

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

February 21, 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, Denis Anderson, Steve Ahmann, Rick Fagerlie, and Jim Dokken; Present 6, Absent 3 - Bruce DeBlieck, Ron Christianson and Tim Johnson were excused from the meeting.

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

Council Member Dokken offered a motion adopting the Consent Agenda which included the following: City Council Minutes of February 6, Municipal Utilities Commission Minutes of February 13, Rice Hospital Board Minutes of February 8, Accounts Payable through February 16, Mayoral Reappointments: Community Education and Recreation Advisory Board - Eric Banks; Authorize Mayor Yanish and Council Member DeBlieck to attend 2012 APPA Legislative Conference in Washington, D.C., Willmar Design Center Minutes of January 11, 2012 and Exempt Permit Application for Friends of NRA. Council Member Anderson seconded the motion, which carried.

At 7:02 p.m. Mayor Yanish opened the hearing on an Ordinance Repealing Willmar Municipal Code 8-281 and 8-282 Regulating Alarm Systems. There being no one present to speak for or against the proposed Ordinance, Mayor Yanish closed the hearing at 7:02 p.m.

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

Council Member Reese offered a motion to adopt, assign a number and order final publication of the Ordinance Repealing Willmar Municipal Code 8-281 and 8-282 Regulating Alarm Systems. Council Member Fagerlie seconded the motion, which carried a roll call vote of Ayes 5, Noes 0.

The Labor Relations Committee Relations Committee Report for February 13, 2012, was presented to the Mayor and Council by Council Member Ahmann. There was one item for Council consideration.

Item No. 1 The meeting was closed to discuss employee contract negotiation strategies and then reopened. This matter was for information only.

The Labor Relations Committee Report for February 13, 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 Anderson, and carried.

The Finance Committee Report for February 13, 2012, was presented to the Mayor and Council by Council Member Anderson. There were eight items for Council consideration.

Item No. 1 The Committee reviewed an application for tax-exempt financing from Dominion for \$13.948 million of tax-exempt bonds to finance the acquisition and rehabilitation of Eagle Ridge, Somerset and Waters Edge Apartments. Ron Mehl of Dominion provided a brief overview of these three complexes and the proposed plan for financing and rehabilitation. Part of this project would be to upgrade housing for low and moderate income families and part would be for acquisition of the properties.

HRA staff and Dominion representatives continue to work on an agreed amount of units that would qualify for the Section 8 voucher system. HRA staff would like to see approximately 40% of the units qualify and Dominion was indicating that their position was somewhere in the 25% range. The Committee discussed the importance of the 40% requirement to preserve work force housing stock in the community since the project was not providing additional employment and or large tax base growth. Direction was given to the HRA and Dominion to continue to work on resolving any differences so the project would be able to move forward in the process. The HRA Board has approved this project and it is required by Federal Tax Law that the City approve the issuance of bonds by the HRA. It was noted that these Conduit Tax-Exempt Revenue Bonds are secured by revenue from the project and there is no obligation for the City or HRA to repay the bonds. Further, these bonds will not be considered a debt or indebtedness of the Willmar HRA or the City of Willmar and will not affect general credit. This matter was taken for information only.

Item No. 2 The Committee considered a recommendation from Staff to award multiple contracts for custodial services to Service Master. The contracts would provide custodial services at various City buildings including the Community and Activity Center, window cleaning at City buildings and floor cleaning at the WWTF, Fire Department and City Hall.

The recommendation was due to the vacancy of one full-time custodial position and per the direction of the City Council. The process used consisted of requesting proposals for various custodial needs including window cleaning, floor cleaning and general custodial services at various City buildings. Staff then reviewed each proposal based on cost, experience, expertise and references noted.

Funding for the four contracts would be funds originally appropriated for the custodial position at the Community Center and partial professional service appropriations from the Fire Department Budget. The Committee was recommending the Council adopt a resolution to award four contracts to Service master and amend the budget accordingly.

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 5, 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 be authorized to enter into contracts for custodial services with Service Master totaling \$47,389.08 and to adjust the budget accordingly.

Dated this 21st day of February, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 3 The Committee reviewed a proposed preliminary budget for the 2012 Street Improvement Program as was recommended by the Public Works/Safety Committee. Funding would come from a variety of sources such as Local Option Sales Tax proceeds, MUC, County, State and General Obligation Assessment Bonds. As customary, due to the City incurring some eligible costs prior to the sale of bonds, the City would also have to take action to adopt a resolution indicating its intent to reimburse for the costs.

The Committee was recommending the Council adopt a resolution setting the 2012 Street Improvement Preliminary Budget at \$2,737,000. Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Dokken, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 5, Noes 0.

RESOLUTION NO. 2

PRELIMINARY 2012 STREET IMPROVEMENTS

PERSONNEL SERVICES		RECEIVABLES	
Overtime Reg. Employees	\$500.00	Property Owners	\$564,000.00
Salaries Temp. Employees	<u>\$1,000.00</u>	County	\$379,000.00
TOTAL	\$1,500.00	State	\$280,900.00
		City	\$551,700.00
SUPPLIES		City (MUC)	\$190,000.00
Office Supplies	\$500.00	LOST	\$726,400.00
Small Tools	\$500.00	City (WWTP)	<u>\$45,000.00</u>
Motor Fuels & Lubricants	\$2,000.00	TOTAL	\$2,737,000.00
Postage	\$1,000.00		
Mtce. of Other Improvements	\$500.00	FINANCING	
General Supplies	<u>\$1,000.00</u>	Bonds	\$1,115,700.00
TOTAL	\$5,500.00	County	\$379,000.00
		State	\$280,900.00
OTHER SERVICES		City (MUC)	\$190,000.00
Mtce. of Other Impr.	\$2,353,400.00	LOST	\$726,400.00
Other Services	<u>\$171,200.00</u>	City (WWTP)	<u>\$45,000.00</u>
TOTAL	\$2,524,600.00	TOTAL	\$2,737,000.00
OTHER CHARGES		GRAND TOTAL	\$2,737,000.00
Insurance & Bonds	\$2,000.00		
Prof. Serv.	\$25,000.00		
Advertising	\$2,000.00		
Adm. OH (Transfer)	\$156,400.00		
Other Charges	<u>\$20,000.00</u>		
TOTAL	\$205,400.00		
GRAND TOTAL	\$2,737,000.00		

Dated this 21st day of February, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Committee was recommending the Council introduce a resolution establishing procedures to comply with reimbursement bond regulations. 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 5, Noes 0.

RESOLUTION NO. 3

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

(For Resolution in its entirety see City Council file dated February 21, 2012, located in the City Clerk's Office)

Item No. 4 The Committee reviewed a recommendation from Staff to amend the Equipment Replacement Schedule and adopt the revised Vehicle/Equipment Policy. Staff explained that a Vehicle/Equipment Committee consisting of the Fire Chief, Police Chief, Finance Director and Public Works Director was formed to review the need of all City vehicles and update the City's Equipment Replacement Schedule and Vehicle/Equipment Policy. The goals of the Committee was to make an unbiased determination of the needs for all vehicles listed on the Schedule and determine if the City's fleet was adequate as for as number of vehicles, as well as type of equipment needed for each department.

The Committee developed the following recommendations: 15 pieces of equipment be eliminated and sold at the spring 2012 auction, reassigning 9 vehicles as "general use" vehicles which can be checked out and used by any City employee for City business, and that the schedule be reviewed annually as part of the budgeting process by the Committee. It was noted that the cost savings for equipment replacement in 2012 totals \$281,652 with an additional estimated savings of \$1,400 for insurance and licensing.

The Committee was recommending the Council pass a resolution to adopt the Vehicle/Equipment Replacement Schedule and Policy as amended. Resolution No. 4 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 5, Noes 0.

RESOLUTION NO. 4

BE IT RESOLVED by the Willmar City Council that the 2012 Vehicle/Equipment Replacement Schedule and Policy for the City of Willmar be adopted as amended.

Dated this 21st day of February, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 Staff informed the Committee that the Willmar Area Disc Golfers has donated \$590 to the City for improvements to the disc golf facilities at Robbins Island. The money would assist the City in the placement of a second pin at each hole and possibly benches for players who are waiting. The Committee was recommending that the Council adopt a Resolution accepting the donation and sending a letter of appreciation to Association.

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

RESOLUTION NO. 5

WHEREAS, the City of Willmar has received a donation of \$590.00 from the Willmar Area Disc Golfers for improvements to the disc golf facilities at Robbins Island;

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

Dated this 21st day of February, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 6 Staff informed the Committee that the Willmar Fire Department has received a donation of \$140.00 from Fancy Coats Pet Grooming and Inn for the purchase of pet life kits. The Committee was recommending the Council adopt a resolution accepting the donation and send a letter of appreciation to Fancy Coats Pet Grooming and Inn. Resolution No. 6 was introduced by Council Member Anderson, seconded by Council Member Dokken, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 5, Noes 0.

RESOLUTION NO. 6

WHEREAS, the Willmar Fire Department has received a donation in the amount of \$140.00 from Fancy Coats Pet Grooming and Inn for the purchase of pet life kits;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota, that the City accept the donation from Fancy Coats Pet Grooming and Inn and the City Administrator be directed to express the community's appreciation.

Dated this 21st day of February, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 7 Staff distributed to the Committee final offering documents for the Rice Memorial Hospital Advance G.O. Revenue Bonds. It was noted that the closing on the advance refunding is scheduled to take place on February 28, 2012, with an estimated savings of slightly over \$7.1 million. Final numbers will be presented to the Committee and Hospital Board after the February 28, 2012, closing. This was for information only.

Item No. 8 The Committee reviewed with Staff written procedures and policies to ensure that interest on all bonds issued by the City remain tax-exempt. The City has been doing all actions required to maintain the tax-exempt status of all interest, but has not had formal written procedures or policies explaining the requirements. By adopting the procedures and policy document as submitted, the City would now have formal documentation to comply with sections 103 and 140 to 150 of the Internal Revenue code of 1986. The Committee was recommending the Council adopt a resolution approving Post-Issuance Compliance Procedure and Policy for Tax-Exempt Government Bonds.

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

RESOLUTION NO. 7

RESOLUTION APPROVING POST-ISSUANCE COMPLIANCE
PROCEDURE AND POLICY FOR TAX-EXEMPT GOVERNMENTAL BONDS

BE IT RESOLVED by the City Council (the "Council") of the City of Willmar, Minnesota (City) as follows:

Section 1. Recitals.

1.01. The City from time to time issues tax-exempt governmental bonds to finance various public projects.

1.02. Under Sections 103 and 140 to 150 of the Internal Revenue Code of 1986, as amended (the "Code") and related regulations, the City is required to take certain actions after the issuance of such bonds to ensure that interest on those bonds remains tax-exempt.

1.03. The City has determined to adopt written procedures regarding how the City will carry out its bond compliance responsibilities, and to that end has caused to be prepared a document titled Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds (the "Policy").

1.04. The Council has reviewed the Policy and determined that it is in the best interest of the City to adopt the Policy.

Section 2. Policy Approved.

2.01. The Council approves the Policy in substantially the form on file in City Hall.

2.02. City staff are authorized to take all actions necessary to carry out the Policy.

Dated this 21st day of February, 2012.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Finance Committee Report for February 9, 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 February 16, 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 Andrew Bjur appeared before the Committee to provide additional information about the GreenStep Cities program. Mr. Bjur estimated that the process to set program policy could be accomplished within approximately one year. It is anticipated that the only cost to the City would be that of staff time that is already budgeted. Program benefits to the City include recognition as a progressive City committed to energy efficiency and economic savings. Staff was asked to prepare a formal resolution to bring to the next Committee meeting, and names will be provided to Mayor Yanish for the necessary Committee appointments. This matter was for information only.

Item No. 2 Staff updated the Committee on downtown planning efforts. It was noted that a meeting had been held with the Steering Committee to discuss five selected main topics for the plan. Each main topic has three to six plan elements that will be discussed in greater detail within the plan. Staff indicated that the Steering Committee would be meeting again within the month to review additional work prepared by staff and the consultant related to the individual elements, responsibilities for accomplishing them, and possible sources of funding. This matter was for information only.

Item No. 3 The Committee was updated by Staff on the former airport land release process, John's Supper Club redevelopment, and the EDA grant application for infrastructure at the expanded industrial park. Council Member Ahmann mentioned that local representatives were selected to make a

presentation at the National Main Street conference about the community owned grocery project. He was suggesting that in situations where citizens bring positive recognition to the community that the Council consider covering some of the costs of their travel. The Committee discussed City policy, the issue of public purpose, precedent, and lack of available finances. This matter was for information only.

The Community Development Committee Report for February 16, 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 Anderson, and carried.

City Clerk Halliday provided the Mayor and Council with an update of the redistricting plans for the four wards of the City of Willmar. The ward boundaries are established by dividing equal population counts as near as practicable due to the requirements of following the boundaries of contiguous census blocks. Mr. Halliday further noted the non-contiguous annexations of the new Airport and Waste Water Treatment Plant will be placed in Ward 2, Precinct 4 to aid the Kandiyohi County Redistricting Plan. Following discussion, Council Member Ahmann moved to direct the City Attorney to draft an ordinance describing the new boundaries to be introduced on March 5, and a public hearing scheduled for March 19, 2012.

The Mayor and Council considered a Civic Center Arena Special Event by On-Sale Liquor License Holder Permit. City Clerk Halliday informed the Mayor and Council that the Civic Center has rented space to the Willmar Curling Club to hold a three-day Novice Bonspiel. On March 9, 10 and 11, 2012, the Willmar Curling Club has plans to serve alcohol. The Special Event Permit is required to distribute or consume alcohol on the Civic Center grounds. Baker's Eagle Creek Eatery LLC has applied for the permit with an on-site employee listed. Following discussion, Council Member Anderson moved to approve the Civic Center Arena Special Event by On-Sale Liquor License Holder Permit as presented. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 5, Noes 0.

Announcements for Council Committee meeting dates were as follows: Labor Relations, February 23; Finance, February 27; and Community Development, March 1, 2012.

Council Member Reese thanked the community for their contributions and time packaging food for the Faith @ Work Food for Kids program held on February 18, 2012, at the Willmar Middle School. There were 29 churches and 1,300 volunteers involved and 300,000 meals packaged.

It was announced that the Mayor and Council will be holding a planning retreat on March 9, 2012, from 12:00 p.m. to 5:00 p.m.

There being no further business to come before the Council, the meeting adjourned at 8:40 p.m. upon motion by Council Member Anderson, seconded by Council Member Reese, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL