

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

March 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, Denis Anderson, Nancy Houlahan, Rick Fagerlie, Jim Dokken, and David Chapin; Present 9, Absent 0.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Police Chief Jim Kulset, Fire Chief Marv Calvin, Public Works Director Mel Odens, Finance Director Steven Okins, Planning and Development Services Director Bruce Peterson, and City Clerk Kevin Halliday.

Council Member Reese offered a motion adopting the Consent Agenda, which included the following: City Council Minutes of February 21, Rice Hospital Board Minutes of February 14, Municipal Utilities Commission Minutes of February 26, Human Rights Commission Minutes of January 16, Kandiyohi Area Transit Board Minutes of January 23, Senior Center Council Minutes of February 7, and Community Education and Recreation Board Minutes of February 22, 2001; and Mayoral appointments - Municipal Utilities Commission, Marv Kray; Zoning Appeals Board, Sherlan Baker; and Airport Commission, David Solsrud. Council Member Christianson seconded the motion, which carried.

At 7:02 p.m. Mayor Heitke opened the hearing on an Ordinance to Rezone Certain Lands. Planning and Development Services Director Peterson informed the Mayor and Council that Ed Gesch proposed to rezone a portion of his property from Agricultural to One and Two-Family Residential. The anticipated development includes the YMCA and additional City parkland/stormwater retention.

It was noted the Planning Commission has approved the rezoning. There being no one present to speak for or against the proposed Ordinance, Mayor Heitke closed the hearing at 7:03 p.m.

Council Member Christianson offered a motion to adopt, assign a number and order final publication of the Ordinance Amending Ordinance No. 1060 to Rezone Certain Property. Council Member Reese seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Mayor Heitke recognized Pastor Gary Gnirk, who had requested to address the City Council during its scheduled Open Forum. Pastor Gnirk extended an open invitation to the Mayor, Council and staff for a leadership seminar to be held on March 24, 2001, from 8:00 a.m. to 11:00 a.m. at the Triumphant Life Church.

The Finance Committee Report of February 26, 2001, was presented to the Mayor and Council by Council Member Anderson. There were four items for Council consideration.

Item No. 1 The Committee reviewed a request from Sunrise Village for the City to act as a conduit financing authority to issue \$2.5 million in tax exempt construction bonds. The City would have no obligation for the repayment of the bonds and they would not count against the City's debt limit. 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.

This matter was back before the Committee because Sunrise Village needed to amend the amount of their original request from \$2 million to \$2.5 million. The Committee was recommending to the Council to introduce a resolution setting a public hearing on the issuance of Revenue Bonds to finance the improvements as

requested. Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 1

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 March 7, 2001, located in the City Clerk's Office)

Item No. 2 Representatives from the Blue Line Club appeared before the Committee to request the City consider acting as a conduit financing authority for up to \$250,000 for the installation of artificial ice and the settlement of unpaid building costs. The issue of releasing the City's right to the building in case the organization would default could not be answered at this time, and the matter was received for information only. This matter was for information only

Item No. 3 Staff explained to the Committee that due to a delay in the Tax Increment District being certified by Kandiyohi County, an approximate amount of \$27,149 due to Relco, Inc. was not available through tax collections. It was staff's recommendation that the City make the 2000 payment to Relco and work with County officials for reimbursement of the County's share of excess increment from other districts.

The Committee was recommending to the Council to introduce a resolution funding the 2000 Relco payment from excess increments from expired Tax Increment Districts. Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 2

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to make the following changes within the Relco Tax Increment Fund:

Increase:	Appropriations - Due to Relco	\$27,149.00
Increase:	Due from County	\$27,149.00

Dated this 7th day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 4 The Committee reviewed the following reports: 2000 unaudited report format, 18-month and January K.A.T. financial report, and January Rice Trust. This matter was for information only.

The Finance Committee Report of February 26, 2001, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Anderson, seconded by Council Member Fagerlie, and carried.

The Public Works/Safety Committee Report of February 27, 2001, was presented to the Mayor and Council by Council Member Reese. There were seven items for Council consideration.

Item No. 1 The Committee reviewed plans and specifications for the 2001 Street Improvements and proposed bid opening of April 2, 2001. Estimated cost

for the project is \$2.1 million. Following discussion, the Committee was recommending to the Council approval of the plans and specifications and authorize advertisement of bids.

Resolution No. 3 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 3

WHEREAS the City Engineer of the City of Willmar has presented to the City Council plans and specifications for the replacement of the 2001 Street and Other Improvements (Project No. 0101) 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 2nd day of April, 2001, at the City Office Building, 333 Southwest Sixth Street, Willmar, Minnesota.

Dated this 7th day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 2 The Committee reviewed the preliminary budget for the 2001 Street Improvement Project, and was recommending to the Council adoption the preliminary budget as presented. Resolution No. 4 was introduced by Council Member Reese, seconded by Council Member DeBlieck, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

PRELIMINARY 2001 STREET IMPROVEMENT BUDGET
ESTIMATED TOTAL COST \$2,417,500

PERSONNEL SERVICES:
Overtime Reg. Employees \$ 500.00
Salaries Temp. Employees 6,000.00
Employer Pension Contr. 1,500.00
Total: \$ 8,000.00

RECEIVABLES:
Property Owners \$ 1,491,491
City-MUC 58,550
State Aid & Turnback 614,483
City-WTP 30,746
City CI Fund 197,230
Other (DNR Grant) 25,000
Total: \$ 2,417,500

SUPPLIES:
Office Supplies \$ 1,500.00
Small Tools 2,000.00
Motor Fuels & Lubricants 1,000.00
Postage 2,000.00
General Supplies 3,500.00
Total: \$ 10,000.00

FINANCING:
Bonds \$ 1,496,567
State 614,483
City (Park Dev) 25,000
Developer Agree 256,450
Other (DNR Grant) 25,000
Total: \$ 2,417,500

OTHER SERVICES:
Printing & Publishing \$ 2,000.00
Mtce. of Other Improve 1,892,000.00
Other Services (Signals, walk path, seal coat) 240,500.00
Total (County Agreement) \$2,134,500.00

Proj.	Cost	Line
01A	\$269,110	36
01B	\$1,049,347	36
02	\$100,000	36
03 1 st Street	\$281,800	36
04 Seal Coat	\$40,500	39
05 Signals	\$45,000	39
06 Walk Path	\$40,000	39

OTHER CHARGES:
Professional Services \$ 10,000.00
Advertising 1,000.00

Adm. OH (Transfer)	209,000.00
Other Charges	<u>45,000.00</u>
Total:	\$ 265,000.00
 GRAND TOTAL:	 \$2,417,500.00

County	\$100,000	39
Olena	\$191,000	36
<u>Quote School Path</u>	<u>\$15,000</u>	<u>39</u>
Total:	\$2,131,757	

Dated this 7th day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 Jeff Kimpling from Willmar Municipal Utilities was present to discuss with the Committee a request by property owners along 4th Street SE inquiring into the cost difference for installation of decorative lighting. Mr. Kimpling presented an estimated cost increase of \$12,500. The major cost difference is in the globe and the labor replacing all the poles.

Public safety issues relative to the decorative lighting in neighborhoods with adult trees and closer spacing of homes was discussed. The decorative lights at a height of 16 feet tend to shed the light sideways versus the 30-foot wood poles, which direct the lighting down and out. Following discussion, staff was directed to contact each property along 4th Street SE from Olena to Minnesota Avenues and advise them of the estimated \$250 additional assessment giving them the opportunity to respond either in favor of or against the decorative lighting. This matter was for information only.

Item No. 4 The Committee reviewed a budget for roof and floor improvements at the Civic Center for a total combined cost of \$712,500. The Committee was recommending to the Council adoption of the preliminary 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 8, Noes 0.

RESOLUTION NO. 5

PRELIMINARY CIVIC CENTER FLOOR/ROOF BUDGET
ESTIMATED TOTAL COST \$712,500.00

PERSONNEL SERVICES:
Overtime Reg. Employees \$ 1,500.00
Total: \$ 1,500.00

RECEIVABLES:
City-PIR \$550,000.00
City-2000 Budget 120,000.00
City-Project Reserves 42,500.00
Total: \$712,500.00

SUPPLIES:
Small Tools \$ 500.00
Postage 200.00
Mntc of Structures (Zamboni area) 15,000.00
General Supplies 1,000.00
Total: \$ 16,700.00

FINANCING:
City-PIR \$550,000.00
City-2000 Budget 120,000.00
City-Project Reserves 42,500.00
Total: \$712,500.00

OTHER SERVICES:
Printing & Publishing \$ 500.00
Mtce. of Other Improve 579,790.00
Cleaning & Waste Removal 1,000.00
Total \$ 581,290.00

OTHER CHARGES:
Professional Services \$ 36,860.00
Advertising 300.00
Adm. OH (Transfer) 20,000.00

Other Charges	<u>55,850.00</u>
Total:	\$ 113,010.00
GRAND TOTAL:	\$ 712,500.00

Dated this 7th day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 The Committee reviewed a letter from ACC Architects Inc. responding to a request for proposal to provide design services to evaluate the feasibility of providing refrigeration to the ice rink floor in the existing Blue Line Club building. The study would consist of identifying the possible options for refrigeration and work involved along with estimates of probable construction costs. Staff was directed to forward the proposal to the Blue Line Club expressing that the City had no interest in funding the study. This matter was for information only.

Item No. 6 The Committee was briefed by staff on the proposed construction projects affecting the City in the next few years. It was noted that the bypass completion project has a bid letting date of March 23, 2001. The projects listed for 2001 have definite funding available and future years are considered draft. This matter was for information only.

Item No. 7 The Committee discussed the extension of 9th Street South, which was deleted from this year's improvement list at the last Council meeting. This matter was for information only.

The Public Works/Safety Committee Report of February 27, 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 28, 2001, was presented to the Mayor and Council by Council Member DeBlieck. There were five items for Council consideration.

Item No. 1 The Committee discussed the upcoming project to redevelop the old Tri Court property. The developer of the site is Lakewood BK Properties LLC. Staff stated that meetings had been held with the developers to discuss the type and level of assistance to be provided. The initial understanding is that assistance in the amount of approximately \$100,000 would be available based on increment projections. An eight-year district is planned. The assistance to be provided to the developer is only that which is necessary to bring the site to a bare land condition and possibly assist with some drainage improvements. The Committee discussed the fact that the project was intended to eliminate blight, and was not intended to finance development of a restaurant.

The Committee was recommending to the Council to set the tax increment financing hearing for 7:02 p.m. on April 4, 2001. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Dokken seconding the motion, which carried.

Item No. 2 Staff informed the Committee that an annexation petition had been received from Mills. The petition only included a portion of their property and a subsequent petition would be filed which include the signature of the person who currently holds title to the other portion of the Mills property.

A meeting with the Willmar Township Board has been scheduled for March 5, 2001. At that time, staff will meet with the Township Board to discuss the annexation proposal and to begin to draft a joint resolution for the annexation of the Mills property and other properties that the Township has expressed an interest in having annexed.

The Committee discussed timing for the Mills project. Staff indicated infrastructure plans have been prepared on a preliminary basis and that a late

2001 project was anticipated. This matter was for information only.

Item No. 3 The Committee reviewed information regarding a statutory requirement for a business subsidy policy. A governmental unit is required to have such a policy in place prior to granting any business subsidy in excess of \$25,000. It was noted that the current tax increment financing proposal was exempt because of its status as a redevelopment project. Staff will prepare a draft policy and bring it to the Committee at a future meeting. This matter was for information only.

Item No. 4 The Committee discussed the following projects: Tiffany Square, Maracom, the allergy clinic, specialty medical clinic, Veteran's Administration clinic, a single-family residential project, additional apartment development, and a proposed corporate headquarters building. This matter was for information only.

Item No. 5 The Committee discussed economic development in general. The City's development philosophy was reviewed. It was suggested that the matter be discussed more in depth at the retreat. This matter was for information only.

The Community Development Committee Report of February 28, 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 Dokken, and carried.

The Mayor and Council considered a request from M. E. Heideman, Inc for an On-sale Liquor License. Council Member Reese offered a motion to approve the license subject to the licensee meeting all insurance requirements and final approval of the City Attorney. Council Member DeBlieck seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

The Mayor and Council considered an application from the Willmar Blue Line Club, Inc. for a premise permit. Resolution No. 6 was introduced by Council Member Christianson, seconded by Council Member Anderson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

REQUESTING THAT THE MINNESOTA GAMBLING
CONTROL BOARD APPROVE THE APPLICATION FOR A
PREMISE PERMIT FOR THE WILLMAR BLUE LINE CLUB, INC.

WHEREAS, the Willmar Blue Line Club, Inc. has applied to the Minnesota Gambling Control Board to obtain a Premise Permit for a Gambling License at the Center Point Bar and Grill, 320 Southwest 4th Street, Willmar, Minnesota;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the City approves of the Premise Permit for the Willmar Blue Line Club, Inc. and respectfully requests that the State of Minnesota Gambling Control Board approve the Premise Permit to the Willmar Blue Line Club, Inc.

Dated this 7th day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

At this time the City Clerk presented to the Mayor and Council the 2000 City Clerk-Treasurer annual report. Following a brief question and answer period, the report was ordered placed on file in the City Clerk's Office.

Announcements for Council Committee meeting dates were as follows:

Finance, March 12; COPPS and Public Works/Safety, March 13; Community Development, March 15; and COPPS, March 19, 2001.

Council Member Reese requested to be excused from the March 21, 2001, City Council meeting.

Mayor Heitke presented the following names for commission/board appointments to the Council for consideration: Community Education and Recreation - Morris Watkins, Planning Commission - Audrey Nelson, and Zoning Appeals Board - Woody Glanser.

There being no further business to come before the Council, the meeting adjourned at 8:15 p.m. upon motion by Council Member Reese, seconded by Council Member Christianson, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL