

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

July 21, 2014
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Frank Yanish. Members present on a roll call were Mayor Frank Yanish, Council Members Denis Anderson, Ron Christianson, Steve Ahmann, Audrey Nelsen, Tim Johnson, Rick Fagerlie and Bruce DeBlieck; Present 8, Absent 1. Council Member Jim Dokken was excused from the meeting.

Others present were City Administrator Charlene Stevens, Police Chief Jim Felt, Public Works Director Sean Christensen, Finance Director Steve Okins, City Clerk Kevin Halliday, Fire Chief Gary Hendrickson and City Attorney Robert Scott.

Council Member Ahmann stated he had one item to bring before the Council under New Business.

Council Member Anderson offered a motion adopting the Consent Agenda which included the following: City Council Minutes of July 7, Willmar Municipal Utilities Minutes of July 14, Planning Commission Minutes of July 9, Mayoral Appointment of Rachel Skretvedt to the CER Advisory Board, and Accounts Payable Report through July 16, 2014. Council Member Christianson seconded the motion, which carried.

Council Member DeBlieck highlighted the Willmar Municipal Utilities Minutes of July 14, 2014 which contain a detailed report of the wind turbines.

Mayor Yanish acknowledged the request of Bob Skor, 617 SW 14th Street, to speak in the Open Forum. He commented on the status of the nose cone parts for the wind turbines and on the misconception of renewable energy and mandates. He also commented on the Willmar Fests Parade WRAC production and the limited acknowledgement of the Mayor's presence.

Mayor Yanish then acknowledged Les Kaenel and Commander Del Bjerketvedt of VFW Post #1639. In response to a letter of request from the Public Works Department, the VFW Post members wish to donate 72 flags to the City of Willmar. A flag was officially presented to Mayor Yanish representative of the 24 US, 14 Minnesota and 14 POW-MIA flags the City will receive. The Mayor respectively acknowledged and thanked the representatives of VFW Post #1639. Commander Bjerketvedt announced that the State VFW Convention will be held in Willmar this year on September 12th and 13th.

Resolution No. 1 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 1

WHEREAS, the City of Willmar has received a donation of numerous flags from VFW Post #1639 to display at various City-owned facilities and parks;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota, that the City accepts the donation of flags from VFW Post #1639, and the City Administrator is directed to express the community's appreciation.

Dated this 21st day of July, 2014.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Finance Committee Report for July 14, 2014 was presented to the Mayor and Council by Council Member Johnson. There were nine items for consideration.

Item No. 1 There were no comments from the public.

Item No. 2 MUC General Manager Wes Hompe and Finance Director Tim Hunstad presented information on the MUC 2013 Financial Report as well as a summary of the MUC financial status as of May 31, 2014. The Statements of Revenues and Expenses as of December 31, 2013, reflect a net change in position of a negative \$37,610 which is attributable to expenses booked for market value decreases during 2013. It was noted that market values have rebounded to date in 2014 reflecting a positive balance in investment income. Other discussion included an update on the wind turbines. This matter was for information only.

Item No. 3 City Clerk Kevin Halliday explained that pursuant to the directive from the MNDOT Office of Transit, elected officials and staff from KAT and Renville County have been meeting to draft a new joint powers agreement, by-laws, and governing policies. The timeline for this new agency is set for an operational start of January 1, 2015. Most agreements, by-laws and operational policies should be finalized by the August, 2014, submission deadlines for the 2015 grant funding applications. Assets, bus titles, and cash reserves will be combined and existing employees will be hired by this new transit agency. The KAT Transit Director will take the lead role with the Renville County Transit Director as the assistant. Attrition will be the only planned reduction in staff, if any. The estimated cost sharing arrangement for the new transit entity will be one-third each for the City of Willmar, Kandiyohi County, and Renville County. This final draft of the new Joint Powers Agreement presented to the Committee has been approved by the attorneys for Renville County, Kandiyohi County, the City of Willmar, and KAT and needs to be ratified by both the County Board and the Willmar City Council. Additionally, two council members need to be appointed to represent the City on the new Transit Board as well.

The Committee was recommending the Council approve the joint powers agreement and authorize the Mayor and City Administrator to execute the new Transit Joint Powers Agreement on behalf of the City.

Resolution No. 2 was introduced by Council Member Johnson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 2

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 execute the Transit Joint Powers Agreement between the Counties of Kandiyohi and Renville and the City of Willmar, Minnesota.

Dated this 21st day of July, 2014.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Council then considered the Committee's recommendation to appoint the two council members currently representing the City on the existing KAT Board to the new Transit Board, which are Bruce DeBlicek and Rick Fagerlie. Council Member Johnson moved to approve appointing Bruce DeBlicek and Rick Fagerlie to the new Transit Board, with Council Member Nelsen seconding the motion, which carried.

Item No. 4 Fire Chief Gary Hendrickson explained that the Fire Department recently took delivery of the new Ladder Truck which replaces the 1991 E-One Hush Truck (Engine 8). The Town of Clara City has offered \$25,000 to purchase Engine 8. Another option would be to retain Engine 8 as a backup engine or for use in another department; however, the costs of regular maintenance need to be taken into consideration for a fire truck that is not used regularly. It was the Committee's recommendation to approve the sale of the 1991 E-One Hush Fire Truck (Engine 8) to the Town of Clara City for \$25,000.

Resolution No. 3 was introduced by Council Member Johnson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 3

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the 1991 E-One Hush Fire Truck Engine 8 is authorized to be sold to the Town of Clara City for \$25,000.

Dated this 21st day of July, 2014.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 Police Chief Jim Felt explained to the Committee that Willmar Schools have contracted with the Willmar Police Department for school resource officers for over 15 years. The most recent three-year contract concluded in June, which was for three officers assigned during the school year to the Willmar High School, Middle School, and Alternative Learning Center/Elementary Schools. Staff is proposing a new agreement for 2014 - 2017 incorporating an increase of \$33,000 over the three-year period.

The Committee was recommending the Council authorize the City Administrator to execute the 2014-2017 School Resource Officers Agreement as presented.

Resolution No. 4 was introduced by Council Member Johnson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 4

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the City Administrator be authorized to execute the 2014-2017 School Resource Officers Agreement between Independent School District 347 and the City of Willmar, Minnesota.

Dated this 21st day of July, 2014.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 6 Finance Director Steve Okins explained that staff was directed to work with the local lending institutions to develop a negotiated sale of \$1,000,000 for funding the 2014 Street Improvements. Results show that by utilizing local options, the interest rate will be 2.17% which is slightly higher than the metro rate; however, there are less underwriting costs involved so overall expenditures will be similar to traditional bonding. Staff is recommending that the City proceed with the local funding option.

The Committee was recommending the Council authorize the Mayor and City Administrator to execute the agreements for the negotiated sale of \$1,000,000 of General Obligation Improvement Bonds 2014B through local lending institutions as presented for financing the 2014 Street Improvements.

RESOLUTION NO. 5

A RESOLUTION AWARDING THE SALE OF THE \$1,000,000 GENERAL
OBLIGATION IMPROVEMENT BONDS, SERIES 2014B;
FIXING THEIR FORM AND SPECIFICATIONS;
DIRECTING THEIR EXECUTION AND DELIVERY;
AND PROVIDING FOR THEIR PAYMENT

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

Section 1. Sale of Bonds.

1.01. It is determined that:

(a) the assessable public improvements including the costs of various street improvement projects (the "Improvements") have been duly ordered by the City;

(b) the City is authorized by Minnesota Statutes, Chapter 429 (the "Improvement Act") to finance all or a portion of the cost of the Improvements by the issuance of general obligation bonds of the City payable from special assessments levied against benefited property and ad valorem taxes.

(c) on March 3, 2014, the City Council adopted a resolution calling a public hearing on an Ordinance entitled "An Ordinance Authorizing the Issuance of \$1,205,000 General Obligation Improvement Bonds, Series 2014A, and Levying of Taxes to Secure the Payment Thereof" (the "Ordinance").

(d) a public hearing on the adoption of the Ordinance was held on March 17, 2014, and, following the public hearing the City Council adopted the Ordinance.

(e) the construction of the Improvements to be financed by the Bonds (as defined below) have heretofore been ordered.

(f) it is necessary and expedient to the sound financial management of the affairs of the City to issue its \$1,000,000 General Obligation Improvement Bonds, Series 2014B (the "Bonds") pursuant to the Improvement Act to provide financing for the Improvements.

(g) the City Council desires to proceed with the sale of the Bonds by direct negotiation to Lake Region Bank ("Lake Region"), Heritage Bank ("Heritage"), Home State Bank ("Home State"), Bremer Bank N. A. ("Bremer") and North American State Bank ("North American") (collectively, the "Purchaser"). The Purchaser will purchase the Bonds in an arm's-length commercial transaction with the City. The City hereby retains Springsted Incorporated ("Springsted") to act as an independent financial advisor for the purpose of reviewing the pricing fairness associated with the purchase and subsequent reoffering of the Bonds. It being thus determined that the City has retained an independent financial adviser in connection with such sale, the City is authorized by Minnesota Statutes, Section 475.60, Subdivision 2(9) to negotiate the sale of the Bonds.

1.02 Award to the Purchaser. The offer of the Purchaser to purchase the Bonds is found and determined to be a reasonable offer and is accepted, the offer being to purchase the Bonds at a price of \$1,000,000 for the Bonds bearing interest at the rate of 2.17% per annum.

1.03. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds pursuant to Minnesota Statutes, Section Chapters 429 and 475 (collectively, the “Act”), in the aggregate principal amount of \$1,000,000 and in denominations of \$100,000 plus any integral multiple of \$1,000, numbered R-1, upward, originally dated as of date of delivery, bearing interest as above set forth, and maturing on February 1 in the years and principal installment amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2016	\$91,000	2021	\$100,000
2017	92,000	2022	103,000
2018	95,000	2023	105,000
2019	97,000	2024	108,000
2020	99,000	2025	110,000

1.04. Optional Redemption. The City may elect on February 1, 2021, and on any day thereafter to prepay Bonds due on or after February 1, 2022. 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 will determine. Prepayments will be at a price of par plus accrued interest.

Section 2. Registration and Payment.

2.01. Registered Form. Each Bond will be issued as a single typewritten bond, only in fully registered form. The interest thereon and, upon surrender of each of the Bonds, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates: Interest Payment Dates. The Bonds will be dated as of the date of delivery. The interest on the Bonds will be payable on February 1 and August 1 of each year, commencing February 1, 2015 to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The City appoints the City Finance Director as bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of the Bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When a Bond is surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner’s attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for a Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. The Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Execution and Delivery. The Bonds will be prepared under the direction of the City Finance Director and executed on behalf of the City by the signatures of the Mayor and the City Clerk-Treasurer, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of the Bonds, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. When the Bonds have been so prepared and executed, the City Finance Director will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bonds.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form as shown in EXHIBIT A.

3.02. Approving Legal Opinion. The City Finance Director will obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which will be complete except as to dating thereof and will cause the opinion to be printed on or accompany the Bonds.

Section 4. Payment; Security; Pledges and Covenants.

4.01. (a) Debt Service Fund. The Bonds are payable from the General Obligation Bonds, Series 2014B Debt Service Fund (the "Debt Service Fund") hereby created. The Finance Director will timely deposit the special assessments (the "Assessments") and taxes (the "Taxes") levied or to be levied for the Improvements, which Assessments and Taxes are pledged to that account of the Debt Service Fund. If any payment of principal or interest on the Bonds will become due when there is not sufficient money in the Debt Service Fund to pay the same, the City Finance Director is directed to pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for such advances out of the proceeds of Assessments and Taxes when received.

(b) Construction Fund. The proceeds of the Bonds, less the appropriations made in paragraph (a), together with any other funds appropriated during the construction of the Improvements financed by the Bonds will be deposited in a separate construction fund (the "Construction Fund") to be used solely to defray expenses of the Improvements and the payment of principal and interest on the Bonds prior to the completion and payment of all costs of the Improvements. When the Improvements are completed and the cost thereof paid, any balance therein shall be deposited in the Debt Service Fund.

4.02. Covenants. It is hereby determined that the Improvements will directly and indirectly benefit abutting property, and the City hereby covenants with the holders from time to time of the Bonds as follows:

(a) The City has caused or will cause the Assessments for the Improvements to be promptly levied so that the first installment will be collectible not later than 2015 and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The City Council will cause to be taken with due diligence all further actions that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Bonds, and will take all further actions necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in Assessments and Taxes, the City Council will levy additional ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing: receipts and disbursements in connection with the Improvements, Assessments and Taxes levied therefor and other funds appropriated for their payment, collections thereof and disbursements therefrom, monies on hand and, the balance of unpaid Assessments and Taxes.

(d) The City will cause its books and records to be audited at least annually and will furnish copies of such audit reports to any interested person upon request.

4.03. Pledge of Taxes. It is determined that at least 20% of the cost of the Improvements will be specially assessed against benefited properties. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrevocable ad valorem tax (the "Taxes") upon all of the taxable property in the City, which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The taxes will be credited to the Debt Service Fund above provided and will be in the years and amounts as follows (year stated being year of collection):

Year Levy
(See Exhibit B)

4.04. Certification to County Auditor as to Debt Service Fund Amount. It is hereby determined that the estimated collections of Assessments and the foregoing Taxes will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrevocable until the Bonds are paid, provided that at the time the City makes its annual tax levies the Finance Director may certify to the County Auditor of Kandiyohi County the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.05. County Auditor Certificate as to Registration. If no Certificate of Intent is filed in accordance with Section 7.04(j) of the City Charter within 15 days after adoption of this resolution, the Clerk-Treasurer is hereby directed to file a certified copy of this resolution with the County Auditor of Kandiyohi County, Minnesota, together with such other information as he or she shall require, and to obtain the County Auditor's certificate that the Bonds have been entered in the County Auditor's Bond Register, and the tax levy required by law has been made.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

5.02. No Official Statement or Prospectus. It is determined that no official statement or prospectus has been prepared or circulated by the City in connection with the sale of the Bonds and that the Purchaser has made its own investigations concerning the City as set forth in an investment letter of even date, receipt of which is hereby acknowledged.

Section 6. Tax Covenant.

6.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued in calendar year 2014) exceed the small-issuer exception amount of \$5,000,000.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them, or the Improvements, to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

- (a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- (b) the City designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds which will be issued by the City (and all subordinate entities of the City) during calendar year 2014 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2014 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. No Requirement of Continuing Disclosure. The Purchaser need not comply with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”). Consequently, the City will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Bonds.

Section 8. Defeasance. When all of the Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge the Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Dated this 21st day of July, 2014.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 7 Staff presented the preliminary December 31, 2013, General Fund Revenues and Expenditures noting that more detail will be brought to the Committee in the near future to authorize budget overages. This matter was for information only.

Item No. 8 There was no Old Business brought before the Council.

Item No. 9 Under New Business Council Member DeBlieck indicated that Dan Groothuis had sent an e-mail to council members last weekend regarding agriculture land owned by the City. Vice-Chair Johnson will forward this e-mail to the City Administrator to issue a response and/or forward to appropriate staff to address. This was received for information only.

The Finance Committee Report for July 14, 2014, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Johnson, seconded by Council Member Fagerlie, and carried.

The Public Works/Safety Committee Report for June July 15, 2014 was presented to the Mayor and Council by Council Member Christianson. There were three items for consideration.

Item No. 1 There were no public comments.

Item No. 2 Public Works Director Sean Christensen brought forth for approval the estimated fees associated with the design, materials testing, and construction services to be provided by Bolton and Menk, Inc. and a request to enter into a Consultant Service Contract. Clarification was given by Christensen on the estimated fees calculated being included in the existing projects in the bonding bid.

The Committee was recommending the Council approve the estimated fees and enter into a Consultant Service Contract with Bolton and Menk, Inc. for the 2014 Consultant Engineering Services.

Resolution No. 6 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 6

Whereas the City of Willmar desires to retain a firm for design, materials testing, and provide construction services for the 2014 Improvement Projects; and

Whereas a proposal has been made by the firm of Bolton and Menk, Inc. on an hourly basis at an estimated cost of \$922,000.00;

Now therefore be it resolved by the City Council of the City of Willmar that said proposal be accepted and that the Mayor and City Administrator be authorized to execute an agreement on behalf of the City for the same.

Dated this 21st day of July, 2014.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 Under Old Business Public Works Director Sean Christensen presented information on the retention pond's effectiveness in the recent storms this summer. It was noted the ponds did exactly what they were designed to do, with detaining water to let the storm drain system catch up with excess flow of rainfall to the outfall structure. The official rainfall for the month of June was 10.86 inches.

The Committee discussed the 5 Year Street Improvement Plan that uses the Pavement Management Program, established in 1995, to rate the City streets every two years. The streets are assigned a numerical designation on a scale from zero to 100, with zero being the gravel road condition to 100 being brand new pavement. The ratings of each street are then kept in a database to determine when and what type of repair is needed. When a street is rated in the vicinity of a 71-99, it is eligible for a sealcoat. In the rating range of 60 the street would be in the condition needing a mill and overlay. At a rating of 60 or less the street would be considered for reconstruction. There are over 130 miles of streets within the City. Currently 30.4 miles are rated at 61-75 needing seal coating and 23.6 miles are rated at 60 or less. The Committee questioned the City's liability when a street project is removed from the Improvement Program and the fact that it may possibly deteriorate the street faster without proposed needed repairs. The Committee also questioned

whether the Pavement Management Program is a formally adopted policy of the City. Christensen stated he would look into it further to see if it was adopted by the Council at any point in time.

An update on potholes was presented by Public Works Superintendent Scott Ledeboer, stating patching began on May 29th. Of the 31 days available so far this season, 18 days have been used to patch with a total of 281 tons of hot mix. There are 21 street cuts also being patched where the water and sewer lines were repaired. There will be continued patching as the weather allows. The 2014 Seal Coating project is completed, and the Crack Sealing project is just over half done for the year.

Public Works Superintendent Ledeboer explained the mosquito spraying program to the Committee. To date the entire City has been sprayed four times while also spraying at Robbins Island and Baker Field. In addition to the spraying the City applies larvicide in stagnate surface water, primarily storm water ponds.

Public Works Director Christensen presented his findings on the possibility of trial areas of foam used under roadways. Christensen consulted with other City Engineers in the region while researching the topic. With research and other professional opinions combined, Christensen cannot recommend the use of the foam under any of the City streets. The research showed the foam caused numerous inherent issues based on the insulative characteristics, as well as the additional costs to install it at the depth required.

Following discussion, the Committee was recommending the Council support the City Engineer's recommendation not to use foam under City streets and remove the possibility of trial areas of foam from any further discussions.

Council Member Christianson moved to approve the recommendation of the Public Works/Safety Committee with Council Member Nelsen seconding the motion.

Council Member Johnson brought forth the issue of parliamentary procedure and it being improper to restrict discussions about matters that come before the Council. Based on this he stated it makes the motion improper and members have the right of discussion. Council Member Nelsen amended the motion to state support the City Engineer's recommendation not to use foam under City streets striking the words "and remove the possibility of trial areas of foam from any further discussions". Council Member DeBlicek seconded the motion.

The Council continued the discussion on foam. Upon a roll call the amended motion failed with 3 Ayes and 4 Noes. Council Members Christianson, Johnson, Ahmann and Fagerlie voted "no."

The Council proceeded to vote on the original motion of Council Member Nelsen which failed with 0 Ayes and 7 Noes.

Chief of Police Jim Felt noted the jail census for July 15, 2014, was 123, and the calls for service for the previous two weeks totaled 765. The majority of the calls are for traffic, followed by theft and damage to property. There will be extra patrol assigned strictly for Sonshine and a no vacation policy has been put into place for that time period. The event will be billed for the hours of the overtime shifts of the patrol provided to reimburse the City.

Item No. 4 Under New Business Council Member Jim Dokken spoke about the recent controlled burn by the Fire Department, questioning when it will be completed and the hole will be filled in. The Fire Chief will be contacted to find a completion date.

Council Member Christianson questioned what happened to the "Welcome to Willmar" sign on the North side. It was informed that an accident had caused the damage to the sign and is still under investigation, so no estimates for replacing it have been completed at this time.

The Public Works/Safety Committee Report for July 15, 2014, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Christianson, seconded by Council Member Fagerlie, and carried.

Under New Business Council Member Ahmann made a motion to review the current process for requests from businesses that are asking for financial assistance or incentives from the City of Willmar and develop a written policy. Council Member Christianson seconded the motion.

During discussion Council Member Ahmann stated he felt the current policy in place is not defined, not written and not fully understood. Council Member Nelsen requested review of the current policy in place by having Planning and Development Services Director Bruce Peterson come before the Council to explain the current policy. Upon a vote, the motion carried.

There was no Old Business to come before the Council.

Announcements for Council Committee meeting dates were as follows: Finance, July 28; Public Works/Safety, July 29; and Community Development, July 31, 2014. Council Member DeBlieck reminded everyone that the Vision 2040 Things to Do Committee will be showing a movie at the Dorothy Olson Aquatic Center on Wednesday, July 23rd at dusk and a ribbon cutting ceremony will be held that morning in honor of its 10th Anniversary Celebration.

There being no further business to come before the Council, the meeting adjourned at 8:04 p.m. upon motion by Council Member Anderson, seconded by Council Member Fagerlie, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL