

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

November 19, 2012
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Frank Yanish. Members present on a roll call were Mayor Yanish, Council Members Doug Reese, Ron Christianson, Bruce DeBlieck, Denis Anderson, Steve Ahmann, Rick Fagerlie, Jim Dokken, and Tim Johnson; Present 9, Absent 0.

Also present were City Administrator Charlene Stevens, Police Chief David Wyffels, Finance Director Steve Okins, Planning and Development Services Director Bruce Peterson, City Attorney Robert Scott, and City Clerk Kevin Halliday.

The Council requested that the Municipal Utilities Commission Minutes be removed from the Consent Agenda.

Council Member Fagerlie offered a motion adopting the Consent Agenda which included the following: City Council Minutes of November 5, Board of Canvass Minutes of November 9, Planning Commission Minutes of November 14, Accounts Payable Report through November 14, and Building Inspection Report for October, 2012. Council Member DeBlieck seconded the motion, which carried.

Council Member Reese moved to approve the Municipal Utilities Commission Minutes of November 13, 2012, with the exception of the proposed budget. Council Member Dokken seconded the motion, which carried.

At 7:04 p.m. Mayor Yanish opened a hearing on a currency exchange license renewal for Darrell K. Sunvold, d.b.a. Quick Funds, Inc. There being no one to speak for or against the proposed license renewal, Mayor Yanish closed the hearing at 7:04 p.m.

Council Member Reese offered a motion to approve the currency exchange license renewal for Quick Funds, Inc. Council Member Ahmann seconded the motion, which carried.

At 7:05 p.m. Mayor Yanish opened a hearing on a currency exchange license renewal for Bennett Ventures, Inc. d.b.a. Checks Cashed and Payday Loans. There being no one to speak for or against the proposed license renewal, Mayor Yanish closed the hearing at 7:05 p.m.

Council Member Reese offered a motion to approve the currency exchange license renewal for Bennett Ventures, Inc. d.b.a. Checks Cashed and Payday Loans. Council Member Christianson seconded the motion, which carried.

At 7:06 p.m. Mayor Yanish opened the public hearing on an Ordinance Amending Municipal Ordinance No. 1060, the Willmar Zoning Ordinance. Planning and Development Services Director Peterson explained to the Mayor and Council that the Downtown Plan includes an element to revise the Central Business District boundaries. The expansion can bring benefits to certain types of business looking for the more dense relaxed development standards. There being no one present to speak for or against the proposed Ordinance, and Mayor Yanish closed the hearing at 7:07 p.m.

Council Member Christianson offered a motion to adopt, assign a number, and order final publication of the Ordinance to Rezone from GB/LB to CBD. Council Member Anderson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

The Mayor and Council considered the Amending Ordinance to the Willmar City Charter. City Clerk Halliday reviewed the process to date and the Council discussion centered on the parliamentary rules of order for conducting Council meetings. City Attorney Scott opined that the Ordinance wording required a published set of rules, not a set made up by the Council or Staff, but that the adopted set need not be limited to the examples listed by the Charter Commission. Following a lengthy discussion, Council Member Christianson moved to adopt, assign a number, and publish the Ordinance Amending the Charter of the City of Willmar. Council Member Anderson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Mayor Yanish acknowledged John Sullivan who had signed up to address the City Council during its scheduled Open Forum. Mr. Sullivan referenced an August 27, 2012, letter from the Charter Commission regarding Ordinance 989, City Administrator, and adding a new Ordinance for the City Attorney. This matter was referred to the Labor Relations Committee.

The Labor Relations Committee Report for November 8, 2012, was presented to the Mayor and Council by Council Member Ahmann. There were four items for Council consideration.

Item No. 1 There was no one present for public comment.

Item No. 2 The Committee reviewed a Resolution proposed by Mayor Yanish at the Council meeting of November 5, 2012, regarding working with other municipalities in Kandiyohi County. Chair Ahmann asked if such a meeting should be convened by the County. Council Member Anderson asked if townships would also be included in the discussion. Council Member DeBlieck suggested that perhaps there could be some opportunities with State agencies such as MnDOT or the MCPA.

The Committee concurred that it was be a good idea to reach out to neighboring communities sometime after the first of the year to see if there were opportunities for partnership. The Committee also concurred that it was important to continue the efforts to work with and dialog with Kandiyohi County and the Willmar Area Public Schools. The Committee felt that the City could move forward without any formal resolution being adopted. This matter was for information only.

Item No. 3 City Administrator Stevens informed the Committee that five candidates had been interviewed for the position of Fire Chief/Fire Marshal for the City of Willmar. Ms. Stevens stated that the panel conducting the interviews included the City Administrator, Police Chief, Director of Willmar Ambulance Service, a firefighter from the Department and a recently retired Fire Chief from Alexandria.

Ms. Stevens stated that the City had received over thirty applicants and the applicant pool was very strong. Ms. Stevens recommended the appointment of Gary Hendrickson as Fire Chief for the City of Willmar effective January 7, 2013, at an annual salary of \$75,000 and also with an assignment of a vehicle and a \$3,000 relocation allowance. It was noted that Mr. Hendrickson had passed all the background checks and reference checks and his credentials had been verified.

The Committee discussed the merits and precedence of a relocation allowance.

The Committee was recommending the Council the appointment of Gary Hendrickson as Fire Chief for the City of Willmar effective January 7, 2013, at an annual salary of \$75,000 with an assigned vehicle, and \$3,000 relations allowance. Council Member Ahmann moved to approve the recommendation of the Labor Relations Committee with Council Member Anderson seconding the motion, which carried.

Item No. 4 City Administrator Stevens provided a brief summary of the five options that appear possible for the Council to adopt based upon the proposed Charter amendments. After some discussion, the Committee agreed to further review the Minnesota Mayor's Association Rules of Order for City Councils and Alice Sturgis' "Rules or Order." This matter was for information only.

The Labor Relations Committee Report for November 8, 2012, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Ahmann, seconded by Council Member Reese and carried.

The Finance Committee Report for November 14, 2012, was presented to the Mayor and Council by Council Member Anderson. There were 10 items for Council consideration.

Item No. 1 There was no one present for public comment.

Item No. 2 The Committee considered Project 1202, the relocation of the water main at MnDOT Headquarters, which has been completed. Engineering staff has reviewed the construction on the project for conformance to the contract and has received the Project closeout material to issue final payment on the project. It was noted that the Willmar Municipal Utilities will be reimbursing the City for the entire amount of the project. Staff recommends accepting Project 1202 and authorizing final payment to Ellingson Drainage, Inc. in the amount of \$30,243.99.

The Committee was recommending the Council to accept Project 1202 and authorize the final payment to Ellingson Drainage, Inc., as presented. Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 1

ACCEPTING PROJECT AND AUTHORIZING FINAL PAYMENT

| | |
|----------------------------|---|
| IMPROVEMENT: | Project No. 1202 – MnDOT Watermain Relocation |
| CONTRACTOR: | Ellingson Drainage, Inc. |
| DATE OF CONTRACT: | July 11, 2012 |
| BEGIN WORK: | August 13, 2012 |
| COMPLETE WORK: | September 18, 2012 |
| APPROVE, ENGINEERING DEPT: | October 25, 2012 |

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

1. The said City of Willmar Project No. 1202 be herewith approved and accepted by the City of Willmar.
2. The following summary and final payment be approved:

| | |
|--|--------------|
| ORIGINAL CONTRACT AMOUNT: | \$124,740.00 |
| Change Order None | \$0.00 |
| FINAL NET CONTRACT AMOUNT, PROPOSED: | \$124,740.00 |
| ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED: | \$125,429.58 |
| Less Previous Payment | \$90,985.59 |
| Less Working Day Penalty | \$4,200.00 |
| FINAL PAYMENT DUE CONTRACTOR: | \$30,243.99 |

Dated this 19th day of November, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 Staff explained to the Committee that an interest arbitration award was received in August, 2012, for the Law Enforcement Labor Services, Inc., (LELS) and City of Willmar for contract years 2011 and 2012. On November 5, 2012, the City Council approved by resolution the implementation of that wage award. As a result, the 2012 budget needs to be adjusted for the 2011 portion of wages/overtime in the amount of \$22,538.19 and Staff is recommending appropriating this amount from Uncompensated Absences Fund Balance to 2012 Non-Departmental Wages/Overtime Expenses.

The Committee was recommending that the Council pass a Resolution appropriating \$22,538.19 from Uncompensated Absences Fund Balance to the 2012 Non-Departmental Wages/Overtime Budget for the 2011 portion of Police Officers' back pay. Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 2

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to amend the 2012 Non-Departmental Budget, for the purpose of disbursing 2011 back pay for Police Officers per arbitration settlement, as follows:

| | | |
|-----------|--------------------------------------|-------------|
| Increase: | 2012 Non-Departmental Regular Wages | \$21,147.00 |
| Increase: | 2012 Non-Departmental Overtime Wages | \$1,391.00 |
| Decrease: | Uncompensated Absences Fund Balance | \$22,538.00 |

Dated this 19th day of November, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 4 Staff informed the Committee that the current Intergovernmental Transfer Agreement with the Willmar Municipal Utilities (WMU), which required a transfer of 4.8% of the audited WMU net assets with an annual increase not to exceed 4 percent, expires December 31, 2012. The Finance Committee Chair, City Administrator and Finance Director have negotiated a new agreement for 2013 and 2014. This new agreement calls for a 4.9 percent transfer payment based upon the WMU's audited net assets as of January 1 of the previous year, with a cap not to exceed a 4 percent increase over the amount of the intergovernmental transfer for the previous year. Council Member Fagerlie inquired about the amount that WMU would be paying in property taxes as opposed to making this payment in lieu of taxes. Staff will research this information. Council Member Dokken had concerns about raising the rate.

The Committee was recommending the Council introduce a Resolution authorizing the Mayor and City Administrator to execute the Intergovernmental Transfer Agreement between the City of Willmar and the Willmar Municipal Utilities for 2013 and 2014 as presented with the rate of 4.9 percent of audited net assets.

Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, 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 to authorize the Mayor and Administrator to execute the Intergovernmental Transfer Agreement between the City of Willmar and the Willmar Municipal Utilities for 2013 and 2014 establishing the annual transfer rate of 4.9 percent of audited net assets, not to exceed an increase in excess of 4 percent per year.

Dated this 19th day of November, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 and 6 The Committee was informed by Staff that the City Council has acted to fund the Baseball Boosters request for \$13,000 in the 2013 Budget and the Kandiyohi Historical Society request in the amount of \$1,000 per year for five years beginning in 2013. Council Members have also proposed funding all or part of either or both allocations from the 2012 budget, thereby reducing costs in 2013 and eliminating on-going payments and tracking of the obligation. There are sufficient funds within the 2012 budget due to unspent funds, such as for salaries and/or professional services, that could be utilized to pay the allocations should the Finance Committee and City Council wish to make that recommendation. If both obligations were paid in full in 2012, the total cost would be \$18,000. Obligations could also be split over 2012 and 2013.

The Committee was recommending the Council approve the full amount be paid as applicable to both organizations in 2012 for a total of \$18,000, which, broken down, constitutes \$13,000 to the Baseball Boosters and \$5,000 to the Historical Society. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Fagerlie seconding the motion, which carried.

Item No. 7 The Committee discussed the Public Improvement Revolving (PIR) Fund originally established years ago with the intent to temporarily finance projects until such time as bond financing could be completed for the applicable project. As a result of the 2011 audit, it was a recommendation of Westberg & Eischens to consolidate this fund into the Community Investment Fund, thereby establishing a designated reserve for these PIR funds.

The Committee was recommending the Council pass a resolution to abolish the Public Improvement Revolving Fund and designate it as a fund balance reserve in the Community Investment Fund. Resolution No. 4 was introduced by Council Member Anderson, seconded by Council Member Christianson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to abolish the Public Improvement Revolving Fund and designate those funds as a fund balance reserve in the Community Investment Fund effective December 31, 2012.

Dated this 19th day of November, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 8 The Committee reviewed the following reports for October 31, 2012: Local Option Sales Tax, CVB, and WRAC-8. This matter was for information only.

Item No. 9 Future agenda items scheduled for the Finance Committee meeting on November 26, 2012, at 4:00 p.m., include budget presentations by Rice Hospital and MUC. Other future agenda items include Fund Balance discussion. This matter was for information only.

Item No. 10 Staff requested direction from the Finance Committee regarding the two parcels with unpaid senior citizen deferments that the Council previously voted for collection. There were concerns whether to send a notice now to each property owner that the deferments are due and payable or if the real estate tax statements sent in 2013 were adequate notice. It was the consensus of the Finance Committee that a notice should be sent.

Council Member Fagerlie inquired about the project occurring on 10th Street at the railroad tracks. Railroad ties are being replaced and bituminous is being put down, and also asked about the pending election for the vacant seat in Ward 4. Staff explained that the applicable process to be followed in this circumstance is scheduled to be discussed at the November 19, 2012, Council Meeting. This matter was for information only.

The Finance Committee Report for November 14, 2012, 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 Community Development Committee Report for November 15, 2012, was presented to the Mayor and Council by Council Member Dokken. There were six items for Council consideration.

Item No. 1 There were no public comments offered at this meeting.

Item No. 2 The Committee discussed compliance issues at the new airport relative to FAA entitlements. Staff presented an update on the status of efforts to achieve compliance. The compliance issues are focused on easements granted in the course of the land acquisition process, which became an issue several years after the airport opened. Staff continues to work closely with the property owners and the FAA to bring about a resolution to this matter.

Staff also provided information on the City's entitlement payments and the fact that expenditures and additions to the Cities entitlement funds have been frozen by the FAA.

Pat Curry, Chair of the Airport Commission, asked about future entitlements. Mr. Curry talked about a recent process to select a firm to oversee operations at the new airport. Council Member Ahmann suggested that the City Council be involved in all RFP processes. Council Member DeBlieck disagreed, stating it should be a staff function. This matter was for information only.

Item No. 3 Chair Dokken inquired as to the scheduled date for the community clean-up. Staff indicated that it would probably occur in early September of 2013 and that funds are included in the proposed 2013 budget. This matter was for information only.

Item No. 4 The Committee considered a proposed grant agreement to offset the cost of runway crack sealing and turf runway improvements. This is a standard agreement with MnDOT that allocates 70 percent of the cost to the State and 30 percent to the City. The projects were previously approved for construction by the Council.

The Committee was recommending the Council adopt the resolution accepting the funds and authorizing the City Administrator and Mayor to execute the grant agreement. Resolution No. 5 was introduced by Council Member Dokken, seconded by Council Member Ahmann, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION

It is resolved by the City of Willmar as follows:

1. That the State of Minnesota Agreement No. 02306, "Grant Agreement for Airport Improvement Excluding Land Acquisition," for State Project No. A3401-63 at the Willmar Municipal Airport is accepted.
2. That the Mayor and City Administrator are authorized to execute this Agreement and any amendments on behalf of the City of Willmar.

Dated this 19th day of November, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 Council Member Ahmann had inquired about efforts by the Design Center to create a Historic Preservation Commission and a committee to deal with downtown infrastructure. He offered the opinion that those were functions better left to the City. Staff was asked to invite Design Center representatives to the November 29, 2012, Committee meeting.

Council Member Ahmann opined that his intent was that the City be part of the Historical Preservation planning to avoid surprises. This matter was for information only.

Item No. 6 The Committee discussed the Vision 2040 plan and expressed concern over how the planning process was proposed to be funded. Because Willmar taxpayers are part of the County and the EDC, he offered the opinion that there was a disproportion burden placed on City taxpayers. Council Member Ahmann recommended that the Council rescind the Chamber of Commerce contribution so that a better strategy can be developed for the use of the money.

The Committee was recommending that the Council rescind the payment made to the Chamber of Commerce for the 2040 planning process and repay it to the general fund. Also, that the matter of developing a policy on contributions to outside, nongovernmental organizations be referred to the Finance Committee. Council Member Dokken moved to approve the recommendation of the Community Development Committee with Council Member Ahmann seconding the motion.

The Council discussed at length the rescinding of the payment to the Chamber of Commerce for participation in the Vision 2040 process. Council Member Ahmann said he didn't believe it's right that the City give money to an outside special interest group regardless of who it is without due documentation.

Council Member Anderson expressed frustration with the action to rescind the payment to the Chamber of Commerce and stated there were two representatives of the proposed project at a Council meeting to provide information.

Mayor Yanish asked if the check had been made out to the Chamber, and Finance Director Okins said it had been processed and sent to the Chamber.

Council Member DeBlick said he opposed the motion at the Committee meeting and continues to oppose it.

Council Member Reese said the Council set the policy after a long discussion and the funds were appropriated.

Council Member Johnson said he could see both sides and suggested the Council leave the money and work on their policy before the money is due to be spent, and work with the Chamber.

Council Member Christianson indicated that he would like to see the Chamber's budget for the Vision 2040 project.

Council Member Ahmann stated that he wasn't opposed to the Vision 2040, but his intent in seconding the motion was to discuss a request to develop a policy for funding outside organization. He then withdrew his second and Council Member Dokken withdrew his motion.

City Administrator Stevens said she understands the Council's direction is to leave the funds as they are and to work on a policy through the Finance Committee on how future funds will be expended and administered.

The Council discussed the second Committee motion to have the Council reconsider participating in the Vision 2040 and request that Chamber of Commerce representatives appear at a future Council meeting to discuss alternatives to the process, but did not act on the motion.

The Community Development Committee Report for November 15, 2012, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Dokken, seconded by Council Member Ahmann, and carried.

Planning and Development Services Director Peterson informed the Mayor and Council that Kvam Implement has requested to subdivide their five parcels into four lots on the Kvam Implement property on the corner of Highway 12 and Industrial Drive Southwest as well as Trott Avenue Southwest. This is a boundary line adjustment to clean up some titles and shift some property lines. Following discussion, Council Member Christianson moved to approve the Quinn Addition Final Plat as presented with Council Member Dokken seconding the motion, which carried.

Doug Reese submitted a letter of resignation as Fourth Ward Council Member effective December 31, 2012, at which time he will begin serving with the Kandiyohi County Board of Commissioners. Council Member Ahmann offered a motion to accept Mr. Reese's resignation with Council Member Anderson seconding the motion, which carried.

City Clerk Halliday informed the Mayor and Council that pursuant to Minnesota Statutes, Section 206.57, Subd. 5 and 5A, it is necessary to declare that a vacancy on the Council exists effective December 31, 2012, and set a Special Election Date. Resolution No. 6 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

BE IT RESOLVED by the City Council of the City of Willmar that pursuant to the resignation of Fourth Ward Council Member Doug Reese, the City Charter requires setting the date to hold a Special Election to fill the vacancy, which date shall be February 12, 2013.

Dated this 19th day of November, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Announcements for Council Committee meeting dates were as follows: Labor Relations, November 20; Finance, 4:00 p.m., Council Chambers, November 26; Public Works/Safety, November 27; and Community Development, November 29, 2012.

Council Member Ahmann suggested that the Council consider more of a well-rounded standing Council Committee structure by changing the structure, shift members around, and not dictate the Chairs. This matter will be considered at the biannual reorganizational meeting to be held January 7, 2013.

There being no further business to come before the Council, the meeting adjourned at 8:35 p.m. upon motion by Council Member DeBlieck, seconded by Council Member Reese, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL