

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

December 3, 2007  
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, Bruce DeBlieck, Denis Anderson, Cindy Swenson, Rick Fagerlie, Jim Dokken, and Steven Gardner; Present 8, Absent 1 - Ron Christianson was excused from the meeting.

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

Additions to the Agenda included currency exchange license hearings and purchase of additional lands for the Wastewater Treatment Plant Interceptor Project.

The Council requested the Rice Hospital Board Minutes be removed from the Consent Agenda.

Council Member DeBlieck offered a motion adopting the Consent Agenda which included the following: City Council Minutes of November 19, Municipal Utilities Commission Minutes of November 26, Planning Commission Minutes of November 28, and Community Education and Recreation Board Minutes of October 26, 2007. Council Member Reese seconded the motion, which carried.

The Mayor and Council discussed an item in the Rice Hospital Board Minutes regarding the Hospital's CEO performance evaluation. This matter was referred to the Labor Relations Committee for consideration. The Rice Hospital Board Minutes of November 14, 2007, were approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Gardner, seconded by Council Member Dokken, and carried.

At 7:04 p.m. Mayor Heitke opened a hearing on an Ordinance to Rezone Certain Lands from R-5 to LB. Planning and Development Services Director Peterson informed the Mayor and Council that Leobardo Martinez proposed the rezoning of his property at 201 Becker Avenue SE from R-5 (High Density Multiple Family) to LB (Limited Business) for insurance office use. The Planning Commission has approved the rezone. There being no one present to speak for or against the proposed Ordinance, Mayor Heitke closed the hearing at 7:05 p.m.

Council Member Fagerlie offered a motion to adopt, assign a number, and order final publication of the Ordinance Amending Municipal Ordinance No. 1060, the Willmar Zoning Ordinance. Council Member Dokken seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

At 7:10 p.m. Mayor Heitke opened the Truth-In-Taxation hearing. Mayor Heitke presented details of the proposed 2008 budget. John Sullivan spoke in favor of increasing the proposed levy to support additional infrastructure improvements. Upon hearing all those who wished to be heard, Mayor Heitke closed the hearing at 7:13 p.m. and deferred action to the Finance Committee Report.

Mayor Heitke recognized John Sullivan who had signed up to address the Council during the scheduled Open Forum. Mr. Sullivan expressed concerns of a letter he had sent to elected officials and not receiving feedback.

The Finance Committee Report for November 26, 2007, was presented to the Mayor and Council by Council Member Anderson. There were five items for Council consideration.

Item No. 1 Rice Hospital CEO Lawrence Massa and CFO Bill Fenske appeared before the Committee to present information regarding the 2008 Hospital General Operating Budget. Mr. Massa explained that the 2008 Budget was developed based on assumptions that were reviewed and approved in August by the Rice Finance Committee. The 2008 Budget is in alignment with the approved 2005 Five-year Financial Plan. Mr. Massa indicated the Hospital's net income for the 2008 Budget is \$1,725,841. This matter was for information only.

Item No. 2 Housing and Redevelopment Authority Executive Director Dorothy Gaffaney reviewed with the Committee the Agency's proposed July 1, 2007, through June 30, 2008, Fiscal Year Budget and provided an overview of projects administered. The HRA was requesting a 2008 \$141,796 levy to support its General Administration Expenditures. This matter was for information only.

Item No. 3 Bruce Gomm, General Manager of the Willmar Municipal Utilities, reviewed with the Committee the Utility's proposed 2008 Budget, presented an overview of proposed capital expenditures, and discussed operating budgets and the capital improvement program. This matter was for information only.

Item No. 4 Mayor Heitke provided a general overview of the City's 2008 Budget and talked about the loss of Local Government Aid due to the Governor's veto of the Omnibus Tax Bill. As a result, the Mayor proposed an 11.63 percent increase in the levy and the budget includes funding from a franchise fee on natural gas. The 2008 proposed budget is at \$22,618,439. It was noted the Council had set a preliminary levy of \$3,383,646, preferring to use any franchise fee revenues for storm water improvements.

Mayor Heitke noted that there are three projects which have not been addressed: Quiet Zones, flood control, and opening up the east and west ends of the Downtown by-pass.

A. Franchise Fee. City Administrator Schmit presented details of the proposed ordinance calling for a franchise fee on natural gas. Mr. Schmit reviewed the proposed monthly fees for the various energy rate classes, payment schedule, permit fee requirements, and the effective date. Funds raised from the proposed franchise fee would be used to address flooding issues within the City.

Following discussion, a motion was made and seconded to recommend an Ordinance amending Willmar Ordinance No. 1192 by establishing a franchise fee be introduced and a hearing scheduled, which resulted in a tie vote. This matter will be presented to the full Council without a recommendation.

Council Member Anderson offered a motion to introduce an Ordinance Amending Willmar Ordinance No. 1192 by Establishing a Franchise Fee and schedule a hearing for January 7, 2008. Council Member Gardner seconded the motion, which carried.

B. Willmar Library. The Committee discussed a request from the Willmar Library for additional funds to cover a \$7,000 shortfall in payments to Pioneerland Library System. Mayor Heitke explained that in his directive to the various City departments, when preparing 2008 budgets they were to keep requests for increases in the neighborhood of 3 percent. Upon discussions with Library representatives, the Mayor increased its funding level to 6 percent for Pioneerland services.

Following discussion, a motion was made and seconded to recommend the Council approve of the Library's request for \$7,000 and direct Staff to take funds out of the Library's Capital Reserve Account (Local Option Sales Tax), which resulted in a tie vote. This matter will be presented to the full Council without a recommendation.

Council Member Anderson offered a motion to approve the Library's request for \$7,000 and direct Staff to take funds out of the Library's Capital Reserve Account. Council Member Gardner seconded the motion, which failed on a roll call vote of Ayes 3, Noes 4 – Council Members Reese, Swenson, Dokken, and Fagerlie voted "No."

C. Maintenance Position. City Administrator Schmit explained that Staff is proposing a fulltime custodial position that would be shared between the Civic Center and Senior Citizens Center. The position is being proposed to develop consistency of service at the Senior Center and compensate for the ownership of the Blue Line building and the recently completed building connection.

The Committee was recommending to the Council that a full-time custodial position be established and shared between the Senior Citizen Center and Civic Center. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Dokken seconding the motion, which carried.

D. Southwest Initiative Funding. Council Member Gardner excused himself from discussion. City Administrator Schmit explained the history of the City participation in the SW Initiative fund and the Mayor's reasons for not including funding in 2008. The Committee took no action on the matter. This matter was for information only.

E. County/City/Economic Development Commission Lobbyist Contract. City Administrator Schmit informed the Committee that the City has been asked to participate in the costs of hiring a lobbyist to act on behalf of the City, County, and EDC in the 2008 legislative session. The City's share of the contract would be \$12,000.

Following discussion, a motion was made and seconded to recommend the Council fund the City's share of the joint County/City/EDC lobbyist contract, which resulted in a tie vote. The matter will go before the Council with no recommendation.

The Committee requested the City Administrator to revisit the contract with Turch and Associates and the impact any downsizing may have on the lobbyist's relationship with the Municipal Utilities.

Council Member Reese offered a motion that the Council authorize Staff to fund the City's share of the joint County/City/Economic Development Commission lobbyist contract. Council Member Gardner seconded the motion, which carried on a roll call vote of Ayes 6, Noes 1 – Council Member Dokken voted “No.”

F. Opening of Litchfield Avenue. The Committee discussed the opening of Litchfield Avenue on the east and west entrances to Downtown. Staff informed the Committee that this request could be incorporated into future street improvement programs. This matter was for information only.

G. Quite Zones. The Mayor and Committee expressed concerns over the matter of noise at railroad crossings and the need to continue working on a solution. It was noted Burlington Northern has final say on what improvements are made. The City is in contact with railroad officials to develop a specific design for the 7<sup>th</sup> Street crossing. This matter was for information only.

H. Memberships/Dues. The Committee discussed the City's membership with the Coalition of Greater Minnesota Cities and League of Minnesota Cities. It was the consensus of the group to conduct a Council work session on the benefits of the City belonging to these and other organizations. This matter is for information only.

Item No. 5 At this time the Committee considered the Proposed 2008 Budget and Levy. Following discussion, the Committee was recommending the Council set the 2008 levy at \$3,383,646, and the HRA's levy be set at of \$141,796.00. Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Gardner, 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, Kandiyohi County, Minnesota, that the following sums of money be levied for the current year collectable in 2008, upon the taxable property in said City of Willmar, for the following purposes:

General Fund	<u>\$ 3,383,646</u>
TOTAL:	\$ 3,383,646

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 2008 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 2008 - 2009 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 \$141,796 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 3<sup>rd</sup> day of December, 2007.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

The Committee further recommended the Council adopt the 2008 overall budget at \$22,618,439. Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Gardner, read by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 2

ADOPTING THE BUDGET FOR THE FISCAL YEAR 2008

BE IT RESOLVED by the City Council of the City of Willmar that the Annual Budget for the fiscal year beginning January 1, 2008, 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	\$ 2,306,955
Public Safety	4,527,769
Public Works	2,847,478
Leisure Services	1,776,779
Capital Improvements	899,712
Other Operating	2,695,490
Waste Treatment	4,204,258
Debt Services	<u>3,359,998</u>
Total:	\$22,618,439

Dated this 3<sup>rd</sup> day of December, 2007.

/s/ Lester Heitke  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

The Finance Committee Report for November 26, 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 Fagerlie, and carried.

Planning and Development Services Director Peterson presented to the Mayor and Council an Ordinance to Rezone Certain Lands from R-4 to LB. John Lindstrom proposed the rezoning for the legal services at 415 7<sup>th</sup> Street SW. The Planning Commission has approved the rezone request. Council Member Fagerlie offered a motion to introduce the Ordinance Amending Municipal Ordinance No. 1060, the Willmar Zoning Ordinance, and schedule a public hearing for December 17, 2007. Council Member Anderson seconded the motion, which carried.

Announcements for Council Committee meeting dates were as follows: Finance, December 10; Public Works/Safety, December 11; Labor Relations, December 12; and Community Development, December 20, 2007.

City Clerk Halliday informed the Mayor and Council that it is necessary to schedule a public hearing for Quick Funds, Inc., Wal-Mart Stores, Inc., and Ace Cash Express for renewal of Currency Exchange Licenses. Council Member Reese moved to schedule the public hearings for December 17, 2007. Council Member Anderson seconded the motion, which carried.

City Clerk Halliday presented to the Mayor and Council for consideration resolutions for purchase of properties for the proposed conveyance (Waste Water Treatment Interceptor) corridors. The fee owners of the Caroline Kreps Living Trust agreed to the offer price of \$5,000 for Parcel 28, and fee owners of the Gustafson Revocable Trust agreed to the offer price of \$7,500 for Parcel 34.

Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Reese, read by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 3

RESOLUTION AUTHORIZING AND DIRECTING THE PURCHASE  
OF REAL ESTATE (PARCEL 28)

(For Resolution in its entirety, see City Council Proceedings File dated  
December 3, 2007, located in the City Clerk's Office)

Resolution No. 4 was introduced by Council Member Reese, seconded by Council Member Anderson, read by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 4

RESOLUTION AUTHORIZING AND DIRECTING THE PURCHASE  
OF REAL ESTATE (PARCEL 34)

(For Resolution in its entirety, see City Council Proceedings File dated  
December 3, 2007, located in the City Clerk's Office)

Council Member Anderson discussed an article that appeared in the West Central Tribune regarding comments made by the Willmar Lakes Area Chamber of Commerce concerning Local Government Aid and the proposed franchise fee ordinance. The article omitted two significant points that the use of the funds would be for storm water improvements, and Grass Lake issues, and the fact there would be a sunset date. This discussion was for clarification purposes only.

Council Member DeBlieck requested to be excused from the December 17, 2007, City Council meeting.

There being no further business to come before the Council, the meeting adjourned at 8:17 p.m. upon motion by Council Member Anderson, seconded by Council Member Reese, and carried.

Attest:

\_\_\_\_\_  
MAYOR

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