

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

December 2, 2002  
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 David Chapin; 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, and City Clerk Kevin Halliday.

Council Member Reese offered a motion adopting the Consent Agenda which included the following: City Council Minutes of November 20, Municipal Utilities Commission Minutes of November 25, Planning Commission Minutes of November 27, Kandiyohi Area Transit Board Minutes of October 24, Willmar Area Senior Council Minutes of November 6, and Airport Commission Minutes of November 7, 2002. Council Member DeBlieck seconded the motion, which carried.

At 7:03 p.m. Mayor Heitke opened the Truth-in-Taxation hearing. City Administrator Schmit presented details of the proposed budget which totaled \$15,175,444 with a levy to be set at \$1,835.251. Mayor Heitke recognized Al Koning, who addressed his property value increases. At 7:15 p.m. Mayor Heitke closed the hearing and deferred action to the Finance Committee Report

The Finance Committee Report for November 25, 2002, was presented to the Mayor and Council by Council Member Anderson.

HRA Executive Director Dorothy Gaffaney was present to review with the Committee the agency's proposed July 1, 2002, through June 30, 2003, Fiscal Year Budget. The HRA was requesting an \$89,166 levy to support its \$580,068.30 General Administration Expenditures. The Committee was recommending to the Council approval of the tax levy as requested.

CEO Lawrence Massa and CFO Leroy Meyering appeared before the Committee to present information regarding the 2003 Rice Memorial Hospital General Operating Budget. Mr. Massa reviewed the highlights of the proposed Budget noting it will yield a 3.5 percent total margin which is the same as the 2002 Budget or a net gain of \$2.5 million. An overall price increase of 7.5 percent is required to generate the projected margin, which is 2.5 percent greater than the price increase implemented in 2002.

Mike Nitchals, General Manager of the Willmar Municipal Utilities was present to review with the Committee the Utility's proposed 2003 Budget. Mr. Nitchals reviewed in detail proposed 2003 capital expenditures and discussed operating budgets and the capital improvement program.

Mayor Heitke provided the Committee with a general overview of the City's 2003 Budget. In his comments the Mayor talked about League of Minnesota projections of the coming year regarding Local Government Aids; the City maintaining the A-2 bond rating with Moody's; the

Council's approving the concept of a cultural diversity liaison position which is a major step in addressing the City's ever-changing cultural make-up; and the growth of the City with the new Airport, Rice Hospital addition and businesses along the Highway 12 and 71 corridors. 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 Mayor informed the Committee that it needs to discuss the \$900,000 in excess revenue from the Library Local Option Sales Tax. The Mayor is proposing it be broken down as follows: \$200,000, Civic Center locker project; \$300,000, Library reserve fund; and \$400,000, industrial development for the Airport.

The Mayor also informed the Committee that he recently received a request for consideration of improvements to the sound system at the W.E.A.C. building.

The Committee and Council Members reviewed the proposed budget for 2003 as follows: Levy, Revenues and Expenditures by departments; Capital Outlay; and Non-departmental. The Committee discussed specific projects such as improvements to the Sperry House, W.E.A.C. air conditioning and mosquito spraying, but opted to leave funding at proposed levels pending further developments.

The Committee then discussed in detail the \$900,000 excess revenue from the Local Option Sales Tax and approved the Mayor's recommendation of \$300,000, Library reserves; \$400,000, Industrial Development; and \$200,000, Civic Center. The Finance Committee will consider this matter at a later date.

The Committee was recommending to the Council that following the Truth-in-Taxation Hearing, the approval of a resolution to adopt the levy, including the Housing and Redevelopment Authority's request. Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Chapin, 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 2003, upon the taxable property in said City of Willmar, for the following purposes:

General Fund	<u>\$ 1,835,251</u>
TOTAL:	\$ 1,835,251

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 2003 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 2003 - 2004 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 \$89,166 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 2<sup>nd</sup> day of December, 2002.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

The Committee further recommended to the Council the approval of a resolution adopting the Mayor's 2003 budget as presented, including an acknowledgment and acceptance of Rice Hospital and Municipal Utilities proposed revenues, expenses and fee increases.

RESOLUTION NO. 2

ADOPTING THE BUDGET FOR THE FISCAL YEAR 2003

BE IT RESOLVED by the City Council of the City of Willmar that the Annual Budget for the fiscal year beginning January 1, 2003, 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	\$ 1,799,050
Public Safety	3,525,266
Public Works	2,372,658
Leisure Services	1,233,414
Capital Improvements	932,028
Other Operating	1,209,254
Waste Treatment	2,215,372
Debt Services	<u>1,888,402</u>
Total:	\$15,175,444

Dated this 2<sup>nd</sup> day of December, 2002.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

At 7:22 p.m. Mayor Heitke opened a hearing to consider Care Transportation/Willmar Taxi minimum fare. City Clerk Halliday explained to the Mayor and Council that Care Transportation/Willmar Taxi would like to set a minimum fare rate of \$3.50 per ride; and the \$2.25 base rate, mileage charge of \$.20 per 1/8<sup>th</sup> mile and wait time of \$.30 per minute will remain the same. There being no one present to speak for or against the matter, Mayor Heitke closed the meeting at 7:24 p.m.

Resolution No. 3 was introduced by Council Member Christianson, seconded by Council Member Reese, and carried on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 3

WHEREAS, Care Transportation, Inc. (Willmar Taxi), a duly licensed taxi cab operator in the City of Willmar has petitioned for an increase in rates now being charged by said cab company; and

WHEREAS, the City Council of the City of Willmar has, following published notice, conducted a hearing and received evidence with respect to the request for a rate increase; and

WHEREAS, the City Council of the City of Willmar has duly considered the evidence adduced at said hearing and has duly considered the rate increase request and finds that the request for a rate increase is reasonable and justified.

NOW, THEREFORE, BE IT RESOLVED that Care Transportation, Inc., (Willmar Taxi) be and hereby is allowed to change its rate structure as follows:

Establish a minimum fare rate of \$3.50 per ride

AND BE IT FURTHER RESOLVED that said rates shall become effective on the 3<sup>rd</sup> day of December, 2002.

Dated this 2<sup>nd</sup> day of December, 2002.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Mayor Heitke recognized Fred Cogelow who had signed up to address the City Council during its scheduled Open Forum. Mr. Cogelow spoke in opposition to previous Council action allowing snowmobile races in 2003 at the Kandiyohi County Fairgrounds.

City Clerk Halliday presented to the Mayor and Council an application from Bennett Ventures Inc. d.b.a. ACE Cash Express 5188 for a Currency Exchange License renewal for 2003. State Statutes requires the governing body of the municipality to render a decision regarding the renewal of the license. Following discussion, Council Member Reese moved to grant the Currency Exchange License as presented with Council Member Fagerlie seconding the motion, which carried.

The Mayor and Council considered an amended Assessment Roll for the 2002 Street Improvement Project. City Clerk Halliday explained the assessment roll needs to be further amended to reduce the total assessments to \$1,214,957.61 pursuant to the final construction costs of Parcel 95-923-0010 (Independence Place). Resolution No. 4 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. 4

AMENDING ASSESSMENT ROLL

WHEREAS, the City Council of the City of Willmar, Minnesota, duly adopted the assessment roll for the 2002 Street Improvement Project on May 1, 2002, and

WHEREAS, the assessment roll was amended on June 5, 2002, when certain adopted assessments had been deleted and amended on October 2, 2002, when the General Obligation Improvement Bonds sold at a lower interest rate than projected; and

WHEREAS, the development costs on parcel 95-923-0010 were decreased to \$34,768.78 thereby decreasing the total assessment roll.

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 \$1,214,957.61, 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 2003, collectible with such taxes during the year 2012.
  - B. To the first installment shall be added interest at the rate of five (5) percent per annum on the entire principal amount of the assessment from the date of the bond sale, September 4, 2002, until December 31, 2003. 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, 2002, 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 2<sup>nd</sup> day of December, 2002.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Announcements for Council Committee meeting dates were as follows: Labor Relations, December 4; Finance, December 9; Public Works/Safety, December 10; Community Development, December 12, 2002. The Race Track Task Force will be meeting on December 10, 2002.

There being no further business to come before the Council, the meeting adjourned at 7:50 p.m. upon motion by Council Member Reese, seconded by Council Member Christianson, and carried.

Attest:

\_\_\_\_\_  
MAYOR

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