

**Special City Council Meeting Agenda
City Council Chambers - Telephonically
March 30, 2020**

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.

Call-in Information

+1 773-917-7786 United States, Chicago (Toll)
Conference ID: 863 906 50#

1. 5:30 p.m. Call the Meeting to Order (Mayor)
2. Joint Meeting of the City Council, Swift County Commissioners & SCBHS Board
 - Consider Re-financing Options for Swift County-Benson Health Services
3. Pledge of Allegiance
4. Approval of Agenda
 - Additions?** **None** 1. _____ 2. _____
 - Any Consent Agenda items to be moved to a regular agenda item?
 - Approval of Agenda ____ as Presented or ____ Revised **Action Requested**
5. Persons With Unscheduled Business to Come Before the Council
6. UMVRDC Contract-Federal EDA Grant Application “WWTF Flood Structure” **Action Requested**
7. Pay Request – Performance Kennels Inc. – K-9 - \$15,395.00 **Action Requested**
8. KHC Construction Pay Request #4 – WWTF Filter work - \$74,080.26 **Action Requested**
9. Consider Quote for Police PPE – SCBA - \$12,360.88 **Action Requested**
10. Adjourn: Mayor **Action Requested**

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.

County – Hospital Refinancing Options

- Discussion Points:
 - Hospital Restructure – What does this look like?
 - Transferring ROI Assets - would be needed if certain options are acted upon
 - Understanding the liability for the County
 - Reviewing and discuss the finance options below
 - Northland Securities provides Bond Market update
 - Joint Meeting with City and Hospital on Monday, March 30th at 5:30 p.m.

Hospital District and ROI Restructuring Discussion

- If ROI is dissolved into the Hospital District, the ROI assets would then fall under the Hospital District
- As of today, the District is not a 501C3 organization that could acquire ROI assets, per the current ROI's bylaws
- The current ROI bylaws, upon dissolution the assets must transfer to another 501C3, this is one change that will need to be addressed to allow City/County funding
- Hospital District is a sole member of ROI – the Hospital District only controls the operations, not the buildings
- If the intent is to include ROI assets in the Hospital District, before this is done, Bremer Bank needs to provide their approval

Assessment: Debt Restructure Options

	Option 1	Option 2*	Option 3*
2013 Bonds	Do nothing	Issue Tax Exempt Bonds supported with GO Pledge	Issue Tax Exempt Bonds supported with GO Pledge
Bremer/USDA Loan	Do nothing	Issue Tax Exempt Bonds supported with GO Pledge	Issue Taxable Bonds supported with GO Pledge
Capital Contribution	\$1,000,000 (City)	\$1,000,000 (City)	\$1,000,000 (City)
ROI Status	Unchanged	Incorporated into Hospital District	Incorporated into Hospital District
Hospital Savings <i>(depending on market)</i>	\$0	\$5.0M	\$4.4M
County Debt			
Direct Loan	\$1.3M	\$1.3M	\$1.3M
GO Pledge Outstanding	\$4.8M	\$14.4M	\$14.4M
USDA Fee	\$140,000	\$0	\$0
Prepayment Penalty	\$0	\$220,000	\$220,000

**These two options were discussed at the March 2 Joint Meeting*

Assessment: Debt Restructure Options

	Option 4	Option 5
2013 Bonds	City issues a loan to the Hospital District which is used to pay off bonds	City issues a loan to the Hospital District which is used to pay off bonds
Bremer/USDA Loan	Issue Tax Exempt Bonds supported with GO Pledge	Issue Tax Exempt Bonds supported with GO Pledge for \$5M. Bremer refinances the remaining balance at a reduce rate
Capital Contribution	\$1,000,000 (City)	\$1,000,000 (City)
ROI Status	Incorporated into Hospital District	Incorporated into Hospital District
Hospital Savings <i>(depending on market)</i>	\$5.0M	\$4.6M
County Debt		
Direct Loan	\$1.3M	\$1.3M
GO Pledge Outstanding	\$12.5M	\$9.8M
USDA Fee	\$0	\$0
Prepayment Penalty	\$220,000	\$150,000



Questions?

RESOLUTION #2020-3

WHEREAS, at its Special Meeting held on March 2, 2020, the Swift County – Benson Hospital Board passed a resolution approving a debt restructuring plan and directing that it be sent to the Benson City Council and the Swift County Board with a request that the plan be considered and approved; and,

WHEREAS, the Benson City Council and Swift County Board have reviewed the debt restructuring plan but have deferred any vote thereon until March 30, 2020; and,

WHEREAS, after further study and further input from the finance committee it is the opinion of the board that a more acceptable debt restructuring plan has been developed which consists of the following components and is the option best suited to complete the process:

1. The Bremer Bank loan with a current balance of \$648,000.00 and the Bremer Bank/USDA guaranteed loan with a current balance of \$6,704,000.00 will be refinanced through the issuance of tax-exempt bonds with the G.O. backing of Swift County.
2. The 2007 bonds refinanced in 2014 with a current balance of \$4,820,000.00 and the outstanding debts to the Robert Sonsteng Foundation in the amount of \$750,000.00, REED in the amount of \$972,678.00 and Swift County in the amount of \$1,373,222.00 will remain in place and repaid according to their respective terms.
3. The 2013 bonds with a current balance of \$260,000.00 (tax-exempt) and \$1,625,000.00 (taxable) will be repaid using funds loaned to the Hospital District by the City of Benson
4. The City of Benson will pledge approximately \$1,000,000.00 toward the cost of capital improvements to the hospital facility including, roof repairs and upgrades, air handlers, control system upgrades and boiler replacement, over a period of two (2) years.

and,

WHEREAS, the Swift County - Benson Hospital has the power to restructure its existing debt only with the approval of the Benson City Council and of the Swift County Board; and,

WHEREAS, a necessary component of the debt restructuring plan is the willingness of the Swift County Board to provide the county's GO backing for the bonds to be sold and the willingness of the City of Benson to provide funds for the payoff of the 2013 bonds and to fund certain capital improvements to the facility to be made by the hospital over a period of two years in the approximate amount of \$1,000,000.00.

NOW THEREFORE IT IS HEREBY RESOLVED

1. That the Resolution of the board, which was passed on March 2, 2020, approving the debt restructure plan as presented to the board and requesting that the Swift County Board and passed on March 2, 2020 review and approve the plan is hereby rescinded.

2. That the revised debt restructuring plan presented to the board on March 26, 2020 and described above is hereby approved.

3. That notice be given to the Benson City Council and the Swift County Board advising them of the above actions and requesting that the revised debt restructuring plan be considered and approved by the Benson City Council and by the Swift County Board at the joint meeting scheduled for March 30, 2020.

Patty Schreck, SCBHS Board Chair

Date



Upper Minnesota Valley
REGIONAL DEVELOPMENT COMMISSION
Helping Communities Prosper

323 W. Schlieman Ave. Appleton, MN 56208 320.289.1981 www.umvrdc.org

CONTRACT FOR PROFESSIONAL SERVICES
UPPER MINNESOTA VALLEY REGIONAL DEVELOPMENT COMMISSION
and the
CITY of BENSON
FY20-18

This Contract for Services, made this _____ day of _____, 2020, is by and between the CITY OF BENSON, MINNESOTA, hereinafter referred to as the CITY, and the UPPER MINNESOTA VALLEY REGIONAL DEVELOPMENT COMMISSION, hereinafter referred to as the UMRDC.

The purpose of this Contract is to provide a mutual understanding concerning the services to be rendered to the CITY by the UMRDC.

SECTION I. DESCRIPTION OF UMRDC SERVICES

The UMRDC hereby agrees to:

- A. Prepare and author a grant application to the Department of Commerce Federal EDA FY 2019 EDA Disaster Supplemental Notice of Funding Opportunity (NOFO) (Disaster Supplemental NOFO)
- B. Coordination of Application Contents
 1. CITY staff/council to define project scope of work, including all relevant design and construction cost estimates in accordance with program-defined disaster recovery and resilience efforts.
 2. Coordinate required information with Federal EDA District Point of Contact (POC)
- C. Complete and submit the EDA application via Grants.Gov in accordance with the Notice of Federal Funding Opportunity (NOFO)

SECTION II. DESCRIPTION OF CITY'S RESPONSIBILITIES

The CITY agrees to:

Appoint a primary contact for this project;

Name:

Email
Phone:

Provide the UMRDC with specific information, plans, resolutions and documents as needed to complete the UMRDC's services including, but not limited to:

Schedule, conduct, mail and print information for CITY public hearings/meetings as required and assure that all publication and notification requirements are met;

Pay for all cost related to public hearings and corresponding publications and notifications;

Be the party responsible for updating and maintaining all work completed under this Contract.

Compensate the UMRDC in accordance with Section IV of this Contract.

Utilize the UMRDC as the grants administrator under a separate contract if funds are awarded.

SECTION III. CONTRACT PERIOD

This Contract is effective from March 16th, 2020 to June 30th, 2020.

If funds are awarded, the UMRDC will be the general grants administrator for the duration of the grant disbursement without the need to amend the date of this Contract. Administration will continue under a separate contract.

The time period for this Contract may be amended upon request and signed approval by both the UMRDC and CITY.

SECTION IV. COMPENSATION FOR SERVICES

The UMRDC shall be compensated for services provided in Section I of this Contract.

The CITY agrees to pay the UMRDC the amount of \$10,560

Compensation for services paid by the CITY will be provided as follows:

1. Half (\$5,280) will be required up front upon the signing of this contract and half (\$5,280) will be due upon the submission of the EDA grant application.

The UMRDC will provide the CITY with an invoice indicating services provided and the total amount due.

In the event the service described in Section I is expected to exceed the time estimate provided, or the CITY requests additional service from that described in Section I, and

such services are to be completed by the UMRDC, the UMRDC shall be entitled to additional compensation as agreed to by both the UMRDC and CITY. This Contract shall be amended or a new contract shall be created to reflect additional services and compensation.

SECTION V. GENERAL PROVISIONS

Changes in UMRDC Services

In the event the CITY requests additional service from that described in Section I, and such services are to be completed by the UMRDC, the UMRDC shall be entitled to additional compensation as agreed to by both the UMRDC and CITY. This Contract shall be amended or a new contract shall be created to reflect additional services and compensation.

Hold Harmless

The CITY agrees to defend, indemnify and hold UMRDC, its employees and officials harmless from any claims, demands, actions or causes of action, including reasonable attorney fees and expenses arising out of any act or omission on the part of the CITY, or its subcontractors, partners or independent contractors or any of their agents or employees in the performance of or with relation to any of the work or services to be performed or furnished by the vendor or the subcontractors, partners or independent contractors or any of their agents or employees under the agreement,

Termination

This agreement may be terminated by either the UMRDC or CITY upon fourteen (14) days prior written notice.

In the event of termination, the CITY shall be obligated to the UMRDC for payment of amounts due and owing including payment for services performed or furnished to the date of termination, computed in accordance with Section IV of this Contract agreement.

Severability

Any provision or part of this Contract identified by either party as unenforceable under any law or regulation shall be considered stricken, but all remaining provisions shall continue to be valid and binding upon the UMRDC and CITY. The Contract shall be revised to replace such stricken provision with a valid and enforceable provision that comes as close as possible to expressing the intentions of the stricken provision.

SECTION VI. ACCEPTANCE

The UMVRDC and CITY hereby accept this Contract for professional services. The parties hereto have caused this Contract to be duly executed.

EXECUTIVE DIRECTOR
Upper Minnesota Valley
Regional Development Commission

Authorized Official

Title: _____

Date: _____

Date: _____

Date of UMVRDC Board Approval

Authorized Official

Title: _____

Date: _____

101-42100-215

Invoice

Performance Kennels Inc.
 5455 Edmonson Av. N.E.
 Buffalo, MN 55313
 FEDERAL I.D. # 41-1959893
 email: performancekennels@gmail.com

Bill To
Benson Police Department 2110 Hall Ave. Benson, MN 56215

Date	Invoice No.	P.O. Number	Terms	Project
02/27/20	3037		Due on receipt	

Item	Description	Quantity	Rate	Amount
Patrol dog	Imported green GSD or GSD / Malinois cross Bak #6391	1	9,500.00	9,500.00
Combined detector/patrol course	12 week basic detection and patrol dog and handler course	1	5,500.00	5,500.00
Starter kit - Patrol	Dual purpose K-9 starter kit. 4mm choke collar, patrol lead, obedience lead, detector lead, tracking lead, hidden sleeve, XL crate, 2 European style balls on rope, 1 bag Nutrisource dog food	1	395.00	395.00
Upon delivery of the above property, all right, title, and interest in said property transfers to you			Subtotal	\$15,395.00
			Sales Tax (0.0%)	\$0.00
			Total	\$15,395.00

BENSON, MN WASTEWATER EFFLUENT FILTER REFURBISHMENT
 SCHEDULE OF VALUES

A	B	C	D	E	F	G	H	I	
WORK COMPLETED									
SECT. NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPS	THIS PERIOD	STORED MATERIAL	TOTAL COMPLETED & STORED	0%	BALANCE TO FINISH	RETAINAGE
	General Expenses 5 Mos	10,000	8,000	2,000		10,000	100%	0	250
	Admin OH 5 Mos	10,000	8,000	2,000		10,000	100%	0	250
	Bonds & Insurance	6,833	6,833			6,833	100%	0	171
024119	Selective Demolition								0
	Labor	37,500	37,500			37,500	100%	0	938
033010	Cast-In-Place Concrete								0
	Materials	7,500	7,500			7,500	100%	0	188
	Labor	25,000	25,000			25,000	100%	0	625
055000	Steel Filter Repairs								0
	Materials	1,500	1,500			1,500	100%	0	38
	Labor	3,000	3,000			3,000	100%	0	75
099100	Painting								0
	Subcontractor	49,000	48,510	490		49,000	100%	0	1,225
260505	Basic Electrical Materials & Methods								0
	Subcontractor	1,246	1,246			1,246	100%	0	31
260519	Low Voltage Electrical Power Conductors								0
	Subcontractor	4,164		4,164		4,164	100%	0	104
260526	Grounding & Bonding for Electrical Sys								0
	Subcontractor	800		800		800	100%	0	20
260533	Raceways & Boxes for Electrical Systems								0
	Subcontractor	5,318	3,909	1,409		5,318	100%	0	133
260800	Commission of Electrical Systems								0
	Subcontractor	3,000		3,000		3,000	100%	0	75
329200	Turf & Grasses								0
	Subcontractor	500				0	0%	500	0
400510	Process Piping								0
	Materials	7,500		7,500		7,500	100%	0	188
	Labor	15,000		15,000		15,000	100%	0	375
409514	Supervisory Control System								0
	Subcontractor	14,062		14,062		14,062	100%	0	352
444313	Filter Refurbishment-Materials By Owner								0
	Materials	2,000	2,000			2,000	100%	0	50
	Subcontractor	5,000	5,000			5,000	100%	0	125
	Labor	78,077	58,562	19,515		78,077	100%	0	1,952
	ALLOWANCE	10,000				0	0%	10,000	0
	CHANGE ORDER #1-TIME EXTENSION	0		0		0	#####	0	0
	CHANGE ORDER #2-4-14" 90 Degree Bends & SS Hardware in lieu of Zinc	5,359		5,359		5,359	100%	0	134
	TOTAL THROUGH THIS PAGE	302,358.73	216,559.81	75,298.73	0.00	291,858.54	97%	10,500.19	7,296.46

EMERGENCY RESPONSE SOLUTIONS

4817 Viking Blvd NE
 East Bethel, MN 55092
 651-464-1010

Quote

Date	Estimate #
3/24/2020	5022

Name / Address
City of Benson C/O Benson Fire Dept. 1410 Kansas Avenue Benson, MN 56215 ATTN: Jeff Reuss

Project

Item	Description	Qty	Rate	Total
	MSA G1 SCBA INFORMATION AND PRICING:			
MSA G1FS-422M...	MSA G1 Global SCBA: 4500 PSIG, CGA Threaded Remote Connection, Standard Harness with Chest Strap, Metal Cylinder Band, Standard Lumbar Pad, Solid Cover Left Shoulder, Continuous Hose Regulator, No Emergency Breathing Support, Left Chest Voice Amp Speaker Module, Right Shoulder PASS w/ Standard Control Module, Alkaline Battery Type	2	4,851.38	9,702.76
MSA 10156424-SP	G1 Cylinder Assembly, CGA Threaded Remote Connection, 4500 psig, 45min, Low Profile Super Lite Cylinder	2	1,028.26	2,056.52
MSA 10161810	Fepc, G1, FS, MD, MD NC, 4PT C-HARN,C-NS	2	300.80	601.60
	IF THIS ESTIMATE IS PURCHASED IN FULL, THE ORDER WILL QUALIFY FOR FREE FREIGHT- OTHERWISE STANDARD SHIPPING RATES APPLY PER ITEM			

Quote Valid for 30 Days	Total	\$12,360.88
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