



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

**Agenda Item Number:** \_\_\_\_\_

**Meeting Date:** February 10, 2014

**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:** February 18, 2014

Approved  Denied  
 Amended  Tabled  
 Other

**Originating Department:** Finance

**Agenda Item:** Willmar Municipal Utilities 2013 Financial Report

**Recommended Action:** Receive and review the Willmar Municipal Utilities 2013 Financial Report.

**Background/Summary:** Representatives from the Municipal Utilities are scheduled to attend this Finance Committee Meeting to present their 2013 Financial Report and to answer questions from the Committee.

**Alternatives:** N/A

**Financial Considerations:** Observe Willmar Municipal Utilities' financial status as of 2013.

**Preparer:** Steve Okins, Finance Director

**Signature:** 

**Comments:**

**Willmar Municipal Utilities**  
**Condensed Balance Sheet (millions)**  
**December 31, 2013 and 2012**

**ASSETS**

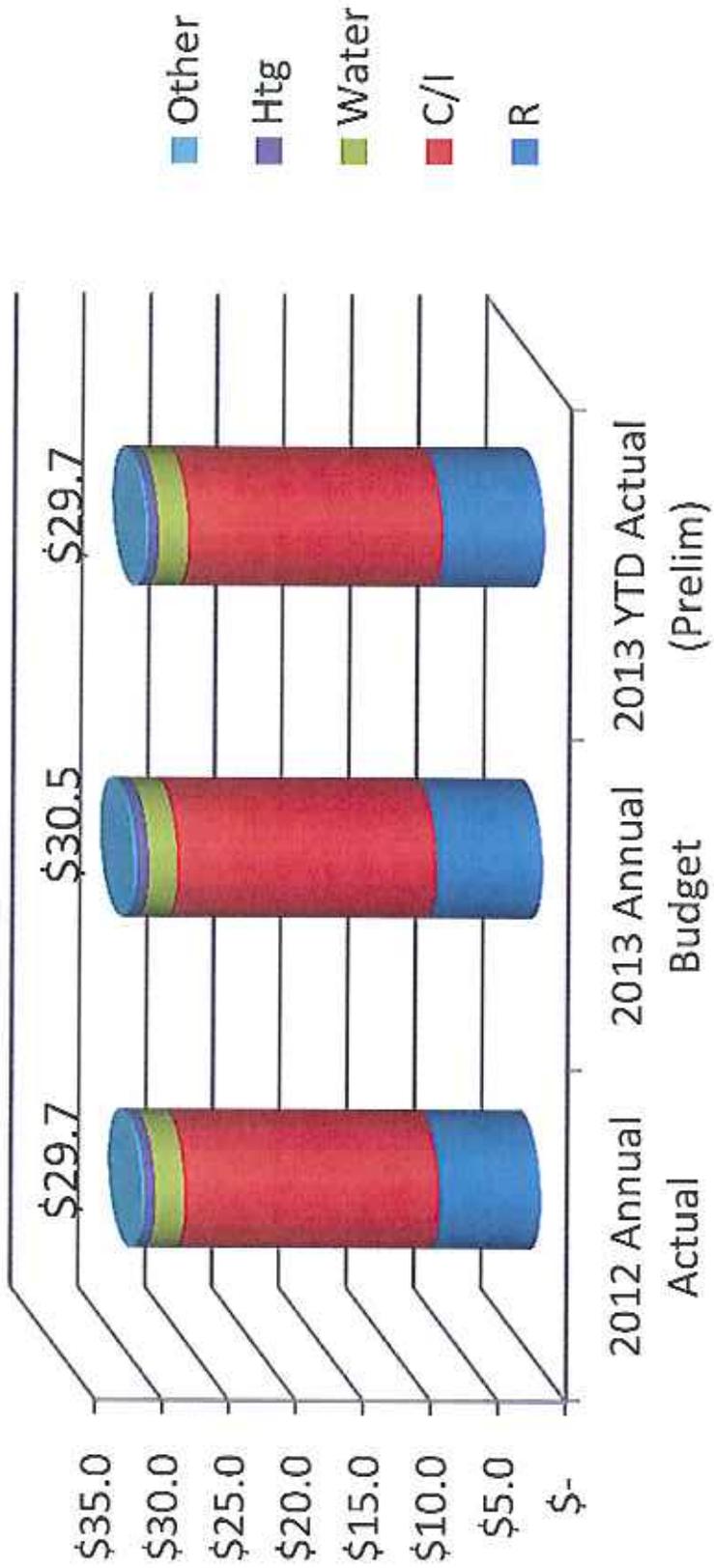
	<u>2013</u>	<u>2012</u>
Net Utility Plant	\$29.6	\$30.6
Restricted funds and accounts	12.5	11.3
Current assets	14.7	13.5
Other assets	0.0	0.1
<b>Total assets</b>	<b><u>\$ 56.8</u></b>	<b><u>\$ 55.5</u></b>

**LIABILITIES AND FUND EQUITY**

	<u>2013</u>	<u>2012</u>
Fund equity	\$ 46.3	43.7
Long-term debt, less current portion	8.4	8.8
Current liabilities	2.1	3.0
<b>Total liabilities and fund equity</b>	<b><u>\$56.8</u></b>	<b><u>\$55.5</u></b>

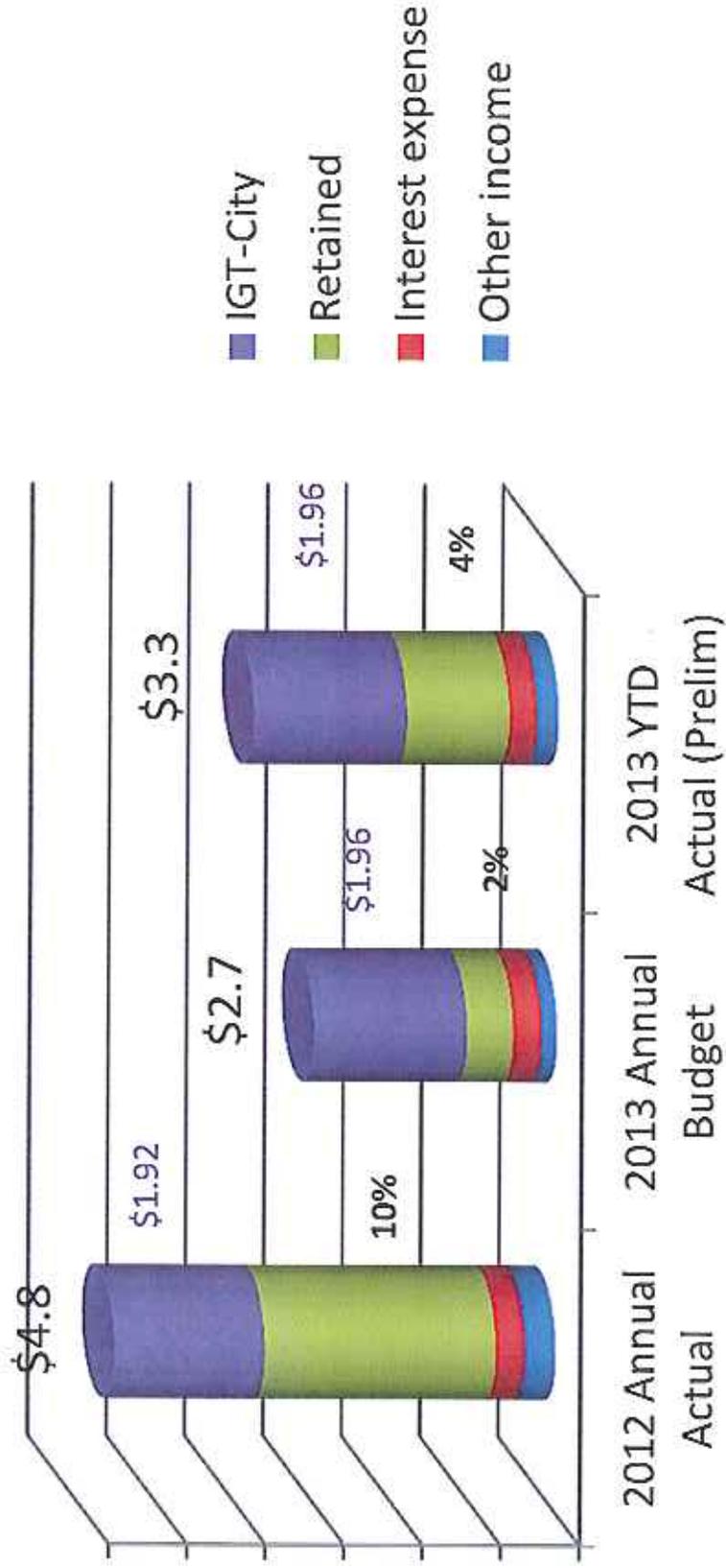


# 2013 Revenues (millions)



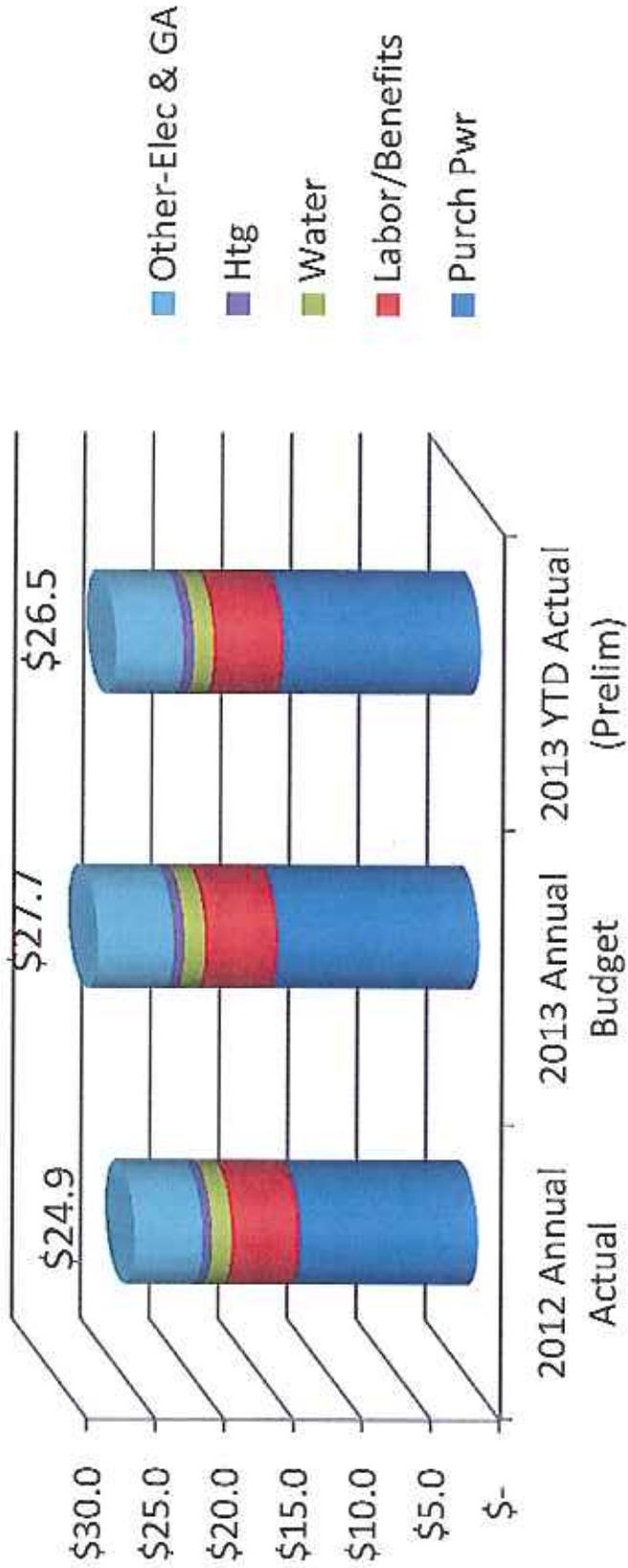


# 2013 Operating Income (millions)





# 2013 Operating Expenses (millions)





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

**Agenda Item Number:** \_\_\_\_\_

**Meeting Date:** February 24, 2014

**Attachments:** \_\_\_ Yes \_\_\_ No

**CITY COUNCIL ACTION**

**Date:** March 3, 2014

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended  | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other    |                                 |

**Originating Department:** City Clerk-Treasurer

**Agenda Item:** Consideration of Fire Contract for Willmar Township

**Recommended Action:**

Approve the Contract with Willmar Township and Authorize the Mayor and City Administrator to Execute the Contract.

**Background/Summary:**

Willmar Township is under an annual contract for Willmar Fire Department service. A statewide formula has been used for decades to calculate the Township cost sharing proposal and is enclosed with current numbers.

	Dovre Township	Willmar Township
<b>2014</b>	\$27,198.20	<b>\$47,706.46</b>
2013	\$29,434.58	\$33,704.96
2012	\$30,487.92	\$20,540.54
2011	\$22,415.12	\$19,301.12
2010	\$33,181.40	\$24,889.30
2009	\$28,632.46	\$34,973.04

**Alternatives:** Discontinue Fire Suppression Services for Township Area

**Financial Considerations:** \$47,706.46 for the Townships Fiscal Year

**Preparer:** City Clerk-Treasurer

**Signature:**

**Comments:** Approve the Contract for 2014 Fire Services

AGREEMENT FOR FIRE DEPARTMENT SERVICE

THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2014, by and between the City of Willmar, a municipal corporation of Kandiyohi County, Minnesota, hereinafter referred to as "City", and the Township of Willmar, a political subdivision of the State of Minnesota, hereinafter referred to as "Township".

WHEREAS, the Township deems it advisable to have available for the benefit of the residents of said Township services of the City's Fire Department, and the electors of said Township having, pursuant to law, provided a fund for the furnishing of said services, and

WHEREAS, the City has authorized its Mayor and City Administrator to enter into a contract with the Township for the furnishing of said services;

NOW, THEREFORE, IT IS AGREED between the parties hereto, that for the period commencing April 1, 2014, and terminating March 31, 2015, the Fire Department of the City will answer fire calls within the Township of Willmar which the City is requested to answer by the township, and will respond to such calls with such fire fighting apparatus of the City Fire Department as may be authorized by the Insurance Services Office, and all equipment and resources deemed necessary by the incident commander, and will render all assistance possible in the saving of life and property, subject to City retaining in its corporate limits sufficient firefighters and equipment to maintain its fire class rating, and subject to the terms of this Agreement.

As payment for such services, the Township agrees to pay, pursuant to the formula attached hereto and made a part hereof, the amount of FORTY-SEVEN THOUSAND, SEVEN HUNDRED SIX DOLLARS AND FORTY-SIX CENTS (\$47,706.46) payable TWENTY-THREE THOUSAND, EIGHT HUNDRED FIFTY-THREE DOLLARS AND TWENTY-THREE CENTS, (\$23,853.23) on April 1, 2014, and TWENTY-THREE THOUSAND, EIGHT HUNDRED FIFTY-THREE DOLLARS AND TWENTY-THREE CENTS, (\$23,853.23) on October 1, 2014.

IT IS FURTHER UNDERSTOOD AND AGREED that at times weather and road conditions through the seasons of the year demand for City's firefighters and equipment to be used at a fire within the City, or other special circumstances, may interfere in the rendering of the service contemplated herein, and in the event, failure to furnish the service herein agreed upon shall not be a breach of this Agreement. In an event whereby equipment and firefighters can not leave the City, Willmar Fire Command will activate mutual aid to render service to the township. Failure of the City to provide the services herein contracted for shall not result in the City being liable to Township or its residents for actual or consequential damages or for any other damages.

IT IS FURTHER UNDERSTOOD AND AGREED that the City will submit a billing statement to the Township within five (5) working days subsequent to a fire call listing the number of firefighters involved, firefighter hours, vehicles in use, and other data pertinent to assisting the township in making a "bill for services rendered" to the property owner receiving fire assistance. It shall be further understood that the sum total of the billings will not necessarily equal the annual contract price between the City and Township due to various formula charges such as building and/or vehicle

depreciation costs and administration and training costs which will not be a part of the individual billing statements.

IT IS FURTHER UNDERSTOOD AND AGREED that in the event of a hazardous materials incident the City reserves the right to exclude the call from the annual Funding Formula and bill the cost of the services rendered for special hazardous materials equipment and related costs directly to the owner of the property.

Township does hereby guarantee to the City that it is an equal opportunity employer and that it meets all United States Government and State of Minnesota Equal Opportunity Employment Requirements or that they are exempt from these provisions.

This Agreement may be terminated upon thirty (30) calendar days written notice by either party or the other party, and the cost of services prorated to the time of termination.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by the respective officers thereof, and the respective seals of the parties have been affixed thereto.

CITY OF WILLMAR, A MUNICIPAL CORPORATION

BY: \_\_\_\_\_  
FRANK YANISHI, MAYOR

(S E A L)

BY: \_\_\_\_\_  
CHARLENE STEVENS, CITY ADMINISTRATOR

(S E A L)

In the Presence of:

\_\_\_\_\_

TOWNSHIP OF WILLMAR

BY: \_\_\_\_\_  
DONAVON C. MONSON, CHAIRMAN

(S E A L)

\_\_\_\_\_

BY: \_\_\_\_\_  
DUWAYNE A. UNDERTHUN, SUPERVISOR

(S E A L)

WILLMAR TOWNSHIP - 2014

FIRE COST FORMULA

$$S = [(C \times 1.05) + E/20 + P/50] \frac{(U + V)}{2}$$

- S = Cost of fire service for one year.
- C = 2013 actual operating cost of the Fire Department.
- E/20 = Cost of apparatus used for township fires depreciated for 20 years.
- P/50 = Cost of physical plant depreciated over 50 years.
- 1.05 = A number that when C is multiplied by it, the answer will be C plus an additional 5 percent charge for administration and accounting.
- U = Percent of Fire Fighting hours used by contracting unit in 2013.
- V = Percent market valuation of buildings and mobile home personal property for the area of the contracting unit being served as to the total market value of buildings and mobile home personal property in the area served by the Fire Department.
- C = \$587,037.47 (2013 Fire Department costs).
- E/20 = \$35,931.65 (cost of apparatus sent to township \$718,633.00 [units (5258) \$197,015 + (5257) \$181,013 + (5276) \$315,942 + (5296) \$24,663])
- P/50 = \$3,888.85 (cost of building to maintain trucks \$194,442.50).

Payment for Actual Fire Calls
Protection  
U = Use of Fire Department by Firefighter Hours    V = Market Value of buildings in Fire Service  
2013
2013

<u>Unit</u>	<u>Firefighter Hours</u>	<u>Percent of Total</u>	<u>Unit</u>	<u>Market Value</u>	<u>Percent of Total</u>
City of Willmar	5,316	.8784	City of Willmar	\$815,648,600	.9056
Willmar Township	647	.1069	Willmar Township	34,718,100	.0385
Dovre	89	.0147	Dovre	50,350,600	.0559
<b>TOTAL</b>	<b>6,052</b>	<b>1.0000</b>	<b>TOTAL</b>	<b>\$900,717,300</b>	<b>1.0000</b>

U = .1069

V = .0385

$$S = [(\$587,037.47 \times 1.05) + \$35,931.65 + \$3,888.85] \times \frac{.1069 + .0385}{2}$$

S = \$656,209.84 x .0727

S = \$47,706.46

February 10, 2014

Market Value "Building" Totals Only

<b>CITY OF WILLMAR (95)</b>	<b><u>\$815,648,600</u></b>
<b>WILLMAR TOWNSHIP (33)</b>	<b><u>34,718,100</u></b>
<b>DOVRE TOWNSHIP</b>	
All of Section 34	\$2,391,200
All of Section 35	\$13,397,300
All of Section 36	\$4,463,800
All of Section 27	\$1,241,600
All of Section 26	\$8,788,500
All of Section 25	\$20,068,200
	<b><u>\$50,350,600</u></b>

Dovre Township						
Date	Location	Description	Firefighters Responding	Call Hours	Hours Paid	Hours Paid
3/18/13	N Hwy 71 & 37 <sup>th</sup> Ave	Motor Vehicle Accident	16	2	32	32
7/16/13	N Hwy 71 & Co Rd 25	Good Intent Call	22	1	22	22
10/18/13	4820 H Hwy 71	Reported transformer fire	17	1	17	17
11/14/13	2894 NE 47 <sup>th</sup> Ave	Smoke Detector activation	18	1	18	18
<b>Total - 89</b>						

Willmar Township						
Date	Location	Description	Firefighters Responding	Call Hours	Hours Paid	Hours Paid
2/15/13	SW 15 <sup>th</sup> ST & 30 <sup>th</sup> Ave	Passenger Vehicle Fire	20	2	40	40
2/21/13	SW Hwy 23 & Co. Rd 5	Motor Vehicle Accident	17	1	17	17
5/13/13	SW Co Rd 5 & Co Rd 15	Motor Vehicle Accident	18	2	36	36
6/11/13	4773 Hwy 71 S	Building Fire - 111	32	13	416	416
6/27/13	30 <sup>th</sup> St SW & Co Rd 15	Motor Vehicle Accident	15	2	30	30
8/9/13	4700 Blk of S Hwy 71	Motor Vehicle Accident	12	1	12	12
9/4/13	1 <sup>st</sup> Ave W & 45 <sup>th</sup> ST NW	Gas Smell	19	1	19	19
10/21/13	W Hwy 23 & Co Rd 5	Motor Vehicle Accident	16	2	32	32
11/14/13	¾ mile E of Lakeland Drive	Heavy Equipment Fire	16	2	32	32
12/31/13	4949 Hwy 12 West	Car Fire	13	1	13	13
<b>Total - 647</b>						

Total CITY firefighter hours for 2013: 5,316



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

**Agenda Item Number:** \_\_\_\_\_

**Meeting Date:** February 24, 2014

**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:** March 3, 2014

- Approved     Denied  
 Amended     Tabled  
 Other

**Originating Department:** Engineering / Public Works

**Agenda Item:** Consideration of 2014 Street Improvement Budgets

**Recommended Action:** Approve five individual project budgets and set hearing date to approve bond financing for the projects.

**Background/Summary:**

Annual proposed Street Improvement program historically in the \$1,000,000 to \$2,000,000 bonding revenue. 2014 is estimated at \$1,205,000.

**Alternatives:** Approve as presented to reduce or remove any projects as listed.

**Financial Considerations:**

**Preparer:** Steven B. Okins, Finance Director

**Signature:**

**Comments:**

## Numbered Project List for 2014

2-19-14

### **1401**

#### **Reconstruction**

Gorton Avenue NW – 7<sup>th</sup> Street NW to 10<sup>th</sup> Street NW (SAP NO. 175-129-009)  
9<sup>th</sup> St. NW - Campbell Avenue NW to Ella Avenue NW

### **1403**

#### **Overlay**

23<sup>rd</sup> Street SW – Trott Avenue SW to 320 feet north  
10<sup>th</sup> Street SW - Kandiyohi Avenue SW to Litchfield Avenue SW  
9<sup>th</sup> Street SW - Kandiyohi Avenue SW to Litchfield Avenue SW  
7<sup>th</sup> Street SE – Willmar Avenue SE to former Waste Water Treatment Plant  
25<sup>th</sup> Street SE – 7<sup>th</sup> Avenue SE to 4<sup>th</sup> Avenue SE

### **1404**

#### **New Construction**

12<sup>th</sup> Street SE – 11<sup>th</sup> Avenue SE to Willmar Avenue SE

### **1405**

#### **New Construction**

Industrial Park Fourth Addition Improvements

### **1407**

#### **Street Lighting**

Willmar Avenue SW – 22<sup>nd</sup> Street SW to 30<sup>th</sup> Street SW

### **1406**

Crack sealing

### **1408**

Seal coating

### **1310**

Lakeland Drive Interceptor (2014 Construction)

RESOLUTION NO. \_\_\_\_\_  
 PRELIMINARY 1401 Reconstruction BUDGET

ESTIMATED TOTAL COST \$  
 \*Budget Amounts are Essential

Dated: 3-Mar-14

Code

**PERSONNEL SERVICES**

10*	Salaries Reg. Employees	
11*	Overtime Reg. Employees	
12*	Salaries Temp. Employees	
13*	Employer Pension Contr.	
14*	Employer Ins. Contr.	
	<b>TOTAL</b>	<b>\$0.00</b>

**SUPPLIES**

20*	Office Supplies	
21*	Small Tools	
22*	Motor Fuels & Lubricants	
23*	Postage	
24	Mtce. of Equipment	
25	Mtce. of Structures	
26	Mtce. of Other Improvements	
27	Subsistence of Persons	
28	Cleaning & Waste Removal	
29*	General Supplies	
	<b>TOTAL</b>	<b>\$0.00</b>

**OTHER SERVICES**

30	Communications	
31*	Printing & Publishing	
32	Utilities	
33*	Travel-Conf.-Schools	
34	Mtce. of Equipment	
35	Mtce. of Structures	
36*	Mtce. of Other Impr.	\$877,909.00
37	Subsistence of Persons	
38	Cleaning & Waste Removal	
39*	Other Services	\$87,791.00
	<b>TOTAL</b>	<b>\$965,700.00</b>

**OTHER CHARGES**

40	Rents	
41*	Insurance & Bonds	
42	Awards & Indemnities	
43	Subscription/Memberships	
44	Interest	
45	Licenses & Taxes	
46*	Prof. Serv.	
47*	Advertising	
48*	Adm. OH (Transfer)	
49	Other Charges	
	<b>TOTAL</b>	<b>\$0.00</b>

**GRAND TOTAL** **\$965,700.00**

**RECEIVABLES**

Property Owners	\$148,461.00
County	
State-MSA	\$467,920.00
City WTP	\$30,400.00
City-MUC	\$25,200.00
Other	\$293,719.00
<b>TOTAL</b>	<b>\$965,700.00</b>

**FINANCING**

Bonds	\$442,180.00
State-MSA	\$467,920.00
City WTP	\$30,400.00
City-MUC	\$25,200.00
Other	
<b>TOTAL</b>	<b>\$965,700.00</b>

**GRAND TOTAL** **\$965,700.00**

Dated: \_\_\_\_\_

\_\_\_\_\_  
 Mayor

Attest:

\_\_\_\_\_  
 City Clerk/Treasurer

RESOLUTION NO. \_\_\_\_\_  
 PRELIMINARY \_1403 Overlay\_\_BUDGET

ESTIMATED TOTAL COST \$  
 \*Budget Amounts are Essential

Dated: 3-Mar-14

Code

**PERSONNEL SERVICES**  
 10\* Salaries Reg. Employees  
 11\* Overtime Reg. Employees  
 12\* Salaries Temp. Employees  
 13\* Employer Pension Contr.  
 14\* Employer Ins. Contr.  
**TOTAL \$0.00**

**SUPPLIES**  
 20\* Office Supplies  
 21\* Small Tools  
 22\* Motor Fuels & Lubricants  
 23\* Postage  
 24 Mtce. of Equipment  
 25 Mtce. of Structures  
 26 Mtce. of Other Improvements  
 27 Subsistence of Persons  
 28 Cleaning & Waste Removal  
 29\* General Supplies  
**TOTAL \$0.00**

**OTHER SERVICES**  
 30 Communications  
 31\* Printing & Publishing  
 32 Utilities  
 33\* Travel Conf. Schools  
 34 Mtce. of Equipment  
 35 Mtce. of Structures  
 36\* Mtce. of Other Impr. \$338,318.00  
 37 Subsistence of Persons  
 38 Cleaning & Waste Removal  
 39\* Other Services \$33,832.00  
**TOTAL \$372,150.00**

**OTHER CHARGES**  
 40 Rents  
 41\* Insurance & Bonds  
 42 Awards & Indemnities  
 43 Subscription/Memberships  
 44 Interest  
 45 Licenses & Taxes  
 46\* Prof. Serv.  
 47\* Advertising  
 48\* Adm. OH (Transfer)  
 49 Other Charges  
**TOTAL \$0.00**  
**GRAND TOTAL \$372,150.00**

**RECEIVABLES**  
 Property Owners \$273,026.00  
 County  
 State-MSA  
 City-WTP  
 City-MUC  
 Other \$99,124.00  
**TOTAL \$372,150.00**

**FINANCING**  
 Bonds \$372,150.00  
 State-MSA  
 City-WTP  
 City-MUC  
 Other  
**TOTAL \$372,150.00**  
**GRAND TOTAL \$372,150.00**

Dated: \_\_\_\_\_

\_\_\_\_\_  
 Mayor

**Attest:**  
 \_\_\_\_\_  
 City Clerk/Treasurer

RESOLUTION NO. \_\_\_\_\_  
 PRELIMINARY 1404 New Const. BUDGET

ESTIMATED TOTAL COST \$  
 \*Budget Amounts are Essential

Dated: 3-Mar-14

Code

**PERSONNEL SERVICES**

10\* Salaries Reg. Employees  
 11\* Overtime Reg. Employees  
 12\* Salaries Temp. Employees  
 13\* Employer Pension Contr.  
 14\* Employer Ins. Contr.

**TOTAL** \$0.00

**SUPPLIES**

20\* Office Supplies  
 21\* Small Tools  
 22\* Motor Fuels & Lubricants  
 23\* Postage  
 24 Mtce. of Equipment  
 25 Mtce. of Structures  
 26 Mtce. of Other Improvements  
 27 Subsistence of Persons  
 28 Cleaning & Waste Removal  
 29\* General Supplies

**TOTAL** \$0.00

**OTHER SERVICES**

30 Communications  
 31\* Printing & Publishing  
 32 Utilities  
 33\* Travel-Conf.-Schools  
 34 Mtce. of Equipment  
 35 Mtce. of Structures  
 36\* Mtce. of Other Impr. \$354,645.00  
 37 Subsistence of Persons  
 38 Cleaning & Waste Removal  
 39\* Other Services \$35,465.00

**TOTAL** \$390,110.00

**OTHER CHARGES**

40 Rents  
 41\* Insurance & Bonds  
 42 Awards & Indemnities  
 43 Subscription/Memberships  
 44 Interest  
 45 Licenses & Taxes  
 46\* Prof. Serv.  
 47\* Advertising  
 48\* Adm. OH (Transfer)  
 49 Other Charges

**TOTAL** \$0.00

**GRAND TOTAL** \$390,110.00

**RECEIVABLES**

Property Owners \$390,110.00  
 County  
 State-MSA  
 City-WTP  
 City-MUC  
 Other

**TOTAL** \$390,110.00

**FINANCING**

Bonds \$390,110.00  
 State-MSA  
 City-WTP  
 City-MUC  
 Other

**TOTAL** \$390,110.00

**GRAND TOTAL** \$390,110.00

Dated: \_\_\_\_\_

\_\_\_\_\_  
 Mayor

**Attest:**

\_\_\_\_\_  
 City Clerk/Treasurer

RESOLUTION NO. \_\_\_\_\_  
 PRELIMINARY 1405 Industrial Park Dev. BUDGET

ESTIMATED TOTAL COST \$  
 \*Budget Amounts are Essential

Dated: 3-Mar-14

Code

**PERSONNEL SERVICES**

10\* Salaries Reg. Employees  
 11\* Overtime Reg. Employees  
 12\* Salaries Temp. Employees  
 13\* Employer Pension Contr.  
 14\* Employer Ins. Contr.

**TOTAL** \$0.00

**SUPPLIES**

20\* Office Supplies  
 21\* Small Tools  
 22\* Motor Fuels & Lubricants  
 23\* Postage  
 24 Mtce. of Equipment  
 25 Mtce. of Structures  
 26 Mtce. of Other Improvements  
 27 Subsistence of Persons  
 28 Cleaning & Waste Removal  
 29\* General Supplies

**TOTAL** \$0.00

**OTHER SERVICES**

30 Communications  
 31\* Printing & Publishing  
 32 Utilities  
 33\* Travel-Conf.-Schools  
 34 Mtce. of Equipment  
 35 Mtce. of Structures  
 36\* Mtce. of Other Impr. \$3,429,000.00  
 37 Subsistence of Persons  
 38 Cleaning & Waste Removal  
 39\* Other Services \$342,900.00

**TOTAL** \$3,771,900.00

**OTHER CHARGES**

40 Rents  
 41\* Insurance & Bonds  
 42 Awards & Indemnities  
 43 Subscription/Memberships  
 44 Interest  
 45 Licenses & Taxes  
 46\* Prof. Serv.  
 47\* Advertising  
 48\* Adm. OII (Transfer)  
 49 Other Charges

**TOTAL** \$0.00

**GRAND TOTAL** \$3,771,900.00

**RECEIVABLES**

Property Owners  
 County  
 State-MSA  
 City-LOST \$3,771,900.00  
 City-MUC  
 Other

**TOTAL** \$3,771,900.00

**FINANCING**

Bonds  
 State-MSA  
 City-LOST \$3,771,900.00  
 City-MUC  
 Other

**TOTAL** \$3,771,900.00

**GRAND TOTAL** \$3,771,900.00

Dated: \_\_\_\_\_

\_\_\_\_\_  
 Mayor

Attest:

\_\_\_\_\_  
 City Clerk/Treasurer

RESOLUTION NO. \_\_\_\_\_  
 PRELIMINARY 1407 Willmar Ave. Street Ltg BUDGET

ESTIMATED TOTAL COST \$  
 \*Budget Amounts are Essential

Dated: 3-Mar-14

Code

**PERSONNEL SERVICES**  
 10\* Salaries Reg. Employees  
 11\* Overtime Reg. Employees  
 12\* Salaries Temp. Employees  
 13\* Employer Pension Contr.  
 14\* Employer Ins. Contr.  
**TOTAL \$0.00**

**SUPPLIES**  
 20\* Office Supplies  
 21\* Small Tools  
 22\* Motor Fuels & Lubricants  
 23\* Postage  
 24 Mtce. of Equipment  
 25 Mtce. of Structures  
 26 Mtce. of Other Improvements  
 27 Subsistence of Persons  
 28 Cleaning & Waste Removal  
 29\* General Supplies  
**TOTAL \$0.00**

**OTHER SERVICES**  
 30 Communications  
 31\* Printing & Publishing  
 32 Utilities  
 33\* Travel-Conf.-Schools  
 34 Mtce. of Equipment  
 35 Mtce. of Structures  
 36\* Mtce. of Other Impr. \$52,900.00  
 37 Subsistence of Persons  
 38 Cleaning & Waste Removal  
 39\* Other Services \$5,290.00  
**TOTAL \$58,190.00**

**OTHER CHARGES**  
 40 Rents  
 41\* Insurance & Bonds  
 42 Awards & Indemnities  
 43 Subscription/Memberships  
 44 Interest  
 45 Licenses & Taxes  
 46\* Prof. Serv.  
 47\* Advertising  
 48\* Adm. Oll (Transfer)  
 49 Other Charges  
**TOTAL \$0.00**  
**GRAND TOTAL \$58,190.00**

**RECEIVABLES**  
 Property Owners  
 County  
 State-MSA  
 City-LOST \$58,190.00  
 City-MUC  
 Other  
**TOTAL \$58,190.00**

**FINANCING**  
 Bonds  
 State-MSA  
 City-LOST \$58,190.00  
 City-MUC  
 Other  
**TOTAL \$58,190.00**  
**GRAND TOTAL \$58,190.00**

Dated: \_\_\_\_\_

\_\_\_\_\_  
 Mayor

Attest: \_\_\_\_\_

\_\_\_\_\_  
 City Clerk/Treasurer

# **APPENDIX A**

## **Cost Summary**

### COST SUMMARY

2014 IMPROVEMENT PROJECTS

CITY OF WILLMAR, MN

BMI PROJECT NUMBER: W18.107167

TYPE OF IMPROVEMENT	TOTAL COST	CATEGORY			
		STREET	STORM	SANITARY	WATER
RECONSTRUCTION AREAS	\$965,700.00	\$619,000.00	\$124,300.00	\$121,600.00	\$100,800.00
12TH STREET SE	\$390,110.00	\$245,220.00	\$27,690.00	\$50,530.00	\$66,670.00
INDUSTRIAL PARK 4TH ADDITION	\$3,771,900.00	\$2,509,600.00	\$485,400.00	\$372,500.00	\$404,400.00
WILLMAR AVENUE STREET LIGHTING	\$58,190.00	\$58,190.00	-	-	-
OVERLAY AREAS	\$372,150.00	\$372,150.00	-	-	-
<b>TOTAL</b>	<b>\$5,558,050.00</b>	<b>\$3,804,160.00</b>	<b>\$637,390.00</b>	<b>\$544,630.00</b>	<b>\$571,870.00</b>



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

**Agenda Item Number:** \_\_\_\_\_

**Meeting Date:** February 24, 2014

**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:** March 3, 2014

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended  | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other    |                                 |

**Originating Department:** Finance

**Agenda Item:** Consideration of Lakeland Drive Financing

**Recommended Action:** Set a hearing for March 17, 2014, to consider and approve financing for the Lakeland Drive sewer improvements and pass intent to reimburse. Resolution is Minnesota Public Facilities Authority format.

**Background/Summary:**

As the MinnWest Lift Station and Lakeland Drive sewer project progresses, Minnesota Public Facilities Authority loan application and financing requires Council action to finance the project.

**Alternatives:** Deny hearing date, pass Resolution, or cancel the project.

**Financial Considerations:**

**Preparer:** Steven B. Okins, Finance Director

**Signature:**

**Comments:**

Minnesota Public Facilities Authority  
Loan Application

(Example Application Resolution)

RESOLUTION OF APPLICATION

BE IT RESOLVED that the City of \_\_\_\_\_ is hereby applying to the Minnesota Public Facilities Authority for a loan from the Clean Water Revolving Fund/Drinking Revolving Fund for improvements to its drinking water system/municipal wastewater treatment system as described in the loan application.

BE IT FURTHER RESOLVED that the City of \_\_\_\_\_ estimates the loan amount to be \$\_\_\_\_\_ or the as-bid cost of the project.

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

***Reimbursement provision (see note below\*)***

*BE IT FURTHER RESOLVED that the City of \_\_\_\_\_ hereby expresses its official intent to use proceeds of this loan to reimburse construction expenditures made prior to the issuance of its general obligation bond to the Public Facilities Authority.*

I CERTIFY THAT the above resolution was adopted by the \_\_\_\_\_ City Council on \_\_\_\_\_ (month, day, and year).

SIGNED:

WITNESSED:

\_\_\_\_\_  
Name  
Title

\_\_\_\_\_  
Name  
Title

*\*The reimbursement provision above is not an application requirement and should be deleted from the resolution if it is not the municipality's intent to reimburse itself for construction expenditures made prior to the issuance of its general obligation bond to the Public Facilities Authority.*

**Minnesota Public Facilities Authority  
Loan Application Checklist**

Please submit the following items with the loan application

- Forms 1 through 7 and information as requested
- Preliminary Cash Flow Projection: Submit projection linked to Forms 3 and 4 or an alternative format in lieu of the PFA worksheet. A preliminary cash flow analysis should identify a plan for generating adequate revenues. Amortization schedules for existing water and/or sewer debt must be submitted.
- Resolution of Application: an example is included with the loan application packet
- Audits: The last three years of annual financial statements
- Budget: The current annual city budget, including enterprise funds
- Ordinances and Fee Schedules: Copy of water, wastewater, or stormwater ordinance (enacted) and service charge system, as appropriate
- Inter-municipal Agreement (enacted) if more than one municipality is involved in the project
- Management Contract/Private Operator Agreement: For applicants who have engaged a private contract operator to manage its drinking water or wastewater system, a copy of the management contract.
- Copy of appraisal(s) and evidence of sale for eligible land purchase, if applicable
- Official Statement if applicant has issued bonds within the year

**NOTE:** If a current Official Statement is not available, the following information must be submitted.

- Certificate as to Taxes and Taxable Property, including 10 largest taxpayers. Obtain from the County Auditor. If the municipality is located in two counties, obtain a Certificate as to Taxes and Taxable Property from both counties.
- Population of the applicant in 1990, 2000 and 2010 and current year, based on the U. S. Census American Community Survey
- Listing of the 10 largest employers
- Listing of the number and value of building permits issued for the last five years
- Listing of planned capital financing projects within the next year
- As-bid costs, bid tabulations
- Final Cash Flow Projection: Submit updated projection or alternate documentation when project costs are finalized. The information should include the final plan and schedule for generating required revenues.

**After Financing Approval Submit to Minnesota Management and Budget (MMB):**

- Real Property Declaration and/or Waiver Certification Letter to MMB

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**Minnesota Public Facilities Authority  
Loan Application  
Form 1 – General Information**

<b>1. APPLICANT</b>		DUNS Number: 08-448-7289	
Applicant Name: City of Willmar, Minnesota Primary Municipal Contact: Charlene Stevens Title: City Administrator Address: 333 Sixth Street SW Willmar, MN 56201		County: Kandiyohi Phone: (320) 235-4913 Fax: (320) 235-4917 E-mail: cstevens@ci.willmar.mn.us	
Officials authorized to sign legal documents: Name: Frank Yanish Title: Mayor Name: Charlene Stevens Title: City Administrator			
<b>2. Consultants and Advisors</b>			
Consulting Engineer Name: Paul Jurck, PE Engineering Firm: Bollig Inc Address: 1700 Technology Drive NE, Ste 124 Willmar, MN 56201		Phone: (320) 235-2555 Fax: (320) 222-3067 E-mail: pjurek@bollig-engineering.com	
Bond Counsel (Attorney) Name: <b>Jenny Boulton</b> Firm: Kennedy & Graven		Phone: (612) 337-9202 Fax: (612) 337-9310 E-mail: jboulton@kennedy-graven.com	
Financial Advisor Name: Kathleen Aho Financial Advisor Firm: Springsted, Inc. Address: 380 Jackson Street, Ste 300 St. Paul, MN 55101-2887		Phone: (651) 223-3048 Fax: (651) 223-3002 E-mail: kaho@springsted.com	
Other Consultant Name: Other Consultant Firm: Address:		Phone: Fax: E-mail:	
Person responsible for prevailing wage compliance monitoring: Name: Bollig Inc Address: 1700 Technology Ave, Ste 124 Willmar, MN 56201		Phone: (320) 235-2555 Fax: (320) 222-3067 E-mail: kcarlson@bollig-engineering.com	
<b>3. MPCA / MDH Engineer: Corey R. Mathisen, PE</b>		Phone: (651) 757-2554	
4. Will a Public Utilities Commission be responsible for operation and maintenance of the project? If yes, provide information below: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
PUC Contact Person: N/A Contact Person Title: N/A Address: N/A		Phone: N/A Fax: N/A E-mail: N/A	
5. Is there a private operator contract or agreement in place for management and/or operation of the water or sewer system?: No If so, please identify private operator name:			
<b>6. Proposed Sources of Financing (including PFA)</b>			
Source	Amount Requested	Contact Person/Phone	Status
CWRF/DWRF loan (PFA)	\$2,730,000	See PFA Loan Officer Map	Applying

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**Minnesota Public Facilities Authority  
Loan Application  
Form 1 – Instructions**

**To use the application forms:**

First save these files to your computer. The forms can be filled out electronically by using the TAB key to move from one blank to the next. Send one signed original of the completed forms, along with all of the required documentation (identified on the Checklist), to your PFA loan officer. Contact your PFA loan officer with any questions regarding the PFA programs, program requirements or the loan application.

**Item 1.** Identify the local governmental unit that is applying for the loan and the primary contact person. (*NOTE: The applicant must be the entity that will issue the General Obligation Revenue note or General Obligation Improvement note to the PFA.*)

Provide the municipality's DUNS Number which can be found at <http://fedgov.dnb.com/webform>

Identify the chief officials (elected or appointed) that are authorized to sign all official documents.

Identify who will be responsible for labor standards compliance monitoring.

**Item 2.** Identify the consulting engineer, bond counsel, financial advisor or and any other project consultant.

**Item 3.** Identify the engineer from the Minnesota Pollution Control Agency (MPCA) or Minnesota Department of Health (MDH) assigned to the project.

**Item 4.** State whether a Public Utilities Commission (PUC) will be responsible for operation and maintenance of the project. If yes, identify the contact person.

**Item 5.** State whether the applicant has an existing agreement with a private vendor for operation of the wastewater/drinking water system.

**Item 6.** List the proposed source(s) of financing for the project, starting with the CWRF / DWRF loan from the Public Facilities Authority. Provide documentation of other funding sources that will be used for the project.

**Minnesota Public Facilities Authority  
Loan Application  
Form 2a – Project Information**

**1. Briefly describe the area to be served.**

This project will affect the portion of the City of Willmar's collection system served by the Lakeland Drive Interceptor in the Northeastern portion of the city. The lift station serves Country Club Drive and Eagle Lake.

**Discuss the problem/need and the proposed project.**

The current lift station has several deficiencies, including lack of capacity, plugging, safety, lack of a standby power source, out-dated pumps and equipment, structural defects, and electrical code compliance issues.

The proposed project includes the reconstruction of the Lakeland Drive Interceptor and replacement of the existing MinnWest lift station (formerly known as the State Hospital Lift Station) which is located on the MinnWest Technology Campus on the north edge of Willmar adjacent to Hwy 23.

**Identify other infrastructure projects planned for construction at the same time as the PFA project that may be related to the project (included in the same bid, shares road restoration costs, etc.). Describe how the projects are related:**

NA

**2. Identify other municipalities (cities and townships) or service areas to be served in project area.**

**Eagle Lake Sanitary District**

**Discuss ownership of collection or distribution system and how charges are billed for services. Provide a map of the project area to clarify if necessary.**

**The collection system is owned by the city and debt service will be paid from user rates.**

**3. Discuss source of data and basis for 20 year projected population as shown on Form 3c, Section 2.**

Future population estimates summarized in 2006 Facilities Plan for Wastewater Collection and Treatment Facilities prepared by Donahue & Associates.

Are the projections consistent with historical trends? If not, why?

Yes

4. Identify whether the project site(s) are owned by the applicant, leased by the applicant, or other (specify):

The project site is on existing public right-of-way.

Will any part of the project occur on the public right-of-way or existing utility or transit corridors?

The project is on existing roadway and utility easements.

Will easements or land be purchased for the project?

No

(Note: a Real Property Declaration(s) identifying the property/project as "state bond financed property" will need to be recorded with the county recorder's office unless a waiver is granted by Minnesota Management and Budget (MMB). Some projects may need both a Declaration and waiver. See **Supplemental Information** packet.)

5. Discuss the financial condition of the water/sewer fund over the last three years (revenues, negative balances, existing debt, type of debt, changes in population and users).

Recent financial performance shows operating income is positive (before transfers and interest.) However, net income is negative (after transfers and interest) with net losses of \$1.67 million in 2011 and \$.7 million in 2012. Operating revenues have been increasing significantly each year, as a result of scheduled rate increases.

Explain any situations that have caused the water/sewer fund to operate at a loss.

In spite of increasing levels of operating revenues, these levels have not been sufficient to offset non-operating expenses (particularly those related to supplies and fuel at the new plant, along with interest on outstanding debt) and transfers out of the Utility fund.

Identify steps the applicant has taken to address the loss.

In 2012 the City of Willmar engaged Springsted Incorporated to review the financial performance of its Wastewater Utility, and to make recommendations on rate changes necessary to meet the Utility's required cash flow needs. Springsted concluded that in order for the city to cover its non-operating costs, and to restore the Utility to positive net income and adequate cash reserves, it was necessary to increase utility revenue by systematically increasing volume charges through 2017.

6. Specify the sources of revenue that will be pledged to repay the PFA loan. Provide preliminary cash flow and list assumptions used. Cash flow must include all existing and pending debt related to the water and/or sewer fund.

Operating revenue of the wastewater system fund.

7. Discuss current drinking water/sewer rates and any recent or planned rate increases. Discuss current charges for new connections and any recent or planned WAC/SAC increases.  
City Ordinance no. 1348 adopted on June 17, 2013 outlines rate increases through 2017. (See attached)

The surcharge for total phosphorus (TP) will continue to be increased in the future to keep pace with anticipated treatment costs.

8. Identify if special assessments are proposed to pay debt service. *(Note: If special assessments are proposed, the applicant will be required to provide additional information. Contact your PFA loan officer for more information and for a copy of the PFA special assessment guidance.)*  
No

Identify status of special assessment hearings and notices (required under Minnesota Statutes 429)  
NA

Identify when special assessment revenue will be available for debt service payments.

NA

**NOTE:** Debt service payments begin within one year after approval of loan and are payable on **February 20** and **August 20**.

9. Identify if tax levies are proposed to pay debt service.

NA

Identify when tax levy revenue will be available for debt service payments.

NA

**Minnesota Public Facilities Authority  
Loan Application  
Form 2a – Instructions**

**Item 1.** Briefly describe the area to be served, the problem/need to be addressed and the proposed project.

**Item 2.** Identify each local governmental jurisdiction (cities and townships) in the project area. For each jurisdiction, indicate who owns the collection or distribution system and how the billing is handled. Provide a map.

**Item 3.** Discuss the basis for the 20 year population projections, including whether the projections are consistent with historical trends or why the projections are different.

**Item 4.** Identify the project site(s) needed for the project and the ownership/acquisition status. Note that a real property declaration will need to be filed with the county recorder's office unless a waiver is granted by Minnesota Management and Budget. An example declaration form and additional information is included in the *Supplemental Information* packet.

**Item 5.** Discuss the historical performance and financial condition of the drinking water/ sewer fund. Explain situations that have caused the water/sewer fund to operate at a loss and what steps the applicant has taken to address the loss.

**Items 6 through 9.** Please address each question. Specify the sources of revenue that will be used to repay the loan, including user charges, special assessments, tax levy and connection charges. Discuss current rates and charges and any recent or planned increases. Prior to receiving a loan, applicants must identify and establish dedicated source(s) of revenue sufficient to repay the loan and to cover operational and maintenance costs for the drinking water and or sewer system. Applicants proposing to levy special assessments for the project will need to provide additional information as a part of the loan application. Please contact your loan officer for the PFA's special assessment guidance.

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**Minnesota Public Facilities Authority  
Loan Application  
Form 2b – Project Information**

**Note:** The following questions are related to the type of security the applicant will issue to the PFA to secure the loan. The type of security pledged to the PFA has an impact on the interest rate on the transaction (i.e. whether the bond is tax-exempt or taxable). Some of this information may not be known at the time the application is submitted, but it is needed before PFA can move forward with a loan. The following questions may require the applicant to consult with bond counsel.

1. Does the project have any significant wastewater contributors or significant water users per the PFA definitions identified on the instructions for this form? If so, does the applicant have a significant user agreement with the contributor/user?

The city has one SIU Agreement with Jennie-O Turkey Store (JOTS). The City is coordinating the JOTS permit reissuance with the WWTF NPDES permit reissuance.

2. If the proposed project involves providing water/sewer services to a major private user, the project may raise private activity concerns and the PFA must be informed. Applicants should discuss any possible private activity considerations with their bond counsel. Does the project raise any possible private activity considerations? If yes, explain.

No

3. Applicant should discuss with their bond counsel the Minnesota statutory authority/authorities that the applicant will use to issue the debt to secure the PFA transaction (i.e. MN Statutes 115, 429, 444, 475). Identify the statutory authority.

Minnesota Statutes, Chapters 444 and 475

4. Identify the type of general obligation bond that will be issued to (i.e. improvement or revenue):

General Obligation Sewer Revenue Note

5. Identify whether the bond will be taxable or tax-exempt:

Tax Exempt

**Minnesota Public Facilities Authority  
CWRF/DWRF Loan Application  
Form 3a - Annual Operation and Maintenance Costs**

*Instructions: Fill in all yellow highlighted cells.*

**Applicant Name:** City of Willmar - Lakeland Drive

**Current and estimated O&M costs for the applicant's** Wastewater **system**

	Actual Expenditures From Last Audit	Current Year Estimate Based On Budget	Estimated When Project Begins Operation
Enter Year:	2013	2014	2014/2015
Salaries	598,542	676,912	808,801
Fringe Benefits	305,547	356,964	426,515
Indirect Costs	138,636	142,500	170,265
Contracts	66,993	108,500	129,640
Professional Memberships	5,218	4,100	4,899
Training	7,530	10,400	12,426
Subscriptions	-	-	-
Printing/Publishing/Postage	2,541	5,100	6,094
Electricity/Heating	630,570	700,000	836,388
Chemicals and Supplies	535,328	751,314	897,700
Testing	-	-	-
Capital Outlays*:			
- Equipment Purchase	15,505	-	-
- Other:	-	-	-
- Other:	-	-	-
<b>Total</b>	<b>\$ 2,306,410</b>	<b>\$ 2,755,790</b>	<b>\$ 3,292,728</b>

**Name of Person Filling Out This Form:** Kindra Carlson

**Title:** Funding Specialist

**Firm/Organization:** Bollig Inc

**Phone:** (320) 235-2555

**E-mail address:** kcarlson@bollig-engineering.com

**Date:** 2/6/2014

\* Indicate actual and estimated capital outlays for purchase, construction, or permanent improvements to buildings, equipment, machinery, and land.

**Minnesota Public Facilities Authority  
CWRP/DWRF Loan Application  
Form 3b - Annual Debt Service Costs**

*Instructions: Identify each outstanding series of bonds (original par amount, bond type, year issued) and annual debt service (principal - interest) for the applicable system (drinking water/wastewater/stormwater)*

**Applicant Name:** City of Willmar - Lakeland Drive

**Existing Debt Service For** Wastewater **System**

Current Year (2013)	\$ 1,335,346 Plant Note 1996	\$ 745,000 GO Revenue 2004	\$ 39,293,000 MPFA Note FY09 2008	\$ 2,731,846 MPFA Note FY10 2008	\$ 26,339,892 MPFA Note FY10 2008	\$ 1,503,151 MPFA Note FY10 2009	\$ 7,000,000 MPFA Note FY09 2008	\$ Par Amount Bond Type Year issued	Total Debt Service
2014	290,895	122,111	2,731,846	1,506,984	108,932	-	-	4,760,768	
2015	290,895	123,600	2,732,522	1,504,422	109,163	-	-	4,760,602	
2016	290,895	119,900	2,732,626	1,501,128	109,345	-	-	4,763,894	
2017	290,895	121,004	2,733,126	1,521,215	109,478	-	-	4,775,718	
2018	289,269	121,810	2,732,955	1,550,858	109,561	-	-	4,804,453	
2019	-	122,309	2,733,081	1,544,677	109,596	-	-	4,509,663	
2020	-	122,490	2,733,439	1,536,842	109,581	-	-	4,502,352	
2021	-	-	2,732,963	1,548,389	109,517	-	-	4,390,869	
2022	-	-	2,733,620	1,539,628	109,404	-	-	4,382,652	
2023	-	-	2,734,312	1,530,214	109,242	-	-	4,373,768	
2024	-	-	2,733,973	1,538,146	109,030	-	-	4,382,149	
2025	-	-	2,734,572	1,530,770	108,770	-	-	4,374,112	
	-	-	4,974,008	1,533,638	109,461	-	-	6,617,107	

**Minnesota Public Facilities Authority  
CWRP/DWRF Loan Application  
Form 3c - System Costs**

*Instructions: Fill in all yellow highlighted cells. Other cells will auto-fill.*

Applicant Name: City of Willmar - Lakeland Drive Date: 02/06/14  
 Project Name: Lakeland Drive  
 Project Type: Wastewater Estimated Project Cost: \$2,730,000

	Current	Estimated When Project Begins Operation	
<b>1. <u>Wastewater</u> System Costs (Annual)</b>			
A. Operation and maintenance (see breakout on Form 3a, totals will auto-fill here)	\$ 2,755,790	\$ 3,292,728	
B. System debt:			
i) Existing annual debt service (see breakout on Form 3b, totals will auto-fill here)	\$ 4,760,768	\$ 4,760,602	
ii) New debt for this project (fill in data below)		\$ 166,958	
Estimated Loan amount: <u>\$2,730,000</u>			
Estimated interest rate: <u>2.00%</u>			
Term (max:20 yrs): <u>30</u>			
C. Total annual system costs	\$ 7,516,558	\$ 8,220,288	
	Current	Estimated When Project Begins Operation	Estimated in 20 Years
<b>2. Residential and Nonresidential Users</b>			
A. Residential HH (billed individually):			
i) connections	8,654	9,440	12,454
ii) ERU's (should equal connections):	8,654	9,440	12,454
iii) percentage of system use:	57%	58%	60%
B. Other residential (multi-family, institutional):			
i) connections			
ii) ERU's			
iii) percentage of system use:			
C. Nonresidential:			
i) connections	825	867	1,058
ii) ERU's	6,560	6,895	8,413
iii) percentage of system use:	43%	42%	40%
Total			
i) connections	9,479	10,307	13,512
ii) ERU's	15,214	16,335	20,867
iii) percentage of system use:	100%	100%	100%
<b>3. Average System Cost per Household</b>			
i) average cost per household - annual	\$ 494.06	\$ 503.23	
ii) average cost per household - monthly	\$ 41.17	\$ 41.94	

Minnesota Public Facilities Authority  
 CWRP Loan Application  
 Form 4a - Clean Water Project Budget (Wastewater Projects)

Applicant: City of Willmar

Project: Lakeland Drive

Date: 2/6/2014

	Start Date	End Date	Total Requested From PFA	Other Funding (name source)	Other Funding (name source)	Other Funding (name source)	Total Project Cost
<b>I. Non-Construction Costs</b>							
A. Planning	2013	Mid - 2014	110,000				110,000
B. Engineering Design	2013	Mid - 2014	176,000				176,000
C. Inspection/Construction Mgmt	Summer '14	Fall '14	142,000				142,000
D. Other Engineering	2013	Mid - 2014	13,000				13,000
E. Attorney/Financing Related Fees	2013	Fall '14	104,000				104,000
F. Land <sup>(1)</sup>							-
<b>Non-Construction Subtotal</b>			<b>\$ 545,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 545,000</b>
<b>2. Construction Costs<sup>(2)</sup></b>							
A. Secondary Treatment (I)							-
B. Advanced Treatment (II)							-
C. Infiltration/Inflow Correction (III/A)							-
D. Sewer System Rehabilitation (III/B)	Summer '14	Fall '14	2,080,000				2,080,000
E. New Collector Sewers (IV/A)							-
F. New Interceptors (IV/B)							-
G. CSO Correction (V)							-
H. Storm Sewer (VI)							-
I. Service Connections <sup>(3)</sup>							-
<b>Construction Subtotal</b>			<b>\$ 2,080,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,080,000</b>
Contingencies (up to 5% of construction subtotal)							
			105,000				105,000
<b>Project Total</b>			<b>\$ 2,730,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,730,000</b>

Notes:

- (1) Land costs are not PFA eligible except in limited situations. Contact your PFA loan officer with any questions.
- (2) After as-bid project costs are known, a revised Form 4 must be submitted
- (3) Service connections are not PFA eligible

**Minnesota Public Facilities Authority  
CWRP/DWRF Loan Application**

**Cash Flow Projection**

Applicant Name: City of Willmar -- Lakeland Drive Requested PFA Loan Amount: \$2,730,000  
 Project Type: Wastewater Estimated Interest Rate: 2.00% Loan Term (yrs): 30  
 Person Completing Worksheet: Kindra Carlson Date: 02/06/14

**EXPENSES**

**REVENUES**

Year	O.M & R	Existing Debt Service	New PFA Debt Service (105%)	Total Expenses	User Charges	Assessments	SAC / WAC	Other Revenues	Total Revenues	Surplus / Deficit*
2013				-					-	-
2014			127,989	127,989					-	(127,989)
2015			127,989	127,989					-	(127,989)
2016			127,989	127,989					-	(127,989)
2017			127,989	127,989					-	(127,989)
2018			127,989	127,989					-	(127,989)
2019			127,989	127,989					-	(127,989)
2020			127,989	127,989					-	(127,989)
2021			127,989	127,989					-	(127,989)
2022			127,989	127,989					-	(127,989)
2023			127,989	127,989					-	(127,989)
2024			127,989	127,989					-	(127,989)
2025			127,989	127,989					-	(127,989)
2026			127,989	127,989					-	(127,989)
2027			127,989	127,989					-	(127,989)
2028			127,989	127,989					-	(127,989)
2029			127,989	127,989					-	(127,989)
2030			127,989	127,989					-	(127,989)
2031			127,989	127,989					-	(127,989)
2032			127,989	127,989					-	(127,989)
2033			127,989	127,989					-	(127,989)
2034			127,989	127,989					-	(127,989)
2035			127,989	127,989					-	(127,989)

\*\*Alternative format available:  
 See financial projections in 11/15/12 Wastewater Rate Study memorandum from Springssted (pages 11-13.)

**ATTACH CASH FLOW ASSUMPTIONS**



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

**Agenda Item Number:** \_\_\_\_\_

**Meeting Date:** February 24, 2014

**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:** March 3, 2014

- Approved  Denied  
 Amended  Tabled  
 Other

**Originating Department:** Engineering / Public Works

**Agenda Item:** Consideration of 1302 Final Budget

**Recommended Action:** Approve presented final budget for 1302. This budget is based on Council approved contracts for Willmar Avenue, Willmar Avenue Quiet Zone, and 4<sup>th</sup> Avenue in the Industrial Park.

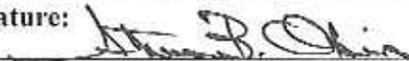
**Background/Summary:**

Substantial increase in budget over preliminary budget. Project was first approved in 2007 then withdrawn due to airport land release issues.

**Alternatives:** None

**Financial Considerations:** Usage of \$2,004,746 of LOST funds.

**Preparer:** Steven B. Okins, Finance Director

**Signature:** 

**Comments:**

RESOLUTION NO. \_\_\_\_\_  
 Final 1302 \_\_\_\_\_ BUDGET

ESTIMATED TOTAL COST \$  
 \*Budget Amounts are Essential

Dated: 3-Mar-14

Code

PERSONNEL SERVICES

10*	Salaries Reg. Employees	
11*	Overtime Reg. Employees	
12*	Salaries Temp. Employees	
13*	Employer Pension Contr.	
14*	Employer Ins. Contr.	
	<b>TOTAL</b>	<b>\$0.00</b>

SUPPLIES

20*	Office Supplies	
21*	Small Tools	
22*	Motor Fuels & Lubricants	
23*	Postage	\$1,000.00
24	Mtce. of Equipment	
25	Mtce. of Structures	
26	Mtce. of Other Improvements	
27	Subsistence of Persons	
28	Cleaning & Waste Removal	
29*	General Supplies	\$500.00
	<b>TOTAL</b>	<b>\$1,500.00</b>

OTHER SERVICES

30	Communications	
31*	Printing & Publishing	\$2,000.00
32	Utilities	
33*	Travel-Conf.-Schools	
34	Mtce. of Equipment	
35	Mtce. of Structures	
36*	Mtce. of Other Impr.	\$2,020,325.00
37	Subsistence of Persons	
38	Cleaning & Waste Removal	
39*	Other Services	\$7,500.00
	<b>TOTAL</b>	<b>\$2,029,825.00</b>

OTHER CHARGES

40	Rents	
41*	Insurance & Bonds	
42	Awards & Indemnities	
43	Subscription/Memberships	
44	Interest	
45	Licenses & Taxes	
46*	Prof. Serv.	\$210,000.00
47*	Advertising	\$2,000.00
48*	Adm. OH (Transfer)	\$136,000.00
49	Other Charges	\$443.00
	<b>TOTAL</b>	<b>\$348,443.00</b>

**GRAND TOTAL \$2,379,768.00**

RECEIVABLES

Property Owners	
County-CSA	\$360,000.00
State-MSA	
City-WTP	\$4,936.00
City-MUC	\$10,086.00
Other-LOST	\$2,004,746.00
<b>TOTAL</b>	<b>\$2,379,768.00</b>

FINANCING

Bonds	
County-CSA	\$360,000.00
City-LOST	\$2,004,746.00
City-MUC	\$10,086.00
Other-WTP	\$4,936.00
<b>TOTAL</b>	<b>\$2,379,768.00</b>

**GRAND TOTAL \$2,379,768.00**

Dated: \_\_\_\_\_

\_\_\_\_\_  
 Mayor

Attest:

\_\_\_\_\_  
 City Clerk/Treasurer

## Steve Okins

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**From:** Jared Voge <jaredvo@bolton-menk.com>  
**Sent:** Wednesday, February 19, 2014 2:38 PM  
**To:** Steve Okins  
**Cc:** Bruce Peterson  
**Subject:** Willmar 1302 Budget Information  
**Attachments:** Willmar 1302 Budget Information.pdf

Steve,

Please give me a call at 320-212-3150 when you receive this. I've attached my calculations regarding the LOST monies associated with the 1302 Project. In the interest of time I did not put the information into an Excel spreadsheet however I certainly can. I am not sure how the preliminary budget was established with respect to misc. costs such as advertising, Adm OH (transfer) etc. so for the purposes of calculating the LOST monies, I kept all those costs in the Willmar Avenue project.

Please let me know if there is any additional information I can provide you.

Thank you,

Jared

Jared Voge, P.E.  
Bolton & Menk, Inc.  
M: (320) 212.3150  
email: [jaredvo@bolton-menk.com](mailto:jaredvo@bolton-menk.com)

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Willmar Avenue Project Cost	-	\$1,798,649.09
4 <sup>th</sup> Avenue Project Cost	-	581,118.02
Willmar Ave Receivables (County)	-	360,000.00
4 <sup>th</sup> Avenue Receivables (MUL WTP)	-	<u>15,022.00</u>
LDST Total -		2,004,745.11

Willmar Avenue  
\$1,438,649.09

4<sup>th</sup> Avenue  
\$566,096.02

1,438,649.09  
+ 566,096.02  

---

\$2,004,745.11 ✓



Willmar Avenue

Contract Price	-	# 1,068,195.47	# 36
Change Order 1	-	# 7,850.62	# 36
Contingency	✓	# 5,000.00	# 39
Postage	✓	# 1,000.00	
General Supplies	✓	# 500.00	
Printing + Publishing	✓	# 2,000.00	
Advertising	✓	# 2,000.00	
Other Charges	✓	# 443.00	
Adm OH (transfer)	✓	# 136,000.00	
Engineering	✓	# 145,000.00	# 66
RR Easement	-	# 15,000.00	} # 36
RR Crossing	-	# 98,227.00	
RR Signal	-	# 317,433.00	
		<u># 1,798,649.09</u>	

Receivables

County - # 360,000.00

~~XXXXXXXXXX~~

LOST

Project Cost	-	# 1,798,649.09
Receivables	-	360,000.00
		<u># 1,438,649.09</u>



4th Avenue

Contract Price	-	\$513,618.02	#36
Contingency	✓	\$2,500.00	#39
Engineering	✓	\$65,000.00	#46
		<u>\$581,118.02</u>	

Receivables

City (MUC)	\$10,086.00
City (WTP)	<u>4,936.00</u>
	\$15,022.00

LOST

Project Cost	-	\$581,118.02
Receivables	-	<u>15,022.00</u>
		\$566,096.02



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

**Agenda Item Number:** \_\_\_\_\_

**Meeting Date:** February 24, 2014

**Attachments:** \_\_\_ Yes  No

**CITY COUNCIL ACTION**

**Date:** March 3, 2014

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended  | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other    |                                 |

**Originating Department:** Finance

**Agenda Item:** Consideration of Local Option Sales Tax Fund Status

**Recommended Action:** Receive for Information

**Background/Summary:**

The second Local Option Sales Tax expired on December 31, 2012. The fund (220) was closed in 2012 by City Council action and the remaining funds (\$8,899,441) were transferred to the Industrial Development Fund (205) and designated for the redevelopment of the old City airport land. Other activity in 2012 was the recapture of funds for the Willmar Avenue realignment, due to land release issues with the FAA, the payment of taxes, and the removal of FAA equipment. The balance starting 2013 was \$9,347,031.

In 2013 the following activity incurred

1. Investment Market Value Reductions	\$722,393
2. Payment of Taxes and RCO Costs	\$5,259
3. Industrial Land Reclamation	\$33,537
4. The Western Collector	\$1,661,075
5. Project 1302 Willmar Avenue, Quiet Zone, and 4th Avenue	\$2,004,746
6. Robbins Island Bike Path	\$92,059
7. Additional Interest Earnings	\$173,599

In 2014 the following activity have been recommended

1. 2014 Capital Improvements	
a. Civic Center Improvements	\$1,070,000
b. Industrial Park Development	\$3,500,000
c. Bike Path Improvement	\$35,000
2. Additional 2014 Street Improvement Recommendations	
a. Additional Costs Industrial Park	\$271,900
b. Willmar Avenue Lighting	\$58,190
3. Lakeland Drive	\$70,000
4. Additional Interest (depends on spend down of funds)	

In as can be seen by the activity as described the proceeds remaining from the Local Option Sales Tax are projected to be used entirely by the end of this year. One year has expired since the expiration of the tax, so the City Council could explore the possibility of requesting authority to reinstate the tax from the State Legislature.

**Alternatives:** None

**Financial Considerations:** Explain additional funding or reinstatement of Local Option Sales Tax

**Preparer:** Steven B. Okins, Finance Director

**Signature:**

**Comments:**