

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

October 4, 2004  
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, Rick Fagerlie, Jim Dokken, and George Berg; Present 8, Absent 1 – Nancy Houlahan.

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, Community Education and Recreation Director Steve Brisendine, and City Clerk Kevin Halliday.

Council Member Nancy Houlahan arrived at 7:01 p.m.

Proposed additions to the agenda included discussion of the Local Option Sales Tax Referendum.

The Planning Commission Minutes of September 22, 2004, were removed from the Consent Agenda.

Council Member Fagerlie offered a motion adopting the Consent Agenda which included the following: Board of Canvass Minutes of September 20, City Council Minutes of September 20, Municipal Utilities Commission Minutes of September 27, Building Inspection Report for August, and Kandiyohi Area Transit Board Minutes of August 24, September 8 and 21, 2004. Council Member Dokken seconded the motion, which carried.

The Mayor and Council discussed the Planning Commission Minutes, Item No. 7, Conditional Use Permit research update regarding home occupation regulations. Enforcement regulation questions were directed to Planning and Development Services Director Peterson and received for information only. It was noted that the vote for Item No. 3, Olso Meadows/Pillar Properties Rezoning, should reflect a "6-1" vote. The Planning Commission Minutes of September 22, 2004, were approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Christianson, seconded by Council Member Anderson, and carried.

At 7:05 p.m. Mayor Heitke opened a hearing on an Ordinance Amending Ordinance No. 1060 Known as the Willmar Zoning Ordinance by Adding Section 3.0.4 Relating to Industrial External Storage. Planning and Development Services Director Peterson presented details of the Ordinance which regulates exterior storage in industrial areas and addresses properties that abut residential areas. There being no one present to speak for or against the proposed Ordinance, Mayor Heitke closed the hearing at 7:06 p.m.

Council Member DeBlieck offered a motion to adopt, assign a number, and order final publication of the Ordinance Amending Ordinance No. 1060 Known as the Willmar Zoning Ordinance by Adding Section 3.0.4 Relating to Industrial External Storage. Council Member Houlahan seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Mayor Heitke recognized Municipal Utilities Commissioners Bob Bonawitz, Marv Kray and

Alice Weiberg, and General Manager Mike Nitchals who were present for the discussion of the Municipal Utilities and Kandiyohi Power Cooperative Consolidation Findings and Recommendations. WMU President Bonawitz presented various governance models for the consolidation and was recommending the "Municipal Utility Model" as the best alternative. Mr. Bonawitz noted the governance model was critical in the continued analysis of the consolidation proposal and he was seeking Council ratification of the task force recommendation. Subsequent steps of negotiating energy contract prices with Great River Energy and debt restructuring were points of concern for a detailed analysis of the consolidation. The Council directed several questions to Mr. Bonawitz regarding benefits to the Willmar City customers, potential savings, taxation issues, and annual Utility contributions to the City budget.

Following a lengthy discussion, Council Member Anderson moved to accept the Utility Consolidation Report and Entity/Governance Plan with the proposed Municipal Utility Model. Council Member Reese seconded the motion, which carried on a roll call vote of Ayes 5, Noes 3 – Council Members Christianson, Berg and Fagerlie voted "No."

Mayor Heitke acknowledged individuals who had signed up to address the City Council during its scheduled Open Forum. Jeff Isdahl, Spicer, appeared to refute the West Central Tribune article regarding racing at the fairgrounds. Mr. Isdahl voiced concerns with committee action regarding licensing of races at the grounds. Larry Hagemeyer, 373 Southeast 14<sup>th</sup> Street, appeared to voice concerns with the racing licensure proposal under discussion and cited fundraising efforts to the Hockey Association that racing provides as positive town benefits. KRA Director Lane Roberts, 830 30<sup>th</sup> Avenue North, appeared to inform the Mayor and Council about his efforts to stay within the time lines discussed with the Mayor's Race Track Task Force. Mr. Roberts stated that races are cut short, race car noise levels monitored, and cars that exceed limits are not allowed to race. He requested involvement in the design of regulations. Mayor Heitke offered the KRA input in the process with this issue would be considered by the Community Development Committee.

The Finance Committee Report for September 27, 2004, was presented to the Mayor and Council by Council Member Anderson. There were three items for Council consideration.

Item No. 1 Chairman Anderson removed himself from the discussion of Rice Food Service and its recent decision to provide service to Jennie-O Turkey Store. Council Member Fagerlie assumed the position as Chairman. Noting this matter had been referred to the Finance Committee from the City Council, Chairman Fagerlie called on Rice Memorial Hospital CEO Lorry Massa who provided an update with regard to the Hospital's food service program. Mr. Massa explained the Hospital's long-standing partnership with Aramark, Inc. to provide service at Rice and the Hospital's response to a request to provide vending and food service at Jennie-O Turkey Store. In addition to explaining the recent hires and the purchase by Aramark of equipment which has been turned over to Rice Hospital, Mr. Massa talked about Rice's long-standing relationship with Jennie-O Turkey to provide a number of healthcare services through the Company's Occupational Health Division. Following Mr. Massa's very detailed explanation, the Committee heard from Mr. and Mrs. Harvey Beckerman from Spicer, Minnesota, complaining that Rice's involvement in the food service business resulted in the loss of a major client to their own food service business and constituted an unfair advantage over existing small businesses.

The Committee was recommending to the Council that the City Attorney be requested to evaluate and offer an opinion as to Rice Memorial Hospital's authority to conduct its food service business enterprise outside the Hospital environment. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Reese seconding the motion, which carried.

Item No. 2 Council Member Anderson assumed the position as Chairman and recognized Mayor Les Heitke who appeared before the Committee to present his proposed 2005 Budget. Mayor Heitke reviewed proposed revenues and expenses noting the \$16.7 million Budget included General Operating expenses of \$10.6 million, Capital Improvements of \$1.2, and other operating expenses of \$4.9 million.

The Mayor's Proposed Budget includes two new positions: Data Processing Coordinator and Public Works Maintenance Worker. Mayor Heitke stated that these positions were key given the continued growth of the City and cited the Airport, Aquatic Center, Blue Line Center Building second sheet of ice, and commercial growth to the South as specific examples.

Mayor Heitke presented a proposed levy of \$2,255,788 noting an increase of \$186,248 over the 2004 levy amount. The proposed levy is \$39,665 less than the preliminary levy certified to the County Auditor on September 7, 2004. Some 43 percent of the proposed levy increase is captured by new construction activities/value in the community. The City's proposed tax capacity rate is estimated to be 25.6 which is down from the current year's rate of 26.050.

Mayor Heitke concluded his remarks by asking Council Members to review and consider requests to fund a racetrack noise study and additional Foot Lake shoreline improvements, and to meet with representatives of the Willmar Public Library to review their 2005 funding request. This matter was for information only.

Item No. 3 The Committee reviewed the following reports: August CVB, WRAC-8 and Rice Trust. This matter was for information only.

The Finance Committee Report for September 27, 2004, 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 DeBlieck, and carried.

The Community Development Committee Report for September 30, 2004, was presented to the Mayor and Council by Council Member DeBlieck. There were seven items for Council consideration.

Item No. 1 The Committee reviewed a letter from the City Attorney regarding regulation of motor vehicle racing. Randy Frederickson from the Citizen's Race Track Task Force explained some of the points of the informal agreement between the citizen's group and Kandi Racing Association. The Committee questioned the value of a gentleman's agreement. Staff suggested that some of the points from that agreement be used in a licensing ordinance such as limiting the number of events and setting start and end times.

The Committee was recommending the Council direct the City Attorney to draft an ordinance licensing motor vehicle racing with the following basic parameters: maximum of 23 events, 10:00 p.m. ending time on school nights and a 10:30 p.m. ending time on other nights; and that the draft ordinance be presented at a Ward One/City-wide COP meeting. 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 The Committee discussed recent problems with the use and placement of real estate signs. Staff will monitor the use of such signs and will bring the matter back to the Committee if the problems persist. This matter was for information only.

Item No. 3 Staff presented to the Committee a report on a recent trip to Washington D.C. Indications are that the City is on track to receive the final grant necessary to complete the Airport

project. It appears that funding for some hangar construction and some Airport redevelopment planning may also be possible. This matter was for information only.

Item No. 4 Staff reiterated the Planning Commission's recommendation to limit development on the 60 acres west of Highway 71 to a mix of open space and low density residential uses. It was the consensus of the Committee that the City should buy the land; giving the City time to formally plan for its use. This item is for information only.

Item No. 5 The Committee reviewed a letter from West Central Steel requesting that the City install three two-inch ducts across 19<sup>th</sup> Street Northwest to serve their facilities on both sides of the street. Such a solution had been proposed several years ago when West Central Steel had been unable to come to terms with local telecommunication providers.

The Committee was recommending the Council approve the request of West Central Steel and to direct staff to obtain quotes and proceed with the installation. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Dokken seconding the motion, which carried.

Item No. 6 The Committee discussed a request from West Central Steel for tax abatement for their proposed expansion. West Central Steel proposes to construct a corporate office building, which will allow for the expansion of their distribution and production facilities. The proposed expansion will result in undetermined number of new, good-paying positions.

The Committee was recommending the Council direct staff to pursue the tax abatement for the West Central Steel office project. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Fagerlie seconding the motion, which carried.

Item No. 7 Staff provided the Committee with updates on a number of residential, commercial and industrial projects. This matter was for information only.

The Community Development Committee Report for September 30, 2004, 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.

Planning and Development Services Director Peterson presented to the Mayor and Council a proposed Ordinance to amend the existing portable sign ordinance to specify the number of times a year a temporary permit shall be issued. The current Ordinance limits the number of days to 30, but not the number of 30-day periods per year. Council Member Christianson moved to introduce an Ordinance Amending No. 1060 Known as the Willmar Zoning Ordinance by Amending Section 5.F.3.c Relating to Portable Signs and to schedule a hearing for October 18, 2004. Council Member Dokken seconded the motion, which carried.

City Clerk Halliday informed the Mayor and Council that the initial assessment notice for the 2004 Street Improvement Project projected an interest rate of 5.90 percent. Bid bonds came in less than expected and the interest rate should be reduced to 5.76 percent. Resolution No. 1 was introduced by Council Member Fagerlie, seconded by Council Member DeBlieck, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

#### RESOLUTION NO. 1

#### AMENDING ASSESSMENT ROLL

WHEREAS, the City Council of the City of Willmar, Minnesota, duly adopted the assessment roll for the 2004 Street Improvement Project on June 7, 2004, and

WHEREAS, the sale of the General Obligation Improvement Bonds was conducted on June 21, 2004, and the stated interest rate on the assessment notice should be reduced to the rate of 5.76 percent.

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

1. Such assessment roll be amended to the sum of \$1,929,806.75, a copy of which is attached hereto and made a part hereof, is hereby accepted.
2. Such assessments shall be as follows:
  - A. The assessments shall be payable in equal annual installments extending over a period of ten (10) years, the first of said installments to be payable with general taxes for the year 2005, collectible with such taxes during the year 2005.
  - B. To the first installment shall be added interest at the rate of five and seventy-six hundredths (5.76%) percent per annum on the entire principal amount of the assessment from the date of the bond sale of June 21, 2004, until December 31, 2005. To each subsequent installment, when due there shall be added interest for one year at said rate on the unpaid principal amount of the assessment.
  - C. The owner of any property so assessed may at any time prior to the certification of the assessment or the first installment thereof to the County Auditor (Treasurer), pay the whole of the principal amount of the assessment on such property with interest accrued to the date of payment to the City Clerk-Treasurer, except that no interest shall be charged if the entire assessment is paid by October 31, 2004, and such property owner may at any time prior to November 15 of any year pay to the City Clerk-Treasurer the entire principal amount.
3. The City Clerk-Treasurer shall forthwith transmit a certified duplicate copy of the assessment to the County Auditor to be extended on the tax list of the County.

Dated this 4<sup>th</sup> day of October, 2004.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

City Administrator Schmit informed the Mayor and Council that the City has received quotes for the following projects: 2004 South Swansson Storm Pond Improvements – Chad Monson Excavating; and 2005 Tree Requirements – Stacy’s Nursery. Following discussion, Resolution No. 2 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. 2

BE IT RESOLVED, by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the quote of Chad Monson Excavating for the 2004 South Swansson Storm

Pond Improvements in the amount of \$29,700.00 is accepted, and the Mayor and City Administrator are hereby authorized to enter into an agreement for the terms and consideration of the contract.

Dated this 4<sup>th</sup> day of October, 2004.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

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

RESOLUTION NO. 3

BE IT RESOLVED, by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the quote of Stacy's Nursery for the 2005 Tree Requirements in the amount of \$19,882.00 is accepted, and the Mayor and City Administrator are hereby authorized to enter into an agreement for the terms and consideration of the contract.

Dated this 4<sup>th</sup> day of October, 2004.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

City Administrator Schmit informed the Mayor and Council that the Aquatic Center Project is complete and presented resolutions approving change orders and accepting the project. Following discussion, Resolution No. 4 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. 4

WHEREAS, a contract has been awarded to Terwisscha Construction of Willmar, Minnesota, on October 7, 2003, in the amount of \$1,303,303.00 for construction of the Dorothy Olson Aquatic Center under the direction of the US Aquatics as engineer; and

WHEREAS, Change Order No. 1, 2, 3, 4, and 5 modified the original contract as follows:

	Contract	Contract to Date	Contingency	Contingency to Date
October 7, 2003	\$1,303,303.00	\$1,303,303.00	\$25,000.00	\$25,000.00
Change Order No. 1	---	\$1,303,303.00	(\$1,016.00)	\$23,984.00
Change Order No. 2	---	\$1,303,303.00	(\$3,183.54)	\$20,800.46
Change Order No. 3	(\$7,500.00)	\$1,295,803.00	(\$7,500.00)	\$13,300.46
Change Order No. 4	---	\$1,295,803.00	(\$8,392.27)	\$4,908.19
Change Order No. 5	\$26,000.00	\$1,321,803.00	---	\$4,908.19
Change Order No. 6	---	\$1,321,803.00	(\$2,306.00)	\$2,602.19

WHEREAS, is desired to add additional work to the above contract.

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 City Engineer to be \$2,306.00.
2. Funding for the additional work is from the construction contingency budget as shown above.

Dated this 4<sup>th</sup> day of October, 2004.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Resolution No. 5 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. 5

WHEREAS, a contract has been awarded to Terwisscha Construction of Willmar, Minnesota, on October 7, 2003, in the amount of \$1,303,303.00 for construction of the Dorothy Olson Aquatic Center under the direction of the US Aquatics as engineer; and

WHEREAS, Change Order No. 1, 2, 3, 4, 5 and 6 modified the original contract as follows:

	Contract	Contract to Date	Contingency	Contingency to Date
October 7, 2003	\$1,303,303.00	\$1,303,303.00	\$25,000.00	\$25,000.00
Change Order No. 1	---	\$1,303,303.00	(\$1,016.00)	\$23,984.00
Change Order No. 2	---	\$1,303,303.00	(\$3,183.54)	\$20,800.46
Change Order No. 3	(\$7,500.00)	\$1,295,803.00	(\$7,500.00)	\$13,300.46
Change Order No. 4*	---	\$1,295,803.00	(\$8,392.27)	\$4,908.19
Change Order No. 5	\$26,000.00	\$1,321,803.00	---	\$4,908.19
Change Order No. 6	---	\$1,321,803.00	(\$2,306.00)	\$2,602.19
Cost Adjustment for Change Order No. 1**			(\$141.00)	\$2,461.19
Cost Adjustment for Change Order No. 4***	---	\$1,321,803.00	\$1,875.27	\$4,336.46
Change Order No. 7	(\$4,336.46)	\$1,317,325.54.	(\$4,336.46)	\$0.00

\*Original Change Order No. 4 - based on est. hourly costs for site grading \$8,392.27.

\*\*Grammatical error – Change Order No. 1 should have totaled \$1,157.00 and therefore, the actual cost is adjusted by \$141.00.

\*\*\*Actual Cost for Change Order No. 4 - \$6,517.00 (direct sod purchase and lower earthwork costs). Savings results in cost adjustment for Change Order No. 4 of a \$1,875.27 credit.

WHEREAS, it is desired to re-allocate all remaining un-spent contract contingency funding to the project budget.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar to re-allocate all remaining unspent contract contingency funding totaling \$4,336.46 to the overall aquatic center project budget.



Dated this 4<sup>th</sup> day of October, 2004.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Resolution No. 6 was introduced by Council Member Reese, seconded by Council Member Houlahan, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

ACCEPTING PROJECT AND AUTHORIZING FINAL PAYMENT

IMPROVEMENT: Dorothy Olson Aquatic Center  
CONTRACTOR: Terwisscha Construction Inc.  
DATE OF CONTRACT: October 7, 2003  
BEGIN WORK: October 7, 2003  
COMPLETE WORK: July 9, 2004  
APPROVE, CITY ENGINEER: September, 2004

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

1. The said Dorothy Olson Aquatic Center be herewith approved and accepted by the City of Willmar.
2. The following summary and final payment be approved:

ORIGINAL CONTRACT AMOUNT:	\$1,303,303.00
Change Order Nos. 1-7	\$14,163.54
FINAL NET CONTRACT AMOUNT, PROPOSED:	\$1,317,466.54
ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED:	\$1,317,466.54
Less Previous Payments	\$1,218,511.36
FINAL PAYMENT DUE CONTRACTOR:	\$98,955.18

Dated this 4<sup>th</sup> day of October, 2004.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

City Clerk Halliday informed the Mayor and Council that pursuant to State Statutes, it is necessary to appoint election judges for the November General Election. Resolution No. 7 was introduced by Council Member DeBlicek, seconded by Council Member Dokken, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 7

BE IT RESOLVED, that the individuals listed below be appointed as Judges to work at the General Election in the City of Willmar on November 2, 2004:

WARD ONE	Precinct One:	Pat Morse Stanza Haagenon Cheryl Retrum Verle Watson Jon Winge		
	Precinct Two:	Daniel Pederson Ione Nichols Joan Schultz Ardell Engwall Sally McAdams Shirley Jensen		
	Precinct Three:	Bill Schultz JoAnn Jagt Owen Heuring Lee Durst Jon Devenport June Oslund		
	WARD TWO	Precinct One:	Daisy Score Beverly Chambers Leonette Sadler Doris Helsper Lea Braun	
		Precinct Two:	Marjorie Carlson Eilene Magnuson Marlene Backer Dan Reigstad Dorothy Fransen George Berg Beverly Ledeboer	
		Precinct Three:	Karen Westby Marilyn Hanson Doris Doerhofer Mary Lorentzen Gary Cotten Duane Bock Donna Hillenbrand	
		WARD THREE	Precinct One:	Alvin Hoogeveen Mavis Hagert Iona Andreen Ruby Bernhagen Harriet Levy Merle Berkeland
			Precinct Two:	Ann Pederson Elaine Pearson Marlys Boeder Esther Floren J. Marie Engwall Marcella Erickson
			Precinct Three:	C. Leonard Pearson Sherwood Mellom Shirley Klenk William Sook Laural Rieckman Juna Halstrom
WARD FOUR			Precinct One:	Neil Cofer

Precinct Two: Joyce Hanson  
Mavis Willroth  
Evangelin Bass  
David Rogers  
Joey Werder  
Marsha Butterfield  
Ruby Freeberg  
Penny Selseth  
LeCharl Lessman  
Arlene Syverson  
Stanley Marcus

Precinct Three: Bob Jones  
Francis Yule  
Sharon Baker  
Howard Freeberg  
Connie Heath  
Romona Berg  
Daniel Pederson  
Ardell Engwall

Absentee Judges:

Reserve Judges:

Florence Erickson Linda Dilley  
Eileen Kolinski Mary Cotten

Dated this 4<sup>th</sup> day of October, 2004.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

The Mayor and Council discussed the local option sales tax referendum and ways to inform the citizens of proposed projects/proposals. It was noted that an article was written for the City's issue of *Sights and Sounds*, a WRAC8 production was pending, a COPPs meeting scheduled, and future Council meetings will allow time to review maps and discuss the issues. This matter was for information only.

Announcements for Council Committee meeting dates were as follows: Public Works/Safety, October 12, 2004.

Council Member DeBlieck requested to be excused from the October 18, 2004, Council meeting.

There being no further business to come before the Council, the meeting adjourned at 10:00 p.m. upon motion by Council Member Christianson, seconded by Council Member Fagerlie, and carried.

Attest:

\_\_\_\_\_  
MAYOR

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