



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION**

Agenda Item Number: 3

Meeting Date: October 12, 2015

Attachments: Yes No

CITY COUNCIL ACTION

Date: October 19, 2015

- | | |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other | |
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Originating Department: Finance

Agenda Item: 2016 Mayor's Proposed Departmental Operating Budgets

Recommended Action: Motions to recommend approval.

Background/Summary: Review and discuss the 2016 Proposed Departmental Operating Budgets for the General, Airport, and Waste Treatment Funds. Staff will be present to explain significant changes or answer any questions. Please refer to the Dropbox for detailed information.

Alternatives: Continue discussion at future meetings or request additional information from staff.

Financial Considerations: 2016 Operating Budgets.

Preparer: Steve Okins, Finance Director

Signature:

Comments:

2016

General Fund

The General Fund is established to account for all revenues and expenditures which are not required to be accounted for in other funds. It has more diverse sources than other funds, and includes property taxes, licenses, permits, fines and forfeits, intergovernmental revenues, service charges, rents and investment interest earnings. The fund's resources finance a wide range of functions including current operations of general government, public safety, public works and non-departmental general expenditures.

	2013 <u>Actual</u>	2014 <u>Actual</u>	2015 <u>Adopted</u>	2016 <u>Mayor Proposed</u>	2016 <u>Adopted</u>
Undesignated Bal. \$	----	\$ ----	\$ ----	\$ ----	\$ ----
Designated Bal.	14,993,344	13,735,040	14,119,279	13,583,596	13,583,596
Revenues	14,516,277	15,639,809	15,158,049	15,512,474	0
Operating	(13,178,681)	(13,395,549)	(13,773,791)	(14,433,983)	0
Capital Transfers	(2,595,900)	(1,860,021)	(1,919,941)	(2,009,787)	0
Expenditures	(15,774,581)	(15,255,570)	(15,693,732)	(16,443,770)	0
Prior Adjust.	----	----	----	----	----
Balance-Dec. 31	<u>13,735,040</u>	<u>14,119,279</u>	<u>13,583,596</u>	<u>12,652,300</u>	<u>13,583,596</u>

2016

Airport Operations

The Airport Operations Fund was established to comply with FAA and State Aeronautics grant assurances. Starting as soon as the land release is obtained from the FAA, this fund will no longer receive rental income from the Old Airport Site.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Mayor Proposed</u>	<u>Adopted</u>
Unassigned Bal.	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Assigned Bal.	----	13,826	44,262	30,436	30,436
Revenues	222,445	432,502	412,424	679,036	0
Expenditures	(208,619)	(402,066)	(426,250)	(709,472)	0
Prior Adjust.	----	----	----	----	----
Balance-Dec. 31	<u>13,826</u>	<u>44,262</u>	<u>30,436</u>	<u>0</u>	<u>30,436</u>

2016

WASTE TREATMENT PLANT FUND

The Waste Treatment Plant involves the operation, maintenance, collection and treatment of sewage for the City of Willmar and Eagle Lake Sewer District.

During 1983, improvements to the plant costing approximately \$10,000,000 were completed.

The City sold bonds totaling \$1,290,000 to pay for their share. These bonds will be paid through sewer charges. Due to the plant odor problem, the City, in 1988, sold \$3,250,000 worth of General Obligation Revenue Bonds with an increase in sewer rates to repay them.

In 1996 the City issued a Public Facilities note in the amount of \$4,300,000 for a sludge storage facility with the intent to repay the note with sewer rate increases. Starting in 2005 the City started the process to relocate the Treatment Plant approximately 4 miles west of the city at an estimated cost of \$86 million plus, funded by Grants, Loans and Fees.

Beginning in 2011, the new plant became fully operational and reserves will be set at one year debt service and six months of operational costs.

Capital Outlay	385,412	93,000	1,278,500	1,532,000	1,278,500
Debt Principal	2,463,940	2,551,780	2,627,137	2,755,564	2,627,137
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	<u>Adopted</u>
Undesignated Bal. \$	----	\$ ----	\$ ----	\$ ----	\$ ----
Designated Bal.	6,504,215	5,873,728	7,342,167	7,234,936	7,234,936
Revenues	7,556,218	9,300,218	8,964,320	9,523,831	0
Operating	(5,909,256)	(5,576,020)	(6,794,202)	(6,901,051)	0
Depreciation	<u>(2,277,449)</u>	<u>(2,255,759)</u>	<u>(2,277,349)</u>	<u>(2,264,000)</u>	<u>0</u>
Expenditures	<u>(8,186,705)</u>	<u>(7,831,779)</u>	<u>(9,071,551)</u>	<u>(9,165,051)</u>	<u>0</u>
Prior Adjust.	----	----	----	----	----
Balance-Dec. 31	<u>5,873,728</u>	<u>7,342,167</u>	<u>7,234,936</u>	<u>7,593,716</u>	<u>7,234,936</u>