

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

June 7, 2000
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, Denis Anderson, Ron Christianson, Bruce DeBlieck, Douglas Reese, Nancy Houlahan, Jim Dokken, and Rick Fagerlie; Present 9, Absent 0.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Public Works Director Mel Odens, Finance Director Steven Okins, Planning and Development Services Director Bruce Peterson, Police Chief Jim Kulset, Fire Chief Marvin Calvin, and Administrative Assistant Audrey Peterson.

Additions to the agenda included an announcement of the Downtown Bypass Project and Willmar Fests requests.

Council Member Kelly offered a motion adopting the Consent Agenda, which included the following: City Council Minutes of May 17, Municipal Utilities Commission Minutes of May 22, Planning Commission Minutes of May 24, Police Commission Minutes of May 25, Community Education and Recreation Minutes of April 27, and Citizens Cable Advisory Minutes of June 1, 2000. Council Member Reese seconded the motion, which carried.

At 7:05 p.m. Mayor Heitke opened the hearing on an Ordinance Authorizing the Issuance of \$665,000 General Obligation Improvement Bonds, Series 2000A and the Levying of Taxes to Secure the Payment Thereof. City Administrator Schmit explained to the Mayor and Council that the proposed Ordinance would be used to fund the 2000 improvement projects. There being no one to speak for or against the proposed Ordinance Mayor Heitke closed the hearing at 7:06 p.m.

Council Member Kelly offered a motion to adopt, assign a number, and order final publication of the Ordinance Authorizing the Issuance of \$665,000 General Obligation Improvement Bonds, Series 2000A and the Levying of Taxes to Secure the Payment Thereof. Council Member Anderson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Mayor Heitke recognized Al Erickson, Vice President of Springsted Financial Advisors, who reported that bids for the General Obligation Improvement Bonds were taken earlier in the day. Three bids were received and Dain Rauscher was the low bidder. Springsted Financial Advisors were recommending to the Council that the bid be accepted. Mr. Erickson reviewed the recent rating by Moody's Institute, which gives the City of Willmar an excellent financial rating. Following discussion, Resolution No. 1 was introduced by Council Member Kelly, seconded by Council Member Anderson, read by Mayor Heitke, and approved on a roll call vote of ayes 8, Noes 0.

RESOLUTION NO. 1

ACCEPTING OFFER ON THE SALE OF \$665,000 GENERAL OBLIGATION
IMPROVEMENT BONDS, SERIES 2000A, PROVIDING FOR THEIR ISSUANCE
AND LEVYING A TAX FOR THE PAYMENT THEREOF

(For Resolution in its entirety, see City Council proceedings
file dated June 7, 2000, located in the City Clerk's Office)

Mayor Heitke thanked Mr. Erickson for his presentation.

City Administrator Schmit informed the Mayor and Council that due to the favorable terms and interest rate for the bond issue, the City has an opportunity to revise the interest rate for the proposed assessments. Resolution No. 2 was introduced by Council Member Kelly, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 2

WHEREAS, the Willmar City Council has adopted assessment rolls for Project 0001 and 0002 setting the term and interest rate for the General Obligation Improvement Bond Issue; and

WHEREAS, the interest rate for the proposed assessments was set at 7:50 percent per annum on the entire principal amount of the assessment from the date of the bond sale;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, Minnesota, that the interest be set at 7.25 percent per annum on the entire principal amount of the assessment from the date of the bond sale, June 7, 2000, until December 31, 2001.

Dated this 7th day of June, 2000.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Lorry Massa, Rice Hospital C.E.O., appeared before the Mayor and Council to discuss the Ordinance Providing for the Issuance and Sale of \$1,600,000 Hospital Revenue Note. Mr. Massa reviewed the purpose of the 10-year, tax-exempt loan allowing the Hospital to replace existing equipment. It was noted this is a Hospital obligation only. Mr. Massa reported that Bremer Bank was the low bidder at a 5.6 percent net interest rate. Following discussion, Resolution No. 3 was introduced by Council Member Kelly, seconded by Council Member Reese, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 3

PROVIDING FOR THE ISSUANCE AND SALE
OF A \$1,600,000 HOSPITAL REVENUE NOTE, SERIES 2000

(For Resolution in its entirety, see City Council Proceedings file dated June 7, 2000, located in the City Clerk's Office)

The Finance Committee Report of May 22, 2000, was presented to the Mayor and Council by Council Member Kelly. There were five items for Council consideration.

Item No. 1 Janet Vandrendriessche and Carol Hruby, Rice Trustee representatives, appeared before the Committee to present the Rice Trust report through April 30, 2000. Following a discussion of the direction of the Account, the report was received for information only.

Item No. 2 The Committee met with Steve Sharstrom, Youth Hockey; Tom Hanson, tournament committee, and Civic Center Manager Kevin Madsen to discuss a proposal to increase the rates charged at the Willmar Civic Center.

The Committee reviewed with the Youth Hockey and tournament groups the cost to operate the Civic Center and the Council's directive to try to reach a 90 percent funding ratio. Information discussed included rates charged by other arenas in the state, out-state average rental rates, past and present Civic Center rates, and options for new rates.

The Committee was recommending to the Council that a resolution be introduced setting the Civic Center rates for ice time as follows: 2000-2001, \$90.00; 2001-2002, \$98.50; and 2002-2003, \$107.00. Resolution No. 4 was introduced by Council Member Kelly, seconded by Council Member Anderson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

WHEREAS, the City of Willmar has conducted a review of operational costs of the Willmar Civic Center Arena and has received evidence with respect to the need for a rate increase in the ice rental rates; and

WHEREAS, the City Council of the City of Willmar 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 the Non-Revenue and Revenue Producing Ice Rental Rates and Dry Floor Events be and hereby are set as follows effective June 7, 2000:

	<u>Existing</u>	<u>Proposed</u>
Ice Rental	\$ 81.00	2000 - 2001 \$90.00 2001 - 2002 \$98.50 2002 - 2003 \$107.00

Dated this 7th day of June, 2000.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 3 The Committee considered a recommendation from staff to administer the City of Spicer's lodging tax. The proposal would allow the City of Willmar to receive 1 percent and Spicer 4 percent of the lodging tax revenue to cover administrative costs. The Committee was recommending to the Council a resolution to amend the CVB budget and authorize the Mayor and City Administrator to sign the agreement. Resolution No. 5 was introduced by Council Member Kelly, seconded by Council Member Houlahan, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to make the following changes within the Convention and Visitors Bureau and General Fund Budgets and that the Mayor and City Administrator be authorized to enter into an agreement with the City of Spicer:

Convention and Visitor's Bureau:

Increase: Appropriations	
Advertising	\$9,500.00
Administrative Transfers - General	100.00

Increase: Estimated Revenue	
Lodging Tax - Other Governments	\$9,600.00

General:

Increase: Estimated Revenue	
Administrative Transfer - CVB	\$ 100.00

Increase: Appropriations	
Finance Department Office Supplies	\$ 100.00

Dated this 7th day of June, 2000.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 4 The Committee was informed by staff that Kandiyohi County is proposing to adopt a fee schedule for printing the parcel specific amortization cards and for the annual record keeping of each special assessment certified. The proposed fee is \$10.00 for the first year and \$5.00 each year thereafter. Staff was directed to contact the County and express the City's concerns. This matter was for information only.

Item No. 5 The Committee reviewed the following reports: First Quarter Investment/Interest, April W.R.A.C. 8, C.V.B. and D.S. Library Bond.

The Finance Committee Report of May 22, 2000, 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 Houlahan, and carried.

The Public Works/Safety Committee Report of May 23, 2000, was presented to the Mayor and Council by Council Member Reese. There were three items for Council consideration.

Item No. 1 Erik Rivers appeared before the Committee to present safety concerns of area residents in southwest Willmar. Two concerns addressed were a way to slow down traffic by installing stop signs at various intersections and/or installing reduced speed zone signs in the areas of Hilltop and Southside Parks. Staff informed the Committee of speed study results from 1998 in comparison to now. In 1998 the average speed in the 600 block of 28th Avenue Southwest traveling west was 25.3 mph and in the recent study it is 24.8 mph in the 700 block.

Janet Clark and Karen Nelson also spoke requesting installation of stop signs. The Committee discussed safety concerns, and staff was directed to review the signage, particularly in the areas of the parks.

The consideration of installation of sidewalks in the area was discussed as a means of safety. Residents felt this was an expensive alternative in comparison to stop signs, but Committee Members viewed it as a safer alternative. Following discussion, the Committee was recommending to the Council to pursue installation of sidewalks along 28th Avenue in next year's improvement report. Council Member Reese moved to approve the recommendation of the Public Works/Safety Committee. The motion died for the lack of a second.

Public Works Director Odens answered questions regarding City policy with the placement of stop signs, and Police Chief Kulset answered questions regarding speed. Mayor Heitke recognized Karen Nelson of 2408 8th Street Southwest, who spoke of the residents' concerns of safety and requested that three-way stop signs be placed at selected intersections.

Following additional discussion, Council Member Reese moved to place south-bound stop signs at the intersections of 6th and 8th Streets. Council Member Christianson seconded the motion. Following discussion on the motion, Council Member Kelly moved to table with Council Member Houlahan seconding the motion, which carried. It was the consensus of the Council that this matter be referred to the Public Works/Safety Committee for further review and consideration.

Item No. 3 Staff retraced for the Committee the development up to this point of the W.T.P. Facility Plan. Last December the City Council made the decision to upgrade the existing plant and phase into a new plant by 2010 without Jennie-O as they indicated they were going to build their own treatment plant. Following that action the City continued to explore ways to maximize the effectiveness of the current facility knowing that there were some immediate needs to be met.

With new information available, Jennie-O became interested in participating in the new plant, and the issue was brought back to committee to further explore the options. It was at this point that the committee recommended to the Council to upgrade the existing plant with Jennie-O in the years 2000 and 2005, and construct a new facility in 2010. The Council then tabled this action for further discussion.

Representatives of Bonestroo explained the facility plan alternatives and Technical Memorandum No. 6. It was the consensus of the committee to continue with Alternative No. 6 as shown on the attachment.

Also discussed were the potential improvements needed in 2000. The expenditures include repair and replacements to the RBC's and possible replacement of five more in 2005.

Council Member Houlahan moved to remove the issue of the Wastewater Treatment Plant from the table. Council Member Fagerlie seconded the motion, which carried.

Ted Fields, Bonestroo and Associates, appeared before the Mayor and Council and presented a chronological order of events leading to the present proposal. Following considerable discussion, Council Member Reese moved to proceed with Alternative No. 6 calling for immediate improvements to the existing plant and to construct a new wastewater treatment facility at the new site in the year 2010. Council Member Kelly seconded the motion, which carried.

Item No. 3 The Committee was informed by staff that it was necessary to split the 2000 Projects Preliminary Budget into two budgets. The Final Budget for Project No. 0001 - Street and Other Improvements was presented and reviewed. The Committee was recommending to the Council to approve the budget as presented.

Resolution No. 6 was introduced by Council Member Reese, seconded by Council Member Kelly, read by Mayor Heitke, and carried on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

FINAL BUDGET
PROJECT NO. 0001 - STREET IMPROVEMENTS
ESTIMATED TOTAL COST \$1,073,300

PERSONNEL SERVICES:		RECEIVABLES:	
Overtime Reg. Employees	\$ 425.00	Property Owners	\$332,750.00
Salaries Temp. Employees	5,100.00	City - MUC	60,570.00
Employer Pension Contr.	<u>1,275.00</u>	City-WTP & WEAC	86,500.00

Total: \$ 6,800.00

City - CI Fund 221,680.00
Other - School 36,500.00
State 10,300.00
Other-TIF Incre. 325,000.00
Total: \$1,073,300.00

SUPPLIES:

Office Supplies \$ 1,275.00
Small Tools 1,700.00
Motor Fuels & Lubricants 850.00
Postage 1,700.00
General Supplies 2,975.00
Total: \$ 8,500.00

FINANCING:

Bonds \$665,000.00
City-General Fund 36,500.00
School 36,500.00
Other-TIF Incre. 325,000.00
State 10,300.00
Total: \$1,073,300.00

OTHER SERVICES:

Printing & Publishing \$ 1,700.00
Mtce. of Other Impr.(Cntrt) 697,000.00
Other Services 187,500.00 (WEAC-MnDOT \$114,500)
Total \$886,200.00

OTHER CHARGES:

Prof. Services (Signals \$35,000) \$ 38,800.00
Advertising 595.00
Adm. OH (Transfer) 90,755.00 (8702 S & W \$6,600)
Other Charges (Bond & Other) 41,650.00
Total: \$171,800.00

GRAND TOTAL: \$1,073,300.00

Dated this 7th day of June, 2000.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

The Committee reviewed the Final Budget for Project No. 0002 - Sewer and Water Improvements, and was recommending to the Council approval the budget as presented.

Resolution No. 7 was introduced by Council Member Reese, seconded by Council Member Kelly, read by Mayor Heitke, and carried on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 7

FINAL BUDGET
PROJECT NO. 0002 - DEVELOPMENT IMPROVEMENTS
ESTIMATED TOTAL COST \$220,600

PERSONNEL SERVICES:

Overtime Reg. Employees \$ 75.00
Salaries Temp. Employees 900.00
Employer Pension Contr. 225.00
Total: \$ 1,200.00

RECEIVABLES:

Property Owners-Note \$210,100.00
City - WTP Collections 10,500.00
Total: \$220,600.00

SUPPLIES:

Office Supplies \$ 225.00
Small Tools 300.00
Motor Fuels & Lubricants 150.00
Postage 300.00
General Supplies 525.00
Total: \$ 1,500.00

FINANCING:

Bonds \$665,000.00
City-General Fund 36,500.00
School 36,500.00
Other-TIF Incre. 325,000.00
State 10,300.00
Total: \$1,073,300.00

OTHER SERVICES:		
Printing & Publishing	\$	300.00
Mtce. of Other Impr.(Cntrt)		181,300.00
Other Services		<u>10,500.00</u>
Total		\$192,100.00
OTHER CHARGES:		
Prof. Services	\$	1,500.00
Advertising		105.00
Adm. OH (Transfer)		23,845.00
Other Charges		<u>350.00</u>
Total:	\$	25,800.00
GRAND TOTAL: \$220,600.00		

Dated this 7th day of June, 2000.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

The Public Works/Safety Committee Report of May 23, 2000, 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 Labor Relations Committee Report of May 24, 2000, was presented to the Mayor and Council by Council Member Christianson. There were three items for Council consideration.

Item No. 1 The Committee reviewed the proposed position classification, job description and corresponding compensation recommendations for the Airport Manager position. The current Airport Manager contract with Willmar Air Service is scheduled to end June 30, 2000, and all parties have agreed that the City would create the position of Airport Manager and renegotiate the contract with WAS to serve as Fixed Base Operator and to assist with certain management functions. The City Council previously approved the new management concept on April 5, 2000.

Following a review and discussion of the job description and related compensation issues, the Committee was recommending to the Council adoption of the position classification as proposed. Council Member Christianson moved to approve the recommendation of the Labor Relations Committee and staff be authorized to fill the position immediately. Council Member Reese seconded the motion, which carried.

Item No. 2 The Committee reviewed proposed modifications to the Building Official's position classification to consider additional responsibilities for Fire Code enforcement. Following discussion, the Committee was recommending to the Council approval of the Building Official reclassification and further, to approve of a 4 percent increase effective January 1, 2000. Council Member Christianson moved to approve the recommendation of the Labor Relations Committee with Council Member Reese seconding the motion, which carried.

Item No. 3 The Committee meeting was closed for the purpose of reviewing the status of contract negotiations. After the meeting reopened, the Committee considered a compensation proposal for paid on-call firefighters.

The Committee was recommending to the Council a three-year proposal to increase compensation for paid, on-call firefighters. The agreement includes establishing levels of compensation based on training and certification. The entry-level hourly rate remains at \$12.50 and firefighters who have attained various levels of training would be compensated as per the attached schedule. Standby would increase from \$20 to \$30 per day and increased to \$40.00 per day when and if standby days are reduced from 18 to 6 per year. Pay for lieutenants, captains and assistant chiefs would increase by \$50.00, \$100.00 and \$250.00 respectively in the first year of the proposal and by \$50.00 for each of the positions in the remaining two years of the proposal. Managed pay would continue to be paid at the rate of \$12.50 per hour. Council Member Christianson moved to approve the recommendation of the Labor Relations Committee with Council Member Houlahan seconding the motion, which carried.

The Labor Relations Committee Report of May 24, 2000, 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 Houlahan, and carried.

The Community Development Committee Report of June 1, 2000, was presented to the Mayor and Council by Council Member DeBlieck. There were six items for Council consideration.

Item No. 1 The Committee discussed correspondence from Dorothy Gaffney, Willmar HRA, regarding waiting lists for HRA-owned and managed properties. The size of the waiting lists are smaller than previously reported. This information had been requested by the Committee after Ms. Gaffney's previous appearance before the Committee to discuss the rental vacancy situation in HRA properties. This matter was for information only.

Item No. 2 The Committee discussed the status of parking downtown relative to the library and future courthouse projects. The impact of Rice Hospital employees parking in Block 50 was noted. It was suggested that Rice Hospital employees be encouraged to use the hospital lots south of Trott Avenue and east of the hospital.

Staff informed the Committee that City staff was looking at different ways to reconfigure the parking in Block 50 to make the location and number of 3 and 10 hour spaces more conducive to downtown business people and users of the library and courthouse. This matter was for information only.

Item No. 3 The Committee reviewed a brochure showing broadband communications enclosures proposed by telecommunications providers to be erected in City rights-of-way. Concern was expressed over the size and appearance of the enclosures. They were viewed as possible visual obstructions for traffic and as graffiti targets. The Committee asked for more information relative to enclosure locations and spacing.

The Committee was recommending to the Council that the matter be referred to the Public Works/Public Safety Committee. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council member Fagerlie seconding the motion, which carried.

Item No. 4 The Committee reviewed information concerning the relationship between the City's Comprehensive Plan and Zoning Ordinance. This was in response to the recent apartment proposal in southwest Willmar. There seemed to be concerns over the City's ability to regulate a type of development that was expressly provided for in the Zoning Ordinance and which was also consistent with the Comprehensive Plan.

The Committee briefly discussed the issue of accountability by the staff and Planning Commission relative to appeals of decisions. This matter was for information only.

Item No. 5 Also in response to recent issues, the Committee discussed the City's economic development philosophy. The current philosophy is that the City

can best encourage development by creating an environment that is conducive to, and fosters, growth.

It was a consensus of the Committee that there is no need to alter the City's current economic development policy. This matter was for information only.

Item No. 6 Staff presented to the Committee updates of the following: hiring of an inspections technician, hospital project, new office project at Lake North Addition, twin home development at Valley View Court and Lake North Addition, and a variety of commercial and industrial projects. This matter was for information only.

The Community Development Committee Report of June 1, 2000, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member DeBlicek, seconded by Council Member Fagerlie, and carried.

Public Works Director Odens informed the Mayor and Council that bids were opened for Project No. 0001 - 2000 Street and Other Improvements. One bid was received from Duininck Brothers of Prinsburg and staff was recommending awarding the contract. Resolution No. 8 was introduced by Council Member Reese, seconded by Council Member Kelly, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 8

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the bid of Duininck Bros., Inc. of Prinsburg, Minnesota, for Project No. 0001 (2000 Street and Other Improvements) is accepted, and be it further resolved that the Mayor and City Administrator be authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$769,354.03.

Dated this 7th day of June, 2000.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Planning and Development Director Peterson presented to the Mayor and Council for consideration a Plat for Lake North First Addition, a four-lot plat intended to accommodate two twin homes. It was noted the Planning Commission has approved the plat with certain conditions. Council Member Kelly moved to approve the Plat for Lake North First Addition subject to the conditions noted. Council Member Fagerlie seconded the motion, which carried.

City Administrator Schmit informed the Mayor and Council that the Minnesota Good Sam Club is holding a statewide "Samboree" at the Civic Center and has submitted an Application for Exempt Permit to conduct bingo and raffles. It was noted that by taking no action, the City allows the Gambling Control Board to issue a permit after 30 days.

Announcements for Council Committee meeting dates were as follows: Finance, June 13; and Public Works/Safety, June 14, 2000.

The Mayor and Council considered a request from Main Street Willmar to close Becker Avenue for Willmar Fests' Downtown Block Party and Grand Day Parade. Council Member Kelly moved to approve the closing of Becker Avenue for the Block Party on June 21, 2000, with Council Member Dokken seconding the motion, which carried. Council Member Kelly moved to approve the closing of Becker Avenue for the Parade on June 24, 2000, with Council Member Reese seconding the motion, which carried.

Council Member DeBlicek and Kelly requested to be excused from the June 21, 2000, Council meeting.

There being no further business to come before the Council, the meeting adjourned at 8:45 p.m. upon motion by Council Member Kelly, seconded by Council Member DeBlieck, and carried.

Attest:

MAYOR

ACTING SECRETARY TO THE COUNCIL