

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

June 5, 2017
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Marv Calvin. Members present on a roll call were Mayor Marv Calvin, Council Members Audrey Nelsen, Ron Christianson, Rick Fagerlie, Kathy Schwantes, Fernando Alvarado, Andrew Plowman, and Julie Asmus. Present 8, Absent 1. Council Member Shawn Mueske was excused from the meeting.

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

Proposed additions and deletions to the agenda included: Council Member Alvarado adding some general concerns to be discussed at the end of the meeting, and Council Member Fagerlie added he would like to make an announcement in regard to a baseball tournament being held this weekend. Council Member Fagerlie moved to approve the agenda as proposed. Council Member Plowman seconded the motion, which carried.

City Clerk Judy Thompson reviewed the consent agenda.

- A. City Council Minutes of May 15, 2017
- B. Willmar Municipal Utilities Board Minutes of May 22, 2017
- C. ~~Rice Hospital Minutes of May 24, 2017~~
- D. Willmar Lakes Rotary Club Application for Temporary On-Sale Liquor License
- E. Kandiyohi County Fair Assn. Application for Temporary On-Sale Liquor License
- F. **Resolution No. 17-53** Project No. 1703-A Consideration of Cooperative Construction Agreement
- G. 2018 Budget Calendar
- H. Human Rights Commission Minutes of April 25, 2017
- I. Central Community Transit Operations Board Minutes of May 2, 2017
- J. Willmar Community Center Board Minutes of May 10, 2017
- K. CER Joint Powers Board Minutes of May 26, 2017
- L. Building Report for the Month of May, 2017
- M. Police Department Statistics Report for the Month of April, 2017
- N. Accounts Payable Report through May 31, 2017

Council Member Plowman offered a motion to approve the Consent Agenda. Council Member Nelsen asked that Item C be removed for discussion. Council Member Nelsen seconded the motion to approve the consent agenda, with the removal of Item C, which carried on a roll call vote of Ayes 8, Noes 0.

Council Member Nelsen requested Mike Schram, Rice Hospital CEO, and Dr. Cindy Firkins-Smith, ACMC CEO, address the Mayor and Council in regard to the proposed Rice Hospital, ACMC and CentraCare integrated health care system and the letter of intent to move forward on this proposal. Following discussion, Council Member Nelsen offered a motion to approve Item C. Council Member Fagerlie seconded the motion, which carried.

At 7:32 p.m. Mayor Calvin opened the public hearing for the 2017 Assessment Hearing for 2017 Street & Other Improvements. Public Works Director Sean Christensen gave a brief overview of the 2017 Improvements. Fran Hussong, 809 Lakeland Drive SE, came forward to address the Council during the hearing and spoke in regard to the amount of assessment against a vacant lot that abuts her property and contains an

easement across a portion of it. The lot is located at 805 Lakeland Drive Southeast. Ms. Hussong was asking for a reduction in the amount assessed against the vacant lot. There being no others to speak for or against the said improvements, Mayor Calvin closed the hearing at 7:51 p.m. Following discussion, Council Member Christianson offered a motion that the City reduce the cost of the assessment on the vacant lot the same percentage of what that easement is of the total lot. Council Member Plowman seconded the motion which resulted in a tie on a roll call vote of Ayes 3, Noes 3. Council Members Nelsen, Alvarado, and Asmus cast the “no” votes. Council Member Schwantes abstained. Mayor Calvin then cast his vote in favor of the motion. The motion then carried.

Resolution No. 17-54 Awarding Project No. 1701-B to Duininck, Inc. in the Amount of \$1,149,310.10 was introduced by Council Member Nelsen. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 6, Noes 0. Council Member Christianson abstained. **Resolution No. 17-55 Awarding Project No. 1703-A to Duininck, Inc. in the Amount of \$707,880.59** was introduced by Council Member Nelsen. Council Member Plowman seconded the motion which carried on a roll call vote of Ayes 6, Noes 0. Council Member Schwantes abstained. **Resolution No. 17-56 Adopting the Assessment Roll for the 2017 Street and Other Improvements** was introduced by Council Member Nelsen. Council Member Asmus seconded the motion which carried on a roll call vote of Ayes 7, Noes 0.

At 8:14 p.m. Mayor Calvin opened the public hearing for consideration of the GM Development Business Subsidy Agreement. Planning and Development Services Director Bruce Peterson stated this is the final step in the sale of property to GM Development, LLC for their new trucking terminal and was recommending the Council approve the business subsidy agreement. There being no one to speak for or against the proposed agreement, Mayor Calvin closed the hearing at 8:15 p.m. **Resolution No. 17-57 Business Subsidy Land Write-Down Agreement for GM Development, LLC** was introduced by Council Member Nelsen. Council Member Alvarado seconded the motion which carried on a roll call vote of Ayes 6, Noes 0. Council Member Christianson abstained.

At 8:17 p.m. Mayor Calvin opened the public hearing for consideration of the land sale to ISCO, Inc. on behalf of Buhler-Versatile Inc. Planning and Development Services Director Bruce Peterson stated the company wishes to proceed with the acquisition of the property in the amount of \$322,807.50 and was recommending Council adopt an ordinance authorizing the land sale. The company proposes to create a minimum of 31 new positions over the next three years. Under the terms of the land write-down policy this would give them a credit of \$310,000 towards the purchase if those jobs are created and maintained. There being no one to speak for or against the proposed land sale, Mayor Calvin closed the hearing at 8:19 p.m. Council Member Nelsen offered a motion to approve the land sale, adopt, assign a number, and order final publication of **Ordinance No. 1401 An Ordinance Authorizing the Sale of Real Property to ISCO, Inc.** Council Member Plowman seconded the motion which carried on a roll call vote of Ayes 6, Noes 0. Council Member Christianson abstained.

At 8:20 p.m. Mayor Calvin opened the public hearing for consideration of the ISCO, Inc. (Buhler-Versatile Inc.) Business Subsidy Agreement. Planning and Development Services Director Bruce Peterson stated the company is ready to close on the sale of the property and a business subsidy agreement is required to document the responsibilities of the company with respect to the land write-down and employee creation, and was recommending the Council approve the business subsidy agreement. There being no one to speak for or against the proposed agreement, Mayor Calvin closed the hearing at 8:21 p.m. **Resolution No. 17-58 Business Subsidy Land Write-Down Agreement for Buhler-Versatile, Inc.** was introduced by Council Member Nelsen. Council Member Plowman seconded the motion which carried on a roll call vote of Ayes 6, Noes 0. Council Member Christianson abstained.

At 8:22 p.m. Mayor Calvin opened the public hearing on an ordinance to rezone land from AG (Agricultural) to GB (General Business). Planning and Development Services Director Bruce Peterson stated FRE Holdings, LLC is requesting the rezone as they have a purchase agreement for the property for development of a new Schwieters Chevrolet car dealership. The Planning Commission held a public hearing on the matter on May 10, 2017 and approved the request as presented. There being no one to speak for or against the proposed rezoning, Mayor Calvin closed the hearing at 8:23 p.m. Council Member Plowman offered a motion to approve

the rezoning, adopt, assign a number, and order final publication of **Ordinance No. 1402 An Ordinance Amending Municipal Ordinance No. 1060, The Willmar Zoning Ordinance**. Council Member Asmus seconded the motion which carried on a roll call vote of Ayes 7, Noes 0.

Mayor Calvin recognized Willmar Fests Board Member James Miller who thanked the City Council and staff for their help and support and extended invitations to the events scheduled for the 72nd annual community celebration. Again this year, the flag raising ceremony to kick off Willmar Fests will be held at Selvig Park at 8:00 a.m. on Wednesday, June 21st. He acknowledged the many great sponsors who make this celebration happen. He touched on the many events of the festival to include the Grand Day Parade at 10:30 a.m. on Saturday, June 24th, the grand opening of the Destination Playground at Robbins Island at 1:00 p.m., coronation at 3:00 p.m., followed by the beach party, Little Crow Ski Show, concert with the White Keys, and the “Works Over Water” fireworks show at 10:00 p.m.

Mr. Miller then introduced the 2017 Willmar Fests Royalty: Queen of Festivals Carly Derouin, Aqua Princess Alycia Holwerda, and International Princess Hannah Erickson. The royalty thanked the Mayor and Council for their past support and gave a presentation of some events they had attended as representatives of Willmar. Mayor Calvin thanked them for their commitment as Ambassadors for the City and for their attendance at numerous parades and city celebrations.

Jean Larson, 3210 Northeast 8th Street, spoke during the Open Forum. Ms. Larson, a nurse at Rice Hospital, spoke on behalf of the nurses employed at Rice Hospital and shared their concerns in regard to the proposed Rice Hospital, APMC, and CentraCare integrated health care system and letter of intent. Ms. Larson asked that the Council advocate for contracts and keep the employees involved in the process.

Johanna Reller, 1215 Quincy Avenue Southwest, spoke during the Open Forum. Ms. Reuer, also a nurse at Rice Hospital, asked that the Council consider all community and staff in their decisions, advocate for contracts and keep the employees involved in the process.

Mayor Calvin called for a recess at 9:00 p.m. and reconvened the meeting at 9:12 p.m.

City Administrator Ike Holland highlighted action items that were addressed during the Council Retreat held May 4, 2017 to include the notes so absent council members could see what happened at the retreat, and hopefully set up a follow-up retreat for the second or third Saturday in July. Mayor Calvin highlighted some of the items discussed at the retreat, including City facilities – Civic Center, City Office Building, Community Center, and City Auditorium; storm water issues; and City Parks – Rice Park completion, Miller Park tennis courts and playground, and Swanson Field concession stand. It was noted that the Swanson Field concession stand bids are scheduled to be opened June 7th. Following discussion, Council Member Fagerlie offered a motion to eliminate the Swanson Field concession stand project at this time. Council Member Christianson seconded the motion which carried on a roll call vote of Ayes 5, Noes 2. Council Member Nelsen and Alvarado voted “no”.

Planning and Development Director Bruce Peterson presented information to the Council in regard to a workforce housing project being proposed by Commonwealth Development, and was recommending Council express general support for the proposed project, including the use of tax increment financing. Commonwealth Development has proposed to build a four story, 47 unit project named 15th Street Flats. Commonwealth has a purchase agreement for the property in southeast Willmar. Aaron Backman, EDC Director and Erin Anderson, Vice President of Development – Midwest Region, Commonwealth Development Corporation, presented a brief overview of the project. Following discussion, **Resolution No. 17-59 Expressing General Support of the 15th Street Flats Workforce Housing Project** was introduced by Council Member Fagerlie. Council Member Asmus seconded the motion which carried on a roll call vote of Ayes 5, Noes 0. Council Member Christianson and Plowman abstained.

John Harren, General Manager, Willmar Municipal Utilities (WMU), appeared before the Council requesting Council set a public hearing to consider approving the WMU Resolution #2017-17 for Discontinuing the District Heating System as of July 1, 2020, which requires approval of the City Council and a public hearing.

Following discussion, Council Member Schwantes offered a motion to set a public hearing for June 19, 2017 at 7:01 p.m. Council Member Nelsen seconded the motion which carried.

John Harren, General Manager, Willmar Municipal Utilities (WMU), also requested Council set a public hearing to consider approving the WMU Resolution #2017-18: WMU Financial Assistance Program, which requires approval of the City Council and a public hearing. Council Member Plowman offered a motion to set a public hearing for June 19, 2017 at 7:02 p.m. Council Member Schwantes seconded the motion which carried.

Fire Chief Frank Hanson presented a request to increase the PERA firefighter retirement level from \$3,500 per year of good service to \$4,000 per year of good service beginning January 1, 2018, along with reviewing the benefit level every two years for future increases. **Resolution No. 17-60 Increase Firefighter Public Employees Retirement Association Retirement Benefit Level** was introduced by Council Member Nelsen. Council Member Schwantes seconded the motion which carried on a roll call vote of Ayes 7, Noes 0.

City Administrator Ike Holland presented a Memorandum of Agreement for the Supervisory Group to establish a post-retirement health care savings plan. Following discussion, Council Member Christianson offered a motion to approve the proposed Memorandum of Agreement. Council Member Nelson seconded the motion, which carried.

City Administrator Ike Holland presented a request for Council's approval to reallocate CIP funding to cover the cost of City Office Building security improvements, and to approve the low quote of Chester Contracting in the amount of \$22,040.00 for completing the project. Council Member Nelsen offered a motion to approve staff's request. Council Member Fagerlie seconded the motion, which carried.

Planning and Development Services Director Bruce Peterson presented information in regard to the grant application for security gate repairs at the Willmar Municipal Airport. There are two electronic security gates at the airport, neither one has worked for several years. Maintenance had been held due to cost of repairs. MNDOT has indicated they would be willing to provide a maintenance grant for the gates that would be an 80/20 split. The total project would be \$17,918.00, with the State's 80% costing \$14,334.40 and the City's 20% being \$3,583.60. Mr. Peterson was recommending Council's approval to submit the grant application letter to MNDOT Aeronautics. Council Member Christianson offered a motion to approve staff's recommendation. Council Member Plowman seconded the motion which carried.

Council Member Alvarado reminded everyone to pick up their trash and keep our community beautiful. In honor of Memorial Day, Council Member Alvarado thanked Julie Asmus, Ron Christianson, and Ike Holland, who are veterans, for their service.

Council Member Fagerlie announced the Willmar Baseball Boosters are hosting the 2017 Willmar Summer Classic Baseball tournament this weekend, June 9 – 11, 2017. He mentioned there are 65 teams with approximately 845 youth that will be attending. The games will be held at various ball fields throughout the City of Willmar, and urged everyone to attend.

City Administrator Ike Holland mentioned since he has started his position, he has met with all department heads, several council members, many local leaders, and toured various buildings throughout the City. He also suggested the possibility of adding an executive session option which would be held at the end of the Council meeting for where items such as personnel and real estate issues can be addressed.

Mayor Calvin announced that the Wednesday Community Band Concerts will be held at Robbins Island this year due to the construction project taking place at Rice Park.

Council Member Fagerlie offered a motion to adjourn the meeting with Council Member Nelsen seconding the motion, which carried. The meeting adjourned at 10:12 p.m.

Attest:

MAYOR

SECRETARY TO THE COUNCIL

Resolution No. 17-53

**A RESOLUTION AUTHORIZING ENTERING INTO A COOPERATIVE CONSTRUCTION AGREEMENT
BETWEEN THE CITY AND KANDIYOHI COUNTY FOR PROJECT NO. 1703-A.**

Motion By: Plowman 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 Mayor and City Administrator be authorized to enter into a Cooperative Construction Agreement between the City of Willmar and Kandiyohi County for the improvement project of Lakeland Drive SE included in Project No. 1703-A.

Dated this 5th day of June, 2017.

s/s Marv Calvin

Mayor

Attest:

s/s Judy Thompson

City Clerk

Resolution No. 17-54

**A RESOLUTION AWARDING PROJECT NO. 1701-B TO DUININCK, INC. IN THE AMOUNT OF
\$1,149,310.10.**

Motion By: Nelsen 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 bid of Duininck, Inc. of Prinsburg, MN for Project No. 1701-B is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$1,149,310.40

Dated this 5th day of June, 2017.

s/s Marv Calvin

Mayor

Attest:

s/s Judy Thompson
City Clerk

Resolution No. 17-55

A RESOLUTION AWARDING PROJECT NO. 1703-A TO DUININCK, INC. IN THE AMOUNT OF \$707,880.59.

Motion By: Nelsen Second By: Plowman

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of Duininck, Inc. of Prinsburg, MN for Project No. 1703-A 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 \$707,880.59

Dated this 5th day of June, 2017.

s/s Marv Calvin
Mayor

Attest:

s/s Judy Thompson
City Clerk

RESOLUTION NO. 17-56

A RESOLUTION ADOPTING THE ASSESSMENT ROLL FOR THE 2017 STREET AND OTHER IMPROVEMENTS.

Motion By: Nelsen Second By: Asmus

WHEREAS, pursuant to notice duly given as required by law, the City Council has met, heard, and passed upon all objections to the proposed assessment for 2017 Street and Other Improvements, and has amended such proposed assessment as it deems just;

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

1. Such proposed assessment, the sum of \$692,607.60, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein is hereby found to be benefited by the proposed improvement listed as Project 1701.
2. Such assessments shall be as follows:
 - A. The assessments shall be payable in equal annual installments extending over a period of ten (10) years, the first of said installments to be payable with general taxes for the year 2017, collectible with such taxes during the year 2018.
 - B. To the first installment shall be added interest at the rate of four and zero hundredths (4.00) percent per annum on the entire principal amount of the assessment from the date of funding, approximately July 1, 2017, until December 31, 2018. To each subsequent

installment, when due there shall be added interest for one year at said rate on the unpaid principal amount of the assessment.

C. The owner of any property so assessed may at any time prior to the certification of the assessment or the first installment thereof to the County Auditor (Treasurer), pay the whole of the principal amount of the assessment on such property with interest accrued to the date of payment to the City Clerk, except that no interest shall be charged if the entire assessment is paid by October 31, 2017, and such property owner may at any time prior to November 15 of any year pay to the City Clerk the entire principal amount.

3. The City Clerk shall forthwith transmit a certified duplicate copy of this assessment to the County Auditor to be extended on the tax list of the County.

Dated this 5th day of June, 2017.

s/s Marv Calvin
MAYOR

ATTEST:

s/s Judy Thompson
CITY CLERK

RESOLUTION NO. 17-57

BUSINESS SUBSIDY LAND WRITE-DOWN AGREEMENT FOR GM DEVELOPMENT, LLC

Motion By: Nelsen 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 Mayor and City Administrator be authorized to enter into a Business Subsidy Land Write-Down Agreement between the City of Willmar and GM Development, LLC.

Dated this 5th day of June, 2017.

s/s Marv Calvin
MAYOR

s/s Judy Thompson
CITY CLERK

RESOLUTION NO. 17-58

BUSINESS SUBSIDY LAND WRITE-DOWN AGREEMENT FOR BUHLER-VERSATILE, INC.

Motion By: Nelsen Second By: Plowman

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 be authorized to enter into a Business Subsidy Land Write-Down Agreement between the City of Willmar and Buhler-Versatile, Inc.

Dated this 5th day of June, 2017.

s/s Marv Calvin
MAYOR

s/s Judy Thompson
CITY CLERK

RESOLUTION 17-59

**EXPRESSING GENERAL SUPPORT OF THE 15th STREET FLATS
WORKFORCE HOUSING PROJECT**

Motion By: Fagerlie

Second By: Asmus

WHEREAS, 15th Street Flats, LLC has entered into a contract to purchase a previously undeveloped site located at 1613 15th Street SE, Willmar, MN that has easy access to shopping, dining, parks, professional services, banking and educational amenities; and,

WHEREAS, Commonwealth Development Corporation is performing Development Services related to said site.

WHEREAS, Commonwealth Development Corporation proposes to construct a 47-unit affordable rental project to be owned by 15th Street Flats, LLC, to meet a locally-identified housing need of low to moderate income housing and further describe in the City of Willmar Housing Study (2015, Community Partners Research, Inc.); and,

WHEREAS, the City of Willmar supports the application of the Commonwealth Development Corporation for Low Income Housing Tax Credits through Minnesota Housing; and,

WHEREAS, the Willmar Lakes Area Vision 2040 calls for additional housing in this location; and,

WHEREAS, the 15th Street Flats project will utilize existing infrastructure including water and sewer lines; and,

WHEREAS, the proposed project is in accordance with the Workforce Housing Cooperatively Developed Plan and Planned Community Development Plan as endorsed by the Willmar Lakes Area Vision 2040 in May, 2017.

WHEREAS, the City of Willmar has preliminarily approved pay-as-you-go Tax Increment Financing estimated in the amount of \$39,058 per year for 15 years which would yield a net present value of \$474,817 calculated by discounting at the Long-Term Annual Applicable Federal Rate for May 2017 of 2.75%.

NOW, THEREFORE, BE IT RESOLVED, that City Council of the City of Willmar adopts this resolution expressing its general support for the affordable housing proposal by Commonwealth Development Corporation, and its commitment to provide ongoing assistance to bring the project to completion as deemed to be appropriate in the sole discretion of the City Council and the Economic Development Authority.

This resolution is hereby passed this 5th day of June, 2017.

s/s Marv Calvin
MAYOR

ATTEST:

s/s Judy Thompson
CITY CLERK

RESOLUTION NO. 17-60

**INCREASE FIREFIGHTER PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
RETIREMENT BENEFIT LEVEL**

Motion By: Nelsen Second By: Schwantes

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, to increase the firefighter Public Employees Retirement Association (PERA) retirement benefit level to \$4,000 per year of good service beginning January 1, 2018.

BE IT FURTHER RESOLVED that this benefit level be reviewed every two years for possible increases.

BE IT FURTHER RESOLVED that the Mayor and City Administrator of the City of Willmar are hereby authorized to exercise all documents necessary with PERA to increase the firefighter retirement benefit level to \$4,000 per year of good service.

Dated this 5th day of June, 2017.

s/s Marv Calvin
Mayor

Attest:

s/s Judy Thompson
City Clerk