

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

December 6, 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, Nancy Houlahan, Rick Fagerlie, Jim Dokken, and George Berg; 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, Community Education and Recreation Director Steve Brisendine, and City Clerk Kevin Halliday.

Council Member Reese offered a motion adopting the Consent Agenda which included the following: City Council Minutes of November 15, Rice Hospital Board Minutes of November 17, Municipal Utilities Commission Minutes of November 22, Planning Commission Minutes of December 1, Building Inspection Report for November, and Senior Citizens Council Minutes of October 6, 2004. Council Member Christianson seconded the motion, which carried.

Mayor Heitke recognized Mike Engan and Todd Stoeberl representing Boy Scout Troops 224 and 227 respectively. Twenty-five Boy Scouts were at the Council meeting as part of their work to achieve Citizenship in the Community Merit badges. Following introductions, Mayor Heitke thanked the Troops for attending and encouraged them to continue on with their Scout programs and activities.

At 7:16 p.m. Mayor Heitke opened the Truth-in-Taxation hearing. Finance Director Odens presented details of the proposed budget which totaled \$16,783,678 with a levy to be set at \$2,255,677. There being no one present to speak for or against the proposed budget, Mayor Heitke closed the meeting at 7:34 p.m. and deferred action to the Finance Committee Report.

Senator Dean Johnson and Representative Al Juhnke appeared before the Mayor and Council to present their annual report on Legislative activities. Items discussed included the State budget deficit, private/public partnership for the Willmar Regional Treatment Center, proposed merger of the Willmar Municipal Utilities and Kandiyohi Power Cooperative, local option sales tax, airport multi-model, and the transportation funding bonding bill. Senator Johnson and Representative Juhnke promised to work hard on the local option sales tax legislation and encouraged the Council to keep in contact throughout the legislative session.

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

The Finance Committee Report for November 22, 2004, was presented to the Mayor and Council by Council Member Anderson.

HRA Executive Director Dorothy Gaffaney reviewed with the Committee the Agency's proposed July 1, 2004, through June 30, 2005, Fiscal Year Budget. The HRA was requesting a \$106,154 levy to support its General Administration Expenditures.

CEO Lawrence Massa and CFO Leroy Meyering presented to the Committee information regarding the 2005 Rice Memorial Hospital General Operating Budget. Mr. Massa reviewed the highlights of the proposed Budget noting it will yield a 1.24 percent total margin which is consistent with the 2004 budget and projections.

Mike Nitchals, General Manager of the Willmar Municipal Utilities, reviewed with the Committee the Utility's proposed 2005 Budget. Mr. Nitchals reviewed in detail proposed 2005 capital expenditures and discussed operating budgets and the capital improvement program.

Mayor Heitke provided to the Committee a general overview of the City's 2005 Budget. In his comments the Mayor talked about the City's tax capacity rate and how it compares to other Greater Minnesota cities; local government aid; and increased bond rating from A2 to A1. Mayor Heitke then reviewed the budget process which included presenting the proposed budget in September to the Finance Committee and the Committee studying various aspects of the Budget during the past two months. The 2005 proposed budget is set at \$16.78 million, an increase of 7 percent over the 2004 budget.

The Committee reviewed the Mayor's proposed budget for 2005 including the Levy, Revenues and Expenditures by Departments, Capital Outlay, and Non-departmental Expenditures. The Committee then discussed in detail the following:

1. Hospital's request for participation in a parking ramp study and the development of Block 47. The Committee was recommending the Council direct staff to reject a developer's offer to purchase and develop Block 47 and that the Council will not consider possible development until the Hospital project has been completed. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Dokken seconding the motion, which carried.
2. Funding for a fishing pier on the north side of Country Road 41 dividing Foot Lake. This matter was for information only.
3. Funding for culvert/bridge improvements between Foot and Willmar Lakes, and requested the matter be placed on an agenda for a future Council strategic planning session. This matter was for information only.
4. Funding a study to reduce noise at the Kandi Racing Association race track. The Committee was recommending the Council direct staff to research noise reduction efforts at tracks in other cities, determine the feasibility of a consultant to conduct a noise abatement study, and report back to the Committee with its findings. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member DeBlicke seconded the motion, which carried.
5. Funding for lights along the Sunrise Park walking path in the Pheasant Run neighborhood. The Committee was recommending the Council incorporate additional path lighting into the 2005 improvement program. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Berg seconding the motion, which carried.

The Committee then recommended the Council approve the City and HRA 2005 levies and the City's overall budget as presented. 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

BE IT RESOLVED by the City Council of the City of Willmar, Kandiyohi County, Minnesota, that the following sums of money be levied for the current year collectable in 2005, upon the taxable property in said City of Willmar, for the following purposes:

General Fund

TOTAL: \$ 2,255,677
\$ 2,255,677

BE IT RESOLVED, that there is a sufficient sum of money in the Debt Service Funds of the City, together with the above Debt Service Fund Tax Levy, to pay principal and interest in 2005 on all outstanding bond issues, and the deferred annual tax levies previously certified to the County Auditor are hereby cancelled;

FURTHER, pursuant to a request by the Housing and Redevelopment Authority in and for the City of Willmar, for authorization to levy a special tax to be included as part of its fiscal year 2005 - 2006 Budget;

BE IT RESOLVED that the City Council of the City of Willmar, Minnesota, hereby authorizes the Housing and Redevelopment Authority to levy a special tax in the amount of \$106,154 pursuant to the powers vested under the Minnesota Statutes.

The City Clerk is hereby instructed to transmit a certified copy of this Resolution to the County Auditor of Kandiyohi County, Minnesota.

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

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

ADOPTING THE BUDGET FOR THE FISCAL YEAR 2005

BE IT RESOLVED by the City Council of the City of Willmar that the Annual Budget for the fiscal year beginning January 1, 2005, which has been submitted by the Mayor and modified and approved by the City Council, is hereby adopted, the totals of the said budget and the Mayor's division thereof being as follows:

EXPENDITURE REQUIREMENTS

General Government	\$ 1,934,780
Public Safety	3,767,125
Public Works	2,619,828
Leisure Services	1,526,802
Capital Improvements	1,225,492
Other Operating	1,078,327
Waste Treatment	3,500,735

Debt Services

1,130,589
Total: \$16,783,678

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Finance Committee Report for November 22, 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 Fagerlie, and carried.

The Public Works/Safety Committee Report for November 30, 2004, was presented to the Mayor and Council by Council Member Reese. There were seven items for Council consideration.

Item No. 1 Gary Danielson, Public Works Director for Kandiyohi County presented to the Committee a design drawing for Willmar Avenue SE from First Street out to the proposed interchange with State Highway 23. The City Council at a previous meeting chose Option 3-A for the interchange design, which would funnel traffic onto both Willmar Avenue and Lakeland Drive. City and County staff are recommending a five-lane design for Willmar Avenue SE and a signal system at the intersection of Lakeland Drive due to the traffic volume of approximately 8,000 vehicles per day and projected future needs.

The Committee was recommending the Council authorize City and County staff to develop a five-lane concept and construction agreement to be brought to the City Council at a later date for review and appropriation action. Council Member Reese moved to approve the recommendation of the Public Works/Safety Committee with Council Member Christianson seconding the motion, which carried.

Item No. 2 The Committee considered a proposal from Short Elliott Hendrickson (SEH) for design and limited construction services for the proposed signal system at the intersection of Lakeland Drive and Willmar Avenue SE. In the proposal SEH would design the signals in conjunction with Bolton and Menk, the consulting engineer for the road construction. SEH would prepare plans and specifications, shop drawings and perform limited construction services.

The Committee was recommending the Council accept the proposal of SEH to design the signal system and authorize the City Administrator to sign on behalf of the City. 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 of Willmar desires to retain a consultant to provide professional engineering services to design and provided limited construction services for a signal system at the intersection of Willmar Avenue SE and Lakeland Drive SE for the City of Willmar; and

Whereas a proposal has been made by, and an agreement prepared to retain, the firm of Short Elliott Hendrickson Inc. of St. Paul, Minnesota in a not to exceed amount of \$14,000.00 plus

reimbursables for said services;

Now therefore be it resolved by the City Council of the City of Willmar that said agreement be approved and that the City Administrator be authorized to execute the same.

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 The Committee reviewed a proposed construction agreement with Kandiyohi County to split construction contract items and contingencies for installation of the signal system at Willmar Avenue and Lakeland Drive SE. The City will pay 100 percent of the design and construction engineering and 50 percent of construction contract items and contingencies. The total estimated project cost is \$234,000, and the City's share is estimated to \$124,000.00.

The Committee was recommending the Council approve the agreement and authorize the Mayor and City Administrator to sign on behalf of the City. Resolution No. 4 was introduced by Council Member Reese, seconded by Council Anderson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

AUTHORIZATION TO EXECUTE KANDIYOHI COUNTY COOPERATIVE CONSTRUCTION AGREEMENT

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 be authorized to enter into a Cooperative Construction Agreement between the City of Willmar and Kandiyohi County for construction of a traffic control signal system at the intersection of Willmar Avenue and Lakeland Drive SE.

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 4 The Committee reviewed a preliminary budget for the signal system improvements at Willmar Avenue and Lakeland Drive (Project No. 0505), and was recommending the Council accept 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 BUDGET PROJECT NO. 0505
WILLMAR AVENUE/LAKELAND DRIVE SIGNAL SYSTEM
ESTIMATED TOTAL COST \$234,000

SUPPLIES		RECEIVABLES	
General Supplies	\$10,000.00	County	\$110,000.00
TOTAL	\$10,000.00	City (State Aid)	\$124,000.00
		TOTAL	\$234,000.00
OTHER SERVICES		FINANCING	
Mtce. of Other Improvements	\$200,000.00	County	\$110,000.00
Other Services	\$10,000.00	City (State Aid)	\$124,000.00
TOTAL	\$210,000.00	Other	
		TOTAL	\$234,000.00
OTHER CHARGES		GRAND TOTAL	
Prof. Services	\$14,000.00		\$234,000.00
TOTAL	\$14,000.00		
GRAND TOTAL	\$234,000.00		

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 The Committee reviewed with staff the advertisement for bids to be opened in January for the purchase of a 2005 Fire Truck. Staff informed the Committee a 3-5 percent increase would be reflected on the total cost if bids were not initiated prior to year-end. The new combination pumper/tanker truck would replace the current 18-year old tanker, which would then be offered for sale to another Fire Department. The approximate date of delivery of the new unit is November, 2005 at an estimated cost of \$325,000.

The Committee was recommending the Council approve the specifications and authorize advertisement for bids. Resolution No. 6 was introduced by Council Member Reese, seconded by Council Member Anderson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

WHEREAS the Fire Chief of the City of Willmar has presented to the City Council plans and specifications for the purchase of a 2005 Fire Truck for the City of Willmar;

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

Final specifications are hereby approved, and publication of the advertisement for bids is herewith authorized. Bids will be publicly opened and read at 1:00 p.m. on the 10th day of January, 2005, at the City Office Building, 333 Southwest Sixth Street, Willmar, Minnesota.

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 6 The Committee reviewed quotes for replacement of three trucks at the Wastewater Treatment Plant. Following discussion, the Committee was recommending the Council accept the three low quotes received from Mills Ford of Willmar and authorize the City Administrator to proceed with the purchases. Resolution No. 7 was introduced by Council Member Reese, seconded by Council Member Anderson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, 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 quotes of Mills Ford of Willmar, Minnesota for three separate trucks for the Wastewater Treatment Plant are accepted, and be it further resolved that the City Administrator of the City of Willmar are hereby authorized to enter into a agreements with the vendor for the terms and consideration of the contracts.

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 7 City Administrator Schmit reviewed the sequence of events in the land settlement agreement with Phillip Kvam for Airport land purchases. The City recently received a complaint alleging the City violated terms of the agreement and Mr. Kvam is seeking further damages. The League Insurance Trust was contacted and has advised the City they will be unable to defend the City because of insurance provisions exempting coverage under condemnation proceedings.

The City has received a legal services agreement proposal from Greene, Espel to represent the City on this recent claim of damages. Greene, Espel is currently representing the City on another Kvam claim of crop damages. The Committee was recommending the Council accept the proposal with Green, Espel to provide legal services in the latest claim for damages in the Kvam Litigation.

Resolution No. 8 was introduced by Council Member Reese, seconded by Council Member Anderson, read by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0, Council Member Christianson abstained from voting.

RESOLUTION NO. 8

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 be authorized to enter into a Professional Service Agreement with Green, Espel to provide legal services in the Kvam litigation.

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday

Attest: CITY CLERK

The Public Works/Safety Committee Report for November 30, 2004, 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.

Planning and Development Services Director Peterson informed the Mayor and Council the time period has expired for the West Central Steel TIF District and the notes have been paid in full for the Bethesda Terrace II TIF District, it is necessary to formally dissolve and decertify both districts.

Following discussion, Resolution No. 9 was introduced by Council Member DeBlieck, seconded by Council Member Houlahan, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 9

RESOLUTION DISSOLVING
TAX INCREMENT FINANCING
DISTRICT (BETHESDA TERRACE II)

WHEREAS, in June 1991 the City of Willmar established the Bethesda Terrace II Tax Increment Financing District and adopted a plan therefore and

WHEREAS, all of the capital and administrative costs of the tax increment financing district which were set forth in the plan have been paid or provided for; and

WHEREAS, there is currently on deposit in the Bethesda Terrace II Tax Increment Financing District Tax Increment Account excess tax increments.

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

1. The City Council hereby finds, determines and declares to dissolve the Bethesda Terrace II Tax Increment Financing District as of December 6, 2004.
2. Any excess tax increments held in the Tax Increment Financing District Tax Increment Account shall be returned to County Auditor of Kandiyohi County for distribution to the affected tax jurisdictions in accordance with Minnesota Statutes, Section 469.176 Subd. 2.
3. The City Administrator is hereby directed to send a copy of this resolution to the County Auditor of Kandiyohi County and to take all other steps which are necessary to dissolve the Tax Increment Financing District and to distribute the excess tax increments.

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Resolution No. 10 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 10

RESOLUTION DISSOLVING
TAX INCREMENT FINANCING
DISTRICT (WEST CENTRAL STEEL)

WHEREAS, in November 1993 the City of Willmar established the West Central Steel Tax Increment Financing District and adopted a plan therefore; and

WHEREAS, all of the capital and administrative costs of the tax increment financing district which were set forth in the plan have been paid or provided for; and

WHEREAS, there is currently on deposit in the West Central Steel Tax Increment Financing District Tax Increment Account excess tax increments.

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

1. The City Council hereby finds, determines and declares to dissolve the West Central Steel Tax Increment Financing District as of December 6, 2004.
2. Any excess tax increments held in the Tax Increment Financing District Tax Increment Account shall be returned to County Auditor of Kandiyohi County for distribution to the affected tax jurisdictions in accordance with Minnesota Statutes, Section 469.176 Subd. 2.
3. The City Administrator is hereby directed to send a copy of this resolution to the County Auditor of Kandiyohi County and to take all other steps which are necessary to dissolve the Tax Increment Financing District and to distribute the excess tax increments.

Dated this 6th day of December, 2004.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Planning and Development Services Director Peterson presented to the Mayor and Council a preliminary plat for Genesis Addition, a four-lot plat for single family home development by Steve Ahmann. There are a few minor changes to be made to the plat prior to final plat approval such as adding utility easements and reapportioning the Ag deferments. Council Member Anderson moved to approve the preliminary plat with Council Member Reese seconding the motion, which carried.

Planning and Development Services Director Peterson presented to the Mayor and Council a final plat for the Hennen Addition, a one-lot replat combining one platted lot, one unplatted lot and

a portion of unplatted land recently annexed. All conditions of preliminary plat approval have been met. Council Member Reese moved to approve the final plat for the Hennen Addition with Council Member Christianson seconding the motion, which carried.

The Mayor and Council discussed the City Council's Biennial and second meeting in January. Council Member Reese offered a motion to set the Council's Biennial meeting for January 10, and the second regularly scheduled meeting for January 24, 2005. Council Member Anderson seconded the motion, which carried.

Announcements for Council Committee meeting dates were as follows: Finance, December 13; Public Works/Safety, January 14; and Labor Relations, January 15, 2005.

There being no further business to come before the Council, the meeting adjourned at 9:45 p.m. upon motion by Council Member Reese, seconded by Council Member Fagerlie, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL