

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

October 1, 2007
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by Council Member Bruce DeBlieck, who noted the first order of business would be to appoint a presiding officer as Mayor Heitke and Mayor Pro Tempore Reese were absent. Council Member Anderson moved to appointment Council Member DeBlieck as the Presiding Officer with Council Member Gardner seconding the motion which carried. Members present on a roll call were Council Members Ron Christianson, Bruce DeBlieck, Denis Anderson, Cindy Swenson, Rick Fagerlie, Jim Dokken, and Steven Gardner; Present 7, Absent 2 – Mayor Les Heitke and Council Member Doug Reese were excused from the meeting.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Police Chief Jim Kulset, Fire Chief Marv Calvin, Finance Director Steven Okins, Planning and Development Services Director Bruce Peterson, and City Clerk Kevin Halliday.

Additions to the agenda included consideration of the liquor license.

The Council requested the following minutes be removed from the Consent Agenda: Rice Hospital, Municipal Utilities Commission and Senior Citizens Council.

Council Member Anderson offered a motion adopting the Consent Agenda which included the following: City Council Minutes of September 17, and Mayor's Housing Task Force Minutes of September 24, 2007; and Application for Exempt Permit, Knights of Columbus. Council Member Christianson seconded the motion, which carried.

The Council discussed the Rice Regional Dental Clinic, Alexandria Orthopedic Associates Clinic, and Radiology Services. Council Member Dokken moved to approve the Rice Hospital Board Minutes of September 12, 2007, with Council Member Gardner seconding the motion, which carried.

Following discussion of a new Service Territory Agreement between the WMU and Kandiyohi Power Cooperative, the Municipal Utilities Commission Minutes of September 24, 2007, were approved upon motion by Presiding Officer DeBlieck, seconded by Council Member Fagerlie, and carried.

Following discussion of a maintenance issues, the Senior Citizens Council Minutes of September 5, 2007, were approved upon a motion by Council Member Dokken, seconded by Council Member Swenson, and carried.

In the Open Forum session, Presiding Officer DeBlieck recognized Warren Jorgenson, Laura Becker and David Becker who spoke regarding flooding issues at 10th and Kandiyohi Avenue Southwest. Loren Schultz expressed concerns with Lake Wakanda sediment issues.

The Finance Committee Report for September 24, 2007, was presented to the Council by Council Member Anderson. There were eight items for Council consideration.

Item No. 1 The Committee was informed by Staff that the City must submit an application to the Minnesota Public Facilities Authority to initially qualify for funding for the new Waste Treatment Plant. If Willmar's application is approved, PFA will include the funding amount on their list of qualified applicants. The City will be requesting to receive half of its funding in 2008 with the remainder in 2009.

Following discussion, the Committee was recommending the Council authorize the Mayor and

City Administrator to execute and submit the new Waste Treatment Plant funding application to the Minnesota Public Facilities Authority. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Fagerlie seconding the motion, which carried.

Item No. 2 Staff informed the Committee that the State of Minnesota Department of Revenue remitted \$27,098.79 to the City for the Library's local option sales tax program. This payment is a result of delinquent filed returns and sales tax audits that were processed over the years since the close-out of this program. It was recommended that these funds be put in the Library Improvement Reserve Fund, which was established at the end of the project to be utilized by the Library for capital outlay.

The Committee was recommending to the Council that a resolution be introduced to allocate the funds received from the State to the Library Improvement Reserve Fund. Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Gardner, read by Presiding Officer DeBlieck, 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 receipt Delinquent Sales Tax Revenues in the Library Reserve Account as follows:

Increase:	Fund Balance	\$27,100.00
Increase:	Estimated Revenue-Sales Tax	\$27,100.00

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 John Houlahan, Pioneerland Library System, and Laurie Ortega, Willmar Public Library, discussed budget concerns with the Committee. Under the Mayor's Proposed 2008 Budget, the Library will be receiving \$352,773 from the City. This is an increase of \$10,275, or 3 percent, over the City's 2007 contribution. Mr. Houlahan was concerned that the Library's request submitted to the City for 2008 was reduced by \$7,669. He stated that the amount the Library is to receive from the State of Minnesota has been reduced by approximately \$4,000 as well. Mr. Houlahan was asking for the Committee to reconsider the City's contribution to fully fund their request for 2008. This matter was for information only.

Item No. 4 The Committee was informed by Staff that Rice Memorial Hospital is considering the issuance of bonds to construct a new facility to replace Rice Care Center. The Hospital is a component unit of the City which, pursuant to IRS regulations, is required to declare its intention to be reimbursed for bond issue costs incurred before the bond amount determination is complete.

The Committee was recommending the Council introduce a resolution declaring the City, on behalf of Rice Hospital, does intend to reimburse itself for the preliminary bond issue costs incurred prior to the bond amount determination. Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Gardner, read by Presiding Officer DeBlieck, and carried on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 2

RESOLUTION ESTABLISHING PROCEDURES RELATING TO COMPLIANCE
WITH REIMBURSEMENT BOND REGULATIONS UNDER THE
INTERNAL REVENUE CODE

(For Resolution in its entirety see City Council Proceedings file dated
October 1, 2007, located in the City Clerk's Office)

Item No. 5 Staff informed the Committee that a revision needs to be made to the 2007 Improvement Budget to remove \$300,000 for the cost estimate for the bituminous overlay of the re-aligned Willmar Avenue project. This \$300,000 is to be reappropriated to the 2008 Improvement Project.

Following discussion, the Committee was recommending the Council introduce a resolution to approve the revised 2007 Street Improvement Budget as stated. Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Dokken, read by Presiding Officer DeBlieck, and carried on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 3

AS-BID 2007 IMPROVEMENT BUDGET
ESTIMATED TOTAL COST \$3,166,300.00

PERSONNEL SERVICES		RECEIVABLES	
Overtime Reg. Employees	\$1,000.00	Property Owners	\$561,200.00
Salaries Temp. Employees	\$4,000.00	City (MUC)	\$59,800.00
Employer Pension Contr.	<u>\$1,500.00</u>	State (State Aid)	\$237,000.00
TOTAL	\$6,500.00	City (CIF)	\$259,000.00
SUPPLIES		City (LOST)	\$1,817,000.00
Office Supplies	\$1,500.00	City (WWTP)	\$22,300.00
Small Tools	\$2,000.00	City (Utility fee)	<u>\$210,000.00</u>
Motor Fuels & Lubricants	\$1,000.00	TOTAL	\$3,166,300.00
Postage	\$2,000.00	FINANCING	
Mtce. of Other Improvements	\$2,000.00	Bonds (2007-B)	\$1,090,000.00
General Supplies	<u>\$2,500.00</u>	State	\$237,000.00
TOTAL	\$11,000.00	City (WWTP/General)	\$22,300.00
OTHER SERVICES		City (LOST)	<u>\$1,817,000.00</u>
Printing & Publishing	\$4,000.00	TOTAL	\$3,166,300.00
Mtce. of Other Impr.	\$2,041,937.00	01 (Street)	\$1,055,537 Line 36
Other Services (Proj. 2, 12, conting.)	<u>\$825,863.00</u>	02 (C.R. 5)	741,000 Line 39
TOTAL	\$2,871,800.00	07 (Lighting)	20,000 Line 36
OTHER CHARGES		08 (Seal Coat)	30,000 Line 36
Insurance & Bonds	\$2,000.00	10 (Willmar Ave.)	35,800 Line 36
Prof. Serv.	\$100,000.00	12 (Airport Demo)	30,000 Line 39
Adm. OH (Transfer)	\$125,000.00		
Other Charges	<u>\$50,000.00</u>		
TOTAL	\$277,000.00		
GRAND TOTAL	\$3,166,300.00		

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 6 The Committee considered a proposal from Westberg Eischens to conduct the 2007 audit at a cost of \$16,860 with an additional charge of \$1,500 for financial statement preparation. Following discussion, the Committee was recommending the Council authorize Westberg Eischens to conduct the 2007 audit/financial statement preparation.

Resolution No. 4 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, read by Presiding Officer DeBlieck, and approved on a roll call vote of Ayes 7, 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 be authorized to enter into a professional services contract with Westberg, Eischens and VanBuren for the City of Willmar's 2007 and 2008 audit.

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 7 The Committee began its review of the Mayor's proposed 2008 budget by considering projected revenues. City Finance Director Okins provided basic information about the various fund revenues and distributed copies of the 2008 Revenue Budget Worksheet which reflects all proposed revenues. Consideration will be given for potentially utilizing new funding sources anticipated during the next few years.

The Committee Members will continue to review the revenues and search for possible funding sources for the three major projects that need to be addressed yet for 2008: 1) Entrances to downtown on the east and west side need to be opened for through traffic; 2) Quiet Zones need to be established for the railroad crossings; and 3) Flood control needs to be pursued for various parts of the city. This matter was for information only.

Item No. 8 The Committee reviewed the following reports: July Rice Memorial Hospital, August Rice Trust, and August EDC. This matter was for information only.

The Finance Committee Report for September 24, 2007, 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 Gardner, and carried.

The Public Works/Safety Committee Report for September 25, 2007, was presented to the Council by Council Member Christianson. There were 11 items for Council consideration.

Item No. 1 Connie Filley, representing the Kandiyohi County Tourism Committee, appeared before the Committee to demonstrate the website created for the County trail system. The Committee is marketing the entire trail system to include snowmobiles, ATV's, hiking and biking and horseback

riding. This matter is for information only.

Item No. 2 Melissa Galvan, Airport Manager, presented to the Committee information relating to the City's lease with the FAA for the RCO (Remote Communications Outlet) located in the City terminal building at the former airport. The lease expires on September 30, 2007 and the FAA would like an extension for at least 18 months until the equipment can be relocated. The City is hesitant to renew for this length of time as there has been interest expressed in the building site as part of the development of the former airport.

Staff is currently researching options for relocating the RCO as the FAA requires an engineering study prior to relocation and that the City finance the costs. The estimated cost for the study and relocation is \$125,000 if the FAA performs all of the work. Options include installing alternate equipment or contacting other agencies to assist in relocating. This item has also been discussed at the Airport Commission and will be brought back to the Committee for recommendation at a future meeting. This matter is for information only.

Item No. 3 Warren Jorgenson requested to meet with the Committee to review any progress made on the City's stormwater improvement program. Staff indicated it would be another two weeks before any draft plans and/or recommendations are submitted for Council consideration.

Item No. 4 The Committee considered a request for final payment and acceptance of Project No. 0501. The work was performed by Duinick Bros. Inc. starting in 2005 and completed in the summer of 2006. Negotiations with the contractor relating to claims for gas utilities, water main removal, liquidated damages, and fiber optics was settled in early September, 2007. The final payment of \$150,513.98 is recommended by Staff. The total project costs are below the contract by \$53,955.21.

The Committee was recommending the Council accept Project No. 0501 and authorize final payment as recommended. Resolution No. 5 was introduced by Council Member Christianson, seconded by Council Member Fagerlie, read by Presiding Officer DeBlieck, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 5

ACCEPTING PROJECT AND AUTHORIZING FINAL PAYMENT

IMPROVEMENT:	Project No. 0501 – 2005 Street Improvements
CONTRACTOR:	Duinick Bros. Inc.
DATE OF CONTRACT:	June 9, 2005
BEGIN WORK:	June 22, 2005
COMPLETE WORK:	November 8, 2006
APPROVE, CITY ENGINEER:	September 25, 2007

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

1. The said City of Willmar Project No. 0501 be herewith approved and accepted by the City of Willmar.
2. The following summary and final payment be approved:

ORIGINAL CONTRACT AMOUNT:	\$2,159,398.01
Change Orders (None)	\$0.00
FINAL NET CONTRACT AMOUNT, PROPOSED:	\$2,159,398.01

ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED: \$2,105,442.80
Less Previous Payments \$1,954,928.82

FINAL PAYMENT DUE CONTRACTOR: \$150,513.98

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 The Committee considered a request for final payment and acceptance of Project No. 0601. The contract is with Chad Monson Excavating of Willmar for reconstruction of various streets in 2006. All work is complete with the project coming in \$61,610.48 under budget. Staff recommended final approval and payment.

The Committee was recommending the Council accept Project No. 0601 and authorize the final payment. Resolution No. 6 was introduced by Council Member Christianson, seconded by Council Member Fagerlie, read by Presiding Officer DeBlieck, and carried on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 6

ACCEPTING PROJECT AND AUTHORIZING FINAL PAYMENT

IMPROVEMENT: Project No. 0601 – 2006 Street Improvements
CONTRACTOR: Chad Monson Excavating Inc.
DATE OF CONTRACT: June 22, 2006
BEGIN WORK: July 8, 2006
COMPLETE WORK: August 2, 2007
APPROVE, CITY ENGINEER: September 25, 2007

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

1. The said City of Willmar Project No. 0601 be herewith approved and accepted by the City of Willmar.
2. The following summary and final payment be approved:

ORIGINAL CONTRACT AMOUNT: \$1,365,123.50
Change Orders (None) \$0.00

FINAL NET CONTRACT AMOUNT, PROPOSED: \$1,365,123.50

ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED: \$1,303,513.02
Less Previous Payments \$1,254,802.92

FINAL PAYMENT DUE CONTRACTOR: \$48,710.10

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 6 The Committee considered a mutual aid agreement which authorizes Fire Department equipment, personnel, and other resources be made available to political subdivisions within Kandiyohi County. Both the request for assistance and response to the request would be made by authorized officials. Each party shall be responsible for any damages to loss of its own equipment and for any injuries of its own personnel. The City's participation in the agreement is required under NIMS standards.

The Committee was recommending the Council approve the City's participation in the Mutual Aid Agreement and authorize the City Administrator to sign on behalf of the City. Resolution No. 7 was introduced by Council Member Christianson, seconded by Council Member Anderson, read by Presiding Officer DeBlieck, and approved on a roll vote of Ayes 7, 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 City Administrator be authorized to enter into a Mutual Aid Agreement with Kandiyohi County. The intent of the agreement is to make equipment, personnel and other resources available to political subdivisions within Kandiyohi County.

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

Information was received via email from FEMA regarding the City's application for radio grant funding. It appears the City's initial request has been reduced from \$1,011,595 to \$988,345. Following discussion, it was agreed Staff would indicate its willingness to accept the reduced amount and return to Committee following formal grant approval. This matter was for information only.

Item No. 7 The Committee considered Change Order No. 4 in the amount of \$2,111.00 to Chester Contracting for work at the Civic Center. The change was requested by Civic Center staff and includes removal of a center support post in Room 121 and installation of supports and a cross beam to allow better use of the area. Funding for the change order would be from within the contingency fund of the budget.

The Committee was recommending the Council approve the work in Change Order No. 4 and revise the budget accordingly. Resolution No. 8 was introduced by Council Member Christianson, seconded by Council Member Fagerlie, read by Presiding Officer DeBlieck, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 8

WHEREAS, a contract has been awarded to John Chester Contracting of Willmar, Minnesota, on February 20, 2007, in the amount of \$935,500.00 for construction of the connection of the Civic Center to the Blue Line Center under the direction of Engan and Associates as architect; and

WHEREAS, Change Order No. 1 decreasing the amount by \$109.00 has previously been authorized; and

WHEREAS, Change Order No. 2 increasing the amount by \$9,803.00 and Change Order No. 3 increasing the amount by \$14,058.00 have previously been authorized; and

WHEREAS, it is desired to add additional work to the above contract.

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

1. Additional work is herewith authorized to be added to the above contract estimated by the architect to be \$2,111.00 for Change Order No. 4.
2. Funding for the additional work is from within the Project Budget.

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

Resolution No. 9 was introduced by Council Member Christianson, seconded by Council Member Anderson, read by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 9

FINAL CIVIC CENTER/BLUE LINE CENTER BUDGET
ESTIMATED TOTAL COST \$1,076,500

OTHER SERVICES		RECEIVABLES	
Mtce. of Other Impr.	\$959,252.00	City - L.O.S.T.	<u>\$1,076,500.00</u>
Other Services	<u>\$32,248.00</u>	TOTAL	<u>\$1,076,500.00</u>
TOTAL	\$991,500.00		
OTHER CHARGES		FINANCING	
Prof. Serv.	\$85,000.00	City - L.O.S.T.	\$1,076,500.00
TOTAL	\$85,000.00	TOTAL	\$1,076,500.00
GRAND TOTAL	\$1,076,500.00	Change Order #1 - (\$109.00)	
		Change Order #2 - \$9,803.00	
		Change Order #3 - \$14,058.00	

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 8 The Committee received from Craig Holmes, Donohue and Associates, a summary of activities related to the Wastewater Treatment Plant Relocation for August, 2007. The design team has achieved the 75 percent complete milestone as planned and prepared an updated construction cost estimate.

Field work on private lands including wetland delineation, appraisal inspections and survey was done under the Kandiyohi County Court order. Appraisals are being prepared for easements needed for the conveyance facilities. Meetings were conducted with property owners along the principal conveyance route. Construction activities are under way for the existing WWTF Interim Modifications with completion planned for October. This matter was for information only.

Item No. 9 The Committee was informed the Willmar Police Department was notified that they were selected by the Minnesota Department of Public Safety to receive a squad car camera award. Willmar was awarded \$15,000 in 2007, with no local match required, to fund four cameras. Staff requested permission to accept the grant money.

The Committee was recommending the Council accept the grant from the Minnesota Department of Public Safety to fund three squad car cameras and authorize the City Administrator to sign on behalf of the City. Resolution No. 10 was introduced by Council Member Christianson, seconded by Council Member Fagerlie, read by Presiding Officer DeBlieck, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 10

WHEREAS the Willmar Police Department submitted a grant application through the Minnesota Department of Public Safety, Office of Justice Programs, for funding to purchase in-car camera systems;

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 agreement with the Office of Justice Programs, Minnesota Department of Public Safety.

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 10 The Committee reviewed correspondence received from Short Elliott Hendrickson Inc. in response to a request for assistance to the City with traffic signals and traffic systems in general. The proposal includes SEH being on-call for operational issues and potential maintenance.

Following discussion of the miscellaneous operational issues and costs, the Committee was recommending the Council accept the proposal as presented and authorize the City Administrator to sign on behalf of the City. Resolution No. 11 was introduced by Council Member Christianson, seconded by Council Member Fagerlie, read by Presiding Officer DeBlieck, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 11

Whereas the City of Willmar desires to retain a consultant to provide professional engineering services for providing assistance with oversight and review of operational issues related to the City owned and operated traffic systems; 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 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.

Dated this 1st day of October, 2007.

/s/ Bruce DeBlieck
PRESIDING OFFICER

/s/ Kevin Halliday
Attest: CITY CLERK

The Public Works/Safety Committee Report for September 25, 2007, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Christianson, seconded by Council Member Fagerlie, and carried.

Planning and Development Services Director Peterson presented to the Mayor and Council for consideration a request for reapportionment of agricultural-deferred assessments. Gesch Properties request that the assessments against their property be reapportioned to reflect the sale of property to Kandiyohi County for the 16-bed mental health hospital. Following discussion, Resolution No. 12 was introduced by Council Member Anderson, seconded by Council Member Gardner, read by Presiding Officer DeBlieck, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 12

WHEREAS, a request for reapportionment of special assessments has been filed with the City of Willmar, said request being signed by all the parties having an interest in the following-described property:

See Attachment A (on file in the City Clerk's Office); Parcel No. 95-914-2610; to wit: Gesch Properties, LLC

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

WHEREAS, The City Council of the City of Willmar is in agreement that the ag deferred special assessments totaling \$22,360.66 placed against the above-described parcel be hereby reapportioned as herein described:

<u>Parcel No.</u>	<u>Legal Description</u>	<u>Amount</u>
95-914-2610	See Attachment B (on file in City Clerk's Office)	\$20,130.42
95-914-2620	See Attachment C (on file in City Clerk's Office)	\$ 2,230.24

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 2008 and thereafter.

SECRETARY TO THE COUNCIL