

**MINUTES - BENSON CITY COUNCIL REGULAR MEETING
CITY HALL
SEPTEMBER 19, 2022**

The meeting was called to order at 5:30 p.m. by Mayor Collins. Members present: Terri Collins, Jon Buyck, Jack Evenson & Mark Schreck. Members Absent: Lucas Olson. Also present: City Manager Glen Pederson, Police Sergeant Scott Girard, Swift County Benson HealthServices Co-Administrators Melissa Thompson and Dan Enderson, CentraCare Representatives Dr. Cindy Firkin-Smith & Brian Lydeck, City Attorney Ben Wilcox and Don Wilcox, Jerry Peterson, Reed Anfinson and CEDA Representative Hillary Tweed. Telephonically: Chris from Heiman and Public works Director Dan Gens.

The Council recited the Pledge of Allegiance.

The Mayor asked for any changes to the agenda to which there were none. It was moved by Evenson, seconded by Buyck and carried unanimously to approve the agenda as presented.

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

- September 6, 2022 City Council Minutes
- June 20, 2022 Planning Commission Minutes
- Charter Communication Channel Change
- CGMC Fall Conference – November 17-18, 2022
- MRES – Area Meetings Notice
- Pay Request to Magney Construction #7-Anarobic Digester-\$27,236.50-Bal. to Finish \$264,215.68
- Electronic Transfers:
 - September 8, 2022 - Payroll - \$103,416.06
 - Journal Entries: August 2022 - \$1,982,421.12

There was no one with unscheduled business.

Enderson and Thompson approached the Council and presented a summary to the Council outlining the proposed affiliations between Swift County-Benson HealthServices and CentraCare, as well as Scandihaven with Cura. The updated timeline was discussed. He said last Thursday the CentraCare Board approved the lease agreement between SCBHS and Centracare. Enderson shared a summary of asset transfers for both facilities with the Council. He went on to say there is a trust between CentraCare and SCBHS and Cura that the facilities will continue to be operated appropriately and that CentraCare and Cura will assume the liabilities and continue with support and management of the facilities. Enderson also went on to discuss the \$1 million grant status from the City to SCBHS. \$470,00 of the grant has already been completed and reimbursed. He said some of the balance of the projects and ask for reimbursement will spill into 2023. He went on to say this grant was not included in the lease agreement. Once the projects are finished, they will submit documentation for reimbursement, the City will pay the Hospital District and the Hospital District will pay these project bills directly. Schreck asked Ben Wilcox as City Attorney if the agreement and resolution before them was in order to which Wilcox replied it was and appears to be straight forward. Don Wilcox also agreed as the hospital attorney.

Councilmember Buyck offered the following resolution:

RESOLUTION NO. 2022-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENSON, MINNESOTA, APPROVING THE LEASING BY SWIFT COUNTY-BENSON HOSPITAL OF CERTAIN DISTRICT FACILITIES TO CENTRACARE HEALTH SYSTEM

WHEREAS, Swift County–Benson Hospital (the "District") is a Minnesota hospital district duly organized and validly existing under the constitution and laws of the State of Minnesota; and

WHEREAS, under the Laws of Minnesota for 1992, Chapter 534, Sections 6 through 21 (the "Act"), the District may take certain actions related to its facilities with the consent of the City of Benson, Minnesota (the "City") and the County of Swift, Minnesota (the "County"); and

WHEREAS, the District owns and operates District Facilities, as defined in the resolutions authorizing the issuance of the below-referenced Bonds (the "Project"); and

WHEREAS, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), a public hearing was held by the District (the "Board") on September 15, 2022, after publication of a notice therefor in the District's legal newspaper, the *Swift County Monitor*, on August 30, 2022, on a proposal that the District lease the Project to CentraCare Health System, a Minnesota nonprofit corporation (the "Corporation"), and that the Corporation operate the Project pursuant to the terms of the lease and make lease payments sufficient to make the debt service payments on the District's \$4,035,000 Hospital Revenue Refunding Bonds (Swift County, Minnesota General Obligation), Series 2021A (the "Bonds"), currently outstanding in the amount of \$4,035,000, which were issued pursuant to the Act; and

WHEREAS, the District has advised the City as to the comments, if any, that were made by members of the public at such public hearing; and

WHEREAS, the Act and Minnesota Statutes, Section 447.47 provide, in part, that the District may lease its facilities to be run by a nonprofit corporation, provided that the lease, among other things, requires the lessee to pay a net rental not less than the amount required to pay the principal and interest when due on all revenue bonds issued by the District to acquire, improve, and refinance the leased facilities and to maintain the agreed revenue bond reserve;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BENSON, MINNESOTA, AS FOLLOWS:

1. Findings. The City hereby finds, determines, and declares as follows:
 - (a) The recitals above are true and correct and are incorporated herein.
 - (b) It is desirable, feasible, and in the best interests of the residents of the City for the District to enter into the Operating Lease Agreement (the "Lease") between the District and the Corporation and the documents, agreements and exhibits related thereto (such Lease, together with such documents, agreements and exhibits referred to herein as the "Lease Documents") and for the District to take such further actions as may be necessary or appropriate to consummate the transactions contemplated therein.
2. Approval of Lease. The City hereby approves of the leasing of the District Facilities pursuant to the Lease by the District to the Corporation, in accordance with the Act.
3. Ratification. The City hereby ratifies, affirms, and approves all actions heretofore taken by the District consistent with and in anticipation of the approvals and authorizations granted herein.

Councilmember Evenson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Buyck, Schreck, Collins. NAYES: None. Thereupon the Mayor declared Resolution 2022-18 duly passed and adopted.

Councilmember Buyck presented the following resolution:

RESOLUTION NO. 2022-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENSON, MINNESOTA, APPROVING THE LEASING BY SWIFT COUNTY-BENSON HOSPITAL OF CERTAIN DISTRICT FACILITIES TO CURA

WHEREAS, Swift County–Benson Hospital (the "District") is a Minnesota hospital district duly organized and validly existing under the constitution and laws of the State of Minnesota; and

WHEREAS, under the Laws of Minnesota for 1992, Chapter 534, Sections 6 through 21 (the "Act"), the District may take certain actions related to its facilities with the consent of the City of Benson, Minnesota (the "City") and the County of Swift, Minnesota (the "County"); and

WHEREAS, the District owns and operates District Facilities, as defined in the resolutions authorizing the issuance of the below-referenced Bonds (the "Project"); and

WHEREAS, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), a public hearing was held by the District (the "Board") on September 15, 2022, after publication of a notice therefor in the District's legal newspaper, the *Swift County Monitor*, on August 30, 2022, on a proposal that the District lease the Project to Cura of Benson, LLC, a Minnesota limited liability company, the sole member of which is Cura, a Minnesota nonprofit corporation (collectively, "Cura"), and that Cura operate the Project pursuant to the terms of the lease and make lease payments sufficient to make the debt service payments on the District's \$7,360,000 Congregate Senior Housing Revenue Bonds (Swift County General Obligation), Series 2020A (the "Bonds"), currently outstanding in the amount of \$6,980,000, which were issued pursuant to the Act; and

WHEREAS, the District has advised the City as to the comments, if any, that were made by members of the public at such public hearing; and

WHEREAS, the Act and Minnesota Statutes, Section 447.47 provide, in part, that the District may lease its facilities to be run by a nonprofit corporation, provided that the lease, among other things, requires the lessee to pay a net rental not less than the amount required to pay the principal and interest when due on all revenue bonds issued by the District to acquire, improve, and refinance the leased facilities and to maintain the agreed revenue bond reserve;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BENSON, MINNESOTA, AS FOLLOWS:

4. Findings. The City hereby finds, determines, and declares as follows:

(a) The recitals above are true and correct and are incorporated herein.

(b) It is desirable, feasible, and in the best interests of the residents of the City for the District to enter into the Operating Lease Agreement (the "Lease") between the District and Cura and the documents, agreements and exhibits related thereto (such Lease, together with such documents, agreements and exhibits referred to herein as the "Lease Documents") and for the District to take such further actions as may be necessary or appropriate to consummate the transactions contemplated therein.

5. Approval of Lease. The City hereby approves of the leasing of the District Facilities pursuant to the Lease by the District to Cura, in accordance with the Act.

6. Ratification. The City hereby ratifies, affirms, and approves all actions heretofore taken by the District consistent with and in anticipation of the approvals and authorizations granted herein.

Councilmember Schreck seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Buyck, Schreck, Collins. NAYES: None. Thereupon the Mayor declared Resolution 2022-19 duly passed and adopted.

Pederson discussed old Community Development loans the City participated in back in 1981. He said while current small cities loans have terms and a forgiveness clause in them, these older loans did not. The old loans had no terms and expire after 15 years. The City Attorney recommends since they are no longer legally enforceable as the 15 years has long lapsed, we should release the mortgage liens. Councilmember Evenson offered the following resolution:

**RESOLUTION TO RELEASE CITY HELD LIENS ON 1981 COMMUNITY DEVELOPMENT REHAB LOANS: DELEGATING AUTHORITY TO THE CITY MANAGER TO IMPLEMENT THE RELEASE OF THE LIENS
(RESOLUTION 2022-20)**

WHEREAS, the City of Benson is the owner/holder of a number of liens on residential property from the 1981 Community Development program; and

WHEREAS, the liens were put into place so that the property owners did not personally benefit from the increase in valuation due to the improvements made; and

WHEREAS, the purpose of these liens was to protect the city's investment in these properties with grant dollars; and

WHEREAS, due to the time that has passed since these improvements were made their useful life has been exceeded; and

WHEREAS, the City Attorney has opined that the legality of enforcing the liens due to their issuance over 15 years ago and lack of a maturity date; and

WHEREAS, the City Council finds that in many cases the homeowners have implemented other improvements on their own or other programs that have superseded those made back in 1981; and

WHEREAS the City Council determines that the release of these liens will benefit the City's citizens by encouraging growth, decreasing obstacles to redevelopment, and clearing up title to properties within the City.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BENSON, MINNESOTA:

The release of liens on the lienholders in Exhibit A are hereby adopted as set forth herein. This Resolution repeals and replaces all prior resolutions regarding the same subject matter to the extent of any conflict herewith. This Resolution shall be effective immediately upon its passage and adoption.

EXHIBIT A

File #	Parcel #	Amount
81-02	23-1325-000	\$15,000.00
81-07	23-1367-000	\$15,000.00
81-10	23-0062-000	\$20,000.00
81-39	23-0693-000	\$ 6,847.04
81-43	23-1324-000	\$15,000.00
81-43	23-1324-000	\$ 3,228.50
81-46	23-0909-000	\$ 1,782.01
81-46	23-0909-000	\$ 6,832.74
81-69	23-1438-000	\$ 6,845.06
81-73	23-0016-000	\$10,941.05

Councilmember Buyck seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Buyck, Schreck, Collins. NAYES: None. Thereupon the Mayor declared Resolution 2022-20 duly passed and adopted.

Next Pederson stated the airport A & D building is finally finished and presented certificate of completion as well as a final pay request. It was moved by Buyck, seconded by Evenson and carried unanimously to approve the certificate of Substantial Completion. It was moved by Buyck, seconded by Evenson and carried unanimously to approve the Certificate of Final Completion. It was athen moved by Schreck, seconded by Evenson and carried unanimously to pay Kalcon LLC’s final pay request in the amount of \$32,717.25.

Pederson stated recently the Wastewater Department and Gens came in with a request to purchase a by-pass valve. Gens said the old valve to clean out the chlorine contact tank no longer works. If we don’t clean the tank out, it will mean more in chlorine costs to the City. After discussion, it was moved by Evenson, seconded by Buyck and carried unanimously to authorize Gens to purchase a 12” plug valve and accessories for the by-pass line from W.W. Goetsch Associates in the amount of \$7,286.00.

Next Pederson presented a request for funds from Prairie 5 for their “Reach Out For Warmth” program. Pederson said we have done this before, and recommends approval as the money goes to those who cannot pay their electric bill, which comes back to us. It was moved by Buyck, seconded by Schreck and carried unanimously to support the “Reach Out for Warmth” program to be paid out of the utility funds in the amount of \$1,000.

Next was an update on the Armory. Pederson said the request for names for the Armory came back with a name of the Benson Community Center. Tweed said we have received a draft renovation plan from Engan and Associates. We are over budget and will need to meet with Councilmember Olson and Evenson to discuss what changes can be made. Funds must be spent by 2024.

Pederson said recently the Fire Department had conducted bids on a new top mount pumper to replace the 35 plus year old pumper they currently have that doesn’t meet safety guidelines. They recommended Rosenbauer’s bid #1 with a Heiman truck which met all their specs. Buyck asked to be reminded how the funding will be achieved to which Pederson said on direction at the last Council meeting \$200,000 will come out of the Fire Department Capital outlay, \$200,000 coming out of General fund Reserves and \$200,000 coming out of the ARPA funds, After discussion it was moved by Evenson, seconded by Schreck and carried unanimously to accept the Rosenbauer’s #1 bid for a Heiman pumper truck in the amount of \$591,485.00.

Councilmember Schreck offered the following resolution:

**RESOLUTION ADOPTING PROPOSED 2022 PROPERTY
TAX LEVY, COLLECTIBLE IN 2023
(RESOLUTION NO. 2022-21)**

BE IT RESOLVED by the City Council of the City of Benson, County of Swift, Minnesota that the following proposed sums of money be levied for the current year, collectible in 2023, upon the taxable property in the City of Benson, for the following purposes:

General Fund Levy	\$400,027
Police Personnel	860,290
Library Fund Levy	126,200
G.O. CIP Bonds 2014 - Street Garage	73,096
G. O. CIP Bonds 2017 - Police Department	<u>84,289</u>
Total	\$1,543,902

BE IT FURTHER RESOLVED that the City Council will hold its Truth in Taxation Hearing on Monday, December 5, 2022 at 6:00 p.m. in the Benson City Council Chambers. Comments may be made by calling 320-843-4775, email to staff@bensonmn.org or by postal mail to 1410 Kansas Avenue, Benson, MN 56215.

Councilmember Evenson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Buyck, Schreck, Collins. NAYES: None. Thereupon the Mayor declared Resolution 2022-21 duly passed and adopted.

Councilmember Evenson offered the following resolution:

**RESOLUTION CERTIFYING THE PROPOSED GENERAL FUND OPERATING BUDGET
FOR THE CALENDAR YEAR 2023 FOR THE CITY OF BENSON, MINNESOTA
(RESOLUTION NO. 2022- 22)**

BE IT RESOLVED, that the proposed Operating Budget for the General Fund of the City of Benson, Minnesota, for the fiscal year beginning January 1, 2023 and ending December 31, 2023 is hereby approved.

BE IT FURTHER RESOLVED, that the budget is summarized as follows:

<u>Revenues</u>	
Taxes - General	\$1,260,317
Taxes - Library	126,200
State Grants and Aids	1,449,109
Other Revenues	<u>1,215,354</u>
Total Revenues	\$4,050,980

<u>Expenditures</u>	
General Government	\$471,231
Public Safety	1,426,611
Highways, Streets and Roads	800,600
Parks and Recreation	637,260
Public Transit	8,908
Public Library	129,000
Capital Outlay	402,470
Other Expenditures	<u>174,900</u>
Total Expenditures	\$4,050,980

Excess (Deficiency) of Revenues over Expenditures **\$0**

Councilmember Buyck seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Buyck, Schreck, Collins. NAYES: None. Thereupon the Mayor declared Resolution 2022-22 duly passed and adopted.

Councilmember Schreck offered the following resolution:

CITY OF BENSON

**A RESOLUTION TO DESIGNATE USES OF THE
CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS
RECEIVED UNDER THE AMERICAN RESCUE PLAN ACT
(RESOLUTION NO. 22-23)**

WHEREAS, Congress adopted the American Rescue Plan Act in March 2021 (“ARPA”) which included **\$65 billion in recovery funds for cities across the country.**

WHEREAS, ARPA funds are intended to provide support to state, local, and tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in their communities, residents, and businesses.

WHEREAS, The Fiscal Recovery Funds provides for \$19.53 billion in payments to be made to States and territories which will distribute the funds to non-entitlement units of local government (NEUs).

WHEREAS, The ARPA requires that States and territories allocate funding to NEUs in an amount that bears the same proportion as the population of the NEU bears to the total population of all NEUs in the State or territory.

WHEREAS, \$332,545.86 has been allocated to the City of Benson (“City”) pursuant to the ARPA.

WHEREAS, The Coronavirus State and Local Fiscal Recovery Funds ensures that governments have the resources needed to fight the pandemic and support families and businesses struggling with its public health and economic impacts, maintain vital public services, even amid declines in revenue, and build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

WHEREAS, In May 2021, the US Department of Treasury (“Treasury”) published the Interim Final Rule describing eligible and ineligible uses of funds as well as other program provisions, sought feedback from the public on these program rules, and began to distribute funds.

WHEREAS, on January 6, 2022, Treasury issued the final rule. The final rule delivers broader flexibility and greater simplicity in the program, responsive to feedback in the comment process.

WHEREAS, the final rule offers a standard allowance for revenue loss of up to \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation.

WHEREAS, the City selected the standard allowance to use the amount received for government services, with streamlined reporting requirements.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BENSON, MINNESOTA, THE CITY AUTHORIZES THE TRANSFER OF \$332,545.86 TO THE GENERAL CAPITAL OUTLAY FUND TO BE USED FOR ONE THIRD THE COST OF A FIRE PUMPER TRUCK AND THE REMAINDER TO UPGRADE RADIOS FOR EMERGENCY RESPONSE COMMUNICATIONS.

Councilmember Evenson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Buyck, Schreck, Collins. NAYES: None. Thereupon the Mayor declared Resolution 2022-23 duly passed and adopted.

Councilmember Evenson offered the following resolution:

**RESOLUTION TRANSFERRING \$197,162 FROM THE GENERAL FUND TO THE GENERAL CAPITAL OUTLAY FUND FOR ONE THIRD THE COST OF A NEW FIRE DEPARTMENT PUMPER TRUCK
(RESOLUTION NO. 2022-24)**

WHEREAS, the City of Benson is responsible and takes pride in providing excellent public safety services, and

WHEREAS, there is a need to periodically upgrade the fleet of vehicles and firefighting equipment, and,

WHEREAS, the City has taken bids for a new pumper truck to replace a 1981 year truck, and,

WHEREAS, the City desires to use General Fund reserves to cover 1/3 of the cost of the new truck.

NOW, THEREFORE BE IT RESOLVED that the City Council authorize the transfer of \$197,162 from the General Fund to the General Capital Outlay Fund designated to the Fire Department.

Councilmember Schreck seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Buyck, Schreck, Collins. NAYES: None. Thereupon the Mayor declared Resolution 2022-24 duly passed and adopted.

The Council reviewed the August 2022 budget report

It was moved by Evenson, seconded by Schreck and carried unanimously to approve the bills and warrants in the amount of \$563,499.31.

Pederson handed out a proposed City Manager contract offer to Christopher Webb for Council consideration. He said he, the City Attorney, Liza of David Drown Associates, Evenson and Schreck made some adjustments to the contract today and Liza sent a clean copy out to everyone via email. There was some discussion on the contract. It was then moved by Evenson, seconded by Schreck and carried unanimously to approve the new City Manager's contract as presented.

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 6:20 p.m.

Mayor

City Clerk