



WILLMAR CITY COUNCIL MEETING
MONDAY, APRIL 13, 2026 @ 1:00 PM
HERITAGE BANK, COMMUNITY ROOM
310 1st ST S, WILLMAR, MN 56201

AGENDA

1. Call Meeting to Order
2. Roll Call
3. Pledge of Allegiance
4. Proposed Additions or Deletions to Agenda
5. Regular Business
 - A. Summary of Findings and Conclusions
6. Adjourn

Communication to City Council and Municipal Utility Commission

Greetings. Attached is the Agenda for the April 13 Work Session along with a Summary of Findings and Conclusions.

The Summary of Findings and Conclusions is a product of my research and the interviews with the City Council, Utility Commission and two separate work sessions: one with City Staff and one with Utility Staff. I collected many pages of notes and information and – after extensive review and analysis – prepared this document for your review and consideration.

I intentionally and deliberately created a two-page document, with the confidence that I captured and organized the essential and relevant considerations shared with me by City and Utility officials. I will be prepared to brief you on the Findings and Conclusions at the meeting.

Throughout this process I have had numerous engagements and conversations with the staff of both entities. From the individual work sessions, countless emails, and Teams Calls we worked together to discuss the issues, frame the agenda and finalize the summary. I want to thank Leslie, Kyle, Jeron and Janell for your patience, advice and support throughout this engagement.

The partnership and working relationship between the City of Willmar and the Willmar Municipal Utility is an essential public policy priority. There is work to do in this regard, and the work session is an important step. I am honored to be part of the process and look forward to the meeting.

Dave Unmacht

City of Willmar and Willmar Municipal Utilities—Summary of Findings and Conclusions

Background

The content of this summary was prepared based on information gathered in two separate interviews with City and Willmar Municipal Utility (WMU) staff, seven Utility Commission (MUC) and nine City Council members.¹ The interviews were conducted over several weeks beginning on January 8 and ending on February 5. Interviews were a combination of in person, on-line and telephone calls. All participants were offered an opportunity to individually follow-up to share additional information, insights and perspectives.

The Findings and Conclusions are an aggregate of all the input received. They are organized in a logical, sequential manner, but are not technically prioritized. Each is important in its own right and as part of the overall picture of the current relationship between the City and WMU.

Findings

There are 12 Findings.

- The Willmar Municipal Utility was established pursuant to the Willmar City Charter (Section 4.05). There are presently 28 cost sharing areas and eight formal agreements between the two entities. Several members of the City Council want to review the Payment in Lieu of Taxes (PILOT) formula for greater understanding and further evaluation.
- Historically the partnership between the City and WMU has been good. The day to day relationship between the WMU Operations staff and Public Works staff is positive and strong. The two teams work well together, especially in response to emergencies such as a power outages and maintenance upgrades.
- WMU officials are proud of their work, reputation and long term planning efforts. The capital improvement program which has set aside resources for a new facility is viewed as a strength.
- Three (relatively) recent events are catalysts in creating the situation today: CURA housing project/water supply protection; the annexation and new facility proposal; and a subset of City Council members met with officials from Kandiyohi Power Cooperative (KPC) to discuss, among other topics, a potential sale of the WMU to KPC.
- A contributing factor has been change in leadership on the WMU staff and on the City Council and MUC. In addition the City Council liaison to the MUC is new.
- Within the two administrations, the present relationship – to some extent – is defined by a degree of mistrust and lack of confidence. A perception exists that top leaders are not communicating in good faith and working together “can feel forced.” This situation largely resulted from how information was shared, interpreted and acted upon in the three catalyst events noted above.
- The City Council and MUC are not strategically aligned.² WMU officials believe the City Charter, resolutions and ordinances provide clear direction. However, clear policy direction from the full

¹ In addition I reviewed various documents provided by the City and WMU that provided more background and context to the historical and current relationship.

² Testimony varied on the timing of the misalignment. The input ranged from a relatively new experience to the situation has been simmering for some time.

City Council is important to avoid mistrust and further confusion. The Utility staff react to different ideas from individual council members and that results in mixed messages from the City.

- City Council members believe WMU did not communicate its plans and intentions with respect to the annexation and facility proposal and the MUC believes the City is “micro-managing” the Utility’s business and does not understand the value and role of a municipal utility.
- The role of the liaison position needs review to seek more clarity and definition of expectations and responsibilities. What is the expectation for the role on the MUC and subsequent reporting back to the City Council?
- The topics of emergency planning, annexation priorities, organizing the current agreements and exploring efficiencies and expanded partnerships between the City and WMU and WMU and KPC is primarily a staff function. The City Council and MUC can provide direction to the staff and then delegate the responsibility for this work to each team to work together.
- The topics of growth and development are intrinsically linked between the two entities and a coordinated effort to be strategically aligned in planning, and budgeting for capital and operating improvements is essential for future success.
- The location of the new WMU facility remains an outstanding issue and the City and WMU are not in agreement on what site considerations are most important in site location.

Conclusions

There are six conclusions.

- City and WMU staff want to change the relationship and build a stronger partnership. An intentional and deliberative effort to build trust, strengthen communication and understanding of roles is required. A strong, positive and trusting relationship between the two lead staff, the City Administrator and General Manager, is instrumental to the future.
- The City Council must be explicit about its intentions with the WMU.
- There is nearly unanimous consensus that the desired outcome of the process and joint work session is to bring everyone together to have an honest conversation, to work out the differences, and chart a course to do what is best for the community of Willmar.
- A joint work session can inform and educate City Council and MUC members on questions (such as the PILOT) and best practices in city-utility partnerships. A discussion on mutually agreed upon communication expectations between the two bodies whether through the staff and/or the liaison role is recommended.
- The City Council and MUC should support staff efforts to prioritize and pursue the other topics identified above.
- The City of Willmar and the WMU should strive to create a premier partnership that serves both entities successfully and sets an example for all city-utility relationships.³

David Unmacht
April 2, 2026

³ The WMU 2024 strategic plan references the City in two places: Core Values and Utility Identity and Communication.