

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, JANUARY 13, 2014**

The Finance Committee of the Willmar City Council met at 4:45 p.m. on Monday, January 13, 2014, in Conference Room #1 at the City Office Building. Chair Denis Anderson called the meeting to order. Members present included Chair Denis Anderson, Vice-Chair Tim Johnson, Rick Fagerlie, and Audrey Nelsen. Others present included Mayor Frank Yanish; Council Member Bruce Deblieck; Council Member Jim Dokken; City Administrator Charlene Stevens; City Finance Director Steve Okins; Planning & Development Director Bruce Peterson; Waste Treatment Supervisor Colleen Thompson; Bolton & Menk Engineer Jared Voge; Accounting Supervisor Carol Cunningham; and West Central Tribune Journalist David Little.

Item No. 1 – Public Comment

Chair Anderson acknowledged that no one present wished to address the Council at this time.

Item No. 2 – Surplus Phones to Willmar Public Schools (Motion)

Staff reported to the Committee that after upgrading the City's telephone system last summer, there are surplus phones from the old system that are of minimal value. The Willmar Public Schools have expressed an interest in acquiring these phones. It was noted that Minnesota Statute 471.64 authorizes the City to gift property to the public school. Following discussion, it was moved by Council Member Fagerlie, seconded by Council Member Nelsen and passed to make the following:

RECOMMENDATION: to make a motion to execute a contract with the Willmar Public Schools through which the City will provide to the school for no charge up to 40 telephones that are surplus to the City's needs.

Item No. 3 – Country Club Drive Capital Funding (Motion)

Staff explained to the Committee that the Country Club Drive Lift Station, which was built in 1987, has required numerous bypasses during rainstorm events resulting in capacity issues. There have been approximately five bypasses reported to MPCA since 2009. Too many bypasses could result in a moratorium on growth in the lift station basin. In 2011 and 2012, televising and sump pump inspections have taken place in this area to identify sources of infiltration with limited success. Staff had requested \$75,000 for the Professional Services in the 2014 Waste Treatment Plant Collection Budget, however, only \$30,000 was adopted. Staff agreed this project should continue but \$30,000 is not adequate to cover design and engineering services required; subsequently, an additional \$60,000 is being requested for Professional Services for the Country Club Drive Lift Station Design and Engineering Budget. It was noted that funds not utilized for the Lakeland Drive Project, which will be addressed under an agenda item later this meeting, would be available for this budget increase. Following discussion, it was then moved by Council Member Fagerlie, seconded by Council Member Nelsen and passed for the following:

RECOMMENDATION: To make a motion amending the 2014 Wastewater Treatment Collection Capital Budget for Phase 1 Country Club Drive Lift Station Design and Engineering by \$60,000, and that said funds would be reallocated from the Lakeland Drive Project.

Item No. 4 – Building Inspections Vehicle (Motion)

Staff reported to the Committee that the Building Inspections Vehicle scheduled for replacement in 2014 has numerous physical and mechanical issues that warrant replacement and has not been driven for several months. Staff is requesting authorization to replace the Building Inspections Vehicle per the Vehicle Replacement Schedule. Quotes have been received well within the budgeted amount of \$27,000. Staff is requesting authorization to proceed with the replacement of the Building Inspections Vehicle. After discussion, it was then moved by Council Member Nelsen, seconded by Council Member Fagerlie and passed for the following:

RECOMMENDATION: To make a motion authorizing the replacement of the Building Inspections Vehicle as presented.

Item No. 5 – Lakeland Drive Project Financing (Resolution)

Staff explained to the Committee that the MinnWest Lift Station/Lakeland Drive project scope of work needs to be amended due to changes in the availability of Municipal State Aid funds. It was noted that street projects done in 2013 utilized a substantial amount of MSA funds leaving a minimal balance available for 2014. The City needs to rebuild these funds at the State before pursuing extensive future projects using MSA funds. Therefore, it is being recommended that the overlay, trail, and quiet zone portions be eliminated from the Lakeland Drive Project. The remaining portion of the project consists of the interceptor/lift station improvements and is budgeted at \$2,730,000 which may be eligible for MN Public Facilities Authority funding. Council Member Nelsen asked staff to research the possibility of pursuing construction of the trail this year yet, even if the road is not reconstructed or overlaid, since the trail portion was to be funded by Local Option Sales Tax funds. After discussion, Council Member Nelsen also requested staff to provide a report on the status of the Local Option Sales Tax Funds and made a motion, seconded by Council Member Fagerlie and passed for the following:

RECOMMENDATION: To introduce a resolution amending the MinnWest Lift Station/Lakeland Drive project scope by eliminating the overlay, trail, and quiet zone portions, thereby reducing the total budget to \$2,730,000.

Item No. 6 – Annual Investment Policy Review (Information)

Staff presented the City of Willmar Investment Policy to the Committee for its annual review. No changes are being recommended at this time. Discussion included Repurchase Agreements, Collateral, and Internal Control Processes. Staff was asked to provide information on who owns the collateral for the City's investments. This matter was for information only.

Item No. 7 – Future Agenda

It was noted that future agenda items include the Local Options Sales Tax Funds Report, preliminary year-end reports, and the Rice Memorial Hospital unaudited year-end report.

Item No. 8 – Old Business (Information)

Chair Anderson acknowledged there was no old business for the Committee to discuss at this time.

Item No. 9 – New Business (Information)

Chair Anderson acknowledged there was no new business for the Committee to discuss at this time.

There being no further business to come before the Committee, Chair Anderson declared the meeting adjourned at 5:33 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carol Cunningham".

Carol Cunningham
Accounting Supervisor