

WILLMAR CITY COUNCIL PROCEEDINGS
COUNCIL CHAMBERS
WILLMAR MUNICIPAL UTILITIES BUILDING
WILLMAR, MINNESOTA

May 1, 2017
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Marv Calvin. Members present on a roll call were Mayor Marv Calvin, Council Members Audrey Nelsen, Ron Christianson, Rick Fagerlie, Kathy Schwantes, Fernando Alvarado, Andrew Plowman, Shawn Mueske and Julie Asmus. Present 9, Absent 0.

Also present were Interim City Administrator Mike McGuire, City Administrator Ike Holland, Community Education and Recreation Director Steve Brisendine, Finance Director Steve Okins, Police Chief Jim Felt, Fire Chief Frank Hanson, Public Works Director Sean Christensen, Human Resource Director Bridget Buckingham, Administrative Assistant Janell Sommers, and City Attorney Robert Scott.

Proposed additions and deletions to the agenda included: Interim City Administrator Mike McGuire proposed to remove Item No. 11 Consideration of Employment Agreements for Accounting Coordinator, Police Department Administrative Assistant and City Clerk, and Item No. 12 Consideration of Building Maintenance Coordinator Remaining in Public Works Department and Employment Agreement from the agenda to be brought back in two weeks.

Administrative Assistant Sommers reviewed the consent agenda.

- A. City Council Minutes of April 17, 2017
- B. Rice Memorial Hospital Minutes of April 19, 2017
- C. Willmar Municipal Utilities Board Minutes of April 24, 2017
- D. Willmar Community Center Board Minutes of March 10, 2017
- E. Police Commission Minutes of March 29, 2017
- F. Convention and Visitors Bureau Minutes of April 18, 2017
- G. Human Rights Commission Minutes of March 21, 2017
- H. Human Rights Commission Minutes of April 18, 2017
- I. ~~Accounts Payable Report through April 27, 2017~~

Council Member Mueske offered a motion to approve the Consent Agenda. Council Member Christianson seconded the motion. Council Member Christianson asked that Item I. Accounts Payable be removed for discussion. The motion to approve the remainder of the Consent Agenda carried.

Council Member Christianson questioned a \$4,000 expenditure to the Preservation Alliance of Minnesota. He expressed his concern for public dollars being spent that affect our property taxes. Council Member Fagerlie addressed the question stating the City's \$4,000 was for the membership of the Willmar Downtown Development (WDD) of which \$2,000 was for dues which had not been paid last year and \$2,000 due April 15th of this year. It was agreed this \$4,000 would be deducted from the \$32,000 that was allocated to the WDD in this year's budget. Council Member Christianson offered a motion to approve Item I. Council Member Mueske seconded the motion, which carried.

At 7:18 p.m. Mayor Calvin opened the public hearing for Consideration of Vacating Woodland Avenue Northwest and a Portion of Park Avenue Northwest. Public Works Director Sean Christensen explained the street vacation is being requested in cooperation with the Kandiyohi County Fair Association as part of a land swap deal of some land for a lift station. The entire right-of-way will be retained as a permanent utility easement to protect public and private utilities. The Planning Commission approved the request with conditions regarding the permanent utility easement, future relocation costs of Fair Association projects, emergency services access, and a temporary snow removal agreement.

There being no one present to speak for or against the proposed street vacation, Mayor Calvin closed the hearing at 7:20 p.m. **Resolution No. 17-37 Vacating a Portion of Public Street Right-of-Way (Woodland Avenue Northwest and a Portion of Park Avenue Northwest)** was introduced by Council Member Fagerlie with the addition of the easement language to the resolution, as proposed by staff. Council Member Plowman seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

At 7:21 p.m. Mayor Calvin opened the public hearing for Consideration of Establishing a Tax Increment Financing (TIF) District in the Willmar Industrial Park Fourth Addition area. Kandiyohi County Economic Development Director Aaron Backman explained the TIF district will enable the City to recoup concessions made for the sale of land, as well as assist the developer with eligible costs on a possible future phase. The City of Willmar has approved the sale of Lot 1, Block 1, Willmar Industrial Park Fourth Addition to GM Development, LLC. A right of first refusal has been requested by the developer for Lot 2.

There being no one to speak for or against the proposed TIF district, Mayor Calvin closed the hearing at 7:27 p.m. **Resolution No. 17-38 Approving the Tax Increment Plan and the Use of Tax Increment Financing (Lots 1 and 2, Block 1 Willmar Industrial Park Fourth Addition)** was introduced by Council Member Fagerlie. Council Member Christianson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

At 7:29 p.m. Mayor Calvin opened the public hearing to Consider and Approve a Geographic Amendment to the Municipal Development District No. VI to include Blocks 1-3, Willmar Industrial Park Third Addition and Blocks 1-5, Willmar Industrial Park Fourth Addition. Kandiyohi County Economic Development Director Aaron Backman explained the amendment is a procedural manner and is necessary to accommodate the GM Development TIF Project. Mr. Backman also stated that amending the district has no direct financial impact on the City or other taxing jurisdictions.

There being no one to speak for or against the proposed amendment, Mayor Calvin closed the hearing at 7:30 p.m. **Resolution No. 17-39 Amending Municipal Development District No. VI** was introduced by Council Member Fagerlie. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Bob Skor, 617 Southwest 14th Street, spoke during the Open Forum. Mr. Skor was inquiring about several items including: \$600,000 the City received from the FAA, the possibility of the City doing something in regard to funding for the senior citizens, and the Destination Playground and swimming beach at Robbins Island. Mayor Calvin asked staff to report back to Mr. Skor in regard to his concerns.

Betty Rustad, 401 Harriet Street, Spicer, Minnesota, spoke during the Open Forum. Ms. Rustad spoke in regard to the rumor of the hospital being sold to CentraCare, and the concerns of some of Rice Hospital staff should this occur. Mayor Calvin responded that Rice Hospital is not for sale, but the hospital is always looking for options and ways to improve its position in the health care economy. He stated that the Council is not aware of any discussions that would lead to the sale of the hospital.

Public Works Director Sean Christensen gave a brief update to the Council in regard to the TIGER Grant – Wye Project. Mr. Christensen stated the “No Significant Impact” statement is ready to be signed. The grant agreement is on schedule and should be signed by May 15th, and the master agreement is waiting on a response from BNSF.

Community Education and Recreation Director Steve Brisendine presented information in regard to the proposed Rice Park Splash Pad Project. Mr. Brisendine stated the approval of the Splash Pad will be the final component of the Rice Park Improvements Project. Following discussion, **Resolution No. 17-40 Awarding the Contract for the Rice Park Splash Pad to Vortex Aquatic Structures International in the Amount of \$190,945.11** was introduced by Council Member Asmus. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 6, Noes 2. Council Members Christianson and Fagerlie cast the “no” votes.

Public Works Director Sean Christensen presented information in regard to the 2017 Improvement Projects. Mr. Christensen stated the costs for the improvement must be declared and the preparation of an assessment roll ordered in accordance with the requirements of Chapter 429, State of Minnesota Statutes. Mr. Christensen also stated affected property owners must be notified of their assessment amount and was requesting a public hearing be held on June 5, 2017 at 7:01 p.m. Following discussion, **Resolution No. 17-41 Declaring Costs to be Assessed, Ordering Preparation of the Assessment Roll and Calling Hearing on Assessments for Project Nos. 1701-B and 1703-A 2017 Street and Other Improvements** was introduced by Council Member Christianson. Council Member Mueske seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Public Works Director Sean Christensen presented information regarding the crack sealing on various streets in need of repair, and presented a resolution to award a contract and enter into an agreement with Jet Black in the amount of \$29,750.00. **Resolution No. 17-42 Awarding Project No. 1706 to Jet Black in the Amount of \$29,750.00** was introduced by Council Member Christianson. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Public Works Director Sean Christensen presented information regarding Project No. 1703-B: 1st Street signal system controller and loop detector upgrades, and award a contract and enter into an agreement with Duininck, Inc. in the amount of \$539,273.62. Following discussion, **Resolution No. 17-43 Awarding Project No. 1703-B to Duininck, Inc. in the Amount of \$539,273.62** was introduced by Council Member Christianson. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0. **Resolution No. 17-44 As-Bid 1703-B Budget 1st Street Signal/Loop Detector Upgrades Total Cost \$662,925.00** was introduced by Council Member Christianson. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Mayor Calvin made the following announcements: City Auction will be held on Friday, May 12 at 1:00 p.m. at the Public Works Garage; Mayor's Prayer Breakfast will be held Thursday, May 4 at 6:30 a.m. at the Willmar Conference Center; Council Retreat will be held Thursday, May 4 at 9:00 a.m. in the Bremer Bank Conference Room; Destination Playground Volunteer Build dates at May 16 & 17, and May 19 - 26; and Feed our Starving Children event, sponsored by the Willmar Area Churches, will be held June 9 and 10 at the Middle School.

Council Member Alvarado announced the Community Center has activities most every Saturday and some Sundays, and urged everyone to check the Community Center website for the schedule.

Council Member Nelsen offered a motion to adjourn the meeting with Council Member Asmus seconding the motion, which carried. The meeting adjourned at 8:15 p.m.

Attest:

MAYOR

SECRETARY TO THE COUNCIL

RESOLUTION NO. 17-37

VACATING A PORTION OF PUBLIC STREET ROW

Motion by: Fagerlie

Seconded by: Plowman

WHEREAS, the vacation of the following portions of dedicated street, subject to the retention of a utility easement over, under and across such portions of the vacated street as set forth herein, was initiated by the City of Willmar:

Woodland Avenue, as delineated and dedicated on the plat of Parson's Subdivision, according to the recorded plat thereof, Kandiyohi County, Minnesota;

AND

Park Avenue, as delineated and dedicated on the plat of Thorpe and Liens Addition, according to the recorded plat thereof, Kandiyohi County, Minnesota, lying north of the south line of Block 2, and its easterly extension, as delineated and dedicated on the plat of Parson's Subdivision, according to the recorded plat thereof, Kandiyohi County, Minnesota lying westerly of the vacated portion of said Park Avenue as described in Document Number 82913 on file in the office of the County Recorder, Kandiyohi County, Minnesota.

WHEREAS, the proposed vacation has been approved by the Planning Commission of the City of Willmar; and

WHEREAS, published notice and mailed notice of the proposed vacation and the hearing thereon have been given as provided in Subdivision 6 of Section 9.01 of Article IX of the Willmar City Charter; and

WHEREAS, a hearing was duly held on the proposal to vacate that portion of said streets on May 1, 2017; and

WHEREAS, the City Council of Willmar finds that it is in the best interests of the City of Willmar to vacate that portion of said streets;

NOW, THEREFORE, BE IT RESOLVED, that the above described portion of dedicated streets be, and hereby is, vacated.

BE IT FURTHER RESOLVED, that the City shall retain a utility easement over, under and across the entirety of the portions of Woodland Avenue vacated herein.

BE IT FURTHER RESOLVED that a certified copy of the Resolution be filed with the Kandiyohi County Recorder on or after May 8, 2017.

Dated this 1st day of May, 2017.

s/s Marv Calvin
MAYOR

Attest:

s/s Judy Thompson
CITY CLERK

RESOLUTION NO. 17-38
APPROVING THE TAX INCREMENT PLAN AND THE USE OF
TAX INCREMENT FINANCING

Motion by Fagerlie Seconded: Christianson

WHEREAS, the City Council of the City of Willmar (hereinafter the Municipality) pursuant to Minnesota Statutes, Chapter 472A (now Chapter 469), on October 4, 1989 adopted a Development Program for Municipal Development District Number VI, encompassing the area which is more particularly described on Addendum A attached hereto and made a part hereof (which area is hereinafter called the Development District), and

WHEREAS, said Municipal Development District Number VI was amended by resolution of the City Council on May 5, 2014, and on May 1, 2017, and,

WHEREAS, it is desirable and in the public interest that the Municipality undertake and carry out a tax increment financing plan for an economic development district pursuant to Minnesota Statutes, Sections 469.174-179, encompassing the area which is more particularly described on Addendum A attachment hereto and made a part hereof (which area is herein called Tax Increment District No. 3, Economic Development District, or District), and

WHEREAS, the City Council has reviewed the plan for Tax Increment District No. 3 of the Development District, dated April 2017 (herein called the Plan, and attached hereto as Addendum B), and which sets forth a tax increment financing plan for the Economic Development District, and

WHEREAS, the Plan sets forth the Municipality's estimate of the fiscal and economic impacts of the tax increment financing on the tax capacities of all taxing jurisdictions in which the Economic Development District is located, and the Municipality's estimate of the fiscal and economic implications of the District, and

WHEREAS, the Board of Commissioners of Kandiyohi County, Minnesota has been notified on the public hearing for the review of the Plan, and

WHEREAS, the School Board of Independent School District No. 347 has been notified of the public hearing for the review of the Plan, and

WHEREAS, the City Council has received and considered the comments of the Board of Commissioners of Kandiyohi County, and the School Board of the Willmar School District, relative to the contents of the Plan, and

WHEREAS, the City Council on May 1, 2017, after having published a notice of public hearing in the official newspaper of the Municipality, conducted a public hearing on the Plan and received public comments on the same.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, that the City Council makes the following:

FINDINGS

1. That Tax Increment District No 3 is an Economic Development District because it will result in increased employment and enhancement of the tax base of the Municipality.
2. That increased employment and enhancement of the tax base are in the public interest of the Municipality and the expenditures of Tax Increment District No. 3 are for a public purpose.

3. That the proposed development, in the opinion of the Municipality, would not be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.
4. That the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan.
5. That the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the Municipality as a whole, for the development of the District by private enterprise.
6. That it is hereby found and determined that the tax increment financing plan conforms to the general plan for the development of the Municipality as a whole.
7. That no more than 15 percent of the buildings and facilities to be constructed within Tax Increment District No. 3 are or will be used for a purpose other than manufacturing, processing, warehousing, storage and distribution or uses ancillary and/or necessary thereto.
8. That the reasons and supporting facts for findings as set forth in the plan are by this reference confirmed and adopted.
9. That no persons or businesses will be displaced or relocated as a result of the approval of, and execution of, the tax increment financing plan set forth in the Plan.

BE IT FURTHER RESOLVED by the City Council of the City of Willmar, that:

1. The Tax Increment Financing Plan for Tax Increment District No. 3 of Municipal Development District No. VI attached hereto as Addendum B is hereby approved, contingent on the City Council's final approval of a Development and Business Subsidy Agreement(s) as required and/or authorized by Minnesota Statutes, Section 116J.994, subdivision 3 and Minnesota Statutes, Sections 469.174 through 469.1794.
2. The City Clerk is hereby directed to file a copy of this resolution and a copy of the Plan with the Department of Employment and Economic Development, the Office of the State Auditor, and the Department of Revenue.
3. The City Clerk is hereby authorized and directed to request the Auditor of Kandiyohi County to certify the original tax capacity of the District established by this resolution.
4. The Municipality hereby states its intention to use all of the captured tax capacity for purposes of tax increment financing as per the conditions set forth in the Plan.

Adopted by the Willmar City Council this 1st day of May 2017.

Approved:

s/s Marv Calvin

Mayor

Attest:

s/s Judy Thompson

City Clerk

RESOLUTION NO. 17-39

AMENDING MUNICIPAL DEVELOPMENT DISTRICT NO. VI

Motion By: Fagerlie

Second By: Nelsen

WHEREAS, The City of Willmar in October of 1989 designated Municipal Development District No. VI to provide impetus for redevelopment and to increase the tax base; and

WHEREAS, Municipal Development District No. VI was geographically amended in 2014; and

WHEREAS, a development program has been formulated which state the objectives of the District and addresses activities expected within the District; and

WHEREAS, it is necessary to amend the geographic bounding of the District to facilitate the creation of a tax increment financing district.

NOW, THEREFORE, BE IT RESOLVED, that the legal description for Municipal Development District No. VI be amended to include Blocks 1-3, Willmar Industrial Park Third Addition and Blocks 1-5, Willmar Industrial Park Fourth Addition.

Dated this 1st day of May, 2017.

s/s Marv Calvin
MAYOR

Attest:

s/s Judy Thompson
CITY CLERK

RESOLUTION NO. 17-40

A RESOLUTION AWARDING THE CONTRACT FOR THE RICE PARK SPLASH PAD TO VORTEX AQUATIC STRUCTURES INTERNATIONAL IN THE AMOUNT OF \$190,945.11.

Motion By: Asmus Second By: Nelsen

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, the bid of Vortex Aquatic Structures International for the supplies, delivery and installation of the splash pad for the Rice Park Improvements Project is accepted, and the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$190,945.11.

Dated this 1st day of May, 2017.

s/s Marv Calvin
Mayor

Attest:

s/s Judy Thompson
City Clerk

RESOLUTION NO. 17-41

DECLARING COSTS TO BE ASSESED, ORDERING PREPARATION OF THE ASSESSMENT ROLL AND CALLING HEARING ON ASSESSMENTS FOR PROJECT NOS. 1701-B AND 1703-A 2017 STREET AND OTHER IMPROVEMENTS.

Motion By: Christianson

Second By: Mueske

WHEREAS, contracts have been let for the construction of Street and Other Improvements of 2017 in the City, to-wit: City Project Nos. 1701-B and 1703-A and;

WHEREAS, the total cost of said Street and Other Improvements of 2017 is \$2,381,968.10.

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

1. The City Council hereby determines that the City shall pay \$1,688,160.50 of said cost, exclusive of the amount it may pay as a property owner, and the sum of \$693,807.60 shall be assessed against benefited property owners based upon benefits received without regard to cash valuation.

2. The Clerk, with the assistance of the City Engineer, shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land without regard to cash valuation as provided by law, and he shall file a copy of such assessment in his office for public inspection.

3. The Clerk shall, upon the completion of such assessment, notify the City Council thereof.

4. The Clerk shall publish notice that this City Council will meet to consider the proposed assessments on June 5, 2017, at 7:01 p.m. in the Council Chambers, Municipal Utilities Building, 700 West Litchfield Avenue, Willmar, Minnesota.

5. Said notice shall also be mailed to the owners of each parcel of property described in the assessment roll.

6. Such notice shall be in substantially the following form:

(see attached)

7. Said notice shall be published by the City Clerk in the official newspaper at least two weeks prior to the hearing and mailed by said Clerk to the owners of each parcel described in the assessment roll.

Dated this 1st day of May, 2017

s/s Marv Calvin

MAYOR

ATTEST:

s/s Judy Thompson

CITY CLERK

Resolution No. 17-42

A RESOLUTION AWARDING PROJECT NO. 1706 TO JET BLACK IN THE AMOUNT OF \$29,750.00.

Motion By Christianson Second By: Nelsen

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of Jet Black of Kandiyohi, MN for Project No. 1706 is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$29,750.00

Dated this 1st day of May, 2017

s/s Marv Calvin
Mayor

Attest:

/s/ Judy Thompson
City Clerk

Resolution No. 17-43

A RESOLUTION AWARDING PROJECT NO. 1703-B TO DUININCK, INC. IN THE AMOUNT OF \$539,273.62.

Motion By: Christianson Second By: Asmus

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of Duininck, Inc. of Prinsburg, MN for Project No. 1703-B is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$539,273.62

Dated this 1st day of May, 2017

s/s Marv Calvin
Mayor

Attest:

/s/ Judy Thompson
City Clerk

**RESOLUTION NO. 17-44
AS-BID 1703-B BUDGET
1st Street Signal/Loop Detector Upgrades
TOTAL COST \$662,925**

*Budget Amounts are Essential

Dated: May 1, 2017

Code

PERSONNEL SERVICES		RECEIVABLES	
10* Salaries Reg. Employees		Assessments Prop Owners	\$0.00
11* Overtime Reg. Employees		Community Investment	\$0.00
12* Salaries Temp. Employees		General	\$0.00
13* Employer Pension Contr.		State Aid	\$662,925.00
14* Employer Ins. Contr.		WTP	\$0.00
TOTAL	\$0.00	MUC	\$0.00
		Kandiyohi County	\$0.00
		TOTAL	\$662,925.00
 SUPPLIES		 FINANCING	
20* Office Supplies		General	\$0.00
21* Small Tools		Bonds	\$0.00
22* Motor Fuels & Lubricants		State Aid	\$662,925.00
23* Postage		WTP	\$0.00
24 Mtce. of Equipment		MUC	\$0.00
25 Mtce. of Structures		Kandiyohi County	\$0.00
26 Mtce. of Other Improvements		TOTAL	\$662,925.00
27 Subsistence of Persons		GRAND TOTAL	\$662,925.00
28 Cleaning & Waste Removal			
29* General Supplies			
TOTAL	\$0.00		
 OTHER SERVICES		 <u>Dated: : May 1, 2017</u>	
30 Communications			
31* Printing & Publishing			
32 Utilities		<u>s/s Marv Calvin</u>	
33* Travel-Conf.-Schools		Mayor	
34 Mtce. of Equipment			
35 Mtce. of Structures			
36* Mtce. of Other Impr.	\$565,775.00		
37 Subsistence of Persons			
38 Cleaning & Waste Removal			
39* Other Services	\$56,577		
TOTAL	\$622,352		

OTHER CHARGES

40 Rents	_____	
41* Insurance & Bonds	_____	
42 Awards & Indemnities	_____	
43 Subscription/Memberships	_____	
44 Interest	_____	
45 Licenses & Taxes	_____	
46* Prof. Serv.	_____	\$40,573.00
47* Advertising	_____	
48* Adm. OH (Transfer)	_____	
49 Other Charges	_____	
TOTAL		\$40,573.00

GRAND TOTAL **\$662,925**

Attest:

s/s Judy Thompson
City Clerk