

## CITY COUNCIL WORK SESSION

October 22, 2012

The Willmar City Council Work Session was called to order in the Willmar Municipal Utilities Auditorium at 4:45 p.m. by Finance Committee Chair Denis Anderson. Those present included Mayor Frank Yanish, Council Members Doug Reese, Ron Christianson, Jim Dokken, Steve Ahmann, and Bruce Deblieck. Also present were City Administrator Charlene Stevens, City Clerk Kevin Halliday, Planning and Development Services Director Bruce Peterson, Community Education and Recreation Director Steve Brisendine, Acting Fire Chief Jeff Gilbertson, David Herzer, HRA Representatives Nikki Ilgen and Kelly Zuidema, West Central Tribune Journalist David Little, and Accounting Supervisor Carol Cunningham.

The purpose of this council work session was to receive the HRA's budget and to discuss segments of the Mayor's 2013 Proposed Budget.

**Item 1 – HRA Budget Presentation.** Housing Programs Supervisor Nikki Ilgen and Fiscal Manager Kelly Zuidema presented the HRA's Fiscal Year End June 30, 2013, Budget to the Council. It was noted that revenue increases are attributed to the 2012 Small Cities Development Program startup and the Kandiyohi County HRA fees for Willmar HRA staff assistance. Expenditures reflect a substantial increase in payroll costs and contracted labor expenses over 2012 as a result of hiring a full-time office assistance, anticipating wage adjustments for some staff positions, and increased contracted rehab staff time due to the new Small Cities Program.

The Willmar HRA and Kandiyohi County HRA continue to work together and are entering into another one-year contract for shared Executive Director services. This also involves reorganizing other staff duties between the two agencies. Currently, the HRA's bill each other for the staff time provided; however, both Boards continue to discuss merging the two agencies. This next year will be spent evaluating the past year of staff sharing and determining the extent of merging going forward. Comments by the Council included pursuing the merger and the matter of the HRA being exempt from paying street assessments.

**Item 2 - Capital Improvement Program.** City Administrator Stevens reviewed the Proposed Five-Year Capital Improvement Plan for 2013 – 2017, explaining that this is the first year of the new process for budgeting capital improvements. Considered as a working document, this plan will continually be reviewed as priorities change. Capital improvements proposed for 2013 total \$7,663,245. Council discussed the Local Option Sales Tax Program with staff noting that a portion of the LOST funds will be used for part of the western interceptor located within the boundaries of the Industrial Park. Council Member Deblieck asked if the City was still considering purchasing the Swan Lake property under the Local Option Sales Tax Program. Planning and Development Services Director Peterson explained that due to changes in MN DOT requirements, it is no longer an option to purchase the property for \$1, consequently, that project is no longer viable. The status of state aid funding and 2012 Capital Expenditures were also discussed.

**Item 3 – Departmental Reductions.** City Administrator Stevens reviewed with the Council some of the major reductions proposed for the 2013 Budget. These proposed reductions include: 1) Public Works totaling \$47,000 for Overtime (\$30,000), Tree Planting (\$9,000) and Seasonal Employees (\$8,000); 2) Leisure Services totaling \$15,150 for elimination of Robbins Island Life Guards (\$3,200), reduction of Wading Pool Hours (\$740), elimination of skating rink attendants

at Hilltop and Lincoln (\$3,300), reduction of Garfield Rink hours (\$2,160), reduction of seasonal summer staff and Intern (\$5,000), and Supplies (\$750); and 3) Police Overtime \$24,000.

Council comments included raising recreation fees, aging wading pool repairs or replacement, and needs for a part-time employee at the Community Center.

**Item 4 – WRAC-8 Consolidation with General Fund.** To date, WRAC-8 has been established as a separate special revenue fund for accounting purposes as directed by past Council. As recommended by the City’s independent auditor, staff is proposing to consolidate WRAC-8 into the General Fund beginning with 2013. This would mean that budgeted General Fund revenues would increase by \$240,000 and expenditures would increase by \$229,845 as a result of the transfer from the WRAC-8 budget. Further, \$215,380, which is the projected WRAC-8 Fund Balance at the end of 2012, would also be transferred to the General Fund Capital Expenditures Fund Balance. It was the consensus of the Council to put this on the next Finance Agenda.

**Item 5 – Miscellany.** Mayor Yanish stated that further reductions to the Proposed 2013 Budget should include removing \$1,000 from the City Administrator’s Travel Budget. After discussion, the Council took no action on the request.

Other issues discussed included requiring the various community groups requesting funding from the City to provide information showing their applicable need. Council Member Christianson requested information on the 2011 Capital Expenditures as well as items not funded in 2011. Further, unspent funds for Capital Expenditures should be considered for street improvements.

There being no further business, the Work Session adjourned at 6:23 p.m. upon motion by Member Christianson, second by Member Ahmann, and which carried.

Respectfully Submitted,

Carol Cunningham  
Accounting Supervisor