

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

February 7, 2001
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Lester Heitke. Members present on a roll call were Mayor Heitke, Council Members Doug Reese, Ron Christianson, Bruce DeBlieck, Nancy Houlahan, Jim Dokken, and David Chapin; Present 7, Absent 2 - Council Members Denis Anderson and Rick Fagerlie were excused from the meeting.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Fire Chief Marv Calvin, Public Works Director Mel Odens, Planning and Development Services Director Bruce Peterson, Community Education and Recreation Director Steve Brisendine, and City Clerk Kevin Halliday.

Proposed additions to the agenda included a discussion of snowmobiles in City limits.

Council Member Reese offered a motion adopting the Consent Agenda which included the following: City Council Minutes of January 24, Municipal Utilities Commission Minutes of January 22, Senior Center Council Minutes of January 3, Community Education and Recreation Board Minutes of January 25, Planning Commission Minutes of January 31, 2001, and Human Rights Commission Minutes of November 21, 2000. Council Member Christianson seconded the motion, which carried.

Mayor Heitke acknowledged two individuals who had signed up to address the City Council during its scheduled Open Forum. Vince Van Heuveln spoke with regards to the Fixed Base Operator Agreement. Steve Nedrelow, Chair of the Airport Commission, also spoke of the FBO agreement and encouraged communication.

The Finance Committee Report of January 22, 2001, was presented to the Mayor and Council by Council Member Dokken. There were five items for Council consideration.

Item No. 1 Staff presented a memo to the Committee recommending the Council act to direct staff to start the process to close the Library project and end the local option sales tax on December 31, 2001. Reasons cited in the memo allowing the city to consider this action were as follows: 1) unspent bond proceeds designated for construction; 2) the manner in which the City structured the bond issue providing for a portion of the debt in the bond proceeds; 3) the City's success in securing a \$195,000 grant from the Department of Children, Families and Learning; 4) interest Earnings; and 5) solid Sales Tax Revenues.

Head Librarian Earlene Warner discussed with the Committee the need to enhance the collection and technology upgrades. This plan sets aside \$5,000 for technology and \$50,000 for collection upgrades and includes another \$10,000 for improvements to the heating and cooling system. The Committee was recommending to the Council that a resolution be passed to amend the project budget by appropriating an additional \$65,000 to cover these cost.

Eric Weiberg, representing the Pioneerland Library Board, appeared before the Mayor and Council to express appreciation for the Library project and to encourage them to dedicate revenues from the local option sales tax for continued support of Library capital projects and collection upgrades.

The Council voiced concern that it may be better to determine an appropriate level of reserves and discontinue sales tax collection when that level is reached rather than set a firm date to discontinue collection. The Council then directed City staff to confer with Library staff to review and recommend an appropriate size of a reserve.

Following discussion, Resolution No. 1 amending the Library project budget was introduced by Council Member Dokken, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 1

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to make the following changes within the Capital Project Library Construction:

Increase:	Collections	\$50,000.00
	Technology	\$ 5,000.00
	Heating and Cooling	\$10,000.00
Decrease:	Contingency	\$65,000.00

Dated this 7th day of February, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 2 The Committee reviewed a request from Sunrise Village for the City to act as a conduit financing authority to issue \$2 million in tax exempt construction bonds. The City would have no obligation for the repayment of the bonds and they would not count against any debt limit of the City. The bonds would finance the connection of Sunrise Village Independent Living building to the Sunrise Village Assisted Living building and building improvements to Pleasant View Nursing Home.

There was some question regarding Bethesda's director's position of the City participating with not-for-profit corporations, and the Committee directed staff to invite the Executive Director of Pleasant View Nursing Home to attend the Council meeting.

The Committee was recommending to the Council a resolution setting a public hearing on March 7, 2001, for the issuance of Revenue Bonds to finance the improvements as explained. Resolution No. 2 was introduced by Council Member Dokken, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 2

CALLING A PUBLIC HEARING ON A HOUSING PROGRAM AND
THE ISSUANCE OF REVENUE BONDS PURSUANT TO MINNESOTA STATUTES,
CHAPTER 462C AND MINNESOTA STATUTES, SECTION 469.152 TO 469.1651

(For Resolution in its entirety, see City Council Minutes file
dated February 7, 2001, located in the City Clerk's Office)

Item No. 3 The Internal Revenue Service regulations require municipalities make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds. Following discussion, the Committee was recommending to the Council a resolution be passed declaring the City's intent to reimburse itself for any costs incurred before the bonds are sold.

Resolution No. 3 was introduced by Council Member Dokken, seconded by Council Member DeBlieck, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 3

ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH
REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

(For Resolution in its entirety, see City Council Minutes file dated February 7, 2001, located in the City Clerk's Office)

Item No. 4 The Committee discussed options available to fund the City's participation in the YMCA project. The first option reviewed the costs associated with the construction of Olena Avenue, and staff was directed to factor into the 2001 Street Improvement Project and covered by the Community Investment Fund.

The second option of a cash contribution was delayed until final 2000 financial numbers are available at the end of February and would be reviewed with the Five Year Capital Improvement Plan at the Council's planning retreat. This matter was for information only.

Item No. 5 The Committee reviewed the following reports: December C.V.B., WRAC-8, and D.S. Library Financial. This matter was for information only.

The Finance Committee Report of January 22, 2001, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Dokken, seconded by Council Member Christianson, and carried.

The Public Works/Safety Committee Report of January 31, 2001, was presented to the Mayor and Council by Council Member Reese. There were four items for Council consideration.

Item No. 1 The Committee reviewed bids received for the interim improvements at the Wastewater Treatment Plant. There were nine bidders and the apparent low bidder is Shank Constructors, Inc. of Brooklyn Park.

The Committee was recommending to the Council to accept the bid of Shank Constructors, Inc. and authorize the Mayor and City Administrator to enter into an agreement on behalf of the City. Resolution No. 4 was introduced by Council Member Reese, seconded by Council Member Dokken, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 4

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of Shank Constructors, Inc. of Brooklyn Park, Minnesota for the Wastewater Treatment Plant Interim Improvements is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$1,880,400.00.

Dated this 7th day of February, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 2 The Committee reviewed the final budget for the Wastewater Treatment Plant Interim Improvements. Following discussion, the Committee was recommending to the Council to adopt the final budget as presented. Resolution No. 5 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 5

FINAL BUDGET
WTP UPGRADES - RBR REPLACEMENT

ESTIMATED TOTAL COST \$2,195,900.00

PERSONNEL SERVICES:		RECEIVABLES:	
Overtime Reg. Employees	\$ 5,000.00	City (WTP-T FY 2000)	\$ 400,000.00
		Other (Revenue Bond)	<u>1,795,900.00</u>
Total:	\$ 5,000.00	Total:	\$2,195,900.00
SUPPLIES:		FINANCING:	
Postage	\$ 100.00	Bonds (Revenue)	\$1,795,900.00
Mtce of Equip	60,000.00	City (WTP-T FY 2000)	<u>400,000.00</u>
(Rotary Screens & Ram)		Total:	\$2,195,900.00
Mtnc of Other Improve	<u>12,000.00</u>		
(Ventilation, Wall)			
Total:	\$72,100.00		
OTHER SERVICES:			
Printing & Publishing (Included in 46)			
Mtce. of Other Improve (RBR's, Mixers, Screen)		<u>\$1,880,400.00</u>	
Total		\$1,880,400.00	
OTHER CHARGES:			
Professional Services (Bonestroo & Assoc.)		\$ 38,200.00	
Advertising		200.00	
Adm. OH 8		190,000.00	
Other Charges		<u>10,000.00</u>	
Total:		\$ 238,400.00	
GRAND TOTAL:		\$2,195,900.00	

Dated this 7th day of February, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 The Committee considered bids received for replacement of the Civic Center roof. The apparent low bidder was Reigstad Bros. Roofing Company of Willmar. It was noted that the engineer's estimate for the project was raised to \$200,000 after structural analysis of the roof showed additional work was required.

The Committee was recommending to the Council to accept the bid of Reigstad Bros. Roofing Company and authorize the Mayor and City Administrator to enter into an agreement on behalf of the City. Resolution No. 6 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 6

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of Reigstad Bros. Roofing Company of Willmar, Minnesota for the Civic Center Roof Replacement is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$153,340.00.

Dated this 7th day of February, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday

Attest: CITY CLERK

Item No. 4 Staff presented to the Committee recommendations for extension of the Fixed Base Operator agreement with Willmar Air Service. The extension is needed until such time as the City seeks proposals for and negotiates a new ten-year FBO agreement, which is expected to be in place by late spring. During the interim Willmar Air Service has agreed to pay rent for existing airport facilities similar to the pre-1997 agreement, and the City is proposing to pay \$1,250 a month for services provided. This leaves a net payment to Willmar Air Service of \$815 a month.

The Committee was recommending to the Council to accept the terms of the agreement and authorize the Mayor and City Administrator to sign on behalf of the City. Resolution No. 7 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 7

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the proposal of Willmar Air Service, of Willmar, Minnesota, for Fixed Base Operation Services is accepted, and be it further resolved that the Mayor and City Administrator be authorized to enter into an agreement with Willmar Air Service.

Dated this 7th day of February, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Public Works/Safety Committee Report of January 31, 2001, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council member Reese, seconded by Council Member Christianson, and carried.

The Community Development Committee Report of February 1, 2001, was presented to the Mayor and Council by Council Member DeBlieck. There were six items for Council consideration.

Item No. 1 The Committee reviewed a request from an attorney representing a commercial business that the City consider the sale of the east one-half of Block 47. This property is adjacent to 1st Street and is currently used for hospital parking. Lorry Massa, CEO of Rice Memorial Hospital, provided information about the proposed hospital projects and their need to maintain parking and construction staging areas during the course of their projects.

Following discussion, the Committee was recommending to the Council that the sale of the east one-half of Block 47 not be entertained at this time. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Christianson seconding the motion, which carried.

Item No. 2 The Committee discussed a letter from Xcel Energy requesting the City's support for their powerline upgrade project. Xcel Energy is going to apply for an exemption from the MEQB review process that would allow the project to proceed more quickly.

The Committee was recommending to the Council that the City offer a letter of support for the project and the exemption from the MEQB review process and that staff be directed to prepare the letter of support once the exemption application has been filed with the MEQB. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council

Member Christianson seconding the motion, which carried.

Item No. 3 The Committee discussed City policy requiring 30 percent developer participation for infrastructure improvements in new development. Several suggestions for stimulating residential development were discussed by the Committee. The matter will be taken to the Builders Association by staff to discuss ways that the City can encourage residential development. This matter was for information only.

Item No. 4 The Committee considered a request by several local business owners for the establishment of a tax increment financing district at the old Tri-Court Mobile Home Park property. There is at least one and possibly two building projects that are proposed for this site. Tax increment financing assistance was requested to assist with the cost of demolition and clearance, site preparation, utility extensions, and drainage improvements.

The Committee was recommending to the Council that preliminary approval be given to the use of tax increment financing for the redevelopment of the old Tri-Court Property, and that staff be directed to draft a tax increment plan and pursue the establishment of a redevelopment tax increment financing district. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Dokken seconding the motion, which carried.

Item No. 5 Council Member Dokken informed the Committee that the Veterans Administration was looking to establish an outreach clinic facility in Willmar. It was noted that staff had responded to the VA, and would assist them with their site search. This matter was for information only.

Item No. 6 Staff presented to the Committee updates on a variety of departmental matters and development projects. This matter was for information only.

The Community Development Committee Report of February 1, 2001, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member DeBlieck, seconded by Council Member Christianson, and carried.

The Mayor and Council considered a plat for Morningside East Townhomes. Planning and Development Services Director Peterson stated that Morningside East Townhomes is a re-plat of Lots 16-18, Block 1, Morninside Estates First Addition and is being platted to reflect the conversion of existing townhome units to a common interest community. It was noted that the plat was approved by the Planning Commission. Council Member Reese offered a motion to approve the plat as presented. Council Member DeBlieck seconded the motion, which carried.

Announcements for Council Committee meeting dates were as follows: Finance, February 12; and Public Works/Safety, February 12, 2001.

Mayor Heitke acknowledged several complains he has received regarding snowmobile usage and called on City Attorney Ronning to clarify current regulations. Mr. Ronning presented an overview of the Ordinance regulating snowmobiles and applicable rules regarding the operation of snowmobiles within the City limits.

There being no further business to come before the Council, the meeting adjourned at 8:27 p.m. upon motion by Council Member Reese, seconded by Council Member Christianson, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL