

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, JANUARY 9, 2012**

The Finance Committee of the Willmar City Council met at 4:45 p.m. on Monday, January 9, 2012, in Conference Room #1 at the City Office Building. Chair Denis Anderson called the meeting to order.

Members Present:	Denis Anderson	.....	Chair
	Rick Fagerlie	.....	Vice Chair
	Tim Johnson	.....	Member
	Jim Dokken	.....	Member
	Charlene Stevens	.....	City Administrator
	Steve Okins	.....	City Finance Director
	Kevin Halliday	.....	City Clerk-Treasurer

Others present included Bill Fenske, Rice Hospital; Kathy Aho, Springsted, Inc.; Jenny Boulton, Kennedy & Graven; Josh Halvorson, Donohue & Associates; Rudy Vigil, WRAC-8 Coordinator; and Carol Gluth, Accounting Supervisor.

Item No. 1 – Public Comment (Information)

Chair Anderson acknowledged that no one was present to address comments to the Committee.

Item No. 2 – Rice Memorial Hospital Bond Refunding (Resolution)

Staff explained to the Committee that previous Council action authorized the issuance of Hospital Revenue Refunding Bonds for refinancing the outstanding 2002 Hospital Bonds. It has been determined that no more than \$47 million would be required for this refinancing with a required cost savings of a minimum of three percent. The Hospital Board will be meeting on January 11, 2012, to review and approve this bond issue. Following discussion, it was moved by Council Member Fagerlie, seconded by Council Member Dokken and passed to make the following:

RECOMMENDATION: to introduce a resolution setting parameters for the 2012 Hospital Bond Issue not to exceed \$47 million in new hospital revenue bonds and a minimum cost savings of three percent. The resolution should further state that the pricing committee is to consist of the City Administrator, the City Finance Director, Rice Hospital CEO, and Rice Hospital CFO. This resolution is subject to Rice Hospital Board approval.

Item No. 3 – PFA Funding – Western Interceptor (Resolution)

Josh Halvorson of Donohue & Associates explained to the Committee that the City of Willmar previously applied for placement on the Minnesota Public Facilities Authority's Intended Use Plan as indication of its intent to borrow funds under PFA's Clean Water Revolving Fund Loan Program. Mr. Halvorson was now requesting authorization to submit the application to borrow funds needed to finance the Western Interceptor Sewer project. It is estimated that the loan amount would total \$3,519,453. The Local Option Sales Tax program

would fund an additional \$1.4 million for the portion of this project located in the specified Industrial Park area that qualifies for the use of these funds. Following discussion, it was moved by Council Member Fagerlie, seconded by Council Member Johnson and passed to make the following:

RECOMMENDATION: to introduce a resolution approving the submission of an application to the Minnesota Public Facilities Authority Clean Water Revolving Fund for the Western Interceptor Sewer project.

Item No. 4 – Fire Department Donation (Resolution)

City Finance Director Okins informed the Committee that a donation of \$209.75 has been received from the Bunde Christian Reformed Church of Clara City to assist with costs for the purchase of the aluminum ATV trailer purchased from Dahlberg Sales. Staff was requesting the 2011 Fire Department Capital Budget be amended to reflect this increase in revenue. Following discussion, it was moved by Council Member Dokken, seconded by Council Member Johnson, and passed to make the following:

RECOMMENDATION: 1) to introduce a resolution accepting the donation of \$209.75 from the Bunde Christian Reformed Church of Clara City and to send a letter of appreciation; and 2) to introduce a resolution amending the 2011 Fire Department budget.

Item No. 5 – WRAC-8 Budget Adjustment (Resolution)

Staff presented to the Committee a request to increase the 2012 WRAC-8 Capital Budget by \$8,000 for an upgrade to the audio system at the City Council Chambers. It has recently been discovered that the existing equipment, which was first installed in 1992, is showing signs of intermittent failure. The ceiling speakers are quickly deteriorating and a new mixer is necessary for quality productions. It is proposed to transfer this \$8,000 from WRAC-8 reserves. Following discussion, it was moved by Council Member Dokken, seconded by Council Member Fagerlie and passed to make the following:

RECOMMENDATION: to introduce a resolution to increase the 2012 WRAC-8 Capital Budget by \$8,000 from WRAC-8 Reserves to fund this audio system upgrade at the City Council Chambers.

There being no further business to come before the Committee, the meeting was adjourned at 5:15 p.m. upon motion by Council Member Fagerlie, seconded by Council Member Johnson, and carried.

Respectfully submitted,

Carol Gluth
Accounting Supervisor