

WILLMAR CITY COUNCIL PROCEEDINGS
BY ELECTRONIC MEANS (GOTO MEETING)

July 20, 2020
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 Rick Fagerlie, Shawn Mueske, Kathy Schwantes, Vicki Davis, Fernando Alvarado, Julie Asmus, Andrew Plowman, and Audrey Nelsen. Present 9, Absent 0.

Also present were City Administrator Brian Gramentz, Finance Director Steve Okins, Public Works Director Sean Christensen, City Clerk Judy Thompson, and City Attorney Robert Scott.

There were no additions or deletions to the agenda.

Mayor Calvin stated he has received many inquiries about mandatory masks in the City of Willmar, and urged citizens to wear masks when out in the public.

Council Member Fagerlie moved to approve the agenda, as presented. Council Member Asmus 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 July 6, 2020
- B. Willmar Municipal Utilities Board Minutes of July 13, 2020
- C. Accounts Payable Report for July 2 - July 15, 2020
- D. Willmar Lakes Area CVB Board Minutes of May 19, 2020
- E. Invest in Willmar Board Minutes of June 10, 2020

Council Member Schwantes offered a motion to approve the Consent Agenda. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

The Public Works/Safety Committee Report for July 8, 2020 was presented to the Mayor and Council by Council Member Plowman. There were four items for consideration.

Item No. 1 Staff brought forth, for information, the public safety statistics for the month of June. This item was for information only.

Item No. 2 It was the recommendation of the Committee to approve the Robbins Island Beach Safety Procedure. Wastewater tests the beach every Monday (except holidays - test on Tuesdays). They send the test result to the Parks and Recreation Director within 24 hours. If the fecal count is over 200, the Parks and Recreation Director notifies City Administrator, Public Works Director, Public Works Staff and IT Department to close the beach. Staff puts out signs and posts messages on City website and social media. Wastewater then retests the water and sends results to Parks and Recreation Director. If test results are below, we reopen the beach; if not, the beach remains closed until the count is under 200. Staff has recommended removing the current signage that goes on the beach when the threshold is met and implementing a flag safety procedure. A green flag will be flown when the water is under the threshold and a red flag flown when it is over the safety limit. Information will be posted on the City website and social media. Signage will be placed at the beach explaining the details of why the water is tested and general safety information.

Council Member Plowman offered a motion to approve the recommendation of the Committee. Council Member Alvarado seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Item No. 3 It was the recommendation of the Committee to adopt a resolution awarding the Robbins Island Parking and Watermain Improvements Project to Duininck, Inc. in the amount of \$1,179,553.45 and authorize signatures on the contract. Bolton and Menk was hired by the City to oversee the Robbins Island Improvements funded by the half-cent Local Option Sales Tax. Bids were opened for the parking and watermain improvements on June 23rd. Three bids were received; Crow River Construction in the amount of \$1,567,534, Riley Bros. Construction, Inc. in the amount of \$1,295,061 and Duininck, Inc. in the amount of \$1,179,553.45. After review, Bolton and Menk is recommending award of the contract to Duininck, Inc.

Resolution No. 2020-087 Awarding the Robbins Island Parking and Watermain Improvements Project in the Amount of \$1,179,553.45 was introduced by Council Member Plowman. Council Member Alvarado seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Item No. 4 Staff brought forth, for information, the discussion of the future of the Guri Shelter at Robbins Island. The shelter has been moved at least three times according to records, the last time being from 19th Avenue SW to its current location in 1993 for a cost of \$3,500. When the move took place, the shelter was valued at \$10,000. The City, along with donations by the Legion, then spent \$1,500 on a new foundation, \$1,000 for sewer and water utilities installation, and \$3,000 on an interior remodel. Currently, the windows and patio door need to be replaced and the siding and shingles have approximately less than 10 years of lifespan left. It will be brought back to the Robbins Island Subcommittee for discussion of options. This item was for information only.

The Public Works/Safety Committee Report of July 8, 2020, was approved and ordered placed on file in the City Clerk's Office upon motion by Council Member Plowman. Council Member Asmus seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

The Finance Committee Report for July 9, 2020 was presented to the Mayor and Council by Council Member Nelsen. There were seven items for consideration.

Item No. 1 Staff reviewed information with the Committee regarding the Barn Theatre loans obtained through the Small Cities Development Program on June 12, 2014. Barn Theatre Representative Gary Geiger explained one feature of one loan is after seven years, which would be June 21, 2021, the loan would be forgiven if the Theatre still owns the property. The balance of the loan is \$29,462.00. The Theatre is requesting early forgiveness of the loan to enable the Barn to sell the third floor of their building. Selling off this part of the building would enable them to get through the economic crisis caused by the Covid Pandemic. In order for that to happen, this loan would need to be forgiven about eleven months early. The two other loans have a remaining balance of \$1,600.00 and \$6,088.82 and could be paid off with the cash flow provided by the early forgiveness of the first loan. The City Attorney has researched the required process for this to occur and has determined the City of Willmar would need to adopt a resolution recommending to the Willmar HRA early forgiveness of the loan in question be provided to the Barn Theatre.

It was the recommendation of the Committee to approve a resolution to provide early forgiveness of the Small Cities Development Program Loan to the Willmar Community Theatre by the Willmar Housing and Redevelopment Authority.

Resolution No. 2020-088 Recommending the Early Forgiveness of the Small Cities Development Program Loan to Willmar Community Theatre by the City of Willmar Housing and Redevelopment Authority was introduced by Council Member Nelsen. Council Member Asmus seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

Item No. 2 Parks & Recreation Director Rob Baumgarn explained the Glacial Ridge Curling Club has been curling in the Blue Line Arena for many years. They are working towards building a dedicated Curling facility at the Civic Center location. An agreement was signed in August, 2018, between the Club and the City for construction and lease of a new curling facility. With the emergence of the Invest in Willmar-Event/Rec Center Project, LSE Architects, and COVID-19, the curling project has been delayed. The Curling Club is requesting an extension to continue planning and fundraising for the facility.

In the Agreement between the Club and the City, it currently states in Section 4.1.1 First Donation: "GRC shall make its First Donation to the City as soon as reasonably practical following GRC's raising sufficient funds therefore, but in no event later than the date which is four years after the Effective Date. GRC's failure to make its first donation by such date will constitute a Default Event and permit the City to proceed with terminating the Agreement pursuant to Section 11.1 of the Agreement." The Curling Club is requesting to amend this section to "six years after the Effective Date...".

It was noted a resolution to amend Section 4.1.1 in the Glacial Ridge Curling Agreement to six years had been approved at an earlier date. This item was for information only.

Item No. 3 Mr. Baumgarn explained the Glacial Ridge Curling Club is currently fundraising for the new curling facility and, per the Agreement between the Club and the City, the Club needs to donate funds to the City to hire the architect. Choosing an architect will allow the Curling Club to seek additional fundraising opportunities for this project. The Club is ready to donate the amount required for the City to hire Negen Associates for services. The cost of basic services for design development and construction documents would be \$66,500. In addition, an hourly service fee will be applied for bidding/negotiating and construction administration. Reimbursable expenses are also not part of the basic service. The Club will be donating to the City \$66,500 plus reimbursement of any additional costs for the hourly service fees and reimbursable expenses.

It was noted a resolution to approve the scope of services and contract price of \$66,500 plus hourly services and reimbursable expenses as proposed by Lon Negen of Negen and Associates for the design and preparation of plans, specifications, and bid package for a dedicated curling facility on the Civic Center property, and to authorize the Mayor and City Administrator to sign the agreement had been approved at an earlier date. This item was for information only.

Item No. 4 Finance Director Okins explained the Bond Pricing Committee has met with Bremer Bank, which is the lead lending institution for financing the 2020 Improvement Bond. Criteria set by the Council established the financing amount not to exceed \$1,965,000, interest costs not to exceed 3%, and maturity not to exceed 2031. Final determinations for financing include participation of Bremer Bank for \$984,000 and Lake Region Bank, Kensington Bank, and Home State Bank each for \$327,000 for a total of \$1,965,000. The maturity date is February 1, 2031 and the final interest rate agreed upon is 1.75 percent. It was noted that this will lower the anticipated interest rate on assessments to property owners from 4 percent to 3.75 percent.

In regard to Sales Tax Project financing, staff is exploring the possibility of initially utilizing a construction loan with final financing to occur later for the Robbins Island and Swansson Field projects.

This item was for information only.

Item No. 5 Finance Director Okins reported the Mayor has submitted the Relief Fund Certification Form as required and explained council action was not needed for this submission. It was noted that specific criteria need to be followed by the City to qualify for reimbursement. These criteria include expenditures that are: necessary due to the public health emergency with respect to Covid-19; were not accounted for in the budget most recently approved as of March 27, 2020, and; were or will be incurred and expended during the period that begins on March 1, 2020, and ends on December 1, 2020.

To-date the City has incurred expenditures of approximately \$25,000 for sanitation supplies and for computer equipment for employees working remotely. The Finance Department is working with the Human Resources Department regarding the Emergency Paid Sick Leave which allows up to 80 hours per employee to be used as a result of self-quarantining due to the Coronavirus. To-date, 40 out of 108 full-time employees have incurred this cost.

The Minnesota Department of Revenue has allocated CARES Funds totaling a little over \$1.5 million to the City of Willmar. EDC Executive Director Aaron Backman reported Kandiyohi County's allocation is \$5,236,000. County Administrator Larry Kleindl is looking at establishing five to six teams of people to discuss

the needs and usage for these County funds. Those teams include: an HHS Team, a Public Safety Team, a Business and Nonprofit Team, a COVID Expense Team, and an Employee Team. It was noted that the EDC would be part of the Business and Nonprofit Team. Mr. Kleindl is recommending that 20 percent of the County's funds be funneled thru the EDC, specifically its finance committee for review of disbursing emergency loans.

This item was for information only.

Item No. 6 Finance Director Steve Okins reported no formal information has been received from the State to-date; however, there is a preliminary indication state funding may not be affected until 2021. This item was for information only.

Item No. 7 Council Member Davis had submitted a request for a future discussion on filing fees and costs involved for special elections. An updated Sales Tax Status Report, Final budgets for the 2020 Street Projects, and the June 30, 2020, financial report will be presented at the next finance committee meeting. Two other items, Sales Tax Project Financing and possible Carris Health Debt Refinancing will be discussed at a future finance committee meeting. This item was for information only.

The Finance Committee Report of July 9, 2020, was approved and ordered placed on file in the City Clerk's Office upon motion by Council Member Nelsen. Council Member Asmus seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

Council Member Alvarado offered the following comments: "mow in"; would like to hear from citizens about mask issue, he feels it is a pro-mask move; remind everyone the Food Shelf and Second Harvest are available to those in need of food.

Council Member Asmus offered the following comments: recreation activities are being used – disc golf, pickleball, and splashpad to name a few; happy we offer the many activities and great to see they are being used.

Council Member Plowman offered the following comments: happy to see people using our recreation services; Public Works Committee will be discussing the various local option sales tax projects, including the Swansson Field project, at a near future meeting; update on ADA transition plan will also be coming soon.

Council Member Nelsen offered the following comments: thanked the Mayor for his comments on wearing masks and hopes the community embraces the issue.

Council Member Davis offered the following comments: would like to have additional Council discussion with facilitator, and a summary has been received from the work session held recently – what are the next steps? Could we meet on the fifth Monday in August?

Consensus of the Council was to have Council Member Davis work with City Administrator Gramentz and the facilitator to determine the next steps and set up a meeting.

The upcoming Committee meetings will be as follows: Public Works/Safety Committee - Wednesday, July 22nd at 5:00 p.m.; Finance Committee – Thursday, July 23rd at 5:00 p.m.; Community Development Committee – Monday, July 27th at 5:00 p.m.; and Labor Relations Committee – no meeting scheduled at this time.

Council Member Fagerlie offered a motion to adjourn the meeting with Council Member Asmus seconding the motion which carried. The meeting adjourned at 7:37 p.m.

s/s Marv Calvin
MAYOR

Attest:

s/s Judy Thompson
SECRETARY TO THE COUNCIL

RESOLUTION NO. 2020-087

A RESOLUTION AWARDING THE ROBBINS ISLAND PARKING AND WATERMAIN IMPROVEMENTS PROJECT IN THE AMOUNT OF \$1,179,553.45.

Motion By: Plowman Second By: Alvarado

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 the Robbins Island Parking and Watermain Improvements Project 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 \$1,179,553.45.

Dated this 20th day of July, 2020

s/s Marv Calvin
Mayor

Attest:

s/s Judy Thompson
City Clerk

**CITY OF WILLMAR
RESOLUTION NO. 2020-088**

**A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA
RECOMMENDING THE EARLY FORGIVENESS
OF THE SMALL CITIES DEVELOPMENT PROGRAM LOAN TO WILLMAR COMMUNITY THEATRE BY THE
CITY OF WILLMAR HOUSING AND REDEVELOPMENT AUTHORITY**

Motion By: Nelsen Second By: Asmus

WHEREAS, on June 12, 2014 the Housing and Redevelopment Authority for the City of Willmar, MN (“the HRA”) approved a forgivable, Deferred Loan in the amount of \$29,462.00, funded through the Small Cities Development Program administered by the State of Minnesota’s Department of Employment and Economic Development, to Willmar Community Theater, Inc. for the purpose of rehabilitating the Barn Theatre located at 321 4th Street SW, Willmar, MN (“the SCDP loan”); and

WHEREAS, the terms of the SCDP loan, as set forth in that certain Small Cities Development Program Repayment Agreement SCDP Commercial, dated June 12, 2014 (the “Loan Agreement”), allowed the

forgiveness of the SCDP loan in its entirety after seven years, so long as the Willmar Community Theater, Inc. did not sell, transfer, or otherwise convey the real estate at 321 4th Street SW, Willmar, MN; and

WHEREAS, the Willmar Community Theater, Inc. did rehabilitate the building and continues to operate the Barn Theatre located within a mixed-use structure on real property at 321 4th Street SW, Willmar, MN (the "Property"); and

WHEREAS, if the Willmar Community Theater, Inc. retained full ownership of the Property until June 12, 2021, the entirety of the SCDP loan balance would be forgiven under the terms of the Loan Agreement; and

WHEREAS, the COVID-19 pandemic has resulted in the suspension of all in-person performances at the Barn Theatre beginning in March 2020, the curtailing of classes, and the cancelling of all other uses of the facility, pursuant to a series of Minnesota Executive Orders limiting in-person gatherings; and

WHEREAS, the loss of revenue from performances, classes, and private events has substantially impacted Willmar Community Theater, Inc.'s finances; and

WHEREAS, the COVID-19 pandemic is not yet contained, and it is unclear when the Barn Theatre will be allowed to reopen to audiences, classes, and private events; and

WHEREAS, Willmar Community Theater, Inc. desires to sell a portion of the mixed-use building on the Property currently used as apartments as condominiums in order to replace some of its lost revenues; and

WHEREAS, the sale of the apartments before June 12, 2021 would trigger the repayment of the entire amount of the SCDP loan under the terms of the Loan Agreement; and

WHEREAS, the COVID-19 pandemic is an unprecedented event with far reaching economic consequences, particular for live performance venues like the Barn Theatre; and

WHEREAS, Willmar Community Theater, Inc. has requested that the SCDP loan be forgiven prior to June 12, 2021, the date of forgiveness under the Loan Agreement, in order that it may sell the residential units in the building on the Property as condominiums as soon as possible to generate revenues in partial replacement of its losses attributable to the COVID-19 pandemic.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, Minnesota, makes the following findings of fact:

1. The City of Willmar desires to provide support to local organizations harmed by the economic disruption caused by the COVID-19 pandemic.
2. The City of Willmar finds that Willmar Community Theater, Inc.'s request for early forgiveness of the loan is reasonable for the following reasons:
 - a. Willmar Community Theater, Inc. has suffered significant financial harm solely attributable to the COVID-19 pandemic and the restrictions on in-person gatherings imposed pursuant to a series of Minnesota Executive Orders in response thereto.
 - b. Willmar Community Theatre, Inc. has fulfilled the purpose of the loan by rehabilitating the mixed-use building on the Property and operating the Barn Theatre therein, which is an invaluable cultural asset to the Willmar community.
 - c. There is a short time remaining (less than a year) before the loan is scheduled to be forgiven.

- d. Willmar Community Theatre, Inc. proposes only to sell the residential units located in the mixed-use building on the Property, and intends to retain ownership of the portion of the Property in which the Barn Theatre is located and to continue operating the Barn Theatre as soon as it is determined safe to do so.

NOW, THEREFORE, BE IT RESOLVED that the City of Willmar recommends that the Willmar Housing and Redevelopment Authority act at its earliest convenience to approve Willmar Community Theatre, Inc.'s application for early forgiveness of its SCDP loan in its entirety.

Dated this 20th day of July, 2020

s/s Marv Calvin
MAYOR

Attest:

s/s Judy Thompson
CITY CLERK