

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

October 15, 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, Community Education and Recreation Director Steve Brisendine, Planning and Development Services Director Bruce Peterson, City Attorney Robert Scott, and Administrative Assistant Audrey Peterson.

Additions to the Agenda included the City's Accounts Payable Report to the Consent Agenda.

Council Member Dokken offered a motion adopting the Consent Agenda which included the following: City Council Minutes of October 1, Municipal Utilities Commission Report of October 9, Planning Commission Minutes of October 10, Donations to the Willmar Disc Golf course from Minnesota Frisbee Association and Willmar Disc Golf Club, Accounts Payable Report through October 11, Building Inspection Report for September, Charter Commission Minutes of August 13 and Community Education/ Recreation Joint Powers Board Minutes of September 28, 2012. Council Member Christianson seconded the motion, which carried.

Mary Catherwood and Russ Bennett appeared before the Mayor and Council to present information on the Community-Owned Grocery (COG), a proposed full-service grocery. As a cooperative, COG focuses on local foods for a vibrant economy and sustainable community. With the use of a slideshow, Ms. Catherwood and Mr. Bennett explained the progress to date and the three phases. Phase one was to obtain 300 members, that was accomplished in September. COG is now in Phase two, which involves site selection and 600 members. If a suitable site could be identified, the Downtown area is preferred. In Phase 3, the group will start construction and hire a general manager and staff. Following discussion with the Council, Mayor Yanish thanked Ms. Catherwood and Mr. Bennett for the presentation.

Mayor Yanish acknowledged David Herzer who had signed up to address the City Council during its scheduled Open Forum. Mr. Herzer expressed his appreciation to the Mayor and Council and commended them on their service to the City of Willmar.

Mayor Yanish expressed his appreciation to the Willmar Community Foundation.

The Finance Committee Report for October 8, 2012, was presented to the Mayor and Council by Council Member Anderson. There were six items for Council consideration

Item No. 1 Chair Anderson acknowledged that no one was present to address the Committee.

Item No. 2 Rice C.E.O Mike Schramm presented the Committee with an overview of Rice Memorial Hospital's five-year Financial Plan which establishes specific balance sheet and profitability targets along with projected capital expenditures through 2017. C.F.O Bill Fenske reviewed key financial and statistical indicators used to prepare the five-year plan as well as projected financial statements. It was noted that as new or enhanced programs and services are considered, their financial impact on this five-year plan will be addressed. This matter was for information only

Item No. 3 Staff explained to the Committee that originally, the Council was to take action on a resolution on October 1, 2012, for the West Central Industries (WCI) Conduit Financing request. This has been postponed until the Council meeting on October 15, 2012, due to illness of WCI Executive Director Charlie Oakes. In 2005, WCI obtained a Private Revenue Note for \$1.1 million through Conduit Financing and are now requesting to refinance the remaining balance of \$500,000. This new note will reduce their interest rate to 2.35 percent and shorten the term by approximately five years. This matter was for information only.

Item No. 4 The Committee reviewed the following September 30, 2012, Reports: Local Option Sales Tax, WRAC-8 and Convention and Visitors Bureau. This matter was for information only.

Item No. 5 Agenda items for the October 22, 2012, Council Work Session include: 1) Capital Improvement Program; 2) HRA Budget Presentation; and 3) Fund Balance. Agenda items scheduled for November 26, 2012, include budget presentations by Rice Hospital and MUC. Chair Anderson suggested that a Council Work Session be held prior to an upcoming Council Meeting to discuss the Waste Treatment Plant Rate Study once all the information has been prepared. This matter was for information only.

Item No. 6 Chair Anderson explained to the Committee that the Payment In Lieu Of Taxes Agreement with the Willmar Municipal Utilities is expiring at the end of 2012 and needs to be renegotiated. In the past, the Finance Committee Chair and City Administrator have negotiated this agreement with the MUC. It was the consensus of the Committee that this same process be followed for negotiating the new agreement. This matter was for information only.

Finance Director Okins reviewed with the Committee the recent changes acted on by the Council affecting the 2013 Budget. The proposed increase to the Mayor/Council Salaries of \$13,500 has been deducted. Offsetting that reduction, \$13,000 was added for the contribution to the Baseball Boosters and \$500 has been added to the Mayor/Council Travel Budget. The Library's Funding Request was reduced by \$5,500 of which \$500 has been reallocated to the Mayor/Council Travel Budget as well. As a result, \$5,000 remains for reallocation. Other items not yet factored into the 2013 Budget include revenue for the Building Inspection Services Contract with Kandiyohi County which could total approximately \$15,000; and the expenditure of \$5,000 for contribution to the 2040 Vision Planning. Council Member Fagerlie also pointed out that it has not yet been decided if the contribution to the Historical Society will be \$5,000 in 2013 or \$1,000 per year for five years. Mayor Yanish commented that contracted airport management services are being considered; consequently, there may be changes to the 2013 Airport budget as well. This matter was for information only.

The Finance Committee Report for October 8, 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.

Mayor Yanish inquired about future Committee/Council meetings regarding the budget and was informed that of the following meetings: October 22, Work Session followed by a Finance Committee meeting; November 26, Work Session; December 3, Council meeting (Truth-in-Taxation hearing) with the budget certified to the State by December 15, 2012.

The Public Works/Safety Committee Report for October 9, 2012, was presented to the Mayor and Council by Council Member Reese. There were five items for Council consideration.

Item No. 1 Jared Voge of Bolton and Menk presented to the Committee results of the September 20, 2012, bid opening for improvements at the Willmar Municipal Airport. Bids were initially opened in August with only one bid received. In September the bid was rejected and authorization was granted to re-advertise, separating the improvements into two projects.

Three bids were received for the crack seal project, and Mr. Voge recommended accepting the low base bid plus Phase I and II from Fahrner Asphalt Sealers, LLC of Eau Claire, Wisconsin, in the amount of \$81,996.80.

No bids were received for the turf establishment and quotes were solicited with two responses. The low quote received was from Kuechle Underground of Kimball, MN in the amount of \$72,480.01.

The funding source for the Airport Improvements is 70 percent State and 30 percent local funds, which are budgeted in the 2012 Capital Improvements. In order to use State monies, the project must be under contract in 2012, although construction can be completed in 2013.

The Committee was recommending the Council accept the bid of Fahrner Asphalt Sealers, LLC as presented for the crack seal improvements and authorize the Mayor and City Administrator to enter into an agreement on behalf of the City. Resolution No. 1 was introduced by Council Member Reese, seconded by Council Member Christianson, reviewed by Mayor Yanish, 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 bid of Fahrner Asphalt Sealers, LLC of Eau Claire, Wisconsin for Crack Seal Improvements at the Willmar Municipal Airport is accepted.

BE IT FURTHER RESOLVED that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$81,996.80, which includes the base bid plus Phase I and Phase II.

Dated this 15th day of October, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Committee was recommending the Council accept the quote of Kuechle Underground for turf establishment as presented and authorize the Mayor and City Administrator to enter into an agreement on behalf of the City. Resolution No. 2 was introduced by Council Member Reese, seconded by Council Member DeBlick, 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, a Municipal Corporation of the State of Minnesota, that the quote of Kuechle Underground of Kimball, Minnesota for Runway Turf Establishment is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$72,480.01.

Dated this 15th day of October, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 2 Josh Halvorson of Donohue and Associates presented to the Committee a bid tabulation and contract recommendation for Project No. 1110, Western Interceptor Sewer Connection. This pipe connects to the existing sewer at 30th Street and 30th Avenue SW and proceeds north along 30th Street, crosses 19th Avenue SW and continues north along the west side of County Road No. 5 crossing Highway 12 and up to First Avenue NW in Vos Park. Seven bids were received in June, 2012 with the low bid being that of Geislinger & Sons, Inc. from Watkins, MN. All bids were evaluated for conformance and qualifications to perform the work. The low bidder was also established by references, financial data and previous experience. Donohue is also recommending award of the alternate bid, which is the inclusion of the storm sewer, for an additional cost of \$505,769.00 for a total contract of \$3,575,354.25, which is under the Engineer's Estimate. It was noted that no construction would be allowed on the former airport site until the Phase II land release was finalized.

The Committee was recommending the Council award the contract for Project No. 1110 to Geislinger & Sons, Inc. as presented and authorize the Mayor and City Administrator to enter into a contract on behalf of the City. Resolution No. 3 was introduced by Council Member Reese, seconded by Council Member DeBlicek 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, a Municipal Corporation of the State of Minnesota, that the bid of Geislinger & Sons, Inc. of Watkins, Minnesota for Project No. 1110 – Western Interceptor Sewer Connection is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$3,575,354.25.

Dated this 15th day of October, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 Staff informed the Committee that proposals for engineering services to design the construction of the Lakeland Drive Interceptor/MinnWest Lift Station were received from six firms with costs ranging from \$320,261.00 to \$515,436.00. The project includes the reconstruction of Lakeland Drive to an urban section. Four Staff members reviewed and scored the proposals and the three highest scoring firms were interviewed. It was Staff's recommendation to accept the proposal of Donohue and Associates.

The Committee discussed the scoring and evaluation process at length. It was noted this particular scoring system has been used by the City in the past for selecting an engineering firm. A motion was made by Council Member Reese to approve Staff's recommendation of Donohue and Associates. The motion failed for lack of a second. This item is brought before the full Council without a recommendation. A request was made to see the scoring results of the interview process. Staff will make this information available upon approval of the City Attorney/City Clerk-Treasurer.

City Administrator Stevens explained the process used and that Donohue had a better understanding and capacity to do the project, had a past experience with City projects/procedures, and the best combination of price, technical capacity and ability to deliver the product. Council Member Christianson stated that he has been struggling with the issue and wanted to hear from Bollig. Brian Bollig said his firm looks at the best quality product for clients and that the firm AE2S of Grand Forks, N.D., will collaborate with Bollig on the sewer part of the project.

Josh Halvorson of Donohue stated the firm is well qualified and has worked on past City projects, and that the evaluation process is not new and Donohue is the most technically suited professional service at the best price.

Following a lengthy discussion which included discussion of the evaluation procedures and expertise of the firms, Council Member Johnson called for the question. Resolution No. 4, awarding the Lakeland Drive Interceptor/MinnWest Lift Station contract to Bollig, Inc., was introduced by Council Member Dokken, seconded by Council Member Christianson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

Whereas the City of Willmar desires to retain a firm to provide engineering services for design of the Lakeland Drive Interceptor Sewer, street reconstruction and MinnWest Lift Station; and

Whereas a proposal has been made by, and an agreement prepared to retain, the firm of Bollig Inc. of Willmar, Minnesota in a not to exceed amount of \$320,261.00 for said services;

Now therefore be it resolved by the City Council of the City of Willmar that said agreement be approved and that Mayor and City Administrator be authorized to execute the same.

Dated this 15th day of October, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Planning and Development Services Director Peterson reviewed the source of funding, which will initially be funded by P.I.R., and reimbursed with P.F.A. financing and state aid. Following discussion, Resolution No. 5 was introduced by Council Member Reese, seconded by Council Member Anderson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

BE IT RESOLVED by the City Council of the City of Willmar that the consultant contract for the Lakeland Drive Interceptor/MinnWest Lift Station Project shall be paid from P.I.R. in the amount of \$8,419,000.00.

Dated this 15th day of October, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Resolution No. 6 was introduced by Council Member Reese, seconded by Council Member Reese, seconded by Council Member Anderson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

RESOLUTION ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UN THE INTERNAL REVENUE CODE

(Resolution in its entirety see, City Council Proceedings file dated October 15, 2012, located in the City Clerk's Office)

Item No. 4 Staff reviewed with the Committee correspondence from the Minnesota Department of Transportation for renewal of an agreement whereby the Commissioner of Transportation is appointed as agent of the City of Willmar to accept Federal aid funds. The agreement covers all Federal projects the City is designated funding for. The Willmar Avenue crossing and the Robbins Island-to-Downtown Trail are both projects that would fall into this type of funding in 2013. Staff recommended acceptance of the agreement which has been approved by the City Attorney.

The Committee was recommending the Council accept the agency agreement and authorize the Mayor and City Administrator to sign on behalf of the City. Resolution No. 7 was introduced by Council Member Reese, seconded by Council Member Christianson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO 7

BE IT RESOLVED, that pursuant to Minnesota Statute Sec. 161.36, the Commissioner of Transportation be appointed as Agent of the City of Willmar to accept as its agent, federal aid funds which may be made available for eligible transportation-related projects.

BE IT FURTHER RESOLVED, the Mayor and City Administrator are hereby authorized and directed for and on behalf of the City to execute and enter into an agreement with the Commissioner of Transportation prescribing the terms and conditions of said federal aid participation as set forth and contained in "Minnesota Department of Transportation Agency Agreement No. 99928," a copy of which said agreement was before the City Council and which is made a part hereof by reference.

Dated this 15th day of October, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 The Committee discussed parking enforcement in the Downtown and requested information related to the revenue and expenditures be brought before the Committee at a future meeting. This matter was for information only.

The Public Works/Safety Committee Report for October 9, 2012, 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 Community Development Committee Report for October 11, 2012, was presented to the Mayor and Council by Council Member Dokken. There were four items for Council consideration.

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

Item No. 2 The Committee reviewed photos of the deteriorating home at 515 NW 7th Street. The property is in foreclosure and the deed is currently held by Fannie Mae. Research has determined that the property is on the National Register of Historic Places, but there is no evidence that a preservation easement has ever been recorded. In discussing the situation with the City Attorney, it was recommended that the Council issue a formal repair order as a preliminary step to a hazardous building declaration.

The Committee was recommending the Council direct Staff to file formal correction orders for exterior repairs and to allow 45 days to complete the work.

Council Member Anderson inquired what would happen if the owners of the property fails to comply. Council Member DeBlieck asked who is responsible to pay for the demolition. City Attorney

Scott stated that the courts will decide and expenses would be assessed back to the owner. Council Member Fagerlie suggested that with Fannie Mae property, the City should not take over the property but rather wait to see what happens.

Council Member Dokken moved to approve the recommendation of the Community Development Committee with Council Member Christianson seconding the motion, which carried; Council Member Fagerlie voted "No."

Item No. 3 The Committee received an update from City/Economic Development Commission staff regarding recent and proposed projects. City Staff presented a list of 2012 commercial/industrial projects that was accompanied by an explanatory memo and location map. It was noted that 2012 projects will exceed \$11 million dollars, and there is \$24 million dollars' worth of commercial/industrial work already anticipated for 2013. Steve Renquist, Economic Development Commission Director, presented a handout of EDC projects and explained the relationship of the projects to EDC goals. This matter was for information only.

Item No. 4 Council Member Ahmann inquired about downtown plan progress and the revision of development financing policies. Staff indicated that the Downtown Planning Committee was scheduled to meet on October 17, 2012, but that work had not yet begun on the revisions to the development financing policies. This matter was for information only.

The Community Development Committee Report for October 11, 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.

The Mayor and Council considered an agricultural land exemption of special assessments. Finance Director Okins reviewed the City policy to temporarily exempt from assessments certain lands currently used for agricultural purposes. It was Staff's recommendation to adopt the Resolution exempting qualifying agricultural land owners of the special assessments. Resolution No. 8 was introduced by Council Member Fagerlie, seconded by Council Member Anderson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, 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: (complete list on file in the City Clerk's Office).

Dated this 15th day of October, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Mayor and Council considered a request/application from West Central Industries for Conduit Financing from the City. City Administrator Stevens explained that in 2005 the City acted as a conduit to issue debt for West Central Industries, a Non Profit 501©3, doubling the size of a licensed commercial kitchen to serve the Meals-on-Wheels Program. At that time financing was \$1,100,000 for 20 years at 5.338 percent interest. Due to the decline in interest rates, West Central Industries has applied to the City to act again as a conduit to refinance a portion of the outstanding balance and shorten the term of their outstanding debt. The request is to issue a Commercial Development Revenue Note in the amount of not to exceed \$500,000 for seven years at 2.35 percent.

Resolution No. 9 was introduced by Council Member Anderson, seconded by Council Member DeBlieck, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 9

RESOLUTION APPROVING THE ISSUANCE AND SALE OF A COMMERCIAL
DEVELOPMENT REVENUE REFUNDING NOTE, SERIES 2012 AND
AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO
(WEST CENTRAL INDUSTRIES, INC. PROJECT)

(For Resolution in its entirety, see City Council proceedings file dated
October 15, 2012, located in the City Clerk's Office)

The Mayor and Council considered a final plat of Fairacre Addition owned by Don Williamson. Planning and Development Services Director Peterson reviewed details of the final plat to subdivide an 11-lot single family home subdivision on property at 2721 15th Street SW. The property is currently zoned R-1 (One Family Residential) and proposed to have a private cul-de-sac. A conditional use permit for a planned unit development was approved by the Planning Commission for the private street. Declarations and private covenants will be recorded congruous with the plat. Following discussion on utilities and right-of-way, Council Member Christianson to approve the Fairacre Addition final plat as presented with Council Member Reese seconding the motion, which carried.

The Mayor and Council considered a preliminary plat for Quinn Addition as requested by Kvam Implement. Planning and Development Services Director Peterson explained the property is owned by Kvam Implement and the Ivan Kvam Trust, and there are several buildings already existing on four of the lots being created. This is a boundary line adjustment to clean up titles and shift property lines. If the one vacant lot being created is developed, the service road and storm water ponding will need to be developed to current requirements at the cost of the developer. The Planning Commission approved the plat with conditions of easements being added and improvement requirements at the time of development. Council Member Anderson moved to approve the preliminary plat for Quinn Addition as presented with Council Member Ahmann seconding the motion, which carried.

City Administrator Stevens informed the Mayor and Council that with the General Election scheduled for November 6, 2012, it is necessary to schedule the Board of Canvass. Following discussion, Council Member Anderson moved to schedule the Board of Canvass for November 9, 2012, at 3:00 p.m. in Conference Room No. 1 at the City Office Building. Council Member Fagerlie seconded the motion, which carried.

Announcements for Council Committee meeting dates were as follows: Council Work Session/Finance, October 22; Public Works/Safety, October 30; and Community Development, November 1, 2012.

Council Member Dokken informed the Council of a Minnesota Disabled Veterans' conference held in Willmar.

There being no further business to come before the Council, the meeting adjourned at 8:50 p.m. upon motion by Council Member Ahmann, seconded by Council Member Christianson, and carried.

Attest:

MAYOR

ACTING SECRETARY TO COUNCIL