

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

June 17, 2013  
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 Yanish, Council Members Denis Anderson, Ron Christianson, Steve Ahmann, Audrey Nelsen, Tim Johnson, Jim Dokken, and Rick Fagerlie; Present 8, Absent 1 – Council Bruce DeBlieck was excused from the meeting.

Also present were City Administrator Charlene Stevens, Police Chief David Wyffels, Finance Director Steve Okins, Community Education and Recreation Director Steve Brisendine, Planning and Development Services Director Bruce Peterson, Fire Chief Gary Hendrickson, City Attorney Robert Scott, and City Clerk Kevin Halliday.

Council Member Anderson informed the Council he had an announcement regarding the July 1, 2013, Council meeting; and Mayor Yanish stated he had an announcement regarding the Organizational Study.

Council Member Anderson offered a motion adopting the Consent Agenda which included the following: City Council Work Session Minutes of June 3, City Council Minutes of June 3, Municipal Utilities Commission Minutes of June 10, Planning Commission Minutes of June 12, Accounts Payable Report through June 12, and Building Inspection Report for May, 2013. Council Member Christianson seconded the motion, which carried.

At 7:02 p.m. Mayor Yanish opened the annual 2013 Storm Water Permit/Pollution Prevention Program. Jared Voge of Bolten and Menk explained the purpose of the hearing was to provide an update on the status of compliance with the MS4 Permit conditions. The City inspected and inventoried ponds and wetlands, conducted erosion and sediment control site inspections, 5,100 CY of sediment was removed from City streets and 113 of the total 424 outfalls were inspected. Follow discussion, Council Member Anderson moved to accept the 2013 Storm Water Permit/Pollution Prevention Program report with Council Member Dokken seconding the motion, which carried. The hearing closed at 7:10 p.m.

At 7:10 p.m. Mayor Yanish opened the hearing on an Ordinance Amending Chapter 16, Utilities, Article IV, Rates and Charges, Division 3, Sewer Service. Kathy Aho, Springsted Inc., presented details of the rate increase and the reasons for the change. The last rate review and increase was in 2008 and the City now incurs a net operating loss of \$700,000. Estimated revenue projections were based on the current 6,310 accounts and 8,575 meters. Ms. Aho stated the Eagle Lake sewer rates were incorrectly published and she presented the correct figures.

Dan Cole, Jennie-O Turkey Store expressed concern about the cost increase, yet understood the proposed needs, but noted in the 2012 report that JOTS has paid enough to cover their costs for the industrial side of the treatment plant. He requested the Council keep this under consideration for the industrial users' rate.

Loren Schultz, 901 Irene Avenue SW, expressed concern of rainwater infiltration and noted many gallons of rainwater flow into the system and get treated. He encouraged the Council to take steps to eliminate the storm water overload. Upon hearing all those who wished to be heard, Mayor Yanish closed the hearing at 7:39 p.m.

Council Member Anderson moved to amend the Eagle Lake rates as presented with Council Member Fagerlie seconding the motion, which carried. Council Member Anderson offered a motion to adopt, assign a number, and order final publication of the Ordinance Amending Chapter 16, Utilities, Article IV, Rates and Charges, Division 3, Sewer Service. Council Member Christianson seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

The Mayor and Council considered a Resolution accepting the offer of the Minnesota Public Facilities Authority to Purchase a \$1,886,812 General Obligation Sewer Revenue Note. Ms. Aho explained the details of the City's application for a loan from the Minnesota PFA to provide financing pursuant to Minnesota Statutes for the acquisition and construction of sewer pipe and associated structures relating to the Western Interceptor Project. Following discussion, Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Christianson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 1

RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES  
AUTHORITY TO PURCHASE \$1,886,812 GENERAL OBLIGATION SEWER REVENUE NOTE,  
SERIES 2013B, PROVIDING FOR ITS ISSUANCE AND AUTHORIZING EXECUTION OF A  
BOND PURCHASE AND PROJECT LOAN AGREEMENT FOR THE NOTE

(For Resolution in its entirety, see City Council proceedings file dated  
June 17, 2013, located in the City Clerk's Office)

Mayor Yanish acknowledged that no one had signed up to address the City Council during its scheduled Open Forum.

The Finance Committee Report for June 10, 2013, was presented to the Mayor and Council by Council Member Anderson. There were nine items for Council consideration.

Item No. 1            There was no one present wished to address the Committee.

Item No. 2            Bill Fenske, CFO of Rice Hospital, presented the 2012 Financial Report, which reflects an increase in net assets of \$4,061,904 as of December 31st. Mr. Fenske also discussed the April 30, 2013, Financial Report reflecting a net loss of \$1,205,613. Volumes are down so far in 2013, including outpatient services. It was noted that the debt service coverage ratio is still good. Mike Schramm, CEO of Rice Hospital, discussed efforts being undertaken to improve Rice Home Medical as well as efforts to recruit more specialized physicians for the hospital, as well as monitoring the decrease in demand for hospital services. This matter was received for information only.

Item No. 3            Ryan McCormick, of the Willmar Public Library, presented a request for disbursement of \$12,000 from the Library Capital Reserve Fund for the purchase of 12 tables for the multipurpose room. It was noted there are over 200 groups that utilize the multipurpose room in a year so they are well used. He briefly described the new, high-quality, tables which would be easier to set up and take down and would include electrical outlets and data ports. This cost is eligible to be paid from the Library Reserve Fund which was established from the prior local option sales tax program that funded the Library's construction.

The Committee was recommending the Council introduce a resolution allocating \$12,000 from the Library Reserve Fund for the purchase of tables for the multipurpose room. Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Johnson, 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 to authorize the Finance Director to amend the 2013 Library Reserve Fund Budget as follows:

Increase:	2013 Capital Expenditures – Tables	\$12,000.00
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Decrease: 2013 Library Reserve Fund 12,000.00

Dated this 17<sup>th</sup> day of June, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 4 Jill Bengston, HRA Executive Director, presented a proposal to refinance Highland Apartments' debt by applying for low-income housing tax credits and a Minnesota Housing Finance Agency mortgage at 4.75 percent for 30 years. The purpose of this debt refinance is to lower the debt interest rate and complete some refurbishing of the units. The scope of work to be done was reviewed as well as development costs involved.

The Committee was recommending the Council pass a resolution supporting the Willmar HRA's proposed Highland Apartments redevelopment project and to agree to act as applicant for the submission of a Small Cities Development Grant, if necessary, to provide funding for a portion of the project. Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 3

RESOLUTION SUPPORTING THE WILLMAR HRA PROPOSED HIGHLAND APARTMENTS REDEVELOPMENT PROJECT

WHEREAS, the City of Willmar has a critical need and desire to provide affordable housing options to people of all incomes; and

WHEREAS, the Willmar HRA owns and operates the Highland Apartments, a 79 unit affordable housing project within the City of Willmar; and

WHEREAS, the Highland Apartments have significant rehabilitation and recapitalization needs that are in excess of the project and the Willmar HRA's financial ability to remedy; and

WHEREAS, the Willmar HRA is proposing to apply for financing to refinance and undertake substantial repairs that are necessary to preserve the current operations through funding available through the Minnesota Housing Finance Agency June 18th funding round; and

WHEREAS, the proposed project will help preserve and continue to support local rental housing needs within the Willmar Community.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILLMAR, KANDIYOHI COUNTY, MINNESOTA, DOES HEREBY RESOLVE THAT: the City of Willmar will support proposed Highland Apartment application to the Minnesota Housing Finance Agency in the following manner:

- The City of Willmar will act as applicant for the submission of a Small Cities Development grant to provide funding to the project.

Dated this 17<sup>th</sup> day of June, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 5 HRA Executive Director Bengtson presented the Administrative Contract for the current Willmar SCDP Program. This contract formally authorizes the Willmar HRA to administer the SCDP Program on behalf of the City of Willmar. The Committee was recommending the Council introduce a Resolution approving the Administrative Contract for the Willmar SCDP Program and authorize the Mayor and the City Administrator to execute said contract.

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

RESOLUTION NO. 4

APPROVING ADMINISTRATIVE CONTRACT FOR  
WILLMAR COMPREHENSIVE SMALL CITIES DEVELOPMENT PROGRAM

WHEREAS, the Housing and Redevelopment Authority In and For the City of Willmar, Minnesota, submitted an application on behalf of the City of Willmar, Minnesota for the Willmar Comprehensive Small Cities Development Program under the Small Cities Development Program administered by the Minnesota Department of Employment and Economic Development;

WHEREAS, the City of Willmar has been notified of funding approval of the application by the Department of Employment and Economic Development;

NOW THEREFORE BE IT RESOLVED that the City of Willmar, Minnesota hereby approves the Administrative Contract By and Between the City of Willmar, Minnesota, and the Housing and Redevelopment Authority In and For the City of Willmar, Minnesota attached hereto as Exhibit A (on file in the City Clerk's Office); and

BE IT FURTHER RESOLVED that the Mayor and the City Administrator of the City of Willmar, Minnesota are hereby authorized to execute said agreement.

Dated this 17<sup>th</sup> day of June, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Ms. Bengtson then presented the City of Willmar Section 3 Plan which gives preference to low- and very-low income persons or businesses working on HUD-funded projects. This plan is required by HUD to administer the SCDP Program. The Committee was recommending the Council introduce a resolution adopting the Section 3 Plan as presented.

Resolution No. 5 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 5

CITY OF WILLMAR SECTION 3 PLAN

WHEREAS, The City of Willmar is a recipient of the HUD Small Cities Development Program to fund home owner rehabilitation, rental rehabilitation and commercial rehabilitation; and

WHEREAS, the Department of Housing and Urban Development requires its grantees to have a plan in place to direct employment and other opportunities created by the financial assistance received by the City towards low and very low income persons with incomes less than 80 percent of area median income particularly those who are recipients of government assistance for housing;

NOW, THEREFORE, BE IT RESOLVED that the City of Willmar, Minnesota, hereby adopts the Section 3 Plan for the City of Willmar as attached hereto (on file in the City Clerk's Office).

Dated this 17<sup>th</sup> day of June, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 6 City Clerk Kevin Halliday reported to the Committee that he had discussed interest rates for short-term investments with Bremer Bank. The current interest rate received on the City's Flex Gold Savings account at Heritage Bank is .10 percent. The annual yield proposed currently by Bremer Bank is .55 percent, less bank and administrative fees which could net to approximately .25 percent. It was Staff's recommendation to proceed with transferring some of the City's short-term investments from Heritage Bank to Bremer Bank. The consensus of the Committee was that Heritage Bank should be contacted to determine if they would provide a counter offer.

The Committee was recommending to the Council that the City Clerk-Treasurer be authorized to open a new account at Bremer Bank for short-term investments, subject to Heritage Bank providing a counter offer. City Clerk Halliday reported that Heritage Bank stated that they would match the Bremer Bank offer. Following discussion to keep all funds at Heritage Bank, no action was necessary.

Item No. 7 Administrator Stevens explained to the Committee that Mid-Minnesota Development has been leasing office space in the basement of City Hall for many years with the existing lease expiring May 31, 2013. The current rent is \$1,350/month and is proposed to be increased \$50/month for the first year and each year thereafter on a three-year lease.

The Committee was recommending the Council authorize the Mayor and City Administrator to execute a three-year lease with Mid-Minnesota Development effective June 1, 2013. Council Member Anderson moved to approve the recommendation of Finance Committee with Council Member Fagerlie seconding the motion, which carried.

Item No. 8 The Committee received the April 30, 2013, General Fund Financial Report. This matter was taken for information only.

Item No. 9 Chair Anderson reminded Committee members to provide the Mayor with budget requests by the end of June. This matter was for information only.

The Finance Committee Report for June 10, 2013, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Anderson, seconded by Council Member Christianson, and carried.

The Public Works/Safety Committee Report for June 11, 2013, was presented to the Mayor and Council by Council Member Christianson. There were six items for Council consideration.

Item No. 1 The Council requested an update on various studies and information the City has obtained over time relating to storm water issues. Jared Voge, Interim City Engineer of Bolton and Menk, was asked to review the documents and prepare a summary for the Committee. The memo presented at the meeting summarized the City's drainage concerns and what projects have incrementally been completed to reduce flooding. Mr. Voge noted the areas the City is experiencing flooding issues at are the same areas where flooding occurred in the 1950's. The Watershed Management Plan completed by Barr Engineering analyzed the entire City storm sewer system and identified areas of inadequate storm sewer capacity.

It is evident the outlet elevation to the southeast does not provide for reducing the tailwater conditions created by the elevation of Lake Wakanda. A document prepared by Vern Carlson, PE, in February, 2013 addresses four potential improvement options. The first option consists of lowering Lake Wakanda which would increase capacity of County Ditch 23A. This would require 100 percent of the affected property owners to sign off before the DNR would consider this option. This would also result in the loss of wetland that would need to be justified and mitigated. The second option considers bypassing or re-aligning County Ditch 23A, but this option must adhere to Minnesota Statute 103.E and would take many years and significant analysis and permitting. Option three partially bypasses Grass Lake similar to the second option with the same Statute requirements. The fourth option consists of the utilization of Grass Lake as a detention basin with a pumping system to control the water elevation.

Mr. Voge analyzed all the completed reports and it was agreed that the tailwater condition is the driving force behind the underperformance of the City's storm sewer system. It does not allow runoff to be conveyed through the City system in an efficient manner and begins to pond in localized areas throughout the City. Given these considerations, Option Number 4 presented in Vern Carlson's memo should be further analyzed. This option seems to be the most viable.

Joe Ridler, Chairman of the Storm Water Task Force, informed the Committee that the area northeast of Willmar is 90 feet higher than the City and contributes a great deal of water to the drainage system. This matter was for information only.

Item No. 2 A request by Arnold's of Willmar to allow the extension of municipal water service to their property outside the City limits for the purpose of providing water for a fire sprinkler system was referred back to the Committee for consideration. Current policy does not provide for the extension of municipal utilities beyond the City limits and the comprehensive plan urban growth boundaries adopted by the City does not include annexation in this area. Comments from the City Engineering staff and Willmar Municipal Utilities were received for consideration. The item was referred back to Staff for further discussion with Arnold's of Willmar of possible annexation. This matter was for information only.

Item No. 3 Bruce Peterson, Director of Planning and Development Services, updated the Committee on the MinnWest Lift Station/Lakeland Drive Sewer Project. The project is currently designed to 30 percent by Bollig Inc. The estimated costs to complete the project in its entirety are exceeding the financing. Various alternatives are being explored to make sure the necessary infrastructure improvements are completed. The alternative of elimination of lift stations showed no savings. During the design process, there were indications that the piping may only be utilized at 30-35 percent capacity, which has led Staff to proceed with having 9,000 LF of sanitary sewer televised to look at the condition of the pipe. If the piping is in good condition and of adequate size, this may postpone the reconstruction of the gravity sewer and Lakeland Drive. Design continues for the lift

station and force main. This matter was for information only.

Item No. 4 Police Chief Wyffels presented proposed changes to the current Dangerous Weapons Ordinance, Article III to include extending the time limit on the permits from 60 to 180 days and adding arrows shot from a bow, cross-bow or similar device as a dangerous weapon. Lengthening the time to 180 days would allow a person to only have to obtain one permit for a growing season, saving both resident and Staff time of processing two more permits.

The Committee was recommending the Council authorize Staff to draft the ordinance changes to include the extension to 180 days and also the addition of arrows as dangerous weapons. Council Member Christianson moved to approve the recommendation of the Public Works/Safety Committee with Council Member Nelsen seconding the motion, which carried.

Chief Wyffels updated the Committee on the number of calls and jail census and wanted to remind citizens not to blow lawn clippings into the street.

Item No. 5 The Committee was informed that subsequent to the City receiving a court order to remove the house at 201 Havana Street NE, the garage has fallen into a state of major disrepair and is the target of graffiti. Staff is proposing adoption of a resolution for order of garage repair or removal. Cost to the City would be the demolishing and removal of the garage should the property owner choose to ignore the directive.

The Committee was recommending the Council authorize the resolution ordering the repair or removal of hazardous conditions at the garage at 201 Havana Street NE. 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

##### RESOLUTION ORDERING THE REPAIR OR REMOVAL OF HAZARDOUS CONDITIONS LOCATED AT 201 HAVANA STREET NE

WHEREAS, the residential structure located at 201 Havana Street NE (the "subject property") in the City of Willmar, Minnesota (the "City") was destroyed by fire on or about February 28, 2011;

WHEREAS, after declaring the residential structure to be a hazardous building, ordering its removal, and enforcing the order in the Kandiyohi County District Court, the City removed the residential structure from the subject property;

WHEREAS, the residential structure located at 201 Havana Street NE in the City was served by a detached garage that was not damaged in the fire to the same extent as the residence and did not constitute a hazardous building at the time the City Council ordered the residential structure's removal;

WHEREAS, the garage has and has now become a threat to the public health, deteriorated and has been targeted with graffiti safety and welfare of the community and now constitutes a hazardous building pursuant to Minn. Stat. §§ 463.15 and 463.261; and

WHEREAS, the conditions listed above are more fully documented in the photographs attached to this Resolution as Exhibit A.

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

1. That pursuant to the foregoing findings and pursuant to Minn. Stat. §§ 463.15 and 463.261, the City Council orders the record owners of the hazardous building (the garage on the subject property) to raze the hazardous building, remove its footings and restore the site of the structure pursuant to Minnesota Rules Chapter 1300, Section 1300.0180.
2. That the work described in Paragraph 1 be completed within 30 days of the date that this Order is served on the property owner. The work must be completed in compliance with all applicable codes and regulations and performed pursuant to proper permits from the City.
3. That a motion for summary enforcement of this order will be made to the District Court of Kandiyohi County in which the hazardous building is situated unless the corrective action listed in Paragraph 1 is taken, or unless an answer is filed within the time specified in Minn. Stat. § 463.18, which is 20 days.
4. That in accordance with Minn. Stat. § 463.24, the owner must remove all personal property and/or fixtures that will reasonably interfere with the work within 20 days. If the property and/or fixtures are not removed and the City enforces this order, the City may sell personal property, fixtures and/or salvage materials at a public auction after three days posted notice.
5. That if the City must take actions to enforce this order, all enforcement costs will be specially assessed against the subject property and collected in accordance with Minn. Stat. §§ 463.22, 463.21, and 463.161.
6. That the city attorney is authorized to serve this order on the record owner of the subject property and all lien-holders of record.
7. That the city attorney is authorized to proceed with the enforcement of this order as provided in Minn. Stat. §§ 463.15 and 4463.261.

Dated this 17<sup>th</sup> day of June, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 6 The Committee was informed of the deteriorating condition of the wading pool at Rice Park. The pool has been filled three times this year and the water has all leaked out. The walls are crumbling and various cracks are present. At Staff's discretion, the pool will no longer be used. Review of the area for future land use will be conducted through park planning and capital improvements. This matter was for information only.

The Public Works/Safety Committee Report for June 11, 2013, 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 Anderson, and carried.

The Mayor and Council considered an Ordinance establishing an On-Sale Brewer Taproom Liquor License category. City Clerk Halliday presented a request to create a new category of liquor licenses to accommodate retail venue of breweries/brew pubs in the City. Upon Council Member inquiries of the possibility of also selling off-sale growlers (64 oz. container of fresh beer), City Attorney Scott offered to conduct additional research. Following discussion, it was the consensus of the Council to refer the matter back to the Public Works/Safety Committee.

Council Member Anderson requested to be excused from the July 1, 2013, City Council meeting.

Mayor Yanish informed the Council that there would be a special meeting of the Council on June 24, 2013. Richard Fursman, Brimeyer-Fursman, will present part two of the organizational study.

Announcements for Council Committee meeting dates were as follows: Special City Council, June 24; Public Works/Safety, June 25; Labor Relations, June 26; and Community Development, June 27, 2013.

There being no further business to come before the Council, the meeting adjourned at 8:40 p.m. upon motion by Council Member Anderson, seconded by Council Member Fagerlie, and carried.

Attest:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
SECRETARY TO THE COUNCIL