

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

November 1, 2010
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 DeBleck, Denis Anderson, Steve Ahmann, Rick Fagerlie, and Tim Johnson; Present 8, Absent 1 – Jim Dokken was excused from the meeting.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Police Chief David Wyffels, Fire Chief Marv Calvin, Acting Public Works Director Hbly Wilson, Finance Director Steve Okins, Community Education and Recreation Director Steve Brisendine, Planning and Development Services Director Bruce Peterson, and City Clerk Kevin Halliday.

The Council requested that the Rice Hospital Board Minutes of October 13, 2010, be removed from the Consent Agenda.

Council Member Anderson offered a motion adopting the Consent Agenda which included the following: City Council Minutes of October 18, Municipal Utilities Commission Minutes of October 25, Rice Hospital Board Minutes of October 28, Planning Commission Minutes of October 27, Willmar Design Center Minutes of October 13, and Zoning Appeals Board Minutes of October 25, 2010. Council Member Reese seconded the motion, which carried.

The Council discussed the Medical Staff Report regarding a notification received from the American College of Surgeons/Commission on Cancer that Rice Hospital received a three-year commendation accreditation award. The Rice Hospital Board Minutes of October 13, 2010, was approved as presented upon motion by Council Member Ahmann, seconded by Council Member Christianson, and carried.

Mayor Heitke acknowledged Dan Groothuis who had signed up to address the City Council during its scheduled Open Forum. Mr. Groothuis spoke with regard to airport land purchased in eminent domain and the recent agricultural bids.

Mayor Heitke acknowledged Hospital Administrator Mike Schramm who informed the Council that bids received for the Rice Care Project came in higher than anticipated and Rice would be rebidding two trade groups. Mr. Schramm also commented on the cancer/oncology center and the work by staff to receive the accreditation.

The Finance Committee Report for October 25, 2010, was presented to the Mayor and Council by Council Member Anderson. There were five items for Council consideration.

Item No. 1 Chair Anderson acknowledged John Sullivan's request to address the Committee regarding the Mayor's 2011 Proposed Budget. Mr. Sullivan asked for clarification of what \$25,600 was budgeted for in Capital Outlay. During the Committee's Budget discussion later on in the meeting, Staff pointed out that the amount in question was for roof repairs at City Hall. This matter was for information only.

Item No. 2 Pursuant to an October, 2010, liquor compliance check conducted by the Willmar Police Department, Staff reported that one retail liquor establishment violated Municipal Code Sec. 3-2

Selling or Giving Intoxicating Liquor to Persons to Whom Sale is Prohibited. Incurring its first violation since 2005, Westside Liquor Manager Steve Wright was present to explain measures being taken to eliminate future violations. He stated that all of his employees receive ongoing extensive training in compliance responsibility and the store's policy currently requires immediate termination if violation occurs. This matter was for information only.

Item No. 3 City Administrator Schmit reviewed the General Government portion of the Mayor's Proposed 2011 Budget, detailing the various City Departments and Capital Outlay Program. It was pointed out that the Mayor/City Council, City Administrator, City Clerk-Treasurer, Finance, and Legal Departments have all held the line on spending. Over the last two to three years General Government has seen a reduction of eight paid on-call firefighters and one maintenance worker, and duties of Airport Manager being shifted to the City Planner's position. There is currently one position open within both the Engineering and Police Departments, and the clerical position at the Fire Department has been reduced to a .8 full-time equivalent. There is the possibility of additional savings in the Clerk's Department with the planned retirement of one of the City Assessors/Appraisers. That situation is in the process of being further evaluated. Finance Director Okins presented a detail of the Designated Fund Balances in the General Fund as of December 31, 2009, and provided a brief explanation of each designation. This matter was for information only.

Item No. 4 The Committee received the September Rice Trust, the Third Quarter Rice Trust, third Quarter Interest, Third Quarter Investment Activity, and September Cash/Investment Reports. This matter was for information only.

Item No. 5 Staff informed the Committee that a donation of \$285 has been received from the Disc Golf Club to assist with renovations of the disc golf course at Robbins Island. The Committee was recommending the Council approve a Resolution accepting the donation from the Disc Golf Club.

Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 1

WHEREAS, the City of Willmar has received a donation of \$285.00 to assist with renovations of the disc golf course at Robbins Island from the Disc Golf Club of Willmar;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota, that the City accepts the donation of \$285.00 from the Disc Golf Club and the City Administrator is directed to express the community's appreciation.

Dated this first day of November, 2010.

/s/ Lester Heitke

MAYOR

/s/ Kevin Halliday

Attest: CITY CLERK

The Finance Committee Report for October 25, 2010, 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.

The Public Works/Safety Committee Report for October 26, 2010, was presented to the Mayor and Council by Council Member Reese. There were six items for Council consideration.

Item No. 1 Staff presented a request to accept the donation of an inflatable bouncy house

from the Willmar Firefighters Association to be used during fire prevention activities. Acceptance of the donation by the City allows insurance coverage through the League of Minnesota Cities. The bouncy house is valued at \$1,800.00. The Committee was recommending the Council accept the donation on behalf of the City.

Resolution No. 2 was introduced by Council Member Reese, seconded by Council Member Fagerlie, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 2

WHEREAS, the Willmar Firefighters Association has donated an inflatable bouncy house to the Willmar Fire Department,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar to accept the donation and that the City Administrator be directed to express the community's appreciation.

Dated this first day of November, 2010.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 2 The Committee considered a final pay request to Duinick Inc. in the amount of \$124,347.12 for Project No. 0903, construction of underground utilities and street improvements on Willmar Avenue SW from 18th Street SW to Industrial Boulevard. The final payment consists of final quantities as constructed and the 5 percent retainage. Staff recommends acceptance of the project and issuance of final payment.

The Committee was recommending the Council accept Project No. 0903 as constructed by Duinick Inc. and issue final payment as presented. Resolution No. 3 was introduced by Council Member Reese, seconded by Council Member Christianson, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 3

ACCEPTING PROJECT AND AUTHORIZING FINAL PAYMENT

IMPROVEMENT:	Project No. 0903 – Willmar Avenue Street Improvements
CONTRACTOR:	Duinick, Inc.
DATE OF CONTRACT:	July 22, 2009
BEGIN WORK:	September 24, 2009
COMPLETE WORK:	July 2, 2010
APPROVE, CITY ENGINEER:	October 25, 2010

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

1. The said City of Willmar Project No. 0903 be herewith approved and accepted by the City of Willmar.
2. The following summary and final payment be approved:

ORIGINAL CONTRACT AMOUNT:	\$556,908.70
Change Order None	\$0.00

FINAL NET CONTRACT AMOUNT, PROPOSED:	\$556,908.70
ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED:	\$552,478.79
Less Previous Payments	\$428,131.67
FINAL PAYMENT DUE CONTRACTOR:	\$124,347.12

Dated this first day of November, 2010.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 John Bryant of Donohue and Associates requested the Committee consider approval of substantial completion for the last two systems under Project No. 0812-C. The two systems are Nos. 6 and 7, the solids handling and solids storage systems. Both systems successfully completed a 7-day run on October 22, 2010. All systems for Project No. 0812-C have now been successfully demonstrated.

The Committee was recommending the Council approve substantial completion for Systems 6 and 7 for Project No. 0812-C and authorize the City Administrator to execute it on behalf of the City of Willmar. Resolution No. 4 was introduced by Council Member Reese, seconded by Council Member Christianson, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 4

WHEREAS, the City of Willmar entered into Contract No. 0812-C with Graham Construction Services, Inc. for the construction of a new Wastewater Treatment Facility (WWTF); and

WHEREAS, Graham Construction Services shall demonstrate satisfactory operation of System 6 – Solids Handling System and System 7 – Solids Storage System and associated facilities before substantial completion is considered; and

WHEREAS, Systems Demonstration (7-Day Run) was satisfactorily completed for System 6 – Solids Handling System and System 7 – Solids Storage System on October 22, 2010; and

WHEREAS, successful Systems Demonstration is required in order to approve substantial completion.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that Project 0812-C, Wastewater Treatment Facility, Systems 6 and 7 be approved for substantial completion as of October 22, 2010.

Dated this first day of November, 2010.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 4 In conjunction with the Open House for the new Wastewater Treatment Facility, Donohue and Associates informed the Committee the company would be donating an American, State, and Wastewater Treatment Facility flags at the event to the City. The Committee was recommending the Council accept the donation on behalf of the City of Willmar.

Resolution No. 5 was introduced by Council Member Reese, seconded by Council Member Fagerlie, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 5

WHEREAS, the City of Willmar has received a donation of an American flag, Minnesota State flag, and a Wastewater Treatment Plant flag from Donohue and Associates;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota, that the City accept the donation of flags from the Donohue and Associates and the City Administrator be directed to express the community's appreciation.

Dated this first day of November, 2010.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 Rhonda Rae, Donohue and Associates, requested the Committee consider a reduction of the retainage on Project No. 0816-D6 from 5 percent to 2.5 percent. This project is the construction of two pump stations at the Benson and Willmar Avenue Jennie-O Turkey Store plants, and substantial completion was achieved in July of 2010. A few items remain on the punch list, of which 2.5 percent will more than cover the expenses to complete the work. The Committee was recommending the Council approve the reduction in retainage as presented.

Resolution No. 6 was introduced by Council Member Reese, seconded by Council Member Fagerlie, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 6

WHEREAS, the City of Willmar entered into Contract No. 0816-D6 with Di-Mar Construction Inc. for the construction of Wastewater Pump Stations 710 and 720; and

WHEREAS, Di-Mar Construction, Inc. demonstrated satisfactory operation and achieved substantial completion as of July 9, 2010; and

WHEREAS, due to the remaining work to be completed or corrected, Donohue & Associates recommends a reduction in retainage from 5 percent to 2.5 percent on payment of the Contract Value.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the retainage for Project 0816-D6, Wastewater Pump Stations 710 and 720, be reduced from 5 percent to 2.5 percent.

Dated this first day of November, 2010.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Committee recognized John Bryant of Donohue and Associates for his dedication to the Wastewater Treatment Facility project. John will be leaving Willmar now that the project is complete, and members of the Committee thanked him for his efforts.

Item No. 6 The Committee considered a request from Staff to reappropriate \$20,000 in the 2008 Capital Funds Park Improvements Budget designated for rehabilitation/replacement of the shelter at the Garfield School site toward two other projects. The first being the installation of an irrigation system in the Yellow Softball Field at Swansson. The contractor has agreed to perform the work for the same cost as the Green Field last year. The second project is the construction of a berm along the First Base side of Baker Field similar to the one along Third Base with retaining block, concrete, and dirt work. Staff is currently discussing this improvement with the Stingers baseball organization hoping to combine sources and complete the project with joint efforts.

The Committee was recommending the Council reappropriate \$20,000 from 2008 Capital Funds designated for the warming house at Garfield School to the construction of an irrigation system in Yellow Field and a berm along Third Base at Baker Field. Resolution No. 7 was introduced by Council Member Reese, seconded by Council Member Fagerlie, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 7

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to amend the Capital Improvement Fund Budget as follows:

Increase:	2010 Irrigation System Yellow Field and	\$11,600.00
	Install Berm Baker Field	\$ 8,400.00
Decrease:	2008 Garfield Warming House	\$20,000.00

Dated this first day of November, 2010.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Public Works/Safety Committee Report for October 26, 2010, 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 for October 27, 2010, was presented to the Mayor and Council by Council Member Ahmann. There were three items for Council consideration.

Item No. 1 Chair Ahmann announced the intent of the Committee to close the meeting to discuss employment contract negotiations, strategies and guidelines, and it was moved, seconded and carried to close the meeting. It was then moved, seconded and carried to reopen the Committee meeting. This matter was for information only.

Item No. 2 City Administrator Schmit presented to the Committee the findings of a study to merge the City and County Assessing Departments. The study was conducted in conjunction with Mr. Larry Kleindl including participation from both the City and County Assessing Department employees. City Administrator Schmit acknowledged the cooperation of County officials and thanked all Staff persons for their participation in the project.

City and County Administrators have determined the consolidation of Assessing Departments is feasible and provided information which includes general terms and conditions for a seven-year buyout formula and the manner in which employee transfers would take place. Although determined to be feasible, several concerns from the City's perspective were discussed in detail, including:

1. Labor Relations implications and impacts to City employees. Of the four current employees in the Assessing Department, one has announced plans to retire at the end of 2010 or shortly thereafter and another indicated a preference to stay with the City thereby resulting in a "bump" of another City employee. This scenario presents the potential situation of only two employees transferring to the County and a third employee losing his or her job.
2. Significant differences in salaries and pay scales between City and County employees, along with equally significant differences in the cost of health care premiums and the coverage provided. Adjusting salaries to fill the void or close the gap are not included in the buyout formula amounts.
3. What happens after the seven-year buyout? The County has contracts with 26 jurisdictions whereby the units of government are charged a fee for each parcel assessed. Any charge from the County for parcels assessed within the City following the buyout would reduce projected savings to the City.
4. Both Assessing organizations use the computer aided mass appraisal system, although the City's is a more advanced, concise and precise valuation process. There would be additional costs to merging the systems including required technological improvements to ensure adequate access to City Assessing records.
5. Aside from the fact that it appears the City is simply shifting the tax obligation to the County, the City has determined that the loss of the Assessing Department would be disruptive and distract from its ability to manage and conduct City business while continuing to provide the best possible service to residents.

All supporting documentation was included in the packet. Mr. Schmit ended his presentation with the statement that after careful, deliberate consideration, he has come to the conclusion that it is not in the City's best interest to proceed with the consolidation of the City and County Assessing Departments. He also noted that work was being completed on an alternative program whereby one City Assessing employee would be eliminated and certain administrative responsibilities i.e., special assessments and clerical shifted to other departments. This program could result in immediate savings for the City. Following discussion and a request for an additional financial analysis, Committee members agreed this matter would be received for information and referred to the full Council for discussion.

City Administrator Schmit expounded on the savings and offsets of consolidating the City and County Assessing Departments and explained the savings to the City is a cost to the County, resulting in no net change to Willmar taxpayers. The loss of efficiencies is a concern for City Staff.

The Council indicated that fiscal benefits could be achieved and directed Staff to move the discussion forward as if the City would someday make the transfer, perhaps delaying it to 2012 and beyond. Staff offered to continue discussion. This matter was for information only.

Item No. 3 The Committee considered two proposals to conduct executive search services to fill the City Administrator position. The two proposals were from Brimeyer Fursman of Maplewood and Springsted Incorporated from St. Paul. Both companies are reputable Minnesota firms having conducted numerous executive searches for a number of years. Each proposal includes a description of the process and procedures to be used in a search, timetable, review of company qualifications and experience, client list and fee structures.

The Committee was recommending the Council invite both Brimeyer Fursman and Springsted to a Council Work Session for interviews prior to selection. Council Member Ahmann moved to approve the recommendation of the Labor Relations Committee with Council Member Anderson seconding the motion, which carried.

The Community Development Committee Report for October 28, 2010, was presented to the Mayor and Council by Council Member DeBleck. There were three items for Council consideration.

Item No. 1 Representatives of City and County Housing and Redevelopment Authorities were present to provide an update on the HRA and to discuss organizational issues. Vera Novak, Chair of the Willmar HRA Board, described how the City and County HRA's operate and share staff and equipment. Nicky Ilgen, Interim Director, offered a handout showing the various programs that the City and County HRA's participate in. The handout showed that there were few programs shared by the City and County. A question was raised regarding the financial benefits from a merger or consolidation. The HRA representatives stated that they needed to study efficiencies and analyze costs. Ms. Novak emphasized the differences between the City and County HRA's. She said any organizational changes should occur only if benefits can be obtained. The disposition of real estate assets was briefly discussed in the context of a merger.

Ms. Ilgen explained that the HRA was going to study a number of organizational options and asked the Committee for direction. Each option for reorganization will be studied with an eye towards efficiencies and cost savings. The Committee asked that the study/analysis be shared with the Council and asked to be kept in the loop as the process progresses. This matter was for information only.

Item No. 2 Staff presented a brief history of the former airport land release and historical designation processes. The Committee discussed at length the land release process and road blocks encountered by the City in completing that process. The historical significance of the property was again debated. Staff explained that the process had been initiated to avoid preservation and allow demolition of the terminal building prior to involvement by a local military museum group who had expressed an interest in the property, but had no means to acquire or improve it.

The results of a mold analysis conducted on the terminal building were presented and discussed. It was obvious that from this analysis that there had been a long standing mold problem at the terminal building. Staff presented two memos from the Building Official, both of which dealt with the conditions at the former terminal building. The first memo detailed the cost of mold abatement and correcting building deficiencies in order to make the building usable for any purpose. The second memo explained why the Building Official believed the building to be hazardous/unsafe, and offered direction to the Council to abate the problem.

The Committee was recommending to the Council that the former terminal building be declared unsafe based on Staff analysis and the mold report. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Ahmann seconding the motion, which carried.

The Committee further recommended to the Council that the FAA be requested to immediately release the property to allow for hazard abatement/building demolition. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Ahmann seconding the motion, which carried.

Item No. 3 Staff provided the Committee with updates on a variety of commercial/industrial projects. Those projects included Willmar Poultry, United Farm Credit Services, Rice Care Center, Jimmy John's, and Rice Hospital kitchen remodel. This matter was for information only.

The Community Development Committee Report for October 28, 2010, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member DeBlieck, seconded by Council Member Christianson, and carried.

City Clerk Halliday presented to the Mayor and Council for consideration a list of property owners who have made application for agricultural land exemptions and met the criteria in the City's Assessment Policy. The Assessment Policy allows the City to temporary exempt certain lands currently used for agricultural purposes. Following discussion, Resolution No. 8 was introduced by Council Member Reese,

seconded by Council Member Fagerlie, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 8

WHEREAS, the City Council of the City of Willmar, Minnesota, did order the installation of certain street and other improvements made under Projects No. 0501, 8606, 9301 and 9101, and certain sewer and water main improvements made under Projects No. 9701, 9303, 9202, 9002, 7402, and 7206.

WHEREAS, Section W of the City of Willmar Comprehensive Assessment Policy allows the City to temporarily exempt from assessments certain lands currently used for agriculture purposes; and

WHEREAS, certain property owners have made application to the City for delayed payment of taxes on special assessments and have met the criteria contained in the Comprehensive Assessment Policy for said deferment;

NOW, THEREFORE, BE IT RESOLVED by the Willmar City Council that special assessments as hereinafter designated be certified to the County and deferred until such property is developed or upon approval of the final plat, and that no interest be charged until such time.

BE IT FURTHER RESOLVED that upon development or plat approval that tapping fee shall be based on the project year bid price per front foot or unit, or on the current year costs at the time of connection/platting, whichever is greater: (for complete listing of property owners who have made application for agricultural land exemptions see City Council Proceedings file dated November 1, 2010, located in the City Clerk's Office)

Dated this first day of November, 2010.

/s/ Lester Heitke

MAYOR

/s/ Kevin Halliday

Attest: CITY CLERK

City Clerk Halliday informed the Mayor and Council that pursuant to Minnesota Statutes senior and disabled citizens or military persons meeting certain income guidelines, can defer special assessments placed against homestead property. The City has received four requests to defer special assessments for Project 1001. Resolution No. 9 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 9

WHEREAS, the City Council of the City of Willmar, Minnesota, did order the reconstruction of certain streets during the year 2010; and

WHEREAS, Minnesota Statutes, Sections 435.193 to 435.195 allows local governments making a special assessment to defer the payment of that assessment for any homestead property owned by a person 65 years of age or older or retired by virtue of a permanent and total disability; and

WHEREAS, certain property owner(s) have made application to the City for delayed payment of tax on special assessments and have met the criteria contained in Minnesota Statutes for said deferment.

NOW, THEREFORE, BE IT RESOLVED by the Willmar City Council that special assessments as hereinafter designated be certified to the County and deferred for the years of 2011 through 2020 with interest at the annual rate of four and twenty-five hundredths (4.25%) percent.

