

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

January 9, 2023
6:30 p.m.

City Clerk Judy Thompson, Chief Officer in charge of voting for the City of Willmar, welcomed all those in attendance. City Clerk Thompson then presented Mayor Douglas Reese, Council Members Carl Shuldes, Vicki Davis, Rick Fagerlie, and Audrey Nelsen, Certificates of Election. The Honorable Judge Stephen J. Wentzell, Judge of District Court, officiated the Swearing-in Ceremonies of the Mayor and Council Members.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Douglas Reese. Members present on a roll call were Mayor Douglas Reese, Council Members Rick Fagerlie, Julie Asmus, Thomas Butterfield, Michael O'Brien, Carl Shuldes, Justin Ask, Vicki Davis, and Audrey Nelsen. Present 9, Absent 0.

Also present were City Administrator Leslie Valiant, City Operations Director Kyle Box, Police Chief Jim Felt, Finance Director Steve Okins, Public Works Director Gary Manzer, Planning and Development Director Justice Walker, City Clerk Judy Thompson and City Attorney Robert Scott.

Mayor Reese called on Pastor Keith Kerstetter to give the invocation.

There were no additions or deletions to the agenda.

Council Member Fagerlie offered a motion to approve the agenda as presented. Council Member Nelsen seconded the motion, which carried unanimously.

The Mayor and Council considered a number of biennial organizational resolutions. The first item considered was the election of a Mayor Pro Tempore. Council Member Fagerlie was nominated by Council Member Butterfield. Council Member Ask was nominated by Council Member Davis.

Mayor Reese requested Council Members vote by paper ballot. The results were tallied by City Clerk Thompson who reported that Council Member Ask was elected. (Five votes were tallied for Council Member Ask, cast by Council Members Asmus, Davis, Nelsen, Ask, and Shuldes. Council Member Fagerlie received two votes cast by Council Members O'Brien, Fagerlie, and Butterfield.)

Resolution No. 2023-001 Appointing Mayor Pro Tempore was introduced by Council Member Fagerlie. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

The Mayor and Council considered options for parliamentary rules.

Resolution No. 2023-002 Adoption of Rules of Order was introduced by Council Member Nelsen. Council Member Ask seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

The Council discussed the 2023-2024 appointment of Council Members as liaisons to various boards and commissions.

Resolution No. 2023-003 Council Board/Commission Appointments was introduced by Council Member Ask. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Regularly scheduled meeting dates and times for City Council meetings were discussed. It was pointed out by staff that the recommendation is to continue to meet on the first and third Mondays of each month with exception of if that Monday falls on a legal holiday, the Council shall meet the following Tuesday.

Resolution No. 2023-004 Establish Regular City Council Meeting Dates was introduced by Council Member Fagerlie. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Administrator Valiant informed the Council as required by Minnesota Statute, it is necessary for the City to designate a legal newspaper for 2023-2024. Staff's recommendation is to approve the "West Central Tribune" as the legal newspaper for the next two years.

Resolution No. 2023-005 Designate Official Newspaper was introduced by Council Member Fagerlie. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Administrator Valiant informed the Council is required by statute to appoint one person as the Responsible Authority to administer the requirements for collection, storage, use and dissemination of data on individuals within the City, and she recommended City Clerk Thompson be appointed the Responsible Authority for the City of Willmar.

Resolution No. 2023-006 Adopting a Responsible Authority for the City of Willmar was introduced by Council Member Nelsen. Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Finance Director Okins informed the Council state statutes allow the City the use of electronic funds for various payments. The statute requires the governing body to annually delegate the authority to make electronic funds transfers to designated officers. It is recommended the City delegate the authority to the City Finance Director.

Resolution No. 2023-007 Giving the City Authority to Make Electronic Fund Transfers was introduced by Council Member Fagerlie. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Finance Director Okins informed the Council state statutes require the City designate general depositories for the City monies.

Resolution No. 2023-008 Appointing Official Depositories for City Funds for 2023 was introduced by Council Member Nelsen. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Clerk Judy Thompson reviewed the consent agenda.

- A. City Council Minutes of December 19, 2022
- B. City Council Work Session Minutes of November 29, 2022
- C. CVB Board Minutes of November 15, 2022
- D. Willmar Municipal Utilities Commission Minutes of December 21, 2022
- E. Accounts Payable Report
- F. ~~New Appointments to Boards/Commissions~~
- G. **Resolution No. 2023-009 Approving Purchase of Two 2023 Kubota F2690 Mowers in the Amount of \$30,839.82**
- H. Building Report December 2022

Council Member Fagerlie offered a motion to approve the consent agenda. Council Member O'Brien asked that Item F. New Appointments to Boards/Commissions be pulled for discussion. Council Member Asmus seconded the motion to approve the Consent Agenda, with the removal of Item F., which carried on a roll call vote of Ayes 8, Noes 0.

Council Member O'Brien stated there are three interested candidates for the Municipal Utilities Commission and there are only two openings. Council Member O'Brien offered a motion to table this item for further consideration. Council Member Nelsen seconded the motion, which carried.

There was no one present to speak during the Open Forum.

At 7:09 p.m. Mayor Reese opened the public hearing to consider entering into an agreement for the 2019 Small Cities Development Program. Kandiyohi County Housing and Redevelopment Authority Executive Director Jill Bengston provided the pertinent information to the Mayor and Council.

There being no one present to speak for or against the said agreement, Mayor Reese closed the public hearing at 7:17 p.m. and opened it up for discussion by the Council. Following discussion, **Resolution No. 2023-010 Approving an Administrative Agreement for the 2019 Small Cities Development Program** was introduced by Council Member Fagerlie. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Kandiyohi County Housing and Redevelopment Authority Executive Director Jill Bengston presented a request to terminate any previous agreements with the Willmar Housing and Redevelopment Authority for managing any revolving funds from previous Small Cities Development Programs from grant years 2012 or prior, and enter into an agreement with the Kandiyohi County Housing and Redevelopment Authority to manage the funds.

Following discussion, **Resolution No. 2023-011 A Resolution to Terminate Any Previous Agreements with the Willmar Housing and Redevelopment Authority for Managing Any Small Cities Development Program Revolving Funds from Grant Years 2012 or Prior and Entering Into An Agreement With the Kandiyohi County Housing and Redevelopment Authority to Manage the Funds** was introduced by Council Member Nelsen. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Administrator Valiant presented a request to accept payment from ISCO, Inc. to pay off the business subsidy agreement mortgage of \$310,000 plus interest for Parcel No. 95-872-1130.

Following discussion, **Resolution No. 2023-012 A Resolution by the Mayor and City Council of the City of Willmar, Minnesota Granting Consent to Sale of Property Upon Repayment of Business Subsidy** was introduced by Council Member Fagerlie. Council Member Ask seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Attorney Scott presented a licensing agreement with Jason Butler of City Line Towing for discussion.

Following a lengthy discussion, Council Member Nelsen offered a motion to deny entering into said agreement with City Line Towing. Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 6, Noes 2. Council Members Fagerlie and Butterfield voted "no".

There being no further business to come before the Council, the meeting adjourned at 8:08 p.m. upon motion by Council Member Fagerlie, seconded by Council Member Asmus and carried.

/s/ Douglas Reese
MAYOR

Attest:

/s/ Judy Thompson
SECRETARY TO THE COUNCIL

RESOLUTION NO. 2023-001

APPOINTING MAYOR PRO TEMPORE

Motion By: Fagerlie Second By: Asmus

WHEREAS, the Charter of the City of Willmar, a municipal corporation of the State of Minnesota, provides that in the absence or disability of the Mayor, an Acting Mayor shall be appointed by action of the City Council;

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

that during the years 2023 and 2024, should the Mayor, the Honorable Douglas Reese, be absent or unable to act as such Mayor, that Council Member Ask be and is hereby appointed as Acting Mayor to act in all said circumstances and as set forth in the Charter of the City of Willmar.

Dated this 9th day of January, 2023

/s/ Douglas Reese
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2023-002

ADOPTION OF RULES OF ORDER

Motion By: Nelsen Second By: Ask

WHEREAS, the Willmar City Charter Section 2.11, Subdivision 2, requires the Willmar City Council to adopt an authorized set of parliamentary rules and that the rules adopted by the City Council shall be applicable to all Commissions, Boards and Committees.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Willmar that the Standard Code of Parliamentary Procedure is hereby adopted as the parliamentary code of rules for this Council and its municipal Commissions, Boards and Committees.

Dated this 9th day of January, 2023

/s/ Douglas Reese
MAYOR

Alternate: Thomas Butterfield

Kandiyohi County HRA: Audrey Nelsen

Alternate: Vicki Davis

Rice Hospital Board: Audrey Nelsen

Alternate: Justin Ask

Intergovernmental Planning & Communication Committee:

Mayor Reese

City Administrator

Michael O'Brien

Alternate: Audrey Nelsen

Main Street: Vicki Davis

Alternate: Rick Fagerlie

Dated this 9th day of January, 2023

/s/ Douglas Reese
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

	# of Assignments
Ask, Justin	3
Asmus, Julie	3
Butterfield, Tom	3
Davis, Vicki	4
Fagerlie, Rick	3
Nelsen, Audrey	4
O'Brien, Michael	3
Reese, Mayor Doug	2
Shuldes, Carl	3

RESOLUTION NO. 2023-004

ESTABLISH REGULAR CITY COUNCIL MEETING DATES

Motion By: Fagerlie Second By: Nelsen

BE IT RESOLVED by the City Council of the City of Willmar, Minnesota, that the regular semi-monthly meetings of the City Council shall be held at 6:30 p.m. on the first and third Mondays of each month during the next two years with the exception of if the first or third Monday is a legally recognized holiday, the Council meeting shall be rescheduled to the next Tuesday, and that the regular place of said meetings shall be in the Board Room of the Health and Human Services Building, 2200 – 23rd Street NE, Willmar, Minnesota. During

peacetime emergencies the City Council meetings may be held at alternate locations or by a virtual format or by any other means allowed by law.; and

BE IT FURTHER RESOLVED that the time for adjournment of said Council meetings shall be no later than 11:00 p.m. with the following exceptions:

1. An item of business under consideration at 11:00 p.m. may be disposed.
2. Business from the first meeting of the month will be carried over to the second meeting if necessary.
3. Any business not completed at the second meeting of the month, which is urgent and must have action will be adjourned to a special meeting.

Dated this 9th day of January, 2023

/s/ Douglas Reese
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2023-005

DESIGNATE OFFICIAL NEWSPAPER

Motion By: Fagerlie Second By: Nelsen

BE IT RESOLVED by the City Council of the City of Willmar, Minnesota, a municipal corporation of the State of Minnesota, that the "West Central Tribune" of Willmar, Minnesota, be designated as the legal newspaper for the City of Willmar and that the fees set by State Statutes for legal publications be accepted.

Dated this 9th day of January, 2023

/s/ Douglas Reese
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2023-006

ADOPTING A RESPONSIBLE AUTHORITY FOR THE CITY OF WILLMAR

Motion By: Nelsen Second By: Davis

WHEREAS, Minnesota Statutes, Section 13.02, Subd. 6, requires that the City of Willmar appoint one person as the Responsible Authority to administer the requirements for collection, storage, use and dissemination of data on individuals within the City; and

WHEREAS, the City Council of the City of Willmar shares the concern expressed by the Legislature on the responsible use of all City data and wishes to satisfy this concern by immediately appointing an administratively and technically qualified Responsible Authority as required under the Statute.

BE IT RESOLVED by the City Council of the City of Willmar Minnesota, that City Clerk Judy Thompson be appointed as the Responsible Authority for the purpose of meeting all requirements of Minnesota Statutes, Sections 13.02-13.87, as amended, and with rules as lawfully promulgated by the Commissioner of Administration as published in the State Register.

Dated this 9th day of January, 2023

/s/ Douglas Reese
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2023-007

**RESOLUTION GIVING THE CITY AUTHORITY TO
MAKE ELECTRONIC FUND TRANSFERS**

Motion By: Fagerlie Second By: Nelsen

WHEREAS, Minnesota Statute, Section 471.38 allows the use of electronic funds transfer for the following payments:

- a) for a claim for payment from an imprest payroll bank account or investment of excess money;
- b) for a payment of tax or aid anticipation certificates;
- c) for vendor payments;
- d) for payment of bond principal, bond interest and a fiscal agent service charge from the debt redemption fund; and

WHEREAS, Section 471.38 requires that certain policy controls be enacted in order for a local government to utilize electronic funds transfer, including that the governing body annually delegates the authority to make electronic funds transfers to a designated business administrator or chief financial officer or the officer's designee.

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Willmar delegates the authority to make electronic funds transfers on behalf of the city to the city's Finance Director or their designee.

BE IT FURTHER RESOLVED, the Finance Director is directed to take all steps necessary for compliance with Minn. Stat. § 471.38.

Passed and adopted by the City Council on this 9th day of January 2023.

/s/ Douglas Reese
Douglas Reese, Mayor

ATTEST:

/s/ Judy Thompson
Judy Thompson, City Clerk

RESOLUTION NO. 2023-008

APPOINTING OFFICIAL DEPOSITORIES FOR CITY FUNDS FOR 2023

Motion By: Nelsen Second By: Fagerlie

WHEREAS, State Statutes require that the City designate general depositories for the City monies:

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA, that Heritage Bank, N.A. be designated as the official general depository for 2023 for the City's general operating checking accounts;

BE IT FURTHER RESOLVED that the following be designated as official depositories for the City's temporary investment program for 2023.

Bremer Bank, N.A
U.S. BanCorp United
Multi-Bank Securities
UBS

Bremer Wealth
Wells Fargo Advisors.
4-M

BE IT FURTHER RESOLVED that investment counselors may be utilized for the acquisition of commercial paper, banker's acceptances, brokered CDs, taxable munis and governmental securities;

BE IT FURTHER RESOLVED that the designation of the foregoing depositories is contingent upon receipt by the City of Willmar of evidence of sufficient collateral in the amount and kinds as required by the State Statutes.

BE IT FURTHER RESOLVED, that the Finance Director shall have authority to wire transfer funds from one official depository to another for the purpose of investing City funds.

Where upon the Resolution was declared duly passed and adopted this 9th day of January, 2023

/s/ Douglas Reese
Douglas Reese, Mayor

ATTEST:

/s/ Judy Thompson
Judy Thompson, City Clerk

RESOLUTION NO. 2023-009

**A RESOLUTION APPROVING THE PURCHASE OF TWO 2023 KUBOTA F2690 MOWERS
IN THE AMOUNT OF \$30,839.82.**

Motion By: Fagerlie Second By: Asmus

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, the purchase of two 2023 Kubota F2690 units is accepted through Sourcewell Contract No. 040319-KBA, and be it further resolved 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 \$30,839.82.

Dated this 9th day of January, 2023

/s/ Douglas Reese
Mayor

Attest:

/s/ Judy Thompson
City Clerk

RESOLUTION NO. 2023-010

**A RESOLUTION APPROVING AN ADMINISTRATIVE AGREEMENT FOR THE 2019 SMALL CITIES
DEVELOPMENT PROGRAM**

Motion By: Fagerlie Second By: Nelsen

WHEREAS, the Kandiyohi County HRA submitted an application on behalf of the City of Willmar, Minnesota for a Minnesota Department of Employment and Economic Development (DEED) 2019 Small Cities Development Program;

WHEREAS, the Department of Employment and Economic Development has approved the City of Willmar’s application and entered into a contract with the City for 2019 Small Cities Development Program Funds;

NOW THEREFORE BE IT RESOLVED that the City of Willmar hereby approves the *Administrative Agreement By and Between the City of Willmar, Minnesota and the Kandiyohi County Housing and Redevelopment Authority For Implementation of the 2019 Willmar Small Cities Development Program* hereto attached; and

BE IT FURTHER RESOLVED that the Mayor and the City Administrator of the City of Willmar, Minnesota are hereby authorized to execute said agreement approved this 9th day of January, 2023.

/s/ Douglas Reese
MAYOR

ATTEST:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2023-011

A RESOLUTION TO TERMINATE ANY PREVIOUS AGREEMENTS WITH THE WILLMAR HOUSING AND REDEVELOPMENT AUTHORITY FOR MANAGING ANY SMALL CITIES DEVELOPMENT PROGRAM REVOLVING FUNDS FROM GRANT YEARS 2012 OR PRIOR AND ENTERING INTO AN AGREEMENT WITH THE KANDIYOHI COUNTY HOUSING AND REDEVELOPMENT AUTHORITY TO MANAGE THE FUNDS.

Motion By: Nelsen Second By: Fagerlie

WHEREAS, the Willmar Housing and Redevelopment Authority submitted Small Cities Development Program applications on behalf of the City of Willmar, Minnesota to the Minnesota Department of Employment and Economic Development (DEED) in years 2012 and prior;

WHEREAS, the City of Willmar and the Willmar Housing and Redevelopment Authority entered into Administrative Agreements for the Willmar Housing and Redevelopment Authority to administer the SCDP funds on behalf of the City of Willmar;

WHEREAS, businesses and homeowners are required to repay loans received through Small Cities Development Programs when the loan recipients do not comply with the loan terms thus creating a revolving fund for future activities;

WHEREAS, the Willmar Housing and Redevelopment Authority administers a revolving fund with a 12/31/2022 balance of \$ 241,750.38

WHEREAS, the Willmar Housing and Redevelopment Authority and the Kandiyohi County Housing and Redevelopment Authority continue to transfer programs and activities from the Willmar HRA to the Kandiyohi County HRA for administrative efficiency purposes and the future dissolution of the Willmar Housing and Redevelopment Authority;

WHEREAS, the Kandiyohi County Housing and Redevelopment Authority desires to administer the past Small Cities Development Program funds on behalf of the City of Willmar,

NOW THEREFORE BE IT RESOLVED that the City of Willmar hereby approves terminating all previous Administrative Agreements Between the City of Willmar, Minnesota and the Willmar Housing and Redevelopment Authority for administering any Small Cities Development Program revolving funds received by the City of Willmar from funding year 2012 or prior and approves entering into an Administrative Agreement with the Kandiyohi County Housing and Redevelopment Authority as hereto attached for revolving funds administration;

BE IT FURTHER RESOLVED that the Mayor and the City Administrator of the City of Willmar, Minnesota are hereby authorized to execute said agreement approved this 9th day of January, 2023.

/s/ Douglas Reese
MAYOR

ATTEST:

/s/ Judy Thompson
CITY CLERK

**CITY OF WILLMAR
RESOLUTION NO. 2023-012**

**A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA GRANTING
CONSENT TO SALE OF PROPERTY UPON REPAYMENT OF BUSINESS SUBSIDY**

Motion By: Fagerlie Second By: Ask

WHEREAS, the City of Willmar (the “City”) is in receipt of the Notice letter dated December 22, 2022, on behalf of ISCO, INC (“ISCO”), communicating ISCO’s intent to convey real property (the “Property”), legally described in Exhibit A, to CNH Industrial America, LLC (“CNH”) and concerning covenants applicable to agreements between ISCO and the City; and

WHEREAS, pursuant to Minn. Stat. Section 469.185, the City is authorized to convey property in order to stimulate economic development, promote industry, increase the City’s tax base, and provide new and additional employment opportunities for the citizens of Willmar; and

WHEREAS, on May 17, 2016, the City executed a Commercial Property Purchase Agreement (the “Purchase Agreement”), attached hereto as Exhibit B, conveying the Property to ISCO with a total purchase price of \$322,807.50 subject to reduction in accordance with the City’s Industrial Land Pricing Write-Down Policy then in effect (the “Policy”) as specified in the corresponding Business Subsidy Agreement; and

WHEREAS, on June 26, 2017, ISCO and the City entered into the Business Subsidy Agreement (the “Subsidy Agreement”), attached hereto as Exhibit C, in which ISCO affirmed its intent to significantly expand and intensify its existing manufacturing operations on the development property as defined in the Subsidy Agreement, including the Property, and agreed to create and maintain jobs for the City; and

WHEREAS, the Subsidy Agreement resulted in a reduction of the market value purchase price of \$310,000.00 for ISCO’s purchase of the Property which constitutes a business subsidy under Minnesota Statutes 116J.993 through 11J.995; and

WHEREAS, under the Subsidy Agreement, ISCO agreed to repay the entirety of the subsidy to the City, plus interest, in the event that the obligations therein are not met and to report its progress until its obligations are fully satisfied or until the date the subsidy is repaid; and

WHEREAS, the City has not received any reports of either construction on the Property or any reports providing that any jobs have been created to date; and

EXHIBIT A

LEGAL DESCRIPTION

Lot 4, Block 2, Willmar Industrial Park Third Addition to the City of Willmar, Section 17, Township 119 N. Range 35 W. in the City of Willmar, County of Kandiyohi, State of Minnesota, according to the plat on file and of record in the office of the County Recorder of Kandiyohi County, Minnesota.

EXHIBIT B

COMMERCIAL PROPERTY PURCHASE AGREEMENT

EXHIBIT C

BUSINESS SUBSIDY AGREEMENT