

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

December 1, 2008
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, Cindy Swenson, Rick Fagerlie, Jim Dokken, and Steven Gardner; 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 17, Municipal Utilities Commission Minutes of November 24, and Kandiyohi Area Transit Board Minutes of October 28, 2008; and Mayoral Reappointments: Zoning Appeals Board – Gary Thompson and Citizens Cable Advisory Board – Torry Norling. Council Member Anderson seconded the motion, which carried.

At 7:02 p.m. Mayor Heitke opened a hearing on a currency exchange license renewal for Darrell K. Sunvold, d.b.a. Quick Funds, Inc. City Clerk Halliday presented information regarding Quick Funds, Inc. noting it has been in business for four years. There being no one to speak for or against the proposed license renewal, Mayor Heitke closed the hearing at 7:03 p.m.

Council Member Christianson offered a motion to approve the currency exchange license renewal for Quick Funds, Inc. Council Member Reese seconded the motion, which carried.

At 7:04 p.m. Mayor Heitke opened a hearing on a currency exchange license renewal for Bennett Ventures, Inc. d.b.a. Ace Cash Express. City Clerk Halliday presented information Bennett Ventures, Inc. noting it has been in business for nine years. There being no one to speak for or against the proposed license renewal, Mayor Heitke closed the hearing at 7:05 p.m.

Council Member Anderson offered a motion to approve the currency exchange license renewal for Bennett Ventures, Inc. Council Member DeBlieck seconded the motion, which carried.

At 7:06 p.m. Mayor Heitke opened a hearing on an Ordinance to Rezone Certain Lands from P (Park) to R-2 (One and Two Family Residential). Planning and Development Services Director Peterson informed the Mayor and Council that the Planning Commission initiated the rezoning of property owned by the City and recently platted as Pleasant View Fourth Addition. The property is currently zoned P, but there is an existing developed park directly north of said property. There being no one present to speak for or against the proposed Ordinance, Mayor Heitke closed the hearing at 7:08 p.m.

Following discussion, Council Member Gardner offered a motion to adopt, assign a number, and order final publication of the Ordinance to Rezone Certain Lands from P (Park) to R-2 (One and Two Family Residential). Council Member Reese seconded the motion, which carried on a roll call vote of Ayes 7, Noes 1 – Council Member Dokken voted “No.”

At 7:19 p.m. Mayor Heitke opened the Truth-In-Taxation hearing. Mayor Heitke presented details of the proposed 2009 budget. John Sullivan spoke in favor of increasing the budget due to his recent receipt of the 2009, noting a 10 percent decrease from the prior year. Upon hearing all those who wished to be heard, Mayor Heitke closed the hearing at 7:34 p.m. and deferred action to the Finance Committee Report.

Mayor Heitke recognized Beth Fischer, who presented an annual report for the Willmar Lakes Area Convention and Visitors Bureau. Ms. Fischer reviewed the CVB's 2008 accomplishments, events hosted in 2008, networking, and conventions scheduled for 2009 and 2010. She presented samples of newly developed Convention Planning Guides, meeting planner mailings, and the updated Visitor Guide. Mayor Heitke thanked Ms Fischer and this matter was received for information only.

Mayor Heitke acknowledged Laura Becker and John Sullivan who had signed up to address the City Council during its scheduled Open Forum. Ms. Becker inquired on the status of the Storm Water Task Force and Mr. Sullivan urged the Council to support an increase in the Libraries' budget.

The Finance Committee Report for November 24, 2008, was presented to the Mayor and Council by Council Member Anderson. There were five items for consideration by the Council.

Item No. 1 Chairman Anderson recognized Interim CEO Dale Hustedt and CFO Bill Fenske who appeared before the Committee to present information regarding the 2009 Rice Memorial Hospital General Operating Budget. Mr. Hustedt explained that the 2009 Budget was approved by the Hospital Board of Directors on November 12, 2008. Mr. Fenske reviewed the Budget with the Committee noting the total estimated Operating Expenses at \$95,974.475. Following a discussion of budget and related Hospital issues, Chairman Anderson thanked Mr. Hustedt and Mr. Fenske for the presentation and accepted the Rice Hospital report as information only.

Item No. 2 Chairman Anderson recognized Bruce Gomm, General Manager of the Willmar Municipal Utilities, and Municipal Utilities Commissioner Bob Bonawitz. Mr. Bonawitz informed the Committee of increasing costs for energy, renewal energy standards, and conservation improvements. Mr. Gomm reviewed the Utility's proposed 2009 Budget and discussed the possibility of increasing rates to offset a projected \$2 million deficit. The deficit is a result of a projected increase in purchased power. Following discussion, Chairman Anderson thanked Mr. Gomm and Mr. Bonawitz for the presentation and received the report for information only.

Item No. 3 Chairman Anderson recognized Housing and Redevelopment Authority Executive Director Dorothy Gaffaney, HRA Board Chair Vera Novak, and HRA Staff. Ms. Gaffaney reviewed with the Committee the Agency's proposed July 1, 2009, through June 30, 2010, Fiscal Year Budget and reviewed various projects administered as well as funding sources. The HRA is requesting a 2009 levy of \$189,908 to support its General Administration Expenditures, establishing a program to upgrade housing in the City's older neighborhoods as requested by the Community Development Committee, and various Federal and State programs. Following discussion, Chairman Anderson thanked Ms. Gaffaney for her presentation and noted the Committee would discuss the levy request and make a recommendation to the full Council.

City Administrator Schmit introduced Heidi Burton, Linda Bahe and Kristine Hilbert who were representing the Child Guide Program. The Child Guide Program has been funded by PACT-4, but has recently experienced cuts in funding. The Child Guides are at the various schools and their purpose is connecting youth, community and families. The group provided information regarding the program which has been included in the Mayor's proposed budget.

Item No. 4 Chairman Anderson called on Mayor Heitke who provided a general overview of the City's 2009 Budget. In his comments the Mayor talked about the process of developing the 2009 Budget while highlighting quiet zones at 10th Street and Willmar Avenue, utility fees for various street and storm water improvements, development of the Industrial Park with Local Option Sales Tax dollars, and an effort by City, County, and State officials to improve the Business 71/TH 294/CR24 intersection.

Chairman Anderson called for a recess at 5:55 p.m. and reconvened the meeting at 6:50 p.m.

At this time the Committee began their review of the 2009 Budget. Following a brief discussion of Revenues, the Committee began its review of proposed expenditures. Much of the discussion focused on non-departmental expenditures.

A. Willmar Library. Following discussion of the 5.9 percent increase, it was the consensus of the Committee that the increases remain in the Budget. This matter was for information only.

B. Child Guide Program. The Committee was recommending to the Council that the Child Guide Program be removed from the Budget.

Mayor Heitke spoke in favor of the \$10,000 being in the Budget, noting that the Program lost Federal funding. The Mayor requested Kandiyohi County to assist with the deficit. Following discussion, Council Member Anderson moved to remove the \$10,000 from the Budget, with Council Member Fagerlie seconding the motion, which resulted in the roll call vote of Ayes 4, Noes – 4, Council Members Reese, Swenson, Gardner and DeBlieck voted “No.” Mayor Heitke casted the deciding “No” vote, resulting in the \$10,000 for the Child Guide Program remaining in the Budget.

C. Citizen Energy. The Committee was recommending to the Council that \$5,000 be included in the 2009 Budget for the Energy Committee contingent upon proper organizational structures being put in place.

Following discussion of public purpose, Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Dokken seconding the motion, which carried.

D. Baseball Boosters. It was the consensus of the Committee that the City contribute \$30,000 toward the baseball stadium debt in 2009 and further that Staff contact the Baseball Boosters with regard to developing a plan to retire the remaining loan balance. This matter was for information only.

E. County/City/Economic Development Commission Lobbyist Contract. The Committee was recommending to the Council to include \$6,000 as the City’s share of the Lobbyist Contract, in partnership with the EDC and Kandiyohi County.

Following discussion, Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Gardner seconding the motion, which carried on a roll call vote of Ayes 6, Noes 2 – Council Members Christianson and Dokken voted “No.”

Item No. 5. Following a discussion of the 2009 Budget, the Committee was recommending to the Council that the 2009 levy be set at \$3,525,325.

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 2009, upon the taxable property in said City of Willmar, for the following purposes:

General Fund	<u>\$ 3,525,325</u>
	TOTAL: \$ 3,525,325

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 2009 on all outstanding bond issues, and the deferred annual tax levies previously certified to the County Auditor are hereby cancelled;

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

Dated this 1st day of December, 2008.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Committee was recommending to the Council that the HRA's levy be set at of \$189,908 following a breakdown of administrative costs associated with the proposed program for the rehabilitation of older homes in the core City. Following discussion, 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, 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 2009 - 2010 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 \$189,908 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 1st day of December, 2008.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Committee was recommending the Council adopt the 2009 overall budget at \$20,842,162. Resolution No. 3 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. 3

ADOPTING THE BUDGET FOR THE FISCAL YEAR 2009

BE IT RESOLVED by the City Council of the City of Willmar that the Annual Budget for the fiscal year beginning January 1, 2009, 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	\$ 2,337,582.00
Public Safety	4,749,798.00
Public Works	3,138,190.00
Leisure Services	1,988,589.00
Capital Improvements	1,226,700.00
Other Operating	1,223,850.00
Waste Treatment	3,921,003.00
Debt Services	<u>2,256,450.00</u>
Total:	\$20,842,162.00

Dated this 1st day of December, 2008.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Finance Committee Report for November 24, 2008, 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 Minutes for November 24, 2008, was presented to the Mayor and Council by Council Member Reese. There were nine items for Council consideration.

Item No. 1 Rhonda Rae of Donohue and Associates presented information to the Committee pertaining to a Memorandum of Understanding for the Electrical Distribution Equipment at the new Wastewater Treatment Facility. The Memorandum identifies the responsibilities of both the Willmar Municipal Utilities (WMU) and the City for furnishing, installing, maintaining, and paying for the electrical distribution equipment. Jeff Kimpling of WMU answered questions of the Committee in relation to how the redundant equipment operates. The total estimated cost for the equipment is \$523,670 with the City of Willmar Wastewater Treatment Facility's portion for the equipment being \$238,420 and the remainder WMU.

In providing the redundant equipment, the City can assure continued treatment of wastewater by isolating the failed equipment and using the redundant equipment to continue treating wastewater to meet codes and protect the environment. The lead time on replacing some of this equipment can be approximately 16 weeks for delivery. A standby generator would provide backup power and also service the plant on peak days.

The Committee was recommending the Council approve the Memorandum of Understanding as presented and authorize the City Administrator to execute it on behalf of the City. 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

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 Memorandum of Understanding between the City of Willmar and Willmar Municipal Utilities (WMU) for the Electrical Distribution Equipment responsibility for the Wastewater Treatment Facility.

BE IT FURTHER RESOLVED, compensation for furnishing and installation of facilities within the Wastewater Treatment Facility that are redundant, or in addition to, the Standard Willmar Municipal Utilities system design are authorized by said Memorandum of Understanding are estimated as follows:

Total Estimated Cost for the Equipment	\$523,670
Willmar Municipal Utilities Portion for Standard Construction	\$285,240
City of Willmar Portion for Redundant Equipment	\$238,430

Dated this 1st day of December, 2008.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 2 Rhonda Rae, Donohue and Associates, presented Change Order No. 1 to Project No. 0813-D3. This project is a segment of the southern interceptor that was awarded to S.R. Weidema, Inc. and includes the installation of pipe from the Burlington Northern Railroad to the existing Wastewater Treatment Facility. During their review of the manhole structures, the contractor determined that several must be enlarged in order to accommodate the connection pipe using an Alok connecting system. Donohue recommended to the Committee acceptance of Change Order No. 1 which revises the total contract to \$6,316,724.48.

The Committee was recommending the Council accept Change Order No. 1 to Project No. 0813-D3 in the amount of \$15,882.08 and authorize the City Administrator to sign on behalf of the City. 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

WHEREAS, the City of Willmar entered into Contract No. 0813-D3 with S. R. Weidema, Inc. for the construction of Southern Interceptor (From BNSF RR to 5th St. SE and at Existing WWTF);

WHEREAS, no Change Orders have been previously authorized; and

WHEREAS, it is recommended to approve the increased size of Manhole Structure numbers 137, 138, 139, 140 from 108" diameter to 120" and Manhole Structure number 175 from 60" to 120" diameter. Change unit cost of each Bid Items 23, 24, 25 and 26 from \$14,025 to \$15,916.02. Change unit cost of Bid Item 45 from \$5,180 to \$13,496.

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that Change Order No. 1 be approved; as a result, the contract amount will be increased in the amount of \$15,882.08 for Project 0813-D3 Southern Interceptor (From BNSF RR to 5th St. SE and at Existing WWTF);

Dated this 1st day of December, 2008.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 Rhonda Rae, Donohue and Associates, briefed the Committee on the activities related to the relocation of the Wastewater Treatment Plant during October. The Groundbreaking Ceremony for the new facility was held on October 28, 2008, with approximately 40 people in attendance including Council Members, Staff, Legislators and representatives of Donohue and Associates.

Meetings continued with Staff regarding funding and finance issues. Pay requests were submitted to PFA for the Clean Water Revolving Fund loan and Wastewater Improvement Fund. A response to JOTS regarding a proposed sewer utility rate structure was drafted with the help of Springsted.

In relation to construction, Donohue provided management on all the conveyance projects and submitted a change order on equipment for the new facility to reduce costs and also an allowance modification for unsuitable soils. This matter was for information only.

Item No. 4 Staff gave a synopsis of the results of a recent community survey conducted by the Police Department. A similar survey was done in 1991. The Department obtained a random list of addresses from Willmar Municipal Utilities and mailed 2,000 surveys to various residences and businesses in the City. Responses were returned by 737 participants. Chief Kulset overviewed the results with the Committee. Overall the responses indicated the public is satisfied with the Department's enforcement and actions. Chief Kulset also demonstrated a website, crimereports.com, which the City is using on a trial basis for 30 days. This matter was for information only.

Item No. 5 Rural Cellular Corporation recently donated \$200.00 to the Willmar Police Department on behalf of retired Sergeant Rick Kleinschmidt as their "Home Town Hero." Mr. Kleinschmidt in turn donated the funds to the Corneilia de Lange Syndrome Foundation. The check was

made payable to the City of Willmar and Staff recommended the Committee accept the \$200.00 donation from Rural Cellular Corporation and issue a check to the Cornelia de Lange Syndrome Foundation on behalf of retired Sergeant Kleinschmidt.

The Committee was recommending the Council accept the donation and issue a check for to the Cornelia de Lange Syndrome Foundation. 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 8, Noes 0.

RESOLUTION NO. 6

WHEREAS, Rural Cellular Corporation donated \$200.00 to the Willmar Police Department on behalf of retired Sergeant Rick Kleinschmidt as their "Home Town Hero," and

WHEREAS, Mr. Kleinschmidt donated the funds to the Corneilia de Lange Syndrome Foundation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota, that the City accept the donation and issue a check for \$200.00 to the Cornelia de Lange Syndrome Foundation and that the City Administrator be directed to express the community's appreciation.

Dated this 1st day of December, 2008.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 6 Staff informed the Committee that in October the Fire Department was offered a \$600.00 donation to be used toward expenses for confined space training. Staff recommended accepting the \$600.00 donation to offset these training costs.

The Committee was recommending the Council accept the \$600.00 donation from Land 'O Lakes. Resolution No 7 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call sheet of Ayes 8, Noes 0.

RESOLUTION NO. 7

WHEREAS, Land 'O Lakes donated \$600.00 to the Willmar Fire Department to be put toward the Department's confined-space rescue training,

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota, that the City accept the \$600.00 donation and that the City Administrator be directed to express the community's appreciation.

Dated this 1st day of December, 2008.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 7 Staff informed the Committee that the Fire Department received a donation offer of \$50.00 from Larry and Vickie Eisenlohr to show their appreciation to the members for their dedicated service to the community. Staff recommended acceptance of the donation.

The Committee was recommending the Council accept the \$50.00 donation from Larry and Vickie Eisenlohr. Resolution No. 8 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. 8

WHEREAS, Larry and Vickie Eisenlohr has donated \$50.00 to the Willmar Fire Department to show their appreciation to the Department members for their dedicated service to the community,

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota, that the City accept the \$50.00 donation and that the City Administrator be directed to express the community's appreciation

Dated this 1st day of December, 2008.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 8 The Committee was informed by Staff that the consulting engineers, Bolton and Menk, has submitted a final pay request for S.J. Louis Construction of Waite Park, MN for completion of Project No. 0603. The project included the underground utility improvements in Water View Business Park. The project is now complete and the engineers are recommending final payment in the amount of \$12,420.38 be issued and noted the project came in under budget.

The Committee was recommending the Council accept Project No. 0603 and authorize final payment to S.J. Louis as presented. Resolution No. 9 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. 9

ACCEPTING PROJECT AND AUTHORIZING FINAL PAYMENT

IMPROVEMENT: Project No. 0603 – Waterview Business Park Utility Improvements
CONTRACTOR: S.J. Louis Construction
DATE OF CONTRACT: September 10, 2006
BEGIN WORK: October, 2006
COMPLETE WORK: October, 2007
APPROVE, CITY ENGINEER: November 24, 2008

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

1. The said City of Willmar Project No. 0603 be herewith approved and accepted by the City of Willmar.
2. The following summary and final payment be approved:

ORIGINAL CONTRACT AMOUNT:	\$1,323,113.40
Change Orders 1 & 2	(\$66,533.78)
FINAL NET CONTRACT AMOUNT, PROPOSED:	\$1,256,579.62
ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED:	\$1,242,037.94
Less Previous Payments	\$1,229,617.56

FINAL PAYMENT DUE CONTRACTOR:

\$12,420.38

Dated this 1st day of December, 2008.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 9 Staff informed the Committee that the two outdoor emergency sirens located on County Road 41 have been moved and are in operation.

The Public Works/Safety Committee Report for November 24, 2008, 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.

Announcements for Council Committee meeting dates were as follows: Finance, December 8; Public Works/Safety, December 9; Council Work Session, December 10; and Community Development, December 11, 2008.

There being no further business to come before the Council, the meeting adjourned at 8:47 p.m. upon motion by Council Member Gardner, seconded by Council Member Anderson, and carried.

At this time the Mayor and Council went into a closed session to discuss the Jorgenson lawsuit.

Attest:

MAYOR

SECRETARY TO THE COUNCIL