

**City Council Meeting  
Benson City Hall  
July 6, 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.

The Council Meeting is at City Hall. Limited seating available. Masks recommended, not required.  
**Please use the FCC App on your device. (Activate video)**

**Call-in Information**

Dial In: 1-425-436-6384

Access Code: 457987#

Page

- |       |     |   |                         |
|-------|-----|---|-------------------------|
|       | 1.  | 5:30 p.m. Call the Meeting to Order (Mayor)                                     |                         |
|       | 2.  | Pledge of Allegiance  |                         |
|       | 3.  | Approval of Agenda  |                         |
|       |     | <b>Additions?</b> <input type="checkbox"/> None <b>1.</b> _____ <b>2.</b> _____ |                         |
|       |     | Any Consent Agenda items to be moved to a regular agenda item?                  |                         |
|       |     | Approval of Agenda ____ as Presented or ____ Revised                            | <b>Action Requested</b> |
|       | 4.  | Consent Agenda:   |                         |
|       |     | a. Minutes:   |                         |
| 3-6   |     | ▪ 6.15.2020 City Council Meeting  |                         |
| 7-9   |     | ▪ 5.18.2020 EDA Meeting   |                         |
| 10    |     | ▪ 5.26.2020 Special EDA Meeting   |                         |
| 11    |     | ▪ 6.30.2020 Safety Committee Meeting  |                         |
|       |     | b. Correspondence:  |                         |
| 12-14 |     | ▪ MN State Demographer Population Estimate for Benson                           |                         |
| 15-16 |     | ▪ League of Minnesota Dues Memo   |                         |
| 17    |     | ▪ Board of Appeal & Equalization Training                                       |                         |
|       |     | c. Application:   |                         |
| 18-19 |     | ▪ Gambling Permit Benson Golf Club Foundation – September 15, 2020              |                         |
|       | 5.  | Persons With Unscheduled Business to Come Before the Council                    |                         |
| 20    | 6.  | Shamrock Hest Riding Club Alcohol Permit – July 17, 2020                        | <b>Action Requested</b> |
| 21    | 7.  | Department of Public Safety Thank-you   | Information Only        |
|       | 8.  | Update on Blight at 406 – 12 <sup>th</sup> St. S.                               | Information Only        |
| 22    | 9.  | Federal Home Loan Grant   | Information Only        |
|       | 10. | Rob’s Motel Update  | Information Only        |
| 23-53 | 11. | Federal CARES Act – Local Government Grant                                      | Information Only        |
| 54-56 | 12. | SCBH Inter-Creditor Agreement   | <b>Action Requested</b> |
| 57-58 | 13. | Southwest Initiative Foundation Donation Request                                | <b>Action Requested</b> |

14. Pay Requests:
- 59-60           ▪ #4-MN Mechanical-Water Plant Chlorine Damage Repairs-\$169,405.90
  - 61-62           ▪ #5-MN Mechanical-Water Plant Chlorine Damage Repairs-\$9,500.00
  - 63-64           ▪ Stantec Chlorine Damage Remediation - \$10,082.29

15. 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.

**DRAFT**

**MINUTES - BENSON CITY COUNCIL MEETING  
CITY HALL  
JUNE 15, 2020**

The meeting was called to order at 5:30 p.m. by Mayor Collins. Members present: Jack Evenson, Terri Collins, Mark Schreck, Jon Buyck & Lucas Olson. Members Absent: None. Also present: City Manager Rob Wolfington, Director of Finance Glen Pederson, Public Works Director Dan Gens, City Attorney Ben Wilcox, Roxy Lewis (telephonically), Katie Foley, Shelly Virgin, Shelly Mikkelson, Juan Reyes, Lorena Fietek and Milrela Reyes.

The Council recited the Pledge of Allegiance.

The Mayor asked for any changes to the agenda. There was one addition which was Benson water supply. It was moved by Evenson, seconded by Schreck and carried unanimously to approve the amended agenda.

It was moved by Schreck, seconded by Evenson and carried unanimously to approve the following items on the consent agenda:

- June 1, 2020 City Council Minutes
- Minnesota Governor Walz Executive Order #20-74
- Electronic Transfers:
  - Payroll: \$122,542.34 – June 4, 2020
  - Journal: \$4,281,216.86 – May 2020

The Mayor called for anyone with unscheduled business and there was none.

The Mayor called the Public Hearing to order at 5:30 p.m. The purpose of the meeting today is to determine if a public nuisance and zoning violation exists at a residence located at 406 – 12<sup>th</sup> Street South. Police Sergeant Paul Larson presented photos of the property showing a total of 7 cars in the yard and driveway. He stated some have collector plates on them, and upon talking to homeowner Mr. Reyes, he is in the process of licensing another. He went on to say there doesn't appear to be any missing hoods or cracked windshields. Wilcox said the purpose of today's Public Hearing is to determine under Title IV, Chapter 95 of the City Ordinance "Abandoned and Other Nuisance Vehicles" if the nuisance does exist on the property. Mr. Reyes said he has been hospitalized for a few weeks and is now living with his daughter. Milrela Reyes, his daughter, addressed the Council and stated these cars are his hobby, which he is planning to give a car to each of his children, and isn't running a business at his residence. Reyes other daughter Fitek said they have removed some vehicles and will get them taken care of and off the property, but it is taking time as they work and are doing this alone. After discussion, the Council was in agreement a nuisance exists, but a zoning violation does not as described, Mr. Reyes is fixing up the vehicles. The Council gave Mr. Reyes 2 weeks to come into compliance, when at this time Sergeant Larson will come back to the property to inspect. M. Reyes asked for two officers to come back. Sergeant Larson said Police Chief Hodge will accompany him for the inspection. The Mayor closed the public hearing at 5:53 p.m. It was then moved by Evenson, seconded by Olson and carried unanimously to give Mr. Reyes until June 29, 2020 to come into compliance with all the vehicles in his yard.

Next Wilcox presented two agreements with the Bureau of Criminal Apprehension (BCA). The first is a subscriber agreement as a prosecuting Attorney for e-filing and the second is a Joint Powers Agreement between the BCA and the City Prosecuting Attorney and Benson Police Department stating terms of agreement to access the BCA's system, and outlining a monthly fee of \$50 per month for the use of the software. These agreements will be for 5 years. After discussion, Buyck offered the following resolution:

**RESOLUTION APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENTS  
WITH THE CITY OF BENSON ON BEHALF OF ITS CITY ATTORNEY AND POLICE  
DEPARTMENT  
(RESOLUTION NO. 2020-17)**

WHEREAS, the City of Benson on behalf of its Prosecuting Attorney and Police Department desires to enter into Joint Powers Agreements with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension to use systems and tools available over the State's criminal justice data communications network for which the City is eligible. The Joint Powers Agreements further provide the City with the ability to add, modify and delete connectivity, systems and tools over the five year life of the agreement and obligates the City to pay the costs for the network connection.

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

1. That the State of Minnesota Joint Powers Agreements by and between the State of Minnesota acting through its Department of Public Safety, Bureau of Criminal Apprehension and the City of Benson on behalf of its Prosecuting Attorney and Police Department, are hereby approved.
2. That the Police Chief, Ian Hodge, or his successor, is designated the Authorized Representative for the Police Department. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the City's connection to the systems and tools offered by the State.
3. That the Benson City Attorney, Ben Wilcox, or his successor, is designated the Authorized Representative for the Prosecuting Attorney. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the City's connection to the systems and tools offered by the State.
4. That Terri Collins, the Mayor for the City of Benson, and Glen Pederson, the City Clerk, are authorized to sign the State of Minnesota Joint Powers Agreements.

Councilmember Schreck seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Schreck, Collins, Buyck, Olson. NAYS: None. Thereupon the Mayor declared Resolution 2020-17 duly passed and adopted.

Next Wolfington presented the Appropriation Repayment Agreement to the Council with an amendment to remove some collateral language as previously discussed. It was moved by Buyck, seconded by Evenson and carried unanimously to approve the amended Appropriation Repayment Agreement with the Benson Hospital.

Gens said the next agenda item is a request to transfer Xcel Grant dollars to pay for the final wastewater filter expenses. Councilmember Evenson offered the following resolution:

**RESOLUTION AUTHORIZING TRANSFER OF XCEL ENERGY GRANT DOLLARS FOR  
ECONOMIC DEVELOPMENT PURPOSES  
(RESOLUTION 2020-18)**

**WHEREAS**, the City Council of the City of Benson, County of Swift, State of Minnesota, received grant dollars from Northern State Power (Xcel Energy) as part of the Benson Power LLC biomass plant closing, and;

**WHEREAS**, these grant dollars are limited in use for the purposes of economic development, and;

**WHEREAS**, the Council has determined that sanitary sewer collection and treatment improvements qualify as an economic development purpose, and;

**WHEREAS**, the 2019 Sanitary Sewer WWTP Filter project is an authorized use of grant dollars, and:

**WHEREAS**, the estimated cost of this project is \$600,000.

**NOW, THEREFORE, BE IT RESOLVED** that \$200,596.65 as itemized on the attached invoices to be transferred from the NSP Grant Fund to the Sewer Fund.

Councilmember Olson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Schreck, Collins, Buyck, Olson. NAYS: None. Thereupon the Mayor declared Resolution 2020-18 duly passed and adopted.

Next Vergin, Mikkelson and Foley approached the Council to discuss opening the swimming pool. Wolfington said City crews have been working tirelessly to get the pool up and running after Governor Walz Emergency order stating they can now open with stipulations. He discussed the flyer put together by Community Ed. He is proposing reducing family and individual pass prices by 25% since those purchasing a pass will not be able to get the full value out of the pass this year. Virgin said they are offering to sell the passes for the City on line through the Community Education registration site. She went on to say most families already have an account with them, and it will be easy for them to purchase their pool pass when they sign up for a summer recreation class. This will help to keep traffic down at City Hall and less contact at the pool as well. After discussion Councilmember Buyck offered the following resolution:

**RESOLUTION SETTING 2020 FAMILY POOL PASS FEES  
(RESOLUTION NO. 2020-19)**

WHEREAS, COVID-19 regulations have limited the operation of businesses including the Benson Swimming Pool,

AND, WHEREAS in accordance with Minnesota Governor Tim Walz Emergency Executive Order 20-74 allows outdoor pools to open to the general public in accordance with industry guidance,

AND WHEREAS, the Benson Pool will not be open for the full summer season, families will not get the full value out of their family pool passes,

NOW, THEREFORE, BE IT RESOLVED that family passes will be reduced only for the 2020 swimming season as follows: Residential Family Pass will be \$108.75, Residential Individual Pass will be \$78.75, Non-Residential Family Pass will be \$135.00 and Individual Non-Residential Passes will be \$97.50. All other fees will remain the same.

Councilmember Schreck seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Schreck, Collins, Buyck, Olson. NAYS: None. Thereupon the Mayor declared Resolution 2020-19 duly passed and adopted.

Next Gens asked for permission to bring some old equipment to auction. The first piece of equipment is a 1984 dump truck with a plow and other attachments. It was moved by Schreck, seconded by Buyck and carried unanimously to bring the 1984 dump truck and attachments to auction. Next was the John Deere tractor used at the airport. It was moved by Olson, seconded by Schreck and carried unanimously to approve selling the old John Deere Tractor at auction as well.

Wolfington discussed Chapter 119: Sidewalk Cafes of the City of Benson Ordinances. He said originally the ordinance had an expiration date built into it so if the sidewalk cafes didn't flourish, then there would no longer be a need for this ordinance. However, it has been used by different eating

establishments over time, and he said he would like to remove “§ 119.10 Expiration Date “from this chapter. After discussion, it was moved by Evenson, seconded by Schreck and carried unanimously to approve the Reading of a Revision to Chapter 119: Sidewalk Cafes.

Next Wolfington reviewed the 2020-2021 budget assumptions. He said we usually have a certificate from the State on expected Local Government Aid payment to us, but we still do not have this. He went on to say he feels the State may be in financial trouble and discussed possible scenarios and strategies with aid and budgets. He talked about the City’s budget and proposed a 0% increase for 2021.

It was moved by Evenson, seconded by Schreck and carried unanimously to approve the bills and warrants in the amount of \$884,202.59.

Next Wolfington said with the ongoing construction at the water plant, and the dry weather, the plant is experiencing difficulties keeping the water tower full. Last weekend, there was a fire call in the country and keeping up with water demand was difficult. Crews noted that the aquafer is down 5’. We are currently needing to back wash the filters twice a day which uses a lot of water. Wolfington went on to say he would like to ask for voluntary water conservation out of the residents rather than put a watering ban on. He wants to run ads in the paper, on the radio and on social media. Wolfington then requested a Utility Board meeting to discuss the possible expansion of the water plant.

There being no further business to come before the Council a motion was made by Evenson, seconded by Schreck and carried unanimously to adjourn the Council meeting at 6:47 p.m.

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Mayor

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City Clerk

**EDA MEETING  
MAY 18, 2020  
12:15 P.M.  
TELEPHONICALLY**

**Members Present:** Laura Ostlie, Rob Wolfington, Sheryl Madden, Dave Martin, Jack Evenson, Mark Schreck, Dan Enderson, Pat Hawley and Stephanie Heinzig.

**Members Absent:** None

**Also Present:** Kirk Bustrom Upper Minnesota Valley Rural Development Commission (UMVRDC), Ben Wilcox City Attorney, Terry Timmerman and Brian Samuelson.

All members are present telephonically, except Wolfington who is running the meeting at City Hall.

Chairman Evenson called the meeting to order at 12:03 p.m.

Chairman Evenson called on Ostlie to give a synopsis of a loan subordination to Terry Timmerman's EDA loan Image Xperts. She said she was notified by the Glenwood State Bank Timmerman was interested in refinancing his loans with the low interest rates right now, and they presented a subordination of the EDA loan with Timmerman. Timmerman said he was looking for more money to start an ice cream & bbq sandwich shop in his building on 14<sup>th</sup> St. N. & Atlantic Avenue and call it "Just Chillin'". He said this business would be run better than the last one he had in there. He feels it would benefit the community and claims he has good feedback from the public on this. He is looking to take out an additional \$40-50,000 with Glenwood State Bank for refurbishing the building and addressing electrical and plumbing in the apartments he has created. He then asked the EDA to subordinate the loan so he can move forward with financing. Ostlie said his loan was taken out in 2017, for \$25,000 at 4% interest. The balance of the loan is currently \$19,941.96. By subordination of his loan with the EDA, Glenwood State Bank will move into first position on the loan, and the EDA will have a shared second position with the UMVRDC. Schreck asked if Timmerman had any other loans out. Timmerman said his loan at First Security would be paid off by the Glenwood State Bank loan. Schreck asked what the current value of the building is, to which Timmerman replied it was valued at \$135,000 and currently is valued at \$200,000 because of the updates he has made to the building. After discussion, it was moved by Schreck, seconded by Madden to approve the subordination request. Hawley asked what his total bank loan would be. Timmerman said \$110,000. Chairman Evenson called for votes: AYES: Madden, Martin, Evenson, Schreck, Enderson, Hawley, Heinzig. NAYES: None. The motion passed.

It was moved by Madden, seconded by Heinzig and carried unanimously to approve the April 13, 2020 EDA Meeting minutes. The following vote was taken: AYES: Madden, Martin, Evenson, Schreck, Enderson, Hawley, Heinzig. NAYES: None. The motion passed.

**Economic Development Updates**

Wolfington started with Stony Ridge Foods (SRF). They completed the purchase of the land last Friday. They plan on a June 15, 2020 closing on their loan.

North American Fertilizer (NFA) is adding a pelletizing aspect to their business. The City has an electrical upgrade planned for this process.

Wolfington said there has been an EDA proposal brought to his attention. REI from Redwood Falls is looking to expand their business. They are looking at the SpecSys building for electronic manufacturing. Wolfington talked to Kevin Wald about the project. Wolfington said two other communities are interested in their business as well.

### **School House Partnership with School**

Wolfington discussed the High School builds a trades house which is sold by auction and then moved, often times out of town. He went on to say he and School Superintendent Laumeier have discussed for years how to make this house happen on a city owned lot. Added to the cost of the house, there will be additional costs for moving, digging a basement, utilities, possible driveway and garage, furnace and finishing. The Planning Commission felt it is not a good fit for the City of Benson and questioned the fiscal fairness, who would act as the general contractor? He asked for input for the Council. Hawley asked why not build directly on the lot? Evenson said logistics and insurance for the kids is an issue. Wolfington said the lot the City owns they are looking at is east of Northside School. Madden asked what are the other costs? Wolfington said the total cost for the finished product would be somewhere around \$150,000-\$170,000. Hawley, Heinzig and Madden saw it as exceeding the cost for that house and not a good option for the City. Samuelson spoke up and said they do not build on site as there is transportation, liability and time constraints as well as hauling tools every day. After discussion it was moved by Madden to not move forward with this project at this time. The motion was second by Heinzig. The following vote was taken: AYES: Schreck, Hawley, Heinzig, Madden, Enderson and Martin. NAYES: None. The motion passed.

### **Review of Business Assistance Program-UMVRDC**

Wolfington said the City has contracted with Kirk Bustron with the UMVRDC to help businesses with COVID-19 relief programs. Bustron said he has gotten through the business outreach list, and will be reaching out to 15 more businesses to talk to and follow-up with. He said most businesses are finding ways to get by with resources, but it is a matter of time before they will no longer be able to sustain, but so far so good.

### **Rob's Motel Land Purchase**

Wolfington said the Council approved purchasing the Rob's motel property for \$1 from the owner. He said there is a lot of asbestos in the building that will need to be remediated. The original estimate for this was \$70,000. However our own assessment estimates it will cost \$25,000 for asbestos removal. On top of that cost to clean up and demolish the buildings will run \$25,000-\$30,000. The property will hopefully be used as a business, but until then will appear to be an extension of Ambush Park.

### **Sylte Land Purchase & Lease**

The City of Benson purchased 120 acres from the Sylte family. 107 Acres are tillable the rest grove. Total cost for the land was \$360,000 paid with Xcel dollars. There is an annexation agreement with Torning Township that was drawn up in 2017 on this land, and amending the agreement was discussed. Goff Farms is currently renting the land, and the rental agreement is for one year at a time. This will be a long term investment that will hopefully bring business development.

### **Xcel Quarterly Budget Report**

Wolfington said the Xcel Grant is to be paid in annual installments over 4 years. We will receive payment in lieu of taxes in November 2020 and November of 2021. These payments will be put in the General Fund Reserves. Other monies are put into Economic Development Funds. He went on to say the next big expense out of the Xcel money is the Hospital 2013 Bond refinance and the \$1 million capital contribution.

### **CVEC Update**

As a matter of information, Wolfington presented a letter from CVEC stating their production of ethanol has slowed to 50% deliveries. But being a diverse plant, they are able to produce more alcohol for cleaning.

**Stony Ridge Foods Loan Update**

Ostlie said last week she was contacted by MinWest Bank the loaner stating they will be able to utilize the SBA for SRF and take advantage of lower interest rates on their original loan of \$100,000. The EDA has a shared 2<sup>nd</sup> position with the UMRDC, on a 10 year loan at a 4% interest rate. With the change in the loan, MinWest Bank must take a 1<sup>st</sup> position on equipment. This will change the EDA's shared position with UMRDC. After discussion It was agreed the Loan Committee should meet. It was moved by Schreck, seconded by Hawley to have a loan committee later this week, and a special EDA meeting on Tuesday, May 26, 2020. The following vote was taken: AYES: Schreck, Hawley, Heinzig, Madden, Enderson and Martin. NAYES: None. The motion passed. Madden, Enderson and Heinzig are the loan committee, and Ostlie will coordinate with them for the meeting.

**Loan Profile**

There are no updates on the loan profile, other than the businesses that opted for deferral will have their June payment as the last deferral.

**Other Business**

Wednesday the Governor will reveal his business re-opening plan. 17 different industry sectors are being reviewed.

The former owner of Rob's Motel is also the owner of Motel I, and approached the Council to sell that property to the City for \$1. The practical difficulty with this property is tenant relocation.

There being no other business it was moved by Schreck, seconded by Madden and carried unanimously to adjourn the meeting at 12:52 p.m. The following vote was taken: AYES: Madden, Martin, Evenson, Hawley, Schreck, Heinzig and Enderson. NAYES: None. Motion passed.

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Chairman

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Secretary

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## Special EDA Meeting May 26, 2020

**Members Present:** Jack Evenson, Sheryl Madden, Dave Martin, Laura Ostlie, Rob Wolfington Pat Hawley, Mark Schreck and Stephanie Heinzig.

**Members Absent:** Dan Enderson.

**Also Present:** Laura Ostlie

Chairman Evenson called the meeting to order at 12:01 p.m.

Wolfington said the purpose of the meeting today is to discuss the loan committee's recommendation around the EDA's collateral position on the Stony Ridge Foods (SRF) loan to MinnWest Bank. Madden, Enderson and Heinzig were on the loan committee. Madden said the REED Program is discontinued, and now MinnWest Bank along with the Small Business Administration are able to bring a lower interest rate for SRF on their SBA loan. SRF is asking to change the position of the EDA loan from first to a shared 3<sup>rd</sup> position with UMRDC. After discussion, it was moved by Madden, seconded by Schreck to approve the position change on the \$100,000 EDA loan. The following vote was taken: AYES: Evenson, Madden, Martin, Ostlie, Hawley, Schreck, Heinzig. NAYES: None. The motion carried

There being no other business, Chairman Evenson declared the meeting adjourned.

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Chairman

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Secretary

# **Safety Committee Meeting**

## **Thursday, June 30, 2020**

### **8:15 AM**

**Members Present:** Kaleb Cannon, Taylor Wiebold, Rob Wolfington, Luke Johnson, Kevin Thompson, Dan Gens & Val Alsaker

**Members Absent:** Tom Lee, Ian Hodge

**Others Present:** Bruce Westergaard with MMUA, Sally Jones with the Benson Golf Course

#### **Old Business**

1. Check lists were turned in from Parks, Power Plant & Line Department with no noted issues. Water Department replaced tools at the pool and repaired 2 motors at the pool, Wastewater noted the eyewash station isn't repaired in the ferric building. There were no check lists from Streets, or Liquor Store.
2. Next the eye wash station was discussed in the ferric building. This was to be repaired by today's meeting. Luke said he would get it fixed by July 6, 2020 and report to Val when it was done.
3. In May, Bruce sent on line training videos for employees to complete since we were unable to meet because of COVID-19. Water, Wastewater and Line departments all completed these classes. Street Department needs to complete these videos. Links to them were emailed. When training is completed, they need to sign off and return the sheet to Val.

#### **New Business**

1. Val reviewed 3 incidents. One was a dump truck backing into a rock, and the other two were injuries from training the new K-9.
2. At the last Safety Committee meeting, it was decided to invite Sally Jones from the Golf Club to our next meeting to discuss chipper training for their employees. She came into the meeting and agreed on August 6, 2020 for Bruce to visit with her employees and have a training.
3. The next Safety Class will be August 6, 2020. The topic will be Lock-out Tag-out.

#### **Other Business**

There being no other business, the meeting was adjourned at 9:00 a.m.

300 Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155  
Telephone: 651-201-2473  
TTY: 651-297-4357



Robert Wolfington, Manager  
City of Benson  
1410 Kansas Ave  
Benson, MN 56215-1718

Dear Clerk:

The State Demographer is required by law to produce annual population and household estimates for each of Minnesota's cities and townships. Enclosed you will find a sheet containing the April 1, 2019, population and household estimates for your jurisdiction.

These estimates are being sent to you now for review and comment. It's important that our estimates are accurate, as they are used to distribute state aid to cities and townships. If you have questions about how our estimates impact a specific program, please contact the state agency responsible for that program.

The enclosed figures represent estimated population and household changes since the 2010 Census. The number of households corresponds to the number of occupied housing units. A household may be a single family, one person living alone, or any group of people who share the same living area. While we believe that our estimates are usually accurate, we realize there may be occasional problems. For this reason, we value your comments. We may not be aware of such changes as housing demolitions, the gain or loss of group quarters (like college dormitories, nursing homes, etc.), construction of public housing and the gain or loss of mobile homes.

Please note that our estimates:

- pertain to one year ago, not the present;
- have also been sent to your county auditor for review;
- are subject to change and are not considered final until they are released to the Minnesota Department of Revenue in July.

If you are satisfied with our estimates, it is not necessary to contact us or provide any further information. If you wish to challenge our estimates, please send us the appropriate data described in the enclosed challenge guide by **June 24, 2020**. Questions or comments should be directed to James Hibbs by email or at the address listed on the letterhead. **Since we are working away from the office during the pandemic, the best way to reach us is by e-mail at [local.estimatedata@state.mn.us](mailto:local.estimatedata@state.mn.us).** You may also try to reach us by phone at (651) 201-2473. You will be asked to leave a message on our voice mail system.

Thank you for taking time to review these estimates.

Sincerely,

A handwritten signature in black ink, appearing to read 'Susan Brower', with a long horizontal flourish extending to the right.

Susan Brower  
State Demographer

Enclosures

**DATE:** June 1, 2020  
**TO:** Robert Wolfington, Manager  
City of Benson  
**FROM:** **Susan Brower**  
Minnesota State Demographer  
**SUBJECT:** 2019 Population and Household Estimates

Your April 1, 2019 population estimate is 3,158.

Your April 1, 2019 household estimate is 1,466.

If you have any questions or comments about these estimates, please contact the State Demographic Center, 300 Centennial Office Building, 658 Cedar Street, St. Paul, MN 55155, phone (651) 201-2473 or send an e-mail to [local.estimate@state.mn.us](mailto:local.estimate@state.mn.us). All challenges must be submitted in writing. Please refer to the enclosed sheet for details.

## HOW TO CHALLENGE THE POPULATION AND HOUSEHOLD ESTIMATES FROM THE STATE DEMOGRAPHER

The legal responsibilities of the State Demographer with respect to local population estimates dictate that we be able to defend any revisions to the estimates. Consequently, we need documentation for our files. Cited below are types of information we will accept with a challenge to our estimates. You may select whichever approach is most appropriate for your situation. However, the more information you can provide the better. No challenges will be accepted after June 24.

1. You may send us the number of active residential utility accounts in April 2010 and April 2019. We would prefer electrical accounts, but water and sewer accounts are acceptable. Please summarize your data. We don't need a list of all utility customers. Summary data for intervening years are helpful. Utility data are much more useful when provided together with building permit data (see #2 below).
2. Another approach is to provide the number of housing units added and lost by calendar year for the years beginning with 2010. Building and demolition permits are a good source of such information. Be sure to include mobile homes and apartments, and indicate whether any of the apartments were for the elderly. Please try to be as specific as possible about the type of unit involved (single-family, apartment, mobile home, etc.).
3. An actual count of persons or households may be accepted, but places with more than 100 people must contact the State Demographer before proceeding with a count. The count you submit should be for 2020. We will interpolate a number for 2019. You must provide the following information:
  - a. List the house number and street name of each housing unit in your city or township. If there is more than one unit at an address, please list each unit and provide an apartment number.
  - b. Indicate whether the unit is occupied or vacant. If the unit is occupied, indicate the number of residents. Only year-round residents should be counted. Young people away at college or in the military, elderly persons who have moved to a nursing home in another town and seasonal (summer) residents should not be counted.
  - c. Group quarters such as nursing homes, dormitories, jails and group homes should not be counted as housing units. Give us the name and address of the facility and the number of residents.
  - d. After you have listed each housing unit, you must summarize your data and give us the total number of residents, the total number of vacant units and the total number of occupied units.
  - e. Please indicate when the count was completed.

Any additional information you can provide about your community will be appreciated. Changes in vacancy rates, the conversion of summer homes to year-round use, and changes in employment opportunities are the types of things we like to hear about when we are evaluating an estimate. One final request--when you write to us, please provide your mailing address and a telephone number or e-mail address where you can be reached during the day.

Thank you.



June 19, 2020

Dear Mayors and Administrators,

Life-changing events have made for extraordinary times here in Minnesota and worldwide. We wish you the best as your communities respond to both the new realities posed by the COVID-19 pandemic, and a renewed social movement to address racial equity following the recent death of George Floyd.

The League of Minnesota Cities understands that the next few months will be particularly challenging for our members in terms of budgeting and financial resource concerns. We know that many cities are already making tough choices involving staff furloughs and layoffs, and service cuts to make ends meet in the short term.

**We will do everything we can to support you in those efforts and want to let you know that, in recognition of these unique times, the League's Board of Directors voted yesterday to refrain from implementing a membership dues increase for the next fiscal year.**

That means a preliminary maximum member dues schedule increase of zero percent (0%) for the League's 2021 fiscal year that runs from September 1, 2020 through August 31, 2021.<sup>1</sup>

The League's final dues schedule is similar to how your city sets its preliminary levy increase in that it cannot be higher than the maximum that is set. The Board will make its final decision on annual dues when it meets in August to approve the League's FY 2021 budget.

COVID-19 has already changed many of the ways the League has conducted business over the past several months, particularly in the areas of communication and member relations. Please rest assured, though, that neither flat dues or effects of the pandemic will in any way compromise the delivery of service that our members need and expect from the League. We are well-positioned financially to seamlessly sustain a period of lower revenues without making program or service reductions.

As a matter of fact, you may have noticed that the League has upped-our-game to match your unique needs during this unparalleled time in our history. At a rapid pace, we are developing and sharing information through our web site and publications related to both coronavirus response and race equity resources. Our Intergovernmental Relations team is diligently working to advocate for our member's interests during the special legislative session and all of our staff are working on high alert to address ongoing member questions and concerns. We do this to help make your jobs easier.

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<sup>1</sup> Actual dues include a population factor so a net change for each city may vary based on your population changes.

We thank you for your continued support of our work done on your behalf. The League is *your* organization, and we sincerely welcome your feedback and your ideas for how we can better serve your needs. Feel free to contact Dave Unmacht at (651) 281-1205 or [dunmacht@lmc.org](mailto:dunmacht@lmc.org).



Michael J. Mornson  
League of Minnesota Cities President  
Manager, City of Hopkins



David Unmacht  
Executive Director,  
League of Minnesota Cities  
Twitter: @UnmachtMnCities



# Board of Appeal and Equalization

Welcome to the Board of Appeal and Equalization (BAE) page where you can find information about board training, certified members, and forms and instructions. BAE members must successfully complete online training once every four years.

## Online Training and Certified Members

[-]

The Board of Appeal and Equalization training is now closed.

Training will resume July 1, 2020.

Certification Lists:

The following are lists of all LBAE and CBAE members who have taken the training in the last four years. We update the certification lists at the end of each month. You can use the filter and sort functions to find specific members.

[Local Board Trained Member Roster](#)

[County Board Trained Member Roster](#)

## Board of Appeal and Equalization Meeting Information

[+]

# LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be \$1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

### Application Fee (non-refundable)

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

## ORGANIZATION INFORMATION

Organization Name: Benson Golf Club Foundation Previous Gambling Permit Number: X-94446-20-002

Minnesota Tax ID Number, if any: \_\_\_\_\_ Federal Employer ID Number (FEIN), if any: 82-0916866

Mailing Address: 2222 Atlantic Ave

City: Benson State: MN Zip: 56215 County: Swift

Name of Chief Executive Officer (CEO): Thomas Traen

CEO Daytime Phone: 320-760-5647 CEO Email: t.traen@yahoo.com  
(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO): \_\_\_\_\_

## NONPROFIT STATUS

Type of Nonprofit Organization (check one):

Fraternal       Religious       Veterans       Other Nonprofit Organization

**Attach a copy of one of the following showing proof of nonprofit status:**  
(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

**A current calendar year Certificate of Good Standing**  
Don't have a copy? Obtain this certificate from:  
MN Secretary of State, Business Services Division      Secretary of State website, phone numbers:  
60 Empire Drive, Suite 100      [www.sos.state.mn.us](http://www.sos.state.mn.us)  
St. Paul, MN 55103      651-296-2803, or toll free 1-877-551-6767

**IRS income tax exemption (501(c)) letter in your organization's name**  
Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.

**IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**  
If your organization falls under a parent organization, attach copies of both of the following:  
1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and  
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

## GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Benson Golf Course Clubhouse

Physical Address (do not use P.O. box): 2222 Atlantic Ave.

Check one:

City: Benson Zip: 56215 County: Swift

Township: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Date(s) of activity (for raffles, indicate the date of the drawing): September 15, 2020

Check each type of gambling activity that your organization will conduct:

Bingo       Paddlewheels       Pull-Tabs       Tipboards       Raffle

**Gambling equipment** for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to [www.mn.gov/gcb](http://www.mn.gov/gcb) and click on **Distributors** under the **List of Licensees** tab, or call 651-539-1900.

**LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)**

**CITY APPROVAL  
for a gambling premises  
located within city limits**

The application is acknowledged with no waiting period.

The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).

The application is denied.

Print City Name: Benson

Signature of City Personnel: \_\_\_\_\_

Title: City Clerk Date: \_\_\_\_\_

**The city or county must sign before submitting application to the Gambling Control Board.**

**COUNTY APPROVAL  
for a gambling premises  
located in a township**

The application is acknowledged with no waiting period.

The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.

The application is denied.

Print County Name: \_\_\_\_\_

Signature of County Personnel: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**TOWNSHIP (if required by the county)**  
On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: \_\_\_\_\_

Signature of Township Officer: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)**

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: \_\_\_\_\_ Date: June 16, 2020  
(Signature must be CEO's signature; designee may not sign)

Print Name: Thomas Traen

**REQUIREMENTS**

**Complete a separate application for:**

- all gambling conducted on two or more consecutive days; or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

**Financial report to be completed within 30 days after the gambling activity is done:**  
A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

**MAIL APPLICATION AND ATTACHMENTS**

**Mail application with:**

\_\_\_\_\_ a copy of your proof of nonprofit status; and

\_\_\_\_\_ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**. Make check payable to **State of Minnesota**.

**To:** Minnesota Gambling Control Board  
1711 West County Road B, Suite 300 South  
Roseville, MN 55113

**Questions?**  
Call the Licensing Section of the Gambling Control Board at 651-539-1900.

<p>Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the</p>	<p>application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-</p>	<p>ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management &amp; Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.</p>
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This form will be made available in alternative format (i.e. large print, braille) upon request.

APPLICATION FOR SPECIAL PERMIT  
FOR POSSESSION AND CONSUMPTION OF  
INTOXICATING BEVERAGES ON PUBLICLY OWNED PROPERTY

INSTRUCTIONS: Please complete application and return to:

City Manager  
City of Benson  
1410 Kansas Avenue  
Benson, MN 56215  
Phone: 320-843-4775

Name of Applicant Amanda Ness Phone Number 320-808-3983

Street Address 215 60th St NW (personal) Box

City, State and Zip Code Benson MN 56215

Is Applicant Over 21 years of age?  Yes  No

Date(s) Permit Requested For July 17, 2020

Time of Day Permit Requested For 6pm - midnight

Name of Group or Organization Shamrock Hest Riding Club

Activity Planned (check one)

- Family Reunion  
 Other Family Event  
 Class Reunion

- Company Event  
 Other Ranch Rodeo

Park or Area Requesting Permit For (check one)

- Ambush Park  
 Swimming Pool Park  
 Northside Recreation

Other city owned outdoor arena

Have you reserved any facilities at the Park/Area?  Yes  No

If yes, please specify currently lease arena

Be Specific and Describe Area within the Park/Area Requesting Permit For

outdoor riding arena and surrounding city owned property

Additional Information \_\_\_\_\_

Amanda Ness  
Signature of Applicant

7/2/2020  
Date

# MINNESOTA DEPARTMENT OF PUBLIC SAFETY



## Office of the Commissioner

445 Minnesota Street • Suite 1000 • Saint Paul, Minnesota 55101  
Phone: 651.201.7160 • Fax: 651.297.5728 • TTY: 651.282.6555  
Website: [dps.mn.gov](http://dps.mn.gov)

June 17, 2020

Chief Ian Hodge  
Benson Police Department  
1410 Kansas Ave  
Benson MN 56215

Dear Chief Hodge:

When the call for help went out, you and your staff answered and I want to personally thank you for your assistance. The largest EMS, Fire, Police, and National Guard response in our states history would not have been possible without all of your help. The civil unrest following the death of George Floyd presented our state with an unprecedented challenge, one of which has not been seen in over a generation and hopefully we will never see again. The damage in property, loss of life, and community cohesion were significant because of this event, but they could have been much worse without your help.

In Minnesota, the EMS, Fire, Police, and National Guard have a history of working well together. We showed the country firsthand what could be accomplished when all facets of public safety converge to focus on a single mission. I cannot say enough for all the great things every single one of you did while responding to this event but know this, your work will be remembered for generations to come. As we move back into our daily lives, I would just encourage everyone to continue to connect with your communities during these challenging times. Our neighbors need us and we need them. I wish you all good health both mentally and physically. Again, thank you for everything.

Sincerely,

A handwritten signature in black ink, appearing to read "Booker T. Hodges IV".

Booker T. Hodges IV  
Multi-Agency Command Center (MACC) Incident Commander  
Assistant Commissioner Minnesota Department of Public Safety

Alcohol  
and Gambling  
Enforcement

Bureau of Criminal  
Apprehension

Driver  
and Vehicle  
Services

Emergency  
Communication  
Networks

Homeland  
Security and  
Emergency  
Management

Minnesota  
State Patrol

Office of  
Communications

Office of  
Justice Programs

Office of  
Pipeline Safety

Office of  
Traffic Safety

State Fire  
Marshal

## Rob Wolfington

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**From:** Vicki Syverson <v.syverson@co.swift.mn.us>  
**Sent:** Monday, June 22, 2020 11:28 AM  
**To:** Rob Wolfington; Laura Ostlie; Jennifer Frost  
**Subject:** SHIP plus 4

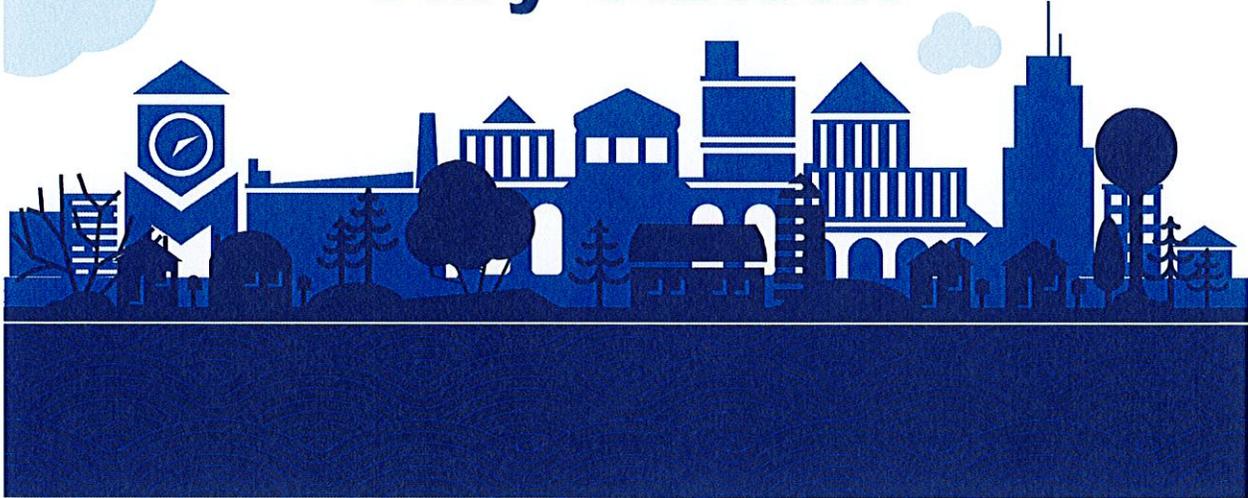
Rob,  
Last summer Jennifer and I met with your city council requesting a match for the Swift Housing Improvement Program (SHIP). That was for 20 houses border to border in Swift County. Your council agreed to match up to 4 houses if we did 4, or more, SHIP grants within the city limits of Benson. I am happy to let you know that I have approved 7 houses in Benson. All of them are in the bidding process. Currently I have 3 families that are requesting funds, all are in Benson. I have put them on the secondary list and have told them it will be late summer before I get their applications mailed out to them and processed.

Thanks and we appreciate partnering on this program with the City of Benson.

Vicki

Vicki Syverson  
Executive Director  
Swift County HRA  
Office phone: 320-843-4676  
Cell phone: 1-320-808-9466

# Remarks from Gary Carlson



**mn** MANAGEMENT  
AND BUDGET

**MN COVID-19**

**Coronavirus Relief Fund (CRF) Distribution to  
Local Governments  
Reference and Guidance**

# CORONAVIRUS RELIEF FUND (CRF) GUIDANCE

## CONTENT AGENDA

**01** INTRODUCTIONS &  
FUND OVERVIEWS

**02** REQUESTING &  
ACCESSING FUNDS

**03** REPORTING  
DEMONSTRATION

5

# CORONAVIRUS RELIEF FUND (CRF) GUIDANCE

## CONTENT AGENDA

**01** INTRODUCTIONS &  
FUND OVERVIEWS

- Local Government Support Team
- CARES ACT / CORONAVIRUS RELIEF FUND (CRF) OVERVIEW
- Eligible uses of CRF
- FEMA Match

**02** REQUESTING &  
ACCESSING FUNDS

**03** REPORTING  
DEMONSTRATION

6

## Local Government Support



### Association of Minnesota Counties

125 Charles Avenue  
St. Paul, MN 55103-2108  
Main Line/Switchboard: 651-224-3344  
| Office Fax: 651-224-6540

**Central Clearinghouse for  
Frequently Asked Questions**



### League of Minnesota Cities

145 University Ave. W, Saint Paul, MN  
55103-2044  
Phone: (651) 281-1200 | Toll-Free:  
(800) 925-1122

**Central Clearinghouse for  
Frequently Asked Questions**



### Minnesota Association of Townships

(800) 228-0296  
info@mntownships.org  
FAX: (763) 497-3361

**Central Clearinghouse for  
Frequently Asked Questions**

**Disbursement and Certification  
MN DEPARTMENT OF REVENUE**

**CRF Fund Tracking and Reporting  
MMB/MN COVID RESPONSE ACCOUNTABILITY OFFICE**

7

## **MN COVID-19 RESPONSE ACCOUNTABILITY OFFICE - OVERVIEW**

Consistent with the State of Minnesota COVID-19 response effort, MMB has established a temporary COVID-19 Response Accountability Office (Office) led by Amy Jorgenson.

The role of the Office, specific to local governments, is in relationship to the Coronavirus Relief Fund (CRF). The Office will play a key role in monitoring the state and local government expenditures and establishing reporting requirements. Materials have been compiled for local government reference and are available on the Office's COVID-19 Response Accountability Office website (<https://mn.gov/mmb/covid-19-response-accountability-office/>), and a portal will be created for report submission.

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## CARES ACT / CORONAVIRUS RELIEF FUND (CRF) OVERVIEW

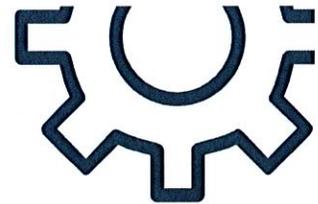
### COVID-19 ECONOMIC RELIEF

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27th, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. The CARES Act provides assistance for American workers, families, and small businesses, and preserves jobs for American industries.

### CORONAVIRUS RELIEF FUND (CRF)

Section 5001 of the CARES Act established the \$150 billion Coronavirus Relief Fund (CRF), providing payments to State, Local, and Tribal governments navigating the impact of the COVID-19 outbreak. The CARES Act sets criteria that expenses must meet to be eligible for CRF funding.

## Qualifying Costs 1 - Necessary Expenditures



To qualify, expenses must satisfy three distinct elements.

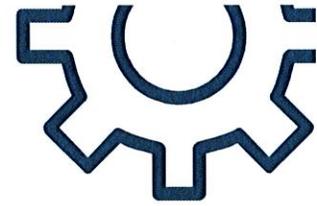
### 1 NECESSARY EXPENDITURES

Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)

**“NECESSARY”:** Expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

**“DUE TO”:** Expenditures must be used for actions taken to respond to the public health emergency; including expenditures incurred to respond directly to the emergency, as well as expenditures incurred to respond to second-order effects, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

## Qualifying Costs 2 – Unaccounted-for Expenses



To qualify, expenses must satisfy three distinct elements.

*Costs not accounted for in the budget most recently approved as of March 27, 2020*

### 2 UNACCOUNTED-FOR EXPENSES

**“NOT ACCOUNTED FOR”**: (a) the **COST CANNOT LAWFULLY BE FUNDED** using a line item, allotment, or allocation within that budget; or (b) the cost is for a **SUBSTANTIALLY DIFFERENT** use from any expected use of funds in such a line item, allotment, or allocation.

**“MOST RECENTLY APPROVED”** budget: the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency.

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## Qualifying Costs 3 – Incurred During Covered Period



To qualify, expenses must satisfy three distinct elements.

### 3 INCURRED DURING COVERED PERIOD

**“INCURRED”** - performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.)

**“COVERED PERIOD”** for cities and townships: March 1, 2020 – November 15, 2020.

**“COVERED PERIOD”** for counties: March 1, 2020 - December 1, 2020.

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## ELIGIBLE USES – MEDICAL EXPENSES

1

### Medical Expenses

- COVID-19-related expenses of public hospitals, clinics, and similar facilities.
- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
- Costs of providing COVID-19 testing, including serological testing.
- Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
- Expenses for establishing and operating public telemedicine capabilities for COVID-19 related treatment.

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## ELIGIBLE USES PUBLIC HEALTH (1 OF 2)

2

### Public Health (1 of 2)

- Expenses for communication and enforcement of public health orders related to COVID-19.
- Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment (PPE), for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers connected to the COVID-19 public health emergency.

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## ELIGIBLE USES PUBLIC HEALTH (2 OF 2)

2

### Public Health (2 of 2)

- Disinfection of public areas and other facilities, *e.g.*, nursing homes.
- Technical assistance to local authorities or other entities on mitigation of COVID-19 related threats to public health and safety.
- Public safety measures undertaken in response to COVID-19.
- Expenses for quarantining individuals.
- Contact tracing.
- Recovery planning projects or operating a recovery coordination office.

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## ELIGIBLE USES PAYROLL (1 OF 2)

3

### Payroll Expenses (1 of 2)

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency, therefore a local government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

- Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

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## ELIGIBLE USES PAYROLL(2 OF 2)

3

### Payroll Expenses (2 of 2)

Examples of types of covered employees, or classes of employees, include:

- Public Safety, Public Health, Health Care, Human Services.
- Similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19 related school closures.
- Increased workers' compensation cost to the government due to the COVID-19 public health emergency.

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## ELIGIBLE USES PUBLIC HEALTH MEASURES(1 OF 2)

4

### Public Health Measures( 1 of 2)

The following are eligible expenses **if to enable compliance with COVID-19 public health precautions:**

- Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations.
- Expenses to facilitate distance learning, including technological improvements, in connection with school closings.
- Expenses to improve telework capabilities for public employees.
- Expenses of providing paid sick and paid family and medical leave to public employees.

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## ELIGIBLE USES PUBLIC HEALTH MEASURES (2 OF 2)

4

### Public Health Measures (2 of 2)

The following are eligible expenses **if to enable compliance with COVID-19 public health precautions:**

- Maintaining state prisons and county jails, including sanitation and improvement of social distancing measures.
- Care for homeless populations provided to mitigate COVID-19 effects.
- Ongoing expenses from decommissioned equipment placed back into use or an unplanned lease renewal in order to respond to the public health emergency to the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance.

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## ELIGIBLE USES ECONOMIC SUPPORT (1 OF 2)

5

### Economic Support (1 of 2)

- Provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
- Local government payroll support program.
- Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
- Consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense.
- Employment and training programs for employees who have been furloughed due to the public health emergency, if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

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## ELIGIBLE USES ECONOMIC SUPPORT (2 OF 2)

5

### Economic Support (2 of 2)

- Program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs.
- Grants to small businesses to reimburse the costs of business interruption caused by required closures.
  - Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need. A grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure.

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### Other

Any other COVID-19 related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

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## TRANSFERRING FUNDS

Local governments may transfer CRF funds to other local units of government.

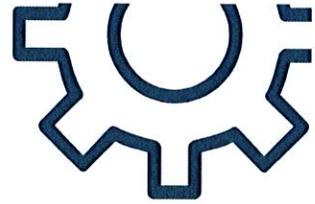
Local governments may also use Fund payments in the form of a grant or a short-term loan to support public or private business entities to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency.

If you transfer any funds to other local units of government, or award grants or loans to business entities, you must ensure they follow the same federal requirements you are subject to, and you are responsible for subrecipient monitoring regulations under [Uniform Grant Guidance](#)

If a local government has transferred funds to another entity, the Treasury Department would seek to recoup any funds used in a manner not consistent with the CARES Act from the government that received the CRF Fund payment directly from the State.

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## INELIGIBLE COSTS



Expenses that **DO NOT** qualify for CRF:



### INELIGIBLE COSTS

- Expenses for the State share of Medicaid.
- Replacement of lost revenues, including property tax relief.
- Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
- Reimbursement to donors for donated items or services.
- Workforce bonuses other than hazard pay or overtime.
- Severance pay or legal settlements
- Damages covered by insurance.
- Per capital payments to residents of a particular jurisdiction without an assessment of individual need

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## USING CRF FOR FEMA, WORKERS' COMPENSATION AND OTHER COSTS

### **FEMA Public Assistance (PA) Funding Considerations:**

Any local government receiving aid under this distribution is expected to pay the nonfederal share of federal disaster (FEMA) assistance due to the COVID-19 public health peacetime emergency. Treasury guidance states that CRF may be used to pay for the nonfederal share.

### **Workers' Compensation:**

Increased workers' compensation cost to the government due to the COVID-19 public health emergency is an eligible expense. A local government receiving aid under this distribution **shall use** the funds, if necessary, to pay for COVID-19 workers' compensation costs expended between April 7, 2020 and December 1, 2020 for employees in job classifications entitled to the presumption established by Laws 2020, chapter 72, section 1.

### **Community Health Boards:**

As stated in the certification materials, local governments should use the funds to support Community Health Board COVID-19 efforts.

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# CORONAVIRUS RELIEF FUND (CRF) GUIDANCE

## CONTENT AGENDA

01 INTRODUCTIONS & FUND OVERVIEWS

02 REQUESTING & ACCESSING FUNDS

- Registering to receive funds
- Fund Distribution Methodology

03 REPORTING DEMONSTRATION

25

## DISTRIBUTION METHODOLOGY

### TIMELY ACTION REQUIRED

- Local Governments that **DO NOT** have a State of Minnesota State Wide Integrated Financial Tool (SWIFT) supplier ID will need to create one to receive a distribution of funds
- Local Governments that **DO NOT** have a DUNS number will need to obtain one and register in the System for Award Management (SAM) **within 30 days** of receipt of CRF funds from the State. This is a requirement so the Federal Government can track the distribution of federal funds.
- Instructions on how to create a SWIFT account, enroll in SAM, and obtain a DUNS number follow.

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## DISTRIBUTION METHODOLOGY – CERTIFICATION: SWIFT USER ID (VENDOR #)

### CERTIFICATION (AND DISBURSEMENT) REQUIRES SWIFT ID

#### PROCESS TO REQUEST A SWIFT ID:

**[ONLY FOR LOCAL GOVERNMENTS THAT DO NOT HAVE A SWIFT SUPPLIER ID (VENDOR #)]**

SWIFT Vendor Portal <https://mn.gov/mmb/accounting/swift/vendor-resources/>

The State's accounting system is called State Wide Integrated Financial Tools (SWIFT). Vendors interact with the State through the [Supplier Portal](#), which is part of SWIFT. The Supplier Portal allows vendors to login and view payment detail as well as maintain address and contact information related to their vendor record.

Every individual and organization doing business with the State is considered a vendor. To view invoices or payments through the Supplier Portal, vendors must be registered with the State. If you are a new or prospective vendor, please navigate to the Supplier Portal [Vendor Registration link](#) to register as a vendor. Existing vendors can request a User ID to login to the Supplier Portal by clicking the [Create a New User ID link](#). When a vendor registration is approved or the new User ID is approved, a confirmation is sent to the email address entered during the registration/creation process. If you have a SWIFT ID and don't know it, you can contact [efthelpline.mmb@state.mn.us](mailto:efthelpline.mmb@state.mn.us).

## DISTRIBUTION METHODOLOGY – CERTIFICATION: SAM ACCOUNT AND DUNS #

**CERTIFICATION (AND DISBURSEMENT) REQUIRES A SAM USER ACCOUNT TO ENABLE TRACKING THE FLOW OF FUNDS. THIS NEEDS TO BE COMPLETED WITHIN 30 DAYS OF SUBMITTING THE CERTIFICATION. THE SAM USER ACCOUNT REQUIRES A DUN & BRADSTREET RECORD (DUNS #)**

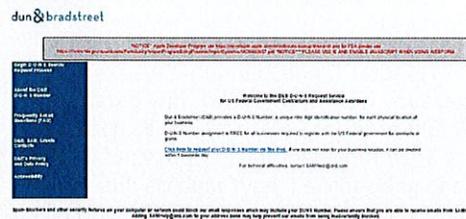
**[ONLY FOR LOCAL GOVERNMENTS THAT DO NOT HAVE A SAM USER ACCOUNT]**

#### PROCESS TO REQUEST A DUNS NUMBER

DUN & BRADSTREET [HTTPS://FEDGOV.DNB.COM/WEBFORM/](https://fedgov.dnb.com/webform/)

The System for Award Management (SAM) is an official website of the U.S. government. To register in SAM, at a minimum, you will need the following information:

- Your DUNS Number, Legal Business Name, and Physical Address from your Dun & Bradstreet (D&B) record.
- If you don't already have one, you can [request a DUNS Number for FREE](#) from D&B.
- Your Taxpayer Identification Number (TIN) and Taxpayer Name associated with your TIN. Review your tax documents from the IRS (such as a 1099 or W-2 form) to find your Taxpayer Name.
- Your bank's routing number, your bank account number, and your bank account type, i.e. checking or savings, to set up Electronic Funds Transfer (EFT).



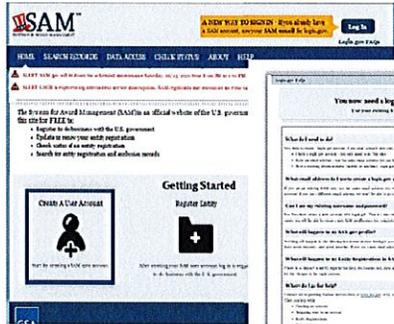
# DISTRIBUTION METHODOLOGY – CERTIFICATION: SAM ACCOUNT

## PROCESS TO REQUEST A CREATE A SAM USER ACCOUNT

**[ONLY FOR LOCAL GOVERNMENTS THAT DO NOT HAVE A SAM USER ACCOUNT]**

### SYSTEM FOR AWARD MANAGEMENT (SAM)

<https://sam.gov/SAM/pages/public/index.jsf>



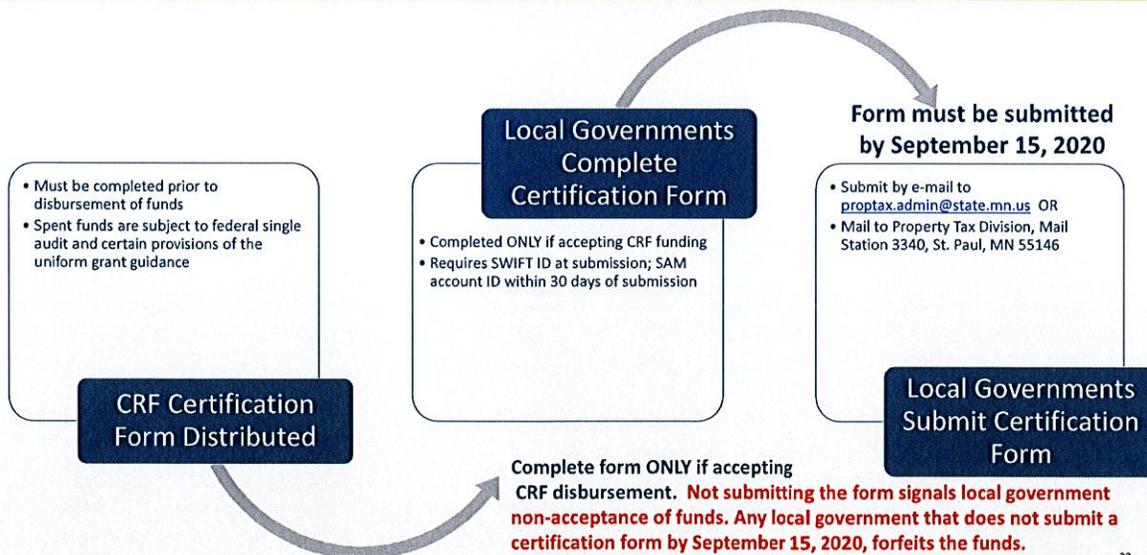
Select "Create A User Account" to view the FAQs



Select [Log In]  
Choose [Create an Account]  
Enter your email address then [Submit]



# DISTRIBUTION METHODOLOGY – CERTIFICATION FOR DISBURSEMENT OF FUNDS



## DISTRIBUTION METHODOLOGY – DISTRIBUTION ALLOCATION

The Department of Revenue is tasked with the monetary distribution to local governments according to the determined formula based on per capita as defined in statute. A completed Revenue CRF Certification form must be received by September 15, 2020. After this time, the Department of Revenue will disburse funds.

### **Not submitting the form signals local government non-acceptance of funds**

- Funds will be distributed by means of electronic funds transfer (EFT)
- Funds will be distributed by check via mail to local governments not equipped to receive EFT

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## DISTRIBUTION METHODOLOGY – REPORTING (1 OF 4)

These distributions are federal funds (CFDA 20.019) that come with federal requirements. Both guidance and requirements continue to evolve and communications will be provided on any changes. **Key Points:**

- State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance
- Treasury Department would seek to recoup the funds used in a manner not consistent with section 601(d) of the Social Security Act
- Expenditures more than \$750,000 in federal funds in this calendar year require a single audit from the Office of the State Auditor or private CPA firm. The audit period for these funds will be calendar year 2020 and the audit will need to be completed by September 30, 2021 for fiscal year ending December 31, 2020

**Document all your decisions in case you need to explain rationale to the auditors.  
There is no such thing as overdocumentation!**

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## DISTRIBUTION METHODOLOGY – REPORTING (2 OF 4)

The MN COVID-19 Response Accountability Office plays a lead role in developing state agency and sub-recipients' (local governments) documentation and reporting requirements. Local governments (cities, counties, and townships) accepting CRF funds will be required to submit monthly, interim and final reports:

**Monthly:** Report the spend status of allotted Coronavirus Relief Funds awarded by Minnesota Management and Budget. This requires reporting the total spent to date and the total received by the agency.

**IF ALL CRF FUNDS HAVE BEEN SPENT, THEN COMPLETE THE FINAL REPORT**

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## DISTRIBUTION METHODOLOGY – REPORTING (3 OF 4)

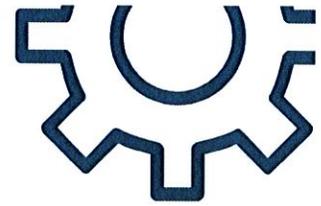
**Final:** Report the spend status of allotted Coronavirus Relief Funds awarded by Minnesota Management and Budget. This requires reporting summary and detail information.

- *Summary:* is the same as that for the monthly reporting on the total spent to date
- *Detail:* Requires selection of the eligible CRF category, the amount spent and the date

**IF ALL CRF FUNDS HAVE BEEN SPENT, THEN COMPLETE THE FINAL REPORT**

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## **CORONAVIRUS RELIEF FUND (CRF)** **New Guidance Language (6-30-20)**



Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID–19 public health emergency during the covered period.

<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

## **CORONAVIRUS RELIEF FUND (CRF)** **New Guidance Language (6-30-20)**



Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

## **CORONAVIRUS RELIEF FUND (CRF)** **New Guidance Language (6-30-20)**



Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient's usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

## **CORONAVIRUS RELIEF FUND (CRF)** **New Guidance Language (6-30-20)**



Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

## **CORONAVIRUS RELIEF FUND (CRF)** **New Guidance Language (6-30-20)**



This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

## **CORONAVIRUS RELIEF FUND (CRF)** **Frequently Asked Questions**



Updated as of June 24, 2020

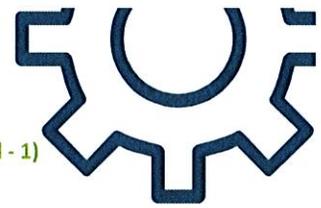
The following [PowerPoint slides] answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020. Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

# CORONAVIRUS RELIEF FUND (CRF)

## Frequently Asked Questions (Eligible Expenditures - continued - 1)

Updated as of June 24, 2020



### 1 ELIGIBLE EXPENDITURES

***Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?***

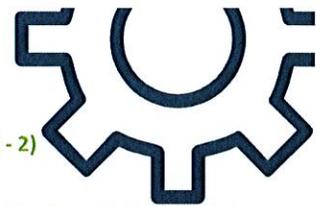
The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

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# CORONAVIRUS RELIEF FUND (CRF)

## Frequently Asked Questions (Eligible Expenditures - continued - 2)

Updated as of June 24, 2020



***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?***

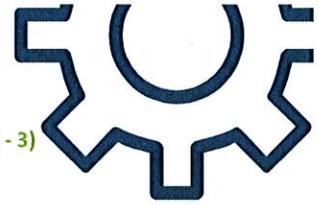
Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 3)



Updated as of June 24, 2020

#### ***May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

#### ***May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

#### ***Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 4)



Updated as of June 24, 2020

#### ***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

#### ***Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

#### ***Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 5)

Updated as of June 24, 2020

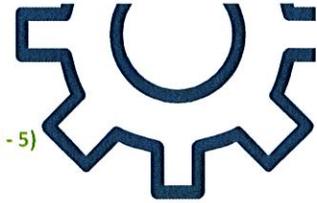
**Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?**

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

**The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?**

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 6)

Updated as of June 24, 2020

**In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?**

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

**If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?**

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible

**May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?**

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

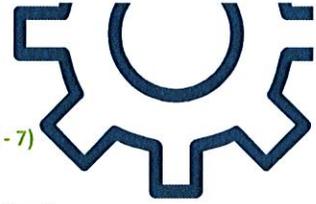
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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 7)

Updated as of June 24, 2020



#### ***May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

#### ***Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contract tracing are eligible.

#### ***To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

#### ***May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

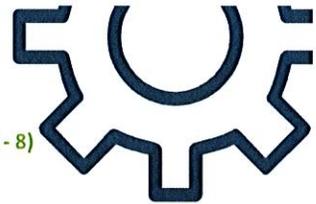
Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 8)

Updated as of June 24, 2020



#### ***May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

#### ***Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

#### ***May recipients create a "payroll support program" for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 9)

Updated as of June 24, 2020

***May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

***May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.



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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 10)

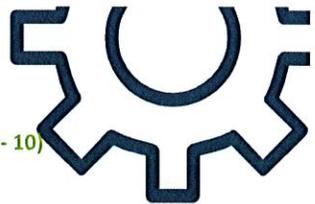
Updated as of June 24, 2020

***The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance

***The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.



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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 11)

Updated as of June 24, 2020

#### ***May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations

#### ***May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.



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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 12)

Updated as of June 24, 2020

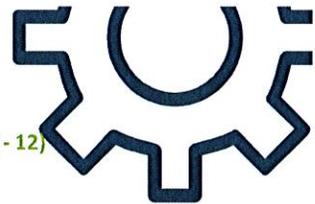
#### ***Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

#### ***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of "hazard pay"?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.



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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 13)



Updated as of June 24, 2020

***The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

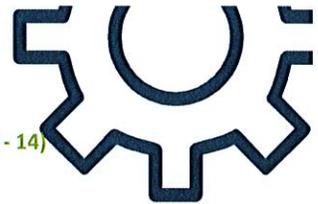
***Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 14)



Updated as of June 24, 2020

***Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government’s per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

***May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State’s compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 15)



Updated as of June 24, 2020

***If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the accrued interest expense on TANs and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

***May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

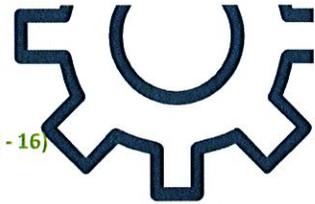
***Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 16)



Updated as of June 24, 2020

***May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

***May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 17)

Updated as of June 24, 2020

#### ***May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

#### ***May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its



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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 18)

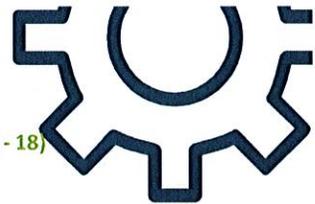
Updated as of June 24, 2020

#### ***May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

#### ***Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.



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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 19)

Updated as of June 24, 2020

***May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

***May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.



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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Eligible Expenditures - continued - 20)

Updated as of June 24, 2020

***May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.



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# CORONAVIRUS RELIEF FUND (CRF)

## Frequently Asked Questions

Updated as of June 24, 2020

### 2 QUESTIONS RELATED TO ADMINISTRATION OF FUND PAYMENTS



#### ***Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

#### ***What records must be kept by governments receiving payment?***

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

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# CORONAVIRUS RELIEF FUND (CRF)

## Frequently Asked Questions (Admin of Funds – continued – 2)

Updated as of June 24, 2020

#### ***May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

#### ***May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

#### ***What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

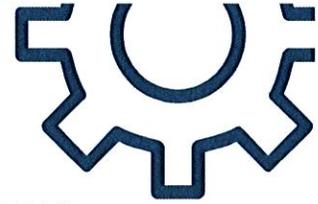
If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.



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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Admin of Funds – continued – 3)



Updated as of June 24, 2020

#### ***Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are “other financial assistance” under 2 C.F.R. § 200.40.

#### ***Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

#### ***Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

#### ***Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.

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## CORONAVIRUS RELIEF FUND (CRF)

### Frequently Asked Questions (Admin of Funds – continued – 4)



Updated as of June 24, 2020

#### ***If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients’ total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

#### ***Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

#### ***If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

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## INTER-CREDITOR AGREEMENT

**THIS AGREEMENT**, made as of this \_\_\_ day of July, 2020 by and between the following parties: Rural Electric Economic Development, Inc., a non-profit corporation of Madison, South Dakota, herein referred to as “REED”, the Sonsteng Foundation, a non-profit corporation of Benson, Minnesota, herein referred to as “Sonsteng”, and the City of Benson, a municipal corporation of Benson, Minnesota, herein referred to as the “City”.

### RECITALS

1. REED has entered into a Loan Agreement, dated \_\_\_\_\_, with Residential Options, Inc., a non-profit corporation of Benson, Minnesota, herein referred to as “ROI”, whereby it has loaned to ROI the principal amount of \$1,000,000.00 secured by a mortgage on real property owned by ROI.
2. Sonsteng has entered into a Loan Agreement, dated July 17, 2018, with ROI whereby it has loaned to ROI the principal amount of \$750,000.00 secured by a mortgage on real property owned by ROI.
3. ROI has entered into an Asset Purchase Agreement with Swift County – Benson Hospital, a public body, corporate and politic, of Benson, Minnesota, herein referred to as “SCBH” whereby SCBH has agreed to purchase all of the assets of ROI, including its real property and to assume and pay the loans made to ROI by REED and Sonsteng.
4. REED and Sonsteng are both willing to allow SCBH to assume and pay their respective loans made to ROI.
5. The City has entered into an Appropriation Repayment Agreement dated \_\_\_\_\_, 2020, whereby it has agreed to make an appropriation to SCBH in the amount of \$1,885,000.00 which will be repaid by SCBH to the City according to the terms of the agreement.
6. The loans from REED and Sonsteng being assumed and the appropriation from the City will be subordinate to bonded debt of SCBH in the total amount of \$ \_\_\_\_\_.
7. As a public body, SCBH is unable to provide a mortgage on real estate that it owns and, as a result of the restrictive bond covenants pursuant to which the bonded debt of SCBH was incurred, SCBH is unable to pledge and other of its assets as collateral for the loans by REED and Sonsteng that it is assuming or for the appropriation it is receiving from the City.

8. The City has agreed to provide the appropriation without collateral and SCBH has requested that REED and Sonsteng agree to modify their respective Loan Agreements to eliminate the requirement for collateral.

9. REED, Sonsteng and the City, as holders of unsecured and subordinate debt owed to them by SCBH, desire to set forth in writing their mutual understanding with respect to their rights, priorities and responsibilities relating to the debt.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. SCBH shall repay each party's loan or appropriation in accordance with the terms of the respective Loan Agreement or Appropriation Repayment Agreement.
2. Each party recognizes and acknowledges that its loan or appropriation will be, at all time, subordinate to the bonded debt incurred by SCBH in the amount of \$ \_\_\_\_\_.
3. REED hereby consents to the assumption, by SCBH, of all of the obligations of ROI for the repayment of the loan made by REED to ROI in the original principal amount of \$1,000,000.00 and agrees to the modification of its Loan Agreement for the assumed loan to eliminate the requirement for any collateral for the loan.
4. Sonsteng hereby consents to the assumption, by SCBH, of all of the obligations of ROI for the repayment of the loan made by Sonsteng to ROI in the original principal amount of \$750,000.00 and agrees to the modification of its Loan Agreement for the assumed loan to eliminate the requirement for any collateral for the loan.
5. Sonsteng and the City agree that, in the event of any default by SCBH of any debt owed, or any bankruptcy, receivership or insolvency of SCBH, REED shall have priority over both Sonsteng and the City for the repayment of the debt owed by SCBH and neither Sonsteng nor the City shall, in such event, be entitled to any repayment until the debt owed to REED is paid in full and, upon payment in full of the debt owed to REED, any further payments made by SCBH shall be considered as received by Sonsteng and the City jointly in equal shares.
6. If SCBH should default under its agreement with any of the parties, the party to whom default is made shall promptly notify the other parties of the nature and extent of the default.

7. If any party cancels, curtails, changes or limits its Loan Agreement or Appropriation Repayment Agreement with SCBH, such party shall promptly notify the other parties.

IN WITNESS WHEREOF, parties have executed this agreement as of the date set forth above.

**RURAL ELECTRIC ECONOMIC  
DEVELOPMENT, INC.**

**THE SONSTENG FOUNDATION**

By: \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Its \_\_\_\_\_

**CITY OF BENSON**

By: \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Its \_\_\_\_\_



**SOUTHWEST INITIATIVE  
FOUNDATION**

June 2020

15 3rd Avenue NW  
Hutchinson, MN 55350  
800-594-9480 or 320-587-4848

[swifoundation.org](http://swifoundation.org)

Dear Robert and Council Members,

You have supported Southwest Initiative Foundation in the past—because you believe in the work we do for our regional and local economy. And we thank you for believing in us.

Your support fuels our mission to connect people, invest in ideas and build communities.

Investing in the ideas of entrepreneurs takes both time and money, and our approach provides both to business owners. We support the retention, expansion, transition, creation and attraction of businesses through our Business Finance Program and Microenterprise Loan Program. In addition, our microloan program provides customized technical assistance for the length of the loan to help clients improve their skills in financial management, operations, marketing and more. Our micro loan clients often say things like, "I don't ever feel alone in this journey because I know who I can call when I need help or a thinking partner." And that's SWIF.

**Since our founding, we have invested \$3,392,650 in Swift County entrepreneurs through our business finance programs.** Your annual support has made that possible, and business owners in your area are grateful.

In addition to these important business investments, \$4,036,858 has been awarded in grants. When we combine loan and grant support, that's more than \$7,429,508 in total investment in Swift County. And that impacts each and every one of your residents.

We have written (and re-written) this letter several times because COVID-19 has changed so many things. We know that budgets are complicated, challenging and changing rapidly. And, we know that you value our work.

As you build your budget for 2021 and, without a doubt, face tough decisions, we are asking for your consideration by including \$1,046 for Southwest Initiative Foundation's economic development work. With your continued partnership, we can invest in businesses and workforce development efforts and support child care providers necessary to achieve a full economic recovery.

We are grateful for your consideration. And I'd love to learn what your budget reality might look like next year, so I'll plan to reach out in the next 30 days to check in.

Kindest regards,

Tiffany Barnard  
Philanthropy Manager

Randy Reinke, Litchfield  
SWIF Board Chair

*P.S. The enclosure outlines our COVID-19 response over the last three months. Thanks to you, we were positioned to act quickly, leverage dollars and help businesses navigate the rapidly changing landscape of supports. We know the need will be great as you prepare your 2021 budget, and we are grateful for your consideration.*



Confirmed in Compliance with National Standards  
for U.S. Community Foundations

Excellence. Accountability. Impact.™ An Equal Opportunity Provider And Employer



Southwest Initiative Foundation was born from crisis in 1986, created to keep our communities strong and vibrant. We've been moving our strategic work forward, and when the current COVID-19 crisis hit, we also launched an immediate and thoughtful response. Here is a recent look at how our team is supporting southwest Minnesotans.



SOUTHWEST INITIATIVE  
FOUNDATION

# IMPACT & SUPPORT

Represents impact from March 1 - May 18

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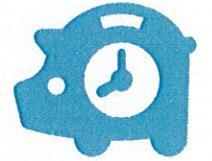
## SMALL BUSINESSES

**100**  
businesses  
secured financing

**\$2 million**



deployed through state  
emergency **loan programs**



**Deferments** for  
current loan clients

Small Business Focus Area:  
**CHILD CARE  
PROVIDERS**

**520**  
providers received  
emergency grants totaling  
**\$452,000**

These providers are caring for

**4,500**



kids of  
emergency/essential  
workers

## NONPROFITS & COMMUNITIES

**591** grants totaling  
**\$788,447**

to **local organizations,  
projects and businesses,**  
including child care  
provider grants listed above



**\$3,000**

and **weekly trainings**  
to ensure our **30 local  
affiliate boards can  
continue their work**

Grants to  
help **youth,  
students  
and  
families**

Open grant  
round to  
**meet basic  
needs**



**Application for Payment No. 4**

To: City of Benson  
 From: MN Mechanical Solutions, 313 34th Ave S Waite Park MN 56387  
 Contract: \_\_\_\_\_  
 Project: Chlorine Damage Repairs

Owners Contract No. \_\_\_\_\_ Stantec's Project No. 193804681  
 Date of this Invoice: \_\_\_\_\_  
 Invoice Work Period: April 21-2020

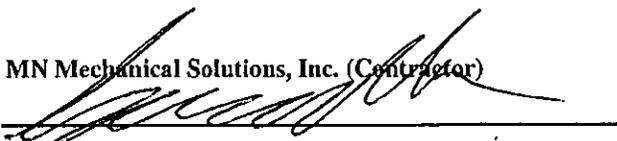
1) Original Contract Price:	<u>\$511,275.00</u>
2) Net Change by Change Order/Written Amendments (-/+)	<u>\$92,922.00</u>
3) Current Contract Price (1+2):	<u>\$604,276.00</u>
4) Total Completed and stored to date:	<u>\$464,900.00</u>
5) Retainage (per Agreement):	
<u>5.00%</u> of completed work	<u>\$23,245.00</u>
<u>0.00%</u> of stored material:	<u>\$0.00</u>
Total retainage:	<u>\$23,245.00</u>
6) Total Completed and stored to date less retainage (4-5)	<u>\$464,900.00</u>
7) Less Previous Application for Payments:	<u>\$332,523.75</u>
8) <b>DUE THIS APPLICATION</b>	<u>\$169,405.90</u>

Accompanying Documentation:

CONTRACTOR'S Certification:

The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of work done under the Contract referred to above have been applied on account to discharge CONTRACTOR'S legitimate obligations incurred in connection with Work covered by prior Applications for Payment numbered 1 through 1 inclusive; (2) title of all work, materials and equipment incorporated in said Work otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all Liens, security interest or encumbrance (except such as are recovered by a Bond acceptable to OWNER indemnifying OWNER against any such Lien, security interest or encumbrance); and (3) all Work covered by this Application for Payment is in accordance by the Contract Documents and not defective.

Dated: April 21-2020

By:   
 MN Mechanical Solutions, Inc. (Contractor)

Payment of the above AMOUNT DUE THIS APPLICATION is recommended.

Owner: City of Benson  
 By: \_\_\_\_\_  
 Date: \_\_\_\_\_

Engineer: Stantec  
 By: Ryan Capelle   
 Date: 6-20-20

Application No. 4

Date of Application: 4/21/2020  
 Work Complete Through: 4/21/2020

Spec.	Description	Scheduled Value	Previous Application	This Application	Stored Material	Completed & Stored To Date	Pct. Compl.	Balance to Finish
	Mobilization & General Conditions	\$10,000.00	\$10,000.00	\$ -	\$0.00	\$10,000.00	100%	\$0.00
	Unforeseen Conditions	\$8,000.00		\$0.00	\$0.00	\$0.00	0%	\$8,000.00
	Facility Cleaning	\$6,820.00	\$4,000.00	\$0.00	\$0.00	\$4,000.00	0%	\$2,820.00
	Replace Valve Components	\$64,000.00	\$52,000.00	\$12,000.00	\$0.00	\$64,000.00	100%	\$0.00
	Recondition Motors	\$12,800.00		\$0.00	\$0.00	\$0.00	0%	\$12,800.00
	New Process Equipment	\$47,500.00	\$8,000.00	\$39,500.00	\$0.00	\$47,500.00	100%	\$0.00
	Plumbing Replacement	\$14,800.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	20%	\$11,800.00
	Painting	\$75,000.00	\$30,000.00	\$30,000.00	\$0.00	\$60,000.00	80%	\$15,000.00
	Misc Metal	\$6,500.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00	46%	\$3,500.00
	Door Hardware	\$8,600.00	\$0.00	\$8,600.00	\$0.00	\$8,600.00	100%	\$0.00
	HVAC	\$52,000.00	\$29,500.00	\$0.00	\$0.00	\$29,500.00	57%	\$22,500.00
	Chemical Feed Equipment	\$106,100.00	\$74,000.00	\$32,100.00	\$0.00	\$106,100.00	100%	\$0.00
	Electrical	\$98,200.00	\$73,700.00	\$0.00	\$0.00	\$73,700.00	75%	\$24,500.00
	Unplanned 12 Gauge Wire	\$205.00		\$0.00	\$0.00	\$0.00	0%	\$205.00
	Unplanned 14 Gauge Wire	\$175.00		\$0.00	\$0.00	\$0.00	0%	\$175.00
	Unplanned 2 Conductor 16 Gauge Wire	\$575.00		\$0.00	\$0.00	\$0.00	0%	\$575.00
	Alt #1 Lump Sum Deduct	(\$15,630.00)		\$0.00	\$0.00	\$0.00	0%	(\$15,630.00)
	Work Order #1	\$108,622.00	\$55,500.00	\$53,122.00		\$55,500.00	100%	\$0.00
	<b>Totals</b>	<b>\$604,267.00</b>	<b>\$339,700.00</b>	<b>\$178,322.00</b>	<b>\$0.00</b>	<b>\$464,900.00</b>	<b>77%</b>	<b>\$88,245.00</b>

Original Contract	\$511,275.00
Change Orders	\$92,992.00
Extra's	\$10,325.00
Revised Contract	\$614,592.00
Total Completed and Stored to Date	\$464,900.00
Retainage on Work Completed	23,245.00
Retainage on Stored Materials	\$0.00
Total Retainage	\$23,245.00
Total Completed & Stored to Date less Retainage	\$441,655.00
Previous Payments	\$332,523.75
Amount Due	\$169,405.90
Balance to finish plus retainage	\$109,490.00

**Application for Payment No. 5**

**To:** City of Benson  
**From:** MN Mechanical Solutions, 313 34th Ave S Waite Park MN 56387  
**Contract:** \_\_\_\_\_  
**Project:** Chlorine Damage Repairs

Owners Contract No. \_\_\_\_\_ Stantec's Project No. 193804681  
 Date of this Invoice: \_\_\_\_\_  
 Invoice Work Period: May 22, 2020

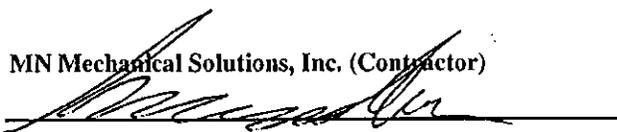
1) Original Contract Price:	<u>\$511,275.00</u>
2) Net Change by Change Order/Written Amendments (-/+)	<u>\$92,922.00</u>
3) Current Contract Price (1+2):	<u>\$604,276.00</u>
4) Total Completed and stored to date:	<u>\$538,347.00</u>
5) Retainage (per Agreement):	
<u>5.00%</u> of completed work	<u>\$26,917.35</u>
<u>0.00%</u> of stored material:	<u>\$0.00</u>
Total retainage:	<u>\$26,917.35</u>
6) Total Completed and stored to date less retainage (4-5)	<u>\$511,429.65</u>
7) Less Previous Application for Payments:	<u>\$501,929.65</u>
8) <b>DUE THIS APPLICATION</b>	<u>\$9,500.00</u>

Accompanying Documentation:

**CONTRACTOR'S Certification:**

The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of work done under the Contract referred to above have been applied on account to discharge CONTRACTOR'S legitimate obligations incurred in connection with Work covered by prior Applications for Payment numbered 1 through 1 inclusive; (2) title of all work, materials and equipment incorporated in said Work otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all Liens, security interest or encumbrance (except such as are recovered by a Bond acceptable to OWNER indemnifying OWNER against any such Lien, security interest or encumbrance); and (3) all Work covered by this Application for Payment is in accordance by the Contract Documents and not defective.

Dated: May 22, 2020

**MN Mechanical Solutions, Inc. (Contractor)**  
 By: 

Payment of the above AMOUNT DUE THIS APPLICATION is recommended.

Owner: City of Benson  
 By: \_\_\_\_\_  
 Date: \_\_\_\_\_

Engineer: Stantec  
 By: Ryan Capelle   
 Date: 6-20-20

Application No. 5

Date of Application: 5/22/2020  
 Work Complete Through: 5/22/2020

Spec.	Description	Scheduled Value	Previous Application	This Application	Stored Material	Completed & Stored To Date	Pct. Compl.	Balance to Finish
	Mobilization & General Conditions	\$10,000.00	\$10,000.00	\$ -	\$0.00	\$10,000.00	100%	\$0.00
	Unforeseen Conditions	\$8,000.00	\$10,325.00	\$0.00	\$0.00	\$10,325.00	129%	(\$2,325.00)
	Facility Cleaning	\$6,820.00	\$4,000.00	\$0.00	\$0.00	\$4,000.00	0%	\$2,820.00
	Replace Valve Components	\$64,000.00	\$64,000.00	\$0.00	\$0.00	\$64,000.00	100%	\$0.00
	Recondition Motors	\$12,800.00		\$0.00	\$0.00	\$0.00	0%	\$12,800.00
	New Process Equipment	\$47,500.00	\$47,500.00	\$0.00	\$0.00	\$47,500.00	100%	\$0.00
	Plumbing Replacement	\$14,800.00	\$3,000.00	\$6,500.00	\$0.00	\$9,500.00	64%	\$5,300.00
	Painting	\$75,000.00	\$60,000.00	\$0.00	\$0.00	\$60,000.00	80%	\$15,000.00
	Misc Metal	\$6,500.00	\$3,000.00	\$3,500.00	\$0.00	\$6,500.00	100%	\$0.00
	Door Hardware	\$8,600.00	\$8,600.00	\$0.00	\$0.00	\$8,600.00	100%	\$0.00
	HVAC	\$52,000.00	\$29,500.00	\$0.00	\$0.00	\$29,500.00	57%	\$22,500.00
	Chemical Feed Equipment	\$106,100.00	\$106,100.00	\$0.00	\$0.00	\$106,100.00	100%	\$0.00
	Electrical	\$98,200.00	\$73,700.00	\$0.00	\$0.00	\$73,700.00	75%	\$24,500.00
	Unplanned 12 Gauge Wire	\$205.00		\$0.00	\$0.00	\$0.00	0%	\$205.00
	Unplanned 14 Gauge Wire	\$175.00		\$0.00	\$0.00	\$0.00	0%	\$175.00
	Unplanned 2 Conductor 16 Gauge Wire	\$575.00		\$0.00	\$0.00	\$0.00	0%	\$575.00
	Alt #1 Lump Sum Deduct	(\$15,630.00)		\$0.00	\$0.00	\$0.00	0%	(\$15,630.00)
	Work Order #1	\$108,622.00	\$108,622.00	\$0.00		\$108,622.00	100%	\$0.00
	<b>Totals</b>	<b>\$604,267.00</b>	<b>\$528,347.00</b>	<b>\$10,000.00</b>	<b>\$0.00</b>	<b>\$538,347.00</b>	<b>89%</b>	<b>\$86,245.00</b>

Original Contract	\$511,275.00
Change Orders	\$92,992.00
Revised Contract	\$604,267.00
Total Completed and Stored to Date	\$538,347.00
Retainage on Work Completed	26,917.35
Retainage on Stored Materials	\$0.00
Total Retainage	\$26,917.35
Total Completed & Stored to Date less Retainage	\$511,429.65
Previous Payments	\$501,929.65
Amount Due	\$9,500.00
Balance to finish plus retainage	\$68,245.00



INVOICE

**Invoice Number** 1668890  
**Invoice Date** June 16, 2020  
**Customer Number** 92404  
**Project Number** 193804681

*W*

**Bill To**

City of Benson  
Bill To: Accounts Payable  
1410 Kansas Avenue  
Benson MN 56215  
United States

**Please Remit To**

Stantec Consulting Services Inc. (SCSI)  
13980 Collections Center Drive  
Chicago IL 60693  
United States  
Federal Tax ID  
11-2167170

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**Project Description:** Benson Chlorine Damage Remediation

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**Stantec Project Manager:** Capelle, Ryan J  
**Current Invoice Due:** \$10,082.29  
**For Period Ending:** May 15, 2020

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**INVOICE**

**Invoice Number**  
**Project Number**

1668890  
193804681

**Top Task 250**

**Underdrain Repair**

Filter underdrain – Communications with contractors, Owner and coordination, set up and review of backwash rates, Communication/coordination with contractor while taking down filters, removing media with owner, flushing underdrains, cutting openings in side of filter access, coordination for painting, planning for upcoming week of work.

**Professional Services**

**Billing Level**

Project Manager

	<b>Hours</b>	<b>Rate</b>	<b>Current Amount</b>
	20.50	173.00	3,546.50
	<u>20.50</u>		<u>3,546.50</u>
<b>Professional Services Subtotal</b>	<u>20.50</u>		<u>3,546.50</u>

**Top Task 250 Total**

**3,546.50**

**Top Task 300**

**Construction Services**

Chlorine Damage Repairs – Coordination, with Contractors for progress on mechanical, electrical, controls and hardware installations for chlorine damage repair project, preparation for progress meetings, installation of valve actuators, verifications from Remote due to COVID 19. Planning and communication with Contractor items such as louver color and replacement, computer replacement and air compressor, attend on-site progress meetings, review pay applications.

**Professional Services**

**Billing Level**

Project Manager

	<b>Hours</b>	<b>Rate</b>	<b>Current Amount</b>
	35.75	173.00	6,184.75
	<u>35.75</u>		<u>6,184.75</u>
<b>Professional Services Subtotal</b>	<u>35.75</u>		<u>6,184.75</u>

**Disbursements**

Direct - Vehicle (mileage)

	<b>Current Amount</b>
	351.04
<b>Disbursements Subtotal</b>	<u>351.04</u>

**Top Task 300 Total**

**6,535.79**

Total Fees & Disbursements

\$10,082.29

**INVOICE TOTAL (USD)**

**\$10,082.29**