

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

April 15, 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 Ron Christianson, Steve Ahmann, Audrey Nelsen, Tim Johnson, Jim Dokken, Rick Fagerlie and Bruce DeBlieck; Present 8, Absent 1 - Council Member Denis Anderson was excused from the meeting.

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

An addition to the Agenda included the Willmar Curling Club.

Council Member Christianson offered a motion adopting the Consent Agenda which included the following: City Council Work Session Minutes of April 1, City Council Minutes of April 1, Municipal Utilities Commission Minutes of April 8, Planning Commission Minutes of April 10, Accounts Payable Report through April 10, Building Inspection Report for March, and Community/Activity Center Minutes for April 2, 2013. Council Member Ahmann seconded the motion, which carried.

At 7:02 p.m. Mayor Yanish opened the hearing on a proposed Business Subsidy/Tax Abatement for Torgerson Properties, Inc. Planning and Development Services Director Peterson presented details of the request for tax abatement from Torgerson Properties for the proposed remodel and expansion of the motel/conference center properties on east Highway 12. The Planning Commission has approved the physical plans. Bids came in substantially over budget, thereby prompting the request for tax abatement. The impact to the City over a ten-year period is estimated at just under \$190,000 using the current year tax information as a baseline. It was noted that 30 jobs would be created by the project.

Steve Renquest, Economic Development Commission Executive Director, spoke in support of the proposed abatement noting business subsidies are an economic development tool needed to compete with neighboring cities and encourages businesses to do expansions today, not delay them.

Ken Behm spoke to the comparison of the abatement of public dollars versus public convention center ownership such as St. Cloud and Rochester.

Jerry Gesch spoke with pride of our local business leadership noting a busy conference center, making this tax abatement request very reasonable.

Kimberly Pearson, Torgerson Property Inc. employee, presented her viewpoint of this needed expansion from taking phone calls whereas customers ask about amenities, breakfast offers, elevator convenience, and the need to compete for each hotel stay.

Tom Torgerson, CEO of Torgenson Properties Inc., thanked the Council for the opportunity to present his request for the abatement. He stated his roots are here as a third-generation businessman. Mr. Torgerson noted the conference center doesn't make a profit, which is why most conference centers outstate are publicly owned. He stated the project would lose its punch if it is picked apart, noting the City is best served if 100 percent of the improvements are completed, and the project has grown to nearly \$13 million now. This

project enhances the quality of life, providing Willmar jobs. By the Council supporting the project it is a win-win situation sending the message that we are in this together.

Nancy Stredde offered a comment of the TPI project stating she has no problem with the project, just with a lack of a City tax abatement policy.

Upon hearing all those who wish to be heard, Mayor Yanish closed the hearing at 7:42 p.m. Following discussion, Council Member Fagerlie moved to approve Resolution No. 1 and authorize the Mayor and City Administrator to execute a Tax Abatement and Business Subsidy Agreement in substantial conformance to the draft agreement attached to the staff report. Council Member Nelsen seconded the motion.

Council Member Christianson stated he received calls from citizens concerned about opening the flood gates with other retail expansions such as McDonalds, Burger King and LuLu Beans completed in recent months. He questioned where abatements were going to stop without a policy in place.

Council Member Dokken cautioned the Council to put a policy in place first to fairly judge everybody.

Council Member Johnson noted that abatement is not free money and there is no good history of the outcome of tax abatement projects. He stated the size of our community behooves us to have a conference center and he wasn't aware so many public entities own the conference center in their cities.

Council Member DeBlieck reminded the Council that the City follows the TIF policy and each project always come before the Mayor and Council and each one is weighed on its merits. He further stated the conference center brings tourism and is a great public/private partnership.

Council Member Ahmann voiced frustration with the lack of information and stated this is spending the taxpayers' dollars to help a business. He is concerned about citizens who don't believe in abatements with Council goals going unfunded, yet taxpayers pay for TPI growth. Mr. Ahmann stated that he can't see direct benefits.

Council Member Fagerlie thanked TPI for embarking on the path of expansion noting that the City of Rochester is getting \$37 million from the State of Minnesota for their conference center remodeling. He further stated the proposed expansion is a good project, worthy of the abatement.

Council Member Johnson further noted the agreement calls for job thresholds which reduces the risk. Taxpayers are not at risk unless the City increases its levy.

Council Member Christianson reminded the Council the abatement was cut from original request to a diminishing percentage over the ten years.

Council Member Ahmann moved to amend the offer to a two-year abatement of 100 percent of City portion of the property taxes payable during the construction period and to amend the agreement accordingly. Council Member Christianson seconded the motion for discussion and following additional comments, he withdrew his second. The motion died for the lack of a second.

Council Member Fagerlie moved to close the debate with Council Member Johnson seconding the motion, which carried on the required two-thirds threshold.

Resolution No. 1 then carried on a roll vote of Ayes 6, Noes 1 – Council Member Ahmann voted “No.”

#### RESOLUTION NO. 1

#### RESOLUTION APPROVING PROPERTY TAX ABATEMENT

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

1. Recitals.
  - a. Torgerson Properties (the "Developer") proposes to construct additions to the motel buildings, as well as remodel the motels and conference center with corresponding exterior improvements (the "Project"). The developer has requested that the City provide financial assistance to the Developer for the project. The City proposes to use tax abatement for the purposes provided for in the Abatement Law (as hereinafter defined), including the Project. The proposed term of the abatement will be for ten years in an amount not to exceed \$189,750. The abatement will apply to a portion of the City's share of the property taxes (the "Abatement") derived from the value of the Project at 2100 East Highway 12 (parcel number 95-913-1010).
  - b. On April 15, 2013 the Council held a public hearing on the question of the Abatement, with proper notice being duly given.
  - c. The Abatement is authorized under Minnesota Statutes, Section 469.1812 through 469.1815 (the "Abatement Law").
2. Findings for the Abatement. The City Council hereby makes the following findings:
  - a. The Council expects the benefits to the City of the Abatement to at least or exceed the costs to the City thereof.
  - b. Granting the Abatement is in the public interest because it will increase or preserve the tax base of the City and provide employment opportunities in the City.
  - c. The Property is not located in a tax increment financing district.
  - d. In any year, the total amount of property taxes abated by the City by this and other resolutions, if any, does not exceed greater of ten percent (10%) of the current levy or \$200,000.
3. Terms of Abatement. The Abatement is hereby approved; provided, however, this approval is contingent upon the approval by Kandiyohi County of an abatement program for the Project upon the same terms as set forth below for the County's share of property tax amount which the County receives from the Property. The terms of the Abatement are as follows:
  - a. The Abatement shall be for ten (10) years and shall apply to the taxes payable in the years 2016 through 2025 inclusive.
  - b. The City will abate a portion of the City's share of property tax amount derived from the Project which the City receives from the Property, not to exceed as follows:
    - 2016-2020 - 100%
    - 2021-2023 - 75%
    - 2024-2025 - 50%
  - c. The Abatement shall be subject to all the terms and limitation of the Abatement Law.
  - d. The Abatement may not be modified or changed during its term.

Dated this 15th day of April, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Mayor Yanish acknowledged Bob Enos who had signed up to address the City Council during its scheduled Open Forum. Mr. Enos noted recent articles in the West Central Tribune that distressed him about Council Member Christianson and Ahmann. He stated that he sent a 300-word editorial to West Central Tribune Editor, but it was returned. Mr. Enos then read his letter to the Council.

Mayor Yanish called for a recess at 8:50 p.m. and reconvened the meeting at 8:56 p.m.

The Finance Committee Report for April 8, 2013, was presented to the Mayor and Council by Council Member Johnson. There were five items for Council consideration.

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

Item No. 2 The Committee considered a revised budget, prepared by Staff, for the Western Interceptor Project. Current estimates show this project qualifies for a PFA loan of \$1,886,812 and a PFA Grant of \$763,205, both of which have been incorporated into the revised budget. In addition, a segment was added to the project within the Industrial Park area which is proposed to be funded with \$345,000 from the Local Option Sales Tax Program.

The Committee was recommending the Council introduce a Resolution setting the Western Interceptor Revised Budget as presented. Resolution No. 2 was introduced by Council Member Johnson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 2

FINAL WESTERN INTERCEPTOR BUDGET

OTHER SERVICES:		RECEIVABLES:	
Mtce of Other Improvements	<u>\$3,875,755.00</u>	LOST Terminal	\$ 345,000.00
Total:	\$3,875,755.00	City Capital Storm Water	571,087.00
OTHER CHARGES:		LOST	1,316,075.00
Professional Services	\$ 498,278.00	(PFA) Loans	1,886,812.00
Other Charges	<u>178,767.00</u>	PFA Grant	<u>763,205.00</u>
Total:	\$ 677,045.00	Total:	\$4,882,179.00
CAPITAL OUTLAY		FINANCING:	
Land and Legal	<u>\$ 329,379.00</u>	LOST Terminal	\$ 345,000.00
Total:	\$ 329,379.00	City Capital Storm Water	571,087.00
GRAND TOTAL:		LOST	1,316,075.00
	\$4,882,179.00	(PFA) Loans	1,886,812.00
		PFA Grant	<u>763,205.00</u>
		Total:	\$ 4,882,179.00

Dated this 15th day of April, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 3 The Committee received the following reports: 2012 Interest/Dividends by Institution; Historical Interest/Dividends 2001 - 2012; 12/31/12 Cash/Investments; 4<sup>th</sup> Quarter, 2012, Investment Activity; Cash/Investment Balances 2001 - 2012; February, 2013, Rice Hospital. Discussion included the decline in interest rates over the past few years, at which time Chair Anderson stated that Bremer Bank has been providing 2.6% interest on Library and County funds deposited there and suggested Staff research this possibility. Also suggested was that the Council receive quarterly reports on a global scale reflecting the revenues/expenditures in relation to the budget. This matter was for information only.

Item No. 4 Staff noted that future agendas include the 2013 Street Improvement funding, Waste Treatment rate adjustments, a report on the Local Option Sales tax fund, 2014 Budget calendar, Public Works Reserve report, and first quarter reports from Rice Memorial Hospital and Willmar Municipal Utilities. This matter was for information only.

Item No. 5 At Chair Anderson's request, Administrator Stevens provided an update on the Local Government Aid (LGA) Bill that the Coalition sponsored. Based on the Governor's new formula, the City of Willmar could receive an additional \$387,000 in LGA. However, there has been some discussion that the LGA Bill may be reduced from \$80 million to \$60 million which could impact this anticipated increase. This matter was for information only.

The Finance Committee Report for April 8, 2013, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Johnson, seconded by Council Member Dokken, and carried.

The Public Works/Safety Committee Report for April 9, 2013, was presented to the Mayor and Council by Council Member Christianson. There were seven items for Council consideration.

Item No. 1 The Committee reviewed a summary of the recent bids opened for five of the 2013 Improvement Projects. At this time the Council is required to declare the costs to be assessed in accordance with the requirements of Chapter 429, State of Minnesota Statutes. The Committee was recommending the Council declare costs to be assessed and order the preparation of the assessment roll for the 2013 Street and Other Improvements.

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

### RESOLUTION NO. 3

#### DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF ASSESSMENT ROLL IN CONNECTION WITH 2013 STREET AND OTHER IMPROVEMENTS (PROJECT NOS. 1301-A, 1301-B, 1303-A, 1303-B and 1305)

WHEREAS, contracts have been let for the construction of Street and Other Improvements of 2013 in the City, to-wit: City Project Nos. 1301-A, 1301-B, 1303-A, 1303-B and 1305 and;

WHEREAS, the total cost of said Street and Other Improvements of 2013 is \$3,804,505.28.

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

1. The City Council hereby determines that the City shall pay \$2,505,968.82 of said cost, exclusive of the amount it may pay as a property owner, and the sum of \$1,298,536.46 shall be assessed against benefited property owners based upon benefits received without regard to cash valuation.

2. The Clerk-Treasurer, with the assistance of the City Engineer, shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land without regard to cash valuation as provided by law, and he shall file a copy of such assessment in his office for public inspection.

3. The Clerk-Treasurer shall, upon the completion of such assessment, notify the City Council thereof.

Dated this 15th day of April, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

The Committee was informed that Staff is in the process of preparing the assessable footage and amounts for each affected property. It is at this time the affected property owners are to be notified of their assessed amount and a hearing date set. The Committee was recommending the Council set an Assessment Hearing for May 6, 2013.

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

RESOLUTION NO. 4

CALLING HEARING ON ASSESSMENTS FOR  
PROJECT NOS. 1301-A, 1301-B, 1303-A, 1303-B AND 1305  
2013 STREET AND OTHER IMPROVEMENTS

WHEREAS, the City Clerk-Treasurer with the assistance of the City Engineer has prepared an assessment roll for Project Nos. 1301-A, 1301-B, 1303-A, 1303-B and 1305 of the 2013 Street and Other Improvements, and said proposed assessment roll is on file with the Clerk-Treasurer and open to public inspection.

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

1. The Clerk-Treasurer shall publish notice that this City Council will meet to consider the proposed assessments on May 6, 2013, at 7:02 p.m. in the Council Chambers, Municipal Utilities Building, 700 West Litchfield Avenue, Willmar, Minnesota.
2. Said notice shall also be mailed to the owners of each parcel of property described in the assessment roll.
3. Such notice shall be in substantially the following form (for notice in its entirety, see City Council minutes file dated April 15, 2013, on file in the City Clerk's Office).
4. Said notice shall be published by the City Clerk-Treasurer in the official newspaper at least two weeks prior to the hearing and mailed by said Clerk-Treasurer to the owners of each parcel described in the assessment roll.

Dated this 15th day of April, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 2 City Planner/Airport Manager Sauer came before the Committee by request to provide a report on the current occupants/owners of the various hangars at the municipal airport. The City has 23 privately-owned hangars. Many of the tenants have remained the same since they were constructed except for three recent sales. The current rental rate for the City-owned hangars is 15 cents per square foot with an increase to 16 cents projected in 2015. This item was for information only.

Item No. 3 The Committee was informed by Staff that as part of the process to alter the Willmar Avenue SW railroad crossing location and create a quiet zone, an agreement and an easement with the railroad are required. The Planning Commission has approved the easement and an appraisal was completed indicating a \$12,500 value. BNSF is requesting \$15,000 which is slightly higher, but Staff believes it is in the City's best interest to pay the requested amount in order to avoid delaying the project. Funding for the crossing is from the LOST program.

The Committee was recommending the Council approve the agreement and easement with BNSF and authorize the Mayor and Administrator to execute the same. Resolution No. 5 was introduced by Council Member Christianson, seconded by Council Member DeBlieck, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 5

WHEREAS, the City of Willmar entered into an agreement with the BNSF Railway Company and the Commissioner of Transportation for the installation and maintenance of a railroad crossing and crossing signals at the intersection of Willmar Avenue SW with the tracks of the BNSF Railway Company at Line Segment 197 and Milepost 1.14, designated by D.O.T. No. 067710A in Willmar, Kandiyohi County, Minnesota. The City's share of the total cost shall be 100 percent; and

WHEREAS, the City of Willmar desires to enter into an easement with BNSF Railway Company for payment compensation for the value of land for a permanent 100' x 100' railroad crossing easement. An easement amount has been approved which allows for compensation valued at \$15,000.00.

NOW THEREFORE BE IT RESOLVED, that the Mayor and City Administrator are hereby authorized to execute said agreement and easement and any amendments thereto for and on behalf of the City.

Dated this 15th day of April, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 4 Captain Felt briefed the Committee and answered questions relating to the Police Department. The newest officer, Ben Hannenan, is nearing completion of his training and expected to be out on patrol sometime in June. It was noted that the DARE graduation is scheduled for April 25, 2013. The question of parking enforcement on Saturdays was discussed and it was the consensus of the Committee to discuss this matter after the parking study information is received. This matter was for information only.

Item No. 5 Fire Chief Hendrickson reported that there have been 61 fire calls for the first quarter of 2013 with \$272,500 in damages and no injuries to firefighters. There are currently 30 members to the Department and they are in the process of hiring four more. This matter was for information only.

Item No. 6 Staff informed the Committee that Kandiyohi County recently completed the redetermination of Ditch 23A. At this time the City may petition for transfer of the ditch and its public drainage system per Minnesota Statute 103E.812. The transfer of the drainage system within the City's corporate limits will provide for the management of storm waters by the City without obtaining permission from Kandiyohi County and other property owners outside the corporate limits. It is a requirement that at the time of transfer, the ditch is in good condition and not in need of repair.

The Committee was recommending the Council authorize the Mayor and City Administrator to execute the petition for the transfer of the jurisdictional authority of County Ditch 23A and associated branches within the City limits as per MS 103E.812.

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

RESOLUTION NO. 6

AUTHORIZATION TO PETITION

KANDIYOHI COUNTY TO TRANSFER DITCH AUTHORITY

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator be authorized to petition Kandiyohi County to hold a public hearing to transfer authority from the County to the City for portions of County Ditch 23A.

Dated this 15th day of April, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 7 The Committee discussed the closing of the access to Robbins Island at the main entrance on Business 71-23. Staff explained that the entrance has been barricaded to stop the off-road use of vehicles and several areas in the park have received extensive damage. This matter was for information only.

The Public Works/Safety Committee Report for April 9, 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 Fagerlie, and carried.

The Mayor and Council considered a Master Subscriber Agreement and FAST Access Amendment. City Administrator Stevens explained that the Agreement will allow the City Attorney to electronically access court records and documents. Resolution No. 7 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO 7

RESOLUTION AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO ENTER INTO A MASTER SUBSCRIBER AGREEMENT FOR MINNESOTA COURT DATA SERVICES FOR GOVERNMENTAL AGENCIES USING THE FAST ACCESS KANDIYOHI COUNTY PILOT PROGRAM

WHEREAS, The Minnesota Judicial Branch went paperless as of February 26, 2013; and

WHEREAS, The FAST Access Program will allow the City Attorney to electronically access court records and documents.

IT IS HEREBY RESOLVED by the City Council of the City of Willmar, Minnesota enter into the Master Subscriber Agreement for Minnesota Court Data Services for Governmental Agencies using FAST Access in Kandiyohi County Program.

IT IS FURTHER RESOLVED that the Mayor and City Administrator are authorized to execute the Agreement.

Dated this 15th day of April, 2013.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

City Clerk Halliday presented to the Mayor and Council for consideration a list of establishments requesting renewal of current liquor licenses: On-Sale – American Legion, El Tapatio Mexican Restaurant, Kandi Entertainment Center, New Fireside and Oaks at Eagle Creek; On-Sale 3.2% Malt Liquor – Hoja

Restaurant, KRA Speedway and Willmar Stingers; Off-Sale – Wal-Mart Super Center; and Wine – Barn Theatre and Willmar Stingers. Council Member Fagerlie moved to approve the liquor licenses as presented. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

City Clerk Halliday presented to the Mayor and Council for consideration a City Park Special Event by On-Sale Liquor License Holder Permit. City Clerk Halliday explained that the Willmar Stingers will be holding a “Jimmy Buffett” night on June 29, 2013, with plans to serve a full array of liquor. Council Member Fagerlie moved to approve the City Park Special Event by On-Sale Liquor License Holder Permit as presented. Council Member DeBlicek seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Mayor Yanish read a Proclamation designating May 2, 2013, as a day of prayer for the concerns of the City.

Announcements for Council Committee meeting dates were as follows: Finance, April 22; Public Works/Safety, April 23; Labor Relations, April 24; and Community Development, April 25, 2013.

Council Member Dokken commented on the recent Curling Club Banquet and the outstanding season the Club had and their exemplary work with the Mixed Curling Nationals.

Community Education and Recreation Director Brisendine noted that surplus funds from the Mayor’s Prayer Breakfast will be donated to Youth Summer Scholarships for Willmar Community Education and Recreation programs.

Council Member Christianson inquired about the School Board’s use of Ipads and questioned when the City would review new technologies for the Council meetings.

There being no further business to come before the Council, the meeting adjourned at 9:31 p.m. upon motion by Council Member Christianson, seconded by Council Member Fagerlie, and carried.

Attest:

\_\_\_\_\_  
MAYOR

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