

**WILLMAR CITY COUNCIL PROCEEDINGS**  
**BOARD ROOM**  
**HEALTH AND HUMAN SERVICES BUILDING**  
**WILLMAR, MINNESOTA**

July 17, 2023  
6:30 p.m.

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

Also present were City Administrator Leslie Valiant, City Operations Director Kyle Box, Police Chief Jim Felt, Finance Director Tom Odens, Retiring Public Works Director Gary Manzer, Public Works Director Justin DeLeeuw, Planning and Development Services Director Justice Walker, Community Growth Director Pablo Obregon, City Clerk Judy Thompson and City Attorney Robert Scott.

There were no additions or deletions to the agenda.

Council Member Ask moved to approve the agenda, as presented. Council Member Fagerlie seconded the motion, which carried unanimously.

City Clerk Thompson reviewed the consent agenda.

- A. City Council Minutes of July 3, 2023
- B. Willmar Charter Commission "Draft" Minutes of May 30, 2023
- C. Willmar Municipal Utilities Commission Minutes, July 10, 2023
- D. **Resolution No. 2023-122 Regional Park or Trail Designation Application with Greater Minnesota Parks and Trails Commission**
- E. Agreement Between Minnesota Department of Revenue and Willmar for Collection of Local Sales and Use Tax
- F. **Resolution No. 2023-123 2024 - 2025 Humane Society Agreement**
- G. Accounts Payable Report, 06/28/23 Thru 07/12/23
- H. West Central Ducks Unlimited Lawful Gambling Application

Information:

Building Report June 2023

Council Member Ask offered a motion to approve the consent agenda. Council Member Shuldes seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Ron Christianson, Willmar, addressed the Mayor and Council during the Open Forum and spoke in favor of City Hall and Community Center remaining at their current sites.

At 6:38 p.m. Mayor Reese opened the public hearing for the Authorizing the Issuance of Up To \$9,450,000 General Improvement Bonds, Series 2023A. Finance Director Odens presented the pertinent information.

There being no one present to speak for or against the proposed sale, Mayor Reese closed the public hearing at 6:40 p.m. and opened it up for discussion from the Council.

Following discussion, Council Member Shuldes offered a motion to adopt, assign a number, and publish **Ordinance No. 1502 Authorizing the Issuance of Up to \$9,450,000 General Obligation Improvement Bonds, Series 2023A and the Levying of Taxes to Secure Payment Therefor.** Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

**Resolution No. 2023-124 Providing for the Competitive Negotiated Sale of \$9,450,000 General Obligation Improvement Bonds, Series 2023A** was introduced by Council Member Asmus. Council Member O'Brien seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

At 6:44 p.m. Mayor Reese opened the public hearing for the Bethesda rezone request to rezone property from Agriculture (AG) to Limited Business (LB). Planning and Development Services Director Walker presented the pertinent information.

There being no one present to speak for or against the proposed rezoning, Mayor Reese closed the public hearing at 6:46 p.m. and opened it up for discussion from the Council.

Following discussion, Council Member Asmus offered a motion to adopt, assign a number, and publish **Ordinance No. 1503 Amending the Willmar Zoning Ordinance.** Council Member Ask seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

At 6:47 p.m. Mayor Reese opened the public hearing for the creation of the Industrial 3 (I-3) Zoning District. Planning and Development Services Director Walker presented the pertinent information.

There being no one present to speak for or against the proposed district, Mayor Reese closed the public hearing at 6:49 p.m. and opened it up for discussion from the Council.

Following discussion, Council Member Shuldes offered a motion to adopt, assign a number, and publish **Ordinance No. 1504 An Ordinance Amending Ordinance No. 1060 Known as the Willmar Zoning Ordinance by Amending Section 6 to Create a New Section 6.S. Creating a New Industrial-3 (I-3) Zoning District.** Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Due to the length and cost of publishing the entire ordinance, Council Member Shuldes offered a motion to publish by summary **Ordinance No. 1504 An Ordinance Amending Ordinance No. 1060 Known as the Willmar Zoning Ordinance by Amending Section 6 to Create a New Section 6.S. Creating a New Industrial-3 (I-3) Zoning District.** Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

At 6:51 p.m. Mayor Reese opened the public hearing for the proposed rezoning of property from Agricultural (AG) to Industrial 3 (I-3) for the future Willmar Rail Park. Planning and Development Services Director Walker presented the pertinent information.

There being no one present to speak for or against the proposed rezoning, Mayor Reese closed the public hearing at 6:52 p.m. and opened it up for discussion from the Council.

Following discussion, Council Member Asmus offered a motion to adopt, assign a number, and publish **Ordinance No. 1505 An Ordinance Amending Ordinance No. 1060 Known as the Willmar Zoning Ordinance by Amending the Official Zoning Map to Rezone Property from Agriculture (AG) to Industrial -3 (I-3).** Council Member O'Brien seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Due to the length and cost of publishing the entire ordinance, Council Member Ask offered a motion to publish by summary **Ordinance No. 1505 An Ordinance Amending Ordinance No. 1060 Known as the Willmar Zoning Ordinance by Amending the Official Zoning Map to Rezone Property from Agriculture (AG) to Industrial-3 (I-3).** Council Member O'Brien seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Administrator Valiant and Willmar Municipal Utilities General Manager John Harren presented a request to approve Willmar Municipal Utilities pursuing a stand-alone site for future operations.

Following discussion, Council Member Nelsen offered a motion to approve staff's request. Council Member Asmus seconded the motion, which carried unanimously.

City Operations Director Box presented a request to reject the alternate bid for demolition of the City Auditorium from Landwehr Construction, Inc.

Following discussion, Council Member Shuldes offered a motion to approve staff's request. Council Member Nelsen seconded the motion, which carried unanimously.

City Operations Director Box presented a request to approve conducting public tours of the City Auditorium on Monday, August 14, and Thursday, August 17. The intent of the tours would be to provide up-to-date information on the building, including the ongoing maintenance and facility needs needed to make the building functional and compliant, while continuing to pay tribute to the historical nature of the building.

Following discussion, Council Member Shuldes offered a motion to approve staff's request. Council Member Davis seconded the motion, which carried unanimously.

City Administrator Valiant presented a request to approve a settlement agreement between BNSF Railway Corporation, Kandiyohi County, and the City of Willmar. It was noted this agreement is in regard to the Willmar Wye Project.

Following discussion, **Resolution No. 2023-125 A Resolution Entering into Settlement Agreement Between City of Willmar, BNSF Railway, and Kandiyohi County** was introduced by Council Member Fagerlie. Council Member Butterfield seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Contracted City Engineer Jared Voge presented a request to approve and adopt the 10-year capital improvement plan for future improvement project planning.

Following discussion, Council Member Asmus offered a motion to approve staff's request. Council Member Fagerlie seconded the motion, which carried unanimously.

Planning and Development Services Director Walker presented a request to receive direction from Council in regard to a request from Justin Paffrath to have the purchase price of four lots he is purchasing from the City reduced. The original purchase price was set at \$32,000. Mr. Paffrath is seeking the amount be lowered to accommodate the costs he would incur to develop the site, due to results of soil borings performed on the site.

Following a lengthy discussion, Council Member Ask offered a motion to table this item and continue discussion in a closed session following the meeting this evening. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 6, Noes 2. Council Members Butterfield and O'Brien voted "no".

Police Chief Felt presented a request to introduce an ordinance regulating massage therapy businesses and massage therapists in the City of Willmar and set a public hearing for August 7, 2023.

Following discussion, Council Member Asmus offered a motion to **introduce an Ordinance Amending Willmar Municipal Code, Chapter 8, Licenses, Permits and Business Regulations**, and set a public hearing for August 7, 2023, at 6:30 p.m. or as soon thereafter as possible. Council Member Ask seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Due to the length and cost of publishing the entire ordinance, Council Member Asmus offered a motion to publish by summary **an Ordinance Amending Willmar Municipal Code, Chapter 8, Licenses, Permits and Business Regulations**. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Operations Director Box presented a request to introduce an ordinance amending Willmar Municipal Code, Chapter 8, Licenses, Permits, and Business Regulations (THC) and set a public hearing for August 7, 2023.

Following discussion, Council Member Fagerlie offered a motion to **introduce an Ordinance Amending Willmar Municipal Code, Chapter 8, Licenses, Permits and Business Regulations**, and set a public hearing for August 7, 2023, at 6:30 p.m. or as soon thereafter as possible. Council Member O'Brien seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Due to the length and cost of publishing the entire ordinance, Council Member Fagerlie offered a motion to publish by summary **an Ordinance Amending Willmar Municipal Code, Chapter 8, Licenses, Permits and Business Regulations**. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Operations Director Box informed the Council that staff are preparing for adult-use cannabis consumption, registration, and zoning ordinances. It was noted personal consumption becomes legal on August 1, 2023; however, retail sales will not become effective until the Office of Cannabis Management begins to issue licenses, which is anticipated to be fully on-line in mid to late 2024. Mr. Box presented a few options to bring back to Council at future meetings.

Following discussion, consensus of the Council was to move toward a moratorium until January 1, 2025. This item was received for information purposes only.

Information Systems Coordinator Jonah Johnson presented three requests to use ARPA funds for the following: 1) to approve the one-time purchase of door security solution from Electrical Production Services; 2) to approve the one-time purchase of data wiring from Backes Technology Services, and; 3) to approve the one-time purchase of audio/visual solution from Audio Video Extremes.

Following discussion, **Resolution No. 2023-126 Authorizing Execution of a Contract with Electrical Production Services** was introduced by Council Member Ask. Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

**Resolution No. 2023-127 Authorizing Execution of a Contract with Backes Technology Services** was introduced by Council Member Ask. Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

**Resolution No. 2023-128 Authorizing Execution of a Contract with Audio Video Extremes** was introduced by Council Member Asmus. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Finance Director Odens presented a review of the financial report as of June 30, 2023.

Following discussion, Council Member Fagerlie offered a motion to approve the financial report, as presented. Council Member Shuldes seconded the motion which carried unanimously.

Planning and Development Services Director Walker presented a request to set a public hearing for August 7, 2023, to vacate public easements on the plat of Preserve on 24th First Addition.

Following discussion, Council Member Asmus offered a motion to approve staff's request. Council Member Butterfield seconded the motion, which carried unanimously.

Planning and Development Director Walker presented a request to approve consulting services from FiberMyCommunity (Roger Timmerman) for project review for the OAF Network and approve public town hall meetings to educate citizens of the City's broadband project.

Following discussion, **Resolution No. 2023-129 A Resolution That the City of Willmar Will Hire FiberMyCommunity for Project Review of the Hometown Fiber Proposal** was introduced by Council Member Asmus. Council Member O'Brien seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Clerk Thompson presented a request to approve the sale of THC product license to Everest Liquor LLC dba Westside Liquor, located at 1600 Highway 12 East.

Following discussion, Council Member Shuldes offered a motion to approve staff's request. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 6, Noes 2. Council Members O'Brien and Butterfield voted "no".

City Clerk Thompson presented a request to approve a city park special event by on-sale liquor license holder permit for Torgerson Properties, Inc. dba Green Mill-Willmar to serve alcohol on July 28, 2023, for an event to be held at Guri Shelter on Robbins Island.

Following discussion, Council Member Fagerlie offered a motion to approve staff's request. Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Clerk Thompson presented a request to approve a state application and permit for a 1-Day to 4-Day Temporary On-Sale Liquor License Permit for Kandiyohi County Fair Association to serve alcohol at the Kandiyohi County Fair from August 9 – 12, 2023.

Council Member Fagerlie offered a motion to approve staff's request. Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Clerk Thompson presented a request to approve a state application and permit for a 1-Day to 4-Day Temporary On-Sale Liquor License Permit for Foxhole Brewhouse, Inc. dba Foxhole Brewhouse to sell alcohol during a social event on Saturday, August 19, 2023.

Council Member Fagerlie offered a motion to approve staff's request. Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Mayor Reese offered the following comments: the third Rockin' Robbins concert is tomorrow night.

Council Member O'Brien offered the following comments: he would like to request Council make a decision on the J.C. Penney site for a new city hall/community center location sooner rather than later.

Council Member Asmus offered the following comments: Wednesday, August 19, at 10:00 a.m. there will be a ribbon cutting ceremony for the BCBS fitness court located at Sperry Park.

Mayor Reese asked Council their thoughts on Council Member O'Brien's comment. Council Member Ask asked that this item be placed on the August 7, 2023, Council agenda to allow community to speak one last time on this issue. Consensus of the Council was in agreement with Council Member Ask's request to place on the August 7th Council agenda.

City Attorney Scott recommended the Paffrath item be tabled until August 7, 2023, to allow for further review of the purchase agreement in place, and possibility of addressing in open session versus closed session.

Developer Justin Paffrath addressed the Mayor and Council and stated a lot of developers doing entry level housing would not be able to build without TIF, HRA, or special funding options available to them due to the costs involved.

Council Member Asmus offered a motion to table the closed session until the August 7, 2023, Council meeting. Council Member Ask seconded the motion, which carried unanimously.

Council Member Nelsen offered a motion to adjourn the meeting, with Council Member Ask seconding the motion, which carried. The meeting adjourned at 8:39 p.m.

/s/ Douglas E. Reese  
MAYOR

Attest:

/s/ Judy R. Thompson  
SECRETARY TO THE COUNCIL

**RESOLUTION NO. 2023-122**

**RESOLUTION SUPPORTING REGIONAL PARK OR TRAIL DESIGNATION APPLICATION  
IN GREATER MINNESOTA:**

Motion By: Ask

Second By: Shuldes

**BE IT RESOLVED** that as lead applicant, has the authority to act as legal public sponsor for the application described in the *Request for Designation as a Regional Park or Trail in Greater Minnesota*. we formally support and authorize the applicant's submission on behalf of the partnership.

**BE IT FURTHER RESOLVED** that as lead applicant and joint applicant(s)/partner(s) we are fully aware of the information provided in the application and associated responsibilities, including long-term commitments as defined in the application and related master plan and supporting information as submitted.

**BE IT FURTHER RESOLVED** that should Robbins Island receive formal designation as a regional park or trail in Greater Minnesota by the Commission, as the lead applicant or joint applicant(s)/partner(s) we have the legal authority to enter into a formal designation, and funding agreements with the Commission for the referenced park or trail.

**BE IT FURTHER RESOLVED** that the listed applicant and joint applicant(s)/partner(s) certify they will comply with all applicable laws and regulations associated with regional designation and any future grant funding for their respective portions of any project.

**I CERTIFY THAT** the above resolution was adopted by the listed lead applicant and joint applicant(s)/partner(s) Board or Council.

Dated this 17th day of July 2023

/s/ Douglas E. Reese  
MAYOR

Attest:

/s/ Judy R. Thompson  
CITY CLERK

**RESOLUTION NO. 2023-123**

**A RESOLUTION APPROVING THE HUMANE SOCIETY AGREEMENT FOR 2024 AND 2025**

Motion By: Ask

Second By: Shuldes

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the terms with The Humane Society of Kandiyohi and Meeker Counties 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 Society for the terms and consideration of the contract in the amount of \$46,410 for 2024 and \$48,034 for 2025.

Dated this 17th day of July, 2023

/s/ Douglas E. Reese  
Mayor

Attest:

/s/ Judy R. Thompson  
City Clerk

**RESOLUTION NO. 2023-124**

**RESOLUTION PROVIDING FOR THE COMPETITIVE NEGOTIATED  
SALE OF \$9,450,000  
GENERAL OBLIGATION IMPROVEMENT BONDS,  
SERIES 2023A**

Motion By: Asmus Second By: O'Brien

A. WHEREAS, the City Council of the City of Willmar, Minnesota, has heretofore determined that it is necessary and expedient to issue its \$9,450,000 General Obligation Improvement Bonds, Series 2023A (the "Bonds") to finance various public improvement projects in the City; and

B. WHEREAS, the City has retained Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), as its independent municipal advisor and is therefore authorized to sell these obligations by a competitive negotiated sale in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9); and

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

1. Authorization; Findings. The City Council hereby authorizes Baker Tilly MA to solicit bids for the competitive negotiated sale of the Bonds.
2. Meeting; Bid Opening. This City Council shall meet at the time and place specified in the Terms of Proposal attached hereto as **Exhibit A** for the purpose of considering sealed bids for, and awarding the sale of, the Bonds. The Clerk, or designee, shall open bids at the time and place specified in such Terms of Proposal.
3. Terms of Proposal. The terms and conditions of the Bonds and the negotiation thereof are fully set forth in the "Terms of Proposal" attached hereto as **Exhibit A** and hereby approved and made a part hereof.
4. Official Statement. In connection with said competitive negotiated sale, the Clerk and other officers or employees of the City are hereby authorized to cooperate with Baker Tilly MA and participate in the preparation of an official statement for the Bonds, and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Member O'Brien and, after full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Council Member Justin Ask, Audrey Nelsen, Vicki Davis, Carl Shuldes, Michael O'Brien, Thomas Butterfield, Julie Asmus, and Rick Fagerlie

and the following voted against the same: None

Whereupon said resolution was declared duly passed and adopted this 17<sup>th</sup> day of July, 2023.

/s/ Douglas E. Reese  
MAYOR

ATTEST:

/s/ Judy R. Thompson  
CITY CLERK

## **EXHIBIT A**

**THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:**

### **TERMS OF PROPOSAL**

**\$9,450,000\***

**CITY OF WILLMAR, MINNESOTA**

**GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2023A**

**(BOOK ENTRY ONLY)**

Proposals for the above-referenced obligations (the "Bonds") will be received by the City of Willmar, Minnesota (the "City") on Monday, August 21, 2023 (the "Sale Date") until 10:00 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 30 East 7<sup>th</sup> Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at its meeting commencing at 6:00 P.M., Central Time, of the same day.

### **SUBMISSION OF PROPOSALS**

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to [bids@bakertilly.com](mailto:bids@bakertilly.com), and must be received prior to the Sale Time.

**OR**

(b) **Electronic Bidding.** Proposals may also be received via PARITY<sup>®</sup>. For purposes of the electronic bidding process, the time as maintained by PARITY<sup>®</sup> shall constitute the official time with respect to all proposals submitted to PARITY<sup>®</sup>. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY<sup>®</sup> for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the*



*Terms of Proposal.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

#### DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2024. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 the years and amounts\* as follows:

2025	\$380,000
2026	\$520,000
2027	\$540,000
2028	\$555,000
2029	\$575,000
2030	\$590,000
2031	\$610,000
2032	\$625,000
2033	\$645,000
2034	\$670,000
2035	\$690,000
2036	\$720,000
2037	\$745,000
2038	\$775,000
2039	\$810,000

\*The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.

#### BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the “Purchaser”), as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

#### REGISTRAR/PAYING AGENT

U.S. Bank Trust Company, National Association, Saint Paul, Minnesota will serve as Registrar/Paying Agent (the “Registrar”) for the Bonds, and shall be subject to applicable regulations of the Securities and Exchange Commission. The City will pay for the services of the registrar/paying agent.

#### OPTIONAL REDEMPTION

The City may elect on February 1, 2032, and on any day thereafter, to redeem Bonds due on or after February 1, 2033. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

#### SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments from benefited properties for repayment of a portion of the Bonds. The proceeds of the Bonds will be used to finance various improvements within the City.

## BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### BIDDING PARAMETERS

Proposals shall be for not less than \$9,355,500 plus accrued interest, if any, on the total principal amount of the Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater.

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth herein. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

### ESTABLISHMENT OF ISSUE PRICE

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the City in establishing the issue price of the Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Baker Tilly MA.

The City intends that the sale of the Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the City shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the City anticipates awarding the sale of the Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the City and Baker Tilly MA if 10% of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The City will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation

commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the City and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the City and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

#### GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of \$94,500 (the “Deposit”) no later than 1:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

#### AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

#### BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

## CUSIP NUMBERS

If the Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

## SETTLEMENT

On or about September 14, 2023, the Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

## CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

## OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email [bids@bakertilly.com](mailto:bids@bakertilly.com). The Preliminary Official Statement will also be made available at <https://bondcalendar.bakertilly.com/>.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Bonds, together with any other information required by law. By awarding the Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated July 17, 2023

BY ORDER OF THE CITY COUNCIL

/s/ Leslie Valiant  
City Administrator

## RESOLUTION NO. 2023-125

### RESOLUTION ENTERING INTO SETTLEMENT AGREEMENT BETWEEN CITY OF WILLMAR, BNSF RAILWAY, AND KANDIYOHI COUNTY

Motion By: Fagerlie

Second By: Butterfield

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator enter into the Settlement Agreement between the City of Willmar, BNSF Railway Company, Kandiyohi County, Kandiyohi County.

Dated this 17<sup>th</sup> day of July, 2023.

/s/ Douglas E. Reese  
MAYOR

Attest:

/s/ Judy R. Thompson  
CITY CLERK

**RESOLUTION NO. 2023-126**

**RESOLUTION AUTHORIZING EXECUTION OF  
A CONTRACT WITH ELECTRICAL PRODUCTION SERVICES**

Motion By: Ask Second By: Davis

BE IT RESOLVED by the City Council of the City of Willmar that the quote from Electrical Production Services for a door security solution in the amount of \$123,994.00 is accepted.

BE IT FURTHER RESOLVED THAT the City Council of the City of Willmar authorize the use of American Rescue Plan Act (ARPA) funds for this one-time purchase for long-lasting improvements to city infrastructure.

The Mayor and City Administrator are authorized to execute this agreement and any amendments on behalf of the City of Willmar.

Dated this 17<sup>th</sup> day of July 2023

/s/Douglas E. Reese  
MAYOR

Attest:

/s/ Judy R. Thompson  
CITY CLERK

**RESOLUTION NO. 2023-127**

**RESOLUTION AUTHORIZING EXECUTION OF  
A CONTRACT WITH BACKES TECHNOLOGY SERVICES**

Motion By: Ask Second By: Davis

BE IT RESOLVED by the City Council of the City of Willmar that the quote from Backes Technology Services for data wiring in the amount of \$13,893.97 is accepted.

BE IT FURTHER RESOLVED THAT the City Council of the City of Willmar authorize the use of American Rescue Plan Act (ARPA) funds for this one-time purchase for long-lasting improvements to city infrastructure.

The Mayor and City Administrator are authorized to execute this agreement and any amendments on behalf of the City of Willmar.

Dated this 17<sup>th</sup> day of July 2023

/s/ Douglas E. Reese  
MAYOR

Attest:

/s/ Judy R. Thompson  
CITY CLERK

**RESOLUTION NO. 2023-128**

**RESOLUTION AUTHORIZING  
EXECUTION OF A CONTRACT WITH  
AUDIO VIDEO EXTREMES**

Motion By: Asmus Second By: Fagerlie

BE IT RESOLVED by the City Council of the City of Willmar that the quote from Audio Video Extremes for an audio/visual solution in the amount of \$14,994.63 is accepted.

BE IT FURTHER RESOLVED THAT the City Council of the City of Willmar authorize the use of American Rescue Plan Act (ARPA) funds for this one-time purchase for long-lasting improvements to city infrastructure.

The Mayor and City Administrator are authorized to execute this agreement and any amendments on behalf of the City of Willmar.

Dated this 17<sup>th</sup> day of July 2023

/s/ Douglas E. Reese  
MAYOR

ATTEST:

/s/ Judy R. Thompson  
CITY CLERK

**RESOLUTION NO. 2023-129**

**A RESOLUTION THAT THE CITY OF WILLMAR WILL HIRE FIBERMYCOMMUNITY FOR PROJECT  
REVIEW OF THE HOMETOWN FIBER PROPOSAL.**

Motion By: Asmus Second By: Fagerlie

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the City of Willmar will hire FiberMyCommunity for project review of the Hometown Fiber proposal, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into a contract with FiberMyCommunity.

Dated this 17th day of July, 2023

/s/ Douglas E. Reese  
MAYOR

ATTEST:

/s/ Judy R. Thompson  
CITY CLERK