

**MINUTES - BENSON CITY COUNCIL REGULAR MEETING
CITY HALL
JUNE 16, 2025**

The meeting was called to order at 5:30 p.m. by Mayor Evenson. Members present: Jack Evenson, Eric Payne, Nancy Maanum, Dan Enderson and Cherie Stielow. Members Absent: None. Also present: City Clerk Valerie Alsaker, Director of Finance Lisa Kent, Public Works Director Jeff Reuss, City Manager Matt Skaret, CEDA Representatives Hillary Tweed and Maddie Petrik, City Attorney Stephen Kowal, Rob Wolfington, Police Chief Ian Hodge, Police Sergeant Scott Girard, State Representative Paul Anderson, Mark Goldberg from DDA and Reed Anfinson. Telephonically Todd Hagen from Ehlers, MRES CEO Matt Schull and Engineer Brian Zavesky

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 Maanum, seconded by Payne and carried unanimously to approve the agenda.

The Mayor called for approval of the consent agenda. Stielow said in the June 2, 2025 minutes, the Pioneerland Band Festival parade is June 13, not July 13, and MRES CEO Matt Schuell is attending the June 16, no July 16 City Council meeting. Alsaker noted the corrections. It was then moved by Maanum, seconded by Stielow and carried unanimously to approve the consent agenda with the noted corrections to the June 2, 2025 minutes and the following items on the consent agenda:

- June 2, 2025 Amended City Council Minutes
- 2024 Population and Household Estimates
- Charter Communications Franchise Fee Revenue
- Stantec Pay Request-Clearwell Improvements Project-15,599.75-Bal-\$8,786.10
- Pioneerland Library System Quarterly Request - \$29,918.50
- Electronic Transfers: Payroll: May 29, 2025 - \$104,820.53

Staff announcements. The Mayor asked for a moment of silence for the tragic murder of State House Speaker Emeritus Melissa Hortman and her husband, and the attempted assassinations of Senator John Hoffman and his wife.

There was no one with unscheduled business.

Hagen said he was here in April of 2025 to discuss the bundled bond package for the Armory, pool, streets projects and the water tower. On May 5 we held the public hearing for the bonds with no public comments. He said two weeks ago, he Kent and Skaret met with the bond rating agency. He was pleased to announce we received an A+ bond rating. The bids came in this morning with a bond insurance rating at AA+. There were four bidders, and the low bid went to Stifel Nicolaus and Company, Inc., out of Birmingham, AL. The bond is a 20 year payback with a good interest rate lower than the presale estimate. He continued we should close on July 3, 2025. The Mayor thanked Hagen. At this time Councilmember Enderson offered the following resolution.

RESOLUTION NO. 2025-13

RESOLUTION AUTHORIZING THE ISSUANCE AND AWARDED THE SALE OF \$3,965,000 GENERAL OBLIGATION BONDS, SERIES 2025A, PLEDGING FOR THE SECURITY THEREOF NET REVENUES AND TAX ABATEMENTS AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council has heretofore determined and declared that it is necessary and expedient to issue \$3,965,000 General Obligation Bonds, Series 2025A (the "Bonds" or individually a "Bond"), pursuant to Minnesota Statutes, Chapters 475; and

1. Sections 469.1812 through 469.1815, particularly Section 469.1814, to finance the costs related to improvements to the City's Community Center and swimming pool (the "Tax Abatement Project").

2. Section 475.58, Subdivision 3b to finance street reconstruction projects under the City's Street Reconstruction Plan adopted on May 5, 2025 (the "Street Reconstruction Projects"); and

3. Section 444.075 to finance the improvements to the City water tower (the "Utility Improvements").

B. WHEREAS, on May 5, 2025, following duly published notice thereof, the Council held a public hearing on the proposed abatement to finance the Tax Abatement Project and all persons who wished to speak or provide written information relative to the public hearing were afforded an opportunity to do so; and

C. WHEREAS, Benson Public Schools Independent School District No. 777 has declined, in writing, to participate in the Tax Abatement Program, as hereinafter defined.

D. WHEREAS, the City has heretofore established a tax abatement program (the "Tax Abatement Program") pursuant to the provisions of Minnesota Statutes, Sections 469.1812 through 469.1815, with respect to providing for the abatement of property taxes for a period of twenty (20) years on various properties in the City, as described in the resolution adopted by the City Council on May 5, 2025, approving the Tax Abatement Program (the "Tax Abatement Resolution"); and

E. WHEREAS, the amount of the property taxes abated are estimated to be at least equal to the principal on the Tax Abatement Portion of the Bonds, as hereinafter defined, and pursuant to the provisions of the Tax Abatement Resolution, Bond proceeds are to be expended to provide money to pay for the Tax Abatement Project; and

F. WHEREAS, on May 5, 2025, following duly published notice thereof, the City Council held a public hearing on the issuance of not to exceed approximately \$3,100,000 principal amount of bonds to finance the Street Reconstruction Projects and all persons who wished to speak or provide written information relative to the public hearing were afforded an opportunity to do so; and

G. WHEREAS, no petition signed by voters equal to 5 percent of the votes cast in the City in the last municipal general election requesting a vote on the issuance of the street reconstruction bonds was filed with the City Clerk within 30 days after the public hearing on May 5, 2025; and

H. WHEREAS, the Bonds, together with any outstanding bonds of the City that are subject to the City's net debt limit, do not exceed the City's net debt limit; and

I. WHEREAS, the City owns and operates a municipal water system (the "Water System"), a municipal sanitary sewer system (the "Sanitary Sewer System"), and a municipal storm sewer system, as separate revenue producing public utilities; and

J. WHEREAS, the net revenues of the Water System are pledged to the payment of the City's outstanding General Obligation Water Revenue Note of 2011, in the original principal amount of \$3,341,460, dated September 7, 2011 (the "Outstanding Water Note")

K. WHEREAS, the net revenues of the Water System and the Sanitary Sewer System are pledged to the payment of the City's outstanding General Obligation Bonds, Series 2014A, in the original principal amount of \$1,450,000, dated December 30, 2014, of which a portion was designated the "System Portion"; (the "Outstanding Water and Sanitary Sewer Bonds"); and

L. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Ehlers; and

M. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the City Clerk, or designee, at the office of Ehlers, at 10:00 A.M. on the date hereof, pursuant to the Preliminary Official Statement for the Bonds, dated June 5, 2025; and

N. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

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

1. Acceptance of Proposal. The proposal of Stifel, Nicolaus & Company, Incorporated, in Birmingham, Alabama (the "Purchaser"), to purchase the Bonds in accordance with the Preliminary Official Statement, at the rates of interest hereinafter set forth, and to pay therefor the sum of \$4,031,941.35, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted and the Bonds are hereby awarded to the Purchaser. The Director of Finance is directed to retain the deposit of the Purchaser.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated July 3, 2025, as the date of original issue and shall be issued forthwith on or after such date in fully registered form, shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2027	\$120,000	2035	\$185,000
2028	130,000	2036	195,000
2029	135,000	2038*	405,000
2030	145,000	2040*	445,000
2031	155,000	2042*	470,000

2032	155,000	2044*	520,000
2033	165,000	2046*	560,000
2034	180,000	* Term Bond	

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Allocation. The aggregate principal amount of \$2,165,000 maturing in each of the years and amounts hereinafter set forth is issued to finance the Tax Abatement Project (the "Tax Abatement Portion" of the Bonds); the aggregate principal amount of \$920,000 maturing in each of the years and amounts hereinafter set forth is issued to finance the Street Reconstruction Projects (the "Street Reconstruction Portion of the Bonds"); and the aggregate principal amount of \$880,000 maturing in each of the years and amounts hereinafter set forth is issued to finance the Utility Improvements (the "Utility Revenue Portion" of the Bonds).

<u>Year</u>	<u>Tax Abatement Portion</u>	<u>Street Reconstruction Portion</u>	<u>Utility Revenue Portion</u>	<u>Total</u>
2027	\$65,000	\$30,000	\$25,000	\$120,000
2028	70,000	30,000	30,000	130,000
2029	75,000	30,000	30,000	135,000
2030	80,000	35,000	30,000	145,000
2031	85,000	35,000	35,000	155,000
2032	85,000	35,000	35,000	155,000
2033	90,000	40,000	35,000	165,000
2034	100,000	40,000	40,000	180,000
2035	100,000	45,000	40,000	185,000
2036	105,000	45,000	45,000	195,000
2037	110,000	45,000	45,000	200,000
2038	110,000	50,000	45,000	205,000
2039	120,000	50,000	50,000	220,000
2040	125,000	50,000	50,000	225,000
2041	125,000	55,000	50,000	230,000
2042	130,000	55,000	55,000	240,000
2043	140,000	60,000	55,000	255,000
2044	145,000	60,000	60,000	265,000
2045	150,000	65,000	60,000	275,000
2046	155,000	65,000	65,000	285,000

If Bonds are prepaid, the prepayments shall be allocated to the portions of debt service (and hence allocated to the payment of Bonds treated as relating to a particular portion of debt service) as provided in this paragraph. If the source of prepayment moneys is the general fund of the City, or other generally available source, including the levy of taxes, the prepayment may be allocated to any portions of debt service in such amounts as the City shall determine. If the source of a prepayment is taxes abated for the Tax Abatement Project, the prepayment shall be allocated to the Tax Abatement Portion of debt service. If the source of a prepayment is excess net revenues of the Water System pledged to the Utility Improvements, the prepayment shall be allocated to the Utility Revenue Portion of debt service.

(c) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10 hereof, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository

required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen calendar days in advance of such special record date to the extent possible.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(d) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (d) shall limit or restrict the provisions of paragraph 10.

(e) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are

inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purposes. The Tax Abatement Portion of the Bonds shall provide funds to finance the Tax Abatement Project. The Street Reconstruction Portion of the Bonds shall provide funds to finance the Street Reconstruction Projects. The Utility Revenue Portion of the Bonds shall provide funds to finance the Utility Improvements. The Tax Abatement Project, the Street Reconstruction Projects and the Utility Improvements are herein referred to together as the "Project." Pursuant to the Tax Abatement Resolution, the City's share of real estate taxes generated on the property identified in the Tax Abatement Program (the "Tax Abatements") have been pledged to the payment of the Tax Abatement Portion of the Bonds. The principal amount of the Tax Abatement Portion of the Bonds does not exceed the estimated amount of Tax Abatements, which is \$2,366,259. Proceeds of the Tax Abatement Portion of the Bonds shall be expended on costs or uses permitted by Minnesota Statutes, Sections 469.1812 through 469.1815, and shall not be expended on any costs or devoted to any other uses. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2026, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2027	5.00%	2035	5.00%
2028	5.00	2036	4.00
2029	5.00	2038*	4.00
2030	5.00	2040*	4.00
2031	5.00	2042*	4.125
2032	5.00	2044*	4.25
2033	5.00	2046*	4.25
2034	5.00	* Term Bond	

5. Redemption. All Bonds maturing on February 1, 2036 and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2035, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to

be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. Bond Trust Services Corporation, in Roseville, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and any successor Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor-paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the form set forth on Exhibit B attached hereto.

8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and City Clerk and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form set forth on Exhibit B attached hereto, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of July 3, 2025. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the

same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or his, her or its attorney duly authorized in writing.

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

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Director of Finance is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

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

15. Fund and Accounts. There is hereby established a special fund to be designated "General Obligation Bonds, Series 2025A Fund" (the "Fund") to be administered and maintained by the Director of Finance as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. The Operation and Maintenance Account heretofore established by the City for the Water System shall continue to be maintained in the manner heretofore and herein provided by the City. All moneys remaining after paying or providing for the items set forth in the resolution(s) establishing the Operation and Maintenance Account shall constitute or are referred to as "net revenues" until the Utility Revenue Portion of the Bonds have been paid. In such records there shall be established accounts of the Fund for the purposes and in the amounts as follows:

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds, less capitalized interest. From the Construction Account there shall be paid all costs of issuance of the Bonds and all costs and expenses of financing the Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. Moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of taxes herein levied or covenanted to be levied; and provided further that if upon completion of the Project there shall remain any unexpended balance in the Construction Account, the balance shall be transferred to the Debt Service Account.

(b) Debt Service Account. There shall be maintained separate subaccounts in the Debt Service Account to be designated the "Tax Abatement Project Debt Service Subaccount," the "Street Reconstruction Projects Debt Service Subaccount," and the "Utility Improvements Project Debt Service Subaccount." There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:

(i) Tax Abatement Project Debt Service Subaccount. To the Tax Abatement Project Debt Service Subaccount there shall be credited: (1) Tax Abatements; (2) all collections of taxes herein and hereafter levied (the "Taxes") for the payment of the Tax Abatement Portion of the Bonds; (3) capitalized interest in the amount of \$55,405.28 (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Tax Abatement Portion of the Bonds on or before February 1, 2026; (4) a pro rata share of all funds remaining in the Construction Account after completion of the Tax Abatement Project and payment of the costs thereof; (5) all investment earnings on funds held in the Tax Abatement Project Debt Service Subaccount; and (6) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Tax Abatement Debt Service Subaccount. The amount of any surplus remaining in the Tax Abatement Project Debt Service Subaccount when the Tax Abatement Portion of the Bonds and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4. The Tax Abatement Debt Service Subaccount shall be used solely to pay the principal and interest on the Tax Abatement Portion of the Bonds.

(ii) Street Reconstruction Projects Debt Service Subaccount. To the Street Reconstruction Projects Debt Service Subaccount there shall be credited: (A) capitalized interest in the amount of \$23,551.67 (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Street Reconstruction Portion of the Bonds on or before February 1, 2026; (B) all collections of taxes herein or hereafter levied for the payment of the principal and interest on the Street Reconstruction Portion of the Bonds; (C) a pro rata share of all funds remaining in the Construction Account after

completion of the Project and payment of the costs thereof; (D) all investment earnings on funds held in the Street Reconstruction Projects Debt Service Subaccount; and (E) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Street Reconstruction Projects Debt Service Subaccount. The amount of any surplus remaining in the Street Reconstruction Projects Debt Service Subaccount when the Street Reconstruction Portion of the Bonds and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4. The Street Reconstruction Projects Debt Service Subaccount shall be used solely to pay the principal and interest on the Street Reconstruction Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

(iii) Utility Improvements Project Debt Service Subaccount. To the Utility Improvements Project Debt Service Subaccount there shall be credited: (A) the net revenues of the Water System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to the Utility Improvements Project Debt Service Subaccount, sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the Utility Revenue Portion of the Bonds; (B) all collections of taxes which may hereafter be levied in the event that the net revenues of the Water System and other funds herein pledged to the payment of the principal and interest on the Utility Revenue Portion of the Bonds are insufficient therefor; (C) a pro rata share of all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (D) all investment earnings on funds held in the Utility Improvements Project Debt Service Subaccount; and (E) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Utility Improvements Project Debt Service Subaccount. The Utility Improvements Project Debt Service Subaccount shall be used solely to pay the principal and interest on the Utility Revenue Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account, Operation and Maintenance Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

16. Covenants Relating to the Tax Abatement Portion of the Bonds.

(a) Tax Abatements; Use of Tax Abatements. The City Council has adopted the Tax Abatement Resolution and has thereby approved the Tax Abatements, including the pledge thereof to the payment of the Tax Abatement Portion of the Bonds. The City Council hereby confirms the Tax Abatement Resolution, which is hereby incorporated as though set forth herein.

(b) Tax Levy. To provide moneys for payment of principal and the interest on the Tax Abatement Portion of the Bonds, there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
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See Attached Schedule in Exhibit C

(c) Coverage Test. The Taxes are such that if collected in full they, together with other revenues herein pledged for the payment of the Tax Abatement Portion of the Bonds and together with estimated collections of Tax Abatements, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Tax Abatement Portion of the Bonds. The Taxes shall be irrevocable so long as any of the Tax Abatement Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

17. Covenants Relating to the Street Reconstruction Portion of the Bonds.

(a) Tax Levy. To provide moneys for payment of the principal and interest on the Street Reconstruction Portion of the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
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See Attached Schedule in Exhibit C

(b) Coverage Test. The tax levies are such that if collected in full they, together with other revenues herein pledged for the payment of the Street Reconstruction Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Street Reconstruction Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Street Reconstruction Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

18. Covenants Relating to the Utility Revenue Portion of the Bonds.

(a) Sufficiency of Net Revenues; Coverage Test. It is hereby found, determined and declared that the net revenues of the Water System are sufficient in amount to pay when due the principal of and interest on the Utility Revenue Portion of the Bonds and the Outstanding Water Note and a sum at least five percent in excess thereof. It is hereby found, determined and declared that the net revenues of the Water System and the Sanitary Sewer System are sufficient in an amount to pay when due the principal and interest on the Outstanding Water and Sanitary Sewer Bonds and a sum at least five percent in excess thereof. The net revenues of the Water System are hereby pledged on a parity with the Outstanding Water Note and the Outstanding Water and Sanitary Sewer Bonds for the payment of the Utility Revenue Portion of the Bonds and shall be applied for that purpose, but solely to the extent required to meet the principal and interest requirements of the Bonds as the same become due.

Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the Water System for the payment of other or additional obligations

of the City, provided that it has first been determined by the City Council that the estimated net revenues of the Water System will be sufficient in addition to all other sources, for the payment of the Utility Revenue Portion of the Bonds and such additional obligations and any such pledge and appropriation of the net revenues may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

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

(c) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the Bonds that it will impose and collect charges for the service, use, availability and connection to the Water System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Utility Revenue Portion of the Bonds. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations."

19. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the net revenues of the Water System appropriated and pledged to the payment of principal and interest on the Utility Revenue Portion of the Bonds, together with other funds irrevocably appropriated to the Utility Improvements Project Debt Service Subaccount herein established, shall at any time be insufficient to pay such principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as it becomes due. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

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

21. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bonds,

being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Program"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Program; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Program, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Bonds, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds, and not later than 18 months after the later of (i) the date of the payment of the Reimbursement Expenditure, or (ii) the date on which the Program to which the Reimbursement Expenditure relates is first placed in service, but in no event more than three years after the date of payment of the Reimbursement Expenditure.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

22. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described:

(a) to provide or cause to be provided to the Municipal Securities Rulemaking Board, by filing at www.emma.msrb.org, (i) at least annually, its audited financial statements for the most recent fiscal year, and (ii) notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of such event, in accordance with the Undertaking; and

(b) its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders;

provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and City Clerk of the City, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

23. Certificate of Registration and Tax Levy. A certified copy of this resolution is hereby directed to be filed with the with the Auditor/Treasurer of Swift County, Minnesota, together with such other information as the Auditor/Treasurer shall require, and there shall be obtained from the Auditor/Treasurer a certificate that the Bonds have been entered in the Auditor/Treasurer's Bond Register and that the tax levy required by law has been made.

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

25. Negative Covenant as to Use of Bond Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

26. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small-issuer exception amount of \$5,000,000.

For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Bonds are issued by a governmental unit with general taxing powers; (ii) no Bonds are a private activity bond; (iii) 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and (iv) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

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

- (a) the Bonds are issued after August 7, 1986;

- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2025 will not exceed \$10,000,000; and
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2025 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

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

28. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Ehlers is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

29. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Wells Fargo Bank, National Association, San Francisco, California, on the closing date for further distribution as directed by Ehlers.

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

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

EXHIBIT C
SCHEDULES

City of Benson, Minnesota
\$2,165,000 General Obligation Bonds, Series 2025A
Tax Abatement
Community Center and Swimming Pool - Combined

Tax Levy Schedule

Tax Levy Year	Tax Collect Year	Bond Pay Year	Total P+I	CIF	Net New D/S	P & I @105%	Tax Abatement Revenue	Net Levy
2024	2025	2026	55,405.28	(55,405.28)	-	-	-	-
2025	2026	2027	160,893.76	-	160,893.76	168,938.45	118,312.00	50,626.45
2026	2027	2028	162,643.76	-	162,643.76	170,775.95	118,312.00	52,463.95
2027	2028	2029	164,143.76	-	164,143.76	172,350.95	118,312.00	54,038.95
2028	2029	2030	165,393.76	-	165,393.76	173,663.45	118,312.00	55,351.45
2029	2030	2031	166,393.76	-	166,393.76	174,713.45	118,312.00	56,401.45
2030	2031	2032	162,143.76	-	162,143.76	170,250.95	118,312.00	51,938.95
2031	2032	2033	162,893.76	-	162,893.76	171,038.45	118,312.00	52,726.45
2032	2033	2034	168,393.76	-	168,393.76	176,813.45	118,312.00	58,501.45
2033	2034	2035	163,393.76	-	163,393.76	171,563.45	118,312.00	53,251.45
2034	2035	2036	163,393.76	-	163,393.76	171,563.45	118,312.00	53,251.45
2035	2036	2037	164,193.76	-	164,193.76	172,403.45	118,312.00	54,091.45
2036	2037	2038	159,793.76	-	159,793.76	167,783.45	118,312.00	49,471.45
2037	2038	2039	165,393.76	-	165,393.76	173,663.45	118,312.00	55,351.45
2038	2039	2040	165,593.76	-	165,593.76	173,873.45	118,312.00	55,561.45
2039	2040	2041	160,593.76	-	160,593.76	168,623.45	118,312.00	50,311.45
2040	2041	2042	160,437.50	-	160,437.50	168,459.38	118,312.00	50,147.38
2041	2042	2043	165,075.00	-	165,075.00	173,328.75	118,312.00	55,016.75
2042	2043	2044	164,125.00	-	164,125.00	172,331.25	118,312.00	54,019.25
2043	2044	2045	162,962.50	-	162,962.50	171,110.63	118,312.00	52,798.63
2044	2045	2046	161,587.50	-	161,587.50	169,666.88	118,312.00	51,354.88
Total	-	-	\$3,324,849.18	(\$5,405.28)	\$3,269,443.90	\$3,432,916.10	\$2,366,240.00	\$1,066,676.10

Bond Data

Dated Date	7/03/2025
Call Date	2/01/2035

C-1

173351676v2

The motion was seconded by Payne and the following vote was taken: AYES: Payne, Stielow, Evenson, Enderson, Maanum. NAYS: None. Therefore the motion carried unanimously.

House Representative Paul Anderson approached the Council. He said last weekend's tragedy changed the landscape of politics in Minnesota forever. He noted at the legislature close, LGA was not cut for 2026-2027. He did say they were able to reduce the deficit for 2028-2029 with more work to do on that budget. He is concerned about cuts to education funding. He said the Benson Schools logo issue is hopefully going to be resolved. The superintendent is going to meet with the Greater Sioux and discuss details. He discussed a wetland replacement fund that was set up. He said the energy bill is working to end the nuclear moratorium. He said the big topic of conversation is data centers and the large amount of electric and water usage they require. He noted sales tax was increased on marijuana sales from 10% to 15%. He said the legislature passed out of committee to reduce the number of members allowed on the Benson Hospital Board and is just waiting for the Governor's signature. The Mayor thanked Representative Anderson for coming to the meeting tonight.

Wolfington introduced MRES Matt Schull and MRES Engineer Brian Zavesky. He said they are joining us to help us understand NERC Compliance. He said with construction of the 115kv line, there has been a virtual meetings every two weeks with Great River Energy, Ottertail Power, Agralite Coop, MRES and the City of Benson. He said bringing the 115kv line to Benson is to replace the electric reliability to Benson after the loss of electricity generated by Fibrominn. NERC is a responsibility that comes with bringing a second 115kv line into Benson, along with owning a 1.25 mile transmission line.

There has been discussion that MRES take over the transmission line. Schull said MRES is here to serve and provide value to the membership to include Benson. This project has been in the works for years to find a solution to provide a second source of electric and bring Benson into the bulk electric loop system. With being brought into the loop, that exposes Benson to 38 different NERC standards and 129 requirements. MRES deals with these on a regular basis with their assets. Schull said by selling the transmission line, MRES takes responsibility for the NERC requirements which are enforceable at the federal level with FERC and penalties, which can be substantial if something is done wrong. When MRES invests in transmission lines, this reduces costs and keeps rates down. Wolfington added with the 115kv project, we transfer ownership of substation equipment, but not land to Missouri River Energy Services and the sale of the transmission line can happen at a later date to Great River Energy. The sale of the substation equipment and transmission line relieves the City of NERC responsibility. There was discussion on how having the second 115kv line looping into the bulk electrical system can impact the electrical grid. NERC is a system of compliance and security to ensure this doesn't happen. Cost to comply with NERC will be higher than the annual payment we receive for the transmission line which will depreciate over time. When asked when the 115kv will be energized, Zavesky said it is a dynamic timeline and said 2028-2029. Enderson asked when will Council need to make a decision. Wolfington said August 2025 the MRES Board will be looking to order materials for the substation, so Council may want to address it by the second meeting in July. This will give the City Attorney time to review the agreement. The Council thanked MRES for attending the meeting.

Mark Goldberg approached the Council. He conducted a presentation on the non-union compensation study. He explained a step system and how employees will fall into that system. After discussion, it was moved by Enderson, seconded by Stielow and carried unanimously to approve the compensation system as presented. It was then moved by Enderson, seconded by Payne and carried unanimously to approve salary increases as follows:

Name	Title	Current	Proposed 7/1/2025	Percent Increase	Step
Lisa Kent	Director of Finance	\$97,200	\$106,853	9.9%	6
Ian Hodge	Police Chief	\$116,600	\$116,761	0.1%	9
Janie Reuss	Liquor Store Manager	\$74,250	\$76,366	2.8%	4
Jeff Reuss	Public Works Director	\$102,000	\$103,741	1.7%	5
Valerie Alsaker	City Clerk	\$82,250	\$88,308	7.4%	6
Scott Girard	Police Sergeant	\$44.00/Hr.	\$45.04/Hr.	2.4%	8

Petrik approached the Council. She announced she is the newest Benson CEDA representative for Benson. She said she would like approval to apply for a grant from the WBD Opportunity Funds program. It is an organization that works with business development resources. If we receive the \$50,000 grant, she would like to see it used to continue the Benson downtown revitalization plan, which would be façade and infrastructure projects. There are no matching funds required. At the EDA meeting today, they recommend to City Council we approve the application. After discussion, it was moved by Payne, seconded by Maanum and carried unanimously to approve applying for the \$50,000 grant from WBD.

Tweed said the Swift County Board of Commissioners has established a Housing and Redevelopment Authority with Economic Development Authority powers to address the county's housing and economic development needs. Minnesota statutes requires all cities in the county to adopt a resolution electing to participate. She said at the EDA meeting at noon today, the EDA recommended approval of the combined county offices. After discussion, Councilmember Enderson offered the following resolution:

CITY OF BENSON
A RESOLUTION APPROVING PARTICIPATION IN THE SWIFT COUNTY HOUSING AND REDEVELOPMENT AUTHORITY'S ECONOMIC DEVELOPMENT SERVICES PROGRAMS (RESOLUTION NO. 2025-14)

WHEREAS, Minnesota Statutes Chapter 469.1082, authorizes a county housing and redevelopment authority (HRA) to exercise the powers of an economic development authority (EDA) upon approval by the County Board of Commissioners, following the process outlined in the statute; and

WHEREAS, on or about April 1, 2025, the Swift County Board of Commissioners, having followed the statutory procedures, has established a Housing and Redevelopment Authority with Economic Development Authority powers to address housing and economic development needs across the county; and

WHEREAS, the County has requested that municipalities and local government entities adopt a resolution opting into the services offered by the Swift County HRA within their jurisdictional boundaries;

NOW, THEREFORE, BE IT RESOLVED by the governing body of Benson, Minnesota, as follows:

Approval of Participation. The Benson City Council hereby approves and consents to the Swift County Housing and Redevelopment Authority exercising the powers of an Economic Development Authority under Minnesota Statutes Sections 469.090 to 469.1082, within the corporate limits of the City of Benson.

Non-Exclusive Authority. This approval does not preclude the City of Benson from independently exercising its own statutory authority related to housing, redevelopment, or economic development activities.

Councilmember Payne seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Stielow, Payne, Maanum, Enderson. NAYES: None. Thereupon the Mayor declared Resolution 2025-14 duly passed and adopted.

Reuss approached with a quote from DSG for a new fire hydrant, gate valve box and parts to replace a badly leaking fire hydrant from the 1930's at Kansas Avenue and 13th Street South. We are losing a lot of water from this location. This hydrant is on the same water line that serves the Armory. He said he would like to replace the hydrant at the same time we tap into the new water line for the Armory. Since shutting the water off to the area serves a large part of downtown, doing both projects will minimize the time we shut water off to local businesses. After discussion it was moved by Payne, seconded by Stielow and carried unanimously to approve the quote from DSG for an 8', 3-way fire hydrant in the amount of \$7,358.61.

Next Tweed discussed a change order from Marcus Construction on the Armory. There was a portion of the concrete in the garage area that cracked. Building Official Inspectron said it must be replaced. She presented pictures. After discussion it was moved by Enderson, seconded by Maanum and carried unanimously to approve the Marcus Construction Prime Contract Potential Change Order #003 in the amount of \$2,062.50.

Next was a draft of the TIF8 amended development agreement with CSNelson. The original agreement was signed in November 2021, with Phase 1 which included 4 townhomes. Phase 2 included 9 townhomes which are all completed. Next is Phase 3, which will be 11 townhomes. Some noted changes from the previous agreement is the developer has agreed to have an ACH payment of taxes as the last payment was on time but not included in our payment from the county, delaying our TIF receipts until this fall. Also defined in the agreement is the interfund loan terms at 4%. Tweed said this interfund loan was approved in 2021. Kent explained the original TIF agreement had Phase I, II & III in it, but didn't have the development agreement for Phase III. In 2021 there was an approved resolution for a potential interfund loan to complete the project as a whole. Skaret said with the previous agreement, Nelson paid for the building permits. With the new townhomes and amended development agreement, the City will be paying for the building permits, which will be substantially higher with our contracted Building Official Inspectron than the first two phases. He said the estimated infrastructure bids came in lower than anticipated. Enderson said Taft drafted the agreement, staff has reviewed, who is watching out for the City's interest in this process. Tweed said the City's financial advisor Ehler's. She said she has reviewed Nelson's agreements with other cities and checked to see if in fact he followed through on the agreements which he has. After further discussion, it was moved by Enderson, seconded by Payne, and carried unanimously to approve the amended development agreement with CSNelson for Phase 3 of the Cottage Square Addition.

Skaret approached with his City Manager update. He gave an update on the Armory. Cottage Square phase 3 is starting with trees being removed first. Swift County is updating the Hazardous Mitigation Plan. On June 24, there will be a meeting with effected parties to review the plan. Kent sent out the May budget report. The liquor committee met with a consultant from the MBA and their recommendations will come to the July 7, 2025 Council meeting. Also at the next meeting he said he will be bringing information about reactivating the Charter Commission. Tim Miller will be here to present the updated electric rate study at the July 7 City Council meeting. He noted the strategic planning session is scheduled for September 19-20, 2025. The air quality permit testing for the generator will start tomorrow, and last for 2 days. We have sent out 14 long grass letters. And lastly City Hall will be closed June 19, 2025 for Juneteenth.

It was moved by Enderson, seconded by Payne and carried unanimously to approve the bills and warrants in the amount of \$853,453.22.

There being no further business to come before the Council a motion was made by Payne, seconded by Maanum and carried unanimously to adjourn the Council meeting at 7:09 p.m.

Mayor

City Clerk