

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

December 2, 2013
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 Denis Anderson, Ron Christianson, Steve Ahmann, Audrey Nelsen, Tim Johnson, Jim Dokken, Rick Fagerlie and Bruce DeBlieck; 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, Fire Chief Gary Hendrickson, City Attorney Robert Scott, and City Clerk Kevin Halliday.

Council Member Anderson offered a motion adopting the Consent Agenda which included the following: City Council Minutes of November 18, Rice Hospital Board Minutes of November 20, Municipal Utilities Commission Minutes of November 25, Accounts Payable Report through November 26, Exempt Permit for Safe Avenues, Mayoral Reappointments: Airport Commission - Donald Cole, Municipal Utilities Commission - Steve Salzer and Jeffrey Nagel, Planning Commission - Gary Geiger and Randy Czarnetzki, Rice Hospital Board - Mike Gardner and David Anfinson, and Zoning Appeals Board - Beverly Dougherty, Convention/Visitors Bureau Minutes of October 15, and Zoning Appeals Board Minutes of November 18, 2013. Council Member Fagerlie seconded the motion, which carried.

At 7:01 p.m. Mayor Yanish opened the Truth in Taxation Hearing. Finance Director Okins explained that the purpose of the hearing is to discuss the percentage change in property taxes proposed and the specific purpose for which property tax revenues are being changed. Property owners have an opportunity to review information pertaining to a property tax proposed for their property and react to local budget decisions before they become finalized. There being no one present who wished to speak. Mayor Yanish closed the hearing at 7:07 p.m.

Resolution No. 1, setting the 2014 Levy for the City of Willmar, 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. 1

BE IT RESOLVED by the City Council of the City of Willmar, Kandiyohi County, Minnesota, that the following sums of money be levied for the current year collectable in 2014, upon the taxable property in said City of Willmar, for the following purposes:

General Fund	\$ 3,992,734
Street/Infrastructure Improvements	\$ <u>147,000</u>
Total	\$ 4,139,734

BE IT RESOLVED, that there is a sufficient sum of money in the Debt Service Funds of the City, together with the above Debt Service Fund Tax Levy, to pay principal and interest in 2014 on all outstanding bond issues, and the deferred annual tax levies previously certified to the County Auditor are hereby cancelled;

BE IT RESOLVED by the City Council of the City of Willmar, Kandiyohi County, Minnesota, that pursuant to a request by the Housing and Redevelopment Authority In and For the City of Willmar, Minnesota, for authorization to levy a special tax to be included as part of its fiscal year 2013 - 2014 Budget;

BE IT RESOLVED that the City Council of the City of Willmar, Minnesota, hereby authorizes the Housing and Redevelopment Authority to levy a special tax in the amount of \$170,000 pursuant to the powers vested under the Minnesota Statutes.

The City Clerk is hereby instructed to transmit a certified copy of this Resolution to the County Auditor of Kandiyohi County, Minnesota.

Dated this 2nd day of December, 2013.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Resolution No. 2, adopting the budget for 2014, 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. 2

ADOPTING THE BUDGET FOR THE FISCAL YEAR 2014

BE IT RESOLVED by the City Council of the City of Willmar that the Annual Budget for the fiscal year beginning January 1, 2014, which has been submitted by the Mayor and modified and approved by the City Council, is hereby adopted, the totals of the said budget and the Mayor's division thereof being as follows:

EXPENDITURE REQUIREMENTS

General Operating	\$ 15,757,236
Capital Improvements	6,870,450
Special Revenue/Internal	671,268
Debt Service	2,499,201
Enterprise (Wastewater)	<u>8,245,688</u>
Total 2013 Budget	\$ 34,043,843

Dated this 2nd day of December, 2013.

MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Mayor Yanish returned the Resolution without a signature and without a veto, thus it shall be considered approved - City Charter Section 3.05.

At 7:12 p.m. Mayor Yanish opened the public hearing on an Ordinance Authorizing the Issuance of Hospital Revenue Notes (Rice Care Center Project). Rice Hospital CFO Bill Fenske noted the Rice Memorial Hospital Board has approved the renovation of Rice Center with a borrowing amount for the project of \$6.2

million and when added to the refunding of the 2011 Hospital Revenue Bond Issue of \$2.9 million outstanding, this issue will be for \$9.1 million. There being no one present to speak for or against the proposed Ordinance, Mayor Yanish closed the hearing at 7:13 p.m.

Council Member Anderson offered a motion to adopt, assign a number and order final publication of an Ordinance Authorizing the Issuance of Hospital Revenue Notes (Rice Care Center Project). Council Member Dokken seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Ahmann, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 3

RESOLUTION ACCEPTING OFFER ON SALE OF HOSPITAL REVENUE NOTES
(RICE CARE CENTER PROJECT) AND PROVIDING FOR THEIR ISSUANCE

(For Resolution in its entirety, see City Council proceedings file dated
December 2, 2013, located in the City Clerk's Office)

At 7:16 p.m. Mayor Yanish opened the public hearing on an Ordinance Authorizing the Issuance of Hospital Revenue Notes (Rice Home Medical and Care Center Project). Rice Hospital CFO Fenske offered details of the addition to the Rice Care Center Therapy Suites and proposed renovation of the Home Medical Store in Alexandria, Minnesota, which calls for \$2.8 million. There being no one present to speak for or against the proposed Ordinance, Mayor Yanish closed the hearing at 7:17 p.m.

Council Member Anderson offered a motion to adopt, assign a number and order final publication of an Ordinance Authorizing the Issuance of Hospital Revenue Notes (Rice Home Medical and Care Center Project). Council Member Christianson seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Resolution No. 4 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. 4

RESOLUTION ACCEPTING OFFER ON SALE OF HOSPITAL REVENUE NOTES
(RICE HOME MEDICAL AND CARE CENTER PROJECT) AND PROVIDING FOR THEIR ISSUANCE

(For Resolution in its entirety, see City Council proceedings file dated
December 2, 2013, located in the City Clerk's Office)

At 7:20 p.m. Mayor Yanish opened a public hearing on currency exchange license for Darrell K. Sunvold dba Quick Funds, Inc. to operate a currency exchange business at 222 Southwest 3rd Street. There being no one present to speak for or against the proposed license renewal, Mayor Yanish closed the hearing at 7:21 p.m.

Council Member Christianson offered a motion to approve the currency exchange license for Darrell K. Sunvold dba Quick Funds, Inc. Council Member Johnson seconded the motion, which carried.

At 7:21 p.m. Mayor Yanish opened a public hearing on currency exchange license for Bennett Ventures, Inc. to operate a currency business at 312, 24th Avenue SW. There being no one present to speak for or against the proposed license renewal, Mayor Yanish closed the hearing at 7:22 p.m.

Council Member Anderson offered a motion to approve the currency exchange license for Bennett Ventures, Inc. Council Member DeBlieck seconded the motion, which carried.

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

The Council considered the Kandiyohi County and City of Willmar Economic Development Commission Budget for 2014. Steve Renquist, EDC Executive Director, appeared before the Mayor and Council to provide details of the 2014 budget. He noted the biggest change is the "Agricultural Renewable Energy" position amended to a (County-wide) Business Development Specialist position, along with the \$18,000 contribution to SWIFF and a \$2,000 contribution to Community Marketing Coalition being removed. Mr. Renquist addressed the reserves totaling \$734,751, which some deemed to be in excess. Council Member Anderson moved to approve the Kandiyohi County and City of Willmar Economic Development Commission Budget for 2014. Council Member Fagerlie seconded the motion, which carried.

The Finance Committee Report for November 19, 2013, was presented to the Mayor and Council by Council Member Anderson. There were 11 items for Council consideration.

Item No. 1 There was no one present wished to address the Council.

Item No. 2 A. HRA Executive Director Jill Bengtson presented the HRA's Fiscal Year End June 30, 2014, Budget. Revenues are projected at \$919,193.81, which includes a Tax Levy Request for 2014 of \$170,000. Expenditures are estimated at \$916,823.21 with a Provision for Reserve of \$2,370.60. Ms. Bengtson also provided an overview of programs the HRA administers and reported that the recent federal government sequestration affected funding for some programs. It was noted that the Willmar HRA and Kandiyohi County HRA will begin the merging process in January, 2014, with an anticipated completion date of July 1, 2014. The Committee was recommending approval of the HRA requested levy. It was noted that the Council approved the Willmar Housing and Redevelopment Authority levy of \$170,000 after the Truth in Taxation hearing held earlier on the Agenda.

B. General Manager Wes Hompe and Finance Director Tim Hunstad presented the Willmar Municipal Utilities 2014 Budget. Total Revenue is estimated at \$30.1 million with Total Operating Expenditures of \$28.4 million. The 2014 Intergovernmental Transfer to the City of Willmar is projected to be \$2.075 million. The five-year capital improvements budget was also presented, highlighting some of the major projects anticipated. Noting vehicle maintenance is not done in-house by the MUC, it was suggested contracting this work with the City's Public Works Department or the KAT Bus Garage. Other discussion included the status of the wind turbines and LED street lights. This matter was taken for information.

C. CEO Michael Schramm and CFO Bill Fenske reviewed the 2014 Budget, noting that revenues are projected to be flat compared to 2013. Consequently, in an effort to reduce costs, they are proposing a decrease of 15 FTE's in 2014. Mr. Fenske reviewed the statistics used in preparation of the budget as well as the current and past years' financial statements. The 2014 Budget reflects Net Operating Revenue of \$98,391,680 with Net Operating Expenses of \$96,387,705. Rice Hospital is projecting a Net Income of \$2,541,249 in 2014. Discussion included Inpatient versus Outpatient volumes, effects of federal government sequestration, the shift in Payer Mix to more governmental sources and less commercial sources, and bad debts. This matter was taken for information.

Item No. 3 Mayor Yanish briefly addressed the Council promoting the cuts he has previously proposed to travel, dues/memberships, professional services, and community funding requests with the excess to be allocated to street repairs.

Item No. 4 A. The Willmar Design Center's initial request totaling \$58,500 was reviewed. Design Center Chair Gary Geiger spoke to the efforts of the Design Center, including the Robbins Island path, the Downtown SCDP applications processed with the HRA, future SCDP programs to be proposed, items in the

Downtown Plan, grant applications, and achieving Accreditation by Minnesota Main Street making the City eligible for various grants.

Following discussion, the Committee recommended approving \$32,000 of the Willmar Design Center's request for 2014.

B. The Willmar Area Multicultural Market-Business Center (WAMM-BC) initial request totaling \$20,000 was reviewed. Administrator Stevens noted this is the first year that the City has received a request from WAMM-BC. WAMM-BC Representative Jeff Madsen explained that their focus is on job creation and economic development. Over the last year, they have helped create 54 new full-time jobs and 13 new businesses.

Following discussion, the Committee declined funding for WAMM-BC but then amended the previous motion by approving \$10,000 of the Willmar Area Multicultural Market-Business Center request for 2014.

C. The West Central Integration Collaborative initial request totaling \$21,000 was reviewed. Council Member Fagerlie noted that the Collaborative performs a lot of interpretive services on behalf of the City and wondered if this could be funded under professional services rather than community funding. Staff acknowledged this would be a possibility if the Council so chooses.

Following discussion, it passed on a roll-call vote of 5 Ayes, 3 Nays with Council Members Deblieck, Fagerlie and Nelsen voting against to make the following: to allocate \$21,000 under Professional Services for interpretive services and issue a Request for Proposals for said services.

D. The Community Marketing Coalition's initial request for 2014 totaling \$2,000 was reviewed. It was noted that \$1,500 was funded for the Coalition in 2013. Following discussion, the Committee recommended the full \$2,000 for the Community Marketing Coalition for 2014.

All these items were included in the 2014 Budget as adopted.

Item No. 5 Council Members reviewed a breakdown of the 2014 Proposed Budget for Travel/Training cost estimates listed as Mandatory, Best Practices and Voluntary. Following discussion, the Committee recommended funding the Travel/Training Budget at the City Administrator's level of \$84,615 for the General Fund and \$9,950 for the Waste Treatment Fund.

The Committee reviewed a breakdown of the 2014 Proposed Budget for Dues and Subscriptions. Following discussion, the Committee approved a motion to set Dues and Subscriptions at \$74,007 for the General Fund, \$5,600 for Waste Treatment, and \$150 for Airport.

Council Members reviewed the 2014 Proposed Professional Services budgeted amounts, by department, in the General Fund and the Airport Fund totaling \$479,100. Following discussion, the Committee moved to set the 2014 Professional Services budget for the General Fund and Airport Fund at \$479,100 and for the Waste Treatment Fund at \$108,500.

All these items were included in the 2014 Budget as adopted.

Item No. 6 Council Members reviewed the vehicle replacement schedule. Chair Anderson again noted the Council's new policy requiring any purchase over \$10,000 be brought to the applicable Committee for approval. The vehicles scheduled to be replaced in 2014 are included in the proposed 2014 budget. This matter was for information.

Item No. 7 The Council reviewed the 2014 Capital Improvement Program with Staff noting that the amount budgeted for the Auditorium/Indoor Gun Range was increased to \$250,000 since the previous report. Furthermore, \$20,000 for the Fire Department Voice Amplifiers is to be removed from this list

because that purchase will be done in 2013. After applying these changes, the new total of cash funding needed for the 2014 Capital Improvements Program is \$1,250,450.

Following discussion, the Committee approved the 2014 Capital Improvements Program with the removal of the Downtown Gateways, leaving its budgeted amount in the Program for future use and added it to the 2014 Budget.

Item No. 8 Chair Anderson explained that a projected increase in health insurance costs estimated at \$183,000 had been included in the initial proposed 2014 budget. Since that time, notification has been received that health insurance rates are not increasing for 2014. It is Staff's recommendation to reallocate this excess to the 2014 Capital Improvements Transfer, increasing the total transfer from the general fund to \$1,886,036.

Following discussion, the Committee approved reallocating the \$183,000 overage to the 2014 Capital Improvements Transfer reducing the additional 2014 Capital Improvements Transfer allocation to \$178,000 and designating the remaining \$5,000 for the 2014 Holiday Parade. This item was included in the 2014 Budget as adopted.

Item No. 9 The Council reviewed and approved of the a Resolution setting the 2014 City property tax levy at \$4,139,734 which includes \$3,992,734 for the General Fund and \$147,000 for street/infrastructure; and setting the 2014 HRA Tax Levy at \$170,000; and a Resolution adopting the 2014 Budget as presented in the amount of \$15,757,236. This matter was completed in the action following the Truth-in-Taxation hearing.

Item No. 10 There was no old business.

Item No. 11 There was no new business.

The Finance Committee Report for November 19, 2013, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Anderson, seconded by Council Member Fagerlie, and carried.

The Public Works/Safety Committee Report for November 26, 2013, was presented to the Mayor and Council by Council Member Christianson. There were six items for Council consideration.

Item No. 1 There were no public comments.

Item No. 2 Chief Wyffels was asked to provide information in relation to the value and future continuation of the City's DARE Program. An overview was given including statistical information relating to the number of students who have completed the program over the last 24 years. He noted the DARE Program Budget is a collaborative effort with expenses being shared by the Police Department and the Willmar School District. The program is more than just a drug and violence prevention education program; it also focuses on life skills and decision making. There have been over 50 studies done that show DARE is effective. It also provides more officer uniform presence in all of the schools and contact with elementary students, which in turn promotes a positive image in the community.

Superintendent of Willmar Schools, Jerry Kjergaard, said the DARE Program is a benefit to the community. It provides a good and relevant educational opportunity and the law enforcement relationships are important. This item was for information only.

Item No. 3 Bollig Inc. and Staff are proceeding with the design of improvements for the MinnWest Lift Station and Lakeland Drive. The first step in the process of M.S. Chapter 429 is to order an Improvement Report. The report will detail the proposed improvements and provide project funding suggestions.

The Committee was recommending the Council order the Improvement Report for MinnWest Lift Station/Lakeland Drive Interceptor Project No. 1310. Resolution No. 5 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

RESOLUTION ORDERING PREPARATION OF REPORT ON IMPROVEMENT

WHEREAS, it is proposed to construct the following improvements under the 2014 Improvement Projects and known as Project No. 1310:

lift station, force main, sanitary sewer, water main, curb repair, mill and overlay, trail, and quiet zone

and to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Section 429.011 to 429.111 (Laws 1953, Chapter 398, as amended).

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF WILLMAR, MINNESOTA:

That the proposed improvement be referred to Bollig, Inc. for study, and that Bollig, Inc. is instructed to report to the Council advising the Council in a preliminary way as to whether the proposed improvement is feasible, and as to whether it should be best be made as proposed or in connection with some other improvement, and the estimated cost of the improvement as recommended.

Dated this 2nd day of December, 2013.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 4 The Committee reviewed the current process used to approve field changes that arise during construction and discussed the definition of a field change. It was agreed that field changes are those changes made due to unknown conditions or plan errors. City Administrator Stevens assured the Committee that the City takes appropriate action to protect its rights under contracts.

The Committee discussed the current process and suggested adoption of a policy to deal with project changes. Staff will bring recommendations for policy options to a future Committee meeting. This matter was for information only.

Item No. 5 Chief Wyffels reported the jail census at 69 and the report of calls for the last two weeks at 550.

The Committee discussed creating a process to approve archery ranges. The question was raised whether it was the intent of the recent ordinance revision to allow private outdoor ranges, and if so, how are those ranges to be approved? The Committee requested that staff come back with a set of objective criteria to use in evaluating archery range proposals. This matter was for information only.

Item No. 6 Staff explained to the Committee that the consultant selection process for the Highway 12 Corridor Study had been completed. It was a joint effort between the City, Kandiyohi County and Mn/DOT. Staff presented a resolution authorizing the Mayor and City Administrator to execute a Mn/DOT agreement for the Highway 12 Corridor Study.

The Committee was recommending the Council authorize the Mayor and City Administrator to execute an agreement with the State of Minnesota Department of Transportation and Kandiyohi County to engage the services of a professional consultant to complete a Corridor Study for Highway 12 through Willmar. Resolution No. 6 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION
AGREEMENT FOR HIGHWAY 12 CORRIDOR STUDY

BE IT RESOLVED that the City of Willmar enter into an agreement with the State of Minnesota Department of Transportation and Kandiyohi County for the following purposes, to wit:

To engage the services of a professional consultant to complete a Corridor Study which will result in a document to address the future use and development of the Highway 12 corridor through Willmar.

BE IT FURTHER RESOLVED that the Mayor and City Administrator are hereby authorized to execute such agreement.

Dated this 2nd day of December, 2013.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Public Works/Safety Committee Report for November 26, 2013, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Christianson, seconded by Council Member Anderson, and carried.

The Labor Relations Committee Report for November 27, 2013, was presented to the Mayor and Council by Council Member Ahmann. There was one item for Council consideration.

Item No. 1 There were no comments from the public.

Item No. 2 City Administrator Stevens introduced a request to fill the Administrative Assistant position being vacated at the beginning of the year due to retirement and that the individual would be greatly missed. Ms. Stevens stated that the position would be posted internally and externally.

Committee members asked if the job description was updated and Ms. Stevens stated that it had been reviewed and updated. Chair Ahmann asked if there were new skills that would be needed. Ms. Stevens stated it may be an opportunity to see if someone with multiple languages could be hired.

The Committee was recommending the Council approve the advertisement and hiring for the position of Administrative Assistant. Council Member Ahmann moved to approve the recommendation of the Labor Relations Committee with Council Member Anderson seconding the motion, which carried.

The Labor Relations Committee Report for November 27, 2013, 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 Dokken, and carried.

Fire Chief Hendrickson informed the Mayor and Council that the Willmar Fire Department had applied for, and awarded, a grant from FM Global for funds to purchase dual-sensor smoke detectors for

distribution throughout the community. Historically, smoke detectors are supplied to citizens in general need and those who may encounter false detector activations due to malfunctioning or obsolete units. Resolution No. 7 was introduced by Council Member Anderson, seconded by Council Member Johnson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 7

WHEREAS, FM Global has awarded grant funds in the amount of \$1,950 to the Willmar Fire Department for the purchase of smoke detectors for community distribution,

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Willmar to accept the \$1,950 grant, adjust the Fire Department's budget accordingly and that the City Administrator express the community's appreciation.

Dated this 2nd day of December, 2013.

/s/ Frank Yanish
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

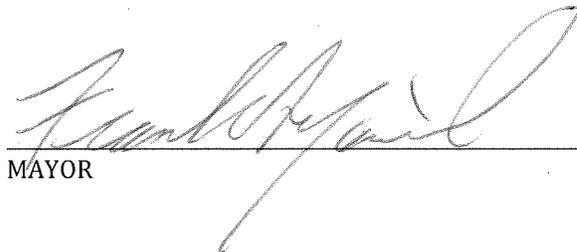
Under old business, the Council requested a report on the gun range. City Clerk Halliday offered a progress report.

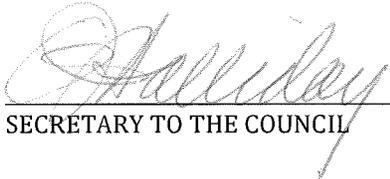
Planning and Development Services Director Peterson presented to the Mayor and Council an Economic Report indicating that new construction had nearly tripled, from \$17.1 million in 2012 to \$48.7 million to date in 2013. There was over \$650,000,000 in retail sales and unemployment is at 4 percent. A number of major projects are on the drawing board for 2014.

Announcements for Council Committee meeting dates were as follows: Finance, December 9; Public Works/Safety, December 10; and Community Development, December 12, 2013. Additional meetings included Park Planning Committee on December 10, at the Willmar Library, and a MinnWest Lift Station and Lakeland Drive information meeting on December 5, 2013, at the Council Chambers.

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

Attest:


MAYOR


SECRETARY TO THE COUNCIL