

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

March 21, 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 Bruce DeBlieck, Denis Anderson, Nancy Houlahan, Rick Fagerlie, Jim Dokken, and David Chapin; Present 7, Absent 2 - Ron Christianson and Doug Reese were excused from the meeting.

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 Administrative Assistant Audrey Peterson.

Mayor Heitke recognized Richard Hogle who introduced Ruslana Levanovitch. Ms. Levanovitch, from the Sister City Vileyka, Byelorussia, presented a Byelorussia flag to the Mayor and Council, and briefly discussed the reasons for her visit to Willmar. Mayor Heitke thanked Ms. Levanovitch for her gift and expressed his best wishes for a continuing, successful Sister City relationship with Vileyka.

Council Member DeBlieck offered a motion adopting the Consent Agenda which included the following: City Council Minutes of March 7, Municipal Utilities Commission Minutes of March 12, Rice Hospital Board Minutes of March 14, Building Inspection Report for February, Pioneerland Library Board Minutes of January 18, Housing and Redevelopment Authority Minutes of February 20, Zoning Appeals Board Minutes of March 5, and Planning Commission Minutes of March 14, 2001; Application for Exempt Permit: Sexual Violence and Abuse Crisis Center; and Mayor appointments/reappointment: Community Education and Recreation - Morris Watkins, Planning Commission - Audrey Nelsen, Zoning Appeals Board - Woody Glanzer, and Human Rights Commission - Jeff Filipek. Council Member Anderson seconded the motion, which carried.

At 7:05 p.m. Mayor Heitke opened a hearing to consider a housing financing program for a rental housing project for Bethesda Sunrise Village. Finance Director Okins presented details to the Mayor and Council of the request for the City to act as a conduit financing authority to issue \$2.5 million in tax exempt construction bonds. There being no one present to speak for or against the proposed project, Mayor Heitke closed the hearing at 7:07 p.m.

Following discussion, Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Houlahan, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 1

AUTHORIZING A HOUSING FINANCING PROGRAM FOR A RENTAL HOUSING PROJECT,
THE ISSUANCE OF REVENUE BONDS TO FINANCE THE PROJECT
AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS IN CONNECTION THEREWITH

(For Resolution in its entirety, see City Council Minutes file
dated March 21, 2001, located in the City Clerk's Office)

Mayor Heitke acknowledged that no one had signed up to address the Council during its scheduled Open Forum.

The Finance Committee Report of March 12, 2001, was presented to the Mayor and Council by Council Member Anderson. There were three items for Council

consideration.

Item No. 1 The Committee reviewed the Waste Treatment Rate Study prepared by Springsted Incorporated. The purpose of the study was to determine the adequacy of revenues to cover projected upcoming improvement costs at the City's Waste Treatment Plant. Based on the Facilities Plan prepared by Bonestroo Rosene Anderlik and Associates, the City will need to finance improvements to the existing wastewater treatment facility in an estimated amount of \$2.4 million in 2001, \$1.8 million in 2005 and \$2.7 million in 2008. In addition, the Facilities Plan calls for a new wastewater facility to be constructed in 2010.

The report explained that all municipal enterprises should be structured so that they are fully self-supporting. Ideally, revenues should cover operational costs, as well as repair, maintenance, improvement, and replacement.

In the area of reserves, the report recommended the City should maintain a minimum cash balance in the fund of at least 6 months of anticipated operating expenses and one year's debt service at the end of each year. This would allow the City and bondholders protection in the event forecasted net revenues are not adequate to cover all expenditures, including debt payments.

The system/facility upgrades, the new trunk line and the construction of the new facility are expected to be financed with a combination of cash and the issuance of long-term debt. Long-term debt can be in the form of G.O. Revenue Bonds or financing from the State Public Facilities Authority if that program is still in existence at the time the financing is needed.

The final recommendation in the report was for the City to annually review its financial and capital requirements for the fund and make adjustments accordingly; and that the rates be implemented for a three-year time period so staff would have time to review the cash flow to determine the appropriate rate adjustments the should be made for the following three years.

The Committee was recommending to the Council that the Waste Treatment Rate Study Report be accepted and the Mayor consider the recommendations in the preparation of the 2002 Budget. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Fagerlie seconding the motion, which carried.

Item No. 2 The Committee was informed that the Kandiyohi County Economic Development Partnership was using an additional \$75,000 of the \$500,000 that the City committed to invest in the Industrial Initiatives Loan Program, bringing the total invested to \$429,000. This matter was for information only.

Item No. 3 The Committee reviewed the following reports: Year-end Interest/Dividends, December W.R.A.C.-8 Financial, and the February Rice Trust. This matter was for information only.

The Finance Committee Report of March 12, 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 March 13, 2001, was presented to the Mayor and Council by Council Member DeBlicek. There were seven items for Council consideration.

Item No. 1 The Committee reviewed the communication tower project proposed for the Municipal Utilities property. Staff explained to the Committee that this project was initiated by the MUC as currently their antennae is on the water tower which is slated for removal this fall. The City also completed a radio path study for the Waste Treatment Plant to switch from telephone communication to radio communication for the 24 lift stations. The path study showed that a tower is required in the vicinity of the downtown to provide the best radio coverage and also be centrally located.

The Committee was recommending to the Council to proceed with a joint tower

project with MUC with financing to be included in the 2002 budget process. Council Member DeBlieck moved to approve the recommendation of the Public Works/Safety Committee with Council Member Fagerlie seconding the motion, which carried.

Item No. 2 The Committee considered the plans and specifications to retrofit the City's bleachers to come into compliance with the new Minnesota Bleacher Safety Act. There was \$55,000 budgeted in the 2000 Park Development budget for this project which will have to be appropriated to the 2001 Park Development budget.

The Committee was recommending to the Council to approve plans and specifications for the Bleacher Retrofit Project and call for bid, and appropriate the money accordingly. Resolution No. 2 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 2

WHEREAS the City Engineer of the City of Willmar has presented to the City Council plans and specifications to retrofit the bleachers 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 16th day of April, 2001, at the City Office Building, 333 Southwest Sixth Street, Willmar, Minnesota.

Dated this 21st day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 3 Staff explained to the Committee that at the preconstruction meeting for Waste Treatment Plant improvements it became apparent that the size of motor/chopper pump specified for the digester mixing would have to be modified. Bonestroo and Associates worked with Shank Constructors, Inc. on a design and quote to accommodate the required 1,200-gpm pump mixing flow. The change order calls for switching from a 75-hp motor and 8-inch pump to a 50-hp motor and a 6-inch pump for a \$18,793.00 deduct from the contract.

The Committee was recommending to the Council to accept the change order for a deduct in the amount of \$18,793.00 and authorize the Administrator to sign on behalf of the City. Resolution No. 3 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 3

WHEREAS, a contract has been awarded to Shank Constructors, Inc. of Brooklyn Park, Minnesota, on February 20, 2001, in the amount of \$1,880,400.00 for Waste Treatment Facility Improvements; and

WHEREAS, it is desired to delete work from the above contract by downsizing three pumps as recommended by the consulting engineers.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that: Deletion of work is herewith authorized to the above contract estimated by the consulting engineers to be \$18,793.00

Dated this 21st day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 4 The Committee discussed the Waste Treatment Interim Improvement Project and was informed by staff that there are four trains of RBC units scheduled for replacement. It was been observed by staff that two shafts from two separate RBC trains had recently broken, which required reducing the flow to both of the trains and limiting their treatment capability. These trains previously had full treatment capability. This now leaves the Plant with only three RBC trains operating at full capacity, and three operating at reduced capacity. It was staff's recommendation to include an additional RBC train to the interim improvement project for an amount of \$335,189. The Committee was recommending to the Council to accept the change order in the amount of \$335,189.00 and authorize the Administrator to sign on behalf of the City and amend the budget accordingly.

Public Works Director Odens presented to the Mayor and Council a diagram indicating the operating RBRs and replacement plan. Following discussion, Resolution No. 4 was introduced by Council Member DeBlieck, seconded by Council Member Dokken, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 0.

RESOLUTION NO. 4

WHEREAS, a contract has been awarded to Shank Constructors, Inc. of Brooklyn Park, Minnesota, on February 20, 2001, in the amount of \$1,880,400.00 for Waste Treatment Facility Improvements; and

WHEREAS, it is desired to add additional work to the above contract for replacement of additional RBC trains.

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

1. Additional work is herewith authorized to be added to the above contract estimated by the Consulting Engineer to be \$335,189.00 and identified as part of Change Order No. 1.
2. Funding for the additional work is from 2001 Waste Treatment Revenue Bonds.

Dated this 21st day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Resolution No. 5 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, 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 \$2,516,849.00

PERSONNEL SERVICES		RECEIVABLES	
Overtime Reg. Employees	<u>\$5,000</u>	City (WTP-T FY 2000)	\$ 400,000
Total:	\$5,000	Other (Revenue Bond)	<u>2,116,849</u>
		Total:	\$2,516,849

SUPPLIES	
Postage	\$ 100.00
Mtce of Equipment	60,000.00
Mtce of Other Impr	<u>12,000.00</u>
Total:	\$72,100.00

FINANCING	
Bonds (Revenue)	\$2,116,849
City (WTP-T FY 2000)	<u>400,000</u>
Total:	\$2,516,849

OTHER SERVICES	
Mtce of Other Impr	<u>\$2,196,796.00</u>
Total:	\$2,196,796.00

OTHER CHARGES	
Prof Services	\$ 42,753.00
Advertising	200.00
Adm. OH 8	190,000.00
Other Charges	<u>10,000.00</u>
Total:	\$ 242,953.00

GRAND TOTAL: \$2,516,849.00

Dated this 21st day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 5 The Committee reviewed a request from Bonestroo and Associates (BRAA) to adjust their consulting contract for the Waste Treatment Interim Improvement Project. It was the general consensus of the Committee that of the \$5,380 requested, \$3,533 was justified. Staff had also requested an estimate of additional cost required if the City were to approve the change order to add an additional RBC train. That cost was estimated to be \$1,020.

The Committee was recommending to the Council that the Mayor and City Administrator be authorized to sign an amendment to the Professional Services Agreement for the WTP Interim Improvements with BRAA. Resolution No. 6 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, 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 Mayor and City Administrator of the City of Willmar are hereby authorized to enter into a contract amendment to supplement the agreement between the City of Willmar and Bonestroo, Rosene, Anderlik and Associates. The supplement includes the addition of engineering and inspection time associated with the addition of an RBC train to the Waste Treatment Facility Improvements.

BE IT FURTHER RESOLVED, the original contract amount of \$38,200.00 is hereby amended to include \$4,553.00 for a total not to exceed figure of \$42,753.00.

Dated this 21st day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 6 The Committee discussed 2001 Waste Treatment Improvement Project and procedures to be followed for change order approval. It was the

general consensus of the Committee to notify BRAA of these administrative and procedural changes. This matter was for information only.

Item No. 7 The Committee considered bids received for Self-Contained Breathing Apparatuses for the Fire Department. Following the opening of the bids, the City was contacted by Clarey's Fire Safety requesting they be removed from the bid process due to an accounting error in bid preparation.

The Committee was recommending to the Council to return the bid bond in its entirety to Clarey's Fire Safety of Rochester, Minnesota. Following discussion, Council Member DeBlieck moved to approve the recommendation of the Public Works/Safety Committee with Council Member Chapin seconding the motion. Council Member Fagerlie moved to amend the motion keeping 40 percent of Clarey's bid. Council Member Dokken seconded the motion, which defeated. The original motion then carried.

The Committee was recommending to the Council to accept the bid of Metro Fire for the SCBA and authorize the Mayor and City Administrator to sign on behalf of the City. Resolution No. 7 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, 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 bid of Metro Fire of Ham Lake, Minnesota for 41 Self-Contained Breathing Apparatuses 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 \$94,353.00.

Dated this 21st day of March, 2001.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

The Public Works/Safety Committee Report of March 13, 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 Anderson, and carried.

The Community Development Committee Report of March 15, 2001, was presented to the Mayor and Council by Council Member DeBlieck. There were three items for Council consideration.

Item No. 1 Erv Niehaus, housing developer, along with Hal Clapp of the Greater Minnesota Housing Fund, who presented to the Committee an idea for development of a low-density housing project east of North Lakeland Drive. Mr. Clapp stated that the Greater Minnesota Housing Fund looks to cities to participate in affordable housing projects, typically with infrastructure development at a level of 5-10 percent of project costs (can be in-kind). The Greater Minnesota Housing Fund participates in these projects to provide affordable housing. Buyers in the "home at last" program are required to undergo home ownership counseling. The projects are typically a mix of affordable and market-rate housing.

Garrett Tews, a contract architect, showed the Committee several examples of plat design and housing styles for projects done in Hutchinson and St. Peter.

No specific request for City participation was made, and the Committee acknowledged some policy issues regarding the scale of residential streets and lots in the "home at last" program that would need to be addressed.

The developer and program representative were asked to keep in touch with staff as project planning advances. This matter was for information only.

Item No. 2 The Committee discussed correspondence from Mike Nitchals and Dave George to the Allied Power Board regarding lease issues between Allied Power and En-Tel Communications. It was suggested that Mr. Nitchals attend a future Committee meeting to keep the Committee informed of the building lease relationship between Allied Power and En-Tel. This matter was for information only.

Item No. 3 The Committee received updates on a variety of commercial and industrial projects, both underway and planned. It was noted that there is considerably more construction and development activity this year compared to the same time last year. This matter was for information only.

The Community Development Committee Report of March 15, 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 Anderson, and carried.

Announcements for Council Committee meeting dates were as follows: Finance, March 26; and Public Works/Safety, March 27, 2001.

Mayor Heitke called for a recess at 7:55 p.m. and reconvened the meeting at 8:05 p.m.

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

Mayor Heitke presented to the Council for consideration the appointment of Floyd Mottinger to the Zoning Appeals Board.

Mayor Heitke announced that the 2001 Mayor's Prayer Breakfast has been scheduled for April 19, 2001.

There being no further business to come before the Council, the meeting adjourned at 8:45 p.m. upon motion by Council Member Anderson, seconded by Council Member Houlahan, and carried.

Attest:

MAYOR

ACTING SECRETARY TO THE COUNCIL