

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

October 5, 2009
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, Steve Ahmann, Rick Fagerlie, Jim Dokken, and Tim Johnson; Present 9, Absent 0.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Police Chief Jim Kulset, Finance Director Steven Okins, Planning and Development Services Director Bruce Peterson, and City Clerk Kevin Halliday.

The Council requested the Planning Commission Minutes be removed from the Consent Agenda.

Council Member Christianson offered a motion adopting the Consent Agenda which included the following: City Council Minutes of September 21, Municipal Utilities Commission Minutes of September 17 and 28, Rice Hospital Board Minutes of September 30, Convention and Visitors Bureau Minutes of July 21, Building Inspection Report for September, Charter Commission Minutes for September 9, Community Education and Recreation Board Minutes of September 25, and Zoning Appeals Board Minutes of September 28, 2009. Council Member Anderson seconded the motion, which carried.

The Council discussed Item No. 3, sub. 5 of the Planning Commission Minutes regarding storm water management of the Print Masters project whereby it was noted that storm water was collected on-site and directly piped, not discharged into in public right-of-way. Following discussion, the Planning Commission Minutes of September 23, 2009, were approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Ahmann, seconded by Council Member Anderson, and carried.

At 7:05 p.m. Mayor Heitke opened a hearing on an Ordinance Amending Sections of the Willmar Municipal Code Regulating the Sale of 3.2% Malt Liquor. City Clerk Halliday explained the leasing of Taunton Stadium for a new Northwoods League baseball team is contingent upon the opportunity to sell 3.2% malt liquor products at league games and other non-high school games scheduled at the stadium. Marc Jerzak with Willmar Baseball LLC expressed concerns regarding the language to dispense alcohol in paper or plastic glasses only which will slow down sales and increase garbage. Upon hearing from all those who wished to be heard, Mayor Heitke closed the hearing at 7:07 p.m.

Council Member DeBlieck offered a motion to adopt, assign a number, and order final publication of the Ordinance Amending Sections of the Willmar Municipal Code Regulating the Sale of 3.2% Malt Liquor. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

David Turch and Kodiak Hill-Davis, representing Turch and Associates, appeared before the Mayor and Council to present an annual update. Mr. Turch spoke of the company's integrity and recently completed review which found his firm in full compliance with lobby regulations. He noted there are no appropriations for waste water management but that Minnesota Senators are endorsing efforts to get the \$15 million earmarked by Senator Coleman. Ms. Hill-Davis presented information regarding airport land release and the new commitment to get the FAA to release the land, noting the main hangar has FAA historical concerns. Mayor Heitke expressed appreciation for the report and this matter was received for information only.

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

The Finance Committee Report for September 28, 2009, was presented to the Mayor and Council by Council Member Anderson. There were nine items for Council consideration.

Item No. 1 Steve Renquist, Economic Development Commission Executive Director, reviewed the EDC 2010 Budget with the Committee. Mr. Renquist noted that 2010 revenue includes \$455,000 from the County Tax Levy which is the same amount levied for 2009. The EDC is also proposing to utilize \$30,811 from the Agency's reserves as a funding source. The overall budgeted expenditures for 2010 in the amount of \$485,811 is a decrease of \$1,902 from the 2009 Budget.

Following discussion, the Committee was recommending the Council approve the EDC 2010 Budget as proposed. Council Member Ahmann moved to delete an amount equal to the 2 percent increase proposed for the EDC Assistant Director. Council Member Dokken seconded the motion, which carried on a roll call vote of Ayes 5, Noes 3 – Council Members Reese, Anderson, and DeBlicek voted “No.”

Council Member Anderson moved to approve the EDC 2010 Budget as revised with Council Member Fagerlie seconded the motion, which carried.

Item No. 2 Mr. Renquist explained to the Committee that the University of Minnesota will be leasing space on the MinnWest campus for the Mid-Central Biosciences Center (MCBC). As a research/outreach center, the MCBC will strive to attract intellectual bioscience businesses to the campus. The MinnWest Technology campus continues to negotiate with the University of Minnesota and DEED for the final terms and conditions of respective leases and agreements. This matter was for information only.

Item No. 3 The Committee was informed by Staff that, over the next few meetings, each City Department will be reviewing its portion of the proposed 2010 budget with the Committee beginning with the Police Department. City Administrator Schmit briefly discussed a number of administrative functions/departments, but was emphasizing Public Safety and Public Works in this discussion with Committee Members. Proposed General Fund expenditures are down in excess of \$1 million from 2009. Chief Kulset provided an overview, noting that Personal Services, which includes full-time, overtime, and part-time salaries and benefits, constitutes 83 percent of the Police Department budget. Capital Expenditures total \$113,446 and include the purchase of four vehicles. This is a reduction from 2009 of approximately \$46,000. Debt Service in the amount of \$175,000 is the annual payment made to the County for the Law Enforcement Center. Fuel Costs were projected at \$105,000, however, fluctuating gas prices may affect this line item. Temporary employees include four Community Service Officers (CSO's) and two bike patrol officers. CSO duties include parking violations, towing issues, vacation checks, etc. The bike patrol and CSO officers also help with walk/run events, the Sonshine Festival, and Willmar Fests. This matter was for information only.

Item No. 4 The Committee discussed an agreement between the City and Donohue & Associates for WWTP Construction Engineering Services with a completion date of June 30, 2011. Since construction bids awarded for this project reflect a later completion date, the Donohue contract completion date should be extended to September 1, 2011.

Secondly, Federal reporting requirements for the ARRA funds to be received by the City will require a separate budget and agreement with Donohue for construction engineering services. Subsequently, the existing budgets that include the D-6 Pump Stations must be reduced by \$198,895 and a separate budget established for this same amount. Furthermore, a contract agreement with Donohue dated July 20, 2009, for engineering services for the D-6 pump stations in the amount of \$198,895 must be executed.

Following discussion, the Committee was recommending the Council introduce a resolution removing \$198,895 from the existing Donohue & Associates contract and entering into a new contract for that same amount; and revising the completion date for the Donohue & Associates Construction Engineering Services contract to September 1, 2011. Resolution No. 1 was introduced by Council

Member Anderson, seconded by Council Member Dokken, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 1

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into a contract amendment to remove Construction Engineering Services for the D-6 pump stations from the Engineering Services Agreement dated August 18, 2008 between the City of Willmar and Donohue & Associates, Inc. This contract was originally entered into by Council action on August 18, 2008.

BE IT FURTHER RESOLVED, the completion date is revised to September 1, 2011.

BE IT FURTHER RESOLVED, the contract is hereby amended as follows:

Task	Current Amount	Change	Revised Amount
Program Management and Bidding	\$1,482,260	\$ 0	\$1,482,260
Construction-Related Engineering Services	3,441,751	190,420	3,251,331
O&M Manual, Start-up and Training	424,240	0	424,240
Inspection Allowance	<u>50,000</u>	<u>8,475</u>	<u>41,525</u>
TOTAL	<u>\$5,398,251</u>	<u>\$ 198,895</u>	<u>\$5,199,356</u>

BE IT FURTHER RESOLVED, that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into a contract agreement dated July 20, 2009, for Construction Engineering Services for the D-6 pump stations in the amount of \$198,895.

Dated this 5th day of October, 2009.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Following discussion, the Committee was recommending the Council introduce a resolution reducing the existing Construction Engineering Services Phase budgets by \$198,895 for the D-6 Pump Stations and establishing a separate budget for this same amount. Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 2

WWTP Relocation Budget Summary \$86,218,712

OTHER SERVICES:		RECEIVABLES:	
Mtce. Of Other Improvements	\$ 69,123,859	Federal Grants	\$ 925,079
Other Services	<u>3,903,588</u>	State-TMDL Grant	2,692,935
Total:	\$73,027,447	City	500,812
		State-PFA Loans	<u>82,099,886</u>
		Total	\$86,218,712
OTHER CHARGES:		FINANCING:	
Professional Services	\$11,697,488	Bonds-PFA SRF (ARRA Loan 2)	\$ 1,788,716
Other Charges	<u>1,493,777</u>	Bonds-PFA SRF (Loan 1)	73,311,170
Total:	\$13,191,265	State-PFA WIF	7,000,000
		City-WTP Reserves	500,812

Grand Total:	\$86,218,712	Grant-Red EPA STAG-06	477,900
		Grant-Fed ARRA	477,179
		Grant-State TMDL	<u>2,592,935</u>
		Total	\$86,218,712

Dated this 5th day of October, 2009.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 Staff informed the Committee that a League of Minnesota Cities regional meeting will be held in Willmar on Thursday, October 8, 2009. The purpose of this meeting will be to discuss 2010 policy/fiscal futures issues. This matter was for information only.

Item No. 6 Staff presented to the Committee a request from Willmar Fabrication for a 90-day deferment of payments on the loan received from the City of Willmar. In January, 2006, the City received a \$400,000 grant from the Minnesota Department of Employment and Economic Development (DEED) which was in turn loaned to Willmar Fabrication. To date, all loan payments have been received in a timely manner. The current principal balance outstanding is \$255,624.80. Planning and Development Services Director Peterson is working with DEED regarding this deferment and whether or not Willmar Fabrication is meeting other ongoing requirements to continue to qualify for this loan.

The Committee was recommending the Council introduce a resolution authorizing the deferment of Willmar Fabrication's principal and interest payments until January 1, 2010, subject to DEED approval. Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed 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, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into a contract amendment to defer three months of payments for Willmar Fabrication, starting with October of 2009 with the prior approval of the DEED state office.

Dated this 5th day of October, 2009.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 7 The Committee was informed by Staff that Kandiyohi County has requested funding from the City's Library Improvement Reserve for maintenance projects needed at the Willmar Library. The list of improvements includes a new fire alarm panel, repairs to the fire safety system ventilation and second floor windows, and replacement of carpet in the back entry. The total cost of these repairs is estimated at \$11,287.

An additional request was included for installing security cameras in the front entry as this area has become a popular gathering place for youth. It was Staff's recommendation to wait on this project because the City is receiving grant funds for security cameras and could possibly utilize some of those resources at the library.

The Committee was recommending the Council introduce a resolution approving an estimated total of \$11,287 from the Library Improvement Reserve Fund to install the new fire alarm panel, repair the

fire safety system ventilation, sealing seconding floor windows, and replace worn carpet and directing Staff to contact the designing architect about the leaking floor windows.

Resolution No. 4 was introduced by Council Member Anderson, seconded on Council Member Fagerlie, reviewed by Mayor Heitke, 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 make the following changes to the Library budget within the general fund:

Increase:	Other Services	\$11,280.00
Decrease:	Fund Reserves	\$11,280.00

Dated this 5th day of October, 2009.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Committee further recommended that Staff be directed to establish a work group of City and County representatives to discuss long-term ownership and maintenance issues of the Willmar Public Library. Council Member Anderson moved to approve the recommendation of the Finance Committee, with Council Member Dokken seconding the motion, which carried.

Item No. 8 The Committee reviewed the following August 31, 2009, reports: Rice Trust, Local Options Sales Tax, Convention & Visitors Bureau, WRAC-8, and Investment Portfolio. There was a brief discussion concerning the frequent broadcast of New London-Spicer games on WRAC-8 and whether Charter Communications and En-Tel pay an access fee in that regard. This matter was for information only.

Item No. 9 The final version of the Northern League lease agreement was distributed to the Committee highlighting changes made by the City Attorney. This agreement will be executed by the Mayor and City Administrator. This matter was for information only.

The Finance Committee Report for September 28, 2009, 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 October 1, 2009, was presented to the Mayor and Council by Council Member DeBlieck. There were four items for Council consideration.

Item No. 1 Staff presented a brief history of attempts to have the John's Supper Club building brought to code and to a usable condition. It has been over 15 years since the building was involved in a substantial fire. The initial permits for rehabilitation were issued in early 2005 under the 1994 building code. Some progress has been made, but deterioration continues. The City receives periodic complaints regarding the condition of the building.

A letter was sent to the property owner in August 2009, asking for voluntary repair or demolition. The building has been determined by Staff to be unsafe due to structural issues, inadequate egress, being vacant and unsecured, and because it contains a significant fire load. It was a recommendation by staff to pursue a declaration as an unsafe building and to call for the building's removal. Staff noted that if work was to continue it would require permitting under the 2007 building code, which is more restrictive than the code the previous permit was issued under.

Wayne Larson, Attorney for property owners Paul and Trudy Kidrowski, reviewed a letter from the Kidrowskis outlining what they have done and what they plan to do to repair the building. Mr. Larson said Mr. Kidrowski's two sons were to take over the building and make the repairs. He requested that the Council not pursue removal; rather that additional time be granted to complete the required work. The Committee discusses fire safety issues with Fire Chief Marv Calvin.

Darrell Sundvold, an adjoining property owner, asked the Committee to allow work to continue on the building. The Committee discussed how best to proceed with a time extension for rehabilitation and how to establish a time schedule for completion of all work under the 2007 code.

The Committee was recommending the Council defer demolition of the structure on the condition that the owners provide new structural and architectural drawings under the 2007 building code within 45 days, and that all work done in the future be done with a new building permit under the 2007 code. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Ahmann seconded the motion, which carried.

Item No. 2 Jay Kieft and Kevin Bolin were present to discuss with the Committee operations at the 16-bed community based mental health hospital. Mr. Kieft stated that the first year has been an exercise in determining how best to meet the acute mental health needs of the community. He added that the state has 169 beds in community based mental health hospitals to replace the beds at regional treatment centers that have closed.

Mr. Bolin told the Committee that the average census at the Willmar facility has been 8.6 per day and that this number fluctuates seasonally. He stated that admission criteria has changed requiring diagnoses of more acute illness prior to admittance. The State is currently studying the mental health care delivery system to identify gaps and needs. Mr. Bolin said that 85% of patients at the Willmar facility are from a 23-county catchment area. There is discussion about changing the 16-bed facility to a longer term treatment facility, as Rice Hospital has a good acute care treatment program. An ongoing lack of psychiatrists throughout Minnesota was discussed. The Committee was told that the Willmar area is fortunate to have an adequate number of psychiatrists at the present time. This matter was for information only.

Item No. 3 The Committee reviewed a recently released veteran's home study included Willmar among the 17 cities under consideration for a new veteran's facility. The study was intended to aid in the site selection for a future veteran's nursing home. Senator Gimse was present to discuss the matter. He said the Federal VA is only interested in funding a traditional facility and that a local attempt to develop a 90-bed mental health facility has faced resistance at the Federal level due to reimbursement issues. Senator Gimse said it was necessary to prepare a local plan to fund and operate a new facility. A new plan consistent with the study is needed. The Committee debated whether a traditional model veteran's home would be accepted in Willmar due to competition with private nursing homes, as well as a City-owned nursing home. The Committee discussed past attempts by the Economic Development Commission to advocate for a veterans mental health facility, and the lack of support for such a non-traditional facility at the legislature. This matter was for information only.

Item No. 4 Staff presented the Committee with an update on the airport land release process. Work continues on providing additional information for environmental review and to address the terminal historic designation. This matter was for information only.

Item No. 5 Staff provided a brief synopsis of a visit to Washington D.C. to lobby for additional Waste Water Treatment funding, as well as to discuss the airport land release process. Attempts to obtain additional money for the Waste Water Treatment Plant under the \$15 million authorization are being met with little success due to changes within the State's congressional delegation. Contact with several congressional aides will result in the City receiving assistance in completing the airport land release process. This matter was for information only.

The Community Development Committee Report October 1, 2009, 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 Dokken, and carried.

City Clerk Halliday informed the Mayor and Council that the Municipal Utilities Commission has requested the Council certify the unpaid utility charges of various properties as a lien on the real property. According to City Code, a hearing was offered to the property owner to object to the charges and the Commission received no request for appearance. Resolution No. 5 was introduced by Council Member DeBlicek seconded by Council Member Fagerlie, reviewed by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

WHEREAS, Section 16-127 of the Willmar City Code states that such unpaid utility bills represent a lien on the real property receiving utility services; and

WHEREAS, the Willmar Municipal Utilities Commission has offered the owner the right to request an appearance before the Commission to make objections to payment; and

WHEREAS, the Willmar Municipal Utilities Commission has adopted Resolution No. 41 on September 28, 2009, requesting the Willmar City Clerk-Treasurer to certify the unpaid utility charges as a lien on the real property.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the amount of the unpaid utility charges totaling \$3,677.14 be certified to the County Auditor to be extended on the tax rolls of such real property in the same manner as other taxes for collecting in 2010 and collected by the County Treasurer, and paid to the City Clerk-Treasurer along with other taxes; and

BE IT FURTHER RESOLVED that the unpaid utility charges be certified against the real property as follows: (On file in the City Clerk's Office)

Dated this 5th day of October, 2009.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Mayor Heitke announced that the annual Story Time at the Fire Station will be held on October 6, 2009.

Announcements for Council Committee meeting dates were as follows: Finance, October 12; and Public Works/Safety, October 13, 2009.

There being no further business to come before the Council, the meeting adjourned at 8:26 p.m. upon motion by Council Member Anderson, seconded by Council Member Reese, and carried.

Attest: _____
MAYOR

SECRETARY TO THE COUNCIL