

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

December 1, 2003
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, Planning and Development Services Director Bruce Peterson, Community Education and Recreation Director Steve Brisendine, and City Clerk Kevin Halliday.

Proposed additions to the agenda included appointments to Rice Hospital Board and Willmar Municipal Utilities/Kandiyohi Power Cooperative Merger Analysis Advisory Committee.

Council Member Reese offered a motion adopting the Consent Agenda which included the following: City Council Minutes of November 17, Rice Hospital Board Minutes of November 21, Municipal Utilities Commission Minutes of November 24, Planning Commission Minutes of November 25, 2003; and Lawful Gambling Permit for Let's Go Fishing of Minnesota. Council Member DeBlieck seconded the motion, which carried.

At 7:04 p.m. Mayor Heitke opened the Truth-in-Taxation hearing. City Administrator Schmit presented details of the proposed budget which totaled \$15,666,262 with a levy to be set at \$2,069,429. There being no one present to speak for or against the proposed budget, Mayor Heitke closed the meeting at 7:05 p.m. and deferred action to the Finance Committee Report

Mayor Heitke acknowledged that no one had signed up to address the City Council during its scheduled Open Forum.

The Finance Committee Report for November 24, 2003, was presented to the Mayor and Council by Council Member Anderson.

HRA Executive Director Dorothy Gaffaney and Board Member John Haines appeared before the Committee to review the agency's proposed July 1, 2003, through June 30, 2004, Fiscal Year Budget. The HRA was requesting a \$94,702 levy in 2004.

Willmar Municipal Utilities General Manager Mike Nitchals and Commissioner Bob Bonawitz, were present to review with the Committee the Utility's proposed 2004 Budget. Mr. Nitchals reviewed in detail proposed 2004 capital expenditures and discussed operating budgets and the capital improvement program.

CEO Lawrence Massa and CFO Leroy Meyering appeared before the Committee to present information regarding the 2004 Rice Memorial Hospital General Operating Budget. Mr. Massa reviewed the highlights of the proposed Budget noting the budget will yield a 1.30 percent total margin which is below the 3.5 percent budgeted over the past several years. An overall price

increase of 8.0 percent is required to generate the projected margin, an increase .5 percent greater than the price increase implemented last year.

Mayor Heitke provided a general overview of the City's 2004 Budget. In his comments the Mayor talked about goals set at the 2003 Planning Retreat to maintain current levels of service while dealing with losses in Local Government Aids. 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 indicated that the Council would need to determine how to fill the \$250,000 gap in the budget due to the CenterPoint Energy Minnegasco franchise fee not passing and to come up with \$150,000 for the Blue Line Club second sheet of ice. Also for consideration were requests for \$7,500 from the Fire Relief Association and \$7,500 for Cultural Diversity.

Finance Director Okins reviewed with the Committee a summary of the Mayor's Proposed 2004 Budget of \$15,519,262 which calls for a \$9,164,577 General Operating, \$691,660 Capital Improvements, and \$5,663,025 Other Operating totals. The property tax levy certified to the County in September was \$2,191,251.

City Administrator Schmit reviewed with the Committee options for balancing the 2004 Budget. Mr. Schmit presented a worksheet which listed Budget reductions, requests/additions and various options/considerations/solutions. Following a lengthy discussion, the group identified the following options to balance the 2004 Budget: TIF decertification, \$95,000; WRAC-8 position reduction, \$18,000; WRAC-8 Reserves, \$100,000; Expired Capital, \$102,000; and Property Tax increase, \$100,000.

The Committee was recommending to the Council approval of a resolution adopting the Mayor's 2004 budget as amended and approval of a resolution to adopt the levy in the amount of \$2,069,429.

Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Houlahan, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 1 – Council Member Dokken voted “No” and Council Member Christianson abstained from voting.

RESOLUTION NO. 1

ADOPTING THE BUDGET FOR THE FISCAL YEAR 2004

BE IT RESOLVED by the City Council of the City of Willmar that the Annual Budget for the fiscal year beginning January 1, 2004, 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	\$ 1,865,397
Public Safety	3,603,613
Public Works	2,497,244
Leisure Services	1,195,323
Capital Improvements	841,660
Other Operating	1,117,491
Waste Treatment	2,791,973
Debt Services	<u>1,753,561</u>
Total:	\$15,666,262

Dated this 1st day of December, 2003.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Houlahan, read by Mayor Heitke, and approved on a roll call vote of Ayes 6, Noes 2 – Council Member Dokken and Christianson voted “No.”

RESOLUTION NO. 2

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 2004, upon the taxable property in said City of Willmar, for the following purposes:

General Fund		<u>\$ 2,069,429</u>
	TOTAL:	\$ 2,069,429

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 2004 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 2004 - 2005 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 \$94,702 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 1st day of December, 2003.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Finance Committee Report for November 24, 2003, 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 Houlahan, and carried.

The Public Works/Safety Committee Report for November 25, 2003, was presented to the Committee by Council Member Reese. There were three items for Council consideration.

Item No. 1 Representatives of the Kandiyohi County Humane Society were present to update the Committee on efforts to reestablish a shelter. Ms. Bauman explained the group continues its negotiations with the State of Minnesota for a site at the Willmar Regional Treatment Center and explained that a site just north of Willmar is also being considered. The Committee also briefly discussed the City's ongoing relationship with the Humane Society to impound animals, recognizing that those arrangements will be included in discussions for a new site location.

Mayor Heitke recognized Bobbie Bauman of the Humane Society who informed the Mayor and Council that the State is hesitant to enter into a long-term lease for the Willmar Regional Treatment Center building and that the one-year proposal was a problem for the Humane Society. She noted interest in a building north of Willmar, but it would require a satisfactory conditional use permit with the hearing pending on December 8, 2003. Ms. Bauman was inquiring as to the conditions attached to previous authorization to receive \$10,000 for leaseholder improvements at the WRTC. Pursuant to discussion regarding the Council's intent to assist the Humane Society in making leaseholder improvements to any building in close proximity to the City, Resolution No. 3 was introduced by Council Member Chapin, seconded by Council Member Dokken, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 3

BE IT RESOLVED by the City Council of the City of Willmar that the City contribute \$10,000 towards leasehold and/or other improvements for the new Humane Society building/facility as follows:

Increase:	Humane Society	\$10,000.00
Decrease:	Expired Capital Projects	\$10,000.00

Dated this 1st day of December, 2003.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 2 The Committee reviewed correspondence from Coborn's Incorporated in favor of relocating 4th Street Southeast to the east; and Coborn's position that a new roadway would allow for safer, more-controlled traffic east of the Mall and provide access to a second tier of retail development. Staff referred to a finding from the recent Willmar Area Transportation Study stating that implementation of a local street connection east of the mall between Willmar Avenue and 19th Avenue would provide a traffic reliever for First Street and would be a compatible link to the southeast development.

The Committee directed staff to work with the parties involved, draw up plans, and bring a recommendation back to Committee. This matter was for information only.

Item No. 3 The Committee considered a request to join the Minnesota Environmental Science and Economic Review Board (MESERB) and participate in a Nutrient Trading Program. MESERB was organized to ensure that environmental regulations imposed on cities and businesses are reasonable, effective and based on sound science

It is staff's recommendation to participate by entering into a joint-powers agreement, designating a representative for the Joint Powers Board, and paying the annual membership assessment and start-up cost for the Nutrient Trading Program. The total prorated cost through June 30, 2004 along with the one-time start up cost for Nutrient Trading would be \$5,659.83. Thereafter the annual cost will be approximately \$5,000.00.

The Committee was recommending the Council pass a resolution directing the Mayor and City Administrator to enter into a Joint Powers Agreement on behalf of the City, designate a representative to the Board and pay the membership assessment. 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

APPROVING MEMBERSHIP IN THE MINNESOTA ENVIRONMENTAL SCIENCE AND ECONOMIC REVIEW BOARD

WHEREAS, the Minnesota Environmental Science and Economic Review Board (MESERB) is a joint powers organization made up of cities, sanitary sewer districts, and business associates committed to using established principles of science, law and engineering to advocate the sound and cost-effective environmental regulations; and

WHEREAS, MESERB is dedicated to using these principles in the research, study and analysis of environmental issues impacting the provision of wastewater treatment services in the State of Minnesota; and

WHEREAS, MESERB actively monitors environmental activities of a Federal, State and local level and provides up-to-date information and analysis to MESERB members regarding the provision of wastewater services and the impacts of proposed environmental regulations thereon; and

WHEREAS, MESERB uses these principles of science, law and engineering to analyze water quality standards, rules and mandates imposed by the Environmental Protection Agency and the Minnesota Pollution Control Agency to ensure accountability for agency activities and to ensure that imposed regulations are justified and will result in measurable improvements to water quality and public health; and

WHEREAS, MESERB implements these principles of service, law and engineering to evaluate new or reissued NPDES Permits of MESERB members to ensure that environmental requirements contained in such permits are appropriate and consistent with applicable rules and regulations; and

WHEREAS, MESERB takes collective action and works with environmental interests and Federal and State regulators to communicate the comments, concerns and recommendations of wastewater treatment facility operators and aid in the development of scientifically justified and effective environmental rules and standards.

NOW, THEREFORE, BE IT RESOLVED that the City of Willmar hereby agrees to join the Minnesota Environmental Science and Economic Review Board (MESERB), hereby directs and authorizes the Mayor and City Administrator to sign the MESERB Joint Powers Agreement and any

other associated documentation needed to effect membership in MESERB, and hereby directs and authorizes payment of the required membership fees to participate in MESERB.

Dated this 1st day of December, 2003.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Public Works/Safety Committee Report for November 25, 2003, 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 DeBlieck, and carried.

City Clerk Halliday presented to the Mayor and Council for consideration an application for renewal of a liquor license (3.2% Malt Liquor) for Pizza Hut. Council Member Reese moved to approve Pizza Hut's renewal of liquor license with Council Member DeBlieck seconding the motion, which carried on a roll call vote of Ayes 8, Noes 0.

City Clerk Halliday presented to the Mayor and Council an application of a Currency Exchange License from Wal-Mart Stores, Inc. dba Wal-Mart Store #1470. Following discussion, Council Member Reese offered a motion to schedule a public hearing on December 15, 2003, to consider the Currency Exchange License application. Council Member Christianson seconded the motion, which carried.

Planning and Development Services Director Peterson presented to the Mayor and Council a preliminary plat for Westwind Estates Second Addition, a 22 lot replat in Southwest Willmar. It was noted the Planning Commission approved the plat with conditions relating to easements, storm sewer and utilities. Council Member Reese moved to approve the preliminary plat for Westwind Estates Second Addition. Council Member Houlahan seconded the motion, which carried on a roll call vote of Ayes 4, Noes 3 – Council Member Chapin, Dokken and Fagerlie voted "No" and Council Member Christianson abstained from voting.

Fire Chief Calvin presented to the Mayor and Council a request for the Fire Department to apply for and accept a grant from the Wal-Mart Good Works Grant Program. Following discussion, Resolution No. 5 was introduced by Council Member Christianson, seconded by Council Member Anderson, 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 approve an application for and the acceptance of a \$1,500 grant from Wal-Mart Good Works Program for funds to purchase two CO monitors and fire hose markers for Engine 1 and Engine 8 for the Willmar Fire Department. BE IT FURTHER RESOLVED to amend the Fire Department budget accordingly.

Dated this 1st day of December, 2003.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday

Attest: CITY CLERK

Announcements for Council Committee meeting dates were as follows: Finance, December 8; and Community Development, December 10, 2003.

Mayor Heitke presented to the Council for consideration the appointment of Mr. Richard Engan and Dr. Robert Kruger to the Rice Hospital Board of Directors. Council Member Anderson moved to approve the appointments as presented with Council Member Chapin seconding the motion, which carried.

Mayor Heitke presented to the Council for consideration the appointment of Council Member Reese and City Administrator Schmit to the Willmar Municipal Utilities/Kandiyohi Power Cooperative Merger Analysis Advisory Committee. Council Member Anderson moved to approve the appointments as presented with Council Member Chapin seconding the motion, which carried.

Mayor Heitke read a letter from Christopher Loxtercamp, Manager of the Willmar Home Depot Store, inviting City representatives to a ribbon cutting/grand opening ceremony on December 3, 2003.

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 Fagerlie, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL