

**City Council Meeting Agenda
City Council Chambers
December 4, 2017**

City of Benson Mission Statement

Benson is a forward looking community that values public safety,
Quality of life and treats people with dignity and respect.

Page		5:00 p.m. Personnel Committee Meeting	
	1.	5:30 p.m. Call the Meeting to Order at the Benson City Council Chambers (Mayor)	
	2.	Pledge of Allegiance	
	3.	Approval of Agenda	
		Additions? <input type="checkbox"/> None 1. _____ 2. _____	
		Any Consent Agenda items to be moved to a regular agenda item?	
		Approval of Agenda ____ as Presented or ____ Revised	Action Requested
	4.	Consent Agenda:	Action Requested
	a.	Minutes	
3-22		▪ 11.20.17 City Council Meeting	
	b.	Correspondence:	
23-24		▪ Missouri River Energy Services S-1 Power Sale Agreement	
25		▪ Police Report	
26		▪ Public Works Report	
	c.	Applications:	
27-34		▪ Library Board – (3 positions open)	
		Ron Laycock Linda Carstens	
		Arlon Lee Dixie Golden	
	5.	Persons With Unscheduled Business to Come Before the City Council	
35-38	6.	Community Education Summer Rec Pay Request - \$30,790.40	Action Requested
39-54	7.	Missouri River Energy Services Maintenance & Operation Contract	Action Requested
	8.	Update on Substation Testing	Information Only
55	9.	Consider Resolution for Sewer & Water Assessments	Action Requested
56	10.	Consider Resolution for Assessments for Current Services	Action Requested
57-66	11.	6:00 p.m. Truth in Taxation	Information Only
	12.	Update on the Minnesota Public Utility Commission Hearing and Order	Information Only
67-71	13.	Consider Approval of 2017 Budgeted Transfers	Action Requested
	a.	Resolution to Approve Transfer from Library Endowment Fund	
	b.	Resolution to Approve Budgeted Transfers	
	c.	Resolution Transferring 25% of the Net Profit of Utility Fund to the General Fund	
	d.	Resolution Transferring Amount Designated for Future Capital Outlay to General Fund	

e. Resolution Transferring \$6,112 From EDA Fund and \$12,403 from Revolving Loan Fund

14. Adjourn: Mayor

In compliance with the American Disability Act, if you need special assistance to participate in this meeting, please contact the City Manager's office at 320-843-4775. Notification 48 hours prior to the meeting will enable the City of make reasonable arrangements to ensure accessibility to this meeting.

DRAFT

**MINUTES - BENSON CITY COUNCIL - REGULAR MEETING
NOVEMBER 20, 2017**

The meeting was called to order at 5:30 p.m. by Mayor Landmark. Members present: Terri Collins, Jack Evenson, Gary Landmark, Stephanie Heinzig & Lucas Olson. Members Absent: None. Also present: City Manager Rob Wolfington, Director of Finance Glen Pederson, Shelly Eldridge with Ehlers and Associates, Mark Schreck, Jerry Peterson and Sally Jones from the Benson Golf Course.

The Council recited the Pledge of Allegiance.

Mayor Landmark asked if there were any changes to the agenda. Wolfington asked to add the Xcel Public Utility Commission (PUC) Hearing. It was moved by Evenson, seconded by Collins and carried unanimously to approve the amended agenda.

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

- November 6, 2017 City Council Minutes
- May 17, 2017 Cemetery Board Meeting
- October 19, 2017 EDA Meeting
- November 2, 2017 Safety Meeting
- November 14, 2017 Special City Council Meeting
- MnDOT Office of Aeronautics Heliport License Letter
- Swift County All-Hazard Mitigation Plan Task Force Meeting

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

Shelly Eldridge with Ehler’s and Associates approached the Council to discuss the presale report for the Electric Revenue Refunding Bonds, Series 2017A. This will refinance bonds issued in 2007, which will save the City approximately \$112,500 per year, and \$1 million over the life of the bond. After discussion, councilmember Evenson offered the following resolution:

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
\$3,712,000 ELECTRIC REVENUE REFUNDING BOND, SERIES 2017A
(RESOLUTION NO. 2017 -29)**

A. WHEREAS, the City of Benson, Minnesota (the “City” or "Issuer") owns and operates the Benson Electric Utility (the "Electric Utility") and has heretofore, pursuant to law, created an Electric Fund into which all revenues of the Electric Utility are paid; and

B. WHEREAS, pursuant to a resolution adopted October 14, 2007 (the "Prior Resolution") the Issuer authorized the issuance and sale of \$6,890,000 Electric Revenue Bonds, Series 2007A, dated October 16, 2007 (the "Prior Bonds") for the purpose of providing funds to finance system improvements to the Electric Utility including upgrading transmission lines, and substation and transformers to improve efficiency and capacity, and for a full net cash refunding of the outstanding principal amount of the City's \$3,635,000 Electric Revenue Bonds, Series 2000, dated December 9, 2000 previously issued to finance the purchase and installation of five 1860 KW standby generators at the existing power plant of the Electric Utility. There are presently outstanding \$4,160,000 in principal amount of the Prior Bonds and paragraph 4 (a) of the Prior Resolution provides as follows:

<u>Year</u>	<u>Amount</u>
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2018	\$340,000
2020	725,000
2021	385,000
2023	825,000
2024	440,000
2027	1,445,000

C. WHEREAS, the net revenues of the Electric Utility are pledged to the payment of the Prior Bonds and other than the Prior Bonds, there are no bonds, certificates or other obligations payable out of the net revenues of the Electric Utility constituting a lien or charge upon the revenues thereof; and

D. WHEREAS, the City Council has heretofore determined and declared that it is necessary and expedient to provide moneys for a current refunding, on December 28, 2017 (the "Call Date") of the Prior Bonds (the "Refunded Bonds"); and

E. WHEREAS, the refunding of the Prior Bonds is consistent with covenants made with the holders of the Prior Bonds and is necessary and desirable for the reduction of debt service cost to the City; and

F. WHEREAS, the City Council has heretofore determined that it is necessary and expedient to issue a \$3,712,000 Electric Revenue Refunding Bond, Series 2017A (the "Bond"), pursuant to Minnesota Statutes, Chapter 475, to provide moneys for a current refunding of the Refunded Bonds (the "Refunding") on the Call Date; and

G. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the sale of the Bond and was therefore authorized to sell the Bond by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and a proposal to purchase the Bond has been solicited by Robert W. Baird & Co., Inc.; and

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

1. Findings. It is hereby found, determined and declared that it is advisable, expedient and necessary to issue the Bond to finance the Refunding.
2. Sufficiency of Net Revenues. The estimated revenues to be derived from the operation of the Electric Utility during the term of the Bond will be more than sufficient to produce net revenues, after current costs of operation and maintenance, adequate to pay principal and interest when due on the Bond and to maintain reasonable reserves therefor.
3. Acceptance of Offer. The offer of Branch Banking and Trust Company, in Charlotte, North Carolina (the "Purchaser"), to purchase the Bond at the rate of interest hereinafter set forth and to pay therefore at a price of par, without accrued interest is hereby accepted.
4. Original Issue Date, Denominations, Maturities, Interest and Redemption. The City shall forthwith issue the Bond, which shall be in fully registered form shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple of \$1,000 in excess thereof of a single maturity (the "Authorized Denominations") and be payable as provided in the form of the Bond.

5. Purpose; Refunding Findings. The Bond shall provide funds for a current refunding of the Refunded Bonds. It is hereby found, determined and declared that the Refunding is pursuant to Minnesota Statutes, Section 475.67 and shall result in a reduction of debt service cost to the City.

6. Bond Registrar. The Finance Director/City Clerk, City of Benson, Minnesota, is appointed to act as Bond Registrar and transfer agent with respect to the Bond (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed. Any successor Bond Registrar shall act as Bond Registrar and transfer agent pursuant to any contract the City and successor Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bond shall be paid to the registered owners (or record owners) of the Bond in the manner set forth in the form of Bond.

7. Form of Bond. The Bond, together with the Certificate of Registration, shall be in substantially the following form:

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

R-1 \$3,712,000

ELECTRIC REVENUE REFUNDING BOND, SERIES 2017A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
2.39%	June 1, 2027	December 5, 2017

REGISTERED OWNER: BRANCH BANKING AND TRUST COMPANY, CHARLOTTE, NORTH CAROLINA

PRINCIPAL AMOUNT: THREE MILLION SEVEN HUNDRED TWELVE THOUSAND DOLLARS

The City of Benson, Swift County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or assigns duly certified on the Certificate of Registration attached to and made a part of this Bond (the "Owner" or "Holder"), in the manner hereinafter set forth, the \$3,712,000 principal amount of this Bond in the principal installments due on June 1 of the years and in the amounts, respectively, as follows, with each such principal installment bearing interest until paid through mandatory sinking fund redemption at the interest rate of 2.39% per annum:

Principal Installments		Principal Installments	
<u>Due June 1</u>	<u>Amount</u>	<u>Due June 1</u>	<u>Amount</u>
2018	\$380,000	2023	\$368,000
2019	337,000	2024	378,000
2020	345,000	2025	387,000
2021	352,000	2026	395,000
2022	363,000	2027	407,000

In the event that the City shall fail to observe any covenant, agreement or representation in the Resolution (as hereinafter defined), which failure results in the interest on the Bond determined not to be exempt from Federal income tax, the interest rate shall increase to a rate equal to the current tax-exempt

rate of interest set forth in this Bond (2.39%) divided by 67.5%. In addition, the Issuer shall pay an amount equal to the difference between the interest paid at the tax-exempt rate and the interest which would have been paid if the interest rate would have been the taxable rate from the date that this Bond was determined to be taxable, plus any penalties, interest, assessments and additions to tax payable by the owner as a result of the loss of the tax-exempt status of interest on this Bond.

Interest. Interest shall be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2018, (each a "Payment Date") and shall be calculated on the basis of a 360 day year consisting of twelve thirty day months.

Payment. Principal installments and interest shall be paid by check, ACH debit, wire transfer or draft mailed to the Owner at the address listed on the Certificate of Registration attached to and made a part of this Bond. The payment of all principal and interest on this Bond, shall be made by the Finance Director/City Clerk, City of Benson, Minnesota (the "Bond Registrar"). The owner of this Bond shall not have to present this Bond to receive any payment hereunder, including any final payment of sinking fund redemption.

Optional Redemption. This Bond is subject to redemption and prepayment at the option of the Issuer on June 1, 2022, and on any Payment Date thereafter, in whole and not in part upon written notice to the Owner, at the redemption price equal to par plus accrued interest to date of prepayment.

Date of Payment Not a Business Day. If the nominal date for payment of any principal or interest on this Bond shall not be a business day of the Issuer or of the Owner, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Issuance; Purpose; Special Obligations. This Bond is issued as a single instrument in the total principal amount of \$3,712,000, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on November 20, 2017 (the "Resolution") for the purpose of providing funds for a current refunding of the Issuer's Electric Revenue Bonds, Series 2007A, dated October 16, 2007 which mature or are subject to mandatory redemption on and after June 1, 2017 for the Issuer's municipal electric light and power plant and system (the "Electric Utility"), and is issued pursuant to and in full conformity with the provisions of the Charter of the Issuer, the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475. The Bond and the interest thereon are payable solely and exclusively from the net revenues of the Electric Utility pledged to the payment thereof, and do not constitute a debt of the Issuer, within the meaning of any charter, constitutional or statutory limitation of indebtedness. In the event of any default hereunder, the Owner of this Bond may exercise any of the rights and privileges granted by the laws of the State of Minnesota subject to the provisions of the Resolution. The Bond of this issue is a first and prior lien upon the net revenues of the Electric Utility, except that the Issuer is authorized under certain conditions to issue additional revenue obligations on a parity of lien with the Bond, all as provided in the Resolution. This Bond is issuable in a minimum denomination of \$5,000 and any integral multiple of \$1,000 in excess thereof.

Remedies. The Owner may, either by law or in equity, by suit, action, or other proceedings, protect and enforce its rights or enforce and compel the performance of any and all of the covenants and duties specified in the Resolution to be performed by the Issuer or its officers and agents; provided, however, that nothing shall affect or impair the right of the Owner to enforce the payment of the principal of and interest on this Bond after the maturity, or the obligation of the Issuer to pay the principal of and interest on this Bond at the time and place, from the source and in the manner provided in the Resolution.

Transfer. This Bond is transferable by the Owner in person or by the Owner's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond

Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one new, fully registered Bond in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an authorized denomination or denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

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

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

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

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Charter of the Issuer, the Constitution and the laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser does not exceed any charter, constitutional or statutory limitation of indebtedness; and that the Issuer will maintain rates and charges for the electric service furnished by the Electric Utility sufficient in an amount to promptly meet the principal and interest requirements of this issue.

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

Date of Registration:

CITY OF BENSON,
SWIFT COUNTY, MINNESOTA

December 5, 2017

BOND REGISTRAR'S
CERTIFICATE OF AUTHENTICATION

Mayor

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

REGISTRABLE BY AND
PAYABLE AT:

Finance Director/City Clerk

Office of the Finance Director/
City Clerk
City of Benson, Minnesota

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last Bond below:

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
December 5, 2017	Branch Banking and Trust Company 5130 Parkway Plaza Boulevard Charlotte, NC 28217	
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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_____	_____	_____

8. Maturities, Interest Rate, and Payment. The Bond shall be dated December 5, 2017, as the date of original issue and shall be issued forthwith on or after such date in fully registered form. The Bond shall be numbered R-1. The Bond shall be subject to mandatory sinking fund installments on June 1 in the years and amounts set forth below and shall bear interest at 2.39% from its date of original issue until paid or duly called for redemption as follows:

<u>Principal Installments</u>		<u>Principal Installments</u>	
<u>Due June 1</u>	<u>Amount</u>	<u>Due June 1</u>	<u>Amount</u>
2018	\$380,000	2023	\$368,000
2019	337,000	2024	378,000
2020	345,000	2025	387,000
2021	352,000	2026	395,000
2022	363,000	2027	407,000

In the event that the City shall fail to observe any covenant, agreement or representation in this Resolution, which failure results in the interest on the Bond determined not to be exempt from Federal income tax, the interest rate shall increase to a rate equal to the current tax-exempt rate of interest set forth in the Bond (2.39%) divided by 67.5%. In addition, the City shall pay an amount equal to the difference between the interest paid at the tax-exempt rate and the interest which would have been paid if the interest rate would have been the taxable rate from the date that the Bond was determined to be taxable, plus any penalties, interest, assessments and additions to tax payable by the owner as a result of the loss of the tax-exempt status of interest on the Bond.

The interest thereon and the principal installments, shall be payable by check, ACH debit, wire transfer or draft issued by the Bond Registrar described herein. Upon initial issuance and upon any subsequent transfer or exchange, the Bond Registrar shall note upon the 2017A Bond the date of authentication. The owner of the Bond shall not have to present the physical Bond to receive any payment, including any final payment or any mandatory sinking fund redemption.

9. Interest Payment Dates. The interest on the Bond shall be payable on June 1 and December 1 in each year, commencing June 1, 2018 (each a "Payment Date"), to the owner of record thereof.

10. Optional Redemption. The Bond is subject to redemption and prepayment in whole and not in part at the option of the City on June 1, 2022, and on any Payment Date thereafter at a price of par plus accrued interest. The Bond called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to each affected registered owner of the Bond shown on the Certificate of Registration.

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

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

13. Fund and Accounts. There has heretofore been created a special fund designated the "Electric Fund" administered and maintained by the Finance Director/City Clerk as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Operation and Maintenance Account heretofore established by the City for the Electric Utility shall continue to be maintained in the manner heretofore and herein provided by the City. All moneys remaining after paying or providing for the items set forth in the Prior Resolution shall constitute and are referred to as "net revenues" until the Bond has been paid. For the convenience and proper administration of the proceeds derived from the sale of the Bond and for the payment of principal of and interest on the Bond, the Electric Fund shall continue to be in effect, subject to the following accounts which are hereby established:

(a) Payment Account. The proceeds of the Bond shall be deposited in the Payment Account. On or prior to the Call Date, the Finance Director/City Clerk shall transfer \$4,174,161.03 of Bond proceeds, together with other funds on deposit in the Reserve Account for the Refunded Bonds, to the paying agent for the Refunded Bonds, which sum is sufficient, together with other funds on deposit in the parity revenue debt service account for the Refunded Bonds, to pay the principal and interest due on the Refunded Bonds due on and after the Call Date, including the principal of the Refunded Bonds called for redemption on that date. The remainder of the monies in the Payment Account shall be used to pay the costs of issuance of the Bond. Any monies remaining in the Payment Account after payment of all costs of issuance of the Bond and payment of the Refunded Bonds shall be transferred to the Parity Revenue Bond Debt Service Account heretofore established in the Electric Fund.

(b) Parity Revenue Bond Debt Service Account. To the Parity Revenue Bond Debt Service Account shall be credited and to which there is hereby irrevocably pledged from the net revenues of the operation of the Electric Utility, commencing on or before the tenth day of December and each month thereafter, an amount equal to one-sixth of the total amount of interest payable on the Bond and any other bonds issued on a parity therewith (collectively the "Parity Bonds") on the next succeeding Interest Payment Date plus (i) for the period from December 2017 through May 2018 one-sixth of the principal due on June 1, 2018, and (ii) commencing June 2018 one-twelfth of the total amount of principal payable on the Parity Bonds on the next succeeding June 1 principal payment date; provided, however, that no further payments need be made to the Parity Revenue Bond Debt Service Account when the moneys held therein are sufficient for the payment of all principal and interest due on the Parity Bonds on or before the next maturity date of each issue thereof. No money shall be paid out of the account except to pay principal and interest on the Parity Bonds.

(vi) Subordinate Revenue Bond Debt Service Account. To the Subordinate Revenue Bond Debt Service Account shall be credited monthly and to which there shall be irrevocably pledged from the net revenues of the operation of the Electric Utility a sum equal to at least one-twelfth of the total principal and interest due during the ensuing twelve months on any obligations secured by a lien on said net revenues second and subordinate to the pledge of net revenues for the security of the Parity Bonds; provided, however, that no further payments need be made to the account when the moneys held therein are sufficient for the payment of all principal and interest due on the subordinate lien bonds payable therefrom on or before the next maturity date of each issue thereof. No money shall be paid out of the account except to pay principal and interest on the Parity Bonds (on a priority of lien) or any subordinate lien bonds payable from said account.

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

15. Investments. Moneys on deposit in the Parity Revenue Bond Debt Service Account and the Subordinate Revenue Bond Debt Service Account may be invested in any securities described in Minnesota Statutes, Chapter 118A, as from time to time amended. Such investment may at any time be

liquidated and the proceeds thereof applied for the purpose or purposes for which the fund was created. All income derived from such investment shall constitute net revenues of the Electric Utility.

16. Allocation of Money. The money in the Electric Fund shall be allotted and paid to the various accounts herein established in the order in which the funds are listed on a cumulative basis, and if in any month the money in the accounts is insufficient to place the required amount in any account, the deficiency shall be made up in the following month or months after payment into all other funds having a prior claim on the revenues have been made in full.

17. Separate Accounting. All money held in any of the accounts created by this resolution shall be kept separate and apart from all municipal funds and accounts and shall be deposited in any bank or banks selected by the City.

18. Arbitrage Covenants. The Parity Revenue Bond Debt Service Account and the Subordinate Revenue Bond Debt Service Account shall be used solely to pay the principal and interest and any premiums for redemption of all Parity Bonds. No portion of the proceeds of the Bond shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bond was issued, (2) as part of a reasonably required reserve or replacement fund not in excess of ten percent of the proceeds of the Bond, and (3) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bond or \$100,000. To this effect, any proceeds of the Bond and any sums from time to time held in the Parity Revenue Bond Debt Service Account and the Subordinate Revenue Bond Debt Service Account any other Issuer account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under the applicable federal arbitrage regulations may be invested in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bond to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

19. Additional Parity Bonds. The Bond issued hereunder shall be secured by a first charge and lien upon the net revenues of the Electric Utility. No additional obligations shall be hereafter issued unless they are secured by a lien on the net revenues which is expressly made second and subordinate to the lien upon the net revenues securing all Parity Bonds; provided however, that additional obligations may be issued on a parity of lien with the Parity Bonds, if the annual net revenues of the Electric Utility (with adjustments as hereinafter provided) for the completed fiscal year immediately preceding the issuance of such additional obligations were equal to at least (a) one and one-quarter times the maximum annual principal and interest coming due thereafter on all outstanding Parity Bonds, including the additional obligations so to be issued; and (b) equal to the maximum annual principal and interest coming due thereafter on all outstanding obligations payable from the revenues of the Electric Fund, including any subordinate lien obligations and the additional obligations so to be issued; and provided also, that the interest to become due on any such additional Parity Bonds shall commence on June 1 of the year in which such interest first becomes payable and shall be payable semiannually thereafter on June 1 and December 1 of each year and the principal to become due on such additional Parity Bonds shall be payable on June 1 of each year in which any such principal becomes due.

For the purpose of determining the net revenues of the Electric Utility for each of the preceding fiscal year as aforesaid, the amount of the gross revenues of the Electric Utility for such year may be adjusted by a Consulting Engineer or by the independent certified public accountant who prepared the last audit report covering the operations of the Electric Utility so as to reflect any changes in the amount of such revenues which would have resulted if any revision of the schedule of rates and charges imposed at least six months prior to the time of issuance of any additional bonds had been in effect. The amount of the revenues may be further adjusted for such purpose by a Consulting Engineer or such certified public

accountant to the extent that either person estimates that: (a) any demand charges (as opposed to charges for the purchase of electric energy paid under any interconnection agreement or contract with another utility system) for the interchange of electric service during the preceding fiscal year would have been eliminated or reduced by reason of the improvements and extensions then to be constructed, (b) net revenues of the Electric Utility would have increased if the customers using the Electric Utility as of the date of issuance of the additional obligations had been customers during said preceding year, (c) a reduction in base load energy costs or savings in the cost of purchased power would have been affected if the improvements and extensions then to be constructed had been in operation during said preceding year, (d) the annual net revenues of the Electric Utility during the first fiscal year of operation after completion of the improvements and extensions then to be constructed will increase because of the sale of surplus power resulting from the addition to the Electric Utility of the improvements and extensions; provided, however, that such sale or sales may be considered only to the extent the same are supported by firm contracts requiring the Purchaser to pay for available surplus power or capacity whether or not it is in fact accepted by the Purchaser and (e) the impact of any formally adopted and implemented rate increase that was not in effect for all or some part of the historical fiscal year. The term "Consulting Engineer" means an engineer or firm of engineers who is not an officer or regular employee of the Issuer and is not devoting substantially all time and effort to the affairs of the Electric Utility.

Subject to the provisions of paragraph 24, additional Parity Bonds may also be issued, without complying with the coverage provisions set forth above, to provide funds to:

(a) Finance the Issuer's cost under any agreement entered into between the Issuer and one or more other electric utility suppliers for the purchase of excess capacity of the facilities by such other suppliers until such time that the Issuer no longer needs to utilize such excess capacity to meet its own power supply needs, including, but not limited to, any agreement between the Issuer and their power supplier, covering the purchase of additional capacity.

(b) Finance the Issuer's share of any cost incurred pursuant to a joint electrical agreement entered into under the authority of Minnesota Statutes, Sections 453.51 to 453.62.

Nothing herein shall be construed as prohibiting the City from treating the costs referred to in this paragraph as an operating cost payable from the Operation and Maintenance Account so long as the obligation to pay such costs is not treated as debt under generally accepted accounting principles.

No additional Parity Bonds may be issued pursuant to this paragraph unless the conditions and requirements of the resolutions authorizing all respective Parity Bonds are complied with and fully performed.

20. Refunding Bonds. The Issuer reserves the right and privilege of issuing additional Parity Bonds if and to the extent needed to refund bonds maturing within six months of the issuance of the refunding bonds in case the moneys in the Parity Revenue Bond Debt Service Account and the Subordinate Revenue Bond Debt Service Account of the Electric Fund are insufficient to pay the same at maturity, provided that such refunding Parity Bonds shall mature subsequent to all other Parity Bonds which are still outstanding upon completion of such refunding.

21. Subordinate Lien Bonds. Except as authorized in paragraphs 19 and 20, the Issuer covenants and agrees that it will issue or incur no obligations payable from the net revenues of all or a part of the Electric Utility or constituting in any manner a lien thereon, unless such obligations are secured by a lien on such net revenues which is expressly made junior and subordinate to the lien and charge of the Parity Bonds on the net revenues, except that the Parity Bonds, or any part thereof, may be refunded and the refunding bonds issued shall enjoy complete equality of lien with the portion of any Parity Bonds not refunded, if there are any, provided that if only a portion of the outstanding Parity Bonds shall be so refunded and if such Parity Bonds shall be refunded in such manner that the annual principal and interest to become due on the refunding Parity Bonds shall be greater than the annual principal and interest to become due on the Parity Bonds to be refunded (assuming payment at their maturity), then such Parity

Bonds may not be refunded without the consent of the Owners of the unrefunded portion of the outstanding Parity Bonds.

22. Application of Funds Upon Default. In the event moneys in the Parity Revenue Bond Debt Service Account and the Subordinate Revenue Bond Debt Service Account shall be insufficient at any time to pay the principal then due and interest then accrued on all Parity Bonds payable therefrom, moneys shall first be applied to the payment pro rata of the accrued interest on all such Parity Bonds, and any balance shall be applied in payment pro rata of the principal on all such Parity Bonds; provided further that if it shall ever be determined by a court of competent jurisdiction while any such Parity Bonds remain outstanding that the sums available and to become available for the payment of the principal thereof and interest thereon are insufficient whether or not then due, then the moneys in the Parity Revenue Bond Debt Service Account and the Subordinate Revenue Bond Debt Service Account shall be applied in payment of all then outstanding principal whether or not then due and the interest accrued thereon to the date of payment ratably according to the aggregate amount thereof without any preference or priority.

23. Bondholder Remedies. The Holders of twenty percent or more in aggregate principal amount of all outstanding Parity Bonds may, either at law or in equity, by suit, action, or other proceedings, protect and enforce the rights of all Holders of all outstanding Parity Bonds or enforce or compel the performance of any and all of the covenants and duties specified in this resolution, to be performed by the Issuer or its officers and agents, including the fixing and maintaining of rates and charges and the collection and proper segregation of revenues and the application and use thereof; provided, however, that nothing herein shall affect or impair the right of the Holder of any Parity Bond to enforce the payment of the principal of and interest on any Parity Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest on each of the Parity Bonds issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner provided in the Parity Bonds.

24. Additional Covenants. For the protection of the Owners of the Bond herein authorized and all other Parity Bonds from time to time outstanding, the City herein covenants and agrees to and with the Owners thereof from time to time as follows:

(a) It will at all times adequately maintain and efficiently operate the Electric Utility as a municipal utility. It will from time to time make all needful and proper repairs, replacements, additions and betterments to the equipment and facilities of the Electric Utility so that they may at all times be operated properly and advantageously, and whenever any equipment of the system shall have been worn out, destroyed or otherwise become insufficient for proper use, it shall be promptly replaced or repaired so that the value and efficiency of the Electric Utility shall be at all times fully maintained and its revenues unencumbered by reason thereof.

(b) It will permit no free service to any consumer or utility. The rates for all electric service and the charges for all electricity supplied by the public utilities to the municipality and its residents and to all consumers shall be reasonable and just, taking into account the cost and value of the Electric Utility, the cost of maintaining and operating the Electric Utility and the proper and necessary allowances for depreciation and the amounts required for the payment of principal and interest on the bonds payable from the net revenues of the Electric Utility. The Issuer shall maintain rates sufficient to provide sufficient operating revenues for the payment of (i) operating expenses; (ii) 1.25 times annual debt service on the Bonds and all parity debt, and (iii) all other debt and required deposits to the Parity Revenue Bond Debt Service Account and all other required deposits pursuant to the Resolution.

(c) It will establish, maintain and collect such charges and rates as will produce revenues sufficient to pay the reasonable cost of operation and maintenance of the Electric Utility and to pay one hundred twenty-five percent (125%) of the interest on and principal of all Parity Bonds and one hundred percent (100%) of the interest on and principal of all subordinate lien bonds as and when they become due

as well as to provide sufficient money to make the required appropriations to the various accounts established herein.

(d) The Issuer will not sell, lease, mortgage, or in any manner dispose of the Electric Utility or any part thereof including any and all extensions and additions that may be made thereto until all bonds payable from the revenues of the Electric Utility or a part thereof have been paid in full; provided however, that the Issuer may sell the Electric Utility or any part thereof if simultaneously with or prior to the sale all of the outstanding bonds are discharged in accordance with paragraph 27; and provided further that the Issuer may sell or lease all or any part of the electric generating facilities of the Electric Utility to a municipal power agency of which it is a member provided that the Issuer shall continue to operate and maintain an electric distribution system as part of the Electric Utility. This covenant shall not be construed to prevent the sale by the Issuer at fair market value of real estate, equipment or other non revenue producing properties which in the judgment of the Issuer have become unnecessary, uneconomical or inexpedient to use in connection with the Electric Utility provided that suitable facilities are obtained in place thereof or in the judgment of the Issuer the sale will not adversely affect the Electric Utility earnings or ability to meet required financial obligations.

(e) It will procure and keep in force insurance upon the Electric Utility, with an insurer or insurers in good standing, of a kind and in an amount which would normally be carried by private companies in a like business, including public liability insurance; provided, that property and casualty coverage shall at all times be maintained in an amount at least equal to the outstanding principal amount of the Bonds. And it will keep in full force and effect fiduciary bonds on employees in charge of the utilities. In the event of any loss, the proceeds from such insurance (including liability insurance) or bonds shall be used to make good such loss or to repair or restore the utility or to discharge all of the outstanding Parity Bonds in accordance with paragraph 27.

(f) The Issuer shall cause to be kept proper books, records and accounts adapted to the Electric Utility separate from other accounts to be audited by a certified public accountant at the end of each fiscal year. A copy of the audit shall be furnished, without cost, to the original purchaser of any outstanding Parity Bonds within one hundred eighty days (180) after the close of each fiscal year. If the Issuer fails to provide such audit at such time, the Holders of twenty percent or more of the outstanding Parity Bonds may cause such audit to be made at the expense of the Issuer. The expense of preparing such audit shall be paid as current operating expenses of the utility. The original purchaser of the outstanding Parity Bonds and the Holders thereof, or their duly appointed representatives, from time to time shall have the right at all reasonable times, to inspect the Electric Utility and to inspect and copy the books, records, accounts and data relating thereto.

25. Output Contracts. The Issuer herein covenants that it has not heretofore nor will it hereafter enter into any contract which will obligate any person or persons to purchase electric energy in a total aggregate amount which would cause any of the Parity Bonds herein authorized to become private activity bonds within the meaning of Section 103(b) of the Internal Revenue Code and the regulations promulgated thereunder, and in particular Federal Income Tax Regulations, Section 1.103-7(b)(5).

26. Amendments. No change, amendment, modification or alteration shall be made in the covenants made with Holders of the Parity Bonds without the consent of the Holders of not less than sixty percent (60%) in principal amount of then such outstanding Parity Bonds except for changes, amendments, modifications and alterations made (a) to cure any ambiguity or formal defect or omission, or (b) any other change which would not materially prejudice the Holders of such outstanding Parity Bonds; provided, however, that nothing herein contained shall permit or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any such Parity Bonds, or (ii) a reduction in the principal amount of any such Parity Bond or the rate of interest thereon, or (iii) a privilege or priority of any such Parity Bond or Bonds over any other Parity Bond or Bonds except as otherwise provided herein, or (iv) a reduction in the aggregate principal amount of such Parity Bonds required for consent to any change, amendment, modification or alteration, or (v) permit the creation of any lien ranking prior to or on a parity

with the lien of such Parity Bonds, except as hereinbefore expressly permitted, or (vi) modify any of the provisions of this paragraph without the consent of the Holders of one hundred percent (100%) of the principal amount of Parity Bonds outstanding, or, in the case of any modifications described in clauses (i) through (v) the Holders of only those outstanding Parity Bonds adversely affected by the modifications.

27. Defeasance. When any Parity Bonds and the interest due thereon have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the Owners of such Parity Bonds shall cease. The City may discharge any Parity Bonds which are due on any date by depositing with the Bond Registrar for such Bonds on or before that date a sum sufficient for the payment thereof in full; or if any Parity Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Parity Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given as provided in the resolution authorizing the Parity Bonds. The City may also at any time discharge its obligations with respect to any Parity Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as provided in the resolution authorizing the Parity Bonds has been duly provided for, to such earlier redemption date. The City may discharge Parity Bonds as herein provided without the consent of the Owners of any outstanding Parity Bonds.

28. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bond, certified copies of all proceedings and records of the City relating to the Bond and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bond as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

29. Information to be Disclosed. The City will provide to the Purchaser, on or before 270 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2017, the audited financial statements of the Electric Utility (which may be a part of the audited financial statements of the City) for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the Electric Utility, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements and, within 10 days after the receipt thereof, the City shall provide the audited financial statements.

30. Negative Covenant as to Use of Bond Proceeds. The City hereby covenants not to use the Electric Utility improvements financed and refinanced by the Prior Bonds (the "Project"), or to cause or

permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Bond to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

31. Fiscal Year. As used in this resolution the words "Fiscal Year" shall mean the twelve month period beginning on January 1 of each year and ending on December 31 of the same year. Should it be deemed advisable at some later date to change its fiscal yearly basis, the same may be done by proper actions to that effect, with the approval of the original Purchaser of the Bond, which change shall not constitute an amendment or modification of this resolution.

32. Supplemental Resolution. The Prior Resolution authorizing the issuance of the Prior Bonds is hereby supplemented to the extent necessary to give effect to the provisions hereof.

33. Prior Bonds; Security. Until retirement of the Prior Bonds, all provisions theretofore made for the security thereof shall be observed by the City and all of its officers and agents.

34. Redemption of Refunded Bonds. The Refunded Bonds shall be redeemed and prepaid on the Call Date, in accordance with the terms and conditions set forth in the Notice of Call for Redemption attached hereto as Exhibit A, which terms and conditions are hereby approved and incorporated herein by reference. The amount of cash to be held by the Issuer on the date of issuance of the Bond in order to effect the Refunding is sufficient without investment for such purpose.

35. Tax-Exempt Status of the Bond; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bond, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Bond, and (3) the rebate of excess investment earnings to the United States, if the Bond (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small issuer exception amount of \$5,000,000. For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that:

- a. the Bond is issued by a governmental unit with general taxing powers;
- b. no Bond is a private activity bond;
- c. ninety-five percent or more of the net proceeds of the Bond are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and
- d. the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bond is issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code;

Furthermore:

- e. there shall not be taken into account for purposes of said \$5,000,000 limit any bond issued to refund (other than to advance refund) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond;
- f. the aggregate face amount of the Bond does not exceed \$5,000,000;

g. each of the Prior Bonds was issued as part of an issue which was treated as meeting the rebate requirements by reason of the exception for governmental units issuing \$5,000,000 or less of bonds;

h. the average maturity of the Bond does not exceed the remaining average maturity of the Prior Bonds; and

i. no part of the Bond has a maturity date which is later than the date which is thirty years after the dates the Prior Bonds were issued.

36. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bond as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

a. the Bond is issued after August 7, 1986;

b. the Bond is not "private activity bond" as defined in Section 141 of the Code;

c. the City hereby designates the Bond as "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code;

d. the reasonably anticipated amount of tax exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2017 will not exceed \$10,000,000;

e. not more than \$10,000,000 of obligations issued by the City during this calendar year 2017 have been designated for purposes of Section 265(b)(3) of the Code;

f. the aggregate face amount of the Bond does not exceed \$10,000,000;

Furthermore:

g. each of the Refunded Bonds was designated as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code;

h. the aggregate face amount of the Bond does not exceed \$10,000,000;

i. the average maturity of the Bond does not exceed the remaining average maturity of the Refunded Bonds;

j. no part of the Bond has a maturity date which is later than the date which is thirty years after the date the Refunded Bonds were issued; and

k. the Bond are issued to refund, and not to "advance refund" the Prior Bonds within the meaning of Section 149(d)(5) of the Code, and shall not be taken into account under the \$10,000,000 issuance limit to the extent the Bond do not exceed the outstanding amount of the Prior Bonds.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

37. Covenant With Bondholders. Each and all of the terms and provisions of this Resolution shall be and constitute a covenant on the part of the City to and with each and every Owner from time to time of the Bond issued hereunder and any other Parity Bonds from time to time outstanding.

38. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

39. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

Councilmember Collins seconded the foregoing resolution and the following vote was recorded: AYES: Collins, Heinzig, Evenson, Landmark, Olson. NAYES: None. Thereupon the Mayor declared Resolution 2017-29 duly passed and adopted.

Next Peterson and Jones approached the Council to discuss projects at the Golf Club and the \$60,000 budget request for 2018. Peterson stated they will only need about \$17,000 to cover this year's deficit, but are requesting the entire \$35,000 so they can put the balance toward residing the building. Building repairs they have fixed are the floor supports below the dining room, men's bathroom, cement around the building and Countryside Public Health required them to replace the flooring behind the bar. Future fundraising efforts will go to new carpet, furniture and possibly windows. The financials were discussed. They have also set up the Golf Club Foundation for donations and fundraising. After discussion, it was moved by Collins, seconded by Olson and carried unanimously to approve a payment of \$35,000 toward the Benson Golf Club operating deficit with the balance to be used for building improvements.

Next was a request from Aviation Across America to support aviation in Minnesota. Upon review, it was moved by Evenson, seconded by Olson and carried unanimously to approve the following proclamation:

**PROCLAMATION
General Aviation Appreciation Month 2017**

WHEREAS, the City of Benson in the State of Minnesota has a significant interest in the continued vitality of general aviation, aircraft manufacturing, aviation educational institutions, aviation organizations and community airports; and

WHEREAS, general aviation and the Benson Municipal Airport have an immense economic impact on the City of Benson and

WHEREAS, Minnesota is home to 135 public-use airports, which serve 11,972 pilots and 5,679 active general aviation aircraft; and

WHEREAS, Minnesota is home to 111 fixed-base operators, 52 repair stations, 83 heliports, 13 FAA-approved pilot schools, 2,033 flight students and 2,627 flight instructors; and

WHEREAS, general aviation in Minnesota contributes over \$5.3 billion; and

WHEREAS, general aviation not only supports Minnesota's economy, it improves overall quality of life by supporting emergency medical and healthcare services, law enforcement, firefighting and disaster relief, and by transporting business travelers to their destinations quickly and safely; and

WHEREAS, the nation's aviation infrastructure represents an important public benefit, and Congressional oversight should be in place of this system to ensure that it remains a public system and serves communities of all sizes;

NOW THEREFORE, I, Gary Landmark, Mayor of the City of Benson, do hereby proclaim general aviation a vital strategic resource to the City of Benson and declare November as

GENERAL AVIATION APPRECIATION MONTH

in the City of Benson.

Next was a pay request from the Humane Society for the remainder of the expenses associated with cat infestation removal in a residence in Benson. After discussion, it was moved by Evenson, seconded by Collins and carried unanimously to approve the pay request to the Humane Society of Swift County in the amount of \$2,192.04.

Wolfington informed the Council on December 6, 2017 Great River Energy will be doing a test on the substation east of Benson. This test is required by the National Electric Reliability Corporation (NERC). In the past there have been issues of outages during these tests. There will be a meeting next week with Great River Energy, Missouri River Energy, Ottetail, Benson Power and Agralite to discuss the plan. The City will decide if they want to disconnect from the grid and generate or stop computer communications during the testing period. Details will be worked out next week.

Next Wolfington talked about the hospital's assisted living project has received preliminary approval for financing. He feels it is time to start creating the TIF district. After discussion, councilmember Collins offered the following resolution:

**RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR
ADVANCE OF CERTAIN COSTS IN CONNECTION WITH
TAX INCREMENT FINANCING DISTRICT NO. 7 .
(RESOLUTION NO. 2017-30)**

BE IT RESOLVED by the City Council (the "Council") of the City of Benson, Minnesota (the "City"), as follows:

Section 1. Background.

1.01. The City has heretofore approved the establishment of Tax Increment Financing District No. 7 (the "TIF District") within Development District No. 4 (the "Project"), and has adopted a Tax Increment Financing Plan (the "TIF Plan") for the purpose of financing certain improvements within the Project.

1.02. The City has determined to pay for certain costs identified in the TIF Plan consisting of land/building acquisition, site improvements/preparation, public utilities, streets and sidewalks, other qualifying improvements, interest and administrative costs (collectively, the "Qualified Costs"), which costs may be financed on a temporary basis from City funds available for such purposes.

1.03. Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the City's general fund or any other fund from which such advances may be legally authorized, in order to finance the Qualified Costs.

1.04. The City intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

Section 2. Terms of Interfund Loan.

2.01. The City hereby authorizes the advance of up to \$20,000 from the General Fund or so much thereof as may be paid as Qualified Costs. The City shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 4% and will not fluctuate.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid annually on each December 31 (each a "Payment Date"), commencing on the first Payment Date on which the Authority has Available Tax Increment (defined below), or on any other dates determined by the City Manager, through the date of last receipt of tax increment from the TIF District.

2.03. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, tax increment available after other obligations have been paid, or as determined by the City Manager, generated in the preceding twelve (12) months with respect to the property within the TIF District and remitted to the City by Swift County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, all inclusive, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

2.04. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

2.05. This Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The City may amend the terms of this Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This resolution is effective upon the date of its approval.

Councilmember Heinzig seconded the foregoing resolution and the following vote was recorded: AYES: Collins, Heinzig, Evenson, Landmark, Olson. NAYES: None. Thereupon the Mayor declared Resolution 2017-30 duly passed and adopted.

Wolfington advised the Council proceeding with engineering for sewer and water for the assisted living project right now would not be advised. This will be requested to be done next year.

The October budget report was reviewed.

It was moved by Evenson, seconded by Olson and carried unanimously to approve the bills and warrants in the amount of \$502,148.97.

Wolfington said he received notice from the Minnesota Public Utility Commission the Xcel hearing will be November 30, 2017 at 9:30 am. He said everything could be settled by the middle of January.

There being no further business to come before the Council upon motion by Evenson, seconded by Collins and carried unanimously to adjourn the Council meeting at 6:07 p.m.

Mayor

City Clerk



3724 West Avera Drive
 PO Box 88920
 Sioux Falls, SD 57109-8920
 Telephone: 605.338.4042
 Fax: 605.978.9360
www.mrenergy.com

November 24, 2017

Robert James Wolfington Jr.
 Benson Municipal Utilities
 1410 Kansas Ave
 Benson, MN 56215

RE: Official Notice of January 1, 2018 S-1 Rates

Dear Robert James Wolfington Jr.:

Rate Schedules B and C to the S-1 Power Sale Agreement between Missouri River Energy Services (MRES), Western Minnesota Municipal Power Agency, and your utility (S-1 Agreement) are enclosed. Schedule B includes power supply rates for all members, and Schedule C reflects transmission rates for the various transmission groups.

The Supplemental Power Demand and Energy rates in Schedule B for 2018 are unchanged from the 2017 rates. The 2018 Midcontinent Independent System Operator, Inc. (MISO) Capacity Rate will be \$0.00 per Kilowatt (kW) compared to the 2017 rate of \$0.32 per kW. The lower rate is due to increased revenue from the sale of capacity.

The average power supply rate for all members is projected to be approximately 5.8 cents per kilowatt-hour (kWh) in 2018 compared to the projected 5.9 cent average rate for 2017. The average power supply rate for your utility will depend on the seasonal and annual load factor of your utility.

The Supplemental Power Demand and Energy rates effective January 1, 2018, and the current rates are:

	Rates Effective 01/01/2018	Current Rates
Power Supply Rates:		
Supplemental Power Demand during June, July, and August (per kW)	\$21.00	\$21.00
Supplemental Power Demand during January, February, and December (per kW)	\$16.00	\$16.00
Supplemental Power Demand during all other months (per kW)	\$10.50	\$10.50
MISO Capacity Rate (per kW)	\$ 0.00	\$ 0.32
Energy for Supplemental Power (mills per kWh)	31.5	31.5
Production Cost Adjustment Base (mills per kWh)	30.0	30.0
Green Energy Rate (mills per kWh)	49.5	49.5

Robert James Wolfington Jr.
Page 2
November 24, 2017

The standby rates for retail customer-owned generation in the attached Schedule B are also unchanged from 2017. Any member that has a retail customer with a generator in excess of five Megawatts should review Schedule B to determine whether to nominate any portion of the retail generation for the nominated standby demand rate.

The Large Customer Retention Incentive is a new rate effective in 2018. This rate was implemented to help ensure that the largest retail customer in the MRES membership does not install internal generation which would reduce the MRES purchases of the member with this large customer. If the member's purchases from MRES decreased, all members would see increased rates. This rate would also be available to any other retail customer meeting the eligibility criteria.

Your utility will pay the transmission rate for the Northern Cities Group (NCG) in the enclosed Schedule C. The NCG transmission rate is unchanged from 2017.

The rates for all MRES transmission groups effective January 1, 2018, and the current rates are:

	Rates Effective 01/01/2018	Current Rates
Transmission Rates:		
MidAmerican Group Transmission Rate if member is subject to MISO Schedule 9 (per kW for all demand)	\$ 3.25	\$ 3.25
MidAmerican Group Transmission Rate if member is not subject to MISO Schedule 9 (per kW for all demand)	\$ 0.90	N/A
Northern Cities Group Transmission Rate (per kW for all demand based on a 90 percent ratchet)	\$ 4.75	\$ 4.75
Split Rock Group Transmission Rate (per kW for all demand)	\$ 12.05	\$ 10.78
UMZ Group Transmission Rate (per kW for MRES demand)	\$ 6.67	\$ 6.20
Xcel Group Transmission Rate (per kW for all demand)	\$ 6.47	\$ 6.22

The attached Schedules B and C fulfill the requirements of Section 7 of the S-1 Agreement and supersede any previously issued rate schedules.

If you have any questions regarding the enclosed information, please call Joni Livingston or Merlin Sawyer at 800-678-4042.

Sincerely,



Thomas J. Heller, P.E., MBA
Chief Executive Officer

Enclosures

Council Report 12/01/2017

The following is a summary of Police Dept activities for the month of November 2017.

BPD Officers conducted 123 Traffic Stops in November 2016, in November of 2017, BPD conducted 126 Traffic stops.

BPD Officers arrested 3 people for DUI in November 2016. BPD had 1 person arrested for DUI in November 2017.

BPD Officers issued 30 traffic and non-traffic citations in November 2016, 38 Citations were issued in November 2017.

BPD Officers were involved in 6 Domestic incidents in November 2016, 5 Domestic incidents in November 2017.

BPD Officers arrested 6 people in November 2016, 12 in November 2017.

BPD Officers were overall involved in 468 incidents in November 2016, and 411 in November 2017.

Public Works Report December 4, 2017

Electric:

- Christmas lights up. Christmas tree has seen better days and probably won't be lit this year.
- The whole crew is prepared for the switch testing by GRE and Benson Power on the 6th. Hopefully all goes well and no one notices even a blink.
- Closed out projects for the year and already working on next year. The crew did a great job with in-house and the DOT project. It was a very busy year but all went well.

Parks:

- Another wet year and a big cemetery project kept the parks guys busy. Duane did a great job leading his people and they were able to stay up on the big projects and complete many other small projects.
- Elliot Nelson helped with the new computer program for the cemetery along with Val Alsaker. They did a very nice job and now Elliot will be training Duane on how to make good use of the new program.
- Currently working on getting all equipment ready for winter. Some repairs needed, mostly with brooms.

Water:

- They just had a very interesting case involving a water line that a root completely crew over and around the line. Pretty weird.
- Some minor repair here and there on pumps, line, etc.

Wastewater:

- The guys have helped out with more projects around town with the vac truck. That is a handy tool to have in many situations.

Streets:

- Not a lot of big projects this year, the cemetery took most of the time. Did catch up on small projects but always busy and assisted on a lot of other department projects.
- Planning for next year which promises to be a big year for streets. Several in-house projects, catch up on painting roads and crosswalks, 14th street, crushing, chip sealing, crack filling, sidewalk repair, landscaping, sweeping, storm sewer cleaning, reshaping and much more.

Just want to say again that the City is very lucky to have the personnel and crews that we do. Everybody works together and they are all very dedicated to doing the best job they can for their own pride and the betterment of the community. Mike Hoffman and Russ Borstad will be retiring in January. If you see them please let them know we appreciated their service and friendship.

CITY OF BENSON
APPLICATION FOR APPOINTMENT TO CITY BOARDS OR COMMISSIONS

Dear Applicant:

We welcome you as an applicant for one of the City's boards or commissions. These groups play a very important role in Benson City Government. These boards and commissions serve as advisory bodies to the Benson City Council. They provide information and recommendations to the City Council so the Council can make sound decisions regarding issues and policy matters.

Please fill out the information requested below. You are encouraged to attach any additional information which you believe qualifies you for appointment to the board or commission you have selected.

.....

BOARD OR COMMISSION PREFERENCE:

<input type="checkbox"/> Airport Advisory Commission	<input checked="" type="checkbox"/> <u>3</u> Housing & Redevelopment Authority
<input type="checkbox"/> Benson Area Tourism Board	<input checked="" type="checkbox"/> <u>1</u> Library Board
<input checked="" type="checkbox"/> <u>2</u> Cemetery Board	<input type="checkbox"/> Park Board
<input checked="" type="checkbox"/> <u>4</u> Economic Development Authority	<input type="checkbox"/> Planning Commission
<input type="checkbox"/> Hospital Board	<input type="checkbox"/> Utilities Board

RETURN APPLICATION TO:

Office of the City Manager
City of Benson
1410 Kansas Avenue
Benson, MN 56215
Telephone: 320-843-4775
Date Received: 1 / 1 /

PERSONAL INFORMATION:

Name Arden Lee Address 905 12th St. N.; Benson 56215-1213

Telephone: Home 320-314-8148 Business _____ Zip _____

How long have you been a resident of Benson? 7 years

Have you served previously on any of Benson's boards or commission? YES NO

Have you served previously on any city board/commission in any other community? YES NO

Are any members of your immediate family in the same household presently employed by the City of Benson or serving on any of the City's boards or commissions? YES NO

Occupation: Library - Children's Program Name of Employer: Benson Public Library

I am a member of the following civic organizations: Former: Kiwanis Club; Boy Scouts of America

Please list your special interests, education, past experiences, etc., which you feel would benefit the City of Benson by your appointment to the board/commission you have indicated a preference to above:

Education: a. Benson Public Schools - Graduate: 1966; North Central University -
Mpls. - BA, 1970; Graduate Study - Regent University - Virginia Beach, VA
Served as clergyman in congregations, church state boards,
community events, planning events involving large and small events

Do you have any additional comments? I am interested in serving in voluntary
committees as I can serve. This kind of role will be a new venture
for me - public community committees, I am interested in seeing
Benson be a good town for residents now and in the future.

DESCRIPTION OF BENSON'S BOARDS AND COMMISSIONS

Airport Commission - Makes recommendations to the City Council for the use, management, and operation of the airport and shall advise the Council in all matters concerning the Airport.

Cemetery Committee - Advises and assists the City Council and City staff in the administration, maintenance and improvement of the Benson City Cemetery.

Housing and Redevelopment Authority - This Authority is a public corporation empowered to undertake certain types of redevelopment projects and low rent housing assistance programs pursuant to the provisions of the M.S.A. 462.411 thru 462.711. These projects may include such activities as planning, acquisition, demolition, clearance, rehabilitation and construction for the purpose of providing decent, safe and sanitary housing for persons of low and moderate income and the improvement and restoration of stagnant, undeveloped land.

Library Board - Acts as an advisory body to the City Council by providing information and make recommendations to the City Council on library matters.

Park Board - Acts as an advisory body to the City Council by making recommendations to the Council on issues associated with City parks, playgrounds, the swimming pool, skating rinks, and other related functions.

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Utilities Board - Advises and assists the City Council and Director of Public Works in the administration and improvement of public utilities.

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Please fill out the information requested below. You are encouraged to attach any additional information which you believe qualifies you for appointment to the board or commission you have selected.

.....
BOARD OR COMMISSION PREFERENCE:

- | | |
|---|--|
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| <input type="checkbox"/> Cemetery Board | <input type="checkbox"/> Park Board |
| <input type="checkbox"/> Economic Development Authority | <input checked="" type="checkbox"/> Planning Commission |
| <input type="checkbox"/> Hospital Board | <input type="checkbox"/> Utilities Board |

RETURN APPLICATION TO:

Office of the City Manager
City of Benson
1410 Kansas Avenue
Benson, MN 56215
Telephone: 320-843-4775
Date Received: 1 / 1

PERSONAL INFORMATION:

Name RON LAYCOCK Address 1000 OAKWOOD

Telephone: Home 320-843-3264 Business _____ Zip 56215

How long have you been a resident of Benson? 50 yr

Have you served previously on any of Benson's boards or commission? YES NO

Have you served previously on any city board/commission in any other community? YES NO

Are any members of your immediate family in the same household presently employed by the City of Benson or serving on any of the City's boards or commissions? YES NO

Occupation: retired Name of Employer: _____

I am a member of the following civic organizations: Kwini's

Please list your special interests, education, past experiences, etc., which you feel would benefit the City of Benson by your appointment to the board/commission you have indicated a preference to above:

I have served on many boards and commissions in the past. Served on two national Sewer & Check boards, was president of one

Do you have any additional comments?

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APPLICATION FOR APPOINTMENT TO CITY BOARDS OR COMMISSIONS

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- | | |
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| <input type="checkbox"/> Cemetery Board | <input type="checkbox"/> Park Board |
| <input type="checkbox"/> Economic Development Authority | <input type="checkbox"/> Planning Commission |
| <input type="checkbox"/> Hospital Board | <input type="checkbox"/> Utilities Board |

RETURN APPLICATION TO:

Office of the City Manager
City of Benson
1410 Kansas Avenue
Benson, MN 56215
Telephone: 320-843-4775
Date Received: 10/11/17

PERSONAL INFORMATION:

Name Linda Carstens Address 1845 McHenry Ave
BENSON MN 56215

Telephone: Home 842-5995 Business _____ Zip 56215

How long have you been a resident of Benson? Returned in 2004 - 13 yrs now

Have you served previously on any of Benson's boards or commission? YES NO

Have you served previously on any city board/commission in any other community? YES NO

Are any members of your immediate family in the same household presently employed by the City of Benson or serving on any of the City's boards or commissions? YES NO

Occupation: _____ Name of Employer: _____

I am a member of the following civic organizations: _____

Please list your special interests, education, past experiences, etc., which you feel would benefit the City of Benson by your appointment to the board/commission you have indicated a preference to above:

High School, love to read,
Was for Kluges in Va. 300, aqvis. Benson
Homestead Benson, Pa & Caf - Coffee Shop - Va nu -

Do you have any additional comments? like The Benson
Library very much

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| <input type="checkbox"/> Economic Development Authority | <input type="checkbox"/> Planning Commission |
| <input type="checkbox"/> Hospital Board | <input type="checkbox"/> Utilities Board |

RETURN APPLICATION TO:

Office of the City Manager
City of Benson
1410 Kansas Avenue
Benson, MN 56215
Telephone: 320-843-4775
Date Received: / /

PERSONAL INFORMATION:

Name Dixie Golden Address 1815 Denfield Drive

Telephone: Home 843-4120 ^{Cell} Business 320-815-8432 Zip 56215

How long have you been a resident of Benson? all my life

Have you served previously on any of Benson's boards or commission? YES NO

Have you served previously on any city board/commission in any other community? YES NO

Are any members of your immediate family in the same household presently employed by the City of Benson or serving on any of the City's boards or commissions? YES NO

Occupation: Homemaker Name of Employer: _____

I am a member of the following civic organizations: _____

Please list your special interests, education, past experiences, etc., which you feel would benefit the City of Benson by your appointment to the board/commission you have indicated a preference to above:

graduate of Benson High School

Past Boy Scout Leader

Been active with Kid Day, Relay for Life

Volunteer at Poudre

Do you have any additional comments?

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Benson Public Schools
District #777
1400 Montana Avenue
Benson MN 56215
Phone: (320)843-2710
Fax: (320)843-2262

INVOICE

Number	Date	Page
2576	11/27/2017	Pg 1 of 1

Ext Invoice No Ref:

Bill To: City of Benson
 1410 Kansas Avenue
 Benson MN 56215

Ship To: City of Benson
 1410 Kansas Avenue
 Benson MN 56215

Email:

Customer	Customer PO No.	Sales Order No	Terms	Due Date
1 1104 City of Benson			Due on Receipt	11/27/2017

No.	SKU Code/Description/Comments	Taxable	U/M	Units	Rate	Extended
1	Summer Rec Program 2017	No	EA	1.00	30,790.40	30,790.40

Subtotal	\$30,790.40
Sales Tax	\$0.00
Invoice Total	\$30,790.40
Payment Received	\$0.00
Discounts Given	\$0.00
Balance Due	\$30,790.40

BENSON SUMMER RECREATION PROGRAM				
REVENUES	2014 Actual	2015 Actual	2016 Actual	2017 Actual
050 Fees	29,359.78	28,486.61	29,564.46	26,844.09
096 Donations	2,070.00	1,380.00	1,610.00	1,500.00
099 Misc. Local Revenue		385.27	-	
Total Revenues	31,429.78	30,251.88	31,174.46	28,344.09
EXPENDITURES				
170 Salary (Director/Secr)	16,134.71	15,780.75	19,002.17	20,539.14
185 All other (Coaches, etc.)	15,441.07	16,233.06	17,009.93	18,963.72
210 FICA	2,404.36	2,444.53	2,687.82	3,021.95
214 PERA	1,376.08	1,421.65	759.86	854.29
218 TRA	151.35	111.46	1,018.99	1,172.07
220 Group Hospitalization	2,789.64	2,623.72	2,531.66	4,253.05
230 Life	8.28	8.28	8.57	10.92
235 Dental	67.32	67.32	71.92	193.69
240 LTD	13.20	13.20	13.40	16.56
250 TSA				68.71
251 HRA	676.80	624.00	761.00	1,550.83
295 Work Comp	948.00	1,115.00	1,258.00	1,249.00
305 Consultant Service Fees	4,931.37	5,083.40	4,939.53	2,934.11
329 Postage	347.15	243.04	251.89	188.17
350 Repair/Maint.	0.00	-	-	-
366 Transportation			38.88	-
401 General Supplies	4,183.35	3,065.07	3,416.12	4,118.28
430 Supplies	288.00	-	-	-
433 Materials	0.00	-	-	-
530 Equipment Purchased	99.13	-	589.00	-
820 Dues Membership	0.00	-	-	-
Total Expenditures	49,859.81	48,834.48	54,358.74	59,134.49
Due from City of Benson	18,430.03	18,582.60	23,184.28	30,790.40

Community Ed Class Data

2016-2017 2015-2016 2014-2015 2013-2014 2012-2013

Swimming Lessons	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Little Swimmers	5	11	16	8	16
Tadpoles	57	48	47	38	32
Level 1	69	76	72	68	76
Level 2	77	85	68	60	70
Level 3	86	59	78	62	44
Level 4	44	53	32	17	41
Level 5	21	21	17	18	26
Level 6	10	6	7	7	10
Private Lessons (Summer)	10	18	17	35	23
Private Lessons (Winter)	0	2	4	7	1
	379	379	358	320	339
Swimnastics	31	42	40		
Travel Ball Leagues					
Boys Gr 4-5	28	29	25	31	35
Boys Gr 6-7	26	16	29	28	27
Girls Gr 5-7	25	32	36	46	42
	79	77	90	105	104
Morning Ball					
Boys Gr 1-2	24	36	35	35	29
Boys Gr 3-4	34	36	23	30	34
Boys Gr 5-7	43	21	23	30	20
Girls Gr 1-2	19	15	17	9	16
Girls Gr 3-4	22	14	18	19	20
Girls Gr 5-7	26	8	9	22	25
	168	130	125	145	144
Game Day					
Boys Gr 3-4	31	28	16	20	22
Boys Gr 5-7	18	13	13	16	16
Girls Gr 3-4	10	11	15	12	13
Girls Gr 5-7	13	20	12	16	17
	72	72	56	64	68
Golf	48	54	51	n/a	n/a
Gymnastics					
Summer Camps	147	128	181	115	144

Rob Wolfington

From: Shelly Vergin <svergin@benson.k12.mn.us>
Sent: Tuesday, November 28, 2017 9:36 AM
To: Rob Wolfington; Val Alsaker
Subject: Fwd: Summer Rec
Attachments: Summer Rec Program.pdf; Inv 2576.pdf; Class Data.pdf

I am also attaching the data information.

One thing we tried this year - we increased the fee for travel ball and automatically enrolled them in morning ball. We had a lot of the older kids that were not taking part of the morning ball program. We felt it was important for them to go to morning ball to get extra practice in. All of them went - not full time; but more than they would have gone if not signed up for it. This is why that number has increased so much!!!

Please let me know if you have any questions!

Shelly

Shelly Vergin
Benson Community Ed Director
Benson Public Schools
1400 Montana Ave
Benson, MN 56215
320-843-4545

"Life isn't about waiting for the storm to pass
It's about learning to dance in the rain."

----- Forwarded message -----

From: **Dave Benson** <dbenson@benson.k12.mn.us>
Date: Mon, Nov 27, 2017 at 4:11 PM
Subject: Summer Rec
To: Shelly Vergin <svergin@benson.k12.mn.us>

Shelly,

Attached is the summer rec invoice for the city, and the backup sheet. Please forward to the city.

Thanks,

Distribution System Operations and Maintenance Agreement

This Distribution System Operations and Maintenance Agreement (Agreement), is made as of the ____ day of _____, 2017, between Missouri Basin Municipal Power Agency d/b/a Missouri River Energy Services, a body corporate and politic organized under Chapter 28E of the Code of Iowa and existing under the intergovernmental cooperation statutes of the States of Iowa, Minnesota, North Dakota and South Dakota (MRES), and the City of Benson, Minnesota, a municipal corporation of the State of Minnesota (Benson), such parties being herein referred to individually as Party or collectively as Parties.

WHEREAS, Benson owns and operates an Electric Distribution System, which provides retail electric service to the retail customers in and around Benson, Minnesota; and,

WHEREAS, Benson owns and operates certain electric generation facilities which it has made available to MRES under the Capacity Purchase Agreement; and,

WHEREAS, Benson seeks to continue to deliver reliable electric service to its retail customers, and desires to obtain assistance in operating and maintaining its Electric Distribution System; and,

WHEREAS, MRES desires to perform such services; and,

WHEREAS, Benson and MRES have each mutually benefitted from the arrangement whereby MRES has provided such services over the years, having first entered into an Operations and Maintenance Agreement dated as of December 22, 1997, which was superseded and replaced by an Operations and Maintenance Agreement dated as of April 26, 2001, which was further superseded and replaced by an Operations and Maintenance Agreement dated as of June 1, 2004, which was further superseded and replaced by an Operations and Maintenance Agreement dated as of May 23, 2007, and which was further superseded and replaced by an Operations and Maintenance Agreement dated as of May 7, 2012, which was amended December 15, 2014.

NOW THEREFORE, in consideration of the mutual covenants contained herein, it is agreed by the Parties as follows:

Section 1 - Definitions

1.1 **Capacity Purchase Agreement** shall mean the Agreement between Benson and MRES dated January 1, 1994, which made available to MRES the capacity of Benson's electric generating facilities.

1.2 **Designated Representative** shall mean, with respect to Benson, its City Manager, and, with respect to MRES, its Distribution Systems Superintendent. Either Party may change their respective Designated Representative by notifying the other Party in writing of such change.

1.3 **Electric Distribution System** shall mean the electric distribution system in Benson's service area, which is used to serve all the electric customers of Benson's assigned service area. This shall include, but not be limited to, overhead and underground wires, poles, transformers, street lights, meters, switches, and the 41.6 kV substation and radial line which connect Benson's electric system to the 41.6 kV area transmission system.

1.4 **Material Breach** shall mean (a) a Party's failure to perform an obligation under this Agreement, (b) a Party's performance of a function under this Agreement in a manner that is considered to be unsafe under Prudent Utility Practices, or (c) a Party's insistence that the other Party perform a function under this Agreement in a manner that is considered to be unsafe under Prudent Utility Practice.

1.5 **Prudent Utility Practice** shall mean those practices, methods and procedures, as modified from time to time, that are currently used by electric utilities to construct, operate and maintain electric distribution and generating facilities and equipment dependably, reliably, safely and economically with due regard for the procedures required by the National Electric Safety Code.

Section 2 - Term

This Agreement shall become effective on January 1, 201~~8~~7 (at which time all previous agreements shall be deemed terminated), and shall remain in effect until January 1, 2023. Subsequent to January 1, 2023, this Agreement shall continue thereafter on a year-to-year basis, unless terminated by a written notice given by one Party to the other Party no less than one year prior to the date of termination.

Section 3 - Duties of MRES

3.1 MRES shall provide qualified personnel as needed to operate and maintain the Electrical Distribution System. Such personnel shall be supervised by the MRES Designated Representative. MRES will perform the following tasks relating to the Electric Distribution System:

3.2.1 Provide all services which MRES deems necessary to adequately carry out its duties under this Agreement including, but not limited to, (a) responding to emergency and non-emergency situations relating to the Electric Distribution System, (b) identifying and carrying out inspections of Electric Distribution System facilities, (c) providing preventive maintenance, testing, and repair of Electric Distribution System facilities, poles (including treatment of poles), oil circuit reclosers, meters, lines, and substation facilities, and (d) installation and replacement of meters, lines, and substation facilities.

3.2.2 Connect and disconnect electric customers of Benson at the direction of Benson's Designated Representative.

3.2.3 Install service drops and service extensions at the direction of Benson's Designated Representative.

3.2.4 Monitor improvements to the Electric Distribution System that are performed by an outside contractor, and report any problems, irregularities, or issues to Benson's

Designated Representative.

3.2.5 Trim trees to ensure adequate clearance near the Electric Distribution System facilities based on Prudent Utility Practices and according to procedures established by Benson.

3.2 MRES shall provide qualified personnel needed to operate and maintain Benson's generation facilities. MRES will perform the following tasks in connection with the generation facilities.

3.2.1 Operate Benson's electric generating units in accordance with the Reserved Capacity Agreement and in accordance with the standard operating procedures attached as Exhibit 1.

3.2.2 Perform the maintenance programs on Benson's generators, supporting equipment and buildings according to Benson's existing standards and procedures. Benson shall be responsible for making all arrangements for any sampling for testing purposes, including all aspects of the transportation of any potentially hazardous materials.

3.2.3 Monitor any improvements to the generation facilities which are performed by outside contractors and report any problems to Benson's Designated Representative.

3.2.4 Coordinate emergency and scheduled start-ups with other city personnel.

3.2.5 Maintain switchgear, breakers, automatic relays, and other associated equipment.

3.2.6 Prepare plant performance reports as required by law, permit or Benson's requests, and submit them to Benson for signature and transmittal to appropriate authorities.

3.3 MRES will perform the following tasks in connection with Benson's load management system.

3.3.1 Install control boxes on water heaters and air conditioners and verify the controlled zones.

3.3.2 Install sub-meters and control boxes on electric heat installations and ensure that different heating zones are placed on different controlled zones so that not all the heating zones are being controlled at the same time.

3.3.3 Maintain the load management receiver at the TCI building and conduct semiannual test on the receiver.

3.3.4 Respond to customer complaints about the load management system at the direction of Benson's Designated Representative.

3.3.5 MRES will operate the load management system based on, and at the direction of Benson.

3.4 MRES will perform safety inspections on the equipment listed in Exhibit 2, based on Prudent Utility Practice.

3.5 Each year, MRES will provide a written report to Benson's Designated Representative, prior to Benson's approval of its annual budget, on suggested Electric Distribution System or generation facility improvements, modifications, additions, and retirements.

3.6 MRES will provide a written report to Benson's Designated Representative of the need to restock the Electric Distribution System inventory, based on MRES monitoring of the receipt of items Benson has ordered and the use of inventory by MRES in carrying out the responsibilities under this Agreement. The MRES report will include information necessary for Benson's Designated Representative to update Benson's inventory records according to the procedures Benson has established, consistent with Section 5.7 below.

3.7 MRES shall have the right to take any and all Electric Distribution System equipment or generation facilities out of service, even if this action causes all or a portion of the customers of Benson to be without electricity, when in the sole judgment of MRES, such actions are necessary to repair, maintain, replace, test, or inspect any equipment in the Electric Distribution System or generation facilities, or to maintain the safety of the public or MRES employees. Except in the case of an emergency, MRES shall notify Benson's Designated Representative prior to taking any Electric Distribution System equipment or generation facilities out of service.

3.8 MRES shall be responsible for performing the necessary procedures to ensure manufacturers' warranties are maintained on new equipment purchased for use on the Electric Distribution System or generation facilities and specifically identified on Exhibit 2, and MRES shall provide information necessary to assist Benson in enforcing existing equipment warranties and guarantees.

3.9 MRES services shall include a maintenance program to ensure continued operation of equipment owned, and specifically identified on Exhibit 2, by Benson. MRES shall provide Benson with documentation of the performance of preventive and corrective maintenance on such equipment in accordance with manufacturers' recommendations and consistent with Prudent Utility Practice, at intervals and in sufficient detail as may be reasonably determined by Benson.

3.10 MRES will implement and maintain an employee safety program in compliance with laws, rules, and regulations applicable to MRES operations hereunder.

3.11 MRES will make recommendations to Benson regarding the need, if any, for Benson to rehabilitate, expand or modify the Electric Distribution System or generation facilities to comply with governmental safety regulations.

3.12 MRES may make minor replacements or additions to the Electric Distribution System or generation facilities, without prior permission from Benson's Designated Representative. A minor replacement or addition is defined as a project which has a cost estimated by MRES not to exceed \$2,500.

3.13 In performing the foregoing activities, the MRES Designated Representative shall coordinate with Benson's Designated Representative and shall keep Benson's Designated Representative informed of the progress of MRES activities. The MRES Designated Representative shall not be directly accountable to the Benson City Council or Benson Utilities Commission or take direction therefrom.

3.14 MRES shall represent to third parties, including the citizens of Benson, that all activities it performs under this Agreement are being performed under the joint auspices of MRES and Benson. MRES and Benson shall determine how that representation is to be made, and the logos, service marks, or names that may be used to convey that representation. By making this representation, however, neither Benson nor MRES consider this contract to constitute a joint venture for purposes of liability to third parties and do not hereby qualify in any way the liability and indemnification provisions of Sections 13 and 14 hereunder.

3.15 MRES shall operate in accordance with Benson's practices and procedures when entering or performing work on Benson customers' premises or facilities, *provided, however*, that such practices and procedures shall be consistent with Prudent Utility Practices.

3.16 MRES shall provide all services using Prudent Utility Practice and in compliance with all applicable federal, state and local statutes, rules and/or ordinances. At all times, MRES personnel shall operate in accordance with MRES policies, operating rules and procedures then in effect. In the event there is a conflict between Benson's typical process or procedures and Prudent Utility Practices, MRES personnel shall operate in accordance with Prudent Utility Practices. **NO OTHER REPRESENTATION, GUARANTEE OR WARRANTY WITH RESPECT TO THE QUALITY OR NATURE OF THE SERVICES APPLIES.**

3.17 Benson shall have first priority for the services of the linemen stationed within Benson during outages and other emergencies occurring within the Electric Distribution System.

3.18 MRES reserves the right to assign its electric distribution system personnel based in Benson, to duty outside the corporate limits of Benson for purposes of assisting another municipality with its electric distribution system *except* during outages or other emergencies occurring within the System; *provided*, that at all times at least one lineman shall be available to respond within twenty (20) minutes to outages and other emergencies occurring within the System. All such duty assignments outside the corporate limits of Benson must be of a short duration and approved by Benson's Designated Representative.

Section 4 - Hazardous Materials

4.1 As part of the services provided to Benson under this Agreement, MRES will, if expressly requested by Benson, perform the activities necessary to dispose of any specifically identified hazardous materials generated by the Electric Distribution System in accordance with Prudent Utility Practice and in compliance with all applicable federal, state, and local statutes, rules or ordinances. Benson is responsible for all costs related to the clean-up and disposal of hazardous material.

4.2 MRES is not responsible for any cost relating to clean-up and disposal of hazardous materials under this Agreement. Benson shall indemnify and hold MRES harmless for any costs that MRES incurs, including but not limited to all clean-up costs, fines or penalties assessed against MRES by any federal, state, or local agency or regulatory body in connection with the generation, identification, clean-up, disposal, or arranging for the disposal of hazardous materials related to MRES activities under this Agreement *except to the extent* that such costs, fines or penalties are the result of the failure of MRES to follow Prudent Utility Practices in connection with the clean-up, disposal or arranging for the disposal of such hazardous materials. In that

event, MRES shall indemnify and hold Benson harmless for any costs Benson incurs, including but not limited to all clean-up costs, fines or penalties assessed by any federal, state or local agency or regulatory body resulting from MRES acts that were not in accordance with Prudent Utility Practices with respect to such hazardous material.

4.3 Benson shall be responsible for arranging for all packaging, labeling, shipping, and transportation of any hazardous materials, and any related training required, under this Agreement in compliance with the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 *et seq.*, as amended, and the regulations of the U.S. Department of Transportation made thereunder and set forth in Title 49 of the Code of Federal Regulations including, without limitation, requirements to provide hazardous materials training to employees who prepare hazardous materials for transportation.

Section 5 - Duties of Benson

5.1 Benson shall be responsible for all budgeting, planning for, and authorization of capital improvements, service extensions, and general management of the utility. Benson's Designated Representative shall keep MRES advised in these areas in a timely manner.

5.2 Benson shall be responsible for meter reading, billing, collections, and all accounting records. MRES will assist Benson from time to time with meter reading and call-backs. Benson shall provide MRES reasonable access to facilities to maintain records for Benson at Benson's offices, consistent with record retention requirements applicable to Minnesota municipal entities. Benson shall make available to MRES those records necessary or useful in carrying out the services that are the subject of this Agreement, including Benson's practices and procedures that MRES is to use in carrying out these services. Benson shall be responsible for secure storage and lifecycle management of such records, and shall provide MRES reasonable access to such records upon request of MRES.

5.3 Benson shall provide MRES, at no cost to MRES if used within the Electric Distribution System, with the temporary use of any piece of Benson's equipment necessary or useful for MRES to perform its obligations under this Agreement in the most cost-effective manner. If MRES utilizes this equipment for purposes other than carrying out its duties under this Agreement, MRES shall compensate Benson for such use according to the rate schedule attached as Exhibit 2. Benson may update both the rate schedule and list of equipment subject to the maintenance program set forth in subsection 3.9 once per year.

5.4 Benson shall keep in force all warranties, guarantees, easements and licenses that have been granted to Benson and those rights are not transferred to MRES under this Agreement.

5.5 Benson shall fund all capital expenditures which in its sole discretion it authorizes. MRES shall advise Benson of any capital improvement it deems necessary or appropriate. Any loss, damage, or injury resulting from Benson's failure to provide capital improvements when reasonably requested by MRES shall be the sole responsibility of Benson. Benson shall indemnify MRES for any costs it incurs, including but not limited to fines or penalties assessed against MRES by any federal, state, or local agency or regulatory body, or any judgments against MRES in favor of third parties for damages arising from or related to Benson's failure to provide capital improvements on a timely basis.

5.6 Benson shall receive and respond to all complaints, inquiries, or requests for service from its customers, and shall determine what services are to be requested from MRES with respect to any customer complaint, inquiry, or request consistent with MRES responsibilities under this Agreement. Except in cases of emergency, MRES shall not receive, nor provide any services as a result of any complaints, inquiries or requests received directly from Benson's customers.

5.7 Benson shall maintain inventory and inventory records, based on information provided by MRES pursuant to Section 3.6 above, using Prudent Utility Practice.

Section 6 - Compensation

Benson shall compensate MRES monthly for all costs MRES incurs in fulfilling its duties under this Agreement. Such costs shall consist of the following:

6.1 All direct labor costs, including but not limited to overtime pay, on-call pay, call-out pay and related overheads including health insurance, retirement plan, payroll taxes, and training.

6.2 An additional ~~six-five~~ percent (~~56~~%) of the costs defined in 6.1 and other expenses incurred by MRES directly attributable to the general administration of this Agreement.

6.3 Any outside services or contractors employed by MRES on behalf of Benson and not paid by Benson directly.

6.4 Any materials and supplies for maintenance, operations, or construction not provided by Benson.

6.5 Reimbursement at the then-current IRS mileage rate for the use of MRES owned vehicles used in fulfilling MRES obligations under this Agreement.

6.6 Insurance costs directly related to fulfilling MRES obligations under this Agreement and required by the terms of this Agreement.

6.7 Losses not covered by insurance for which Benson is responsible under this Agreement.

6.8 Other costs incurred by MRES in providing the services under this Agreement and which are approved by Benson.

6.9 An additional two and a half percent (~~1.252.5~~%) of the amounts listed in 6.1, 6.2, 6.5 and 6.8.

Section 7 - Personnel

7.1 MRES shall provide qualified personnel who are assigned full-time to the operations and maintenance of the Electric Distribution System on the effective date of this Agreement. Such personnel shall be employees of MRES, and shall not be employees of Benson. All employees will be subject to MRES policies and procedures.

7.2 All such employees shall reside in, or within twenty (20)~~twenty forty five (2045)~~ minutes response time to Benson.

7.27.3 The employees assigned by MRES to provide services to Benson under this Agreement shall meet the appropriate licensing and certification requirements of the State of Minnesota.

7.37.4 MRES shall provide ongoing training and education for appropriate personnel in the areas of electric distribution system and generating facilities maintenance, operation, repair, replacement, safety, and supervisory skills as needed to enable MRES, in its sole judgment, to maintain the appropriate quality of service to Benson.

7.47.5 MRES personnel will not perform duties for Benson outside of the scope of the services specified in this Agreement without the prior authorization of the MRES Designated Representative.

Section 8 - Billing by MRES

8.1 Within twenty-five (25) days after the first day of each month, MRES shall submit an invoice to Benson for the charges for all services furnished under this Agreement during the preceding month. Detailed invoices shall be provided to Benson by MRES for all charges incurred that are billed as "Other Costs."

8.2 Payment is due twenty (20) days after the date of invoice. All payments shall be made via Automated Clearing House or by other electric funds transfer.

8.3 In the event Benson disputes all or any part of an invoice, Benson shall, nevertheless, pay the full amount of the invoice when due and, within 45 days from the date of the invoice, notify MRES in writing of the grounds on which any charges in the invoice are disputed and the amount in dispute. Benson will not be entitled to any adjustment on account of any disputed charges which are not brought to the attention of MRES within the time and in the manner specified except clerical errors and adjustments due to an audit.

8.4 Interest will be charged on any unpaid amounts at a rate of one percent (1%) per month. Interest on delinquent amounts shall be calculated from the due date of the bill to the date payment is received.

8.5 The amount owed by Benson to MRES under this Agreement may be offset, in whole or in part at the discretion of MRES, by the amount owed by MRES to Benson.

Section 9 - Billing by Benson for Equipment Use

9.1 Within twenty-five (25) days after the first day of each month, MRES shall submit to Benson an itemized list of the equipment used by MRES during the preceding month for purposes other than service to Benson, if any, in accordance with Section 5.3, along with the appropriate billing measurement. Benson shall submit an invoice to MRES, as soon as practical thereafter, for such use.

9.2 Payment by MRES is due twenty (20) days after receipt of the invoice. All payments shall be made via Automated Clearing House or by other electric funds transfer.

9.3 In the event MRES disputes all or any part of an invoice, MRES shall, nevertheless, pay the full amount of the invoice when due and, within 45 days from the date of the invoice, notify Benson in writing of the grounds on which any charges in the invoice are disputed and the amount in dispute. MRES will not be entitled to any adjustment on account of any disputed charges which are not brought to the attention of Benson within the time and in the manner specified except clerical errors and adjustments due to an audit.

9.4 Interest will be charged on any unpaid amounts at a rate of one percent (1%) per month. Interest on delinquent amounts shall be calculated from the due date of the bill to the date payment is received.

Section 10 - Uncontrollable Forces

10.1 Neither MRES nor Benson shall be considered to be in default in respect to any delay or failure to carry out any obligation hereunder (other than the obligation to pay bills) if prevented from fulfilling such obligations by reason of uncontrollable forces.

10.2 The term uncontrollable forces is deemed for the purposes of this Agreement to mean any forces caused by or resulting from acts or events beyond the control of the Party affected, including but not limited to, acts of God; failure of facilities; flood, earthquake, explosion, storm, lightning, fire; epidemic, pestilence; war, hostilities (whether war is declared or not), invasion, riot, civil disturbance, labor disturbance, sabotage; terrorist threats or acts, whether foreign or domestic; cyberattack; national or regional emergency; actions, restraint, or orders by court or public authority; actions, embargoes, or blockades in effect on or after the date of this Agreement; or any other events, whether similar or dissimilar, beyond the control of the affected Party, any or all of, which by due diligence and foresight such Party could not reasonably have been expected to avoid.

10.3 The Party rendered unable to fulfill any obligation by reason of uncontrollable forces shall, if practicable under the circumstances, notify the other Party within a reasonable time of the occurrence of such event, stating the period of time the occurrence is expected to continue, if known. The affected Party shall exercise due diligence to remove such inability with all reasonable dispatch, and ensure, to the extent reasonable under the circumstances, that the effects of such uncontrollable forces are minimized; *provided, however*, that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any interruption or reduction of service due to uncontrollable forces shall be remedied with the exercise of due diligence, shall not require the settlement of strikes or lockouts by acceding to the demands of opposing parties when such course is inadvisable in the discretion of the Party having the difficulty.

Section 11 - Insurance

11.1 For purposes of this Section 11, the term insurance shall be defined as (a) any transference of risk of loss to a third party through the purchase of insurance coverage, or (b) the partial or total assumption of risk of loss through any form of self-insurance.

11.2 Benson will maintain or cause to be maintained insurance which it deems to be adequate in its sole judgment, on its real property, which includes but is not limited to storage buildings, shops, garages, and inventory. In the event of a loss, Benson is responsible for any or all self-insured retention and self-insurance.

11.3 Benson will maintain or cause to be maintained insurance, which it deems to be adequate in its sole judgment, on its capital equipment which includes but is not limited to generation, transmission and distribution facilities. In the event of a loss, Benson is responsible for any or all self-insured retention and self-insurance.

11.4 Benson will maintain or cause to be maintained insurance, which it deems to be adequate in its sole judgment, on the mobile equipment listed in Exhibit 2. In the event of a loss, Benson is responsible for any or all self-insured retention and self-insurance.

11.5 Benson and its insurers waive all rights of subrogation against MRES, its directors, members of its governing boards, officers, employees, or agents with respect to the property insurance maintained or caused to be maintained in accordance with Section 11.2, 11.3 and 11.4.

11.6 During the term of this Agreement Benson will maintain a policy of general liability and automobile liability insurance in the amount of one million five hundred thousand dollars (\$1,500,000.00) and shall name MRES as an additional insured thereon with respect to MRES activities under this Agreement.

Section 12 - Dispute Resolution

12.1 The Parties shall exercise best efforts to informally resolve all disputes, including billing disputes, in accordance with this Section 12 before resorting to legal action.

12.2 Whenever a dispute arises, the Parties' Designated Representatives shall meet to discuss and attempt to resolve the matter.

12.3 If the meeting of the Designated Representatives does not resolve the dispute, either Party may continue to attempt to resolve the dispute, and shall do so by submitting a written notice to the other Party describing the specific basis of the dispute. The Parties shall attempt to resolve the dispute informally within thirty calendar days of the other Party's receipt of such notice.

12.4 If the Parties cannot reach agreement within the thirty (30) day period referred to in Section 12.3, each Party shall prepare and deliver to the other a written offer of settlement of the dispute within thirty days after the end of the thirty-day period referred to in Section 12.3.

12.5 Within thirty days after the exchange of settlement offers referred to in Section 12.4, the Chief Executive Officer of MRES and the City Manager of Benson shall meet and attempt to settle the dispute. If the Parties reach agreement, they shall immediately take any action agreed upon and make any payments required. If the Parties fail to reach agreement within thirty days after the exchange of settlement offers referred to in Section 12.4, this dispute resolution process will be deemed to be concluded. The Parties may then resort to any legal recourse available to obtain resolution of the matter.

Section 13 - Liability

13.1 Except for its negligence, or for nonpayment of bills or as otherwise specifically provided in this Agreement, neither Party, nor its directors or members of its governing boards, officers, employees, or agents, shall be liable to the other Party for any loss, damage, claim, cost, charge or expense arising from performance or nonperformance under this Agreement.

13.2 Nothing in this Agreement shall be construed to create any duty or standard of care, or any liability or obligation, contractual or otherwise, with reference to any third party.

13.3 Neither Party shall be liable to the other Party, whether in contract, in tort (including negligence and strict liability), under any warranty, or otherwise, for any special, indirect,

incidental, or consequential loss (inclusive of penalties ordered by any governmental agency) or damage whatsoever.

13.4 The provisions of this Section 13 will survive termination, cancellation or expiration of this Agreement and will apply notwithstanding any other provisions of this Agreement to the fullest extent permitted by law.

Section 14 - Indemnification

14.1 Each Party shall defend, indemnify, and hold harmless the other Party, its affiliates, and their respective directors, members of its governing boards, officers, employees, and agents from and against any and all claims, liability, loss, damage, or expense, including attorneys' fees and costs, to the extent such claim arises from (a) the indemnifying Party's (or its agents or employees) willful or grossly negligent acts, (b) breach of this Agreement by the indemnifying Party, or (c) liabilities, hazards, or defects relating to the Electric Distribution System facilities or generation facilities. This indemnification obligation shall not be limited by insurance coverage.

14.2 The provisions of this Section 14 will survive termination, cancellation or expiration of this Agreement and will apply notwithstanding any other provisions of this Agreement to the fullest extent permitted by law.

Section 15 - Severability

In the event that any of the terms, covenants, or conditions of this Agreement, or the application of any such term, covenant, or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction under the circumstances, the remainder of this Agreement, and the application of its terms, covenants, or conditions to such persons or circumstances, shall not be affected thereby.

Section 16 - Waivers

Any waiver at any time by either Party hereto of its rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any prior or subsequent default or matter.

Section 17 - Assignments

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto. The obligations and responsibilities of this Agreement may be assigned by either Party (a) only in full, (b) only with the written approval of the other, which approval shall not be unreasonably withheld, and (c) only with the written acceptance of such assignment, including all obligations, by the Assignee.

Section 18 - Material Breach and Early Termination

If either Party commits a Material Breach of this Agreement and does not remedy such breach upon conclusion of the dispute resolution process described in Section 12, the other Party may terminate this Agreement. A Party seeking to terminate this Agreement for a Material Breach must provide the other with a written notice of termination thirty days before the date of

the termination. If either Party terminates the Agreement by reason of a Material Breach, the breaching Party shall reimburse the terminating Party for any costs incurred by reason of the termination.

Section 19 - General

19.1 Except as provided for expressly herein, neither this Agreement nor any terms hereof may be terminated, amended, supplemented, waived, modified, assigned, or transferred except by an instrument in writing executed by both Parties to this Agreement.

19.2 Any notices, demands or requests provided for in this Agreement shall be in writing and shall be deemed properly served if (a) delivered in person; or (b) sent by United States mail, postage prepaid, to the persons specified below:

For Benson:

City of Benson, MN
Attn: City Manager
1410 Kansas Avenue
Benson, MN 56215-1718

For MRES:

Missouri River Energy Services
Attn: Director, Legal
PO Box 88920
Sioux Falls, SD 57109-8920

19.3 The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions of this Agreement.

19.4 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

19.5 Exhibits are hereby incorporated into this Agreement and may be changed as specified in the appropriate sections of this Agreement.

19.6 Benson will make its maps and records of the Electric Distribution System and the generation facilities available to MRES and its personnel in connection with carrying out the terms of this Agreement.

19.7 Either Party may contract for any outside services which may be needed from time to time to repair, upgrade, or maintain either the Electric Distribution System or generation facilities. Each Party will keep the other Party informed of any services for which it has contracted. MRES shall not be entitled to compensation under paragraph 6.3 of this Agreement for outside services or contractors employed by MRES unless Benson has given its prior written approval to such contract.

19.8 MRES is an independent contractor to Benson.

19.9 The Parties shall keep and maintain such records as may be necessary or useful in carrying out the services that are the subject of this Agreement, and shall make such records available to the other Party for inspection. MRES shall maintain records for Benson at Benson's offices consistent with record retention requirements applicable to Minnesota municipal entities.

Benson shall be responsible for secure storage and lifecycle management of such records, and shall provide MRES reasonable access to such records upon request of MRES.

19.10 Benson has the right to audit, at its own expense, all internal records relating to MRES expenditures under this Agreement.

19.11 This Agreement is made under, and shall be deemed to be governed by and construed according to, the laws of the State of Minnesota.

Section 20 - Representations

Benson represents that it is the sole owner in fee title of the Electric Distribution System facilities on which MRES shall perform its services. Benson grants MRES the authority to enter the Electric Distribution System property to perform the services as set forth in this Agreement.

Section 21 – Entire Agreement

This Agreement as written, including the recitals and exhibit(s) (as any such exhibit(s) may be revised from time to time), forms the entirety of the agreement, and prior and subsequent agreements will not have effect unless formed in accordance with Section 21.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

MISSOURI BASIN
MUNICIPAL POWER AGENCY d/b/a
MISSOURI RIVER ENERGY SERVICES

CITY OF BENSON, MINNESOTA

By _____
Thomas J. Heller
Chief Executive Officer

By _____
Gary Landmark
Mayor

By _____
Rob Wolfington
City Manager

**Distribution System Operations and Maintenance Agreement
Between
Missouri River Energy Services and
The City of Benson, Minnesota**

**Exhibit 1
Generator Operating Manual**

**Distribution System Operations and Maintenance Agreement
Between
Missouri River Energy Services and
The City of Benson, Minnesota**

**Exhibit 2
City Equipment Rental Rates &
Equipment Subject to MRES Maintenance Program**

This Exhibit 2 provides a detailed listing relating to equipment owned by the City of Benson (“Benson”) which is available to Missouri River Energy Services (MRES) for the purposes of carrying out this Distribution System Operations and Maintenance Agreement. This Exhibit may be updated once per calendar year.

A. EQUIPMENT RENTAL RATES.

In the event that MRES utilizes the equipment of Benson for purposes other than carrying out its duties to provide service to Benson under this Agreement, MRES shall compensate Benson for such use according to the following rate schedule, which may be modified as part of the annual update of this Exhibit 1.

EQUIPMENT DESCRIPTION ¹	RATE	UNIT ²
<i>[EXAMPLE: Cor Tilt Bed Trailer (1 CIABC2345XY56789)]</i>	<i>\$500</i>	<i>hour</i>
<i>[EXAMPLE: Other tools not on a normal basis for line work, such as Hammer Drill, Portable Generator, Chain Saws, Locators]</i>	<i>\$25</i>	<i>day</i>

NOTES:

1. Equipment description should include model numbers, VINs or other unique identifying information for each item.
2. Unit should indicate whether the rate is applied per hour, per foot, flat fee, or otherwise.

B. EQUIPMENT SUBJECT TO MRES MAINTENANCE PROGRAM.

MRES shall provide a maintenance program to ensure the continued operation of equipment that is owned and specifically identified by Benson. MRES maintenance shall include procedures necessary to ensure manufacturers’ warranties are maintained, and that equipment is inspected, repaired, and replaced when necessary, based on manufacturers’ warranties and Prudent Utility Practices. For any new equipment acquired by Benson during the calendar year which it desires to include in the MRES Maintenance Program, Benson shall inform the

MRES Designated Representative, and provide all relevant documentation. Benson may add new items to, or delete existing items from, the list of Equipment Subject to MRES Maintenance Program as part of the annual update of this Exhibit 1.

EQUIPMENT DESCRIPTION ¹	MANUFACTURER	WARRANTY/ MANUAL ²
<i>[EXAMPLE: Cor Tilt Bed Trailer (1 CIABC2345XY56789)]</i>	<i>Cor</i>	<i>Copy in utility shop</i>
<i>[EXAMPLE: Other tools not on a normal basis for line work, such as Hammer Drill, Portable Generator, Chain Saws, Locators]</i>	<i>miscellaneous</i>	<i>NA</i>

NOTES:

1. Equipment description should include model numbers, VINs or other unique identifying information for each item.
2. Indicate in the final column whether Benson has provided MRES with a copy of, or access to, the manufacturers' warranty and/or operational manual for each item. If it is not applicable, indicate with "NA."

**RESOLUTION SETTING ASSESSMENTS FOR WATER AND
SEWER SERVICES RENDERED BY THE CITY OF
BENSON, MINNESOTA FOR 2017 PAYABLE 2018
(RESOLUTION NO. 2017-__)**

BE IT RESOLVED, by the Benson City Council that pursuant to Minnesota Statutes Chapter 444 that the assessment roll for 2017 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 on or before December 15, 2017 and placed on the tax roll for collection with the taxes collectable in 2018.

Account Number, Name & Address	Legal Description & Parcel No.	Sewer	Water	Totals
104-0055-00-01 708 11 th St. N Orlen Pangrac	Lynn Park Addition Lot 2 & S ½ Lot 3 Blk 8 23-0692-000-01	\$413.50	\$6.36	\$419.86
104-0090-00-05 709 11 th St. N Hinten Properties	Lynn Park Addition S 40' Lot 7 Blk 7; N 25' Lot 5 Blk 7 23-0687-000-01	\$329.90	\$347.76	\$677.66
201-0020-00-07 516 15 th St. N Jesse Knuteson/Amanda Peterson	Railway 2 nd Addition Lot 6 Blk 3 23-0383-000-01	\$93.33	\$66.11	\$159.44
202-0051-00-14 209 18 th St. N Joel/Beverly Bailey	Arthur Thornton Addition Lts 5 & 6 Blk 50 23-0314-000-01	\$413.50	\$6.36	\$419.86
202-0095-00-07 2010 Atlantic Ave Jason McVinua/Nick Wroblewski	Alton Hume Addition Lot 7 Block 1 23-0771-000-01	\$162.50	\$147.01	\$309.51
202-0097-00-13 2104 Atlantic Ave Eugene R. Weber	Alton Hume Addition Lot 8 Blk 1 23-0772-000-01	\$74.70	\$114.16	\$188.86
203-0075-00-07 209 Meadow Lane Brooke Dillon	Park Place Sub-Div Lot 3 Blk 3; S 5' Lt 2 Blk 3 23-1028-000-01	\$49.25	\$35.70	\$84.95
302-0114-00-20 1615 Pacific Ave Gene Weber	Morris & Payte's Addition Lts 8 & 9 Blk 44 23-0282-000-01	\$51.38	\$45.03	\$96.41
304-0002-00-19 201 17 th St S Ebnet Investments, LLC	Morris & Payte's Addition Lts 23 & 24 Blk 43 23-0279-000-01	\$292.50	\$188.74	\$481.24
304-0141-00-02 203 18 th St. S Deb Leibold	Stone Addition; Lts 20&21 Blk 50; S 15' Lt 22 Blk 50 23-0553-000-01	\$413.50	\$6.36	\$419.86
402-0185-00-12 212 9 th St. S Jose Salinas	City of Benson Lots 10,11, & 12 Blk 6 23-0029-000-01	\$502.20	\$6.36	\$508.56
TOTALS		\$2,796.26	\$969.95	\$3,766.21

**RESOLUTION SETTING ASSESSMENTS FOR CURRENT SERVICES
BY THE CITY OF BENSON, MINNESOTA FOR 2017 PAYABLE 2018
(RESOLUTION NO. 2017-)**

BE IT RESOLVED, by the Benson City Council that the following assessments for 2017 as prepared by the City Manager are hereby approved and made a part thereof; and,

BE IT FURTHER RESOLVED, that the assessments hereinafter noted shall be submitted to the County Auditor on or before December 15, 2017 and placed on the tax roll for collection with the taxes collectable in 2018.

Charges	Name & Mailing Address	Legal Description & Parcel No.	Amnt Due
Broken Meter Plate 117 – 19 th St. N.	Bob Wilson/Diane Rode 3720 CR 40 NW, Lot 55 Kerkhoven, MN 56252	Lots 1, Block 1 Alton Hume Addition 23-0763-000	\$80.00
Diseased Elm Tree 311 – 10 th St. S.	Donald & Brenda Jones 311 – 10 th St. S. Benson, MN 56215	Lots 7 & S. 20' of 8, Block 6 Railway 1 st Addition 23-0372-000	\$359.50
Diseased Elm Tree 402 – 14 th St. S.	Connie Evenson 402 – 14 th St. S. Benson, MN 56215	Lots 2 & 3, Block 8 McKinney's 1 st Addition 23-0460-000	\$299.00
Broken Meter Plate 418 – 9 th St. N.	Matthew Hoffman 7489 Stoneridge Brainard, MN 56401	Benson Acre Lots 23-1401-000	\$80.00
TOTALS			\$818.50

2016 Actual Levy	Tax Capacity Levy	Market Value Levy	Final 2016 Levy
Description			
General Fund	567,531		567,531
Police Personnel	631,000		631,000
Library Fund	112,142		112,142
G.O. Equipment Bonds 2014 (Golf)	44,706		44,706
G.O. CIP Bonds 2014 (Street Garage)	69,014		69,014
G.O. Swimming Pool	0	<u>69,807</u>	<u>69,807</u>
Total Levy	1,424,393	69,807	1,494,200
			5.0%

2017 Actual Levy	Tax Capacity Levy	Market Value Levy	Final 2017 Levy
Description			
General Fund	673,792		673,792
Police Personnel	664,750		664,750
Library Fund	113,778		113,778
G.O. Equipment Bonds 2014 (Golf)	49,447		49,447
G.O. CIP Bonds 2014 (Street Garage)	68,552		68,552
G.O. Swimming Pool	0	<u>74,332</u>	<u>74,332</u>
Total Levy	1,570,319	74,332	1,644,651
			10.1%

Includes 90,865 Fire truck lease

2018 Proposed Levy	Tax Capacity Levy	Market Value Levy	Proposed 2018 Levy
Description			
General Fund	696,906		696,906
Police Personnel	697,100		697,100
Library Fund	109,521		109,521
G.O. Equipment Bonds 2014 (Golf)	49,069		49,069
G.O. CIP Bonds 2014 (Street Garage)	67,946		67,946
G.O. Swimming Pool	0	<u>73,377</u>	<u>73,377</u>
Total Levy	1,620,542	73,377	1,693,919
			3.0%

CITY OF BENSON
BUDGET PROPOSAL
2018 BUDGET PROPOSAL

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 YTD	2017 BUDGET	PCT. BUDGET	PROPOSED 2018 BUDGET
GENERAL FUND REVENUES						
TAXES	1,216,655	1,198,717	736,150	1,338,542	55	1,394,006
ABATEMENTS	20,116		11			
LODGING TAXES	25,074	25,899	19,590	25,000	78	25,000
FRANCHISE FEES	206,704	217,743	163,760	205,000	80	210,000
BUSINESS LICENSES	8,033	8,045	8,528	8,000	107	8,000
NON-BUSINESS LICENSES	340	310	945	400	236	400
BUILDING PERMITS	14,893	20,419	24,346	30,000	81	30,000
LOCAL GOVERNMENT AID	980,033	988,807	496,480	992,959	50	1,045,773
HOMESTEAD & AG CREDIT AID	310	309	156			
POLICE TRAINING REIMBURSEMENT	2,332	2,501	2,225	2,500	89	2,500
INSURANCE PREMIUM TAX-FIRE	41,979	44,076	41,149	40,000	103	40,000
INSURANCE PREMIUM TAX-POLICE	53,171	49,613	58,781	50,000	118	50,000
AIRPORT MAINTENANCE	25,363	28,211	9,597	24,257	40	24,257
TRANSIT REFUNDS	145,600	111,600				
OTHER FED/STATE/LOCAL GRANTS	74,111	38,926	26,931	18,000	150	23,000
POLICE SERVICES	1,200	11,431	3,109	5,500	57	5,500
DARE REVENUES	30					
DOG POUND REVENUES	580	620	390	500	78	500
COPS IN SCHOOLS REIMBURSEMENT	38,934	26,838	18,333	38,000	48	38,000
TOWNSHIP FIRE CONTRACTS	63,522	66,377	61,109	68,733	89	64,294
FIRE DEPARTMENT CALLS	28,365	28,710	14,615	20,000	73	20,000
RESQUE SQUAD CALLS	4,610	2,093	2,318	2,000	116	2,000
BUILDING INSPECTIONS SERVICES	37,798	36,833	30,291	40,000	76	40,000
STREET REPAIR FEES	4,800	4,500	1,500	3,000	50	3,500
EQUIPMENT RENTALS		825	1,588			1,500
WEED REMOVAL CHARGES	1,948	1,482	257	2,000	13	1,500
SWIMMING POOL RECEIPTS	50,320	47,499	51,124	45,000	114	50,000
POOL CONCESSION SALES	11,183	9,615	11,931	9,000	133	10,000
ARMORY USE FEES	9,133	7,616	4,433	8,000	55	6,000
PARK FEES	20,412	24,309	19,075	20,000	95	20,000
TREE REMOVAL RECEIPTS	5,660	8,096	2,375	4,000	59	4,000
BUS FARES	35,434	19,254				
BUS SIGN ADVERTISING	740	320				
HANGER RENTALS - AIRPORT	12,812	16,131	8,690	12,000	72	12,000
AIRPORT LAND REVENUES	7,790	6,995	6,995	8,000	87	7,500
SALE OF LOTS - CEMETERY	4,480	15,720	3,560	7,000	51	7,000
SODDING FEES - CEMETERY	640	700	1,290	600	215	600
CEMETERY MEMORIALS						
CEMETERY MONUMENT FEES	475	450	500	300	167	300
PARK SIGN RENTALS	190	185	125	200	63	200
COURT FINES	21,697	20,999	13,071	20,000	65	20,000
PARKING FINES	700	1,010	1,000	500	200	500

CITY OF BENSON
BUDGET PROPOSAL
2018 BUDGET PROPOSAL

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 YTD	2017 BUDGET	PCT. BUDGET	PROPOSED 2018 BUDGET
SPECIAL ASSESSMENTS	148	139	36			
INTEREST EARNINGS	47,951	44,443	33,494	50,000	67	45,000
UNREALIZED GAIN (LOSS) ON INVEST	4,352	957				
PROPERTY RENTS		2,250	6,400			
CIVIC CENTER RENT	36,486	44,439	32,225	39,500	82	35,000
DONATIONS	23,397	4,325	2,300	1,000	230	1,000
SALE OF PROPERTY	4,590		20,331			
REFUNDS & REIMBURSEMENTS	51,165	42,679	25,284	40,000	63	40,000
REIMBURSEMENTS - GAS & OIL	24,947	34,138	27,383	25,000	110	30,000
OTHER REVENUE	12,365	6,857	5,516	5,000	110	5,000
MANAGEMENT FEE-EDA & RL FUND	16,647	16,713		16,000		16,000
MANAGEMENT FEES - GARBAGE FUND	8,838	9,014	7,662	9,194	83	9,384
MANAGEMENT FEE - WATER FUND	38,556	39,327	33,425	40,110	83	40,920
MANAGEMENT FEE - ELECTRIC FUND	173,440	176,908	150,372	180,446	83	184,056
MANAGEMENT FEE - LIQUOR FUND	25,606	26,118	22,200	26,640	83	27,168
MANAGEMENT FEE - SEWER FUND	50,052	51,053	43,395	52,074	83	53,112
MANAGEMENT FEES - TAX INCREMENT						
TRANSFER FROM OTHER FUNDS	1,349	1,443		1,650		1,650
TRANSFER FROM LIQUOR FUND	80,000	80,000	80,000	80,000	100	80,000
TRANSFER FROM UTILITY FUND	84,989	53,406		90,000		90,000
TOTAL GENERAL FUND REVENUES	3,863,044	3,727,995	2,336,349	3,705,605	63	3,826,120
GENERAL FUND EXPENDITURES						
MAYOR & COUNCIL						
SALARIES - CITY COUNCIL	15,845	15,610	12,780	16,000	80	16,000
PENSIONS	1,212	1,194	978	1,200	81	1,200
OFFICE SUPPLIES	141	805	235	100	235	100
MAYOR & COUNCIL CONTINGENCY				2,000		1,000
TRAVEL EXPENSE	1,079	878	692	1,000	69	700
TRAINING & INSTRUCTION	1,625	1,520	752	1,500	50	1,200
PRINTING & PUBLISHING	4,443	3,800	3,939	4,500	88	4,500
OTHER INS - PUBLIC OFF LIAB	9,068	9,724	9,630	10,000	96	10,000
DUES & SUBSCRIPTIONS	8,971	9,021	10,362	9,200	113	9,200
TOTAL: MAYOR & COUNCIL	41,384	42,552	39,366	45,500	87	43,900
ADMINISTRATION & FINANCE						
SALARIES	275,398	283,547	245,268	297,000	83	305,600
PENSIONS	49,624	50,581	44,527	53,000	84	54,400
HEALTH, LIFE, DISB + CAFETERIA	61,153	67,402	60,400	70,200	86	71,500
OFFICE SUPPLIES	4,001	3,875	3,309	5,000	66	5,000
DUPLICATING & COPYING	2,938	2,828	2,394	3,000	80	3,000

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CITY OF BENSON
BUDGET PROPOSAL
2018 BUDGET PROPOSAL

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 YTD	2017 BUDGET	PCT. BUDGET	PROPOSED 2018 BUDGET
POSTAGE	963	2,349	160	2,000	8	2,000
SAFETY AND DRUG TESTING	418	2,529	602	2,000	30	2,000
GAS & OIL	1,945	1,543	1,211	2,000	61	2,000
EQUIPMENT REPAIR PARTS	2,551	3,965	1,084	3,000	36	3,000
SMALL TOOLS AND EQUIPMENT	780	5,471	5,982	4,000	150	5,000
UTILITY CONTRACTED SERVICES	14,400	14,400	12,000	14,400	83	14,400
OTHER CONTRACTED SERVICES	12,373	11,500	11,660	15,000	78	15,000
CONSULTING SERVICES	31,091	40,304	16,970	40,000	42	40,000
TELEPHONE	8,943	9,108	7,811	9,000	87	9,000
TRAVEL EXPENSE	3,714	4,115	6,520	4,000	163	5,000
TRAINING & INSTRUCTION	1,394	2,026	2,328	2,500	93	2,500
PUBLIC INFORMATION	125					
INSURANCE	6,366	7,485	7,102	8,000	89	8,000
WORKERS COMPENSATION	1,540	1,893	1,334	2,000	67	2,000
DUES & SUBSCRIPTIONS	2,941	2,645	2,107	3,000	70	3,000
TOTAL: ADMINISTRATION & FINANCE	482,658	517,566	432,770	539,100	80	552,400
ELECTIONS						
TEMPORARY SALARIES	861	2,273	771	2,500	31	2,500
OFFICE SUPPLIES	2,835	1,332	3,816	6,000	64	2,000
TOTAL: ELECTIONS	3,696	3,604	4,586	8,500	54	4,500
AUDITING & ACCTING SERVICES	21,550	23,650	23,700	24,500	97	26,000
ASSESSING SERVICES CONTRACTED	17,292	18,832	17,204	19,000	91	19,000
CITY ATTORNEY						
OFFICE SUPPLIES	470	1,439	274	1,000	27	1,000
CITY ATTORNEY CONTRACT	20,297	28,000	15,686	28,000	56	26,000
TOTAL: CITY ATTORNEY	20,767	29,439	15,960	29,000	55	27,000
CITY HALL						
BUILDING MAINTENANCE & SUPPL	5,532	4,407	2,745	8,000	34	8,000
CONTRACTED SERV - CLEANING	3,980	4,352	3,360	4,500	75	4,500
INSURANCE	4,600	2,461	2,029	4,000	51	3,000
UTILITIES	7,430	7,194	6,085	8,000	76	8,000
HEATING COST	3,059	2,884	2,887	4,000	72	3,000
TOTAL: CITY HALL	24,602	21,298	17,106	28,500	60	26,500

CITY OF BENSON
BUDGET PROPOSAL
2018 BUDGET PROPOSAL

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 YTD	2017 BUDGET	PCT. BUDGET	PROPOSED 2018 BUDGET
POLICE DEPARTMENT						
SALARIES	491,167	485,745	431,584	522,000	83	549,400
PENSIONS	97,760	97,557	85,505	106,950	80	111,700
HEALTH, LIFE & DISB INSURANCE	87,830	101,235	91,525	97,500	94	99,000
OFFICE SUPPLIES	5,806	4,765	2,400	5,500	44	5,500
GAS & OIL	18,808	15,443	13,854	19,000	73	19,000
OPERATING SUPPLIES	19,034	19,823	6,719	20,000	34	20,000
UNIFORM ALLOWANCE	7,734	10,607	7,799	9,000	87	9,000
PERSONNEL TESTING & RECRUIT INVESTIGATIONS	525	1,042		1,500		1,500
EQUIPMENT REPAIR PARTS	30,285	30,296	33,472	32,000	105	32,000
EQUIPMENT REPAIRS CONTRACTED	2,194	1,148	950	2,600	37	2,600
EQUIPMENT REPAIRS CONTRACTED	11,795	8,417	10,685	8,000	134	8,000
SMALL TOOLS & EQUIPMENT	14,666	8,913	7,277	8,600	85	8,600
CONTRACTED RECORDS MAINT				4,000		4,000
CONTRACTED SERVICES-CLEANING						2,400
TELEPHONE	8,947	9,421	7,919	9,500	83	9,500
DRUG EDUCATION & ENFORCEMENT	819	1,570	650	2,600	25	2,600
DARE EXPENDITURES	1,806	1,992	2,052	2,000	103	2,000
TRAVEL EXPENSE	3,902	2,690	4,989	4,000	125	4,000
TRAINING & INSTRUCTION	6,210	5,013	8,511	6,000	142	7,000
INSURANCE	10,797	12,564	12,959	14,000	93	14,000
WORKERS COMPENSATION	10,778	13,957	13,991	15,000	93	15,000
ELECTRIC UTILITIES			394			4,000
HEATING COSTS						2,100
RENTS	1,680	1,485	1,240	4,000	31	2,000
DUES & SUBSCRIPTIONS	3,457	2,864	2,579	3,000	86	3,000
DOG POUND EXPENSES	1,871	729	287	1,700	17	1,700
TOTAL: POLICE DEPARTMENT	837,870	837,276	748,500	898,450	83	939,600
FIRE DEPARTMENT						
PART TIME - SALARIES	57,758	48,302	5,660	48,000	12	49,000
OFFICE SUPPLIES	255	252	1,115	750	149	750
GAS & OIL	1,949	1,811	1,855	2,000	93	2,000
OPERATING SUPPLIES	3,526	2,203	2,073	3,500	59	3,600
EQUIPMENT REPAIR PARTS	3,168	3,011	1,294	3,000	43	3,000
EQUIPMENT REPAIR CONTRACTUAL	3,022	5,521	865	5,000	17	5,000
RADIO REPAIRS CONTRACTED	1,793	1,427	1,231	1,500	82	1,500
BUILDING MAINTENANCE & SUPPL	4,536	3,615	8,485	5,000	170	5,100
BUILDING REPAIRS CONTRACTED		2,723		2,000		2,000
SMALL TOOLS & EQUIPMENT	3,975	13,460	4,740	23,000	21	5,000
CONTRACTED SERVICES	475	1,718	455	400	114	500

CITY OF BENSON
BUDGET PROPOSAL
2018 BUDGET PROPOSAL

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 YTD	2017 BUDGET	PCT. BUDGET	PROPOSED 2018 BUDGET
TRAVEL EXPENSE	1,546	3,834	3,138	1,800	174	3,000
TRAINING & INSTRUCTION	5,309	7,335	7,250	5,000	145	6,000
INSURANCE	10,250	6,516	5,711	7,500	76	7,500
WORKERS COMPENSATION	5,773	6,495	7,011	6,500	108	7,000
UTILITIES	4,210	5,249	3,884	4,500	86	4,500
HEATING COST	2,267	1,885	1,518	3,000	51	3,000
HYDRANT RENTALS/FIRE SERVICE	10,000	10,000	8,333	10,000	83	10,000
TRUCK LEASE			31,155	90,865	34	90,865
DUES & SUBSCRIPTIONS	678	650	849	700	121	900
TOTAL: FIRE DEPARTMENT	120,491	126,008	96,624	224,015	43	210,215
BUILDING DEPARTMENT						
SALARIES	48,547	49,587	41,752	51,000	82	53,000
PENSIONS	9,814	9,848	8,301	10,200	81	10,200
HEALTH, LIFE AND DISABILITY	11,867	14,361	12,877	14,300	90	14,300
GAS	295	191	255	500	51	500
OPERATING SUPPLIES	1,489	945	3,757	1,600	235	3,200
CONTRACTED SERV.-OTHER EXPENSE	327		565	1,000	57	1,000
TELEPHONE	771	611	507	750	68	750
TRAVEL EXPENSE	4,714	4,287	3,984	5,000	80	5,000
TRAINING & INSTRUCTION	980	1,066	290	1,000	29	1,000
DUES & SUBSCRIPTIONS	75	75	75	100	75	100
TOTAL: BUILDING DEPARTMENT	78,878	80,971	72,364	85,450	85	89,050
HIGHWAY STREETS & ROADS						
SALARIES	227,546	242,838	193,904	245,600	79	250,200
PENSIONS	41,985	43,341	35,763	44,500	80	44,100
HEALTH, LIFE & DISB INSURANCE	24,245	30,712	27,476	30,600	90	31,205
OFFICE SUPPLIES	6	86	772	100	772	500
GAS & OIL	35,319	29,510	21,273	30,000	71	27,000
OPERATING SUPPLIES	12,037	11,665	7,459	11,000	68	11,000
STREET MARKINGS & SIGNS	2,707	14,048	4,455	9,000	49	6,000
SHOP SUPPLIES	1,144	1,097	430	1,000	43	1,000
EQUIPMENT REPAIR PARTS	9,326	7,513	18,294	15,000	122	12,000
TIRES	5,263	6,235	9,858	6,000	164	10,000
EQUIPMENT REPAIRS CONTRACTED	11,228	13,525	9,782	8,000	122	8,000
STREET MAINTENANCE-MATERIALS	15,171	11,457	5,713	20,000	29	20,000
STREET MAINT.- SEALCOATING	77,706	40,868	5,078	50,000	10	50,000
SNOW REMOVAL	2,102	15,427		10,000		10,000
FLOOD CONTROL						
BUILDING MAINTENANCE & SUPPL	9,107	19,197	9,358	2,500	374	5,000

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CITY OF BENSON
BUDGET PROPOSAL
2018 BUDGET PROPOSAL

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 YTD	2017 BUDGET	PCT. BUDGET	PROPOSED 2018 BUDGET
SMALL TOOLS & EQUIPMENT	5,830	1,932	1,333	5,000	27	5,000
TELEPHONE	900	900	750	900	83	900
TRAVEL EXPENSE	77	344	52	350	15	350
TRAINING & INSTRUCTION	968	704	1,306	1,000	131	1,000
INSURANCE	14,400	11,599	10,826	14,000	77	12,000
WORKERS COMPENSATION	15,192	13,781	16,316	15,500	105	17,000
UTILITIES	4,485	6,244	4,860	6,500	75	6,500
HEATING COST	2,368	3,377	2,689	4,500	60	4,500
STREET LIGHTING UTILITIES	62,927	61,791	48,820	62,000	79	62,000
LAUNDRY	876	1,305	1,384	1,000	138	1,000
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TOTAL: STREET DEPARTMENT	582,913	594,159	437,949	594,050	74	596,255
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ORGANIZED RECREATION						
MANAGEMENT FEES	18,583	23,184		19,500		23,000
SENIOR CITIZEN PROGRAM	15,939	27,886	7,960	10,500	76	10,500
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TOTAL: ORGANIZED RECREATION	34,521	51,070	7,960	30,000	27	33,500
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SWIMMING POOL						
TEMPORARY SALARIES	44,255	48,240	50,053	48,000	104	50,000
PENSIONS	3,386	3,691	3,829	4,000	96	4,000
OPERATING SUPPLIES	10,004	8,426	11,104	10,200	109	10,200
BUILDING MAINTENANCE & SUPPL	11,558	15,217	3,459	20,000	17	17,000
BUILDING REPAIRS CONTRACTED	5,378	639	6,701	4,500	149	6,500
CONCESSION SUPPLIES	9,313	8,886	8,208	9,000	91	9,000
TELEPHONE	591	392	343	450	76	450
INSURANCE	7,963	12,522	12,344	13,000	95	13,000
UTILITIES	10,352	11,088	8,436	11,500	73	11,500
HEATING COST	5,519	5,786	7,986	6,000	133	7,500
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TOTAL: SWIMMING POOL	108,318	114,886	112,464	126,650	89	129,150
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ARMORY						
OPERATING SUPPLIES	10	42	158	500	32	500
BUILDING MAINT & SUPPLIES	2,620	1,756	1,470	3,000	49	3,000
CONTRACTED SERVICES	11,986	410	364	2,000	18	2,000
TELEPHONE	492	502	422	500	84	500
INSURANCE	1,960	3,761	2,733	3,800	72	3,000
UTILITIES	2,362	2,093	1,699	2,000	85	2,500
HEATING COST	1,350	1,540	1,314	2,500	53	2,000
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TOTAL: ARMORY	20,781	10,105	8,159	14,300	57	13,500

CITY OF BENSON
BUDGET PROPOSAL
2018 BUDGET PROPOSAL

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 YTD	2017 BUDGET	PCT. BUDGET	PROPOSED 2018 BUDGET
PARKS						
SALARIES	99,199	103,032	92,589	94,600	98	94,600
PENSIONS	14,431	13,850	11,929	15,500	77	15,500
HEALTH, LIFE & DISB INSURANCE	12,776	15,141	13,807	15,500	89	15,500
MOSQUITO SPRAY & SUPPLIES	8,697	12,000	6,700	10,000	67	10,000
CHEMICALS & CHEM SUPPLIES	2,287	8,487	2,252	9,000	25	9,000
GAS & OIL	8,209	6,687	7,595	8,000	95	8,000
OPERATING SUPPLIES	17,459	14,791	12,435	15,000	83	15,000
LANDSCAPING MATERIALS	5,048	3,973	3,349	7,000	48	7,000
EQUIPMENT REPAIR PARTS	11,696	11,736	9,655	12,000	80	29,000
EQUIPMENT REPAIRS CONTRACTED	1,526	3,997	3,828	2,000	191	2,000
BUILDING REPAIR AND MAINT	31,436	18,331	2,415	1,500	161	1,500
SMALL TOOLS & EQUIPMENT	12,536	5,986	1,902	9,000	21	9,000
CONTRACTED SERVICES-MOWING	7,531	7,171	8,441	7,000	121	7,000
CONTRACTED SERVICES-TREE REMOV	29,646	45,705	30,893	45,000	69	45,000
CONTRACTED SERVICES-OTHER	5,995	7,379	6,328	6,000	105	6,000
TELEPHONE	885	699	454	800	57	800
TRAVEL EXPENSE	183	279	88	500	18	500
TRAINING & INSTRUCTION	111	216	167	500	33	500
INSURANCE	16,843	28,176	25,004	28,000	89	28,000
UTILITIES	8,222	7,777	5,872	8,000	73	8,000
RENT	1,800					
CEMETERY	7,371	7,132	25,621	5,000	512	5,000
TOTAL: PARK DEPARTMENT	303,887	322,546	271,326	299,900	90	316,900
LODGING TAX EXPENSES	28,865	24,070	23,589	31,750	74	31,750
PROPERTY TAX ABATEMENTS	17,425					
NOT ALLOCATED	14,665	13,736	15,347	10,000	153	10,000
PUBLIC TRANSIT						
SALARIES	99,195	111,114				
PENSIONS	15,956	13,167				
HEALTH, LIFE & DISB INSURANCE	17,044	18,525				
GAS & OIL	14,609	7,214				
PERSONNEL TESTING						
OPERATING SUPPLIES	2,348	1,152				
EQUIPMENT REPAIR PARTS	11,762	11,503				

CITY OF BENSON
BUDGET PROPOSAL
2018 BUDGET PROPOSAL

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 YTD	2017 BUDGET	PCT. BUDGET	PROPOSED 2018 BUDGET
TIRES	1,592	281				
CONTRACTED SERVICES		2,917	3,500	7,500	47	7,000
TELEPHONE	508	405				
TRAVEL EXPENSE	160	417				
TRAINING & INSTRUCTION	155	155				
ADVERTISING						
INSURANCE	5,450	5,850				
WORKERS COMPENSATION	4,251	3,670				
RENT	4,500					
DUES AND SUBSCRIPTIONS						
TOTAL: PUBLIC TRANSIT	177,530	176,369	3,500	7,500	47	7,000
AIRPORT						
SALARIES	2,500	2,500		2,500		2,500
PENSIONS	192	192		500		500
GAS	25,243	32,676	25,406	23,000	110	23,000
OPERATING SUPPLIES	607	514	9,787	3,000	326	3,000
BUILDING MAINTENANCE & SUPPL	8,138	5,286	15,656	5,000	313	15,000
MANAGEMENT FEES	4,200	4,200	3,540	4,500	79	4,500
CONTRACTED SERVICES	30	655	2,641	500	528	500
TELEPHONE	896	937	783	900	87	900
INSURANCE	5,683	4,681	4,491	5,000	90	5,000
UTILITIES	7,876	8,490	6,368	9,000	71	9,000
HEATING COST	809	751	522	1,000	52	1,000
TOTAL: AIRPORT	56,175	60,883	69,195	54,900	126	64,900
TRANSFERS						
TRANS TO CAPITAL OUTLAY FUND	533,000	460,000		610,000		550,000
TRANS TO GOLF CLUB	140,469	113,633	24,500	60,000	41	60,000
TRANSFER TO CONCRETE PROJECTS	15,000	15,000		15,000		
TRANS TO STORM WATER FUND						
TRANS TO FIRE RELIEF FUND	52,979	54,076	50,149	50,000	100	40,000
TRANS TO OTHER FUNDS	27,797	43,451				
TRANS TO CIVIC CENTER BOARD	32,708	37,500	31,250	37,500	83	35,000
TOTAL GENERAL FUND EXPENDITURES	3,796,222	3,792,680	2,523,568	3,843,565	66	3,826,120
TOTAL REVENUES LESS EXPENDITURES	66,822	(64,685)	(187,219)	(137,960)	136	

CITY OF BENSON
BUDGET PROPOSAL
2018 BUDGET PROPOSAL

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 YTD	2017 BUDGET	PCT. BUDGET	PROPOSED 2018 BUDGET
LIBRARY FUND						
TAXES	109,579	112,159	62,845	113,778	55	109,521
INTEREST EARNINGS						
RENTALS						
DONATIONS	1,831	707	410			
BUILDING DONATIONS						
SALE OF PROPERTY						
REFUNDS & REIMBURSEMENTS	2,449	2,516	2,336	2,000	117	2,000
TRANSFER FROM GENERAL FUND						
TRANSFER FROM OTHER FUNDS	311	325		400		400
TOTAL LIBRARY FUND REVENUES	114,170	115,706	65,591	116,178	56	111,921
EXPENDITURES						
OFFICE & OPERATING SUPPLIES	3,299	2,787	2,264	5,000	45	3,340
EQUIPMENT REPAIRS						
BUILDING MAINTENANCE & SUPPL	4,130	7,173	3,295	6,000	55	3,000
BUILDING REPAIRS CONTRACTED						
MANAGEMENT FEES-PIONEERLAND	79,410	81,792	86,428	83,428	104	85,931
CONTRACTED SERV - CLEANING	4,345	5,135	3,950	5,000	79	5,400
TELEPHONE	924	952	798	1,000	80	1,000
TRAVEL	110	404	(174)	750	(23)	450
INSURANCE	4,400	4,186	3,741	4,500	83	4,500
UTILITIES	2,526	2,570	3,043	5,000	61	2,800
HEATING COST	2,346	2,477	2,312	2,500	92	2,500
CAPITAL OUTLAY						
CAPITAL OUTLAY - BOOKS	4,119	3,000		3,000		3,000
TOTAL LIBRARY FUND EXPENDITURES	105,610	110,476	105,657	116,178	91	111,921
TOTAL REVENUES LESS EXPENDITURES	8,560	5,231	(40,067)			

**RESOLUTION TO APPROVE TRANSFER FROM LIBRARY ENDOWMENT FUND
(RESOLUTION NO. 2017-)**

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

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

WHEREAS, the fund has earned \$326.98 in interest during 2017, and

WHEREAS, the City Council has budgeted to transfer interest earnings in an amount up to \$400.00.

NOW, THEREFORE BE IT RESOLVED that the \$326.00 interest earned be transferred from the Library Endowment Fund to the operating Library Fund to help cover the costs of capital equipment.

**RESOLUTION TO APPROVE BUDGETED TRANSFERS
(RESOLUTION NO. 2017-)**

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

WHEREAS, the City Council has determined that it is prudent to make transfers in 2017 in order to fund certain projects or programs.

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

	Budgeted	Transferred
From Cemetery Perpetual Care to General Fund	1,650	1,516
From General Fund to Concrete Projects Fund	15,000	15,000
TOTAL	16,650	16,516

**RESOLUTION TRANSFERRING 25% OF THE NET PROFIT
OF THE UTILITY FUND TO THE GENERAL FUND
(RESOLUTION NO. 2017-)**

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

WHEREAS, the City Council has adopted a ten year Capital Improvements Program as part of its 2017 Budget, and

WHEREAS, the City Council as part of its 2017 General Budget included a transfer of 25% of the net profit of the Utility Fund be transferred to the General Fund.

NOW, THEREFORE BE IT RESOLVED that the City Council transfers \$70,907 from the Utility Fund to the General Fund.

**RESOLUTION TRANSFERRING AMOUNT DESIGNATED FOR FUTURE
CAPITAL OUTLAY TO THE GENERAL CAPITAL OUTLAY FUND
(RESOLUTION NO. 2017-)**

WHEREAS, the Benson City Council has established a fund known as the General Capital Outlay Fund, and

WHEREAS, the Council desires to track all capital outlay purchases for the General Fund through this fund, and

WHEREAS, there are monies appropriated in the General Fund 2017 Budget for this purpose.

NOW, THEREFORE, BE IT RESOLVED that the following amounts be transferred from the General Fund Appropriated Fund Balance to the General Capital Outlay Fund for:

City Hall	40,000
Police Department	57,000
Fire Department	(50,000)
Street Department	276,000
Park	267,000
Armory	20,000
TOTAL	\$610,000

**RESOLUTION TRANSFERRING \$6,112 FROM THE EDA FUND AND \$12,403 FROM THE
REVOLVING LOAN FUND TO THE GENERAL FUND
(RESOLUTION NO. 2017-)**

WHEREAS, the City of Benson is active in economic development, and

WHEREAS, the Economic Development Authority makes loans to local businesses in order to create jobs, and

WHEREAS, these loans are administered by personnel within the General Fund, and

WHEREAS, a 1% management fee on the beginning asset balance of these Funds is a reasonable fee to charge for this administration.

NOW, THEREFORE BE IT RESOLVED that the City Council authorized the transfer of \$6,112 from the EDA Fund and \$12,403 from the Revolving Loan Fund to the General Fund.