses of the funds;
7. Operating costs of the proposed improvements; and
8. Alternatives for providing services more efficiently through shared facilities with other local governmental units; and

E. WHEREAS, the City Council has determined that the issuance of general obligation capital improvement plan bonds in the aggregate principal amount of up to \$600,000 is the best way to finance the capital improvements identified in the Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Benson, Minnesota, that the City hereby adopts the Plan and authorizes the issuance of up to \$600,000 aggregate principal amount of general obligation capital improvement plan bonds.

Council Member Fugleberg seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-19 duly passed and adopted.

Councilmember Fitz offered the following resolution:

**RESOLUTION PROVIDING FOR THE SALE OF
\$1,445,000 GENERAL OBLIGATION BONDS, SERIES 2014A
(RESOLUTION 2014-20)**

- 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 \$1,445,000 General Obligation Bonds, Series 2014A (the "Bonds"), to finance various projects and equipment purchases in and for the City; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 5:30 P.M. on December 15, 2014, for the purpose of approving the sale of the Bonds and establishing a pricing committee. The pricing committee shall meet at 2:00 p.m. on December 17, 2014 for the purpose of considering proposals for and awarding the sale of the Bonds.

3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

Council Member Evenson seconded the foregoing Resolution and the following vote was recorded: AYES: Kittelson, Heinzig, Fugleberg, Fitz, Evenson. NAYS: None. Thereupon the Mayor declared Resolution 2014-20 duly passed and adopted.

It was moved by Fugleberg, seconded by Evenson and carried unanimously to approve a Small Cities grant payment in the amount of \$2,396.00

It was moved by Fugleberg, seconded by Evenson and carried unanimously to approve a Small Cities grant payment in the amount of \$6,726.00

Next Wolfington presented a list of equipment the Street Department no longer uses and would like to sell. Following is a list of surplus property:

- Futura Sand Blaster Pressure Washer 16 hp Briggs & Stratton 2500 psi
- Power Flame burner for boiler
- Omega telescoping hydraulic transmission jack 1000 lb. capacity
- 2 – Fairbanks and Morse 40 hp 3 phase electric motors
- OTC Hydraulic lift dual wheel dolly 1500 lb capacity
- 2- Aurora 600 gpm centrifugal pumps
- 8” gate valve
- 8” electric water flow meter
- Beuthling B100 packer 11 hp Briggs & Stratton
- Approximately 6,500’ of 5” sock tile

It was moved by Fitz, seconded by Heinzig to approve the sale of the surplus property. The following vote was recorded: AYES: Fitz, Heinzig, Kittelson, Fugleberg. NAYS: None ABSTAIN: Evenson. The motion carried.

There was a pay request from Benson Community Education for administration of the 2014 Summer Recreation Program. It was moved by Fugleberg, seconded by Evenson and carried unanimously to approve a pay request to Community Education in the amount of \$18,430.99

Next the Council reviewed the October 2014 budget report.

It was moved by Evenson, seconded by Fugleberg and carried unanimously to approve the bills and warrants in the amount of \$405,574.42

Wolfington announced Bev Herfindahl, our regional transit operations manager will be at the next Council meeting.

There being no other business, a motion was made by Heinzig, seconded by Evenson and carried unanimously to adjourn the meeting at 7:17 p.m.

Mayor

City Clerk

W
11/6/14

EDA Meeting October 23, 2014

Members Present: Mike Fugleberg, Paul Estenson, Paul Kittelson, Jon Buyck, and Leroy Noreen
Members Absent: Rick Horecka, Pat Hawley
Also Present: City Manager Rob Wolfington, Jay Alsaker, Jerry Peterson, Larry Kenyon and Ron Laycock from the Swift County-Benson Hospital Foundation, Kory Johnson Swift County-Benson Hospital Board Chair, Jen Frost from Swift County HRA, Peter Jesh from Summit Development, City of Benson Attorney Don Wilcox, Belinda Sanders and Tonya Stewart

Chairman Estenson called the meeting to order at 12:05 p.m.

It was moved by Fugleberg, seconded by Buyck and carried unanimously to approve the October 2, 2014 special EDA minutes.

Revolving Loan Fund Review

Wolfington discussed new reporting requirements for loan funds and reviewed the DEED slides from last month's meeting on loan restrictions. The EDA agreed to invite our legislators to an EDA meeting after the election to discuss changes to loan standards.

Loan Profile

The loan profile was reviewed.

There being no other business, it was moved by Kittelson, seconded by Buyck and carried unanimously to adjourn the meeting.

Chairman

Attest: _____
Secretary

SWIFT COUNTY-BENSON HOSPITAL
BOARD OF DIRECTORS MEETING MINUTES
Monday, October 27, 2014 -- 5:30 p.m.

DRAFT

I. CALL TO ORDER & ROLL CALL

The meeting was called to order at 5:40 p.m. by Kory Johnson.

Members Present: Kory Johnson, Chair; Tom Anderson, Dan Enderson, Joe Fox, Jill Hedman, Richard Horecka, MD, Deb Moore, Brian Samuelson, Patty Schreck, Frank Lawatsch, CEO

Others Present: Melissa McGinty-Thompson, DON, Naomi Sands, HR, Jayne Thielke, CFO, Rob Wolfington, Benson City Manager, Lyle Koenen, MN State Senator, Andrew Falk, MN State Representative, Holly Rodahl, Quality Coordinator

II. FOR ACTION:

• **Governing Board Agenda –**

Deb asked that item 6.3, *ER Entrance Lighting*, be added to the agenda. Deb Moore made a motion to approve the agenda. With a second from Patty Schreck, the motion passed unanimously.

• **Governing Board Minutes, Reports and Committee Minutes –**

The minutes from the 9/29/2014 meeting as well as reports and committee minutes were approved with motion by Jill Hedman and second by Brian Samuelson and unanimously carried.

• **Board Education Program – Discussion with State Legislators**

Representative Andrew Falk felt that the past two years have been the most productive legislative terms in recent history. He anticipates that the focus of the next session will be transportation, early childhood, and making higher education more affordable. Senator Lyle Koenen anticipates that if Governor Dayton is re-elected, there will be a focus on education and transportation. He also anticipates the implementation of a wholesale tax.

The board expressed their concern with the possible nurse mandated staffing legislation. This has been proven to decrease quality and increase costs. The potential legislation could result in a nursing shortage in many rural facilities, even though Falk has proposed that critical access hospitals be exempted. The board also addressed the shortage of facilities in MN that can accept behavioral health patients. SCBH staff has difficulty placing approximately 90% of their behavioral health patients needing transfers, with a majority of them going out of state.

• **Clinical Report –**

Holly Rodahl informed the board of the precautions SCBH is implementing with regard to Ebola. Information regarding signs and symptoms, transmission, patient screening criteria, waste and equipment handling, and use of PPE has been distributed to all staff. There is ongoing training that will be required of all frontline staff. Holly is also distributing weekly updates to all staff. Holly is working with Rice Memorial Hospital to procure more PPE.

• **Decision Items:**

- **Approval of Medical Staff Appointments** – Dr. Horecka made a motion to approve the initial appointments for Alicia Frankwitz, MD, Marshall Hinds, MD, and Dariush Orandi, MD. With a second from Brian Samuelson, the motion passed unanimously.
- **Approval of laser-assisted cataract surgery privileges for John Dvorak, MD** – This item was tabled.

- **Approval of 2015 Operating Budget Assumptions** – Brian Samuelson made a motion to approve the budget assumptions. With a second from Dan Enderson, the motion passed unanimously.
 - **Approval for Funding for Heliport Location/Design** – Patty Schreck made a motion to approve sharing one-third of the cost of developing a heliport site plan/design with the city and county, not to exceed \$7,000. With a second from Jill Hedman, the motion passed unanimously.
 - **Approval of Purchase of a Glidescope** – Dr. Horecka made a motion to approve the purchase of the glidescope, understanding that the SCBH Foundation will be reimbursing the cost. With a second from Tom Anderson, the motion passed unanimously.
 - **ACMC Request** – Deb Moore made a motion to authorize SCBH to give ACMC \$25,000 per year for two years (\$50,000 total) to be used in the recruitment of Dr. Larry Grong. With a second from Dr. Horecka, the motion passed with a 6-2 vote, with Dr. Horecka abstaining.
- **Discussion Items:**
 - **Heliport location/planning** – Rob Wolfington explained that the area north of the Health and Human Services building appears to be the most logical site for the new heliport. About a dozen trees will need to be taken down and electrical lines will need to be buried. Rob requested that SCBH split the cost of the planning and construction portion of the project with the city and the county. The city plans to use their own employees to complete much of the general labor and they plan to absorb the cost of burying the electrical lines. The estimated cost to SCBH is \$12,000-\$13,000. Joe Fox mentioned that the County Board has not approved the cost sharing at this time.
 - **ER Entrance Lighting** – Deb Moore expressed concern over the amount of lighting at the emergency entrance. Frank indicated that SCBH administration would look into the issue.
- **Informational Items:**
 - **MHA Legislative Update** – Frank reported that the current focus is on the mandated staffing issue. There is legislation proposed to eliminate the 96-hour rule. MHA is also working on trying to get reimbursement for telemetry. There is a work group in place that is trying to develop an alternative method for funding CAHs. Finally, MHA is continuing to work on revising the CMS regulations requiring direct provider supervision for therapeutic services.
 - **Rice Report – The report included:**
 - The hospital is implementing facility-wide Ebola preparations.
 - Rice had an influx of patients on 10/17/14, due to a medical incident at Jennie-O. They ended up treating 24 patients in a short window of time. Staff handled the situation well.
 - The hospital continues to recruit for a hospitalist. They recently signed a contract with an orthopedic resident. Also, Dr. Matt Putnam, orthopedic surgeon, will start in about a week.
 - The Rice Care Center will host an open house this week.

Next Board Meeting: Monday, 11/24/2014; 5:30pm

V. ADJOURNMENT

With motion by Patty Schreck and second by Brian Samuelson, the meeting was adjourned at 8:11p.m. and the motion carried unanimously.

D. Moore, Secretary

November 26, 2014

TO: Benson City Council

FR: Benson Tourism Board

RE: Proposed 2015 City of Benson Tourism Budget

The Benson Tourism Board met on November 26, 2014 to discuss and propose an annual operating budget for 2015. The board proposed the following budget:

\$10,000	Kid Day Activities
\$3,500	Band Fest
\$2,500	Rib Fest
\$2,500	Biomass Conference
\$750	Santa Truck Activities
\$5,000	Digital Sign
\$7,000	Communications
\$500	Administrative Expense

For the board, Respectfully submitted:

Rob Wolfington

City Manager



VIA E-MAIL & US MAIL

November 17, 2014

Mr. Rob Wolfington
City Manager
City of Benson
1410 Kansas Avenue
Benson, MN 56215-1718

Dear Mr. Wolfington:

Containing costs and efficiently managing our operations are critical to our goal to provide customers with the best value possible. Like every business, Charter faces rising costs that require occasional price adjustments.

As a result, customers in your community will be notified of the following price adjustment through a billing statement message on or after November 21, 2014:

Due to rising programming costs, effective with your next billing statement, pricing will be adjusted for the Broadcast TV Surcharge from \$5.00 to \$5.25. This reflects charges assessed to Charter by broadcast TV stations.

We remain committed to providing excellent communications and entertainment services in your community and in each of the communities we serve. If you have any questions about this change, please feel free to contact me at 952-367-4233 or LeeAnn.Herrera@charter.com.

Sincerely,

A handwritten signature in cursive script that reads "LeeAnn Herrera".

LeeAnn Herrera
Director Government Relations MN/NE KMA
Charter

LH/bo



800 LaSalle Avenue
P.O. Box 59038
Minneapolis, MN 55459-0038

November 21, 2014

In August 2013, Center Point Energy filed a request with the Minnesota Public Utilities Commission (MPUC) to change its rates for utility distribution service. Earlier this year, the MPUC approved an annual revenue increase of approximately \$32.9 million or 3.9 percent, which goes into effect Dec. 1, 2014. Under the final order, the monthly Basic Charge for residential customers will increase \$1.50 per month from \$8.00 to \$9.50, and the per-therm Delivery Charge increases from \$0.16637 to \$0.18458.

The rate changes will affect individual monthly bills differently depending on the amount of natural gas used and the customer's rate class. The effect on an average residential customer's bill (who uses approximately 900 therms in a year) will be an increase of about \$2.85 per month, or \$34 per year. Bills will also vary because the wholesale cost of natural gas changes each month.

State law allowed CenterPoint Energy to collect interim (temporary) rates while the MPUC considered the rate increase request. Since the final rate increase is less than the interim rate increase, CenterPoint Energy will refund the difference, with interest, beginning in December 2014. A typical residential customer's refund will be about \$11.

The Commission's approval also included a new revenue decoupling pilot program, which will begin in July of 2015. Revenue decoupling is a rate mechanism that separates the link between the amount of revenue CenterPoint Energy earns and the amount of natural gas used by customers. Revenue decoupling allows CenterPoint Energy to adjust rates up or down each year to make up for any shortfall or excess in revenue that is not related to the cost of gas. More information about the revenue decoupling pilot program will be available online and in print soon.

The best way for customers to manage their natural gas bill is to lower usage. CenterPoint Energy has a nation-leading program to help customers increase the energy efficiency of their homes and businesses. We offer low-cost home energy audits to help identify ways customers can reduce energy costs and increase their comfort. We also have numerous rebate offerings for high-efficiency natural gas equipment that help lower operating costs. We maintain a website for energy saving ideas with many low-cost and no-cost ideas and information, including a tool to compare this year to last year for temperature and consumption. You can learn more about these and the many other ways we are helping our customers reduce their usage and their gas bills by visiting CenterPointEnergy.com/SaveEnergy.

Enclosed is a copy of the bill insert that will be included in customer bills starting in December 2014 when final rates are implemented. The insert provides more detailed information explaining how the new rates will affect monthly bills and encourage energy conservation.

If you have questions, comments or would like more information, you are invited to visit our website at CenterPointEnergy.com/RateCase.

Sincerely,

A handwritten signature in black ink that reads "Joe".

Joe Vortherms
Division Vice President - Regional Gas Operations

Enclosure: Final Rates Bill Insert



HOW TO LEARN MORE

To learn more visit our website at CenterPointEnergy.com/RateCase and take advantage of our online calculator to learn about how reducing your natural gas consumption can lower your monthly bill.

Residential

612-372-4727 • 800-245-2377

Business

Call your account manager or the Business Customer Hotline
612-321-4939 • 877-809-3803



NEW NATURAL GAS DISTRIBUTION RATES APPROVED IN 2014

Charges begin with the enclosed bill

In August 2013, CenterPoint Energy filed a request with the Minnesota Public Utilities Commission (MPUC) to change its rates for utility distribution service. The filing, known as a rate case, sought to increase the company's annual revenues by \$44.3 million or 5 percent.

MPUC approves new rates

The MPUC approved an annual revenue increase of approximately \$32.9 million, or 3.9 percent. Under the final order, the monthly Basic Charge for residential customers increases from \$8.00 to \$9.50, and the per therm Delivery Charge increases from \$0.16637 to \$0.18458.

The new rates approved by the MPUC also include an important change – see inside for information about the new revenue decoupling pilot program that will start next year.



RATES VARY BY CUSTOMER CLASS

Rate changes will affect individual monthly bills differently depending on the amount of natural gas used and the customer's rate class. The effect on an average residential customer's bill (who uses approximately 900 therms in a year) will be an increase of about \$2.85 per month, or \$34 per year. Bills will also vary because the wholesale cost of natural gas changes each month.

Customers' bills contain three parts: Basic Charge, Delivery Charge and Cost of Gas, which is passed through directly to customers without mark-up. The Basic Charge and Delivery Charge recover only the cost of providing utility distribution service to our customers. They do not include wholesale gas costs – which make up about 60-70 percent of the bill.

Monthly Basic Charge:	Current	New
Residential	\$8.00	\$9.50
C/I-A	\$12.00	\$15.00
C/I-B	\$18.00	\$21.00
C/I-C	\$43.00	\$43.00
SVDF-A	\$60.00	\$50.00
SVDF-B	\$90.00	\$80.00
LVDF	\$600.00	\$800.00

Delivery Charge (per therm):	Current	New
Residential	\$0.16637	\$0.18458
C/I-A	\$0.14680	\$0.14129
C/I-B	\$0.14422	\$0.13349
C/I-C	\$0.13362	\$0.13969
SVDF-A	\$0.09941	\$0.11409
SVDF-B	\$0.09420	\$0.10697
LVDF	\$0.04270	\$0.05034

Note: The current and new per therm delivery charges do not include the per therm charge for the Conservation Improvement Program Adjustment Rider that is used to recover conservation costs not included in base rates.



Refunds on interim rates. State law allowed CenterPoint Energy to collect interim (temporary) rates while the MPUC considered its rate case. The company began collecting annual interim rates of \$42.9 million, on October 1, 2013. Since the final rate increase is less than the interim

rate increase, the company will refund the difference, with interest, beginning in December 2014 bills. A typical residential customer's refund will be about \$11.

New revenue decoupling pilot program starts July 2015

The purpose of revenue decoupling is to reduce CenterPoint Energy's disincentive to promote energy conservation and energy efficiency. Revenue decoupling separates the link between the amount of revenue CenterPoint Energy collects from its customers and changes in the amount of natural gas they use. Revenue decoupling allows CenterPoint Energy to automatically adjust its rates for residential, commercial and industrial customers once each year. CenterPoint Energy will adjust its rates up or down each year to make up for any short fall or excess in non-gas sales revenue. This pilot program will start with July 2015 usage. The first decoupling rate adjustment will appear on customer bills in fall 2016. We will provide more information on the decoupling pilot program in the future.

Customer type (usage in therms)	Avg monthly usage in therms	Avg monthly bill current rates	Avg monthly bill new rates
Residential - Small	37	\$32.00	\$34.19
- Medium	73	\$55.35	\$58.20
- Large	110	\$79.35	\$82.89
Commercial/Industrial			
Up to 1,500/year	60	\$50.00	\$53.00
1,500 to 5,000/year	226	\$160.00	\$161.00
5,000 or more/year	1,137	\$741.00	\$748.00
Small Volume Dual Fuel Sales Service			
Up to 120,000/year	3,800	\$1,995.00	\$2,041.00
120,000 or more/year	13,745	\$7,017.00	\$7,182.00
Large Volume Dual Fuel Sales Service	70,000	\$30,752.00	\$31,487.00



Moss & Barnett

November 18, 2014

Mr. Robert J. Wolfington
City Manager
1410 Kansas Avenue
Benson, MN 56215

Re: Proposed Change in Ownership – Charter Communications

Dear Rob:

Enclosed please find Moss & Barnett's Report regarding the proposed change in ownership of the cable franchise currently held by CC VIII Operating, LLC, d/b/a/ Charter Communications ("Charter") as well as a Resolution for your City Council's review and consideration. As we previously discussed, this matter should be placed on the agenda of a City Council meeting for consideration prior to December 27, 2014 – the deadline for processing Charter's FCC Form 394 request.

Because this transaction is relatively straight forward and because we are attempting to keep costs to a minimum, I am not planning to travel to Benson to present this report to the City Council in person. I have attached hereto a letter for your use in transmitting an executed copy of the Resolution adopted by the City to Mr. Mark Brown of Charter Communications.

Section 9.5(f) of the existing Charter Franchise states as follows:

9.5 Sale or Transfer of Franchise

f. If permitted by Applicable Laws, the Grantee shall reimburse City for all reasonable and necessary legal, administrative, and consulting costs and fees associated with City's review of any request to transfer. Nothing herein shall prevent Grantee from negotiating partial or complete payment of such costs and fees by the transferee. Grantee may not itemize any such reimbursement on Subscriber bills, but may recover such expenses in its Subscriber rates.

We anticipate sending an invoice to the City in early December regarding the total fees and costs incurred to prepare the attached report for the City. While the City will be responsible to remit payment to Moss & Barnett, the City can determine whether to exercise the option to pursue reimbursement from Charter pursuant to Section 9.5 of the Franchise.

Please contact me with any questions you may have.

Very truly yours,

Brian T. Grogan
Attorney at Law
P: (612) 877-5340 F: (612) 877-5031
Brian.Grogan@LawMoss.com

BTG/tlh/2601582v1
Enclosures



REPORT

Regarding the Proposed Change in Ownership of Charter Communications

November 17, 2014

Submitted by:

Brian T. Grogan, Esq.
Yuri B. Berndt, Esq.

150 South Fifth Street, Suite 1200
Minneapolis, MN 55402
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INTRODUCTION

This report has been provided by Moss & Barnett, a Professional Association, for the express purpose of evaluating FCC Form 394 ("Form 394") - Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise ("Application")

Moss & Barnett has been retained by the cities listed below (hereinafter collectively referred to as "City" or "Cities") to review the Application.

List of Minnesota Cities

City of Austin	City of Red Wing
City of Benson	City of Rochester
City of Duluth	City of St. Cloud
City of Goodview	City of Sartell
City of Lakeville	City of Sauk Rapids
City of Marshall	City of Tracy
City of Montevideo	City of Waite Park
City of North Mankato	City of Willmar
	City of Winona

Pursuant to each City's Franchise, this proposed transfer is prohibited without the written consent of the City. Federal law provides the City with a period of 120 days to examine the legal, technical and financial qualifications of the proposed transferee. In addition to local franchise requirements, the following provisions of Federal law and State law govern the actions of the City in acting on the request for approval of the proposed transfer.

FEDERAL LAW

The Cable Communications Policy Act of 1984, as amended by the Cable Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996 ("Cable Act"), provides at Section 617 (47 U.S.C. § 537):

Sales of Cable Systems. A franchising authority shall, if the franchise requires franchising authority approval of a sale or transfer, have 120 days to act upon any request for approval of such sale or transfer that contains or is accompanied by such information as is required in accordance with Commission regulations and by the franchising authority. If the franchising authority fails to render a final decision on the request within 120 days, such request shall be deemed granted unless the requesting party and the franchising authority agree to an extension of time.

The Cable Act also provides at Section 613(d) (47 U.S.C. § 533(d)) as follows:

(d) Regulation of ownership by States or franchising authorities. *Any State or franchising authority may not prohibit the ownership or control of a cable system by any person because of such person's ownership or control of any*

other media of mass communications or other media interests. Nothing in this section shall be construed to prevent any State or franchising authority from prohibiting the ownership or control of a cable system in a jurisdiction by any person (1) because of such person's ownership or control of any other cable system in such jurisdiction, or (2) in circumstances in which the State or franchising authority determines that the acquisition of such a cable system may eliminate or reduce competition in the delivery of cable service in such jurisdiction.

Further, the Federal Communications Commission ("FCC") has promulgated regulations governing the sale of cable systems. Section 76.502 of the FCC's regulations (47 C.F.R. § 76.502) provides:

Time Limits Applicable to Franchise Authority Consideration of Transfer Applications.

(a) A franchise authority shall have 120 days from the date of submission of a completed FCC Form 394, together with all exhibits, and any additional information required by the terms of the franchise agreement or applicable state or local law to act upon an application to sell, assign, or otherwise transfer controlling ownership of a cable system.

(b) A franchise authority that questions the accuracy of the information provided under paragraph (a) must notify the cable operator within 30 days of the filing of such information, or such information shall be deemed accepted, unless the cable operator has failed to provide any additional information reasonably requested by the franchise authority within 10 days of such request.

(c) If the franchise authority fails to act upon such transfer request within 120 days, such request shall be deemed granted unless the franchise authority and the requesting party otherwise agree to an extension of time.

STATE LAW

Minnesota Statutes Section 238.083 provides:

Sale or Transfer of Franchise.

Subd. 1. Fundamental corporate change defined. *For purposes of this section, "fundamental corporate change" means the sale or transfer of a majority of a corporation's assets; merger, including a parent and its subsidiary corporation; consolidation; or creation of a subsidiary corporation.*

Subd. 2. Written approval of franchising authority. *A sale or transfer of a franchise, including a sale or transfer by means of a fundamental corporate change, requires the written approval of the franchising authority. The parties to the sale or transfer of a franchise shall make a written request to the franchising authority for its approval of the sale or transfer.*

Subd. 3. Repealed, 2004 c 261 art 7 s 29

Subd. 4. Approval or denial of transfer request. *The franchising authority shall approve or deny in writing the sale or transfer request. The approval must not be unreasonably withheld.*

Subd. 5. Repealed, 2004 c 261 art 7 s 29

Subd. 6. Transfer of stock; controlling interest defined. *Sale or transfer of stock in a corporation so as to create a new controlling interest in a cable communication system is subject to the requirements of this section.*

The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised.

FINANCIAL QUALIFICATIONS

I. SCOPE OF REVIEW

CC VIII Operating, LLC, a Delaware limited liability company, and Charter Cable Partners, LLC, a Delaware limited liability company (both referred to herein as "Operating"), are the current holders of the cable television franchises (hereinafter referred to as the "Franchise Agreement") granted by the Cities¹ (collectively referred to herein as the "City"). Under the Franchise Agreement, Operating operates cable television systems (the "System") that provide cable services and other communication services in the City. Operating has requested the City's approval of the proposed transfer of the ownership of Charter Communications, Inc., a Delaware corporation ("Charter"), the indirect parent of Operating, to an entity wholly owned by Charter.

At the request of the City, Moss & Barnett, PA has reviewed selected financial information that was provided by Charter or publicly available to assess the financial qualifications of Operating, as an entity indirectly wholly-owned by Charter, following completion of the proposed transfer of ownership.

The financial information that was provided or available through other public sources and to which our review has been limited, consists solely of the following financial information (hereinafter referred to collectively as the "Financial Statements"):

1. FCC Form 394 "Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise" dated August 29, 2014, provided by Charter Communications, Inc. (the "Application"), along with such other exhibits as provided therewith;

¹ The Cities include Austin, Benson, Duluth, Goodview, Lakeville, Marshall, Montevideo, North Mankato, Red Wing, Rochester, St. Cloud, Sartell, Sauk Rapids, Tracy, Waite Park, Willmar, and Winona, Minnesota.

2. Comcast/Charter Transaction Agreement between Comcast Corporation and Charter Communications, Inc. dated April 25, 2014 (the "Transaction Agreement");
3. Form 10-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on February 21, 2014, for the fiscal year ended December 31, 2013;
4. Form 10-Q for Charter Communications, Inc. filed with the Securities and Exchange Commission on October 31, 2014 for the fiscal quarter and nine-month period ended September 30, 2014;
5. Form 8-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on April 25, 2014;
6. Form S-1 for Midwest Cable, Inc. filed with the Securities and Exchange Commission on October 31, 2014;
7. The audited financial statements of Charter Communications, Inc. and Subsidiaries as of December 31, 2013 and 2012, including Consolidated Balance Sheets as of December 31, 2013 and 2012, Consolidated Statements of Operations, Cash Flows and Change in Shareholders' Equity for the years ended December 31, 2013, 2012 and 2011, and the Independent Auditors' Report of KPMG LLP dated February 20, 2014;
8. The unaudited financial statements of Charter Communications, Inc. and Subsidiaries as of September 30, 2014, including a Condensed Consolidating Balance Sheet as of September 30, 2014, and Statements of Operations, Cash Flows and Comprehensive Income (Loss) for the nine-month period ended September 30, 2014 and 2013;
9. The draft Charter Services Agreement by and between Midwest Cable, Inc. and Charter Communications Operating, LLC; and
10. Such other information as we requested and that was provided by Charter relating to the transfer.

Our procedure is limited to providing a summary of our analysis of the Financial Statements in order to facilitate the City's assessment of the financial capabilities of Charter to indirectly control the System in the City.

II. OVERVIEW OF TRANSACTION

CC VIII Operating, LLC and Charter Cable Partners, LLC, are indirect subsidiaries of Charter Communications Operating, LLC, which is an indirect wholly owned subsidiary of Charter Communications, Inc., the parent company.² Charter Communications, Inc. entered into the Transaction Agreement that provides, among other transactions, for the merger of Charter into a new wholly owned indirect subsidiary of Charter.³ Under the Transaction Agreement, the new Charter subsidiary will acquire one hundred percent (100%) of the

² FCC Form 394 "Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise" dated August 29, 2014 provided by Charter Communications, Inc. (the "Application") at Figure 1.

³ Comcast/Charter Transaction Agreement between Comcast Corporation and Charter Communications, Inc. dated April 25, 2014 at p. 2.

ownership interests of Charter, which as of the current date does, and acquisition date will, hold indirectly all of the membership interests of Operating.⁴ This ultimately results in a reorganization of the parent entity, but no change in the ultimate shareholders of Charter.⁵ The closing under the Transaction Agreement is expected to occur in early 2015.⁶

The transaction is structured in a stepped process as follows:⁷

1. CCH I, LLC, a Delaware limited liability company, a subsidiary of CCH I Holdings, LLC, a Delaware limited liability company, will distribute all of its interests in CCH II, LLC, a Delaware limited liability company, to CCH I Holdings, LLC.

2. CCH Holdings, LLC, wholly owned by Charter, will distribute its CCH I, LLC interests to Charter.

3. CCH I, LLC will convert to a new corporation ("New Charter") to become the surviving merger subsidiary.

4. New Charter will merge with Charter and Charter will become a wholly owned subsidiary of New Charter.

After the transaction, all of the Charter shareholders will become New Charter shareholders. This transaction, exclusive of the other transactions, will not change the underlying ownership of Charter.

See **Exhibit A** and **Exhibit B** attached hereto and incorporated herewith for the Charter organizational structure before and after the transaction as described in this Section.

III. OVERVIEW OF RELATED TRANSACTIONS

The Charter transaction is part of a larger group of transactions that involve Comcast Corporation, a Pennsylvania corporation ("Comcast"); Time Warner Cable Inc., a Delaware corporation ("TWC") and Midwest Cable, Inc., a newly formed Delaware corporation (an entity that will change its name to Greatland Connections Inc. as part of the transactions) ("Midwest").⁸ The other transactions include:

- i. Charter's purchase from Comcast of systems currently served by TWC that represents approximately 1.5 million video subscribers;
- ii. Charter's exchange that includes its transfer to Comcast of certain cable systems that represent approximately 1.6 million video subscribers in exchange for TWC systems that represent approximately 1.5 million video subscribers; and
- iii. a spin-off transaction whereby Comcast creates Midwest as a new subsidiary by contributing 2.5 million video subscribers to Midwest and subsequently

⁴ Application at Figure 2.

⁵ Id.

⁶ Comcast Corporation Press Release – August 26, 2014.

⁷ Application – Charter Communication, Inc. cover letter dated August 29, 2014.

⁸ Form 10-Q for Charter Communications, Inc. filed with the Securities and Exchange Commission on October 31, 2014 for the fiscal quarter ended September 30, 2014 ("Form 10-Q") at p. 6.

distributes the Midwest stock to Comcast's public shareholders (after the spin-off, the Midwest stock will be a publicly traded stock).⁹

Prior to the spin-off of Midwest, Midwest expects to incur debt in an amount equal to five times the stand-alone Midwest assets' earnings before interest, taxes, depreciation and amortization (EBITDA) and distribute those debt proceeds to Comcast.¹⁰ In addition, Comcast and Midwest will enter into a Transition Services Agreement pursuant to which Comcast will continue to provide certain services to Midwest for a period of 12 to 18 months pursuant to the applicable statements of work.¹¹ In order for Charter to complete the above transactions, it is estimated that Charter will acquire new indebtedness of approximately \$8 billion.¹² These transactions are subject to many conditions including federal regulatory approval, stockholder approvals, performance covenants, financing, favorable tax opinions and other requirements of the parties.¹³

After the completion of the above transactions, Charter will acquire an approximately thirty-three percent (33%) interest in Midwest.¹⁴ The acquisition is structured as a merger of a newly created Charter subsidiary into Midwest.¹⁵ As consideration for this merger, Charter will issue new stock to the Midwest shareholders.¹⁶ In conjunction with this transaction, Charter will enter into a Charter Services Agreement with Midwest in which Charter will provide Midwest with certain services.¹⁷ Charter will receive compensation for out-of-pocket costs related to these services plus a services fee equal to 4.25% of Midwest's gross revenues.¹⁸ The Charter Services Agreement has an initial three (3) year term with automatic one (1) year renewals.¹⁹

As a result of the transactions described above, the current Comcast shareholders will receive shares of Charter stock and Midwest stock.

IV. OVERVIEW OF CHARTER

Charter is a full service communications provider and provides cable services along with other video programming, Internet services, voice services and other advertising to residential and commercial customers across the United States.²⁰ At the current time, Charter is one of the largest cable operators in the United States.²¹ As of December 31, 2013 Charter's cable system passed approximately 12.8 million potential customers and Charter served approximately 5.9 million residential and commercial cable customers.²² Charter holds a total of approximately

⁹ Id. at p. 5.

¹⁰ Id. at p. 6.

¹¹ Draft Transition Services Agreement by and between Comcast Corporation and Midwest Cable Inc.

¹² Form 10-Q at p. 5

¹³ Form 10-Q at p. 40.

¹⁴ Id. at p. 6.

¹⁵ Id.

¹⁶ Id.

¹⁷ Draft Charter Services Agreement by and between Midwest Cable, Inc. and Charter Communications Operating, LLC.

¹⁸ Id.

¹⁹ Id.

²⁰ Form 10-Q at p.25.

²¹ Form 10-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on February 21, 2014, for the fiscal year ended December 31, 2013 ("Form 10-K") at p. 1.

²² Id.

3,300 franchises.²³ Charter has been in existence for over 24 years.²⁴ Charter currently operates in 29 states and employs over 21,000 employees.²⁵ Charter's management has an extensive background in the cable industry.²⁶

As of May 1, 2013, twenty-seven percent (27%) of the shares of Charter Communications, Inc. were beneficially owned by Liberty Media Corporation.²⁷ Liberty Media Corporation has the ability to influence the operations of Charter on a going forward basis through its right to designate members to its Board of Directors.²⁸

In 2009, Charter filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code.²⁹ A Joint Plan of Reorganization was confirmed by the Bankruptcy Court in November of 2009 and a final decree closing the case was entered into in December of 2013.³⁰ During the bankruptcy period, Charter continued to operate and provide cable services to its customers.

After the Related Transaction as described in Section III above, Charter will be the second largest cable provider and its cable services will serve approximately 7.5 million residential and commercial customers.³¹ In addition, Charter will provide certain services to Midwest under the Charter Services Agreement to another 2.5 million residential and commercial customers.³²

Cable providers and telecommunication companies operate in a competitive environment and the financial performance of cable television operators, like Charter and other cable operators, are subject to many factors, including, but not limited to, the general business conditions, incumbent operators, digital broadcast satellite service, technology advancements, employment issues, and customer preferences, as well as competition from multiple sources, which provide and distribute programming, information, news, entertainment and other telecommunication services.³³ The Liberty Media Corporation will have the ability to influence certain Charter decisions, which could affect Charter's ongoing operations.³⁴ In addition, Charter, as a result of the transaction, will become even a more highly leveraged company which may reduce its ability to withstand prolonged adverse business conditions. The cable business is inherently capital intensive, requiring capital for the construction and maintenance of its communications systems. We specifically requested information on Charter capital expenditures budget, but Charter declined to provide that information to us.³⁵ Each of these

²³ Id. at pp. 9-10.

²⁴ Id.

²⁵ Application at Exhibit 9.

²⁶ Id.

²⁷ Form 10-Q at p. 14.

²⁸ Id.

²⁹ Form 10-K at p. 1.

³⁰ Id.

³¹ Form 8-K for Charter Communications, Inc. filed with the Securities and Exchange Commission on April 25, 2014 at p.1.

³² Form 10-Q at p. 6.

³³ Form 10-K at pp 16-27.

³⁴ Form 10-Q at p. 23.

³⁵ Correspondence to author from Mark E. Brown, Vice President, State Government Affairs, Charter Communication, Inc. dated October 6, 2014.

factors could have a significant financial impact on Charter and its ability to continue to operate the System.

V. FINDINGS

We have analyzed Charter's historical financial statements and publicly filed information along with its Charter Services Agreement with Midwest. Charter declined to provide us with projected statements of cash flow and income and a balance sheet for its future operations and further stated that "projected *pro forma* statements of cash flows and income for 2014 and 2015 have not been created and it is not possible to make them available at this time."³⁶ As such, we are reporting our Findings hereunder based upon Charter's historical information. Overall, from a financial point-of-view, the information provided below shows that Charter has sustained losses over the last few years and is highly leveraged.

1. Analysis of Financial Statements. Neither federal law nor FCC regulations provide franchising authorities, such as the City, with limited guidance concerning the evaluation of the financial qualifications of an applicant for a cable franchise. In evaluating the financial capabilities of Charter and the ability of Charter to continue to operate the System serving the City with the new ownership structure, we believe it is appropriate to consider the performance of an applicant based on the applicant's historical performance plus its projected or budgeted financial information, the latter of which was not provided by Charter. Charter's historical operations do not consider the additional debt load, along with the additional revenue and expenses that will be recognized as part of the transactions under the Transaction Agreement and related Charter Services Agreement. However, we believe a general review of the Charter financial information is appropriate and may provide some insight into the general ongoing financial operations of Charter with respect to the Application.

As noted above, Charter's operations include both cable television video services (which represent approximately 49% of its operations as of September 30, 2014) and other non-cable television video services (which represent approximately 51% of its operations as of September 30, 2014).³⁷ The Charter financial information discussed below includes all of the Charter operations, including the non-cable television video services. We have analyzed Charter's Financial Statements as of December 31, 2013 and 2012 and September 30, 2014, in providing the information in this Section.

2. Specific Financial Statement Data and Analysis.

a. Assets. Charter had (i) current assets of \$370 million, \$322 million, and \$330 million; (ii) working capital of a negative \$1,216 million, a negative \$1,145 million, and a negative \$894 million; and (iii) total assets of \$20,950 million, \$17,295 million, and \$15,596 million as of September 30, 2014, and December 31, 2013 and 2012, respectively.³⁸ Working capital, which is the excess of current assets over current liabilities, is a short-term analytical tool used to assess the ability of a particular entity to meet its current financial obligations in the ordinary course of business. The trend shows an increase in the negative working capital from December 31, 2012 to

³⁶ Id.

³⁷ Form 10-Q at p. 30.

³⁸ Form 10-Q at p. 1 and Form 10-K at p.F-3.

September 30, 2014 and suggests that Charter's cash flow may be unable to meet its current obligations. Charter's current ratio (current assets divided by current liabilities) as of September 30, 2014, of 0.23:1 is well below a generally recognized standard of 1:1 for a sustainable business operation.³⁹ Charter's Total Assets have continued to grow, however, the asset growth in 2014 relates to approximately \$3.5 billion of financing acquired in anticipation of the transactions as discussed above.⁴⁰

b. Liabilities and Net Equity. Charter had (i) current liabilities of \$1,586 million, \$1,467 million and \$1,224 million; (ii) long-term debt of \$17,595 million, \$14,181 million and \$12,808 million; and (iii) shareholders' net equity of \$97 million, \$151 million and \$149 million as of September 30, 2014, December 31, 2013 and 2012, respectively.⁴¹ As part of the Transaction Agreement, Charter will borrow an additional approximately \$8 billion of debt which will increase its long-term debt.⁴² Charter has received debt commitments from a number of leading Wall Street banks that will be used for the transactions and represents almost \$9 billion of debt commitments.⁴³ This additional debt will require Charter to generate additional cash flow, including through the acquired Comcast operations and its service arrangement with Midwest, to fund its debt service. The interest rates on the Charter debt ranged from 5.125% to approximately 8.125% and the debts mature in varying amounts over the next 10 years including \$1 billion in 2017 and \$1.4 billion in 2019.⁴⁴ As of September 30, 2014, Charter had \$774 million of available credit on its credit facilities.⁴⁵ This available credit along with the committed debt (which if not received would likely terminate the above described transactions) appears to be sufficient to allow Charter to fund its operations and acquisitions in the near term.

c. Income and Expense. Charter had (i) revenue of \$6,748 million, \$8,155 million, and \$7,504 million; (ii) operating expenses of \$6,054 million, \$7,230 million and \$6,588 million; and (iii) operating income of \$694 million, \$925 million, and \$916 million for the nine-month period ending September 30, 2014, and the years ending December 31, 2013 and 2012, respectively.⁴⁶ Charter's operating income has remained relatively steady from 2012 through the third quarter of 2014. For the nine-month period ending on September 30, 2014, Charter generated cash flow from operations of \$1,729 million.⁴⁷ However, Charter has experienced a net loss in each period due to the large amount of interest expense and other deductions, including a current year loss through September 30, 2014 of \$135 million.⁴⁸ The ability to generate cash is important for Charter due to its highly leveraged operations. Charter's growth mode and goals to increase customers and revenue require that Charter continue to expand with leverage as is the case with the Transaction Agreement.⁴⁹ As a result of the transactions and

³⁹ Form 10-Q at p. 1.

⁴⁰ Id.

⁴¹ Form 10-Q at p. 1-2 and Form 10-K at p.F-3.

⁴² Form 10-Q at p. 5.

⁴³ Id.

⁴⁴ Id. at p. 8.

⁴⁵ Id.

⁴⁶ Form 10-Q at p. 2 and Form 10-K at p. F-4.

⁴⁷ Form 10-Q at p. 3.

⁴⁸ Id.

⁴⁹ Id. at p. 26.

changes in its business and business structure, Charter will incur significant non-recurring expenses which may negatively affect Charter's short-term income statement performance.⁵⁰ In addition, as a result of the transaction, Charter may be required to incur significant capital expenditures for the assimilation of the new systems and services into Charter's existing network.

VI. SUMMARY

Using the FCC Form 394 to establish an absolute minimum standard of financial qualifications that a proposed applicant must demonstrate in order to be qualified as the successor operator of the System, Charter has the burden of demonstrating to the City's satisfaction that Charter has "sufficient net liquid assets on hand or available from committed resources" to consummate the transaction and operate the System, together with its existing operations, for three (3) months. This minimum standard is not easy to apply to the complex organizational structure of Charter and the multiple wholly-owned companies that hold cable operations in other geographical locations.

Based solely on Charter's financial information that we reviewed, Charter's public filings show that Charter has sufficient debt commitments to consummate the Transaction Agreement and operate the System. Based on the foregoing and limited strictly to the financial information analyzed in conducting this review, we do not believe that Charter's request for transfer of indirect ownership of a subsidiary entity that holds the System can reasonably be denied based solely on a lack of financial qualifications of Charter, if the financing is obtained (the failure to obtain the debt committed to Charter would almost certainly result in the termination of the Transaction Agreement and proposed transfer of ownership).

In the event the City elects to proceed with approving the proposed transfer of control, the assessment of Charter's financial qualifications should not be construed in any way to constitute an opinion as to the financial capability or stability of Charter to (i) operate under the Franchise Agreement, (ii) operate its other operations, or (iii) successfully consummate the transaction as contemplated in the Transaction Agreement. The sufficiency of the procedures used in making an assessment of Charter's financial qualifications and its capability to remain the parent of the operator of the System is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures used either for the purpose for which this analysis of financial capabilities and qualifications was requested or for any other purpose.

Lastly, in order to ensure compliance with its obligations to operate the System and since we have based a significant part of our analysis on the Financial Statements of Charter, the parent entity; we recommend that the City maintain any performance bonds or corporate parent guaranty required under any City Franchise Agreement.

⁵⁰ Id. at p. 43.

EXHIBIT A

Charter Communications, Inc. Organizational Structure
(immediately **prior** to reorganization)

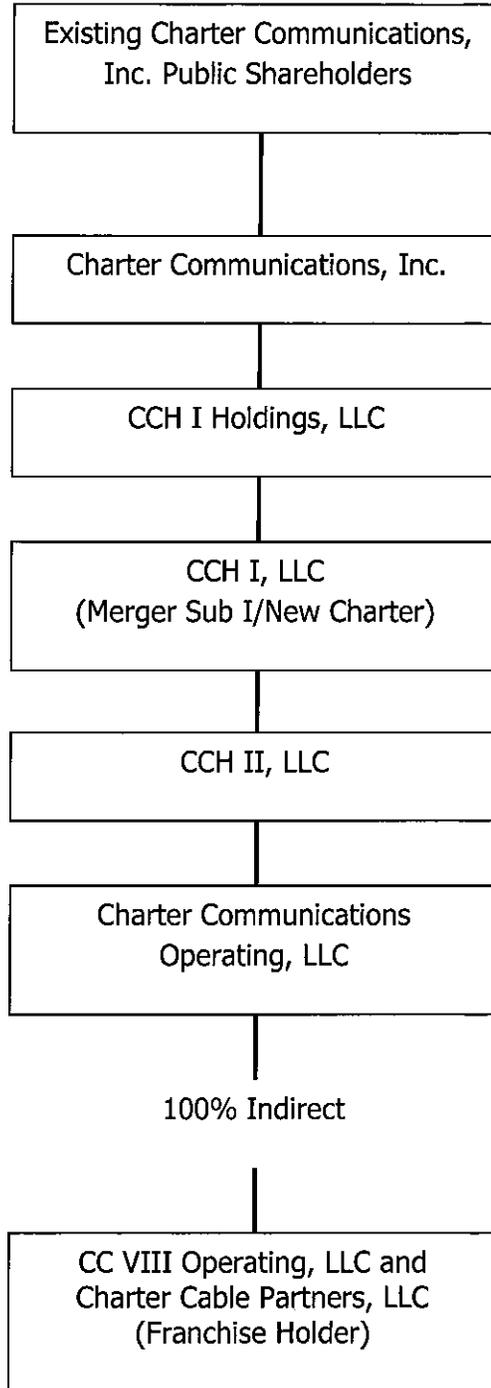
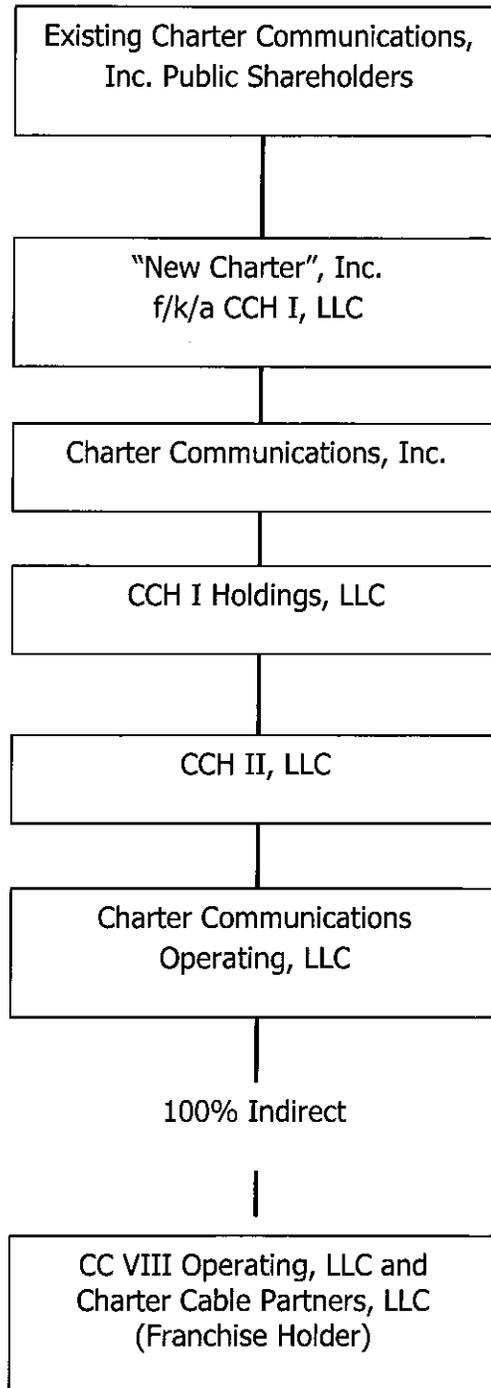


EXHIBIT B

Charter Communications, Inc. Organizational Structure
(immediately **after** reorganization)



**APPROVING THE PROPOSED TRANSFER OF
THE CABLE FRANCHISE CURRENTLY HELD BY CC VIII OPERATING, LLC
D/B/A CHARTER COMMUNICATIONS
(RESOLUTION NO. 2014-)**

WHEREAS, CC VIII Operating, LLC, d/b/a/Charter Communications (hereinafter referred to as "Grantee"), currently holds a cable television franchise ("Franchise") granted by the City of Benson, Minnesota ("City").

WHEREAS, Grantee owns, operates and maintains a cable television system in the City ("System") pursuant to the terms of the Franchise.

WHEREAS, on February 12, 2014, Comcast Corporation ("Comcast") and Time Warner Cable Inc. ("TWC") entered into an Agreement and Plan of Merger; and

WHEREAS, on April 25, 2014, Charter Communications, Inc., ("Charter") the parent entity of Grantee and Comcast entered into the Comcast/Charter Transactions Agreement, and contingent upon Comcast's consummation of its acquisition of TWC, Charter shall undertake a pro forma corporate restructuring pursuant to which Charter will merge with and into a wholly owned indirect subsidiary of Charter which will become "New Charter," which shall become the ultimate parent of Grantee ("Transaction")' and

WHEREAS, the ultimate control of Grantee will not change as a result of this corporate restructuring, and the stockholders of Charter shall become the stockholders of New Charter; and

WHEREAS, on or about August 29, 2014 the City received from Grantee, FCC Form 394 – Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise ("Application"); and

WHEREAS, Federal law and the terms of the Franchise require that the City take action to consider the Application within one hundred twenty (120) days of the date of receipt, or on or before December 27, 2014; and

WHEREAS, Section 9.5 of the Franchise requires the City's advance written consent prior to the Grantee's change in ownership; and

WHEREAS, as a result of the proposed Transaction Grantee has requested consent from the City to the proposed change in ownership; and

WHEREAS, the City has reviewed the proposed Transaction, and based on information provided by Grantee and Comcast and on the information received by the City, the City has elected to approve the proposed Transaction subject to certain conditions as set forth herein.

NOW, THEREFORE, the City of Benson, Minnesota hereby resolves as follows:

1. All of the above recitals are hereby incorporated by reference as if fully set forth herein.
2. The Franchise is in full force and effect and Grantee is the lawful holder of the Franchise.
3. The City hereby consents and approves of the proposed Transaction.
4. Grantee will be the lawful holder of the Franchise after completion of the Transaction.

5. The City's consent to the Transaction shall not serve to waive any rights City may have to hold Grantee liable for any and all liabilities, known and unknown, under the Franchise
6. In the event the proposed Transaction contemplated by the foregoing resolution is not completed, for any reason, the City's consent shall not be effective.

This Resolution shall take effect and continue and remain in effect from and after the date of its passage, approval and adoption.

BID TALLY
FOR CITY'S GASOLINE AND DIESEL REQUIREMENTS
FROM DECEMBER 1, 2014 TO DECEMBER 1, 2016
PROPOSALS OPENED: NOVEMBER 26, 2014

BIDDER

Glacial Plains Cooperative, Benson

Fuel	Posted Price on November 26, 2014	Discount	Net Price
Unleaded	\$2.74 ⁹	\$.06	\$2.68 ⁹
E85	\$2.28 ⁹	\$.06	\$2.22 ⁹
#1 Diesel (Wintermaster)	\$4.35 ⁹	\$.06	\$4.29 ⁹
#2 Diesel	\$3.84 ⁹	\$.06	\$3.78 ⁹
Premium Diesel	\$3.89 ⁹	\$.06	\$3.83 ⁹

Holiday Stationstores, Benson

Fuel	Posted Price on November 26, 2014	Discount	Net Price
Unleaded	\$2.74 ⁹	\$.07	\$2.67 ⁹
E85			
#1 Diesel			
#2 Diesel			
Premium Diesel			



November 12, 2014

To: LMCIT Members and Agents
From: Pete Tritz, LMCIT Administrator
Dan Greensweig, LMCIT Assistant Administrator
Liam Bieber, LMCIT Underwriting Manager
RE: **2014-15 Coverage Changes, Rates, and Dividends**

The League of Minnesota Cities Insurance Trust (LMCIT) Board has approved rates and several coverage changes for the upcoming underwriting year. In addition, the Board approved returning a \$9.5 million dividend to members of the property/casualty program this year. Following is a summary.

Dividend

- Property/casualty members will share in a \$9.5 million dividend. The dividend will be distributed mid-December to those who are property/casualty members as of Dec. 1, 2014.

Property/Casualty Rates, Effective Nov. 15, 2014

- Liability rates will decrease 4%.
- Property rates will decrease 4%.
- Auto physical damage will decrease 6%.
- Auto liability and bond rates will be unchanged.
- Rates for LMCIT's optional coverages will change as follows: liquor liability will be unchanged, machinery breakdown will decrease 5%, and excess liability will decrease 12%.

Workers' Compensation Rates, Effective Jan. 1, 2015

- Overall premium rates will increase 5%.
- Rates for volunteer firefighters will increase an additional 2%. These rates are based on population served, rather than payroll, and therefore need to be adjusted to account for inflation. This slight increase will allow volunteer firefighter rates to stay in line with other job classes.
- Volunteer accident rates, an optional coverage, will decrease 10%.

Coverage Changes

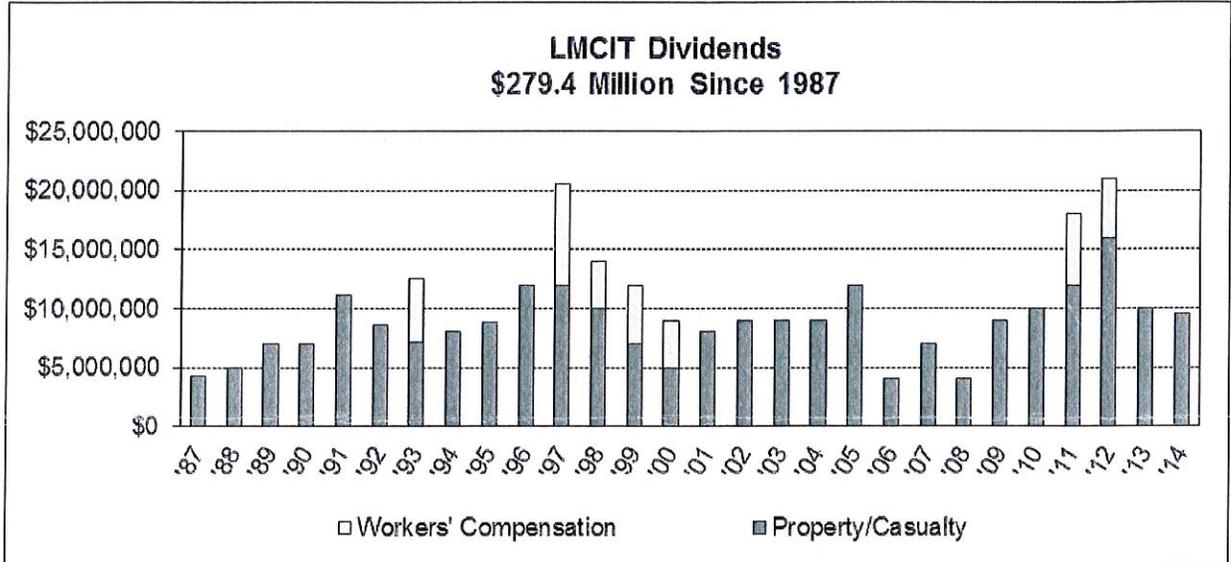
See pages 3-5 to learn more about the coverage changes that will take effect for property/casualty renewals written or renewed on or after Nov. 15, 2014.

Premium Rates

The rate reductions for the coming year don't necessarily mean your premiums will decrease by that amount. In fact, some cities' premiums could still increase. That's because actual premiums are also affected by changes in city expenditures, property values, payrolls, experience rating, the third year of transition to the new liability rating system for some members, and other exposure measures.

Dividend

Members of the property/casualty program will share in a \$9.5 million dividend this year, bringing the total amount of returned dividends since 1987 to \$279.4 million. The dividend will be distributed, along with a detailed explanation of the dividend formula and calculation, in mid-December to those who are property/casualty members as of December 1, 2014.



The dividend amount this year is possible because of some continued good experience in some of LMCIT's more significant loss areas, but it's worth noting that over the past two years there have been a very large number of claims against LMCIT member cities for alleged violations related to the Drivers Privacy Protection Act (DPPA). Because it's very uncertain what these claims might ultimately cost, the LMCIT Board has decided to retain a significant amount of extra funds as a hedge against this potential cost. Hopefully these funds won't be needed to resolve these claims and can be returned to members in the future.

Property/Casualty Rates

Members with renewals on or after November 15, 2014 will see a decrease in rates for most lines of coverage. Auto liability, bond and liquor liability rates will remain flat.

When LMCIT sets premiums rates, the average experience over the past several years is used to project how much loss to expect in the future. The reductions in property, auto physical damage, and machinery breakdown are possible this year because of lower reinsurance costs in these areas of coverage. The reduction in municipal liability rates reflects improved loss experience on land use and steady losses in the areas of sewer backups, auto liability, and other minor liability loss areas. Excluding the effect of claims related to the DPPA, police liability has also been positive.

Rate Setting

LMCIT's practice is to incorporate a solid contingency margin into the premium rates. That margin is meant to cover the extra cost in case losses turn out to be more than what LMCIT projected. By doing so (and then returning the extra funds afterwards if it turns out the fund aren't needed), LMCIT is able to keep premium rates much more stable from year to year. In other words, it helps keep premium rate changes in the range of a few percent up or down each year, rather than the much larger year-to-year premium rate changes that would be seen if LMCIT set lower rates with a much smaller contingency margin.

Changes to the New Liability Premium Rating System

Over the last couple years, some members saw their liability, auto liability and no-fault sewer backup premiums go up while others saw decreases. This was the result of the new liability system's more equitable allocation of premium costs among all members.

To provide a gradual transition to the premium changes, LMCIT has applied a transition mechanism to avoid shock increases for individual members. For the 2014-15 underwriting year, which is the third year of transition to the new system, members will see:

- General liability and auto liability premium increases capped at 15% (50% for drug task forces; 30% for no-fault sewer backup).
- General liability decreases constrained at 15%, with no constraints on all other lines of coverage.

Workers' Compensation Rates

Members with renewals on or after January 1, 2015 will see a 5% increase in overall rate levels. One of the main reasons for this year's rate increase is because of rising medical costs, which now make up 60% of LMCIT's total workers' compensation loss costs. Rates for 2015 assume that medical costs will continue to increase at a rate of about 9% annually, which significantly outpaces the increase in wage levels.

In addition to the overall rate increase, rates for volunteer firefighters will increase an additional 2%. These rates are based on population served, rather than payroll, and therefore lag all other class rates essentially by the amount of annual wage inflation. This slight increase will allow volunteer firefighter rates to stay in line with other job classes.

The LMCIT Board also decided to decrease rates for LMCIT's optional volunteer accident coverage by 10% because of the very low loss experience and the growth in member participation for this line of coverage. The volunteer accident coverage provides disability, death, and impairment benefits to city volunteers who are injured while performing volunteer services for the city. Cities can also add a limited medical benefit as an extra cost option. At the new rate, the basic charge is \$.05 per capita, subject to a minimum premium of \$75 and a maximum premium of \$750.

Coverage Changes

The following coverage changes will take effect for property/casualty coverages renewing on or after November 15, 2014.

Liability Coverage

Liability coverage limits increase

Beginning with renewals on or after November 15, 2014, LMCIT will increase the per-occurrence liability coverage limit from \$1.5 million to \$2 million. The annual aggregate liability limits will also increase from \$2 million to \$3 million for most of the exposures where annual aggregate limits apply, including products liability, failure to supply utilities, data security breaches, electric magnetic fields (EMF), limited pollution, and mold. The only exposures where the annual aggregate will not change is for LMCIT's land use/special risk litigation coverage (\$1 million) and on coverage for claims arising from activities of outside organizations (\$100,000).

New Liability Rating System

LMCIT projects it will be nearly fully transitioned to the new liability rating method by the start of the 2015-16 underwriting year. To learn more about the specifics of the new liability system and the changes made to it over the last three years, go to www.lmc.org/rating.

For those members that carry LMCIT's excess liability coverage, there will be \$500,000 more in coverage limits. If you carry \$1 million of excess coverage, you currently have \$2.5 million of total limits available - \$1.5 million under the primary coverage plus \$1 million of excess coverage. When the liability limits increase on November 15, you'll have \$3 million of total limits - \$2 million of primary coverage plus \$1 million of excess coverage.

Liability Coverage Limit Increase

A *Questions and Answers* section is attached at the end of this letter explaining why LMCIT is making a change to the liability coverage limits, what the higher limits mean in practice, and how the change will affect those members that carry LMCIT's optional excess liability coverage.

Airport operations exclusion - helipads

The existing LMCIT liability coverage contains an exclusion for damages arising out of a city's ownership, operation, or maintenance of any airport. It has been clarified to state that this exclusion does not apply to heliports that are not open for public use (i.e. medical facility/public safety-type heliports).

Covered parties – independent contractor exclusion

Coverage has been clarified that reinforces that independent contractors are generally not considered covered parties. The only exceptions are 1) independent contractors acting in the administrative capacity of medical director or medical advisor to the city ambulance service; and 2) independent contractors serving as a member of, or representing the city as a member of, a committee, subcommittee, board, or commission. This exclusion also applies to the Defense Cost Reimbursement Coverage.

Daycare operations

The LMCIT liability coverage contains an exclusion for a number of specialty type operations, including medical facilities and nursing homes. The coverage has been revised to include licensed daycare operations to the list of operation types subject to this exclusion. Note, however, there is an exception - "drop-in" daycare operations (e.g. community centers/gyms) and park and rec summer day camp or holiday camp type operations are covered.

Hazardous stunting activities

The LMCIT liability coverage contains an exclusion for damages arising out of a number of high-risk special event type activities, including motorized amusement devices, vehicle racing and stunting, and rodeos if the city is the owner, sponsor or operator of those activities. The definition of an excluded "stunting activity" has been revised to include any pre-arranged stunting activity or event that involves a significant risk of serious injury to the participant, performer, or others. Common traditional athletic events such as hockey, baseball, softball, basketball, soccer, gymnastics, or track and field events are not subject to this exclusion. Coverage has also been expanded to exclude stunting events or activities like high-wire acts, base or bungee jumping, skydiving, circus type acts, and acts involving dangerous animals.

Data security breach definition

There is a very slight change to the definition of "data security breach". The change entails broadening the definition so that it applies not only to the actual unauthorized acquisition of confidential data, but also the potential unauthorized acquisition of confidential data. As a result, the \$3 million annual aggregate limit for claims arising out of data security breaches will also apply to these types of claims even if it's not certain whether the security, confidentiality, or integrity of personal information has actually been compromised.

Do we
have a
problem
with
noise?
Gymnastics
in Acropolis

No-fault sewer backup coverage

LMCIT offers member cities an optional no-fault sewer backup (NFSB) coverage. This coverage pays for a property owner's damage caused by a sewer backup or water main break, regardless of whether the city was negligent or legally liable for those damages. This year there are several changes to the NFSB coverage. A separate letter detailing the specifics will be sent to those cities that currently purchase this coverage option. Briefly, the two major changes this year incorporate the following:

- 1) The exclusion for FEMA-declared disasters has been reworded to exclude NFSB coverage in *any weather-related or other event which has been declared by the President of the United States to be a major disaster pursuant to 42 U.S.C. §§ 5121-5206, commonly known as the Stafford Act*. In other words, the NFSB coverage will not apply in any situation which has been declared a disaster by FEMA.
- 2) The exclusion for heavy rainfall events has been revised to apply to any situation in which rainfall or precipitation exceeds the following amounts:

2.0 inches in a 1-hour period; or
2.5 inches in a 3-hour period; or
3.0 inches in a 6-hour period; or
3.5 inches in a 12-hour period; or
4.0 inches in a 24-hour period; or
4.5 inches in a 72-hour period; or
5.5 inches in a 168-hour period.

If rainfall exceeds these amounts, the NFSB coverage will not apply. Formerly, the NFSB coverage excluded events where rainfall exceeded the 100-year rainfall amount. The new provisions are more restrictive.

Property Coverage

Mobile property rental reimbursement limit

The annual aggregate limit for rental reimbursement expenses needed to sustain operations in the event of a covered loss to mobile property will increase from \$25,000 to \$250,000.

Data security breach definition

The definition of "data security breach" has been slightly changed to reflect the same wording as noted above for the liability coverage (i.e. broadening of the definition so it applies to both actual *and potential* unauthorized acquisition of confidential data). The change results in a slight broadening of coverage for the first-party data security breach coverage, which provides coverage for things like legal and information technology consulting, notice to affected persons, credit monitoring and identity theft services, and similar things.

More Information

If you have additional questions about the rate changes, coverage changes, and dividend amount being returned this year, contact your underwriter at 651.281.1200 or 800.925.1122.

Questions and Answers Liability Coverage Limit Increase

What's being changed in the LMCIT liability coverage limits?

There are two changes.

- 1) The basic liability coverage limit is increased from \$1.5 million to \$2 million per occurrence.
- 2) The annual aggregate limits that apply to several specific types of liability are increased from \$2 million to \$3 million per year. This affects coverage for claims for products liability, failure to supply utilities, data security breaches, damage caused by electromagnetic fields, limited pollution, and mold. There are also annual aggregate limits on the land use / special risk coverage (\$1 million), and on coverage for claims arising from activities of outside organizations (\$100,000). These annual aggregate limits don't change.

More Information

Read more about LMCIT's Liability Coverage Options at <http://lmc.org/page/1/P-C-Coverages.jsp>.

When do the changes take effect?

The changes will apply at the city's first renewal after November 15, 2014.

Why did the LMCIT Board decide to make these changes?

The reason is to give member cities better protection. The statutory liability limit caps the city's liability for many types of claims. But some liability claims aren't covered by the statutory limit, so the city's potential liability is unlimited. Claims under the federal civil rights laws are probably the biggest example, but there are a few others as well. The new \$2 million per occurrence coverage limit gives the city better protection for these types of claims, and makes it less likely the city could end up with liability exceeding its coverage limit.

That's also why the various aggregate limits were increased – to give member cities better protection. The higher limits make it less likely the city could run out of coverage if there were a major incident in which many people were injured.

Do the higher coverage limits mean that the city can now be sued for larger amounts?

For the vast majority of LMCIT members, the answer is no. This is because for LMCIT members the statutory liability limits remain in effect unless the city has explicitly chosen to waive the statutory limits. Only about 18% of LMCIT members do so. So for most member cities, even though the city's liability coverage now has a \$2 million limit, the city's liability is still limited by the statute to no more than \$500,000 per claimant and \$1.5 million per occurrence. In other words, the new, higher coverage limits would only come into play on those types of claims that aren't covered by the statutory liability limit.

For cities that do choose to waive the statutory limits, the change will mean the city can now be sued for greater dollar amounts. When the city chooses the "waiver" option, the city waives the protection of the statutory limits, up to the amount of coverage the city has. So someone with a claim against a city that has waived the statutory limits would now be able to recover up to \$2 million. Of course, that claimant would have to show that s/he actually did suffer that much damage.

Our city carries the optional excess liability coverage. How does this change affect us?

There are three effects, all of them positive, for the city that carries the optional excess liability coverage.

- 1) The total coverage limit the city has available will now be greater. For example, suppose the city carries \$1 million of excess coverage. Formerly, that \$1 million of coverage would sit on top of the old \$1.5 million primary limit, so the total limit available was \$2.5 million. Now that \$1 million of excess coverage will sit above the \$2 million per occurrence primary limit, for a total of \$3 million.
- 2) The city will now have better protection for claims relating to mold or to failure to supply utilities. The excess liability coverage doesn't apply to those types of claims, so under the old coverage even if the city carries the excess liability coverage, the city still only had \$2 million of coverage for those claims per year. Now the city will have \$3 million of coverage per year for those claims.
- 3) The excess coverage is now less expensive. Formerly, the excess coverage would come into play on a claim that exceeds \$1.5 million; now, a claim would need to exceed \$2 million for the excess coverage to come into play. That means there's less risk that a claim will hit the excess coverage; and because the risk is less, the cost is less.

So our premium for excess liability coverage will go down at our next renewal?

For many cities it will, but not necessarily for all. The premiums for excess liability coverage are based on the city's premium for the primary liability coverage. Even though premium rates for the primary liability coverage are decreasing 4%, an individual city's primary liability coverage premium could still increase for any of several reasons: if the city's exposures (gross expenditures, number of employees, number of police officers, number of households, number of sewer connections) have increased; if the city's experience rating has increased; or if the city's liability premium is still increasing because of the transition to the new rating system. If the city's primary liability premium increases for any of these reasons, it's possible the excess liability premium could increase as well.

LMCIT Liability Coverage Options
Coverage Written or Renewed On or After November 15, 2014

Coverage structure if the city:	On a liability claim to which the statutory limits apply:		On a liability claim to which the statutory limits do not apply:
	This is the maximum amount a single claimant could recover on an occurrence.	This is the maximum total amount that all claimants could recover on a single occurrence.	This is the maximum amount of damages which LMCIT would pay on the city's behalf for a single occurrence, regardless of the number of claimants.
Does not have excess coverage & Does not waive the statutory limits	\$500,000	\$1,500,000	\$2,000,000
Does not have excess coverage & Waives the statutory limits	\$2,000,000	\$2,000,000	\$2,000,000
Has \$1,000,000 of excess coverage & Does not waive the statutory limits	\$500,000	\$1,500,000	\$3,000,000
Has \$1,000,000 of excess coverage & Waives the statutory limits	\$3,000,000	\$3,000,000	\$3,000,000

**RESOLUTION SETTING ASSESSMENTS FOR WATER AND
SEWER SERVICES RENDERED BY THE CITY OF
BENSON, MINNESOTA FOR 2014 PAYABLE 2015
(RESOLUTION NO. 2014-__)**

BE IT RESOLVED, by the Benson City Council that pursuant to Minnesota Statutes Chapter 444 that the assessment roll for 2014 Sewer and Water Bills as prepared by the City Manager is hereby approved and made a part therefore; and,

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

Account Number, Name & Address	Legal Description & Parcel No.	Sewer	Water	Totals
201-0022-00-01 512 15 th St. N Jim Thorson	RAILWAY 2ND ADDITION LT 8 BLK 3 23-0385-000-01	\$30.63	\$57.44	\$88.07
202-0051-00-13 211 18 th St. N Equity Gateway, LLC	Lots 5 & 6, Block 50 Arthur Thornton Addition 23-0314-000	\$318.50	\$6.36	\$324.86
202-0081-00-03 203 19 th St. N. Becky Mast	S 75 Ft Lt 6, Block 8 Second Park Place 23-1057-000	\$318.50	\$6.36	\$324.86
202-0083-00-04 117 19 th St. N Robert Wilson/Diane Rodi	Alton Hume Addition Lot 1 Block 1 23-0763-000-01	\$152.75	\$89.86	\$242.61
304-0014-00-20 305 17 th St. S Herb Rajewsky	McKinneys 1st Addition Lot 10 Blk 3 23-0423-000-01	\$122.50	\$6.36	\$128.86
304-0047-00-02 1700 Minnesota Ave Earl J. Swartz Trust	Alsaker Addition Lot 13 & E 1/2 Lot 12 Blk 2 23-0774-000-01	\$98.00	\$60.56	\$158.56
402-0032-00-02 309 12 th St. S USDA Rural Development Corp	Railway 1st Addition Lts 31 & 32 Blk 4 23-0359-000-01	\$49.00	\$0.00	\$49.00
403-0054-00-28 601 Church Street Bernard Drivdahl	W 55 Ft Lot 1, Blk 1; W 55 Ft of N 28 Ft Lot 2, Blk 1 Hansen's Addition 23-0751-000-01	\$318.50	\$6.36	\$324.86
TOTALS		\$1,408.38	\$233.30	\$1,641.68

CORRECTION TO ORDINANCE NO. 202

AN ORDINANCE IMPLEMENTING A GAS ENERGY FRANCHISE FEE ON CENTERPOINT ENERGY MINNESOTA GAS ("CENTERPOINT ENERGY") FOR PROVIDING GAS ENERGY SERVICE WITHIN THE CITY OF BENSON, MINNESOTA

THE CITY OF BENSON DOES ORDAIN:

Gas Franchise Fee

(a) *Definitions.* For the purposes of this Ordinance, the following terms shall have the following meanings:

- (1) **City.** The City of Benson, County of Swift, State of Minnesota.
- (2) **Company.** CenterPoint Energy Minnesota Gas ("CenterPoint Energy"), its successors and assigns.
- (3) **Franchise Agreement.** The franchise agreement between the City and Company pursuant to City Ordinance 184.
- (4) **Notice.** "Notice" means a writing served by any party or parties on any other party or parties. Notice to Company shall be mailed to CenterPoint Energy, Minnesota Division Vice President, 800 LaSalle Avenue, Minneapolis, MN 55402. Notice to City shall be mailed to the City Clerk at 1410 Kansas Avenue, Benson, MN 56215.

(b) *Purpose.* The Benson City Council has determined that it is in the best interest of the City to impose a franchise fee on those public utility companies that provide natural gas and electric services within the City. Pursuant to the Franchise Agreement the City has the right to impose a franchise fee on Company.

(c) *Franchise Fee Statement and Schedule.* A franchise fee is hereby imposed on Company commencing with the January 2010 billing month, and in accordance with the following fee schedule:

<u>Customer Classification</u>	<u>Amount per Account per Month (\$)</u>
Residential	\$ 3.00 \$ 2.00 per month
Firm A	\$ 4.00 \$ 3.33 per month
Firm B	\$ 5.00 \$ 4.00 per month
Firm C	\$ 12.00 \$ 10.00 per month
Small Volume, Dual Fuel A ("SVDF A")	\$ 14.00 \$ 13.33 per month
Small Volume, Dual Fuel B ("SVDF B")	\$ 24.00 \$ 10.00 \$ 20.00 per month
Large Volume, Dual Fuel ("LVDF")	\$ 55.00 \$ 50.00 per month

(d) *Account Fee.* This fee is an account based fee and not a meter-based fee. In the event that an entity covered by this ordinance has more than one meter, but only one account, only one fee shall be assessed to that account. In the event any entities covered by this ordinance have more than one account, each account shall be subject to the appropriate fee. In the event a question arises as to the proper fee amount for any account, the highest possible fee amount shall apply.

(e) *Payment.* Franchise fees are to be collected by the Company and submitted to the City as follows:

January – March collections due by April 30.

April – June collections due by July 31.

July – September collections due by October 31.

October – December collections due by January 31.

(f) *Record Support for Payment.* The Company shall make each payment when due and, if requested by the City, shall provide a statement summarizing how the franchise fee payment was determined, including information showing any adjustments to the total made to account for any non-collectible accounts, refunds or error corrections. The Company shall permit the City, and its representatives, access to the Company's records for the purpose of verifying such statements.

(g) *Payment Adjustments.* Payment to the City will be adjusted where the Company is unable to collect the franchise fee. This includes non-collectible accounts.

(h) *Surcharge.* The City recognizes that the Minnesota Public Utilities Commission allows the Company to add a surcharge to customer rates to reimburse the Company for the cost of implementing and administering the fee.

(i) *Dispute Resolution.* If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this ordinance or for such other relief permitted by law.

(j) *Effective Date of Franchise Fee.* The effective date of this Ordinance shall be after its publication and sixty (60) days after the sending of written notice enclosing a copy of this adopted Ordinance to Company by certified mail. Collection of the fee shall commence as provided above.

(k) *Relation to Franchise Agreement.* This ordinance is enacted in compliance with the Franchise Agreement and shall be interpreted as such.

(l) *Periodic Review.* The City Council shall review this ordinance every two years in whatever manner the City Manager then determines to be appropriate, including, but not limited to, review by the City Council in either a work session or a regular session. Failure to review this ordinance shall not in any way invalidate or limit it.

(m) *Permit Fees.* The Company will administer the collection and payment of franchise fees to the City in lieu of permit fees, or other fees that may otherwise be imposed on the Company in relation to its operations as a public utility in the City so long as the following requirements are met:

- (1) The Company applies for any and all permits, licenses and similar documentation as though this provision did not exist.
- (2) The Company requests the fee to be waived at the time of application.

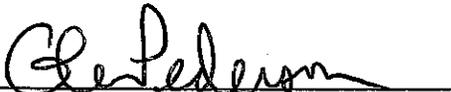
Section 2: Effective Date. This ordinance takes effect as provided herein.

PASSED AND ADOPTED THIS 20th DAY OF JULY, 2009.



Mayor

Attest:


City Clerk

Approved as to Form:


City Attorney

First Reading: July 6, 2009

Second Reading: July 20, 2009

Published: September 2, 2009

CITY OF



MINNESOTA

November 26, 2014

Mayor and City Council:

Attached is the 2015 budget for the City of Benson. The budget includes revenues and expenditures for the General Fund, Benson Utilities and Liquor funds.

The proposed 2015 budget reflects the City's established priorities and maintained core services.

As in years past, I will present a Truth in Taxation briefing on December 1 at 6:00 p.m. to discuss 2014 accomplishments and 2015 goals and objectives. Multi-year trends in tax capacity and Benson total market value will be discussed.

I look forward to serving the City of Benson in 2015.

Sincerely,

Robert J. Wolfington

1410 KANSAS AVE. • BENSON, MINNESOTA 56215

City Offices: 320-843-4775

City Fax: 320-842-7151

Municipal Utilities: 320-843-3707

WWW.BENSONMN.ORG

E-MAIL: STAFF@BENSONMN.ORG

SIGNIFICANT ACCOMPLISHMENTS 2014

1. BNSF Auto Switch
2. Purchase BNSF Property & Demolition
3. Kick Off 2017 Benson Project
4. New Key Staff & New Council Members
5. Street Reconstruction Plan and Finance
6. Underground Electric Conversion Plan & Project
7. Retirement of Worthington & Enterprise Generators
8. Street & Utility Reconstruction & Finance
9. Clean Audit Report & Financial Management
10. Cemetery Expansion Plan

2015 GOALS AND OBJECTIVES

1. Reconstruct 6 Blocks of Streets
2. Underground Conversion Project
3. Expand Street Garage
4. Cemetery Expansion
5. Support Assisted Living Project
6. Heliport Project
7. Consolidate Boards & Commissions
8. Improve BNSF ROW & Entrance Signs
9. Fire Department FEMA Grants
10. Engineering Benson MnDOT Project

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
GENERAL FUND REVENUES						
TAXES	1,255,841	1,132,719	649,650	1,195,181	54	1,218,310
ABATEMENTS	21,988	22,102	10,908	20,000	55	20,000
LODGING TAXES	25,239	27,533	22,388	25,000	90	25,000
FRANCHISE FEES	76,101	77,503	50,573	75,000	67	205,000
BUSINESS LICENSES	7,566	7,590	7,865	7,500	105	7,500
NON-BUSINESS LICENSES	885	775	705	1,000	71	1,000
BUILDING PERMITS	35,292	16,241	24,833	20,000	124	20,000
LOCAL GOVERNMENT AID	776,650	776,650	476,013	952,025	50	980,033
HOMESTEAD & AG CREDIT AID	135	130	71			
POLICE TRAINING REIMBURSEMENT	1,993	2,051	1,931	2,000	97	2,000
INSURANCE PREMIUM TAX-FIRE	23,773	37,174	38,760	25,000	155	25,000
INSURANCE PREMIUM TAX-POLICE	36,138	48,256	51,408	40,000	129	40,000
AIRPORT MAINTENANCE	31,178	21,961	15,222	22,052	69	24,257
TRANSIT REFUNDS	132,178	136,000	116,502	140,000	83	140,000
OTHER FED/STATE/LOCAL GRANTS	35,758	223,063	(19,687)	16,500	(119)	18,000
POLICE SERVICES	10,114	8,840	5,006	8,000	63	5,000
DARE REVENUES	1,735	1,709	36	1,500	2	1,500
DOG POUND REVENUES	495	1,285	565	500	113	500
COPS IN SCHOOLS REIMBURSEMENT	33,075	26,807	25,358	33,000	77	33,000
TOWNSHIP FIRE CONTRACTS	58,131	59,874	61,669	61,000	101	63,550
FIRE DEPARTMENT CALLS	47,405	26,525	21,887	20,000	109	20,000
RESQUE SQUAD CALLS	1,952	3,529	239	2,000	12	2,000
BUILDING INSPECTIONS SERVICES	37,497	34,481	26,300	39,000	67	40,000
STREET REPAIR FEES	1,379	900	3,300	2,000	165	2,000
EQUIPMENT RENTALS	3,198	3,235	1,280	4,000	32	4,000
WEED REMOVAL CHARGES	2,858	943	828	2,000	41	2,000
SWIMMING POOL RECEIPTS	51,014	45,370	41,435	50,000	83	45,000
POOL CONCESSION SALES	12,401	10,535	7,893	12,000	66	9,000
ARMORY USE FEES	8,693	8,730	7,195	9,000	80	9,000
PARK FEES	16,444	14,588	19,852	16,000	124	16,000
TREE REMOVAL RECEIPTS	6,261	1,379	1,190	5,000	24	2,000
BUS FARES	35,158	38,916	30,894	35,000	88	35,000
BUS SIGN ADVERTISING	702	720	600	600	100	600
HANGER RENTALS - AIRPORT	9,453	11,970	10,495	12,000	87	12,000
AIRPORT LAND REVENUES	10,814	750	7,196	1,000	720	5,400
SALE OF LOTS - CEMETERY	3,320	8,723	4,760	3,500	136	3,500
SODDING FEES - CEMETERY	450	405	620	600	103	600
CEMETERY MEMORIALS						
CEMETERY MONUMENT FEES	325	300	275	300	92	300
PARK SIGN RENTALS	255	260	160	200	80	200
COURT FINES	15,276	19,025	16,730	15,000	112	15,000
PARKING FINES	965	455	275	1,000	28	1,000

11/25/14
14:09:34

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
SPECIAL ASSESSMENTS	183	11	41			
INTEREST EARNINGS	36,968	36,796	42,141	32,000	132	40,000
UNREALIZED GAIN (LOSS) ON INVEST	20,867	(49,682)				
PROPERTY RENTS	10,200		50			
CIVIC CENTER RENT	30,316	30,022	23,668	29,000	82	14,500
DONATIONS	1,838	3,163	5,930	1,000	593	1,000
SALE OF PROPERTY	838	6,800	1,500			
REFUNDS & REIMBURSEMENTS	46,321	93,644	42,341	20,000	212	20,000
REIMBURSEMENTS - GAS & OIL	30,931	26,106	30,899	25,000	124	25,000
OTHER REVENUE	13,479	4,101	3,377	5,000	68	5,000
MANAGEMENT FEE-EDA & RL FUND	18,545	17,848		16,000		16,000
MANAGEMENT FEES - GARBAGE FUND	8,328	8,495	7,220	8,664	83	8,838
MANAGEMENT FEE - WATER FUND	36,330	37,057	31,500	37,800	83	38,556
MANAGEMENT FEE - ELECTRIC FUND	163,430	166,699	141,700	170,040	83	173,440
MANAGEMENT FEE - LIQUOR FUND	24,130	24,612	20,920	25,104	83	25,606
MANAGEMENT FEE - SEWER FUND	47,166	48,109	40,893	49,071	83	50,052
MANAGEMENT FEES - TAX INCREMENT	364					
TRANSFER FROM OTHER FUNDS	1,664	1,432		1,650		1,650
TRANSFER FROM LIQUOR FUND	30,000	60,000	80,000	80,000	100	80,000
TRANSFER FROM UTILITY FUND	157,938	153,728		170,000		70,000
TOTAL GENERAL FUND REVENUES	3,509,920	3,528,942	2,215,359	3,545,787	62	3,623,892
GENERAL FUND EXPENDITURES						
MAYOR & COUNCIL						
SALARIES - CITY COUNCIL	15,420	15,730	13,030	16,000	81	16,000
PENSIONS	1,180	1,203	997	1,200	83	1,200
OFFICE SUPPLIES	82	60		100		100
MAYOR & COUNCIL CONTINGENCY	2,342	170	684	400	171	500
TRAVEL EXPENSE	955	1,284	1,165	1,400	83	1,000
TRAINING & INSTRUCTION	1,265	935	1,110	1,400	79	850
PRINTING & PUBLISHING	4,091	4,090	3,054	3,000	102	4,000
OTHER INS - PUBLIC OFF LIAB	15,900	17,175	9,660	17,500	55	10,000
DUES & SUBSCRIPTIONS	8,012	7,921	8,475	8,600	99	8,500
TOTAL: MAYOR & COUNCIL	49,246	48,569	38,176	49,600	77	42,150
ADMINISTRATION & FINANCE						
SALARIES	266,005	262,015	228,987	289,800	79	268,000
PENSIONS	46,567	46,111	38,956	51,900	75	47,900
HEALTH, LIFE, DISB + CAFETERIA	58,169	54,836	48,159	62,000	78	59,500
OFFICE SUPPLIES	5,947	4,731	4,337	6,000	72	6,000
DUPLICATING & COPYING	3,539	2,507	2,399	4,000	60	4,000

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
POSTAGE	3,832	2,082	1,486	3,000	50	3,000
SAFETY AND DRUG TESTING	299	843	580	500	116	500
GAS & OIL	2,774	3,423	2,360	3,000	79	3,000
EQUIPMENT REPAIR PARTS	1,372	1,290	1,728	1,000	173	1,500
SMALL TOOLS AND EQUIPMENT	2,875	2,097	2,360	4,000	59	4,000
UTILITY CONTRACTED SERVICES	12,000	12,000	10,000	12,000	83	14,400
OTHER CONTRACTED SERVICES	8,510	12,880	6,280	8,000	79	8,000
CONSULTING SERVICES	10,637	4,680	17,906	4,000	448	8,000
TELEPHONE	9,395	9,194	7,509	10,000	75	10,000
TRAVEL EXPENSE	6,260	8,573	4,504	7,000	64	7,000
TRAINING & INSTRUCTION	1,710	2,616	2,053	2,500	82	2,500
PUBLIC INFORMATION		131				
INSURANCE	2,409	2,075	5,945	2,000	297	6,000
WORKERS COMPENSATION	2,647	1,797	1,811	2,000	91	2,000
DUES & SUBSCRIPTIONS	2,069	2,116	1,759	2,000	88	2,200
TOTAL: ADMINISTRATION & FINANCE	447,017	436,000	389,119	474,700	82	457,500
ELECTIONS						
TEMPORARY SALARIES	3,908	1,327	841	4,000	21	1,500
OFFICE SUPPLIES	4,795	3,261	487	3,000	16	3,500
TOTAL: ELECTIONS	8,702	4,588	1,328	7,000	19	5,000
AUDITING & ACCTING SERVICES	19,100	19,850	20,675	20,500	101	21,500
ASSESSING SERVICES CONTRACTED	17,380	17,369	17,292	17,500	99	17,500
CITY ATTORNEY						
OFFICE SUPPLIES	833	1,372	156	1,200	13	800
CITY ATTORNEY CONTRACT	22,765	25,387	18,790	26,000	72	26,000
TOTAL: CITY ATTORNEY	23,598	26,759	18,946	27,200	70	26,800
CITY HALL						
BUILDING MAINTENANCE & SUPPL	6,284	8,098	5,337	15,000	36	13,000
CONTRACTED SERV - CLEANING	2,556	3,817	3,192	4,200	76	4,000
INSURANCE	4,100	4,800	4,543	5,000	91	5,000
UTILITIES	8,621	7,331	7,725	8,000	97	9,000
HEATING COST	3,922	3,794	4,438	4,000	111	5,000
TOTAL: CITY HALL	25,483	27,840	25,235	36,200	70	36,000

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CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
POLICE DEPARTMENT						
SALARIES	415,356	465,656	378,926	494,300	77	472,800
PENSIONS	71,625	77,848	69,232	93,700	74	95,400
HEALTH, LIFE & DISB INSURANCE	70,913	78,787	89,324	88,260	101	80,300
OFFICE SUPPLIES	4,282	4,184	4,289	4,500	95	4,500
GAS & OIL	22,664	26,024	22,656	25,000	91	22,000
OPERATING SUPPLIES	23,123	17,915	17,252	17,200	100	16,000
UNIFORM ALLOWANCE	8,629	14,196	12,537	9,400	133	10,000
PERSONNEL TESTING & RECRUIT	542	2,098	133	1,500	9	1,500
INVESTIGATIONS	7,750	23,565	27,135	24,000	113	32,000
EQUIPMENT REPAIR PARTS	447	2,925	2,822	2,500	113	2,500
EQUIPMENT REPAIRS CONTRACTED	9,160	10,125	4,246	9,000	47	9,000
SMALL TOOLS & EQUIPMENT	7,839	7,878	5,990	9,000	67	9,000
CONTRACTED RECORDS MAINT	1,791			4,000		4,000
TELEPHONE	7,324	7,311	6,784	7,500	90	7,500
DRUG EDUCATION & ENFORCEMENT			916	2,500	37	2,500
DARE EXPENDITURES	1,509	1,748	1,928	2,000	96	2,000
TRAVEL EXPENSE	1,532	2,479	5,533	3,000	184	4,000
TRAINING & INSTRUCTION	4,214	3,174	5,928	6,000	99	7,000
INSURANCE	16,711	19,251	7,958	20,000	40	9,000
WORKERS COMPENSATION	17,835	12,451	12,546	13,000	97	11,500
RENTS	1,680	1,680	1,240	1,600	78	1,600
DUES & SUBSCRIPTIONS	2,246	2,289	2,002	2,800	72	2,800
DOG POUND EXPENSES	959	2,269	618	1,700	36	1,700
TOTAL: POLICE DEPARTMENT	698,131	783,855	679,994	842,460	81	808,600
FIRE DEPARTMENT						
PART TIME - SALARIES	46,054	42,438	3,230	48,000	7	48,000
OFFICE SUPPLIES	470	48	385	750	51	750
GAS & OIL	3,585	2,304	1,809	3,000	60	2,600
OPERATING SUPPLIES	3,774	4,704	3,033	4,000	76	4,000
EQUIPMENT REPAIR PARTS	3,609	445	429	4,000	11	4,000
EQUIPMENT REPAIR CONTRACTUAL	12,025	2,104	5,746	5,000	115	5,000
RADIO REPAIRS CONTRACTED	582	77		1,000		1,000
BUILDING MAINTENANCE & SUPPL	2,627	15,522	2,804	3,000	93	3,000
BUILDING REPAIRS CONTRACTED		600				
SMALL TOOLS & EQUIPMENT	2,792	4,007	4,796	6,000	80	6,000
TELEPHONE	160	172	143	200	72	200
CONTRACTED SERVICES	529	1,932	161			
TRAVEL EXPENSE	22	1,490	1,982	1,000	198	1,200
TRAINING & INSTRUCTION	5,561	3,852	3,753	5,000	75	5,000

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
INSURANCE	12,760	15,136	9,274	15,500	60	10,000
WORKERS COMPENSATION	6,746	6,268	6,390	6,500	98	6,500
UTILITIES	3,629	4,263	3,179	4,000	79	4,000
HEATING COST	2,164	3,283	2,944	4,000	74	4,000
HYDRANT RENTALS/FIRE SERVICE	10,000	10,000	8,333	10,000	83	10,000
DUES & SUBSCRIPTIONS	290	432	327	500	65	500
TOTAL: FIRE DEPARTMENT	117,380	119,077	58,717	121,450	48	115,750
BUILDING DEPARTMENT						
SALARIES	45,774	46,365	38,393	48,000	80	47,800
PENSIONS	8,371	8,682	7,585	8,590	88	8,600
HEALTH, LIFE AND DISABILITY	9,808	10,715	9,616	12,800	75	12,800
GAS	975	854	595	900	66	700
OPERATING SUPPLIES	1,858	1,704	2,533	2,000	127	1,600
CONTRACTED SERV.-OTHER EXPENSE	989	528	4,977	3,000	166	1,000
TELEPHONE	738	718	605	750	81	750
TRAVEL EXPENSE	4,206	4,184	3,515	4,000	88	4,000
TRAINING & INSTRUCTION	377	680	470	600	78	600
DUES & SUBSCRIPTIONS	75		60	200	30	100
TOTAL: BUILDING DEPARTMENT	73,170	74,430	68,348	80,840	85	77,950
HIGHWAY STREETS & ROADS						
SALARIES	192,636	197,182	176,097	192,000	92	197,000
PENSIONS	32,790	33,826	31,103	35,000	89	35,000
HEALTH, LIFE & DISB INSURANCE	30,532	27,693	20,700	36,000	58	36,000
OFFICE SUPPLIES	78	81	29	200	14	80
GAS & OIL	35,601	40,225	35,302	42,000	84	33,000
OPERATING SUPPLIES	9,396	10,007	5,993	9,000	67	11,000
STREET MARKINGS & SIGNS	9,015	11,242	7,932	10,000	79	10,000
SHOP SUPPLIES	1,191	859	487	600	81	1,000
EQUIPMENT REPAIR PARTS	14,298	20,065	13,602	15,000	91	15,000
TIRES	7,008	12,807	5,273	10,000	53	10,000
EQUIPMENT REPAIRS CONTRACTED	6,745	23,107	2,907	8,000	36	8,000
STREET MAINTENANCE-MATERIALS	20,214	15,163	4,207	30,000	14	30,000
STREET MAINT.- SEALCOATING	47,822			70,000		90,000
SNOW REMOVAL	6,758	17,682	4,203	10,000	42	10,000
FLOOD CONTROL	10,624					
BUILDING MAINTENANCE & SUPPL	1,801	4,275	1,043	2,500	42	2,500
SMALL TOOLS & EQUIPMENT	4,368	4,081	6,078	2,500	243	5,000
TELEPHONE	900	900	750	900	83	900
TRAVEL EXPENSE	375	187	250	450	56	450

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CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
TRAINING & INSTRUCTION	807	774	1,009	1,000	101	1,000
INSURANCE	18,859	21,970	13,676	23,000	59	14,000
WORKERS COMPENSATION	17,445	13,690	14,202	14,000	101	14,000
UTILITIES	3,938	4,598	4,613	4,500	103	4,500
HEATING COST	1,741	2,785	2,549	3,000	85	3,000
STREET LIGHTING UTILITIES	64,561	63,499	49,017	70,000	70	70,000
LAUNDRY	876	878	773	1,000	77	1,000
TOTAL: STREET DEPARTMENT	540,378	527,577	401,795	590,650	68	602,430
ORGANIZED RECREATION						
MANAGEMENT FEES	14,738	19,783		19,500		19,500
SENIOR CITIZEN PROGRAM	12,378	10,537	9,483	17,500	54	10,500
TOTAL: ORGANIZED RECREATION	27,116	30,410	9,483	37,000	26	30,000
SWIMMING POOL						
TEMPORARY SALARIES	40,241	41,026	39,029	43,000	91	43,000
PENSIONS	3,078	3,139	2,986	3,300	90	3,300
OPERATING SUPPLIES	7,732	7,457	5,798	8,200	71	8,200
BUILDING MAINTENANCE & SUPPL	5,958	6,598	18,928	7,000	270	22,000
BUILDING REPAIRS CONTRACTED	10,264	569	767	1,000	77	1,000
CONCESSION SUPPLIES	12,597	8,876	8,577	9,000	95	9,000
TELEPHONE	464	427	438	450	97	450
INSURANCE	8,490	8,561	7,657	9,000	85	8,000
UTILITIES	11,912	10,407	9,621	11,500	84	11,500
HEATING COST	4,828	7,210	7,880	8,000	98	7,000
TOTAL: SWIMMING POOL	105,563	94,269	101,681	100,450	101	113,450
ARMORY						
OPERATING SUPPLIES		2,174	81	500	16	500
BUILDING MAINT & SUPPLIES	4,933	5,307	1,258	5,000	25	3,000
CONTRACTED SERVICES	293	1,395	10,780	10,000	108	12,000
TELEPHONE	465	512	403	500	81	500
INSURANCE	1,800	2,400	1,610	2,600	62	1,700
UTILITIES	2,060	2,179	1,569	2,200	71	2,000
HEATING COST	1,686	2,111	1,981	2,000	99	2,300
TOTAL: ARMORY	11,237	16,078	17,682	22,800	78	22,000
PARKS						
SALARIES	76,554	79,245	79,898	73,000	109	75,000

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CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
PENSIONS	10,266	11,149	11,681	11,000	106	11,000
HEALTH, LIFE & DISB INSURANCE	11,556	12,683	10,722	12,000	89	12,000
MOSQUITO SPRAY & SUPPLIES	6,697	725	4,149	8,000	52	8,000
CHEMICALS & CHEM SUPPLIES	1,082	3,320	726	3,500	21	5,000
GAS & OIL	8,417	8,343	9,253	10,000	93	10,000
OPERATING SUPPLIES	27,208	19,714	11,151	15,000	74	15,000
LANDSCAPING MATERIALS	2,842	10,838	2,152	4,000	54	7,000
EQUIPMENT REPAIR PARTS	8,677	12,514	10,817	8,000	135	8,000
EQUIPMENT REPAIRS CONTRACTED	747	2,031	1,121	3,000	37	2,000
BUILDING REPAIR AND MAINT	4,402	4,691	6,313	3,500	180	3,500
SMALL TOOLS & EQUIPMENT	5,710	4,519	19,585	5,000	392	5,000
CONTRACTED SERVICES-MOWING	4,432	5,063	5,622	5,000	112	5,000
CONTRACTED SERVICES-TREE REMOV	19,323	147,467	25,801	27,000	96	27,000
CONTRACTED SERVICES-OTHER	7,687	5,599	7,030	5,000	141	5,000
TELEPHONE	664	720	662	500	132	500
TRAVEL EXPENSE	595	361	369	500	74	500
TRAINING & INSTRUCTION	360	323	777	500	155	500
INSURANCE	13,262	15,443	17,132	14,500	118	17,400
UTILITIES	10,000	6,578	8,141	8,000	102	8,000
RENT	1,800	1,800	1,500	1,800	83	1,800
CEMETERY	2,475	2,561	12,076	4,000	302	5,000
TOTAL: PARK DEPARTMENT	224,757	355,684	246,678	222,800	111	232,200
LODGING TAX EXPENSES	24,769	27,138	22,623	43,750	52	25,000
PROPERTY TAX ABATEMENTS	20,443	8,808	17,836	20,000	89	20,000
NOT ALLOCATED	10,751	8,651	15,426	10,000	154	10,000
PUBLIC TRANSIT						
SALARIES	95,564	84,385	73,660	93,000	79	95,000
PENSIONS	14,213	13,170	11,547	13,000	89	15,200
HEALTH, LIFE & DISB INSURANCE	19,725	14,894	14,389	25,000	58	16,525
GAS & OIL	25,031	26,723	20,699	27,000	77	23,000
PERSONNEL TESTING		7,849	1,125			
OPERATING SUPPLIES	2,453	1,672	909	1,500	61	1,500
EQUIPMENT REPAIR PARTS	3,114	8,721	4,665	8,000	58	8,000
TIRES	902	1,412	2,133	2,500	85	3,000
TELEPHONE	489	512	414	500	83	600
TRAVEL EXPENSE	758	496	673	600	112	600
TRAINING & INSTRUCTION	124	225	155	200	78	200
ADVERTISING				300		500

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
INSURANCE	4,900	4,764	8,540	5,400	158	9,000
WORKERS COMPENSATION	5,554	5,340	4,331	5,500	79	4,500
RENT	4,500	4,500	3,750	4,500	83	4,500
DUES AND SUBSCRIPTIONS						
TOTAL: PUBLIC TRANSIT	177,327	174,662	146,990	187,000	79	182,125
AIRPORT						
SALARIES	2,500	2,500		2,500		2,500
PENSIONS	192	192		430		500
GAS	23,789	19,310	36,217	23,000	157	23,000
OPERATING SUPPLIES	1,571	3,003	2,321	3,000	77	3,000
BUILDING MAINTENANCE & SUPPL	7,486	6,821	12,060	5,000	241	5,000
MANAGEMENT FEES	4,200	4,200	3,690	4,500	82	4,500
CONTRACTED SERVICES	4,854	12	675	500	135	500
TELEPHONE	864	894	724	900	80	900
INSURANCE	4,600	4,820	5,273	5,200	101	5,200
UTILITIES	9,001	11,450	5,976	10,000	60	10,000
HEATING COST	672	483	998	1,000	100	1,000
TOTAL: AIRPORT	59,728	53,685	67,934	56,030	121	56,100
TRANSFERS						
TRANSFER TO LIBRARY FUND						
TRANSFER TO FIRE DEPT BOND FND						
TRANS TO CAPITAL OUTLAY FUND	350,000	412,000		450,000		580,000
TRANS TO GOLF CLUB FUND	2,648	4,317	4,180			30,000
TRANSFER TO CONCRETE PROJECTS	15,000	15,000		15,000		15,000
TRANS TO STORM WATER FUND	10,000	200,000				
TRANS TO FIRE RELIEF FUND	33,110	47,202	38,760	36,803	105	36,000
TRANS TO OTHER FUNDS	48,308					
TRANS TO CIVIC CENTER	26,000	26,000	21,667	26,000	83	60,837
TOTAL GENERAL FUND EXPENDITURES	3,166,341	3,559,818	2,430,565	3,495,733	70	3,623,892
TOTAL REVENUES LESS EXPENDITURES	343,579	(30,877)	(215,206)	50,054	(430)	

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
LIBRARY FUND						
TAXES	116,326	104,314	58,091	106,800	54	109,710
INTEREST EARNINGS						
RENTALS						
DONATIONS	5,115	5,434	1,017			
BUILDING DONATIONS						
SALE OF PROPERTY						
REFUNDS & REIMBURSEMENTS	2,044	2,017	2,130	2,000	107	2,000
TRANSFER FROM GENERAL FUND						
TRANSFER FROM OTHER FUNDS	450	396		450		450
TOTAL LIBRARY FUND REVENUES	123,935	112,161	61,239	109,250	56	112,160
EXPENDITURES						
OFFICE & OPERATING SUPPLIES	1,691	3,531	4,908	5,003	98	5,000
EQUIPMENT REPAIRS				500		500
BUILDING MAINTENANCE & SUPPL	4,530	5,261	8,021	6,000	134	6,000
BUILDING REPAIRS CONTRACTED	3,557					
MANAGEMENT FEES-PIONEERLAND	72,671	74,850	77,097	77,097	100	79,410
CONTRACTED SERV - CLEANING	4,200	4,605	3,950	5,000	79	5,000
TELEPHONE	928	923	751	1,000	75	1,000
TRAVEL	175	175	357	750	48	750
INSURANCE	2,900	3,500	3,864	3,700	104	3,900
UTILITIES	5,037	4,484	1,998	5,200	38	5,200
HEATING COST	954	2,126	2,159	2,000	108	2,300
CAPITAL OUTLAY			12,000			5,000
CAPITAL OUTLAY - BOOKS	3,000	3,000	3,538	3,000	118	3,100
TOTAL LIBRARY FUND EXPENDITURES	99,644	102,455	118,644	109,250	109	117,160
TOTAL REVENUES LESS EXPENDITURES	24,291	9,706	(57,405)			(5,000)

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
*** WATER FUND ***						
SALE OF SERVICE	574,489	561,063	475,048	591,500	80	592,000
CONNECTION FEES		750	250	500	50	500
FIRE SERVICE FEE	10,000	10,000	8,333	10,000	83	10,000
REFUNDS & REIMBURSEMENTS	5,069	18,996	3,724	7,000	53	5,000
TOTAL REVENUES	589,558	590,809	487,355	609,000	80	607,500
EXPENDITURES						
SALARIES	94,603	103,159	91,018	105,000	87	110,000
EARNED BENEFITS	(259)	(15,024)		1,200		1,200
FRINGE BENEFITS	33,926	36,946	32,900	39,530	83	42,530
OFFICE SUPPLIES	1,031	161	334	500	67	500
CHEMICALS & CHEMICAL SUPPLIES	8,878	23,116	14,175	25,000	57	25,000
GAS & OIL	3,078	3,405	3,296	4,000	82	3,500
OPERATING SUPPLIES	5,140	5,517	6,884	5,000	138	5,500
LABORATORY AND TESTING	2,941	5,368	1,057	2,000	53	4,000
EQUIPMENT REPAIR & MAINTENANCE	2,668	7,402	2,701	5,500	49	5,500
MAINTAIN SYSTEM	22,944	76,620	51,124	39,000	131	39,000
BUILDING REPAIR & MAINTENANCE	5,409	3,191	542	3,000	18	2,000
MANAGEMENT FEES	36,330	37,057	31,500	37,800	83	38,556
TELEPHONE	1,661	1,942	1,692	2,000	85	2,000
TRAVEL	283	935	699	1,000	70	1,000
TRAINING	628	1,832	1,342	1,000	134	2,000
MARKETING	386	596	569	600	95	600
INSURANCE	10,769	14,350	7,190	5,130	140	5,200
WORK COMP INSURANCE	4,740	3,489	145	3,500	4	3,500
ELECTRIC UTILITIES	31,357	29,679	22,605	34,000	66	29,000
DEPRECIATION	189,287	190,821	155,695	190,000	82	190,000
MISCELLANEOUS	4,938	4,423	2,336	5,000	47	5,000
INTERDEPARTMENTAL CHARGES	12,375	12,375	10,313	12,375	83	12,375
TOTAL EXPENDITURES	473,113	547,358	438,114	522,135	84	527,961
OPERATING PROFIT/(LOSS)	116,446	43,451	49,241	86,865	57	79,539

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CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
OTHER INCOME & EXPENSE						
INTEREST INCOME	10,991	10,871	6,438	12,000	54	10,000
CONTRIBUTED CAPITAL DEPRECIAT'N						
GAIN/LOSS ON FIXED ASSET SALE	(15,628)					
INTEREST EXPENSE	(63,145)	(68,500)	(37,552)	(67,600)	56	(62,300)
GRANTS & CONTRIBUTED CAPITAL						
NET INCOME/(LOSS)	48,664	(11,479)	18,127	31,265	58	27,239

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
*** SEWER FUND ***						
SALE OF SERVICE	730,264	738,026	680,594	850,000	80	867,000
CONNECTION FEES		4,000	2,500	2,000	125	2,000
REFUNDS & REIMBURSEMENTS	6,592	4,723	1,497	2,000	75	2,000
TOTAL REVENUES	736,856	746,748	684,591	854,000	80	871,000
EXPENDITURES						
SALARIES	6,378	5,533	5,221	6,800	77	6,800
EARNED BENEFITS	314	(20,118)		300		300
FRINGE BENEFITS	1,918	1,780	1,845	2,200	84	2,100
OFFICE SUPPLIES	77			400		200
CHEMICALS & CHEMICAL SUPPLIES			28,577	30,000	95	34,000
GAS & OIL	2,218	3,397	2,301	3,000	77	3,000
OPERATING SUPPLIES	523	1,969	1,043	500	209	1,000
LABORATORY AND TESTING		2,071				
CONTRACTED SERVICES-TESTING			357			
EQUIPMENT REPAIR & MAINTENANCE	4,426	13,426	10,733	10,000	107	12,000
MAINTAIN SYSTEM	15,707	28,493	38,368	34,000	113	34,000
BUILDING REPAIR & MAINTENANCE	7,162	8,838	4,145	9,000	46	10,000
CONTRACTED OPERATIONS	290,757	287,511	217,170	260,600	83	241,332
MANAGEMENT FEES	47,166	48,109	40,893	49,071	83	50,052
TELEPHONE	242	234	198	300	66	300
TRAVEL	234	22	163	300	54	300
TRAINING	173	482	330	400	83	500
INSURANCE	16,669	19,791	10,793	13,000	83	13,000
WORK COMP INSURANCE	527	490		200		
ELECTRIC UTILITIES	34,838	38,894	38,597	39,000	99	44,000
HEAT	3,848	6,009	5,182	6,000	86	6,500
DEPRECIATION	319,857	318,504	265,202	315,000	84	315,000
MISCELLANEOUS	3,470	4,999	1,744	4,000	44	4,000
INTERDEPARTMENTAL CHARGES	21,360	21,360	17,800	21,360	83	21,360
TOTAL EXPENDITURES	777,863	791,793	690,661	805,431	86	799,744
OPERATING PROFIT/(LOSS)	(41,007)	(45,045)	(6,070)	48,569	(12)	71,256

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CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
OTHER INCOME & EXPENSE						
SPECIAL ASSESSMENTS						
INTEREST INCOME	6,545	3,667	1,007	4,000	25	2,000
CONTRIBUTED CAPITAL DEPRECIAT'N	(71,937)	(71,366)	(39,600)	(63,700)	62	(60,200)
INTEREST EXPENSE						
GAIN/LOSS ON DISPOSAL OF ASSET						
GRANTS & CONTRIBUTED CAPITAL						
NET INCOME/(LOSS)	----- (106,399) =====	----- (112,744) =====	----- (44,663) =====	----- (11,131) =====	401	----- 13,056 =====

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
*** GARBAGE COLLECTION FUND ***						
REVENUES						
SALE OF GARBAGE TAGS	3,058	4,365	3,382	3,000	113	4,000
GARBAGE BILLINGS	161,670	162,360	135,430	163,000	83	163,000
OTHER REVENUE	368	135	436	200	218	200
TOTAL REVENUES	165,096	166,860	139,248	166,200	84	167,200
EXPENDITURES						
OPERATING SUPPLIES	871	1,768	1,192	1,200	99	1,200
MANAGEMENT FEES	8,328	8,495	7,220	8,664	83	8,838
CONTRACTED GARBAGE PICKUP	103,944	103,944	86,620	114,000	76	114,000
REFUSE DISPOSAL	43,076	44,196	36,402	75,000	49	80,000
UNCOLLECTABLE ACCOUNTS	408	848		1,000		1,000
TOTAL EXPENDITURES	156,626	159,251	131,434	199,864	66	205,038
OPERATING PROFIT/(LOSS)	8,470	7,609	7,814	(33,664)	(23)	(37,838)
INTEREST INCOME	2,238	2,119	1,721	2,000	86	2,100
NET INCOME/(LOSS)	10,707	9,728	9,535	(31,664)	(30)	(35,738)

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CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
*** ELECTRIC FUND ***						
REVENUES						
SALE OF SERVICE	3,148,431	3,139,818	2,618,368	3,132,000	84	3,132,000
MISCELLANEOUS	55,547	77,591	35,289	88,000	40	44,000
ADMINISTRATIVE SERVICES	12,000	12,000	10,000	12,000	83	14,400
INTERDEPARTMENTAL CHARGES	33,735	33,735	28,113	33,735	83	33,735
REFUNDS AND REIMBURSEMENTS	48,765	79,538	8,129	20,000	41	10,000
CONSERVATION REBATES	41,573	28,868	22,678	20,000	113	20,000
TRANSMISSION REVENUE		4,169	3,537	5,400	65	5,000
GENERATION CAPACITY REVENUE	48,024	48,852	20,981	16,000	131	
DEDICATED CAPACITY REVENUE	309,600	313,200	258,700	300,960	86	322,800
GENERATION SALES	12,527	10,262	6,795	15,000	45	9,000
BACKUP POWER AGREEMENT	419,578	681,791	451,592	426,000	106	450,000
TOTAL REVENUES	4,129,781	4,429,823	3,464,182	4,069,095	85	4,040,935
EXPENDITURES						
POWER PRODUCTION						
GAS & OIL	43,185	42,086	174	30,000	1	30,000
OPERATING SUPPLIES	700					
EQUIPMENT REPAIR & MAINTENANCE	58,931	75,953	46,713	65,000	72	115,000
BUILDING REPAIR & MAINT	2,199	1,255	3,819	1,500	255	1,500
MANAGEMENT FEES-POWER PRODUCT		16,670	14,170	17,004	83	17,344
MRES-OPERATION & MAINT		30,152	12,656	31,000	41	23,000
CONTRACTED SERVICES	576					
UTILITIES	29,349	35,644	26,896	36,000	75	30,000
MISCELLANEOUS	2,752					
TOTAL POWER PRODUCTION	137,692	201,760	104,428	180,504	58	216,844
PURCHASED POWER						
PURCHASED POWER	1,551,746	1,527,111	1,225,194	1,525,000	80	1,620,000
WHEELING	293,366	296,073	226,225	296,000	76	290,000
BACKUP POWER AGREEMENT COSTS	216,670	327,037	217,609	226,500	96	250,000
TOTAL PURCHASED POWER	2,061,782	2,150,222	1,669,027	2,047,500	82	2,160,000

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CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
TRANSMISSION						
MAINTENANCE OF TRANS LINE		204		1,000		1,000
MANAGMENT FEES-TRANSMISSION		16,670	14,170	17,004	83	17,344
MRES-STATION & MAINT		1,151	756	2,000	38	2,000
OTHER CONTRACTED SERVICES						
TOTAL TRANSMISSION		18,025	14,926	20,004	75	20,344
DISTRIBUTION						
MRES - OFFICE ADDER		8,876	29,606	10,000	296	22,500
GAS & OIL	10,400	11,965	7,923	13,000	61	11,000
OPERATING SUPPLIES	18,078	16,706	11,532	17,000	68	16,000
EQUIPMENT REPAIRS & MAINT	30,063	23,190	28,924	25,000	116	23,000
MAINTAIN SYSTEM	19,603	47,763	19,527	39,000	50	49,000
MAINTAIN STREET LIGHTS	3,657	27,847	4,755	28,000	17	10,000
BUILDING REPAIR & MAINTENANCE	2,681	10,067	834	11,000	8	8,000
MANAGEMENT FEES-DIST		50,001	42,510	51,012	83	52,032
MISSOURI RIVER CLEARING	475,362		40,000			
MRES DISTRIBUTION		414,106	290,390	421,000	69	388,000
OTHER CONTRACTED SERVICES		3,713	4,778	5,000	96	5,000
TELEPHONE	1,145	3,816	2,932	6,500	45	5,000
TRAVEL EXPENSE	1,014	2,251	4,799	2,600	185	4,000
TRAINING	2,478	12,293	8,842	12,000	74	12,000
ELECTRIC UTILITIES	11,702	14,347	13,008	15,000	87	16,000
HEAT	1,662	2,378	277	3,000	9	3,000
MISCELLANEOUS		845	295	1,000	30	1,000
TOTAL DISTRIBUTION	577,847	650,164	510,933	660,112	77	625,532
ADMINISTRATION						
SALARIES	82,463	84,384	68,239	89,000	77	90,000
EARNED BENEFITS	4,533	(456)		1,500		1,500
FRINGE BENEFITS	32,268	33,889	32,044	38,550	83	39,055
OFFICE SUPPLIES	10,605	14,623	11,309	14,000	81	14,000
POSTAGE	3,211	2,764	1,412	3,500	40	2,000
GAS	209	419	187	500	37	500
MANAGEMENT FEES	163,430	75,015	63,765	76,518	83	78,048
MRES-NON UTILITY CHARGES		51,385	46,869	50,000	94	82,000
CONTRACTED SERVICES	7,157	18,578	6,986	20,000	35	11,000
DATA PROCESSING SERVICES	24,225	20,240	20,313	22,000	92	25,000
BILL PRINT SERVICES	11,215	11,073	9,398	12,000	78	12,000
TELEPHONE	8,794	7,762	5,976	8,000	75	8,000
TRAVEL EXPENSE	1,847	1,800	1,776	2,500	71	2,000

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
TRAINING & INSTRUCTION	763	745	425	1,800	24	1,800
MARKETING	9,321	8,650	6,530	10,000	65	9,000
INSURANCE	22,617	24,511	23,118	27,600	84	28,000
DEPRECIATION	470,684	508,797	389,407	471,300	83	471,300
MISCELLANEOUS	7,279					
BAD DEBTS	11,782	10,697		12,000		12,000
DUES & SUBSCRIPTIONS	5,803	5,830	6,151	6,000	103	6,500
MRES-LOAD MANAGEMENT		4,897	7,708	5,500	140	5,500
LOAD MANAGEMENT/CONSERVATION	58,301	62,145	42,626	55,502	77	45,672
TOTAL ADMINISTRATION	936,508	947,747	744,241	927,770	80	944,875
GRAND TOTAL EXPENSES	3,713,828	3,967,917	3,043,555	3,835,890	79	3,967,595
OPERATING PROFIT/(LOSS)	415,953	461,907	420,626	233,205	180	73,340
OTHER INCOME & EXPENSE						
INTEREST INCOME	61,328	51,613	61,609	52,000	118	60,000
UNREALIZED GAIN (LOSS) ON INVS	23,489	(139,151)				
INTEREST EXPENSE	(286,522)	(478,721)	(227,832)	(257,500)	88	(243,000)
GAIN/LOSS ON DISPOSAL/ASSET		5,630				
SALE OF PROPERTY		1,800				
NET INCOME/(LOSS)	214,248	(96,923)	254,403	27,705	918	(109,660)
*** SALE OF SERVICE BREAKDOWN ***						
RESIDENTIAL LIGHTING	1,299,443	1,331,517	1,107,527	1,330,000	83	1,320,000
INTERRUPTIBLE SERVICE	68,373	91,244	75,252	85,000	89	90,000
MUNICIPAL SERVICE	201,517	213,866	180,834	220,000	82	215,000
COMMERCIAL LIGHTING	360,464	372,541	316,936	360,000	88	380,000
INDUSTRIAL SERVICE	1,130,883	1,044,293	869,305	1,050,000	83	1,040,000
STREET LIGHTING & SECURITY LIGHTS	87,752	86,357	68,515	87,000	79	87,000
TOTAL SALES OF SERVICE	3,148,431	3,139,818	2,618,368	3,132,000	84	3,132,000

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
*** LIQUOR FUND ***						
REVENUES						
SALES	1,092,147	1,138,723	873,758	1,126,000	78	1,097,000
COST OF SALES	719,498	747,601	568,247	734,900	77	722,680

GROSS PROFIT	372,649	391,122	305,511	391,100	78	374,320
RENTAL INCOME	22,959	21,194	14,160	22,000	64	18,000
MACHINE COMMISSIONS	1,600	1,566	1,282	1,500	85	1,500
MISCELLANEOUS INCOME	1,115	558	429	1,000	43	500

TOTAL GROSS PROFIT	398,322	414,439	321,380	415,600	77	394,320
EXPENDITURES						
SALARIES	131,221	148,628	110,499	151,800	73	141,000
FRINGE BENEFITS	37,866	42,179	35,582	51,000	70	46,800
OFFICE SUPPLIES	166	436	287	500	57	500
OPERATING SUPPLIES	5,503	5,914	4,180	6,000	70	6,000
BUILDING MAINTENANCE & SUPPLIES	10,033	7,082	8,322	8,000	104	7,500
MANAGEMENT FEES	24,130	24,612	20,920	25,104	83	25,606
CONTRACTED SERVICES - CLEANING	9,300	9,300	7,758	9,500	82	9,800
TELEPHONE EXPENSE	1,213	1,257	1,069	1,300	82	1,300
TRAVEL EXPENSE	447	443		450		450
TRAINING & INSTRUCTION	99	295	399	300	133	500
FREIGHT ON LIQUOR	3,988	4,165	3,644	4,200	87	4,200
ADVERTISING	15,306	12,371	9,311	15,000	62	13,000
INSURANCE	13,258	13,121	12,753	14,500	88	15,000
UTILITIES	13,973	13,074	10,920	14,000	78	14,000
HEATING COST	533	1,124	971	1,200	81	1,200
DEPRECIATION	8,093	6,111	5,227	6,000	87	6,000
MISCELLANEOUS	4,059	4,127	4,559	4,700	97	5,700
CREDIT CARD DISCOUNT	10,996	11,000	10,422	11,000	95	12,000
BAD DEBTS	839	(127)	1,234	500	247	800
LAUNDRY EXPENSE	1,350	1,357	1,089	1,500	73	1,400

TOTAL EXPENDITURES	292,372	306,468	249,144	326,554	76	312,756

OPERATING PROFIT/(LOSS)	105,950	107,971	72,237	89,046	81	81,564
INTEREST INCOME	264	117	76	100	76	100
GAIN/LOSS ON DISPOSAL/ASSET						

NET INCOME/(LOSS)	106,214	108,088	72,313	89,146	81	81,664
=====						

CITY OF BENSON
BUDGET PROPOSAL
2015 BUDGET PROPOSAL

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 YTD	2014 BUDGET	PCT. BUDGET	PROPOSED 2015 BUDGET
*** LIQUOR SALES ANALYSIS ***						
OFF SALE LIQUOR & WINE SALES	337,517	351,937	276,034	341,000	81	360,000
COST OF SALES	(237,274)	(247,449)	(190,933)	(238,700)	80	(252,000)
GROSS PROFIT	100,243	104,488	85,101	102,300	83	108,000
OFF SALE BEER SALES	552,840	568,975	441,524	572,000	77	540,000
COST OF SALES	(411,697)	(421,227)	(316,411)	(424,000)	75	(400,680)
GROSS PROFIT	141,143	147,748	125,113	148,000	85	139,320
ON SALE LIQUOR & WINE SALES	62,115	71,132	54,711	70,000	78	70,000
COST OF SALES	(9,904)	(12,512)	(10,070)	(11,200)	90	(12,600)
GROSS PROFIT	52,211	58,619	44,641	58,800	76	57,400
ON SALE BEER SALES	90,616	97,499	62,481	94,000	66	80,000
COST OF SALES	(24,405)	(26,771)	(18,032)	(25,000)	72	(22,400)
GROSS PROFIT	66,210	70,728	44,449	69,000	64	57,600
MISCELLANEOUS SALES	49,060	49,180	39,008	49,000	80	47,000
COST OF SALES	(36,218)	(39,642)	(32,802)	(36,000)	91	(35,000)
GROSS PROFIT	12,841	9,538	6,206	13,000	48	12,000
TOTAL SALES	1,092,147	1,138,723	873,758	1,126,000	78	1,097,000
TOTAL COST OF SALES	(719,498)	(747,601)	(568,247)	(734,900)	77	(722,680)
TOTAL GROSS PROFIT	372,649	391,122	305,511	391,100	78	374,320



Morris Electronics

511 Atlantic Ave., Morris, MN 320-589-1781

To: City of Benson
Glen/Rob
Phone: 320-816-0221
Fax:

Date
11/14/2014

From: Morris Electronics Inc
Shawn Larsen
Phone: 320-589-1781
Cell: 320-287-0822
Fax: 320-589-3898
E-mail: shawn.larsen@morriselectronics.net

Qty	Part #	Description	per unit \$	extended \$
1	10214114	HP ProLiant Gen8 - Server - tower - 5U - 2-way - 1 x Xeon / 2 GHz - RAM 8 GB - SAS - hot-swap 2.5" - no HDD - DVD - Matrox G200 - GigE - Monitor	2,018.88	2,018.88
2	10213558	4GB 1RX4 PC3-10600R-9 RDIMM SBY	98.82	197.64
4	10764988	300GB 6G SAS 10K SFF 5C ENT HD S8U4	242.53	970.12
1	10213883	HP 2ND MEDIA BAY CAGE KIT	70.78	70.78
1	10917252	LTO5 ULTRIUM SAS INT TD	4128.78	4128.78
10	10217607	1PK LTO5 1.6/3TB RW DATA CART W/ CASE	26.89	268.90
			Sub Total	7,653.16
			Sales Tax	exempt
			Total	7,653.16

Software

Qty	Part #	Description	per unit \$	extended \$
1	11223243	GV WIN SVR STD 2012R2 EN OLP NL 2PROC	\$ 750.00	\$ 750.00
20	10886982	Microsoft Windows Server 2012 - License - 1 user CAL - local - MOLP: Government - English	\$ 30.00	\$ 600.00
1	10950270	Microsoft Exchange Server 2013 Standard - License - 1 server - local - MOLP: Government - Win - English	\$ 600.00	\$ 600.00
30	10950168	Microsoft Exchange Server 2013 Standard CAL - License - 1 user CAL - local - MOLP: Government - Win - English	\$ 70.00	\$ 2,100.00
1	11443928	Symantec Backup Exec 2014 - License + 1 Year Essential Support - 1 server - GOV - Symantec Buying Programs : Government - level S (1+) - Win	\$ 890.00	\$ 890.00
			Sub Total	\$ 4,740.00
			Sales Tax	Exempt
			Total	\$ 4,740.00

Labor

Qty	Part #	Description	per unit \$	extended \$
16	Shawn	Shawn Service Labor	\$ 70.00	\$ 1,120.00
100	Miles	Mileage	\$ 0.56	\$ 56.00
			Sub Total	\$ 1,176.00
			Sales Tax	Exempt
			Total	\$ 1,176.00

total 13519.18

REQUEST FOR PROGRESS PAYMENT

CB0120 CITY OF BENSON
 CITY HALL
 1410 KANSAS AVENUE EAST
 BENSON, MN 56215

CONTRACTOR: Central Specialties, Inc.
 6325 County Road 87 SW
 Alexandria, MN 56308

JOB 14048: BENSON: 2014 BITUMINOUS

PROGRESS
 BILLING NO: 1

INVOICE DATE: October 31, 2014
 INVOICE NBR: 14048-1

PAGE: 1

Item No	Description	UOM	Quantity Bid	Unit Price	Contract Amount	Previous Units	Current Units	Total Units	Stored Materials	Total Amount
10	BITUMINOUS PAVER LAID BITUMIN	TON	1,100.0000	66.1000	72,710.00		1,377.4000	1,377.4000		91,046.14
	Total Installed				72,710.00					91,046.14

TOTAL CONSTRUCTION TO DATE: \$ 91,046.14
 TOTAL AMOUNT DUE: \$ 91,046.14

TERMS: Net 10 Days
 1 1/2% Monthly Finance Charge
 on Balance After 30 Days

Water 14.25 ton \$941.23 - 601-49400-227WA
 Sewer 76.9 ton - \$5,083.09 - 602-43250-226WA
 McKinney Ave 581.2 ton - \$38,417.35
 Wisconsin Ave 254.2 ton - \$16,802.62
 12th + Idaho 450.85 ton - \$29,801.85
85,021.82

[Handwritten Signature]
~~101,431.00,227~~