

**MINUTES - BENSON CITY COUNCIL - REGULAR MEETING
SEPTEMBER 26, 2018**

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, Director of Public Works Dan Gens, City Attorney Ben Wilcox, Benson Librarian Nicole Schmiesing, Ben Honebrink, Jerry Peterson, Sally Jones, Dave Johnson, Robyn Dehne and Shelly Vergin.

The Council recited the Pledge of Allegiance.

Mayor Collins asked for any changes or additions to the agenda. Wolfington asked to add a conference call with Brightmark Energy, farewell to Dave Johnson, and introduction of the new Librarian. The Mayor asked to address changing the 2nd City Council Meeting date in October. It was moved by Schreck, seconded by Evenson and carried unanimously to approve the amended agenda.

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

- August 22, 2018 City Council Minutes
- September 10, 2018 City Council Minutes
- July 16, 2018 EDA Minutes
- July 16, 2018 Park Board Minutes
- September 6, 2018 Park Board Minutes
- Public Works Report

Wolfington asked Dave Johnson to approach the Council. Thanked him for his years of service as a Missouri River Energy Services lineman for the City for the past 18 years and presented him with an American flag in appreciation.

Wolfington introduced Nicole Schmiesing who is the new head Librarian at the Benson Public Library. The Council welcomed her to Benson.

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

Ben Honebrink approached the Council to discuss the water main leak on the 200 block on 10th Street South in February. He owns a rental home there. When the water break occurred in the street in front of his rental home, the home experienced a sewer back-up into the basement. He brought pictures of the damages and a list of expenses occurred in repairing and cleaning up the sludge in the basement. Wolfington shared the City's insurance company denied Honebrink's claim. He went on to say they agree with the facts of the incident, but do not agree on a solution. Honebrink said he feels he shouldn't have to turn the claim into his insurance and is asking the City to reimburse him for the expenses incurred in repairs and the clean-up. Wolfington said he feels it is in everyone's best interest to have the City Attorney work with Honebrink to arbitrate an agreement, and bring it back to the Council. It was moved by Schreck, seconded by Buyck and carried unanimously to have the City Attorney work with Honebrink to find a solution and bring it back to the October 1, 2018 City Council Meeting.

Next Jerry Peterson and Sally Jones representing the Golf Club approached. They are asking for \$35,000 to apply toward this year's operating deficit, plus the balance of \$1,500 they were short for equipment this year. Peterson explained they have had successful fundraising for the club house updates and donations for a new patio that added beauty to the northwest side of the building. He said they are

currently planning a fundraising event and hope to raise \$50,000. Evenson asked how many more years will the Golf Club be asking for this support? Peterson said he hopes one year they will not need additional support. Jones said the current board has been looking at how to grow the business and has done some planning on how to draw more business to the Golf Club. After discussion, it was moved by Evenson, seconded by Buyck and carried unanimously to approve \$35,000 in budget shortfall and \$1,500 for equipment purchases.

Next Wolfington placed a conference call with Bob Powell and Kavi Ramakrishnan from Brightmark Energy (BME). He summarized in the last 24 hours BME and our legal counsel have been negotiating a term sheet for the purchase of Benson Power assets. There are 6 items of assistance BME is looking for from the City of Benson: 1) Purchase the site and transfer ownership or lease of the site to BME 2) Purchase of the existing assets that BME would like to repurpose for the Project from Xcel Energy 3) Total financial assistance of \$1 million for previous two items above 4) Property Tax Abatement 5) Sales tax relief 6) Backstop for Minnesota State Bio-incentive Program. Powell said he is excited for the opportunity to do a project in Benson, and that they have been working on this for a year. Kavi said they want to repurpose parts of Fibrominn. Animal waste will be used to create the anaerobic digestion which will create the natural gas they will inject into the pipeline along highway 9 west of Benson. This will be a long term partnership that will happen in multiple phases. They will start with 10-20 employees and hope to increase capacity of the plant by 3 and add up to 50 employees. She said they feel this will be good for building infrastructure in the City. They will be fully immersed into the community and their business will benefit truckers and farmers. Wolfington asked the Council to approve the development of the term sheet for economic incentive to back the bid so if the project doesn't go as planned, the City can claw back the land and building. Also authorize the Mayor to execute the agreement as presented as well as sign a letter of support from the Mayor to Xcel for the \$1 Million. Olson asked if they have a design developed. Kavi said they do. He asked how much animal waste will they need. Kavi stated hundreds of thousands of pounds of product per year. Olson asked what bi-products will they have left? She stated gas, liquid and solid digestants fertilizer. After discussion it was moved by Evenson, seconded by Schreck and carried unanimously to approve the Mayor to execute a letter of support to Xcel Energy. It was then moved by Evenson, seconded by Olson and carried unanimously to approve the term sheet pending legal approval and to have the Mayor then execute the agreement.

Robyn Dehne and Shelly Virgin approached the Council from the Discovery Kids Child Care Center. They discussed programs and shared that the community and local businesses support they have had starting up this program and have reduced a large operating deficit. The Council asked to see financials of the program. Virgin said she will bring them up for the Council. After discussion, it was moved by Evenson, seconded by Olson and carried unanimously to approve a \$10,000 pay request for the 2017-2018 program year.

Next was a request for support from the Renaissance Program at the high school. After discussion, it was moved by Evenson to refer support for the program to soft drinks and or food from the liquor store, it was seconded by Buyck and carried unanimously.

Wolfington discussed a tall evergreen tree that stands on the corner of Wisconsin and 14th Street South. The tree is in bad shape and needs to come down, but is on private property. When the current business started at this location, it was agreed the City would decorate the tree for the Holidays and when it was time for the tree to come down, the City would pay for removal of the tree. After discussion, it was moved by Evenson, seconded by Olson and carried unanimously to remove the evergreen tree at the corner of 14th Street South and Wisconsin Avenue.

Wolfington presented an agreement with Flaherty & Hood to monitor the Minnesota congressional activity again as they did last year in reference to the Xcel grant at a cost not to exceed \$15,000. It was moved by Buyck, seconded by Schreck and carried unanimously to approve the agreement for with Flaherty & Hood as presented.

Next was a demolition grant request. This is a grant where Swift County and the City of Benson will match funds to help land owners take down dilapidated buildings. The request tonight is from Scott Collins for an old home located at 2106 Atlantic Avenue. He is asking for \$2,500 for the house demolition and \$500 for the ancillary building from the City. The total matching grant along with funds from the County will be \$6,000. Wolfington said he is disclosing all information as the Mayor is married to the applicant. After discussion, it was moved by Evenson, seconded by Schreck and carried unanimously to approve \$2,500 for the house and \$500 for the ancillary building. The following vote was recorded: AYES: Olson, Schreck, Buyck, Evenson; NAYS: None; ABSTAIN: Collins.

Next was a request for the Coalition of Minnesota Cities Dues for 2019. Pederson stated it is figured into the 2019 budget.

The preliminary 2019 levy was discussed. Wolfington said State law required us to set the preliminary levy now. We can set it higher now and decrease it in December. Currently if we leave the levy as presented, it will be a 5.6% increase in the levy, and leave a \$30,000 deficit. And additional 3% will give us a cushion. Also the increase will be used by the County in the projected tax statement sent out to all the residents in Benson. Councilmember Evenson offered the following resolution:

**RESOLUTION ADOPTING PROPOSED 2018 PROPERTY
TAX LEVY, COLLECTIBLE IN 2019
(RESOLUTION NO. 2018-18)**

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 2019, upon the taxable property in the City of Benson, for the following purposes:

General Fund Levy	\$802,600
Police Personnel	675,430
Library Fund Levy	113,959
G.O. Equipment Bonds 2014 – Golf	48,573
G.O. CIP Bonds 2014 - Street Garage	72,445
G. O. CIP Bonds 2017 - Police Department	<u>89,329</u>
Total	\$1,802,336

BE IT FURTHER RESOLVED that the following sum of money be levied for the current year, collectible in 2019, based upon the market value of the taxable property in the City of Benson, for the following purpose:

G.O. Swimming Pool	\$ <u>72,285</u>
Total	\$72,285

BE IT FURTHER RESOLVED that the City Council will hold its Truth in Taxation Hearing on Monday, December 3, 2018 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 Olson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Schreck, Collins, Buyck, Olson. NAYES: None. Thereupon the Mayor declared Resolution 2018-18 duly passed and adopted.

The preliminary budget was discussed. Councilmember Buyck offered the following resolution:

**RESOLUTION CERTIFYING THE PROPOSED GENERAL FUND OPERATING BUDGET
FOR THE CALENDAR YEAR 2019 FOR THE CITY OF BENSON, MINNESOTA
(RESOLUTION NO. 2018-19)**

Councilmember Olson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Schreck, Collins, Buyck, Olson. NAYES: None. Thereupon the Mayor declared Resolution 2018-20 duly passed and adopted.

Next Mayor Collins announced she will be resigning from the Hospital Board and Library Board. Evenson stated he will be going off the Utility Board. It was moved by Evenson, seconded by Schreck and carried unanimously to appoint Buyck to the Hospital Board, Library Board and Utility Board.

Mayor Collins discussed moving the October 15 meeting to October 22, 2018 due to conflicts. It was moved by Schreck, seconded by Buyck and carried unanimously to move the October 15, 2018 meeting to October 22, 2018.

It was moved by Evenson, seconded by Olson and carried unanimously to approve bills and warrants in the amount of \$807,094.61.

There being no further business to come before the Council upon motion by Evenson, seconded by Buyck and carried unanimously to adjourn the Council meeting at 7:02 p.m.

Mayor

City Clerk