

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

June 19, 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, Kathy Schwantes, Fernando Alvarado, Julie Asmus, Shawn Mueske, and Rick Fagerlie. Present 8, Absent 1. Council Member Andrew Plowman was excused from the meeting.

Also present were City Administrator Ike Holland, Planning and Development Services Director Bruce Peterson, Police Chief Jim Felt, Public Works Director Sean Christensen, Community Education and Recreation Director Steve Brisendine, Finance Director Steve Okins, Fire Chief Frank Hanson, Human Resources Director Bridget Buckingham, City Clerk Judy Thompson and City Attorney Robert Scott.

Proposed additions and deletions to the agenda included: Mayor Calvin requested the addition of Destination Playground request, 1st Street Tax Increment Financing presentation, and Willmar Industrial Park soil correction discussion. Council Member Nelsen moved to approve the agenda as proposed. Council Member Mueske seconded the motion, which carried.

City Clerk Judy Thompson reviewed the consent agenda.

- A. City Council Minutes of June 5, 2017
- B. Willmar Municipal Utilities Board Minutes of June 12, 2017
- C. Planning Commission Minutes of June 14, 2017
- D. **Resolution No. 17-61 Authorize Execution of MnDOT Grant Agreement for Airport Security Gate Repairs**
- E. **Resolution No. 17-62 Approve Master Partnership Contract with MnDOT**
- F. **Resolution No. 17-63 Approve Final Payment to Crow River Const. for Project No. 1602**
- ~~G. Reallocation of WRAC CIP for High-Definition Server~~
- H. **Resolution No. 17-64 Approve Amendment No. 2 to the Bolton and Menk Professional Services Agreement for 2017 Improvements**
- I. **Resolution No. 17-65 Approve Cable Television Franchise Extension**
- J. **Resolution No. 17-66 & Resolution No. 17-67 Intent to Reimburse for Project Nos. 1801-A and 1904**
- K. Willmar Lakes Rotary Club 1-Day to 4-Day Temporary On-Sale Liquor License
- L. Police Department Statistics Report for the Month of May, 2017
- M. Accounts Payable Report through June 14, 2017

Council Member Nelsen offered a motion to approve the Consent Agenda. Mayor Calvin asked that Item G be removed for discussion. Council Member Mueske seconded the motion to approve the consent agenda, with the removal of Item G, which carried on a roll call vote of Ayes 7, Noes 0.

Mayor Calvin requested City Administrator Ike Holland brief the Council on the proposed reallocation of WRAC CIP funds for high definition server. City Administrator then requested Information Systems Coordinator Ross Smeby to further explain the details of the proposed request for reallocation of funds. Following discussion, Council Member Nelsen offered a motion to approve Item G. Council Member Mueske seconded the motion, which carried. Council Member Asmus voted "no".

At 7:20 p.m. Mayor Calvin opened the public hearing to consider discontinuance of Willmar Municipal Utilities (WMU) district heat system. John Harren, General Manager, Willmar Municipal Utilities (WMU), presented details in regard to the proposed change. There being no one to speak for or against the said request, Mayor Calvin closed the hearing at 7:22 p.m. Following discussion, **Resolution No. 17-68 Approving the Discontinuance of Willmar Municipal Utilities' District Heating System** was introduced by Council Member Fagerlie. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

At 7:48 p.m. Mayor Calvin opened the public hearing to approve WMU financial assistance program. John Harren, General Manager, Willmar Municipal Utilities presented details in regard to the proposed program. There being no one to speak for or against the said request, Mayor Calvin closed the hearing at 7:49 p.m. Following discussion, **Resolution No. 17-69 Establishing a Financial Assistance Program for Willmar Municipal Utilities Heating Customers and Delegating Responsibility for Administering Program** was introduced by Council Member Christianson. Council Member Mueske seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Betty Holt, 7251 Highway 71 South, spoke during the Open Forum. Ms. Holt was asking the Council to consider the opinions of the nurses currently employed at Rice Hospital and their request to remain a community hospital, and also the effect on their pensions and retirement should the Rice Hospital enter into a letter of intent with CentraCare.

Gayle Hawkinson, 7340 26th Street Northeast, spoke during Open Forum. Ms. Hawkinson was asking the Council to consider a reduction in the amount of special assessments owing against her property.

City Attorney Robert Scott presented information in regard to the Hawkinson Land, LLC agricultural assessments amount. Following discussion, Council Member Christianson offered a motion to reduce the amount of assessments to \$211,244.65. Council Member Fagerlie seconded the motion which failed on a roll call vote of Ayes 3, Noes 4. Council Member Nelsen, Schwantes, Alvarado, and Asmus cast the "no" votes. Council Member Nelsen offered an amendment to the motion to reduce the amount to \$225,000. The motion died for the lack of a second. After further discussion, Council Member Nelsen again offered a motion to reduce the amount to \$225,000. Council Member Mueske seconded the motion. Following a lengthy discussion, Council Member Mueske offered a friendly amendment to reduce the amount to \$220,000. Council Member Nelsen seconded the amendment which carried, on a roll call vote of Ayes 7, Noes 0.

City Clerk Judy Thompson presented a request to set a public hearing for reassessment of special assessments for two tax forfeited lots recently purchased by My Other Half's LLC in Oslo Meadows. Council Member Nelsen offered a motion to approve staff's request and set a public hearing for 7:01 p.m. on July 3, 2017. Council Member Fagerlie seconded the motion which carried.

Planning and Development Services Director Bruce Peterson presented information regarding a waiver of municipal consent for the Wye Project and was requesting Council's approval. **Resolution No. 17-70 Waiver of Municipal Consent** was introduced by Council Member Nelsen. Council Member Alvarado seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Human Resource Director Bridget Buckingham presented a request for Council's approval of a Memorandum of Record for non-represented positions/employees. Council Member Fagerlie moved to approve staff's recommendation. Council Member Mueske seconded the motion which carried.

Human Resource Director Bridget Buckingham presented a request for Council's approval of the Employment Policies, Practices and Procedures document. Mayor Calvin requested the Labor Relations Committee verbiage remain in the policy until the Council decides to stay with the current format and not return to having a Labor Relations Committee. This decision will be made by Council at the end of July. Council Member Fagerlie offered a motion to approve staff's recommendation. Council Member Nelsen seconded the motion which carried.

Human Resource Director Bridget Buckingham presented a request for Council's approval of the Building Maintenance Coordinator position in the Public Works Department and the proposed job description changes. Council Member Mueske asked that the word "Supervisor" be removed throughout the job description and be replaced with "Coordinator" to match the position title. Council Member Nelsen asked that the corrected document be forwarded to each of the Council Members. Following discussion, Council Member Nelsen offered a motion to approve staff's recommendation, with the recommended changes. Council Member Asmus seconded the motion which carried.

Public Works Director Sean Christensen presented a request for Council's approval to reallocate funds from the Engineering operating budget to the City Hall operating budget for the Building Maintenance Coordinator salary. **Resolution No. 17-71 Reappropriating Funds from the 2017 Engineering Operating Budget to the City Hall Operating Budget for Building Maintenance Coordinator Salary in the Total Amount of \$2,300.00** was introduced by Council Member Nelsen. Council Member Mueske seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Public Works Director Sean Christensen presented a request to approve/amend the Engineering Technician job description to Engineer I. Following discussion, Council Member Fagerlie offered a motion to approve staff's recommendation. Council Member Asmus seconded the motion which carried.

Planning and Development Services Director Bruce Peterson presented a request to create a tax increment financing (TIF) district for a proposed 1st Street Redevelopment Project. Following discussion, Council Member Fagerlie offered a motion to approve staff's recommendation. Council Member Nelsen seconded the motion. Council Member Christianson abstained.

Planning and Development Services Director Bruce Peterson presented a request to award the bid and enter into a contract with Swenson and Sons Construction in the amount of \$297,359.04 contingent upon Federal Funds, and authorize staff to submit a grant application packet and accept the grant, when offered, for the airport east taxilane reclamation project. If the grant is received, the City's portion of the project would be \$14,867.95. **Resolution No. 17-72 Authorizing Grant Application for Awarding Bid for Airport East Taxilane Reclamation Project and Submitting/Accepting Federal/State Grant** was introduced by Council Member Christianson. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Planning and Development Services Director Bruce Peterson presented a request to approve a work order for construction administration services for the East Taxilane Project. **Resolution No. 17-73 Authorizing Work Order #1 with Bolton and Menk for Construction Administration Services Airport East Taxilane Reconstruction Project** was introduced by Council Member Christianson. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Community Education and Recreation Director Steve Brisendine presented information regarding a change order for soil corrections for the Rice Park project. Following discussion, Council Member Mueske offered a motion to approve a change order for soil corrections in the amount of \$34,444.00. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 6, Noes 0. Council Member Christianson abstained.

Community Education and Recreation Director Steve Brisendine presented information regarding Council's direction on alternates for the Rice Park project. Council Member Schwantes asked to remove alternate 8 from the project. Council Member Nelsen offered a motion to approve alternates 1, 2, 4, 5, and 6. The motion died for the lack of a second.

Planning and Development Services Director Bruce Peterson presented information regarding a request from GM Development for a price concession for property they recently acquired in the Industrial Park. Staff was recommending the City grant a maximum concession of 50% of the demonstrated additional cost to correct soil conditions, not to exceed \$30,000, with the fund being paid from the Industrial Development Fund, contingent upon the company providing proof to the City of the actual costs for the soil corrections. Council Member Fagerlie offered a motion to approve staff's recommendation. Council Member Alvarado seconded the

motion, which carried on a roll call vote of Ayes 6, Noes 0. Council Member Christianson abstained.

Mayor Calvin presented a request from the Destination Playground Committee to construct a plaza area outside the playground area, and permission for Public Works Department employees to work with the Committee to install such plaza. Following discussion, Council Member Christianson offered a motion to allow Public Works staff to work on the project with the costs covered by the Friends of Robbins Island. Council Member Mueske seconded the motion which carried.

City Administrator Ike Holland thanked the Council for allowing him to go to the City Administrator Conference in Rochester. Mr. Holland stated he has continued his meetings with employees in small groups to share some of his proposals. He also reminded everyone that Willmar Fests is taking place this week and urged everyone to participate in the many activities.

Mayor Calvin also urged everyone to attend Willmar Fests and highlighted several of the activities that will be taking place, and stated the full agenda is available on-line or in the "West Central Tribune". He invited the full Council to attend the Chamber Connection taking place at 7:30 a.m. on Friday, June 23rd at Robbins Island, followed by a major donor and dignitary event at 9:00 a.m., followed by a ribbon cutting event for the playground; the grand opening of the Destination Playground will be Saturday, June 24th at 1:00 p.m.; and invited everyone to the Stingers game at 7:05 p.m. Friday.

Council Member Christianson inquired about the Council Members riding in the Willmar Fests parade. He also stated his desire to re-instate the Labor Relations Committee.

Council Member Alvarado reminded everyone that Willmar is an International City and we are being recognized as such; a refugee film is coming up to highlight the positive aspects of Willmar; and encouraged everyone to promote our International flavor.

Council Member Nelsen stated a premiere of "Warehoused" will be held at WEAC on Tuesday, June 20th at 7:30 p.m.; encouraged staff and Council to partake in the Willmar Fests celebration; urged others to attend the conferences available for Council; the Coalition of Greater Minnesota Cities is coming in August in Fergus Falls and urged everyone to consider attending.

Council Member Mueske stated his support in re-instating the Labor Relations Committee and the six-month trial period of the Council work session is coming up the end of July, whereby the Council can address this issue at that time; and reminded everyone the Rockin Robbins events will begin in July.

At 9:37 p.m. the Council went into Closed Session upon motion by Council Member Christianson, seconded by Council Member Fagerlie, to determine the asking price for and/or develop or consider offers or counter offers for the sales of city-owned real estate property located at parcels 95-672-1000, 95-672-1010, and 95-672-1020.

At 9:45 p.m. the Council returned to Open Session. Council Member Nelsen offered a motion to reject the offer for the sale of city-owned property that was before the Council. Council Member Alvarado seconded the motion which carried.

Council Member Mueske offered a motion to adjourn the meeting with Council Member Christianson seconding the motion, which carried. The meeting adjourned at 9:46 p.m.

MAYOR

Attest:

SECRETARY TO THE COUNCIL

RESOLUTION NO. 17-61

**A RESOLUTION AUTHORIZING EXECUTION OF
MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT
FOR AIRPORT IMPROVEMENT- SECURITY GATES REPAIR**

Motion by: Nelsen Seconded by: Mueske

NOW THEREFORE BE IT RESOLVED BY THE City Council of Willmar:

That the State of Minnesota Agreement No. 1028606 “Grant Agreement for Airport Improvement Excluding Land Acquisitions,” for State Project No. A3401-68 at the Willmar Municipal Airport is accepted. That the City Administrator is authorized to execute this Agreement and any amendments on behalf of the City of Willmar.

Dated this 19th day of June, 2017

s/s Marv Calvin

Mayor

Attest:

s/s Judy Thompson

City Clerk

Resolution No. 17-62

**A RESOLUTION AUTHORIZING THE CITY TO ENTER INTO A MASTER PARTNERSHIP CONTRACT WITH
THE MINNESOTA DEPARTMENT OF TRANSPORTATION.**

Motion By: Nelsen Second By: Mueske

Whereas, The Minnesota Department of Transportation wishes to cooperate closely with local units of government to coordinate the delivery of transportation services and maximize the efficient delivery of such services at all levels of government; and

Whereas, MnDOT and local governments are authorized by Minnesota Statutes sections 471.59, 174.02, and 161.20, to undertake collaborative efforts for the design, construction, maintenance and operation of state and local roads; and

Whereas: the parties wish to able to respond quickly and efficiently to such opportunities for collaboration, and have determined that having the ability to write “work orders” against a master contract would provide

the greatest speed and flexibility in responding to identified needs.

Therefore, be it resolved:

1. That the City of Willmar enter into a Master Partnership Contract with the Minnesota Department of Transportation, a copy of which was before the Council.
2. That the proper City officers are authorized to execute such contract, and any amendments thereto.
3. That the Willmar City Engineer is authorized to negotiate work order contracts pursuant to the Master Contract, which work order contracts may provide for payment to or from MnDOT, and that the City Engineer may execute such work order contracts on behalf of the City of Willmar without further approval by this Council.

Dated this 19th day of June, 2017.

s/s Marv Calvin
Mayor

Attest:

s/s Judy Thompson
City Clerk

RESOLUTION NO. 17-63

A RESOLUTION ACCEPTING PROJECT NO. 1602 AND AUTHORIZING FINAL PAYMENT.

Motion By: Nelsen Second By: Mueske

IMPROVEMENT: Project No. 1602 – 2nd Street SW Reconstruction from Minnesota Avenue to Trott Avenue

CONTRACTOR:	Crow River Construction, LLC
DATE OF CONTRACT:	May 16, 2016
BEGIN WORK:	June 27, 2016
COMPLETE WORK:	May 13, 2017
APPROVE, ENGINEERING DEPT:	May 15, 2017

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

1. The said City of Willmar Project No. 1602 be herewith approved and accepted by the City of Willmar.
2. The following summary and final payment be approved:

ORIGINAL CONTRACT AMOUNT: \$240,572.25

FINAL NET CONTRACT AMOUNT, PROPOSED: \$240,572.25

ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED: \$233,673.76
Less Previous Payments \$211,900.42
FINAL PAYMENT DUE CONTRACTOR: \$21,773.34

Dated this 19th day of June, 2017.

s/s Marv Calvin
Mayor

Attest:

s/s Judy Thompson
City Clerk

RESOLUTION NO. 17-64

A RESOLUTION AUTHORIZING AMENDMENT NO. 2 WITH THE PROFESSIONAL SERVICES AGREEMENT WITH BOLTON & MENK, INC. FOR THE 2017 IMPROVEMENT PROJECTS.

Motion By: Nelsen Second By: Mueske

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the City Administrator of the City of Willmar are hereby authorized to enter into an amendment to the professional services contract between the City of Willmar and Bolton and Menk, Inc. for the 2017 Improvement Projects. The amendment increases the contract amount by \$53,275.

Dated this 19th day of June, 2017.

s/s Marv Calvin
Mayor

Attest:

s/s Judy Thompson
City Clerk

RESOLUTION NO. 17-65

**GRANTING CC VIII OPERATING, LLC
A FRANCHISE EXTENSION TO DECEMBER 31, 2017**

Motion By: Nelsen Second By: Mueske

WHEREAS, on or about November 21, 2001, the City of Willmar, Minnesota ("City") granted a Cable Television Franchise Ordinance ("Franchise") to CC VIII Operating, LLC, d/b/a Charter Communications, Inc.

("Charter") and

WHEREAS, the extended term of the Franchise will expire on or about June 30, 2017; and

WHEREAS, both the City and Charter desire to extend the term of the Franchise to facilitate renewal negotiations under state and federal law.

NOW, THEREFORE, the City Council of the City of Willmar, Minnesota hereby resolves as follows:

1. The Franchise is hereby amended by extending the term of the Franchise from July 1, 2017 through and including December 31, 2017.
2. Except as specifically modified hereby, the Franchise shall remain in full force and effect.
3. The City and Charter hereby agree that neither waives any rights either may have under the Franchise or applicable law.
4. This Resolution shall become effective upon the occurrence of both of the following conditions:
 - (1) The Resolution being passed and adopted by the Willmar City Council and (2) Charter's acceptance of this Resolution.

Adopted by the City Council of Willmar, Minnesota, this 19th day of June, 2017

Approved:

s/s Marv Calvin
Mayor

Attested:

s/s Judy Thompson
City Clerk

RESOLUTION NO. 17-66

**RESOLUTION ESTABLISHING PROCEDURES
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND
REGULATIONS UNDER THE INTERNAL REVENUE CODE**

Motion By: Nelsen Second By: Mueske

BE IT RESOLVED, by the City Council (the "Council") of the City of Willmar, Minnesota (the "City"), as follows:

1. Recitals.
 - A. The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.
 - B. The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the

bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

C. The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

D. The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application, to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Clerk to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

A. Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A, which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.

B. Each Declaration shall (1) contain a reasonably accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.

C. Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City doesn't reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.

D. The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City has made Declarations.

3. Reimbursement Allocations. The designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

4. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Adopted this 19th day of June, 2017, by the Willmar City Council

s/s Marv Calvin
MAYOR

Attest:

s/s Judy Thompson
CITY CLERK

RESOLUTION NO. 17-67

**RESOLUTION ESTABLISHING PROCEDURES
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND
REGULATIONS UNDER THE INTERNAL REVENUE CODE**

Motion By: Nelsen Second By: Mueske

BE IT RESOLVED, by the City Council (the "Council") of the City of Willmar, Minnesota (the "City"), as follows:

1. Recitals.

A. The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.

B. The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

C. The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

D. The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application, to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Clerk to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

A. Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A, which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.

B. Each Declaration shall (1) contain a reasonably accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable),

to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.

C. Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City doesn't reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.

D. The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City has made Declarations.

3. Reimbursement Allocations. The designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

4. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Adopted this 19th day of June, 2017, by the Willmar City Council

s/s Marv Calvin
MAYOR

Attest:

s/s Judy Thompson
CITY CLERK

RESOLUTION NO. 17-68

**A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA
APPROVING THE DISCONTINUANCE OF WILLMAR MUNICIPAL UTILITIES' DISTRICT HEATING SYSTEM**

Motion By: Fagerlie

Second By: Nelsen

WHEREAS, the Willmar Municipal Utilities (WMU) Commission (Commission) has, since early 1900s, operated and managed a district heating system providing district (steam) heat to participating residential, commercial and industrial customers; and;

WHEREAS, the Commission, after carefully considering the continued financial viability of the district heating system and engaging its district heating customers in discussions about the possibility of discontinuing the district heating system, has determined that it cannot continue providing district heating without significant rate increases to WMU's district heat customers because of anticipated increases in capital and operating expenses for the system combined with declining numbers of customers participating in the system;

WHEREAS, Minn. Stat. § 451.09 authorizes a public utilities board or commission that operates a steam heat system in a home rule charter city, such as WMU, to discontinue the system in whole or in part if the city council approves; and

WHEREAS, following a duly noticed public hearing, the Commission adopted Resolution 2017-17 on May 22, 2017, pursuant to which the Commission resolved to discontinue WMU's district heating system effective July 1, 2020, contingent on the Willmar City Council passing a resolution approving such discontinuance pursuant to the requirements of Minn. Stat. § 451.09.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the Commission's discontinuance of WMU's district heating system, effective July 1, 2020, is hereby approved.

Adopted by the City Council of the City of Willmar on June 19, 2017.

Approved:

s/s Marv Calvin

Mayor

Attested:

s/s Judy Thompson

City Clerk

RESOLUTION NO. 17-69

**A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA
ESTABLISHING A FINANCIAL ASSISTANCE PROGRAM FOR WILLMAR MUNICIPAL UTILITIES DISTRICT
HEATING CUSTOMERS AND DELEGATING RESPONSIBILITY FOR ADMINISTERING PROGRAM**

Motion By: Christianson

Second By: Mueske

WHEREAS, the Willmar Municipal Utilities (WMU) Commission (Commission) has, since the early 1900s, operated and managed a district heating system providing district (steam) heat to participating residential, commercial and industrial customers; and

WHEREAS, following a duly noticed public hearing, the Willmar City Council (City Council) adopted Resolution No. 17-68, pursuant to which the City Council approved the Commission's decision to discontinue WMU's district heating system effective July 1, 2020; and;

WHEREAS, Minn. Stat. § 451.09 authorizes a public utilities board or commission that operates a steam heat system in a home rule charter city that has elected to discontinue such system to spend money to pay those whose service is discontinued to convert to another type of heat system; and

WHEREAS, Minn. Stat. §§ 451.10—.17 authorizes cities owning and operating a district heating system that have determined to discontinue the system in whole or in part to establish and conduct a program to provide replacement heating and related equipment to the owners of property whose district heating service is discontinued; and

WHEREAS, Pursuant to the requirements of Minn. Stat. §§ 451.10—.17, the Willmar City Council possesses the authority to establish a financial assistance program to provide replacement heating and related equipment to the owners of property whose district heating service is discontinued, and may delegate responsibility for the conduct of such program to WMU; and

WHEREAS, following careful consideration and a duly noticed public hearing, the Commission adopted Resolution 2017-18 on May 22, 2017, pursuant to which the Commission recommended that the City Council establish a financial assistance program consisting of a limited loan program open to residential, commercial and industrial district heating customers in which WMU will finance such customers' costs to transition to an electric heating source pursuant to the terms and conditions established herein as outlined therein and delegate responsibility for the conduct of such program to WMU.

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

1. The Willmar City Council hereby establishes a financial assistance program (program) available to WMU's district heating customers as follows:
 - a. Eligibility: The program shall be open to any current WMU residential, commercial or industrial district heat customer who will install a 100 percent electric heating unit on the property to replace existing steam heating facilities.
 - b. Terms and Conditions:
 - i. *Application and quotes*: To participate in the program, customers shall solicit quotes from at least two private contractors for the minimum amount of work necessary to convert the customer's property to a 100 percent electric heating source by installing new electric heating unit(s) and removing existing steam heating facilities (the "improvements"). To apply for the program, customers shall submit the quotes to WMU's Supervisor of Facilities and Purchasing, 700 Litchfield Avenue SW, Willmar, MN 56201.
 - ii. *Contract for equipment and labor*: Upon review and approval of the quotes and selection of the contractor to install the improvements by WMU, and prior to any work commencing on the property, the customer, selected contractor and WMU will enter into a contract in a form satisfactory to WMU, in its sole discretion, pursuant to which the contractor agrees to perform the scope of work to install the improvements approved by WMU, and WMU agrees to make payment to the contractor for such work. The total amount of WMU's payment(s) to the contractor under the contract shall be considered a loan from WMU to the customer.
 - iii. *WMU right of access for inspection*. As a condition for participation in the program, the customer shall, at all reasonable times and after reasonable notice, allow WMU and City staff, agents and representatives access to the customer's property for purposes of inspecting the installation of the improvements to ensure compliance with city codes and ordinances and the terms and conditions of this program.
 - iv. *Repayment of loan to WMU*: As a condition for participation in the program, the customer shall sign and deliver to WMU a promissory note pursuant to which the full amount of the loan shall be repaid to WMU in monthly installments to be paid with the customer's monthly utility billing over a term of five years at an interest rate of 9 percent per annum. The promissory note shall allow the customer the option to repay the full outstanding loan balance with interest due at the time of payoff at any time without penalty. The promissory note shall further provide that if the customer's property on which the improvements are made is sold, the full outstanding loan balance with accrued interest due at the time of sale shall become immediately due and payable, without penalty. The promissory note shall further provide that payments made by the customer will

be applied against the customer's utility balance first with the remainder of such payments applied to the loan.

- v. *Security*: As security for the loan, the entire principal and interest on the promissory note required by Paragraph 1.b.iv. herein shall constitute a lien on the customer's property on which the improvements are made pursuant to Minn. Stat. § 451.15, subd. 4. Further, for payments not made according to the terms of the promissory note, the City may, at WMU's recommendation, certify the entire amount so due to the county auditor as a special assessment against the customer's property on which the improvements are made, to be collected with property taxes.
- vi. *Cold Weather Rule*: Minnesota's Cold Weather Rule, Minn. Stat. § 216B.097, is not applicable to the loan repayments under the promissory note or to WMU's and/or the City's certification of delinquent amounts thereunder to the county auditor as a special assessment to be collected with property taxes.
- vii. *Customer's responsibility to install alternate heating system*: Pursuant to the Commission's Resolution 2017-17, dated May 22, 2017, and the City Council's Resolution No. 17-68, dated June 19, 2017, WMU's district heating system will be discontinued effective July 1, 2020. WMU's district heating customers are responsible for installing alternative heating systems prior to such effective date. In establishing this program, the City and WMU seek to ensure that all district heating customers have the resources and opportunity to install such an alternative heating system prior to the effective date of discontinuance; however, neither the City nor WMU shall be responsible for any customer's failure to participate in this program or otherwise install an alternative heating system. A customer's failure to install an alternative heating system prior to July 1, 2020 will result in the loss of heat to the customer's property.

2. The City Council hereby delegates responsibility for the conduct and administration of such program to WMU.

Adopted by the City Council of the City of Willmar on June 19, 2017.

Approved:

s/s Marv Calvin
Mayor

Attested:

s/s Judy Thompson
City Clerk

RESOLUTION NO. 17-70

RESOLUTION FOR WAIVER OF MUNICIPAL CONSENT

Motion By: Nelsen

Second By: Alvarado

At a meeting on the City Council of the City of Willmar, held on the 19th day of June, 2017, the following

Resolution was offered by Council Member Nelsen and seconded by Council Member Alvarado, to wit:

WHEREAS, the Commissioner of Transportation has prepared a final layout for State Project 3403-74 on Trunk Highway 12 and 40, also known as the Willmar Wye project, at the westerly edge of the City of Willmar for railroad and associated roadway improvements; and seeks the approval thereof, as described in Minnesota Statutes 161.162 to 161.167: and

WHEREAS, said layout is on file in the District 8 Minnesota Department of Transportation office, Willmar, Minnesota, being marked as S.P. 3403-74, also known as the Willmar Wye project, from US Highway 12 R.P. 70+00.014 to 72+00.145, and MN Highway 40 R.P. 71+00.401 to R.P. 72+00.179

NOW, THEREFORE, BE IT RESOLVED that the City Council waives the municipal consent approval action, described in Minnesota Statutes 161.162 to 161.167, of the final layout for SP 3403-74 for the improvement of said and Trunk Highways 12 and 40 within the corporate limits.

Upon the call of the roll the following Council Members voted in favor of the Resolution: Council Member Nelsen, Council Member Christianson, Council Member Schwantes, Council Member Alvarado, Council Member Asmus, Council Member Mueske, and Council Member Fagerlie.

The following Council Members voted against its adoption: None.

s/s Marv Calvin
MAYOR

I do hereby certify that the forgoing Resolution is a true and correct copy of a resolution presented to and adopted by the Council of the City of Willmar, Minnesota at a duly authorized meeting thereof on the 19th day of June, 2017, as shown by the minutes of said meeting in my possession.

s/s Judy Thompson
CITY CLERK

(SEAL)

RESOLUTION NO. 17-71

A RESOLUTION REAPPROPRIATING FUNDS FROM THE 2017 ENGINEERING OPERATING BUDGET TO THE CITY HALL OPERATING BUDGET FOR BUILDING MAINTENANCE COORDINATOR SALARY IN THE TOTAL AMOUNT OF \$2,300.00.

Motion By: Nelsen Second By: Mueske

BE IT RESOLVED by the City Council of the City of Willmar to authorize the City Administrator to enter into an agreement on behalf of the City and the Finance Director to amend the Engineering Operating Budget as follows:

Decrease: 2017 Engineering Operating Budget \$2,300.00
Increase: 2017 City Hall Operating Budget: Salaries (0110) \$2,000 and Pensions (0113) \$300 \$2,300.00

Dated this 19th day of June, 2017.

s/s Marv Calvin
MAYOR

Attest:

s/s Judy Thompson
CITY CLERK

RESOLUTION NO. 17-72

**RESOLUTION AUTHORIZING GRANT APPLICATION FOR AWARDDING BID
FOR AIRPORT EAST TAXILANE RECLAMATION PROJECT
AND SUBMITTING/ACCEPTING FEDERAL/STATE GRANT**

Motion By: Christianson Second By: Nelsen

BE IT RESOLVED by the City Council of the City of Willmar to approve an awarding low bidder, Swenson and Sons Construction, in the amount of \$297,359.04, contingent upon Federal Funds. And submitting application for, and the acceptance of, the Federal/State Grant for the Airport East Taxilane Reclamation Project.

Dated this 19th day of June, 2017

s/s Marv Calvin
MAYOR

Attest:

s/s Judy Thompson
CITY CLERK

**RESOLUTION NO. 17-73
RESOLUTION AUTHORIZING WORK ORDER # 1
WITH BOLTON AND MENK FOR CONSTRUCTION ADMIN SERVICES
AIRPORT EAST TAXILANE RECONSTRUCTION PROJECT**

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 City Administrator and the City of Willmar is hereby authorized to enter into Work Order #1 of the professional services contract between the City of Willmar and Bolton and Menk, Inc. The Work Order is not to exceed \$95,000 for Construction Administration Services for East Taxilane Reconstruction Project.

Dated this 19th day of June, 2017.

s/s Marv Calvin
Mayor

Attest:

s/s Judy Thompson
City Clerk