

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

July 17, 2006
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, Cindy Swenson, Rick Fagerlie, Jim Dokken, and Steven Gardner; Present 9, Absent 0.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Police Chief Jim Kulset, Public Works Director Mel Odens, Finance Director Steven Okins, Planning and Development Services Director Bruce Peterson, Community Education and Recreation Director Steve Brisendine, and City Clerk Kevin Halliday.

The Council requested that the Housing and Redevelopment Authority Board Minutes of June 13, and Planning Commission Minutes of June 28, 2006, be removed from the Consent Agenda.

Council Member Fagerlie offered a motion adopting the Consent Agenda which included the following: City Council Minutes of June 19, Rice Hospital Board Minutes of June 14, Municipal Utility Commission Minutes of July 12, Convention and Visitors Bureau Minutes of April 18, Building Inspection Report for June, and Zoning Appeals Board Minutes of June 26, 2006. Council Member DeBlieck seconded the motion, which carried.

Following discussion of a 36 unit twin-home project, the Housing and Redevelopment Authority Board Minutes of June 13, 2006, were accepted 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 Council discussed the Planning Commission item regarding the Faigus rezoning and traffic concerns. Following discussion, the Planning Commission Minutes of June 28, 2006, were approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Dokken, seconded by Council Member Fagerlie, and carried.

At 7:10 p.m. Mayor Heitke opened a public hearing on the Minn West Tax Abatement and Business Subsidy. Planning and Development Services Director Peterson informed the Mayor and Council that Minn West Technology Campus, LLC has requested tax abatement for the unoccupied buildings at the former WRTC for a term ending December 31, 2015. This request is consistent with the expectations under the JOBZ program, which only covers occupied buildings. It was noted no real estate taxes have been generated from the site in its former life as a governmental use. There being no one present to speak for or against the proposed tax abatement and business subsidy, Mayor Heitke closed the hearing at 7:12 p.m.

Following discussion, Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Dokken, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 1

RESOLUTION APPROVING PROPERTY TAX ABATEMENT

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

1. Recitals.
 - (a) Minn West Technology Campus, LLC (the "Developer") proposes to develop the former WRTC site as a technology incubator / research and development center (the "Project"). The Developer has requested that the City provide financial assistance to the Developer for the project. The City proposes to use tax abatement for the purposes provided for in the Abatement Law (as hereinafter defined), including the Project. The proposed term of the abatement will be for up to nine years. The abatement will apply to 100% of the City's share of the property taxes (the "Abatement") derived from the value of unoccupied buildings at the Project located on the Minn West Campus (see attachment for parcel numbers).
 - (b) On July 17, 2006, the Council held a public hearing on the question of the Abatement, with proper notice being duly given.
 - (c) The Abatement is authorized under Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Law").
2. Findings for the Abatement. The City Council hereby makes the following findings:
 - (a) The Council expects the benefits to the City of the Abatement to at least equal or exceed the costs to the City thereof.
 - (b) Granting the Abatement is in the public interest because it will increase or preserve the tax base of the City and provide employment opportunities in the City.
 - (c) The Property is not located in a tax increment financing district.
 - (d) In any year, the total amount of property taxes abated by the City by this and other resolutions, if any, does not exceed greater of ten percent (10%) of the current levy or \$200,000.
3. Terms of Abatement. The Abatement is hereby approved; provided, however, this approval is contingent upon the approval by Kandiyohi County and Independent School District No. 347 of an abatement program for the Project upon the same terms as set forth below for the County's and School District's share of property tax amount which the County and School District receives from the Property. The terms of the Abatement are as follows:
 - (a) The Abatement shall be for up to nine (9) years and shall apply to the taxes payable for all unoccupied buildings in the years 2007 through 2015, inclusive.
 - (b) The City will abate 100% of the City's share of property tax amount derived from unoccupied buildings at the Project.
 - (c) The Abatement shall be subject to all the terms and limitations of the Abatement Law.
 - (d) The Abatement may not be modified or changed during its term.

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

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

The Mayor and Council considered a request from the Willmar Public Library to use reserve funds to purchase various equipment. City Administrator Schmit presented details of the request to use \$10,500 from excess revenues of the Local Option Sales Tax. Following discussion, Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Gardner, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 2

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to amend the General Fund Budget as follows:

Increase:	Transfers in Library Reserve	\$10,550.00
Increase:	Library Capital Outlay	\$10,550.00

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Finance Committee Report for June 26, 2006, was presented to the Mayor and Council by Council Member Anderson. There were four items for Council consideration.

Item No. 1 The Committee reviewed a request from City Attorney Ronning to appropriate \$1,620 of auction proceeds to his current year operating budget for the purchase of legal publications. These proceeds are required to be given to the prosecuting attorney for confiscated vehicles. The Committee was recommending the Council increase the City Attorney Budget as requested.

Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Dokken, read 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 to authorize the Finance Director to amend the General Fund Budget as follows:

Increase:	Auction Proceeds	\$1,620.00
Increase:	City Attorney-Office Supplies	\$1,620.00

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 2 The Committee discussed the schedule for selling bonds to finance the 2006 Street Improvement Program and design of the Proposed Waste Treatment Plant. Following discussion, the Committee was recommending the Council pass the appropriate Resolutions.

Resolution No. 4 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

RESOLUTION CALLING FOR PUBLIC HEARING ON AN
ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,950,000 GENERAL
OBLIGATION IMPROVEMENT BONDS, SERIES 2006A, AND LEVYING TAXES
FOR THE PAYMENT THEREOF

(For Resolution in its entirety, see City Council Proceedings file dated
July 17, 2006, located in the City Clerk's Office)

Resolution No. 5 was introduced by Council Member Anderson, seconded by Council Member Gardner, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

RESOLUTION CALLING FOR PUBLIC HEARING ON AN
ORDINANCE AUTHORIZING THE ISSUANCE OF \$6,850,000 GENERAL
OBLIGATION WASTEWATER REVENUE BONDS, SERIES 2006B

(For Resolution in its entirety, see City Council Proceedings file dated
July 17, 2006, located in the City Clerk's Office)

It was noted that hearings for the proposed Ordinances would be held on August 7, 2006.

Item No. 3 The 2007 Budget forms were distributed to Committee Members. This matter was for information only.

Item No. 4 The Committee acknowledged receipt of the following reports: May Investment and Rice Trust. This was for information only.

The Finance Committee Report for June 26, 2006, 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 Labor Relations Committee Report for June 27, 2006, was presented to the Mayor and Council by Council Member Fagerlie. There were two items for Council consideration.

Item No. 1 The Committee discussed the idea of establishing an elected official health insurance policy through Blue Cross Blue Shield. Research indicates that Blue Cross Blue Shield will insure elected officials if the policy contains the following absolutes:

1. Insurance options must be offered to all elected officials equally.
2. All elected officials must take the insurance or sign off that they have other qualified health coverage. The standard BCBS coverage provision for group benefits

- requires everyone to participate in the group or complete the proper document.
3. The Employer (City) must contribute to a portion of the premium and cannot require any elected official to pay the full premium.

If the City's Elected Official Salary Ordinance (No. 1107 adopted on September 2, 1998, for the effective date of January 1, 1999) governs the maximum amount of wages and benefits allowed an official, then the maximum contribution to health coverage would be the lowest amount paid to any elected official.

The Committee generally agreed to the concept of an elected official health insurance policy, but wanted to check with all Council Members to make sure that those not wanting the coverage were covered under other qualified health insurance plans. It was agreed this matter would be considered further at the July 17, 2006, Council meetings.

Following discussion, Council Member Fagerlie moved to approve the recommendation of the Labor Relations Committee with Council Member Gardner seconding the motion, which carried.

Item No. 2 City Administrator Schmit presented to the Committee a proposal to establish a health care savings plan for City employees. The plan would be modeled after the health care savings plan recently adopted by the MUC and approved by the City Council. The Labor Relations Committee indicated support of a health care savings plan and directed staff to complete details for future Committee consideration. This matter was for information only.

Item No. 3 The Committee meeting was closed to continue discussion of the City Administrator's performance evaluation and employment contract. The meeting then reopened. This matter was for information only.

Item No. 4 The Committee continued its review of the proposed changes and updates to the City's Personnel Policy. The Committee was recommending to the Council that the revised and updated Personnel Policy be adopted as presented. Council Member Anderson moved to approve the recommendation of the Labor Relations Committee with Council Member Reese seconding the motion, which carried.

The Labor Relations Committee Report for June 27, 2006, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Fagerlie, seconded by Council Member Anderson and carried.

The Public Works/Safety Committee Report for July 11, 2006, was presented to the Mayor and Council by Council Member Reese. There were 12 items for Council consideration.

Item No. 1 Bev Dougherty representing Willmar Design Center appeared before the Committee to discuss a proposal for public restrooms in downtown Willmar located in the Centre Point Mall. This item was referred back to Committee from the prior City Council meeting. Centre Point Mall owner Mr. Van Heuveln offered to lease the two east-side bathrooms at a cost of \$500 a month.

After recognizing there are several public buildings with restroom facilities available in the downtown area, including the City Office Building and Auditorium, Rice Hospital and the Library, the downtown representatives requested the City consider signing the downtown and placing maps indicating the restroom locations.

The Committee was recommending the Council deny the request to rent a public restroom in the downtown and have staff work with the downtown representatives for placement of signage and maps. Council Member Reese moved to approve the recommendation of the Public Works/Safety Committee with Council Member Christianson seconding the motion, which carried.

Item No. 2 Ms. Dougherty also presented to the Committee information relating to a grant application through the Southwest Minnesota Area Transportation Partnership. Members of the Willmar Design Center are pursuing the concept of a bike and walkway over the BNSF tracks from downtown Willmar to Foot Lake. The application deadline is October 6, 2006, with successful applicants being notified in September, 2007. The grant, if received, would require a 20 percent local match and the local sponsor would then be responsible for the operation and maintenance of the facility for the useful life of the improvement. The Willmar Design Center has yet to meet with representatives of BNSF, and this matter was received for information only.

Item No. 3 Craig Holmes of Donohue and Associates summarized the activities that have taken place relating to the Wastewater Treatment Plant Relocation for the month of June. The Comprehensive Collection System Plan has been delivered to City staff in draft form. The Facilities Plan has been approved by the Minnesota Pollution Control Agency (MPCA).

The design for the interceptor sewer through Waterview Business Park has been submitted to the City for review and preparation of specifications has begun. The Environmental Assessment Worksheet for the Waterview Business Park interceptor was completed and sent to the MPCA.

The aerial photography is complete and Donohue and Associates has begun the process of preparing scenarios of pipeline routes to present to the City. This matter was for information only.

Item No. 4 Mr. Holmes also presented information relating to legislation that created the Clean Water Legacy Phosphorus Reduction Grant Program. The program was designed to assist municipalities with the cost of wastewater treatment facilities projects that will reduce the discharge of total phosphorus. Eligible projects can receive a grant up to 75% of the eligible costs with a maximum amount of \$500,000. Mr. Holmes requested permission to submit a grant application on behalf of the City

The Committee was recommending the Council authorize Donohue and Associates to submit an application on behalf of the City and execute a grant agreement for the wastewater collection and treatment facilities project. Resolution No. 6 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 6

RESOLUTION AUTHORIZING THE CITY OF WILLMAR TO SUBMIT A PHOSPHORUS REDUCTION GRANT APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY (PFA) AND TO AUTHORIZE CITY OFFICIALS TO EXECUTE A GRANT AGREEMENT ON BEHALF OF THE CITY OF WILLMAR FOR THE WASTEWATER COLLECTION AND TREATMENT FACILITIES PROJECT

WHEREAS, under the provisions contained in Minnesota Laws 2006, Chapter 251, Section 14, the 2006 Legislature created the Clean Water Legacy Phosphorus Reduction Grant Program and appropriated funds;

BE IT RESOLVED that the City of Willmar has the legal authority to apply for the grant, and the financial, technical, and managerial capacity to ensure proper construction, operation and maintenance of the project for its design life.

BE IT FURTHER RESOLVED, that upon approval of its application by the PFA, City of Willmar may enter into an agreement with the PFA for the above referenced project, and that City of Willmar certifies that it will comply with all applicable laws and regulations as stated in all contract agreements described in the Compliance listing of the grant application.

NOW, THEREFORE BE IT FURTHER RESOLVED, that Mayor and City Clerk, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the TMDL project on behalf of the City of Willmar.

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 5 Staff presented to the Committee information relating to legislation that created a grant program to assist municipalities with storm water quality improvements. An eligible project may receive a grant for up to 50 percent of the eligible cost of the project. The Committee was informed that this particular grant would not be eligible for the Grass Lake area as it is for watersheds that flow to the Minnesota River. Possible projects for submittal include the purchase of a second street sweeper, creation of a storm water pond in the Westwind Estates Third Addition or upgrading the pond at South Swansson Field.

The Committee was recommending the Council authorize Staff to submit an application on behalf of the City and execute a grant agreement for a storm water quality improvement project. Resolution No. 7 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 7

RESOLUTION AUTHORIZING THE CITY OF WILLMAR TO SUBMIT A TOTAL MAXIMUM DAILY LOAD (TMDL) GRANT APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY (PFA) AND TO AUTHORIZE CITY OFFICIALS TO EXECUTE A GRANT AGREEMENT ON BEHALF OF THE CITY OF WILLMAR FOR A STORM WATER QUALITY IMPROVEMENT PROJECT

WHEREAS, under the provisions contained in Minnesota Statutes 446A.073 (2005, and amended by MN Laws 2006, Chapter 251, Section 21, Subdivision 9) the TMDL grant program was created and funds appropriated; and

WHEREAS, a TMDL study has been approved by the U.S. Environmental Protection Agency and the Minnesota Pollution Control Agency has determined that Stormwater Improvements are necessary to meet the wasteload reductions required by the TMDL, and

BE IT RESOLVED that the City of Willmar has the legal authority to apply for the grant, and the financial, technical, and managerial capacity to ensure proper construction, operation and maintenance of the project for its design life.

BE IT FURTHER RESOLVED, that upon approval of its application by the PFA, City of Willmar may enter into an agreement with the PFA for the above referenced project, and that City of Willmar certifies that it will comply with all applicable laws and regulations as stated in all contract agreements described in the Compliance listing of the grant application.

NOW, THEREFORE BE IT FURTHER RESOLVED, that Mayor and City Clerk, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the TMDL project on behalf of the City of Willmar.

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 6 Staff presented plans engineered by Donohue and Associates for an interceptor sewer line through the Waterview Business Park Development in southeast Willmar. The plans call for the installation of a 48-inch line down 5th Street SE from 19th Avenue to 28th Avenue SE. The line will lay dormant until the other pipelines to the new Wastewater Treatment Facility are installed and connected.

The Committee was recommending the Council approve the plans and specifications for Project No. 0609 and advertise for bids. Resolution No. 8 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 8

WHEREAS the Consulting Engineer for the City of Willmar has presented to the City Council plans and specifications for Project No. 0609 (Waterview Business Park Interceptor) for the City of Willmar;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Willmar that:

Final plans and specifications are hereby approved contingent upon final approval of all outstanding items related to the development, and publication of the advertisement for bids is herewith authorized. Bids will be publicly opened and read at 1:00 p.m. on the 5th day of September, 2006, at the City Office Building, 333 Southwest Sixth Street, Willmar, Minnesota.

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 7 Staff presented to the Committee a tabulation of bids opened on July 10 for soil correction at the new Municipal Airport. The project includes the excavation and removal of soils in an area that is needed to accommodate additional hangar space. Six bids were received. The low bid is that of Commerford Gravel of Danvers, Minnesota, at \$65,687.50 which is well below the engineer's estimate of \$109,000.

The Committee was recommending the Council accept the bid of Commerford Gravel and authorize the Mayor and City Administrator to enter into an agreement. Resolution No. 9 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 9

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of Commerford Gravel, Inc. of Danvers, Minnesota for Project No. 0606 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 \$65,687.50.

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 8 The Committee received Change Order No. 1 for the Airport Fueling System, which upgrades the fueling cabinets from painted steel to factory stainless steel for \$2,500.00. When the system was originally bid in 2004 the cabinets were stainless steel. In order to lower costs when the system was rebid, the stainless steel requirement was removed. When the bids were opened a second time, the price came in considerably lower and it was suggested by the manufacturer to upgrade to stainless steel. It is staff's recommendation to switch the cabinets to lengthen their useful life.

The Committee was recommending the Council accept Change Order No. 1 and authorize the City Administrator to sign on behalf of the City. Resolution No. 10 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 10

WHEREAS, a contract has been awarded to B & H Petroleum Equipment Co. of Mankato, Minnesota, on April 17, 2006 in the amount of \$324,621.64 for construction of the Airport Aviation Fueling System at the new airport; and

WHEREAS, it is desired to add additional work to the above contract for both buildings noted as Change Order No. 1 for each.

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

1. Additional work is herewith authorized to be added to the above contract in the amount of \$2,500.00 and identified as Change Order No. 1.
2. Funding for the additional work is from the project budget.

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 9 The Committee considered a final budget for the Airport Fueling System. The revision includes the \$2,500.00 for Change Order No. 1. The Committee was recommending the Council approve the final budget as presented. Resolution No. 11 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 11

FINAL AIRPORT FUELING BUDGET
ESTIMATED TOTAL COST \$350,000.00

OTHER SERVICES:		RECEIVABLES:	
Mtce. of Other Improve.	<u>\$327,122.00</u>	State-Grant 3401-54	\$175,000.00
Total:	\$327,122.00	City-Land Reimb. Bonding	<u>175,000.00</u>
		Total:	\$350,000.00
OTHER CHARGES:		FINANCING	
Licenses & Taxes	\$ 19,000.00	State-Grant 3401-54	\$175,000.00
Prof. Serv.	1,000.00	City-Land Reimb. Bonding	<u>175,000.00</u>
Advertising	<u>2,878.00</u>	Total:	\$350,000.00
Total:	\$ 22,878.00		
GRAND TOTAL:	\$350,000.00		

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 10 The Committee considered a budget for the Airport Apron Expansion Project which includes the \$12,000 contract cost with HNTB to design the apron expansion and proposed construction costs. The project is federally approved and financed by a grant that is 100 percent reimbursable.

The Committee was recommending the Council approve the budget for the Airport Apron Expansion as presented. Resolution No. 12 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 12

PRELIMINARY APRON EXPANSION BUDGET
ESTIMATED TOTAL COST \$150,000.00

OTHER SERVICES:		RECEIVABLES:	
Other Services	<u>\$138,000.00</u>	Federal	<u>\$150,000.00</u>
Total:	\$138,000.00	Total:	\$150,000.00
OTHER CHARGES:		FINANCING:	
Prof. Serv.	<u>\$ 12,000.00</u>	Federal	<u>\$150,000.00</u>
Total:	\$ 12,000.00	Total:	\$150,000.00
GRAND TOTAL:	\$150,000.00		

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

Item No. 11 Staff informed the Committee that correspondence has been received from the State of Minnesota, Department of Aeronautics, requesting an extension on the agreement with the City for reimbursement on the grading project with Sorenson Construction. The agreement will allow more time to process and close out the grant which dates back to 2002.

The Committee was recommending the Council approve the amendment to the agreement extending it through June 30, 2007 and authorize the Mayor and City Administrator to sign on behalf of the City. Resolution No. 13 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

Resolution No. 13

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 Amendment No. 2 to the State Funding Agreement Number 83850 for Project S.P. 3401-49 extending the expiration date of the agreement until June 30, 2007

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday

Attest: CITY CLERK

Item No. 12 The budget for 2006 Improvements was brought before the Committee to be updated to reflect actual costs of the final assessment amounts, the contract being awarded for the Valley Brook Development, the Barr Engineering agreement for approved additional Grass Lake Modeling, and the airport apron expansion, which has been established as a separate budget

The Committee was recommending the Council approve the final budget as presented. Resolution No. 14 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 14

FINAL 2006 IMPROVEMENT BUDGET
ESTIMATED TOTAL COST \$3,647,063

PERSONNEL SERVICES

Overtime Reg. Employees	\$500.00
Salaries Temp. Employees	\$6,000.00
Employer Pension Contr.	<u>\$1,500.00</u>
TOTAL	\$8,000.00

SUPPLIES

Office Supplies	\$1,500.00
Small Tools	\$2,000.00
Motor Fuels & Lubricants	\$1,000.00
Postage	\$2,000.00
Mtce. of Other Improvements	\$2,000.00
General Supplies	<u>\$3,500.00</u>
TOTAL	\$12,000.00

OTHER SERVICES

Printing & Publishing	\$4,000.00
Mtce. Other Improve.	\$2,567,055.00
Other Services	<u>\$690,000.00</u>
TOTAL	\$3,261,055.00

OTHER CHARGES

Insurance & Bonds	\$2,000.00
Prof. Serv. (Barr \$14,000 Grass Lake)	\$100,000.00
Adm. OH (Transfer)	\$214,008.00
Other Charges	<u>\$50,000.00</u>
TOTAL	\$366,008.00

GRAND TOTAL \$3,647,063.00

RECEIVABLES

Property Owners	\$702,585.00
City (MUC)	\$40,000.00
State (State Aid)	\$900,000.00
City (CIF)	\$525,653.00
City (LOST)	\$300,000.00
County	\$7,000.00
Developer (Bond)	\$500,375.00
Developer (Cash)	\$450,000.00
City (Utility fee)	<u>\$221,450.00</u>
TOTAL	\$3,647,063.00

FINANCING

Bonds	\$1,950,063.00
State (State Aid)	\$900,000.00
City (MUC)	\$40,000.00
City (LOST)	\$300,000.00
County	\$7,000.00
Developer (Cash)	<u>\$450,000.00</u>
TOTAL:	\$3,647,063.00

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday

Attest: CITY CLERK

Council Member Reese moved to approve the Public Works/Safety Committee Report for July 11, 2006, with Council Member DeBlieck seconding the motion, which carried.

The Mayor and Council considered plans and specifications for Project No. 0605, Mill and Overlay on North Business 71 from Civic Center Drive to 26th Avenue NE and Arena Drive from Transportation Road to Civic Center Drive. Following discussion, Resolution No. 15 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 15

WHEREAS the City Engineer of the City of Willmar has presented to the City Council plans and specifications for Project No. 0605 (Mill and Overlay on North Business 71 from Civic Center Drive to 26th Avenue NE and Arena Drive from Transportation Road to Civic Center Drive) for the City of Willmar;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Willmar that:

Final plans and specifications are hereby approved, and publication of the advertisement for bids is herewith authorized. Bids will be publicly opened and read at 1:00 p.m. on the 21st day of August, 2006, at the City Office Building, 333 Southwest Sixth Street, Willmar, Minnesota.

Dated this 17th day of July, 2006.

/s/ Lester Heitke
MAYOR

/s/ Kevin Halliday
Attest: CITY CLERK

The Mayor and Council considered an Ordinance to Rezone Certain Lands from R-2 to GB. Planning and Development Services Director Peterson stated the Faigus Group proposes the rezoning of properties east of the Speedy Print Shop, from R-2 to GB for the purpose of development of a Walgreens Pharmacy. The Planning Commission has approved the rezoning. Following discussion, Council Member Christian moved to introduce the Ordinance Amending Municipal Ordinance No. 1060 and schedule a public hearing for August 7, 2006. Council Member Reese seconded the motion, which carried.

Planning and Development Services Director Peterson presented to the Mayor and Council a preliminary plat for Hill's Westside Plexes, a two lot re-plat for four four-plexes proposed by Hillaria Vargas and Dawn Skogstad. The land was previously platted as Park View Estates. The Planning Commission approved the preliminary plat with conditions relating to declarations and easements. Nate Schuller, 104 33rd Street NW, appeared before the Mayor and Council to express opposition to the proposed preliminary plat. Following discussion, Council Member Anderson moved to refer the matter back to the Planning Commission for reconsideration. Council Member DeBlieck seconded the motion, which carried.

Announcements for Council Committee meeting dates were as follows: Finance, July 24; Community Development, July 27; and Public Works/Safety, August 1, 2006.

Mayor Heitke informed the public of the National Night Out, which is the first Tuesday in August, and a picnic will be held at Robbins Island.

There being no further business to come before the Council, the meeting adjourned at 9:05 p.m. upon motion by Council Member Reese, seconded by Council Member Anderson, and carried.

Attest:

MAYOR

SECRETARY TO THE COUNCIL