

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

May 20, 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, Rick Fagerlie and Bruce DeBlieck; Present 9, Absent 0.

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 Administrative Assistant Audrey Peterson.

Mayor Yanish and Council Dokken noted that they would have items under New Business.

Council Member Anderson offered a motion adopting the Consent Agenda which included the following: City Council Minutes of May 6, Planning Commission Minutes of May 8, Municipal Utilities Commission Minutes of May 13, Rice Hospital Board Minutes of May 13, Accounts Payable Report through May 16, Mayoral Appointment – Joe Hartmann to Zoning Appeals Board, Out-of-State Travel – Bruce DeBlieck to National APPA Conference to Nashville TN, June 17-19, and Willmar Design Center Minutes of April 16, 2013. Council Member Christianson seconded the motion, which carried.

At 7:02 p.m. Mayor Yanish opened a hearing on an Ordinance Authorizing Issuance of General Obligation Sewer Revenue Note, Series 2013B. Kathy Aho, Springsted Incorporated, appeared before the Mayor and Council to explain that the Ordinance authorizes the borrowing of money and the issuance of a General Obligation Sewer Revenue Note to finance a portion of the costs of the Western Interceptor Project. Following discussion of Local Options Sales Tax and PFA Grant dollars, Mayor Yanish closed the hearing at 7:04 p.m.

Council Member Anderson offered a motion to adopt, assign a number and order final publication of the Ordinance Authorizing the Issuance of a General Obligation Sewer Revenue Note, Series 2013B. Council Member Christianson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

At 7:05 p.m. Mayor Yanish opened a hearing on an Ordinance Authorizing Issuance of \$1,950,000 General Obligation Improvement Bonds, Series 2013A and the Levying of Taxes to Secure Payment Therefor. Ms. Aho informed the Mayor and Council that the General Obligation Bonds would provide funding for the 2013 street improvement projects. Following discussion of community investment funds and rate of interest, Mayor Yanish closed the hearing at 7:07 p.m.

Council Member Christianson offered a motion to adopt, assign a number and order final publication of the Ordinance Authorizing the Issuance of \$1,950,000 General Obligation Improvement Bonds, Series 2013A and the Levying of Taxes to secure Payment Therefor. Council Member Anderson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Resolution No. 1, Providing for the Competitive Negotiated Sale of \$1,950,000 General Obligation Improvement Bonds, Series 2013A, was introduced by Council Member Anderson, seconded by Council Member Christianson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 1

PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF \$1,950,000
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2013A

(For Resolution in its entirety, see City Council Proceedings file dated
May 20, 2013, located in the City Clerk's Office)

Mayor Yanish reported on the Mayor's Prayer Breakfast noting that the turnout was very good and expressed appreciation to all who attended and helped make the event a success. The Mayor announced that he was dedicating a portion of the proceeds to the Willmar Community Education and Recreation Scholarship Fund and presented a check to Community Education and Recreation Director Steve Brisendine. Mr. Brisendine explained that the funds allow children in the community to participate in WEAC programs and expressed appreciation for the generous donation.

Mayor Yanish recognized Lee Wierschem who presented a Minnesota Developmental Achievement Center Association Award to Civic Center Manager Kevin Madsen. Mr. Madsen stated that the Award is for the City and expressed his appreciation to the work force clients who work many hours on a daily basis mowing lawns, shoveling snow, setting up for Civic Center and Community Center events, janitorial duties, and much more.

Mayor Yanish recognized Roy Stiff and Kathryn Cafferty, representing Family Promise of Kandiyohi County. Mr. Stiff provided an introduction of the program created to assist homeless families in Kandiyohi County. Ms. Cafferty explained that Family Promise offers an opportunity for churches to help bring about change for homeless families with children. The Mayor and Council viewed a PowerPoint presentation.

Mayor Yanish acknowledged individuals who had signed up to address the City Council during its scheduled Open Forum. Community and Activity Center Council Chair Catherine Johnson and Board Member Loren Lushen thanked the Labor Relations Committee for recommending the approval of a custodial position.

The Finance Committee Report for May 13, 2013, was presented to the Mayor and Council by Council Member Anderson. There were three items for Council consideration.

Item No. 1 Chair Anderson acknowledged that no one present wished to address the Committee.

Item No. 2 Staff informed the Committee that representatives from Rice Hospital were unable to attend the meeting due to another conflict. This item will be rescheduled for a future Finance Committee meeting.

Item No. 3 Kathy Aho of Springsted, Inc., presented to the Committee the revised Waste Treatment Rate Study reflecting a proposed start date of July 1, 2013. At the last Finance Committee meeting, it was suggested to increase the meter charges by \$1 in an effort to see a more stable revenue source. Ms. Aho explained that she reviewed that option but found it would provide an additional \$100,000 annually. Since the increase was minimal, the higher meter charge was not incorporated into the revised Study. After considerable discussion, it was the consensus of the Committee that Springsted, Inc. should once again rework the waste treatment rates by incorporating a more significant increase of \$10 to \$15 in meter charges along with an adjustment to the tier 1 and tier 2 volume rates so as not to disproportionately impact one group of users. These latest revisions to the rate structure will be brought back to the Finance Committee at its next meeting. This matter was for information only.

Item No. 4 Staff reviewed with the Committee the proposed 2014 Budget Calendar. Dates noted include: the development of Capital Improvement Program items submitted by May 24th; peer review May 24th through June 7th; completed Department Heads' estimates must be returned and reviewed with the City Administrator in June; Planning Commission will review the Capital Improvements Program in July; the Mayor

meets with the City Administrator and Finance Director in July; notices to be published in the newspaper in July; and the Mayor will present his proposed budget to the Finance Committee during the first meeting in August. Chair Anderson suggested that a Facilities Plan be developed as well as the Capital Improvement Plan. Following discussion, the Committee was recommending the Council approve the 2014 Budget Calendar as presented. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Fagerlie seconding the motion, which carried.

Council Member Anderson noted a Council work session has been scheduled for June 3, 2013, to discuss the 2014 budget calendar and the rate study.

Item No. 5 Future agenda items include the seven-year Local Option Sales Tax Report, Airport Project Report, and Waste Treatment Plant Report. This matter was for information only.

Item No. 6 Under old business Staff informed the Committee that the City Clerk is scheduled to meet with representatives from Bremer Bank this week regarding the possibility of the City receiving 2.6% interest on funds deposited there, similar to Library and County funds. This matter was for information only.

Item No. 7 Council Member Anderson acknowledged there was no new business for the Committee to discuss at this time and this matter was for information only.

The Finance Committee Report for May 13, 2013, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Anderson, seconded by Council Member Fagerlie, and carried.

The Public Works/Safety Committee Report for May 14, 2013, was presented to the Mayor and Council by Council Member Christianson. There were nine items for Council consideration.

Item No. 1 The Committee considered a request to create a new category of liquor license for brewer tap rooms. Staff informed the Committee that current City ordinance does not allow for this type of establishment and requires significant food sales. A tap room would not be required to meet the food requirement. Nick Davis, a local beer aficionado, spoke in support of the ordinance change, and saw it as an economic development effort. The Willmar Zoning Ordinance currently does not provide for brewer tap rooms in any zoning district. If the new license category is created, the Planning Commission will need to study the matter and amend the Zoning Ordinance.

The Committee was recommending the Council direct the City Attorney, in consultation with the Police Chief, to draft an ordinance amendment to create licensing provisions for brewer tap rooms. Following an explanation of a tap room, Council Member Christianson offered a motion to approve the recommendation of the Public Works/Safety Committee with Council Member Anderson seconding the motion, which carried.

Item No. 2 The Committee considered 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. John Arnold said the request was the best solution to the fire sprinkler requirement for their proposed expansion. Current policy does not provide for the extension of municipal utilities beyond the City limits. The Committee discussed current policy and its relationship to the comprehensive plan urban growth boundary. Comments from the City Engineer and Willmar Municipal Utilities were requested.

The Committee was recommending the Council grant preliminary approval to the concept contingent upon City Engineer and Willmar Municipal Utilities support. Council Member Christianson moved to approve the recommendation of the Public Works/Safety Committee. Following discussion, Council Member Fagerlie offered a motion to table the matter and send back to Committee. Council Member Dokken seconded the motion, which carried.

Item No. 3 The Committee was informed by Staff that the Council previously authorized Donohue and Associates to complete the design and contract amendment documents for the construction of the Airport LS Sewer to include Change Order No. 1 as an amendment to the contract with Geislinger & Sons, Inc. for the work. Contract quantities and pricing associated with the work amount to \$238,251.25. Donohue and Staff recommend executing the change order to complete the construction.

The Committee was recommending the Council approve Change Order No. 1 to Project No. 1110 in the amount of \$238,251.25 and authorize the City Administrator to execute the document. Following discussion, Resolution No. 2 was introduced by Council Member Christianson, seconded by Council Member DeBlieck, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 2

WHEREAS, the City of Willmar entered into Contract No. 1110 with Geislinger & Sons, Inc. for the Western Interceptor Sewer; and

WHEREAS, the design and contract incorporating documents have been completed for the Airport Lift Station Sewer; and

WHEREAS, the Substantial and Final Completion Dates for the project will be postponed 30 days to October 1, 2013 and December 1, 2013 respectively; and

WHEREAS, the change in contract price will be an increase of \$238,251.25; and

WHEREAS, it is recommended to approve the extra work, time extension, and cost associated Change Order No. 1.

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that Change Order No. 1 is approved. As a result the contract substantial completion date be revised to October 1, 2013; the final completion date be revised to December 1, 2013; and the contract amount be increased \$238,251.25 for a revised contract price of \$3,307,836.50 for Project 1110 the Western Interceptor Sewer project.

Dated this 20th day of May, 2013.

/s/ Frank Yanish
MAYOR

/s/ Charlene Stevens
Attest: CITY ADMINISTRATOR

Item No. 4 With the approval of Change Order No. 1 to the Western Interceptor Project No. 1110, the Committee was informed by Staff that construction services are needed to complete the work. The City currently is under contract with Donohue and Associates for the project. A contract amendment to provide the additional professional services was provided in the amount of \$23,620.00. The Committee was recommending the Council approve the contract amendment with Donohue and Associates in the amount of \$23,620.00 and authorize the Mayor and City Administrator to execute the document.

Following discussion, Resolution No. 3 was introduced by Council Member Christianson, seconded by Council Member Ahmann, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, 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 Mayor and 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 Donohue and Associates for the Western Interceptor Sewer. The amendment increases the not-to-exceed figure for the previously amended contract amount approved by Council on December 3, 2012 by \$23,620.00.

Dated this 20th day of May, 2013.

/s/ Frank Yanish
MAYOR

/s/ Charlene Stevens
Attest: CITY ADMINITRATOR

Item No. 5 The Committee was informed that plans and specifications have been prepared by Bollig Inc. for the improvement of the trail from First Street to Robbins Island and approved by the Minnesota Department of Transportation. Staff is requesting approval and authorization to advertise for bids to be opened June 18, 2013.

The Committee was recommending the Council approve plans and specifications for Project No. 1304 and authorize advertisement for bids to be opened June 18, 2013. Resolution No. 4 was introduced by Council Member Christianson, seconded by Council Member Anderson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

WHEREAS the City Engineer of the City of Willmar has presented to the City Council plans and specifications for Project No. 1304 for the City of Willmar;

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

Final plans and specifications are hereby approved, and publication of the advertisement for bids is herewith authorized. Bids will be publicly opened and read at 1:30 p.m. on the 18th day of June, 2013, at the City Office Building, 333 Southwest Sixth Street, Willmar, Minnesota.

Dated this 20th day of May, 2013.

/s/ Frank Yanish
MAYOR

/s/ Charlene Stevens
Attest: CITY ADMINITRATOR

Item No. 6 The Committee briefly discussed ongoing issues with parking in the areas of Willmar Avenue and 11th Street SE and Willmar Avenue and 4th Street SW. Both locations have busy institutions adjacent to residential neighborhoods. Police Chief Wyffels said no safety issues have been identified at those locations. Council Member Nelsen said that visibility is sometimes a problem, and asked if additional yellow curbing could be provided to keep vehicles back from the intersection. This matter was for information only.

Item No. 7 The Committee discussion Council action authorizing the preparation of plans and specifications for improvements to Willmar Avenue SW between 22nd Avenue SW and CSAH 5. The improvements include a new railroad crossing to accommodate a quiet zone. The Committee was recommending the Council

approve plans and specifications for Project No. 1302-A and authorize advertisement for bids to be opened June 18, 2013.

Resolution No. 5 was introduced by Council Member Christianson, seconded by Council Member Ahmann, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

WHEREAS the City Engineer of the City of Willmar has presented to the City Council plans and specifications for Project No. 1302-A for the City of Willmar;

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

Final plans and specifications are hereby approved, and publication of the advertisement for bids is herewith authorized. Bids will be publicly opened and read at 1:00 p.m. on the 18th day of June, 2013, at the City Office Building, 333 Southwest Sixth Street, Willmar, Minnesota.

Dated this 20th day of May, 2013.

/s/ Frank Yanish
MAYOR

/s/ Charlene Stevens
Attest: CITY ADMINITRATOR

Item No. 8 The City Council has authorized the preparation of plans and specifications for construction of a new street and utilities in Industrial Park. As requested by Council, the project includes bid alternates for bituminous and concrete surfacing. The Committee was recommending the Council approve plans and specifications for Project No. 1302-B and authorize advertisement for bids to be opened June 18, 2013.

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 8, Noes 0.

RESOLUTION NO. 6

WHEREAS the City Engineer of the City of Willmar has presented to the City Council plans and specifications for Project No. 1302-B for the City of Willmar;

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

Final plans and specifications are hereby approved, and publication of the advertisement for bids is herewith authorized. Bids will be publicly opened and read at 1:15 p.m. on the 18th day of June, 2013, at the City Office Building, 333 Southwest Sixth Street, Willmar, Minnesota.

Dated this 20th day of May, 2013.

/s/ Frank Yanish
MAYOR

/s/ Charlene Stevens
Attest: CITY ADMINITRATOR

Item No. 9 Under new business Police Chief Wyffels provided a brief report on police activities.

Council Member Ahmann requested that the Engineering Department review street conditions on 7th Avenue from Lakeland Drive to 19th Street SE. He also requested that the Finance Committee discuss the issue of assessment policies for HRA and other similar properties.

Council Member Christianson spoke of the need for the Council to reopen discussion on contracting for street sweeping. This matter was for information only.

Council Member Dokken stated that he had been contacted by Bethesda Nursing Home with regards to parking on Willmar Avenue and 11th Street SE. Council Member Nelsen noted that she has been in contact with Bethesda and they are aware of the parking situation.

Council Member Fagerlie inquired about an assessment for the Housing and Redevelopment Authority and was informed by Staff that the HRA makes a payment in lieu of taxes and has an agreement with the City for payment of special assessments.

The Public Works/Safety Committee Report for May 14, 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 Labor Relations Committee Report for May 15, 2013, was presented to the Mayor and Council by Council Member Ahmann. There were two items for Council consideration.

Item No. 1 Chair Ahmann asked if there was any public comment and there was none.

Item No. 2 Richard and Irina Fursman, Brimeyer-Fursman, presented the Council with a preliminary report of the Organizational Assessment. Mr. Fursman reviewed the process used including interviews with all members of Council; 45 Staff interviews; focus groups with business, East Africans, and Latinos; interviews with individual community members; and a survey completed by 76 members of City Staff and Council.

Mr. Fursman reviewed the organizational strengths of a committed City Council, dedicated Staff and examples of exceptional cooperation among City Staff and Departments. Mr. Fursman also discussed the concerns including the organizational culture, leadership, lack of a clear future and vision, and City structure for external and internal services.

Ms. Fursman reviewed the results of the survey and how well the City performed in the areas of Adaptability, Mission, Consistency and Employee Involvement.

Some Council Members provided feedback regarding the need for vision and goals and to move the organization forward. Other Council Members questioned the lack of vision and expressed concerns that only the negative was being reported.

It was suggested that more community conversation was needed, as well as adherence to the Home Rule Charter. There was discussion regarding lack of trust and the effect on decision making and productivity. Privatizing additional services was suggested.

Mr. Fursman also reviewed two options for restructuring the areas of Public Works, Planning and Engineering. Mr. Fursman reviewed one model that included an overall division director for "External Services", which would combine Planning, Engineering, Public Works, Wastewater, and Facilities functions into a larger division or super department, as well as include filling the vacant City Engineer position, Survey Technician position, and creating new positions for GIS and Facilities Management. Mr. Fursman recommended that the Facilities Management potentially come as a promotion from Public Works. In this option, Mr. Fursman stated that the City Engineer would not be a Department Director, but a front-line supervisor and have more opportunity

to actually do engineering work in house.

Mr. Fursman presented a second option that was similar to the City's previous alignment of positions, but fully staffed the Engineering Department, as well as adding Facilities Maintenance and Environmental Management. Mr. Fursman cautioned that in this model, the City would need to rely more on consulting engineers.

The Council discussed the two options, but no decisions were made and it was suggested to perhaps discuss it further in Committee or at a future work session.

Mr. Fursman stated that there was still additional scope of work to complete, such as looking at Internal Services, Succession Planning, Assessing and underutilized County services. This matter was for information only.

Item No. 3: City Administrator Stevens stated that contracted custodial services had been tried for just over one year at the following facilities: Willmar Community and Activity Center, Airport, Public Works Garage, Fire Hall, and Wastewater Treatment Plant. Ms. Stevens stated the cost of the service during that period was \$51,419 and the service had not been satisfactory. Ms. Stevens stated Staff had exhausted all remedies with the current vendor and additionally had contacted other vendors with the potential costs of a new vendor estimated to be \$47,000. Ms. Stevens stated that based upon the lack of cost savings and poor quality of service, the recommendation was to hire a custodian at the entry level range, with estimated costs of \$35,900-\$45,640.

Mr. Earl Knutson, of the Willmar Community Activity Center Advisory Board, addressed the Committee regarding the concerns for the service level at the WCAC with the current vendor and stated support for hiring a custodial position.

Mr. Pat Curry addressed the Committee to say that he thought the Council and City Administrator were doing a good job.

The Committee was recommending to the Council that it hire a custodian at the Range I level. Council Member Ahmann moved to approve the recommendation of the Labor Relations Committee with Council Member Dokken seconding the motion, which carried.

The Labor Relations Committee Report for May 15, 2013, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Ahmann, seconded by Council Member Dokken, and carried.

Planning and Development Services Director Peterson presented details of a proposed Ordinance regarding a text amendment for garage door heights. The Planning Commission initiated the text amendment which changes garage door height maximums from 10 feet to 12 feet, allowing for RV's and other large vehicles to be stored in garages. It was noted that the proposed Ordinance limits the storage of commercial-sized vehicles. Following discussion, Council Member Anderson offered a motion to introduce an Ordinance Amending No. 1060 Known as the Willmar Zoning Ordinance by Amending Section 3 Relating to Garage Door Height and scheduled a public hearing for June 3, 2013. Council Member Fagerlie seconded the motion, which carried.

Under new business, Mayor Yanish informed the Council that he is working on a white paper with regards to an option C for the external services portion of the organizational study. The City Attorney is assisting the Mayor with the white paper.

Council Member Dokken reminded the Council and citizens of activities planned for Memorial Day observance.

Council Member Ahmann addressed the Mayor and Council regarding the recent closing of Molenaar LLC and the 80 individuals who have lost their jobs. Mr. Ahmann suggested the Council take action to draft progressive

steps to assist people who have lost their jobs in such a manner. Council Member Ahmann offered a motion that the Council formally act to find a business to buy the site occupied by Molenaar LLC, and Council Member Christianson seconded the motion. After discussing the matter, Council Member Christianson withdrew his second and the motion died for the lack of a second.

Following additional discussion regarding the development of action plans and policies to assist individuals who have lost jobs, Council Member Ahmann moved that the matter be referred to Staff and Committee and to bring recommendations to the Kandiyohi County and City of Willmar Economic Development Commission. Council Member Christianson seconded the motion, which resulted in roll call vote of Ayes 4, Noes 4 – Council Members Anderson, Nelsen, Fagerlie and DeBlieck voted “No.” Mayor Yanish broke the tie vote by voting “No.” Discussion continued regarding the role of the Council and Joint Economic Development Commission. Council Member Ahmann called for the question and close the debate. Council Member Christianson seconded the motion, which carried.

Announcements for Council Committee meeting dates were as follows: Labor Relations, May 29; and Community Development, May 30, 2013.

There being no further business to come before the Council, the meeting adjourned 9:00 p.m. upon motion by Council Member Christianson, seconded by Council Member Anderson, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL

RICE MEMORIAL HOSPITAL

BOARD OF DIRECTORS

MAY 15, 2013

FOR COUNCIL
INFORMATION

PRESENT: David Anfinson, President; Jenna Fischer, Secretary; Dr. Michael Gardner, Treasurer; and Directors Eric Weiberg, Dr. Lachlan Smith and Dr. Douglas Allen

EXCUSED: Steve Cederstrom, Vice President

ADMINISTRATIVE STAFF: Michael Schramm, CEO; Bill Fenske, Teri Beyer, Wendy Ulferts, Dale Hustedt, Dr. Ken Flowe, and Sandy Roelofs

GUESTS: Shirley Carter and Dr. Fred Hund

Call to Order/Minutes: President Anfinson called the meeting to order at 5:31 pm. **ACTION:** A motion was made by Director Fischer, seconded by Director Allen and carried that the minutes of the April 17 and May 13, 2013 meetings be approved as written.

Patient Experience/Quality Report – Teri Beyer: A) Patient Experience: Correspondence was reviewed from volunteers who participated in Camp G. K. Bear which is a camp sponsored for children who have experienced a recent loss. The volunteers commended Brenda and Judie from Hospice for sponsoring the camp, their excellent leadership, as well as for providing training and follow-up to the volunteers for the camp. They were very nurturing and supportive of the volunteers. It was a wonderful experience for the campers, their families and all of the volunteers. B) Quality Report: A handout was distributed and reviewed in regard to "Is your hospital ready for value-based purchasing," which was developed by Stratis Health. The following information from the handout was reviewed: 1) Pie Charts for the years 2013 – 2015 were reviewed in regard to: a) Patient experience of care. b) Clinical process of care. c) Outcomes. d) Efficiencies. Teri Beyer will continue to update the Board on the Value Based Purchasing Domain weighted categories.

Financial Report: Bill Fenske reviewed the March 31, 2013 financial statements in regard to: A) March was another negative month in terms of financial performance compared to budget and in terms of actual performance. B) Rice generated a loss of \$407,000 from operations in March compared to budgeted operating income of \$292,000 which compounded the YTD budget deficit to \$2.1 million. C) The primary contributing factor was lower than expected patient activity and revenues and decreased reimbursement. D) Hospital net patient revenue was 15.1% less than projected with an average daily census of 7.1% lower than budgeted. E) Hospital ancillary service revenues and Willmar Medical Services activity also contributed to the lower than projected results. F) Net expenses were \$8.2 million which was \$426,000 (4.9%) less than budget. G) Key indicators: The operational indicators were negative for the month compared to budget. Consolidated operating margin was -5.2% compared to the budget target of 3.3% and last year's -1.9%. Excess margin was -4.6% compared to a budget of 4.2% and last year's -3.0%. **DISCUSSION:** Mike Schramm stated that the Executive Team is continuing to monitor volumes and will be making necessary adjustments operationally. **ACTION:** A motion was made by Director Allen, seconded by Director Gardner and carried that the financial reports for Rice Memorial Hospital for the period ending March 31, 2013 be approved as presented.

Medical Staff Report: Dr. Fred Hund reviewed for the Board the minutes of the April 23, 2013 Executive and Credentials Committee meetings. **ACTION:** A motion was made by Director Gardner, seconded by Director Weiberg, and carried that the minutes of the April 23, 2013 Executive and Credentials Committee meetings be approved, and that the following appointments to the Rice Memorial Hospital's Medical Staff be approved as presented and recommended: **INITIAL APPLICATIONS:** **Affiliate Staff:** Thom Dahle, M.D., Interventional Cardiology/Department of Internal Medicine, CentraCare Clinic River Campus, St. Cloud, MN. David Spight, D.O., Pain Management/Department of Anesthesiology, Institute for Low Back and Neck Care, Bloomington, MN. Steven Stulc, D.O., Pain Management/Department of Anesthesiology, Institute for Low Back and Neck Care, Bloomington, MN. Sarah Vernon, M.D., Cardiology/Department of Internal Medicine, Park Nicollet Clinic, St. Louis Park, MN. **Locum Tenens Staff:** Sophie Dojacques, M.D., Obstetrics-Gynecology/Department of OB-Gynecology, Affiliated Community Medical Center (ACMC), Willmar, MN and Weatherby Healthcare, Fort Lauderdale, FL. Temporary privileges for start date of

5/3/2013. **REAPPOINTMENT APPLICATIONS:** **Active Staff:** Scott Abrams, M.D., Emergency Medicine/Department of Emergency Medicine, Rice Memorial Hospital (RMH), Willmar, MN. Janae Bell, M.D., Internal Medicine/Department of Internal Medicine, APMC, Willmar, MN. Amber Vick, M.D., Family Practice/Department of Family Practice, APMC, New London, MN. **Affiliate Staff:** Martin Burke, M.D., Cardiovascular Disease/Department of Internal Medicine, Minnesota Heart Institute, Minneapolis, MN. Jeffrey Herman, M.D., Radiation Oncology/Department of Internal Medicine, Unity Radiation Therapy, Fridley, MN. **Allied Health Staff:** Catherine Anderson, RN-CNP, Nurse Practitioner, Departments of Psychiatry, Emergency Medicine & Hospice, RMH, Willmar, MN. Nancy Drange, RN-CNP, Nurse Practitioner, Department of Internal Medicine, APMC, Willmar, MN. Amy Johaneck, ATC, Surgical Assistant, Department of Surgery, Heartland Orthopedic Specialists, Alexandria, MN. Brian Krogstad, PA-C, Physician Assistant/Department of Surgery, St. Cloud Orthopedic Associates, Ltd., St. Cloud, MN. **Other:** The Surgery Department Criteria, Criteria for Surgical Assistants and Radiology Department Criteria were approved as presented with no changes recommended.

CEO Report- Mike Schramm:

- A. Employee Recognition Week: The following ceremonies were held last week in honor of Hospital Week/Employee Recognition Week which included: 1) My Nurse Made the Difference luncheon and awards ceremony. 2) Employees Exemplifying Excellence Awards and Ice Cream Social. 3) Employee Recognition Day in which a breakfast, lunch and dinner was held to honor employees who achieved 10, 15, 20, 25, 30, 35 and 40 years of service to Rice Memorial Hospital. 100 employees were honored at this year's Employee Recognition day events.
- B. Physician Recruitment: 1) Recruitment efforts continue in the areas of Urology, OB/GYN, Primary Care as well as Hospitalist Services. 2) A contract has been signed with an Orthopedic Surgeon who will begin work at APMC/RMH on or before July 1. 3) A new Medical Oncologist will be joining the Willmar Regional Cancer Center in early 2014.
- C. Strategic Plan Update: Work continues on the Hospital's Strategic plan in the following areas: 1) Medical Staff Staffing Plan. 2) Alignment. 3) Hospital Readmission rates. 4) Service lines. 5) Mental Health Services analysis review, which will take place with the Executive Team later this month.
- D. Rice Home Medical: Groundbreaking for the new Redwood Falls store location took place on May 7. The project is moving forward with Marcus Construction as the Construction Management firm for the project.
- E. Facility Space Planning Update: 1) Meetings with key stakeholders will be scheduled with the new space planning team/firm, Perkins & Will. 2) Currently working with Piper Jaffray in regard to the Hospital's debt capacity as we move forward with space planning for Rice.

New Business:

- A. Rice Health Foundation (RHF) Board: President Anfinson presented the proposed RHF Board nominations effective May, 2013. **ACTION: A motion was made by Directors Fischer, seconded by Director Smith and carried that the proposed nominations for the Rice Health Foundation Board of Directors be approved as presented and recommended: 1) Jonathan Kreps – second term, ending May, 2016. 2) Amy Ellingson, M.D., second term, ending May, 2016. 3) Lara Duininck, third term, ending May, 2016.** The Rice Health Foundation Board Officers elected for the period June, 2013 – May, 2014 are as follows: President, Tom Johnson; Vice President, Lara Duininck; Treasurer, Jonathan Kreps; and Secretary, Dr. Amy Ellingson.
- B. Willmar Medical Services (WMS): Mike Schramm and Bill Fenske reviewed information in regard to the WMS Medical Imaging project, as follows: 1) Although the project will be substantially financed through WMS, the renovation will occur in Rice Hospital and thus public bidding requirements apply. 2) This renovation was value-engineered out of the 2002 Hospital project along with Lab and Dietary departments for budgetary consideration. 3) The need for the renovation has been thoroughly reviewed and discussed by the WMS Operations Committee. 4) Included in the Medical Imaging Project are renovations to three Hospital Departments: a) Rice Health Foundation. b) Wound Ostomy & Continence (WOC). c) Pulmonary Rehab. 5) The

original project costs were estimated at \$2.58 million of which bids and other cost estimates are now projected at \$2.17 million or \$415,000 less than projected. The Hospital's share of the Project is estimated at 25% of the total Project or \$548,000 with WMS costs estimated at \$1.6 million. **ACTION: A motion was made by Director Fischer, seconded by Director Gardner and carried that the Rice Memorial Hospital Board of Directors approve the Medical Imaging Renovation Project bids in the amount of \$1,678,477; and that Rice Administration be authorized to commence construction by June, 2013.**

- C. Rice Care Center (RCC) Project F: Mike Schramm and Bill Fenske reviewed for the Board a summary of the proposed RCC short-stay project addition in regard to the following: 1) Current status – 23 short stay rooms, all private; 48 long stay rooms which include 7 doubles (55 beds in total). 2) Proposed status – 30 short-stay rooms – all private; 48 long stay rooms which include 2 doubles (married couples). 3) Justification: a) Private Rooms. b) Demand for services. 4) Recommendation: To proceed with Project F, adding seven short-stay beds to commence construction in the Summer, 2013. 5) Financial summary: Project cost - \$2.1 million with an estimated internal rate of return of 6.2% over 10 years. The project would not require state approval (except for normal building code compliance) as incremental state funding would not be requested in order to commence the construction this Summer. **ACTION: A motion was made by Director Fischer, seconded by Director Gardner, and carried that the Rice Memorial Hospital Board of Director authorize Administration to commence construction documents as well as seek bids for Rice Care Center's proposed Project F which includes the addition of seven short-stay beds.**
- D. Rice Home Medical (RHM) Liability Agreement: Proposed changes to The Limited Liability Company Agreement of Rice Home Medical, LLC were reviewed in regard to: 1) Change in structure of the agreement. 2) The changes are being made as a result of acquiring Rice Health Foundation's membership interest in RHM. 3) Proposed language changes to the agreement. 4) Change in ownership from multiple organization ownership to a sole owner of RHM. **ACTION: A motion was made by Director Allen, seconded by Director Fischer and carried to approve the proposed Resolution of the Board of Directors of Rice Memorial Hospital Acting as the Sole Member of Rice Home Medical, LLC.**
- E. Policy Approvals: Wendy Ulferts reviewed for the Board proposed policy revisions in order for the Hospital to maintain compliance with EMTALA regulations, as follows: 1) Emergency Examination and Transfers Policy: a) This policy lays out the Hospital's process for the stabilization of its patients through the Emergency Services and Obstetrics Departments. b) Most of the language revisions are in regard to the addition of Obstetrics into the language/document. c) Cross-referencing the language from the Law into the policy. d) The addition of non-retaliation language into the policy. 2) On-call physician policy: a) The addition of Obstetrics language into the policy as well as the definition of on-call physicians and the attending physician being called. b) Language changes relative to Obstetrics and its process whereby the Labor and Delivery nurse contacts the OB physician and initiates the chain of command. c) The addition of attending physician and non-emergency/emergency language. 3) Evaluating the Status of the Potential Labor Patient. a) The language was reviewed in order to make certain it was current in regard to telephone triage, screening process for OB patients, documentation in the log book, as well as the transfer process. 4) Provider Contact Procedure. This policy was cross-referenced with the Hospital's on-call physician policy. 5) Chain of Command policy. **ACTION: A motion was made by Director Smith, seconded by Director Allen and carried that the proposed revisions to Rice Memorial Hospital's EMTALA policies be approved as presented and recommended.**

Old Business – None.

Committee Reports:

- A. Building & Facilities Committee: The Committee met earlier today and in attendance were Directors Weiberg, Gardner and Fischer.
- B. Rice Health Foundation Board (RHF) Meeting: The Board met on April 18. In attendance were Directors Smith, Gardner and Anfinson. Director Anfinson was also in attendance at the RHF Donor Recognition Dinner held on April 25.

- C. Willmar Medical Services (WMS): The WMS Board met on April 23. In attendance were Directors Gardner and Anfinson.
- D. Board E.C.: The Board's Executive Committee met on May 9. In attendance were Directors Gardner, Anfinson and Cederstrom.
- E. Employee Recognition Week Events: Director Anfinson was in attendance at the My Nurse Made the Difference Luncheon as well as the Employee Recognition Breakfast and Awards ceremony.

Adjournment: There being no further business, the meeting was adjourned at 6:40 pm.

Submitted by: Jenna Fischer, Secretary

sr

**RESOLUTION OF THE BOARD OF DIRECTORS OF
RICE MEMORIAL HOSPITAL
ACTING AS THE SOLE MEMBER OF RICE HOME MEDICAL, LLC**

RECITALS:

WHEREAS, the Rice Memorial Hospital, an instrumentality of the City of Willmar ("Hospital") entered into a Limited Liability Company Agreement with the Rice Health Foundation, a Minnesota non-profit corporation ("Foundation") to establish Rice Home Medical, LLC (the "Company"), effective as of December 30, 1997 to engage in the operation of a durable medical equipment company in the area of the City of Willmar, Minnesota;

WHEREAS, the Hospital has acquired the Foundation's membership interest in the Company such that the Hospital owns 100% of the membership interests in the Company and is the sole member of the Company; and

NOW, THEREFORE, in consideration of the foregoing recitals:

BE IT RESOLVED, that, the Limited Liability Company Agreement by and between Rice Memorial Hospital and Rice Home Medical, LLC, attached hereto as Exhibit A, is hereby approved.

IN WITNESS WHEREOF, the undersigned has executed the foregoing effective as of May 15, 2013.

David Anderson President

[Signature] Secretary

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
MAY 28, 2013

The Municipal Utilities Commission met in its regular meeting on Tuesday, May 28, 2013 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Steve Salzer, Jerry Gesch, Jeff Nagel and Joe Gimse. Absent were Commissioners Matt Schrupp, Dan Holtz and Carol Laumer.

Others present at the meeting were: General Manager Wesley Hompe, Manager of Electric Services Jeff Kimpling, Director of Water/Heating Bart Murphy, Director of Finance Tim Hunstad, Director of Electric Production Jon Folkedahl, Customer Service Supervisor Stacy Stien, Power Supply Broker Chris Carlson, Assistant Electrical Engineer Jeron Smith, City Attorney Robert Scott (via teleconference), Councilman Bruce DeBlieck, and WC Tribune Journalist Dave Little.

President Salzer opened the meeting by requesting a resolution to approve the Consent Agenda. Following a review, Commissioner Gesch offered a resolution to approve the Consent Agenda as presented. Commissioner Nagel seconded.

RESOLUTION NO. 22

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Consent Agenda be approved as presented which includes:

- ❖ Minutes from the May 13, 2013 Commission meetings; and,
- ❖ Bills represented by vouchers No. 130819 to No. 130951 inclusive in the amount of \$964,104.56 including a MISO credit in the amount of \$92.11.

Dated this 28th day of May, 2013.

President

ATTEST:

Secretary

The foregoing resolution was adopted by a vote of four ayes and zero nays.

Commissioner Gesch (Planning Committee member) reviewed with the Commission minutes from the May 15th WMU Planning Committee meeting. Old business reviewed included the computer system upgrade, the northside underground electrical system, and the permanent placement project for the WMU's diesel generators. New business primarily discussed focused on power supply issues including the interconnection agreement with Xcel and various purchase power activities. Following discussion, Commissioner Gimse offered a motion to approve the minutes of the May 15th WMU Planning Committee meeting as presented. Commissioner Nagel seconded the motion which carried by a vote of four ayes and zero nays.

Assistant Electrical Engineer Smith made a request to the Commission to approve the bid award for the Mobile Substation Transformer Repair II Project. Smith noted that three bids had been received

for the project which had been budgeted in the amount of \$350,000 for the repair work. Each of the bids had been evaluated and conformed to the bid specification requirements. Following a review and concurrency by City Attorney Scott, it was the recommendation of Staff to award the bid for the Mobile Substation Transformer Repair II Project to T & R Electric Supply Co., Inc. of Colman, South Dakota, for their bid of \$181,876.20, subject to successful and satisfactory completion of the requirements and specifications of the contract documents. It was also the recommendation to purchase the optional five-year extended warranty in the amount of \$11,000. Following discussion, Commissioner Gesch offered a resolution to approve the bid with T & R Electric Supply for the Mobile Substation Transformer Repair II Project including the five-year extended warranty for a total of \$192,876.20. Commission Gimse seconded.

RESOLUTION NO. 23

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the bid for the Mobile Substation Transformer Repair II Project be awarded to T & R Electric Supply Co., Inc. of Colman, South Dakota, for their bid of \$181,876.20 plus the five-year extended warranty in the amount of \$11,000 for a total project bid of \$192,876.20."

Dated this 28th day of May, 2013.

President

ATTEST:

Secretary

The foregoing resolution was adopted by a vote of four ayes and zero nays.

Director of Finance Hunstad reviewed with the Commission a request to make adjustments to the 2013-2017 Capital Improvements Budget. The four proposed adjustments would be:

1. In Power Production, \$25,000 is being moved from 2014 to 2013 to provide for the engineering & planning for the coal area runoff project.
2. In G&A, a separate project is being established for the Administrative System Conversion Project. There is no increase or decrease in funding requirements.
3. Electric meters were inadvertently not included in the budget. This is a \$55,000 per year item.
4. Due to the delay in delivery of the Line Dept. truck in 2012, transfer \$58,000 of the \$105,000 unused 2012 Budget to the 2013 Line Dept. Vehicle Replacement Budget.

Following a review of the proposed budget adjustments, Commissioner Nagel offered a resolution to approve the 2013-2017 Capital Improvements Budget as presented. Commissioner Gesch seconded.

RESOLUTION NO. 24

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the four proposed adjustments to the 2013-2017 Capital Improvements Budget be approved as presented."

Dated this 28th day of May, 2013.

President

ATTEST:

Secretary

The foregoing resolution was adopted by a vote of four ayes and zero nays.

Director of Finance Hunstad reviewed with the Commission the April 20, 2013 Investment Report and the April 2013 Financial Report. These were for information only.

General Manager Hompe reminded the Commission of the upcoming Strategic Planning Session scheduled to be held on Saturday, June 1st. The session will begin at 9:00 a.m. at the Willmar Conference Center (Gallery 1). The purpose of the meeting will be to create a strategic plan that will include the vision, mission and future direction of the Willmar Municipal Utilities. Dave Unmacht of Springsted, Inc. will act as the meeting facilitator.

Customer Service Supervisor Stien informed the Commission of the winning entries submitted this year for the Tom Bovitz Memorial Scholarship sponsored by the Willmar Municipal Utilities and MMUA. The applicants submit a 500-1,000 word essay on "Municipal Utilities - Good for All of Us". The entries are submitted by Willmar High School Seniors who reside in the city of Willmar. The first place entry and winner of a \$750 scholarship is Kristof Jensen. The second place entry and winner of a \$250 scholarship was Katherine Clarke. Scholarship awards were distributed by Commissioner Gesch on May 24th at the Cap & Gown Day ceremony.

General Manager Hompe informed the Commissioners of upcoming meetings and conferences to note. These items include:

1. WMU Labor Committee Meeting - May 31st @ 7:00 a.m. (WMU Conference Room)
2. Strategic Planning Session - June 1st beginning at 9:00 a.m. (Willmar Conference Center)
3. APPA National Conference - June 14-19 (Nashville, TN)
4. MMUA Summer Conference - August 19-21 (Madden's Resort - Brainerd)

There being no further business to come before the Commission, Commissioner Nagel made a motion to adjourn the meeting. Commissioner Gimse seconded the motion, and the meeting was adjourned by a vote of four ayes and zero nays

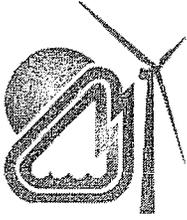
Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Jeff Kimpling
Manager of Electric Services

ATTEST:

Jerry Gesch, Secretary



WILLMAR MUNICIPAL UTILITIES

WMU Planning Committee Minutes Wednesday, May 15, 2013 - 10:00 a.m. WMU Conference Room

Present: Dan Holtz (Chair), Jerry Gesch, Jeff Nagel, Wesley Hompe, Jeron Smith, Jon Folkedahl and Tim Hunstad.

Old Business:

- Computer system upgrade project manager: RFP approved by Commission at 5/13/13 mtg.; RFP to secure consulting services to assist in upgrading system has been distributed to eleven vendors to date.
- Northside Underground Electric Distribution System: Anticipate updating the fault locators and a portion of the three-phase service in this area.
Related subject: Will create a procedure to distribute system outage notifications.
- Diesel Generators Pad Project: We would like to establish permanent foundations for our six diesel generators. RFPs were sent out for this project. Proposal was received in the amount of \$70,000 for all the design, engineering and construction management work for this project. Plan to convert all the mobile generators to permanent containment units (buildings). Additional detailed specifics are required prior to establishing the direction of this project. Additional clarifications are needed.

New Business:

- Interconnection Agreement with Xcel:

Have been conferring with consultant Bob Jablon from the firm of Spiegel & McDiarmid of Washington, DC, regarding this agreement. Mr. Jablon is an expert in the transmission power contract field. Continuing to work and discuss clarification to reach an agreement with Xcel for this contract.

- Purchase Power Activities:

a. GRE Negotiations: WMU will present GRE with a counter proposal in the near future (possibly June). The current contract expires Dec. 31, 2015. Will contact SAIC to update current Power Supply Study to assist in addressing this issue. Current and future contract options were further discussed.

b. CMMPA Coalition: Preliminary cost for the study would be estimated at a total of \$100,000. At this time, the study being proposed would be divided between six entities to participate. Our share would be \$25,000. The parties involved would include CMMPA, Willmar, Cedar Falls, Upper Midwest Municipal Utilities, Western Wisconsin Municipals, and Great Lakes Utilities. Options and future projects of the coalition were discussed. The Committee is in favor of continuing further discussions regarding the CMMPA Coalition. No action was required at this time.

c. Status report of the current Power Plant overhaul project was given. The overhaul has been going well. Waiting for delivery of parts required for the repairs to be completed while the plant is down.

Agenda item for next WMU Planning Committee meeting:

- Coal unloading system proposal (photos of NDSU's similar project will be included)

Adjournment:

Following discussion, Commissioner Holtz offered a motion to adjourn the meeting of the WMU Planning Committee at 11:29 a.m. Commissioner Gesch seconded the motion which carried by a vote of three ayes and zero nays.

WMU Planning Committee Meeting - April 15, 2013

Vendor Payments History Report
INCLUDES ONLY POSTED TRANS

| VENDOR NAME AND NUMBER CHECK# DATE DESCRIPTION | AMOUNT | CLAIM | INVOICE | PO# | F S 9 BX M | ACCOUNT NAME | ACCOUNT |
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| AB VACUUM CENTER 36429 05/29/13 SHOP VAC REPAIR-PARTS | 53.33 | | 302 | | D M 07 | MTCE. OF EQUIPME | 101.43425.0224 |
| AFFILIATED MED CENTERS 36430 05/29/13 FIRE FIGHTER PHYSICALS | 1,340.85 | | 4911012/5-13 | | D N | SUBSISTENCE OF P | 101.42412.0337 |
| AFFORDABLE PUMPING SERVI 36431 05/29/13 SEPTIC PUMPING | 250.00 | | 21355 | | D N | CLEANING AND WAS | 230.43430.0338 |
| ARROWHEAD SCIENTIFIC INC 36432 05/29/13 EVIDENCE SUPPLIES | 75.00 | | 63297 | | D N | GENERAL SUPPLIES | 101.42411.0229 |
| BACKES TECHNOLOGY SERVIC 36433 05/29/13 CHECKED FIRE ALARM SYS. | 50.00 | | 11858 | | D N | MTCE. OF STRUCTU | 101.43425.0335 |
| BAKER ELECTRIC SERVICES 36434 05/29/13 LIGHTING RETROFIT | 5,554.00 | | 10853 | | D N | BUILDINGS AND ST | 450.42412.0551 |
| 36434 05/29/13 LIGHTING RETROFIT | 302.35 | | 10854 | | D N | BUILDINGS AND ST | 450.42412.0551 |
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| BATTERY WHOLESAL INC 36435 05/29/13 BATTERY | 138.93 | | 14473 | | D N | MTCE. OF EQUIPME | 651.48484.0224 |
| BERNICK'S PEPSI-COLA CO 36436 05/29/13 OFFICE COFFEE | 78.96 | | 7664 | | D N | GENERAL SUPPLIES | 101.43425.0229 |
| BOLLIG INC 36437 05/29/13 PROFESSIONAL SERVICES | 47,380.11 | | 2335 | | D N | PROFESSIONAL SER | 432.48504.0446 |
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| BSE 36438 05/29/13 COMPRESSOR FUSE | 3.78 | | 905520063 | | D N | MTCE. OF EQUIPME | 101.45433.0224 |
| 36438 05/29/13 CONDUIT | 48.51 | | 905527817 | | D N | MTCE. OF STRUCTU | 101.45433.0225 |
| 36438 05/29/13 ELECTRICAL BOX FUSES | 116.92 | | 905539600 | | D N | MTCE. OF STRUCTU | 101.45433.0225 |
| 36438 05/29/13 ELEC. PARTS | 570.24 | | 905611107 | | D N | MTCE. OF STRUCTU | 101.43425.0225 |
| 36438 05/29/13 ELEC PARTS | 10.37 | | 905615461 | | D N | MTCE. OF STRUCTU | 101.43425.0225 |
| 36438 05/29/13 ELEC PARTS | 149.11 | | 905617222 | | D N | MTCE. OF STRUCTU | 101.43425.0225 |
| 36438 05/29/13 ELEC PARTS | 67.01CR | | 905627324 | | D N | MTCE. OF STRUCTU | 101.43425.0225 |
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| BSN SPORTS INC 36439 05/29/13 SOFTBALL SUPPLIES | 436.48 | | 95326826 | | D N | GENERAL SUPPLIES | 101.45432.0229 |
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| CARD SERVICES 36441 05/29/13 CONCESSION SUPPLIES 002552 | 37.48 | | 040513 | | D N | GENERAL SUPPLIES | 101.45433.0229 |
| 36441 05/29/13 CONCESSION SUPPLIES | 17.41 | | 040612 | | D N | GENERAL SUPPLIES | 101.45433.0229 |
| 36441 05/29/13 CONCESSION SUPPLIES | 8.58 | | 040712 | | D N | GENERAL SUPPLIES | 101.45433.0229 |
| 36441 05/29/13 CONCESSION SUPPLIES | 88.50 | | 041814 | | D N | GENERAL SUPPLIES | 101.45433.0229 |
| 36441 05/29/13 CONCESSION SUPPLIES | 12.64 | | 041912 | | D N | GENERAL SUPPLIES | 101.45433.0229 |
| 36441 05/29/13 COFFEE/CUPS/SUPPLIES | 38.08 | | 042311 | | D N | GENERAL SUPPLIES | 101.41408.0229 |
| 36441 05/29/13 CONCESSION SUPPLIES | 54.88 | | 042512 | | D N | GENERAL SUPPLIES | 101.45433.0229 |
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| CENTERPOINT ENERGY 000467 | | | | | | | |
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| 36443 05/29/13 NATURAL GAS CHARGES | 792.05 | | 6007939/5-13 | | D N | UTILITIES | 101.43425.0332 |
| 36443 05/29/13 NATURAL GAS CHARGES | 12.82 | | 6038773/5-13 | | D N | UTILITIES | 101.43425.0332 |
| 36443 05/29/13 NATURAL GAS CHARGES | 452.49 | | 6061271/5-13 | | D N | UTILITIES | 101.45433.0332 |
| 36443 05/29/13 NATURAL GAS CHARGES | 19.87 | | 6069198/5-13 | | D N | UTILITIES | 101.43425.0332 |
| 36443 05/29/13 NATURAL GAS CHARGES | 269.06 | | 6084836/5-13 | | D N | UTILITIES | 101.45435.0332 |
| 36443 05/29/13 NATURAL GAS CHARGES | 532.19 | | 6085332/5-13 | | D N | UTILITIES | 101.42412.0332 |
| 36443 05/29/13 NATURAL GAS CHARGES | 383.84 | | 6102726/5-13 | | D N | UTILITIES | 101.42412.0332 |
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| 36443 05/29/13 NATURAL GAS CHARGES | 224.41 | | 8503501/5-13 | | D N | UTILITIES | 651.48485.0332 |
| 36443 05/29/13 NATURAL GAS CHARGES | 362.47 | | 8512023/5-13 | | D N | UTILITIES | 651.48485.0332 |
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| | 7,874.80 | | | | | | |
| | 7,874.80 | | | | | | |
| VENDOR TOTAL | | | | | | | |
| CHAPPELL CENTRAL INC 000156 | | | | | | | |
| 36444 05/29/13 SELVIG FOUNTAIN LINER | 542.65 | | 00127978 | | D N | MTCE. OF OTHER I | 101.43425.0226 |
| 36444 05/29/13 SELVIG FOUNTAIN PARTS | 125.54 | | 00127979 | | D N | MTCE. OF OTHER I | 101.43425.0226 |
| | 668.19 | | *CHECK TOTAL | | | | |
| VENDOR TOTAL | | | | | | | |
| CHARTER COMMUNICATIONS 000736 | | | | | | | |
| 36445 05/29/13 MONTHLY PHONE SERVICE | 44.79 | | 0594/6-13 | | D N | COMMUNICATIONS | 101.41409.0330 |
| 36445 05/29/13 MONTHLY PHONE SERVICE | 155.82 | | 1251/6-13 | | D N | COMMUNICATIONS | 101.41409.0330 |
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Vendor Payments History Report
INCLUDES ONLY POSTED TRANS

| VENDOR NAME AND NUMBER CHECK# DATE DESCRIPTION | AMOUNT | CLAIM | INVOICE | PO# | F S 9 BX M | ACCOUNT NAME | ACCOUNT |
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| GAERJELSON/BROOKE 36456 05/29/13 REFUND-CANCELLED SOCCER .01995 | 30.00 | | 052813 | | D N | REFUNDS AND REIM | 101.41428.0882 |
| GAUER/JIM 36457 05/29/13 WONDERWARE ROAD SHOW 000989 | 118.65 | | 042613 | | D N | TRAVEL-CONF.-SCH | 651.48484.0333 |
| 36457 05/29/13 BIO-SOLIDS TRAINING | 73.45 | | 050813 | | D N | TRAVEL-CONF.-SCH | 651.48484.0333 |
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| GENERAL MAILING SERVICES 000293 | | | | | | | |
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| 36458 05/29/13 POSTAGE 05/06 - 05/10/13 | 2.39 | | 534 | | D N | POSTAGE | 101.42412.0223 |
| 36458 05/29/13 POSTAGE 05/06 - 05/10/13 | 0.56 | | 534 | | D N | POSTAGE | 101.43417.0223 |
| 36458 05/29/13 POSTAGE 05/06 - 05/10/13 | 1.12 | | 534 | | D N | POSTAGE | 101.43425.0223 |
| 36458 05/29/13 POSTAGE 05/06 - 05/10/13 | 2.59 | | 534 | | D N | POSTAGE | 101.45433.0223 |
| 36458 05/29/13 POSTAGE 05/06 - 05/10/13 | 3.15 | | 534 | | D N | POSTAGE | 230.43430.0223 |
| 36458 05/29/13 POSTAGE 05/06 - 05/10/13 | 0.56 | | 534 | | D N | POSTAGE | 651.48484.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 0.81 | | 563 | | D N | POSTAGE | 101.41400.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 74.40 | | 563 | | D N | POSTAGE | 101.41401.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 12.88 | | 563 | | D N | POSTAGE | 101.41402.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 7.13 | | 563 | | D N | POSTAGE | 101.41403.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 2.80 | | 563 | | D N | POSTAGE | 101.41405.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 15.00 | | 563 | | D N | POSTAGE | 101.41408.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 14.27 | | 563 | | D N | POSTAGE | 101.41409.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 0.56 | | 563 | | D N | POSTAGE | 101.42411.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 0.56 | | 563 | | D N | POSTAGE | 101.42412.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 1.12 | | 563 | | D N | POSTAGE | 101.43417.0223 |

| VENDOR NAME AND NUMBER CHECK# DATE DESCRIPTION | AMOUNT | CLAIM | INVOICE | PO# | F S 9 BX M | ACCOUNT NAME | ACCOUNT |
|---------------------------------------------------|--------------|--------------|------------|-----|------------|------------------|----------------|
| GENERAL MAILING SERVICES 000293 | | | | | | | |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 4.76 | | 563 | | D N | POSTAGE | 101.43425.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 25.11 | | 563 | | D N | POSTAGE | 101.45432.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 2.74 | | 563 | | D N | POSTAGE | 230.43430.0223 |
| 36458 05/29/13 POSTAGE 05/13 - 05/17/13 | 2.80 | | 563 | | D N | POSTAGE | 651.48484.0223 |
| 36458 05/29/13 UPS CHARGES | 26.05 | | 9277 | | D N | POSTAGE | 101.42411.0223 |
| 36458 05/29/13 UPS CHARGES | 20.69 | | 9277 | | D N | POSTAGE | 101.42412.0223 |
| 36458 05/29/13 UPS CHARGES | 12.57 | | 9277 | | D N | POSTAGE | 101.45435.0223 |
| 36458 05/29/13 UPS CHARGES | 17.11 | | 9277 | | D N | POSTAGE | 651.48484.0223 |
| VENDOR TOTAL | 612.97 | *CHECK TOTAL | | | | | |
| GRAINGER INC 000786 | | | | | | | |
| 36459 05/29/13 HVAC FILTERS | 220.08 | | 9141606997 | | D N | MTCE. OF EQUIPME | 651.48484.0224 |
| HAUG IMPLEMENT CO - JOHN 000324 | | | | | | | |
| 36460 05/29/13 FUEL ADDITIVE | 51.18 | | 126316 | | D N | GENERAL SUPPLIES | 651.48486.0229 |
| HAWKINS INC 000325 | | | | | | | |
| 36461 05/29/13 FERRIC CHLORIDE | 4,894.61 | | 3464954 RI | | D N | GENERAL SUPPLIES | 651.48484.0229 |
| 36461 05/29/13 FERRIC CHLORIDE | 4,679.19 | | 3468219 RI | | D N | GENERAL SUPPLIES | 651.48484.0229 |
| VENDOR TOTAL | 9,573.80 | *CHECK TOTAL | | | | | |
| HERITAGE BANK 000001 | | | | | | | |
| 36428 05/23/13 INVESTMENT | 445,000.00 | | | | D N | INVESTMENTS | 205.109000 |
| 36428 05/23/13 INVESTMENT | 196,000.00 | | | | D N | INVESTMENTS | 296.109000 |
| 36428 05/23/13 INVESTMENT | 101,000.00 | | | | D N | INVESTMENTS | 302.109000 |
| 36428 05/23/13 INVESTMENT | 28,000.00 | | | | D N | INVESTMENTS | 303.109000 |
| 36428 05/23/13 INVESTMENT | 2,000.00 | | | | D N | INVESTMENTS | 304.109000 |
| 36428 05/23/13 INVESTMENT | 27,000.00 | | | | D N | INVESTMENTS | 305.109000 |
| 36428 05/23/13 INVESTMENT | 166,000.00 | | | | D N | INVESTMENTS | 308.109000 |
| 36428 05/23/13 INVESTMENT | 2,000.00 | | | | D N | INVESTMENTS | 309.109000 |
| 36428 05/23/13 INVESTMENT | 33,000.00 | | | | D N | INVESTMENTS | 310.109000 |
| VENDOR TOTAL | 1,000,000.00 | *CHECK TOTAL | | | | | |
| HILLYARD FLOOR CARE SUPP 000333 | | | | | | | |
| 36462 05/29/13 FLOOR SCRUBBER REPAIR | 721.09 | | 700081710 | | D N | MTCE. OF EQUIPME | 101.45427.0224 |
| 36462 05/29/13 FLOOR SCRUBBER REPAIR | 121.50 | | 700081710 | | D N | MTCE. OF EQUIPME | 101.45427.0334 |
| VENDOR TOTAL | 842.59 | *CHECK TOTAL | | | | | |
| HUSEBY/SHELLY .01996 | | | | | | | |
| 36463 05/29/13 REFUND BASEBALL FEE | 60.00 | | 051613 | | D N | REFUNDS AND REIM | 101.41428.0882 |
| HYDRITE CHEMICAL CO 002837 | | | | | | | |
| 36464 05/29/13 MAGNESIUM HYDROXIDE | 8,970.00 | | 01595200 | | D N | GENERAL SUPPLIES | 651.48484.0229 |

Vendor Payments History Report
INCLUDES ONLY POSTED TRANS

| VENDOR NAME AND NUMBER CHECK# DATE DESCRIPTION | AMOUNT | CLAIM | INVOICE | PO# | F S 9 | BX M | ACCOUNT NAME | ACCOUNT |
|-------------------------------------------------------------------------|----------|-------|--------------|-----|-------|------|------------------|----------------|
| IMAGE TREND INC 002910 36465 05/29/13 PROFESSIONAL SERVICES | 500.00 | | 21402 | | D N | | PROFESSIONAL SER | 101.42412.0446 |
| JOE'S APPLIANCE SERVICE 001764 36466 05/29/13 WASHING MACHINE REPAIR | 72.50 | | 055696 | | D N | | MTCE. OF EQUIPME | 651.48484.0334 |
| JOHN DEERE GOV'T & NAT'L 002339 36467 05/29/13 JOHN DEERE GATOR | 7,955.53 | | 112766460 | | D N | | MACHINERY AND AU | 450.43425.0553 |
| KANDI STEEL CO 000867 36468 05/29/13 STEEL-CAT WALK PROJECT | 826.37 | | 8364 | | D N | | MTCE. OF STRUCTU | 101.45433.0225 |
| KANDIYOHI CO RECYCLING A 002296 36469 05/29/13 LAMP RECYCLING | 339.00 | | 050113 | | D N | | BUILDINGS AND ST | 450.42412.0551 |
| LAINEZ/VIRGILIO .01278 36470 05/29/13 REFUND-CANCELLED SOCCER | 30.00 | | 052813 | | D N | | REFUNDS AND REIM | 101.41428.0882 |
| LOU'S GLOVES INC .01997 36471 05/29/13 DISPOSABLE GLOVES | 87.00 | | 003075 | | D N | | GENERAL SUPPLIES | 651.48484.0229 |
| M-R SIGN CO INC 000424 36472 05/29/13 STREET SIGNS | 277.21 | | 176272 | | D N | | MTCE. OF OTHER I | 101.43425.0226 |
| MACVB 001218 36473 05/29/13 FISCHER-SUMMIT CONF. | 40.00 | | 00005 | | D N | | TRAVEL-CONF.-SCH | 208.45005.0333 |
| MADSEN/KEVIN 001127 36474 05/29/13 MIAMA SPRING CONFERENCE | 139.30 | | 301 | | D N | | TRAVEL-CONF.-SCH | 101.45433.0333 |
| MAIN STREET WILLMAR 001558 36475 05/29/13 PLANTING EVENT/MIXER | 50.00 | | 052813 | | D N | | PROFESSIONAL SER | 101.41401.0446 |
| MARES/ARMANDO .01998 36476 05/29/13 REFUND-CANCELLED SOCCER | 30.00 | | 052813 | | D N | | REFUNDS AND REIM | 101.41428.0882 |
| MEARS/KATIE .01999 36477 05/29/13 REFUND-CANCELLED SOCCER | 30.00 | | 052813 | | D N | | REFUNDS AND REIM | 101.41428.0882 |
| MENARDS 000449 36478 05/29/13 PLUMBING PARTS | 19.74 | | 21634 | | D N | | MTCE. OF STRUCTU | 101.43425.0225 |
| 36478 05/29/13 PLANT SUPPLIES | 4.30 | | 22376 | | D N | | MTCE. OF OTHER I | 651.48484.0226 |
| 36478 05/29/13 ROPE FOR EXT. LADDER | 15.48 | | 22404 | | D N | | GENERAL SUPPLIES | 651.48484.0229 |
| 36478 05/29/13 SUPPLIES | 17.58 | | 22588 | | D N | | GENERAL SUPPLIES | 101.45433.0229 |
| VENDOR TOTAL | 57.10 | | *CHECK TOTAL | | | | | |
| METRO SALES INC 003016 36479 05/29/13 HARD DRIVE | 218.03 | | 131420 | | D N | | GENERAL SUPPLIES | 101.42411.0229 |

| VENDOR NAME AND NUMBER CHECK# DATE DESCRIPTION | AMOUNT | CLAIM | INVOICE | PO# | F S 9 BX M | ACCOUNT NAME | ACCOUNT |
|------------------------------------------------------------------------------------|--------------------------------|-------|------------------------|-----|------------|-------------------|----------------|
| METRO SALES INC 36479 05/29/13 COPIER MTCE CHARGE-MAY 003016 VENDOR TOTAL | 261.54 479.57 479.57 | | 523325 *CHECK TOTAL | | D N | MTCE. OF EQUIPME | 741.48001.0334 |
| MINN WEST TECHNOLOGY CAM 36480 05/29/13 1ST 1/2 TAX ABATEMENT 002565 | 22,746.16 | | FT000521 | | D N | REFUNDS AND REIM | 101.41428.0882 |
| MINNEAPOLIS FINANCE DEPA 36481 05/29/13 PROFESSIONAL SERVICES 000466 | 210.60 | | 400413003968 | | D N | PROFESSIONAL SER | 101.42411.0446 |
| MN CITY\COUNTY MGMT ASSN 36482 05/29/13 MCMA MEMBERSHIP DUES 000445 | 47.46 | | 052913 | | D N | PREPAID EXPENSES | 101.128000 |
| 36482 05/29/13 MCMA MEMBERSHIP DUES VENDOR TOTAL | 95.04 142.50 142.50 | | 052913 *CHECK TOTAL | | D N | SUBSCRIPTIONS AN | 101.41400.0443 |
| MN DEPT OF HEALTH 36483 05/29/13 HOSPITALITY FEE 002797 | 35.00 | | 052913 | | D N | LICENSES AND TAX | 101.45433.0445 |
| MN DEPT OF REVENUE 187 05/17/13 SALES TAX-APRIL 000492 | 1,134.00 | | SMT/4-13 | | M N | SALES TAX PAYABL | 101.206000 |
| 187 05/17/13 USE TAX-APRIL | 1,222.49 | | SMT/4-13 | | M N | SALES TAX PAYABL | 101.206000 |
| 187 05/17/13 USE TAX-APRIL | 48.65 | | SMT/4-13 | | M N | SMALL TOOLS | 101.43425.0221 |
| 187 05/17/13 DIESEL FUEL TAX-APRIL | 426.64 | | SMT/4-13 | | M N | MOTOR FUELS AND | 101.43425.0222 |
| 187 05/17/13 USE TAX-APRIL | 142.86 | | SMT/4-13 | | M N | MOTOR FUELS AND | 101.43425.0222 |
| 187 05/17/13 USE TAX-APRIL | 19.23 | | SMT/4-13 | | M N | MOTOR FUELS AND | 230.43430.0222 |
| 187 05/17/13 USE TAX-APRIL | 0.28 | | SMT/4-13 | | M N | GENERAL SUPPLIES | 230.43430.0229 |
| 187 05/17/13 USE TAX-APRIL | 633.07 | | SMT/4-13 | | M N | GENERAL SUPPLIES | 651.48484.0229 |
| 187 05/17/13 DIESEL FUEL TAX-APRIL | 62.44 | | SMT/4-13 | | M N | MOTOR FUELS AND | 651.48485.0222 |
| 187 05/17/13 DIESEL FUEL TAX-APRIL | 18.79 | | SMT/4-13 | | M N | MOTOR FUELS AND | 651.48486.0222 |
| 187 05/17/13 USE TAX-APRIL VENDOR TOTAL | 7.58CR 2,700.87 2,700.87 | | *CHECK TOTAL | | M N | MOTOR FUELS AND | 651.48486.0222 |
| MN LEGAL REGISTER 36484 05/29/13 ANNUAL SUBSCRIPTION 000501 | 95.00 | | 201373 | | D N | PRINTING AND PUB | 101.41404.0331 |
| MN LODGING ASSOCIATION 36485 05/29/13 MEMBERSHIP DUES 002391 | 97.87 | | 40506 | | D N | PREPAID EXPENSES | 208.128000 |
| 36485 05/29/13 MEMBERSHIP DUES VENDOR TOTAL | 137.13 235.00 235.00 | | 40506 *CHECK TOTAL | | D N | SUBSCRIPTIONS AN | 208.45005.0443 |
| MN POLLUTION CONTROL AGE 36486 05/29/13 HATZINGER-SEMINAR REGIS. 000512 | 300.00 | | 052813 | | D N | TRAVEL-CONF. -SCH | 651.48484.0333 |
| MN TRAILS 36487 05/29/13 ADVERTISING 001462 | 600.00 | | 7874 | | D N | ADVERTISING | 208.45006.0447 |

| VENDOR NAME AND NUMBER CHECK# DATE DESCRIPTION | AMOUNT | CLAIM | INVOICE | PO# | F S 9 BX M | ACCOUNT NAME | ACCOUNT |
|-----------------------------------------------------------------------------|----------|--------|-------------|-----|------------|------------------|----------------|
| MN TRAILS 36487 05/29/13 ADVERTISING 001462 | 369.00 | | 7874 | | D N | OTHER CHARGES | 208.45010.0449 |
| VENDOR TOTAL | 969.00 | *CHECK | TOTAL | | | | |
| MONOPRICE INC 36488 05/29/13 COMPUTER CABLES 002794 | 26.92 | | 8244874 | | D N | GENERAL SUPPLIES | 101.41409.0229 |
| MWOA 36489 05/29/13 GAUER-CONFERENCE REGIS. 000545 | 225.00 | | 052813 | | D N | TRAVEL-CONF.-SCH | 651.48484.0333 |
| NCL OF WISCONSIN INC 36490 05/29/13 LAB SUPPLIES 001627 | 239.44 | | 321284 | | D N | GENERAL SUPPLIES | 651.48484.0229 |
| NORDIN/CHARMAINE 36491 05/29/13 REFUND-CANCELLED SOCCER 02000 | 30.00 | | 052813 | | D N | REFUNDS AND REIM | 101.41428.0882 |
| NORTH CENTRAL BUS & EQUI 36492 05/29/13 CAGE-CSO VAN #128728 002958 | 398.28 | | 195541 | | D N | MACHINERY AND AU | 450.42411.0553 |
| NORTHERN STATES SUPPLY 36493 05/29/13 DRILL BITS 000585 | 60.73 | | 10-504868 | | D N | SMALL TOOLS | 101.43425.0221 |
| 36493 05/29/13 BOLTS | 71.57 | | 10-504897 | | D N | MTCE. OF EQUIPME | 101.45433.0224 |
| 36493 05/29/13 STEEL RAIL FOR TRUCK | 53.15 | | 10-504941 | | D N | MTCE. OF EQUIPME | 101.43425.0224 |
| 36493 05/29/13 PAINT MARKER/SUPPLIES | 47.77 | | 10-504947 | | D N | GENERAL SUPPLIES | 101.45433.0229 |
| 36493 05/29/13 STEEL RAIL FOR TRUCK | 26.58 | | 58CR | | D N | MTCE. OF EQUIPME | 101.43425.0224 |
| 36493 05/29/13 WASHERS | 4.23 | | 10-505143 | | D N | MTCE. OF EQUIPME | 101.43425.0224 |
| 36493 05/29/13 BATTERIES | 7.79 | | 10-505143 | | D N | GENERAL SUPPLIES | 101.43425.0229 |
| 36493 05/29/13 12" ADJUSTABLE WRENCH | 32.16 | | 10-505176 | | D N | SMALL TOOLS | 101.43425.0221 |
| 36493 05/29/13 SUPPLIES | 7.15 | | 10-505352 | | D N | GENERAL SUPPLIES | 101.45433.0229 |
| 36493 05/29/13 PLIERS | 34.25 | | 10-505506 | | D N | SMALL TOOLS | 101.43425.0221 |
| 36493 05/29/13 CABLE TIES | 17.27 | | 10-505506 | | D N | GENERAL SUPPLIES | 101.43425.0229 |
| 36493 05/29/13 SHOVELS/RAKES | 311.38 | | 10-505616 | | D N | SMALL TOOLS | 101.43425.0221 |
| 36493 05/29/13 LOCATE PAINT | 121.87 | | 10-505617 | | D N | GENERAL SUPPLIES | 101.43425.0229 |
| 36493 05/29/13 #130813-TURNBUCKLES | 62.50 | | 10-505618 | | D N | GENERAL SUPPLIES | 101.43425.0229 |
| 36493 05/29/13 LOCATE PAINT | 26.53 | | 10-505621 | | D N | MTCE. OF EQUIPME | 101.43425.0224 |
| 36493 05/29/13 LOCATE PAINT | 59.37 | | 10-505631 | | D N | GENERAL SUPPLIES | 101.43417.0229 |
| 36493 05/29/13 LOCATE PAINT | 224.43 | | 10-505631 | | D N | GENERAL SUPPLIES | 413.48451.0229 |
| 36493 05/29/13 SMALL TOOLS | 100.630 | | 100630 | | D N | SMALL TOOLS | 101.45433.0221 |
| VENDOR TOTAL | 1,174.94 | *CHECK | TOTAL | | | | |
| O'REILLY AUTOMOTIVE INC 36494 05/29/13 #98TCCW-FUEL PUMP 000650 | 64.11 | | 1528-216816 | | D N | MTCE. OF EQUIPME | 101.43425.0224 |
| PETERSON *PETTY CASH/BR 36495 05/29/13 TO REIMBURSE PETTY CASH 000609 | 3.96 | | 052013 | | D N | GENERAL SUPPLIES | 101.41400.0229 |
| 36495 05/29/13 TO REIMBURSE PETTY CASH | 3.15 | | 052013 | | D N | POSTAGE | 101.43417.0223 |

| VENDOR NAME AND NUMBER CHECK# DATE DESCRIPTION | AMOUNT | CLAIM INVOICE | PO# | F S 9 BX M | ACCOUNT NAME | ACCOUNT |
|---------------------------------------------------|----------|---------------|-----|------------|------------------|----------------|
| PETERSON *PETTY CASH/BR 000609 | | | | | | |
| 36495 05/29/13 TO REIMBURSE PETTY CASH | 7.50 | 052013 | | D N | GENERAL SUPPLIES | 101.43417.0229 |
| 36495 05/29/13 TO REIMBURSE PETTY CASH | 19.37 | 052013 | | D N | MOTOR FUELS AND | 101.43425.0222 |
| 36495 05/29/13 TO REIMBURSE PETTY CASH | 37.73 | 052013 | | D N | GENERAL SUPPLIES | 101.43425.0229 |
| VENDOR TOTAL | 37.71 | *CHECK TOTAL | | | | |
| PLUMBING & HEATING OF WI 000618 | | | | | | |
| 36496 05/29/13 REPL. SINK TRAP/TAIL PC | 8.00 | 16014 | | D N | MTCE. OF STRUCTU | 101.45427.0225 |
| 36496 05/29/13 REPL. SINK TRAP/TAIL PC | 70.00 | 16014 | | D N | MTCE. OF STRUCTU | 101.45427.0335 |
| VENDOR TOTAL | 78.00 | *CHECK TOTAL | | | | |
| PRO ACTION 001782 | | | | | | |
| 36497 05/29/13 CSO UNIFORMS | 1,662.76 | 10588 | | D N | SUBSISTENCE OF P | 101.42411.0227 |
| 36497 05/29/13 CSO UNIFORMS | 363.29 | 10595 | | D N | SUBSISTENCE OF P | 101.42411.0227 |
| 36497 05/29/13 CSO UNIFORMS | 312.93 | 10613 | | D N | SUBSISTENCE OF P | 101.42411.0227 |
| VENDOR TOTAL | 2,338.98 | *CHECK TOTAL | | | | |
| RICOH USA INC 002101 | | | | | | |
| 36498 05/29/13 COPIER LEASE AGRMT | 675.45 | 89110574 | | D N | RENTS | 741.48001.0440 |
| ROTARY CLUB OF WILLMAR 000829 | | | | | | |
| 36499 05/29/13 QUARTERLY MEALS | 135.50 | 540 | | D N | SUBSISTENCE OF P | 101.41400.0227 |
| 36499 05/29/13 QUARTERLY DUES JAN-MAR | 35.00 | 540 | | D N | SUBSCRIPTIONS AN | 101.41400.0443 |
| VENDOR TOTAL | 170.50 | *CHECK TOTAL | | | | |
| ROTH CHEVROLET 000662 | | | | | | |
| 36500 05/29/13 #104490 REPAIR-PARTS | 107.78 | 05844 | | D N | MTCE. OF EQUIPME | 101.42411.0224 |
| 36500 05/29/13 #104490 REPAIR-LABOR | 225.00 | 05844 | | D N | MTCE. OF EQUIPME | 101.42411.0334 |
| VENDOR TOTAL | 332.78 | *CHECK TOTAL | | | | |
| SAFARILAND LLC 003020 | | | | | | |
| 36501 05/29/13 RED BOX SEALING TAPE | 105.09 | I13-063377 | | D N | GENERAL SUPPLIES | 101.42411.0229 |
| 36501 05/29/13 FORENSIC SUPPLIES | 160.63 | I13-066121 | | D N | GENERAL SUPPLIES | 101.42411.0229 |
| VENDOR TOTAL | 265.72 | *CHECK TOTAL | | | | |
| SCHAEFBAUER/SAMUHL .02001 | | | | | | |
| 36502 05/29/13 SAFETY BOOTS | 125.00 | 052913 | | D N | SUBSISTENCE OF P | 101.42411.0227 |
| SMEEY/ROSS 002570 | | | | | | |
| 36503 05/29/13 REIMB. FOR SUPPLIES | 48.07 | 309 | | D N | GENERAL SUPPLIES | 101.41409.0229 |
| SPRINGSTED INCORPORATED 000705 | | | | | | |
| 36504 05/29/13 PROFESSIONAL SERVICES | 1,650.00 | R03289 | | D N | PROFESSIONAL SER | 302.47100.0446 |

| VENDOR NAME AND NUMBER CHECK# DATE DESCRIPTION | AMOUNT | CLAIM | INVOICE | PO# | F S 9 BX M | ACCOUNT NAME | ACCOUNT |
|--------------------------------------------------------------------------|----------|-------|--------------|-----|------------|-------------------|----------------|
| STAR TRIBUNE 36505 05/29/13 SUBSCRIPTION RENEWAL 000710 | 92.30 | | 7986818/5-13 | | D N | SUBSCRIPTIONS AN | 101.41402.0443 |
| TASC 36506 05/29/13 ADMIN FEE 002856 | 428.00 | | 3200227689 | | D N | REFUNDS AND REIM | 101.41428.0882 |
| THOMPSON/JUDY 36507 05/29/13 MAAO SUMMER SEMINAR 000949 | 196.49 | | 052213 | | D N | TRAVEL-CONF. -SCH | 101.41404.0333 |
| VIGIL/RUDY 36508 05/29/13 DO YOU KNOW SHOW-MILEAGE 000951 | 67.82 | | 052913 | | D N | TRAVEL-CONF. -SCH | 101.41409.0333 |
| WAL-MART COMMUNITY 36509 05/29/13 DONUTS-SAFETY TRAINING 000789 | 5.00 | | 041513 | | D N | SAFETY PROGRAM | 101.42428.0817 |
| 36509 05/29/13 COFFEE | 37.12 | | 042313 | | D N | SUBSISTENCE OF P | 101.42411.0227 |
| 36509 05/29/13 BATTERIES | 11.72 | | 042313 | | D N | GENERAL SUPPLIES | 101.42411.0229 |
| 36509 05/29/13 OFFICE SUPPLIES | 59.28 | | 042313 | | D N | OFFICE SUPPLIES | 651.48484.0220 |
| 36509 05/29/13 BATTERIES | 29.12 | | 042313 | | D N | GENERAL SUPPLIES | 651.48484.0229 |
| 36509 05/29/13 SHOP TOOLS | 7.98 | | 042513 | | D N | SMALL TOOLS | 651.48484.0221 |
| 36509 05/29/13 EVIDENCE SUPPLIES | 62.03 | | 050813 | | D N | GENERAL SUPPLIES | 101.42411.0229 |
| VENDOR TOTAL | 212.25 | | *CHECK TOTAL | | | | |
| WANNER/CONNIE 36510 05/29/13 GUIDE DISTRIBUTION 01457 | 50.00 | | 050613 | | D N | OTHER SERVICES | 208.45006.0339 |
| WEST CENTRAL COMMUNICATI 36511 05/29/13 SPEAKER MIC 000796 | 80.16 | | 075094S | | D N | MTCE. OF EQUIPME | 101.42411.0224 |
| 36511 05/29/13 INST. ANTENNA/CABLE | 67.47 | | 075421S | | D N | MTCE. OF EQUIPME | 101.43425.0224 |
| 36511 05/29/13 INST. ANTENNA/CABLE | 90.00 | | 075421S | | D N | MTCE. OF EQUIPME | 101.43425.0334 |
| VENDOR TOTAL | 237.63 | | *CHECK TOTAL | | | | |
| WEST CENTRAL STEEL INC 36512 05/29/13 2013 TAX ABATEMENT 000806 | 4,747.78 | | 052313 | | D N | REFUNDS AND REIM | 101.41428.0882 |
| WEST CENTRAL TRIBUNE 36513 05/29/13 NOTICE PUBLISHED 000807 | 71.25 | | CL03051786 | | D N | PRINTING AND PUB | 101.41401.0331 |
| 36513 05/29/13 NOTICE PUBLISHED | 125.40 | | CL03051787 | | D N | PRINTING AND PUB | 101.41401.0331 |
| 36513 05/29/13 NOTICE PUBLISHED | 22.80 | | CL03051831 | | D N | PRINTING AND PUB | 101.41401.0331 |
| 36513 05/29/13 NOTICE PUBLISHED | 34.20 | | CL03052068 | | D N | PRINTING AND PUB | 101.41401.0331 |
| 36513 05/29/13 NOTICE PUBLISHED | 19.95 | | CL03052195 | | D N | PRINTING AND PUB | 101.41401.0331 |
| 36513 05/29/13 ORDINANCE PUBLISHED | 57.00 | | CL03052296 | | D N | PRINTING AND PUB | 101.41401.0331 |
| 36513 05/29/13 ORDINANCE PUBLISHED | 79.80 | | CL03052297 | | D N | PRINTING AND PUB | 101.41401.0331 |
| VENDOR TOTAL | 410.40 | | *CHECK TOTAL | | | | |
| WILLMAR CHAMBER OF COMME 36514 05/29/13 MAIL PICKUP FEE-APR 000812 | 50.00 | | 38368 | | D N | POSTAGE | 208.45005.0223 |

Vendor Payments History Report
INCLUDES ONLY POSTED TRANS

| VENDOR NAME AND NUMBER CHECK# DATE DESCRIPTION | AMOUNT | CLAIM | INVOICE | PO# | F S 9 B X M | ACCOUNT NAME | ACCOUNT |
|----------------------------------------------------------------------------------|----------------------------|-------|-----------------------|-----|-------------|-----------------|----------------|
| WILLMAR CHAMBER OF COMME 36514 05/29/13 WORKER'S COMP PREMIUM VENDOR TOTAL | 438.02 488.02 488.02 | | 38369 *CHECK TOTAL | | D N | EMPLOYER INSUR. | 208.45005.0114 |
| WILLMAR DESIGN CENTER 36515 05/29/13 EXPENSE REIMBURSEMENT | 2,906.32 | | 052313 | | D N | DOWNTOWN ITEMS | 101.41428.0820 |
| WILLMAR H.R.A. 36516 05/29/13 AUCTION PROCEEDS | 121.50 | | 051613 | | D N | OTHER SERVICES | 101.41428.0339 |

ACS FINANCIAL SYSTEM
05/30/2013 10:06:18

CITY OF WILLMAR
GL540R-V07.23 PAGE 12

Vendor Payments History Report
INCLUDES ONLY POSTED TRANS

| VENDOR NAME AND NUMBER | CHECK# | DATE | DESCRIPTION | AMOUNT | CLAIM | INVOICE | PO# | F | S | 9 | EX | M | ACCOUNT NAME | ACCOUNT |
|------------------------|--------|------|-------------|--------|-------|---------|-----|---|---|---|----|---|--------------|---------|
|------------------------|--------|------|-------------|--------|-------|---------|-----|---|---|---|----|---|--------------|---------|

REPORT TOTALS:

1,219,705.25

RECORDS PRINTED - 000245

ACS FINANCIAL SYSTEM
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Vendor Payments History Report

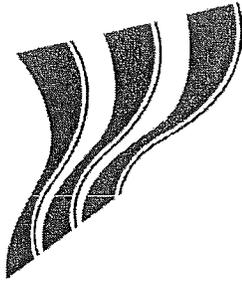
CITY OF WILLMAR
 GL060S-V07.23 RECAPPAGE
 GL540R

FUND RECAP:

| FUND | DESCRIPTION | DISBURSEMENTS |
|-----------------|------------------------------|---------------|
| 101 | GENERAL FUND | 82,810.64 |
| 205 | INDUSTRIAL DEVELOPMENT | 445,000.00 |
| 208 | CONVENTION & VISITORS BUREAU | 1,793.78 |
| 230 | WILLMAR MUNICIPAL AIRPORT | 560.81 |
| 296 | PUBLIC WORKS RESERVE | 196,000.00 |
| 302 | D.S. - 2002 BOND | 102,650.00 |
| 303 | D.S. - 2003 BOND | 28,000.00 |
| 304 | D.S. - 2004 BOND | 2,000.00 |
| 305 | D.S. - 2005 BOND | 27,000.00 |
| 308 | D.S. - 2008 BOND | 166,000.00 |
| 309 | D.S. - 2009 BOND | 2,000.00 |
| 310 | D.S. - 2010 BOND | 33,000.00 |
| 413 | S.A.B.F. - #2013 | 59.37 |
| 432 | C.P. - WASTE TREATMENT | 58,630.11 |
| 450 | CAPITAL IMPROVEMENT FUND | 14,549.16 |
| 651 | WASTE TREATMENT | 58,714.39 |
| 741 | OFFICE SERVICES | 936.99 |
| TOTAL ALL FUNDS | | 1,219,705.25 |

BANK RECAP:

| BANK | NAME | DISBURSEMENTS |
|-----------------|---------------|---------------|
| HERT | HERITAGE BANK | 1,219,705.25 |
| TOTAL ALL BANKS | | 1,219,705.25 |



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION**

Agenda Item Number: 1

Meeting Date: June 3, 2013

Attachments: Yes No

CITY COUNCIL ACTION

Date:

- Approved Denied
 Amended Tabled
 Other

Originating Department: Planning & Development Services

Agenda Item: Public Hearing on an Ordinance for a text amendment regarding garage door heights

Recommended Action: Staff recommends that the Ordinance be adopted, assigned a number, and published.

Background/Summary: The Planning Commission initiated the text amendment which changes garage door height maximums from 10' to 12'. This amendment allows for RV's and some other recreational vehicles to be stored within garages instead of in yards etc., but limits the storage of commercial sized vehicles.

Alternatives: Not amend the text.

Financial Considerations: N/A

Preparer: Megan M. DeSchepper, AICP
Planner/Airport Manager

Signature: *Megan M DeSchepper*

Comments:

ORDINANCE NO. _____

AN ORDINANCE AMENDING NO. 1060
KNOWN AS THE WILLMAR ZONING ORDINANCE
BY AMENDING SECTION 3 RELATING TO
GARAGE DOOR HEIGHT

The City Council of City of Willmar does ordain as follows:

SECTION 6. Ordinance 1060 is hereby amended by adding to SECTION 3.E.6. so as to read as follows:

6. Garages. Only one (1) detached garage with a maximum gross area of one thousand (1,000) square feet shall be permitted in residential districts. No door or other access opening shall exceed ~~ten~~ *twelve (12)* feet in height. The exterior color, design, and materials shall be similar to the principal structure. If not constructed at time of the principal structure, the future garage plans shall be indicated on the general site plan.

EFFECTIVE DATE. This Ordinance shall be effective from and after its adoption and second publication.

This Ordinance introduced by Council Member: Anderson

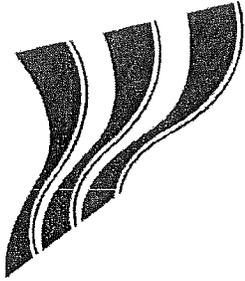
This Ordinance introduced on: May 20, 2013

This Ordinance published on: May 25, 2013

This Ordinance given a hearing on: _____

This Ordinance adopted on: _____

This Ordinance published on: _____



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION**

Agenda Item Number: 8
Meeting Date: June 3, 2013
Attachments: Yes No

CITY COUNCIL ACTION

Date:

- Approved Denied
 Amended Tabled
 Other

Originating Department: Fire Department

Agenda Item: CenterPoint Energy Donation to Willmar Fire Department

Recommended Action:

Pass resolution to accept donation of \$2,500 from CenterPoint Energy for the purchase of a Thermal Imaging Camera for the Willmar Fire Department

Background/Summary: Debra Wodash with CenterPoint Energy has been in contact with the Fire Chief Gary Hendrickson regarding the donation of funds.

Alternatives:

Financial Considerations: \$2,500 would go towards the purchase of a Thermal Imaging Camera

Preparer: Gary Hendrickson, Fire Chief

Signature:

Comments:

RESOLUTION NO. _____

WHEREAS, the Willmar Fire Department has received a donation in the amount of \$2,500 from CenterPoint Energy for the purchase of a Thermal Imaging Camera;

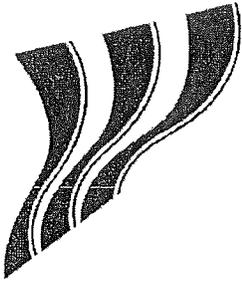
NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota, that the City accept the donation from CenterPoint Energy and that the City Administrator be directed to express the community's appreciation.

Dated this 3rd day of June, 2013.

MAYOR

Attest:

CITY CLERK



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION**

Agenda Item Number: 9

Meeting Date: June 3, 2013

Attachments: Yes No

CITY COUNCIL ACTION

Date:

- Approved Denied
 Amended Tabled
 Other

Originating Department: City Administrator

Agenda Item: Willmar Fests Ambassadors Presentation

Recommended Action: Receive for information.

Background/Summary: Lori Tostenson with Willmar Fests has requested to appear before the Mayor and Council to present the 2013 Willmar Fest Royalty and review the events for the community celebration.

Alternatives:

Financial Considerations:

Preparer: City Administrator

Signature:

Comments:

LABOR RELATIONS COMMITTEE

MINUTES

The Labor Relations Committee of the Willmar City Council met on Wednesday, May 29, 2013, in Conference Room #1 at the City Office Building.

| | | | |
|----------|------------------|-------|--------------------|
| Present: | Steve Ahmann | | Chair |
| | Jim Dokken | | Member |
| | Denis Anderson | | Member |
| | Ron Christianson | | Member |
| | Charlene Stevens | | City Administrator |

Others present included Frank Madden, Labor Attorney via conference call.

Item No. 1 The meeting was called to order Council Member Ahmann at 4:50 p.m.

Item No. 2 Chair Ahmann asked if there was any public comment and there was none.

Item No. 3 Closed Session Pursuant to Minn. Stat. §13D.03 to Discuss Labor Negotiation Strategies.

Council Member Anderson moved to close the meeting at 4:55 p.m. for the purpose of discussing labor negotiation strategies pursuant to Minn. Stat. §13D.03. Council Member Christianson seconded the motion, which carried.

The meeting was reopened at 5:50 p.m. upon motion by Council Member Anderson, seconded by Council Member Christianson, and carried.

Item No. 4 Public Works Superintendent Retirement and Authorization to Fill Vacancy.

City Administrator Stevens stated that a vacancy would occur in the Public Works Superintendent position due to retirement in July and asked for authorization to fill the vacancy. Ms. Stevens stated that the position was critical to operations and would remain the same in any of the proposed realignment strategies.

Following discussion, a motion was made by Council Member Anderson, seconded by Council Member Dokken, and carried to authorize advertisement and filling of the vacancy for Public Works Superintendent due to retirement with an internal advertisement occurring before an external advertisement.

Item No 5: Old Business

There was no old business.

Item No. 6: New Business

Council Member Anderson raised the idea of a Council retreat to occur in late summer or fall, ideally at an off-site location. Committee Members stated it would be important for all Council Members to participate. Council Member Anderson made a motion, seconded by Council Member Dokken, to

have the City Administrator begin plans for a Council retreat to be held in fall of 2013 at an offsite location with a facilitator to be determined. The motion carried.

Chair Ahmann raised the issue of Minnesota Data Practices, adhering to the law and City policy to educate and make Council Members aware. Ms. Stevens reminded the Council that a copy of the policy had been sent electronically to them and that the purpose of the policy and the law was to protect private employee data.

Chair Ahmann also raised the issue of succession planning and knowledge transfer as employees retire. Chair Ahmann suggested that the Willmar Municipal Utility was implementing a program that might serve as a model for the City.

Chair Ahmann also commented on recognition of good employee performance and how that might be best communicated. It was suggested to forward compliments and/or concerns through the City Administrator's office, which would be passed on appropriately.

There being no further business, the meeting was adjourned at 6:30 p.m. on a motion by Council Member Anderson, seconded by Council Member Christianson, and carried

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Charlene Stevens', with a long horizontal flourish extending to the right.

Charlene Stevens,
City Administrator

**COMMUNITY DEVELOPMENT COMMITTEE
CITY OF WILLMAR, MINNESOTA
THURSDAY, MAY 30, 2013**

MINUTES

The Community Development Committee of the Willmar City Council met on Thursday, May 30, 2013, in Conference Room No.1 at the City Office Building. Chair Fagerlie called the meeting to order at 4:45pm.

Present:

| | |
|----------------|-----------------------------------------------|
| Rick Fagerlie | Chair |
| Bruce DeBlieck | Council Member |
| Tim Johnson | Council Member |
| Jim Dokken | Council Member |
| Bruce Peterson | Director of Planning and Development Services |

Others present: Frank Yanish – Mayor, Audrey Nelsen – Council Member, Steve Renquist – EDC Director, David Little – West Central Tribune

1. PUBLIC COMMENTS (FOR INFORMATION ONLY)

There were no public comments.

2. TAX INCREMENT FINANCING AND TAX ABATEMENT UPDATE (FOR INFORMATION ONLY)

Staff provided an update on the City's historical use of tax increment financing and tax abatement tools to assist business and industry (See Attachment A). It was noted that at one time the City had 16 tax increment districts, but as of 2012 all districts had been decertified. The Committee was informed that the City has used tax abatement to assist five businesses. One of those businesses has had their abatement retired and three of the remaining four will expire by the end of 2016. With changes to the tax increment financing legislation, tax abatement has become the tool of choice for economic development.

3. TAX ABATEMENT POLICY (MOTION)

Staff presented a draft policy for the use of tax abatement (See Attachment B). The City Council had requested that staff draft a policy to be used to review and evaluate requests for tax abatement. Staff said that it was necessary to keep the policy simple. The draft policy includes sections on purpose, statutory authority, eligible uses, approval criteria, evaluation criteria, project financing, and application and fees.

Following discussion, a motion was made by Council member Dokken, seconded by Council member DeBlieck and passed for the following:

RECOMMENDATION: To adopt the policy as presented.

4. **NEW BUSINESS**

The Committee discussed the advantages of eliminating paper agendas and meeting packets. Staff informed the Committee that there will be a request in the 2014 Capital Budget for the necessary software and equipment to move to an electronic agenda system.

Council member Johnson requested that staff provide an update on enforcement of residential maintenance violations.

5. **FUTURE AGENDA ITEMS**

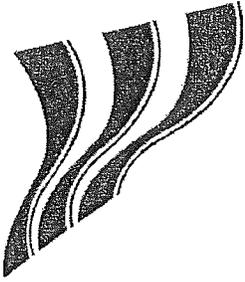
Staff is preparing information on garbage and waste disposal to be reviewed by the Committee at a future meeting.

6. There being no further business to come before the Committee, the meeting adjourned at 5:30pm.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Bruce Peterson', written over a horizontal line.

Bruce Peterson, AICP
Director of Planning and Development Services



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: _____

Meeting Date: May 30, 2013

Attachments: Yes No

CITY COUNCIL ACTION

Date: _____

- | | |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other | |

Originating Department: Planning and Development Services

Agenda Item: Tax Increment Financing and Tax Abatement Update

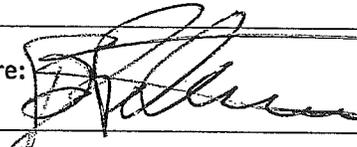
Recommended Action: Receive for information

Background/Summary: The City of Willmar has used tax increment financing and tax abatement as economic development tools on a variety of successful projects. Those projects are detailed on the attachment.

Alternatives: N/A

Financial Considerations: N/A

Preparer: Bruce D. Peterson

Signature: 

Comments:

TAX INCREMENT FINANCING AND TAX ABATEMENT IN THE CITY OF WILLMAR

TIF Districts/Projects

Beginning in the late 1970's, the City of Willmar has created 14 tax increment financing districts to assist worthy projects. Those projects were:

- Accurpress *
- Bethesda Sunrise Village **
- Brinton Veterinary Supply *
- Cashwise ***
- Center City ****
- Conference Center *
- Highland Apartments **
- Jennie-O (2) *
- Lakeview BK ****
- Phoenix on Fifth ****
- Relco *
- Shared Health Resources ****
- Shuttlecraft *
- Somody Supply *
- West Central Steel *

* Economic Development District

** Housing District

*** Soils Connection District

**** Redevelopment District

As of 2012, all districts had been decertified and financial management completed. No additional State reporting will be required, unless new TIF projects are funded.

All districts were created as per statute, and all the related projects were successfully completed with no negative impact to the City.

TIF offered the City a tool to assist with a variety of projects that increased the tax base and created many jobs, in addition to maintaining jobs and stabilizing the downtown.

Changes to TIF statutes have reduced its desirability as an economic development tool. Given the right set of circumstances, it could be a tool used for future projects.

Tax Abatement Projects

The City first used tax abatement as an economic development tool in 2004 to assist Gurley's Foods with a major expansion. Since then, tax abatement has been used to assist four other projects. Those projects (and abatement terms) are summarized as follows:

- Gurley's Foods – expires 2015 – abatement not to exceed \$34,700
- Northern Factory Sales – expired 2012 – abatement totaled \$17,371
- Minn West Technology Campus – expires 2016 – abatement on non-JOBZ properties
- West Central Steel – expires 2016 – abatement not to exceed \$44,500
- Torgerson Properties – 2016 to 2025 – abatement not to exceed \$189,750

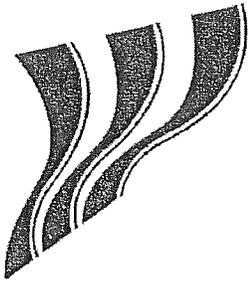
Like the TIF projects, each abatement project has been successful, reflecting the proper use of the tool.

Business subsidy reports are filed annually with the Minnesota Department of Employment and Economic Development for qualifying abatement projects.

State statutes limit the total amount of property taxes to be abated annually to the greater of 10% of the current levy or \$200,000. The total amount abated by the City has not exceeded 25% of the allowable limit or \$50,000. With the expiration of the Minn West abatement in 2016, that figure will be reduced to \$23,050, as only the Torgerson abatement will remain.

Summary

The City, should be proud of the prudent use of these tools and the economic benefits provided to the community.



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: _____

Meeting Date: May 30, 2013

Attachments: Yes No

CITY COUNCIL ACTION

Date: _____

- Approved Denied
- Amended Tabled
- Other

Originating Department: Planning and Development Services

Agenda Item: Tax Abatement Policy

Recommended Action: Adopt the draft policy as presented or amended

Background/Summary: The Council requested that specific policies for the use of tax abatement be drafted. After conducting research and reviewing a number of other tax abatement policies, the attached policy is presented to the Committee as a recommended policy that will guide the use of tax abatement as an economic development tool, while at the same time providing the City the flexibility they need to consider and make informed decision on tax abatement requests.

- Alternatives:**
1. Adopt the policy as presented.
 2. Amend the policy for adoption.
 3. Refer back to staff for additional research or information.

Financial Considerations: The policy presents no financial considerations, except the ramifications of each abatement approved.

Preparer: Bruce D. Peterson

Signature:

Comments:

**CITY OF WILLMAR
TAX ABATEMENT POLICY**

1. PURPOSE

1.01 The purpose of this policy is to establish the City of Willmar's position as it relates to the use of tax abatement. This policy shall be used as a guide in processing and reviewing applications requesting tax abatement.

2. STATUTORY AUTHORITY

2.01 Pursuant to Minnesota Statutes Chapter 469.1812 through 469.1815, cities are authorized to provide tax abatements for economic development purposes. In accordance with the City of Willmar Business Subsidy Policy, tax abatement requests must comply with applicable state statutes.

3. ELIGIBLE USES

3.01 As a matter of adopted policy, the City of Willmar will consider using tax abatement to assist private development only in those circumstances in which the proposed private projects meet one or more of the following uses:

- A. To redevelop blighted or under-utilized areas of the community.
- B. To meet the following housing-related needs:
 - 1. To provide a diversity of housing not currently provided by the private market.
 - 2. To provide a variety of housing ownership alternatives and housing choices.
 - 3. To promote affordable housing for low or moderate-income individuals.
 - 4. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.
- C. To remove blight and encourage redevelopment in the commercial and industrial areas of the City in order to encourage high levels of property maintenance and provide reinvestment in those areas.
- D. To increase the tax base of the City in order to ensure the long-term ability of the City to provide adequate services for its residents, while lessening the reliance on residential property taxes.
- E. To retain local jobs, increase the local job base, and provide diversity in the job base.

- F. To increase the local business and industrial market potential of the City of Willmar.
- G. To encourage additional unsubsidized private development in the area, either directly, or through secondary "spin-off" development.
- H. To offset increased costs of redevelopment, over and above those costs that a developer would incur in the course of a typical development.
- I. To accelerate the development process and to achieve development on sites which would not be developed without an abatement.

4. PROJECT APPROVAL CRITERIA

4.01 All new tax abatement projects approved by the City of Willmar should meet the following mandatory minimum approval criteria. However, it should not be presumed that a project meeting these criteria would automatically be approved. Meeting these criteria creates no contractual rights for any potential developer.

- A. The abatement shall be provided within applicable state legislative restrictions, State Auditor interpretation, debt limit guidelines, and other appropriate financial requirements and policies.
- B. The project should meet one or more of the uses identified in Section 3, Eligible Uses.
- C. The project must be consistent with the Willmar Comprehensive Land Use Plan and Willmar Zoning Ordinance, or required changes to the Comprehensive Land Use Plan and Zoning Ordinance must be under active consideration by the City at the time of approval.
- D. Assistance will not be provided solely to broaden a developer's profit margins on a project. Prior to consideration of a tax abatement request, the City may undertake an independent underwriting of the project to help ensure that the request for assistance is valid.
- E. Prior to approval of a tax abatement, the developer shall provide any required market and financial feasibility studies, appraisals, soil borings, information provided to private lenders for the project, and other information or data that the City or its financial consultants may require in order to proceed with an independent underwriting.
- F. Any developer requesting tax abatement should be able to demonstrate past successful general development capability, as well as specific capability in the type and size of development proposed.
- G. The developer must retain ownership of the project at least long enough to complete it, to stabilize its occupancy, and to establish the project management.

- H. The level of tax abatement should be reduced to the lowest possible level and least amount of time by maximizing the use of private and equity financing sources or income producing vehicles that can be structured into the project financing, prior to using additional business assistance funding.

5. PROJECT EVALUATION CRITERIA

- 5.01 All projects will be evaluated by the City Council on the following criteria for comparison with other proposed business assistance projects reviewed by the City, and for comparison with other subsidy standards (where appropriate). It is realized that changes in local markets, costs of construction, and interest rates may cause changes in the amount of business assistance subsidies that a given project may require at any given time.
- 5.02 Some criteria, by their very nature, must remain subjective. However, "benchmark" criteria maybe established for review proposes. The fact that a given proposal meets one or more "benchmark" criteria does not mean that it is entitled to funding under this policy, but rather that the City is in position to proceed with evaluations of (and comparisons between) various business assistance proposals, using uniform standards whenever possible.
- 5.03 Following are the evaluation criteria that will be used by the City of Willmar:
 - A. All proposals should, in the opinion of the City Council, optimize the private development potential of a site.
 - B. All proposals should, in the opinion of the City Council, create the highest feasible number of jobs on the site or otherwise satisfy economic development goals and priorities of the City at the time of application. All proposals shall meet the Business Subsidy Policy established by the City.
 - C. Tax abatement will not be separate work provided when the business requesting assistance would be in direct competition with an established business in the community unless it is clearly demonstrated that the business provides a service or use underserved and/or in high demand in the city.
 - D. Tax abatement should usually not be used to support speculative industrial, commercial, and office projects.
 - E. Tax abatement will usually not be used in a project that involves an excessive land and/or property price.
 - F. Tax abatement will not be used when the developer's credentials, in the judgment of the City, are inadequate due to past track record relating to: timeliness and quality level of completed projects, general reputation, bankruptcy, credit worthiness, or other relevant consideration by the City.

- G. Tax abatement will usually not be used for projects that would generate significant environmental problems in the opinion of the local, state, or federal governments.
- H. Tax abatement should not be provided to those projects that fail to meet good public policy criteria as determined by the Council, including: poor project quality; projects that are not in accord with the comprehensive plan, zoning, redevelopment plans, and city policies; projects that provide no benefit or improvement to surrounding land uses, the neighborhood, and/or the City; projects that do not have significant new, or retained, employment; projects that do not meet financial feasibility criteria established by the City' and projects that do not provide the highest and best desired use for the property.

6. PROJECT FINANCING

- 6.01 Tax abatement assistance can be provided in one of two different forms. One form is "pay as you go" wherein the City compensates the applicant for a predetermined amount for a predetermined number of years, allowing a portion of semi-annual tax payments to be repaid to the applicant after payment of property taxes by the applicant. The City will give special consideration to applicants applying for "pay as you go" assistance.
- 6.02 Another form of assistance is "up front" payment to the applicant wherein the City must issue revenue or general obligation bonds. The increased tax generated by the applicant's project is then used for repayment of the bonds. The City, because of the additional risk incurred in case of default, does not look upon this form of assistance favorably.

7. APPLICATION AND FEES

- 7.01 All requests for tax abatement shall be made using the forms/format required by the City.
- 7.02 The City shall require a deposit in the amount of \$2,500 from the applicant for the City to investigate the feasibility of providing tax abatement assistance to the applicant's project. If the costs reach the deposited amount, the City shall notify the applicant in writing and the applicant will be required to deposit additional funds prior to any additional work on the project being completed. If the tax abatement is approved and the applicant proceeds with the project, the City shall reimburse the applicant the amount of the deposit as an eligible abatement project cost. If the applicant does not proceed with the project, the City shall reimburse the applicant the unused portion of the deposit.

Dated: June 3, 2013