

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

June 3, 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 DeBlicek, Douglas Reese, Nancy Houlahan, Vince Van Heuveln, and Rick Fagerlie; Present 8, Absent 1 - Council Member Richard Halterman was excused from the meeting.

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

Additions to the Agenda included a Pay Equity status report.

Council Member DeBlicek requested that Municipal Utilities Commission and Park Board Minutes be removed from the Consent Agenda.

Council Member Houlahan offered a motion adopting the Consent Agenda which included the following: City Council Minutes of May 20; Human Rights Commission Minutes of February 17, March 17 and April 21; Pioneerland Library Board Minutes of March 26; Zoning Appeals Board Minutes of May 18; Housing Task Force Minutes of May 26; and Planning Commission Minutes of May 27, 1998; and a Mayoral Proclamation for Flag Day in Willmar. Council Member Kelly seconded the motion, which carried.

The Mayor and Council discussed the Municipal Utilities Commission Minutes and acknowledged the Willmar Municipal Utilities/MMUA Scholarship awarded to Jill Skoglund and Elizabeth Radel. Council Member DeBlicek moved to approve the Municipal Utilities Commission Minutes of May 26, 1998. Council Member Christianson seconded the motion, which carried.

The Mayor and Council discussed Item No. 2 in the Park and Leisure Services Board Minutes regarding Civic Center floor status. Parks and Leisure Services Director Johnson stated that an upcoming pressure test on the known leaks would be conducted and the aging floor may soon need to be replaced. Council Member DeBlicek moved to accept the Park and Leisure Services Board Minutes of May 19, 1998. Council Member Van Heuveln seconded the motion, which carried.

At 7:10 p.m. Mayor Heitke opened the hearing on an Ordinance Amending Sections 2, 3 and 5 of the Rate Schedule for Users of the Willmar Waste Water Treatment Plant. City Administrator Schmit explained that the Council was considering revisions to the Waste Water Treatment Plant rates in order to accommodate the additional debt service resulting from the financing and construction of the new Sludge Storage Project. Mr. Schmit stated that adjustments were being made to the debt service and user charge portion of the rate structure while administrative service fees remained unchanged. It was noted the proposed rates do not include fund depreciation. Following a review of the proposed rate structure and its impact on various user types, Mayor Heitke opened the floor to interested parties. Randy Alslaben, Manager of Engineering at Jennie-O Foods, spoke on behalf of the company and challenged various aspects of the proposed rate structure. Upon hearing from all those who wished to be heard, Mayor Heitke closed the hearing at 7:38 p.m.

Following discussion, Council Member Kelly offered a motion to adopt, assign a number, and order final publication of the Ordinance Amending Sections

2, 3 and 5 of Rate Schedule for Users of the Willmar Waste Water Treatment Plant and to require a Council policy of reviewing rates annually and reinstating fund depreciation at the earliest possible date. Council Member Reese seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Mayor Heitke recognized Wayne Nelson representing a group of interested citizens requesting that the City reconsider its position to hire a full-time Airport Manager and reinstate Willmar Air Service. Mr. Nelson addressed a number of issues regarding the airport management issue and concluded his presentation by requesting that the Council retain the services of Willmar Air Service or, at a minimum, delay its action to hire a full-time manager until such time a new airport is constructed. Bruce Jaeger, representing Willmar Air Service, and Frank Chapin, representing the citizens group, both spoke in favor of renewing and/or extending the contract for airport management with Willmar Air Service.

Following a general discussion period, Mayor Heitke noted that no motion appeared to be forthcoming to reconsider this matter and thanked those in attendance for their participation.

Mayor Heitke called for a recess at 8:44 p.m. and reconvened the meeting at 8:55 p.m.

The Finance Committee Report of May 26, 1998, was presented to the Mayor and Council by Council Member Kelly. There were six items for Council consideration.

Item No. 1 The Committee reviewed a Trunk Highway 71 detour agreement, and moved to recommend to the Council that a resolution be introduced appropriating \$2,967 to the Public Works 1998 operating budget. 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 7, Noes 0.

RESOLUTION NO. 1

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to make the following changes within the Public Works Department of the General Fund:

Increase:	Maintenance of Other Improvement	\$2,967.00
Increase:	Estimated Revenue State DOT	\$2,967.00

Dated this 3rd day of June, 1998.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 2 The Committee considered revised Waste Treatment rates. The revisions were due to additional allocations of the present Plant capacity to a large industrial user in the City. It was noted this information will be presented at the public hearing and the rates would be revisited again during the 1999 Budget process. This matter was for information only.

Item No. 3 The Committee reviewed the first two months of sales tax revenue and the first four months of vehicle excise tax revenue. Although the preliminary numbers are below projections, it was the Committee's feeling the last half of the year would compensate for the below average collections of the first few months. This matter was for information only.

Item No. 4 The Committee discussed the Downtown Intermediary Relending Program. The amount of \$250,000.00 initially requested by Main Street Willmar and Willmar H.R.A. will be reduced due to a reduction in the Federal funding allocation. The preliminary amount needed would be in the \$172,00.00 to \$175,000.00 range. The final details and agreements are being finalized and presented to the Council at a future meeting. This matter was for information only.

Item No. 5 The following reports were reviewed and received for information only: April Rice Trust, April Lodging Tax, and First Quarter Interest/Dividends.

Item No. 6 The following items were placed on future agendas: 1998 bonds, Mayor and Council salaries, Law Enforcement Center financing, water main financing, future of Rice Hospital, Civic Center rates, Library request, and the Downtown grant.

The Finance Committee Report of May 26, 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 Community Development Committee Report of May 28, 1998, was presented to the Mayor and Council by Council Member DeBlieck. There were three items for Council consideration.

Item No. 1 The Committee considered a request for tax increment financing assistance submitted by Country Manor. The request was for \$750,000 in TIF assistance over a 20-year term. A Staff analysis of the proposal was reviewed and discussed at length as well as a sample debt amortization schedule and LGA/HACA loss schedule.

The Committee discussed possible exposure to the City if the district was created as requested. Staff noted there would be no exposure as the proposal was to do a pay-as-you-go district with the developer fronting all costs.

The Committee was recommending to the Council that an offer of TIF assistance in the amount of \$325,000 be made to Country Manor, that the maximum district life be 13 years, and that TIF assistance be limited to the cost of site preparation, building demolition, utility extensions, landscaping, and legal/administration. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Fagerlie seconding the motion, which carried.

Item No. 2 Staff presented an update on the work of the Housing Task Force. A report will be made to the City Council at the June 15, 1998, meeting. This matter was for information only.

Item No. 3 The Committee reviewed bids received for the Library project. It

was noted bids were under the architect's estimate and the project should be built as proposed. This matter was for information only.

The Community Development Committee Report of May 28, 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 Christianson, and carried.

Planning and Development Services Director Peterson informed the Mayor and Council that the Willmar Planning Commission was recommending to the Council that the Shoreland Zoning Ordinance be amended to allow residential planned unit developments in the R-2/S and R-3/S zoning districts. Following discussion, Council Member Kelly moved to introduce an Ordinance Amending Municipal Ordinance No. 1022, the Willmar Shoreland Zoning Ordinance, and to schedule a hearing for July 1, 1998. Council Member Reese seconded the motion, which carried.

Planning and Development Services Director Peterson presented to the Mayor and Council a request from Nomeland Properties, Inc., that special assessments against their property be reapportioned to allow for the filling of the plat of Morningside Estates First Addition. It was noted the proposed reapportionment is consistent with the density and design of the approved townhouse development.

Resolution No. 2 was introduced by Council Member Reese, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 2

WHEREAS, a request for reapportionment of special assessments has been filed with the City of Willmar, said request being signed by all of the parties having an interest in the following-described property: (on file in the City Clerk's Office)

WHEREAS, the above have waived notice of hearing and hearing on said reapportionment; and

WHEREAS, the City Council of the City of Willmar is in agreement with the suggested reapportionment set out in the request submitted by the above.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willmar, pursuant to the request of the above that the special assessments on the above-described property be and they hereby are reapportioned as provided in the request of the above-named, and

BE IT FURTHER RESOLVED that the reapportionment be recorded in the records of the City of Willmar and the Kandiyohi County Auditor effective for taxes and assessments due and payable on tax statements issued in the year 1999 and thereafter.

Dated this 3rd day of June, 1998.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Mayor and Council considered the final plat of Morningside Estates First Addition, allowing for the development of six, three-unit townhouse buildings along 23rd Street Southeast. It was noted all conditions attached to the preliminary plat approval have been met. Council Member Reese moved to approve the final plat of Morningside Estates First Addition with Council Member Kelly seconding the motion, which carried.

The Mayor and Council considered bids received for the Willmar Public Library expansion and renovation project. Following discussion, Resolution No. 3 was introduced by Council Member DeBlieck, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 6,

Noes 0, Council Member Houlahan abstained from voting.

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 bid of Nelson Construction Company, Inc. of Willmar, Minnesota, for the Willmar Public Library Expansion and Renovation Project, is accepted, and be it further resolved that the Mayor and City Administrator be authorized to sign an agreement with the bidder for the terms and consideration of the contract in the amount of \$2,965,000.

Dated this 3rd day of June, 1998.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Mayor and Council considered an application for a one to four-day temporary on-sale liquor license from the Jaycees for Willmar Fests. Following discussion, Council Member Kelly moved to approve the temporary on-sale liquor license for the Jaycees with Council Member Reese seconded the motion, which carried on a roll call vote of Ayes 6, Noes 1 - Council Member Christianson voted "no."

Announcements for Council Committee meeting dates were as follows: Finance, June 8; Labor Relations, June 9; and Public Works/Safety, June 9, 1998.

Council Member DeBlieck notified the Mayor and Council that he would be absent from the June 15, 1998, City Council meeting.

City Administrator Schmit informed the Mayor and Council that the Department of Employee Relations has accepted the City's January, 1996, Pay Equity preliminary report. Following discussion, Council Member Kelly offered a motion to sign the official Pay Equity Report and submit it to the Department of Employee Relations. Council Member Christianson seconded the motion, which carried.

There being no further business to come before the Council, the meeting adjourned at 9:15 p.m. upon motion by Council Member Reese, seconded by Council Member Kelly, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL