

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

March 18, 1998  
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 Verna Kelly, Ron Christianson, Bruce DeBlieck, Douglas Reese, Richard Halterman, Nancy Houlahan, Vince Van Heuveln, and Rick Fagerlie; Present 9, Absent 0.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Parks and Leisure Services Director Dale Johnson, Public Safety Director Dan Strootman, City Engineer Mel Odens, Finance Director Steven Okins, Planning and Development Services Director Bruce Peterson, and City Clerk Kevin Halliday.

Proposed additions to the agenda included Rice Hospital ownership/tele-conference.

Council Member Reese offered a motion adopting the Consent Agenda which included the following: City Council Minutes of March 4, Municipal Utilities Commission Minutes of March 9, Rice Hospital Board Minutes of March 11, Building Inspection Report for February, Senior Council Minutes of March 4, Zoning Appeals Board Minutes of March 9, Airport Advisory Committee Minutes of March 9, Housing Task Force Minutes of March 10, and Planning Commission Minutes of March 11, 1998. Council Member Kelly seconded the motion which carried.

Loren Engelby, representing the Soil and Water Conservation District, appeared before the Mayor and Council to provide an update on the Grass Lake Project. It was noted a ditch petition would be needed to determine the benefited property in the Grass Lake watershed. The petition would require assignment of an engineering firm and certified viewers. Cost estimates exceeded \$300,000 for engineering and development of plan sheets. Mr. Engelby was offering an alternative plan which would minimize engineering costs, yet prepare the data on benefited property for the project. This plan would cost approximately \$23,000 for ditch viewers and \$28,000 in engineering costs. Mr. Engelby was not requesting a contribution from the City at this time and was only informing the Council of recent developments. Following a short question and answer session, staff was directed to place the matter on the Finance Committee agenda for further discussion.

The Finance Committee Report of March 9, 1998, was presented to the Mayor and Council. There were six items for Council consideration.

Item No. 1 The Committee was informed by staff of an additional investment of \$110,000 into the Industrial Initiative Program. The investment was to the Relco Development Corporation for the purchase of equipment. This brings the total City involvement in the Initiative Program to \$411,000. This matter was for information only.

Item No. 2 The Committee was informed by staff, as a follow up to previous Committee action regarding the future of a Rice Memorial Hospital, that a tele-conference with individuals from Marion, Illinois, was scheduled for Friday, March 13, 1998, at the Lakeland Medical Center. Marion is a community that has experienced the recent sale of their public hospital.

The tele-conference would give the Committee an opportunity to discuss the impact of the Marion sale on the community, Hospital and staff. This matter was for information only.

Item No. 3 The Committee reviewed the Proposed 1999 Budget Calendar. Following a brief discussion, the Committee was recommending to the Council

adoption of the 1999 Proposed Budget Calendar as presented. Council Member Kelly moved to approve the recommendation of the Finance Committee with Council Member Fagerlie seconding the motion which carried.

Item No. 4 The Committee was informed by staff that the City has been notified of an amendment to the grant awarded to the City from the State Department of Children, Families and Learning for the Library expansion project. The additional amount of \$17,230 was available because of carryover in LSCA II funds. This brings the total grant award to a total of \$195,191. The Committee was recommending to the Council to introduce a resolution amending the Library Construction Budget to \$4,695,191.

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

RESOLUTION NO. 1

LIBRARY EXPANSION PROJECT  
AMENDED LIBRARY PROJECT BUDGET  
ESTIMATED TOTAL COST \$4,695,191

OTHER SERVICES:		RECEIVABLES:	
Mtce. of Other Impr. (Cntrt)	\$3,295,191.00	State - Grant	\$ 195,191.00
Other Services	<u>310,000.00</u>	City-Local Option	
Total:	\$3,605,191.00	Sales Tax	<u>4,500,000.00</u>
		Total:	\$4,695,191.00
OTHER CHARGES:		FINANCING:	
Site Dev. & Relocation	\$ 295,000.00	Bonds	\$4,500,000.00
Professional Services	<u>290,000.00</u>	State-Grant	<u>195,191.00</u>
Total:	\$ 585,000.00	Total:	\$4,695,191.00
Furniture & Equipment	\$ 505,000.00		
GRAND TOTAL:	\$4,695,191.00	GRAND TOTAL:	\$4,695,191.00

Dated this 18th day of March, 1998.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 5 The Committee reviewed the following reports: 1997 Interest, December Rice Hospital, January Rice Trust, and 1997 Lodging Tax. This matter was for information only.

Item No. 6 The Committee listed the following items for future agendas: water main financing, future of Rice Hospital, Law Enforcement Center financing, proposed Civic Center fees, future Waste Treatment rates, and 1997 Finance Report. This matter was for information only.

The Finance Committee Report of March 9, 1998, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Kelly, seconded by Council Member Fagerlie, and carried.

The Public Works/Safety Committee Report of March 10, 1998, was presented to the Mayor and Council by Council Member Halterman. There were eight items for Council consideration.

Item No. 1 Jerry Schliep and Bruce Eddy, residents of 24<sup>th</sup> Street Southeast, appeared before the Committee to request consideration of the acceptance of 24<sup>th</sup> Street SE by the City. The Committee reviewed a memo comparing specifications of 24<sup>th</sup> Street to a typical City street. The main differences were the length of the cul-de-sac and that City staff was not present during

construction. Staff recommended conditions be met prior to acceptance: 1) there be no useful life credit; 2) the City be furnished with as-built plans; and 3) necessary easements and street right-of-way furnished.

The Committee was recommending to the Council to approve acceptance of 24<sup>th</sup> Street Southeast as a City street contingent upon meeting acceptance conditions. Council Member Halterman moved to approve the recommendation of the Public Works/Safety Committee with Council Member Reese seconding the motion which carried.

Item No. 2 Staff presented to the Committee an agreement with MnDOT for the right to enter upon City property for the purpose of rehabilitating the geological marker located in Thompson Park. Upon completion of the rehabilitation, the City will assume responsibility for maintenance.

The Committee was recommending to the Council to accept the agreement and authorize the Mayor and City Administrator to sign on behalf of the City. Resolution No. 2 was introduced by Council Member Halterman, seconded by Council Member Reese, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 2

IT IS RESOLVED that the City of Willmar enter into MnDOT Agreement No. 77102 with the State of Minnesota, Department of Transportation for the following purposes:

For rehabilitation, by the State, of the Geological Society of Minnesota's Marker No. 8 to be performed adjacent to Business 71-23 in Thompson Park within the corporate City limits under State Project No. 8816-37, and for maintenance of the marker by the City.

IT IS FURTHER RESOLVED that the Mayor and the City Administrator are authorized to execute the Agreement.

Dated this 18th day of March, 1998.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 3 The Committee reviewed a proposed agreement with Bolton and Menk for construction engineering services for reconstruction of the south portion of First Street. The agreement provides for construction inspection and supervision of the project, preparation of all the required paperwork, diaries, and contractor payment requests at a cost of \$167,300. The State will reimburse the City the majority of the cost, with the City's portion expected to be approximately \$14,500.

The Committee was recommending to the Council to approve the agreement with Bolton and Menk and authorize the Mayor and City Administrator to sign on behalf of the City. Resolution No. 3 was introduced by Council Member Halterman, seconded by Council Member Reese, 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 construction engineering services for Project No. 9605 (south section of First Street Turnback) for the City of Willmar; and

WHEREAS a proposal has been made by, and an agreement prepared to retain, the firm of Bolton and Menk in an amount of \$167,300.00 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 Mayor and City Administrator be authorized to execute the same.

BE IT FURTHER RESOLVED that funding for said services be from Turnback Project Funds.

Dated this 18th day of March, 1998.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 4 Staff informed the Committee of the required assessment hearing on the First Street Turnback Improvements (Project No. 9605). Following discussion, the Committee was recommending to the Council to call for an assessment hearing for Project No. 9605. Resolution No. 4 was introduced by Council Member Halterman, seconded by Council Member Kelly, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

CALLING HEARING ON ASSESSMENTS FOR  
PROJECT 9605 FIRST STREET IMPROVEMENTS

WHEREAS, the City Clerk-Treasurer with the assistance of the City Engineer has prepared an assessment roll for Project 9605 First Street Improvements, and said proposed assessment roll is on file with the Clerk-Treasurer and open to public inspection.

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

1. The Clerk-Treasurer shall publish notice that this City Council will meet to consider the proposed assessments on April 15, 1998, at 7:02 p.m. in the Council Chambers, Municipal Utilities Building, 700 West Litchfield Avenue, Willmar, Minnesota.

2. Said notice shall also be mailed to the owners of each parcel of property described in the assessment roll.

3. Such notice shall be in substantially the following form: (On file in the City Clerk's Office)

4. Said notice shall be published by the City Clerk-Treasurer in the official newspaper at least two weeks prior to the hearing and mailed by said Clerk-Treasurer to the owners of each parcel described in the assessment roll.

Dated this 18th day of March, 1998.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 5 The Committee discussed improvements scheduled for the 1998 construction season. This matter was for information only.

Item No. 6 The Committee reviewed a letter and draft agreement between the City of Willmar and Kandiyohi County for construction and operation of a Law Enforcement Center. The County is seeking a more formal commitment to the project. The City's share is estimated at \$1.5 million at 5.8 percent interest which will result in an estimated annual service cost of \$115,000 for 25 years. Operation and maintenance costs are expected to increase by an estimated \$20,000 annually.

Following a general discussion including a review of estimates to remodel and operate as a separate unit out of the existing Public Safety Building, the Committee was recommending to the Council to participate in a joint Law Enforcement Center with Kandiyohi County and direct staff to continue discussions regarding the terms and conditions of a proposed agreement.

Council Member Halterman moved to approve the recommendation of the Public Works/Safety Committee with Council Member Kelly seconding the motion. Wayne Thompson, Kandiyohi County Coordinator, appeared before the Mayor and Council on behalf of the County Board to present an update on the recent County Board decision to move ahead with the jail, dispatch center, and County/City Law Enforcement Center. Mr. Thompson added clarity to the proposed cost-sharing agreement between the City and County for the law enforcement center. Comments regarding the use of the vacated downtown Courthouse offices were discussed. It was noted the present jail would remain as a holding facility for the courts and that a downtown police presence could remain. Overall project financing options were discussed. Judge Don Spilseth was present to answer Council questions regarding jail sentencing, case loads and future Courthouse remodeling to meet the District Court needs. Following a lengthy discussion, the motion to approve participation in the Law Enforcement facility carried.

Item No. 7 Staff requested permission to submit a grant to the Department of Natural Resources for an addition to the bike path system. The addition would extend the sidewalk area that extends along Civic Center Drive to line up with the State Trail Headquarters at the Civic Center parking lot, and ultimately link up with the High School's trail system. The maximum to be applied for is 50 percent funding with a total estimated project cost of \$55,500.

The Committee was recommending to the Council to allow staff to submit an application for the grant. Council Member Halterman moved to approve the recommendation of the Public Works/Safety Committee with Council Member Reese seconding the motion which carried.

Item No. 8 Staff informed the Committee of a house burn planned for April 30, 1998, at 826 Olaf Avenue Northwest. This matter was for information only.

The Public Works/Safety Committee Report of March 10, 1998, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Halterman, seconded by Council Member Kelly, and carried.

The Labor Relations Committee Report of March 11, 1998, was presented to the Mayor and Council by Council Member Reese. There was one item for Council consideration.

Item No. 1: The Committee continued its discussion of a proposal to reorganize the Public Works Department. City Administrator Schmit has submitted a proposal naming City Engineer Mel Odens as Public Works Director/City Engineer. The reorganizational proposal includes recommendations for additional compensation.

Following discussion, the Committee was recommending to the Council that City Engineer Odens be appointed Public Works Director and that his annual salary be increased from \$61,082 to \$63,535; further that Superintendent Ron Gilbertson's annual salary be increased from \$49,691 to \$50,684. Council Member Reese moved to approve the recommendation of the Labor Relations Committee with Council Member Kelly seconded the motion which carried.

The Labor Relations Committee Report of March 11, 1998, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Reese, seconded by Council Member Christianson, and carried.

The Community Development Committee Report of March 12, 1998, was presented to the Mayor and Council by Council Member DeBlieck. There were five items for Council consideration.

Item No. 1 The Committee discussed a staff proposal to extend building and fire code enforcement authority beyond the City limits. State statute gives cities the authority to extend code enforcement authority a maximum of two miles outside corporate limits.

The Committee reviewed letters from the Building Official and Fire Marshal as well as photographs of substandard construction within the two-mile limit. There was general agreement among Committee Members that such extraterritorial authority be pursued. At a future meeting staff will present additional information and a map of the proposed enforcement area. This matter was for information only.

Item No. 2 Staff presented to the Committee an update on the Library project. The project is on schedule for a Spring bid letting. This matter was for information only.

Item No. 3 The Committee reviewed an update on the environmental review process for the proposed new airport. The environmental scoping process is scheduled to be concluded in April, with final environmental review to begin in May. This matter was for information only.

Item No. 4 Staff provided information to the Committee on a variety of commercial/industrial projects which are either planned or already under construction. Among the projects discussed were two new office buildings, a new bagel restaurant, Jennie-O foods expansion, and several other significant retail projects. This matter was for information only.

Item No. 5 The Committee considered a proposal by a developer from Sartell, Minnesota, to develop 50 units of assisted living housing on the former Kindlehope site. The developer was requesting tax increment financing to assist with some demolition and site preparation costs.

The Committee discussed the housing market as it relates to assisted living facilities. Several questions were raised regarding the type of TIF district to be established and the potential impact on local government aids. The Committee was recommending to the Council that staff be directed to express interest to the developer and to solicit more detailed information for a future presentation by the developer. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Fagerlie seconding the motion which carried.

The Community Development Committee Report of March 12, 1998, 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 Fagerlie, and carried.

The Mayor and Council considered a request from VFW Post 1639 for a two-year renewal application for full gambling privileges. It was noted the application was lacking necessary bank information signatures. Subject to necessary signatures, Resolution No. 5 was introduced by Council Member Reese, seconded by Council Member Halterman, read by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 1 - Council Member Van Heuveln voted "No."

RESOLUTION NO. 5

REQUESTING THAT THE MINNESOTA GAMBLING CONTROL DIVISION  
APPROVE THE APPLICATION FOR A PREMISE PERMIT RENEWAL FOR THE  
VFW POST 1639 OF WILLMAR, MINNESOTA

WHEREAS, the VFW Post 1639 has applied to the Minnesota Gambling Control Division for a Class A Premise Permit at 1108 East Highway 12, Willmar, Minnesota.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the City approves of the application for a Class A Premise Permit for the VFW Post 1639 and respectfully requests that the Minnesota Gambling Control Division approve the Class A Premise Permit application for the VFW Post 1639.

Dated this 18th day of March, 1998.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

The Mayor and Council considered a preliminary plat of Park Ridge Addition. It was noted John Holthusen proposed to plat his property into three lots for additional office development. The Planning Commission has approved the preliminary plat with two conditions requiring additional easements and site drainage. Council Member Kelly moved to approve the preliminary plat of Park Ridge Addition with the conditions stipulated by the Planning Commission. Council Member Reese seconded the motion which carried.

Mayor Heitke called for a recess at 8:37 p.m. and reconvened the meeting at 8:47 p.m.

At 8:47 p.m. Planning and Development Services Director Peterson presented to the Mayor and Council the 1997 Planning and Development Services Departmental Annual Report. Following a brief question and answer period, the report was ordered placed on file in the City Clerk's Office.

Mayor Heitke recalled the Rice Hospital tele-conference conducted on March 13, 1998, regarding the experience of the community of Marion, Illinois, leasing their hospital to Community Health Services. The Mayor expressed his opinion and relayed comments received from many local citizens to not pursue a change in ownership of the Hospital. Council Members expressed their goal to provide assurance that Rice Memorial Hospital remains a viable medical facility and to that extent, expressed a need for further information. Following a short discussion, it was agreed to allow the Finance Committee to continue to work through the process. This matter was for information only.

Announcements for Council Committee meeting dates were as follows: Finance, March 23; and Housing Task Force, March 24, 1998.

There being no further business to come before the Council, the meeting adjourned at 9:30 p.m. upon motion by Council Member Reese, seconded by Council Member DeBlieck, and carried.

Attest:

\_\_\_\_\_  
MAYOR

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