

**FINANCE COMMITTEE REPORT  
CITY OF WILLMAR  
MONDAY, MARCH 12, 2012**

The Finance Committee of the Willmar City Council met at 4:45 p.m. on Monday, March 12, 2012, in Conference Room #1 at the City Office Building. Chair Denis Anderson called the meeting to order.

Members Present: Denis Anderson .....Chair  
Tim Johnson ..... Member  
Jim Dokken ..... Member  
Charlene Stevens ..... City Administrator  
Steve Okins ..... City Finance Director

Others present included Public Works Director Holly Wilson; David Little, West Central Tribune; and Carol Cunningham, Accounting Supervisor.

**Item No. 1 – 2012 Budget Amendments ( Resolutions )**

Staff explained to the Committee that several amendments to the 2012 Budget are being proposed:

- A) Previous council action approved the reduction in Vehicle/Equipment Replacements in the amount of \$241,625 which is being proposed to be reallocated for part of the Storm Sewer portion of the Western Collector Project. Following discussion, it was moved by Council Member Dokken, seconded by Council Member Johnson and passed to make the following:

RECOMMENDATION: to introduce a resolution reallocating \$241,625 from the 2012 Budget for Vehicle/Equipment Replacements to the Storm Sewer portion of the Western Collector Project.

- B) Prior to 2012, the City directly received PERA State Aid funds for the Firemen’s Retirement Plan which the City then paid to the Firemen’s Relief Association. Since the retirement plan for Willmar’s Fire Department is now through PERA, the State will now be remitting those funds directly to PERA. Consequently, there will be a reduction in both state aid revenue received and Fire Department pension expenditures in the amount of \$66,394. Following discussion, it was moved by Council Member Dokken, seconded by Council Member Johnson and passed to make the following:

RECOMMENDATION: to introduce a resolution amending the 2012 Budget by decreasing state aid revenue and decreasing the Fire Department pension expenditures in the amount of \$66,394

- C) Under the previous Firemen’s Retirement Plan, the City allocated funds to cover possible shortfalls that may occur in that Plan. Since 2012 is the first year that the Firemen are under the new PERA Plan, funding for any possible shortfall would not be expended until next year. Consequently, the \$25,000 budgeted for 2012 is no longer needed. Staff is proposing to transfer this amount from the 2012 Fire Department pension expenditures to NonDepartmental for future funding needs.

Following discussion, it was moved by Council Member Johnson, seconded by Council Member Dokken and passed to make the following:

RECOMMENDATION: to introduce a resolution amending the 2012 Budget by decreasing Fire Department pension expenditures and increasing NonDepartmental expenditures in the amount of \$25,000.

- D) An employee in the Finance Department requires changes in health insurance coverage from single to family. Staff is proposing to transfer \$12,381 from NonDepartmental Expenditures to the Finance Department insurance expenditures. Following discussion, it was moved by Council Member Dokken, seconded by Council Member Johnson and passed to make the following:

RECOMMENDATION: to introduce a resolution amending the 2012 Budget by decreasing NonDepartmental expenditures and increasing Finance Department insurance expenditures in the amount of \$12,381.

- E) An employee in the Finance Department requires changes in health insurance coverage from single to family but an employee in the Public Works Department requires changes in health insurance coverage from family to single. As a result, it is being proposed that the amount of \$9,036 which is no longer needed for insurance in Public Works be transferred to the insurance budget in Finance. Following discussion, it was moved by Council Member Johnson, seconded by Council Member Dokken and passed to make the following:

RECOMMENDATION: to introduce a resolution amending the 2012 Budget by decreasing Public Works Insurance Expense and increasing Finance Insurance Expense in the amount of \$9,036.

- F) Pursuant to the Council repealing the False Alarm Ordinance, the 2012 Budget needs to be reduced by \$8,000 which was the amount estimated for 2012 for False Alarm Revenue. It is being proposed that the Other Services Expenditures Budget be reduced by \$5,000 for the Police Department and \$3,000 for the Fire Department to offset this reduction of revenue. Following discussion, it was moved by Council Member Johnson, seconded by Council Member Dokken and passed to make the following:

RECOMMENDATION: to introduce a resolution amending the 2012 Budget by decreasing False Alarm Revenues in the amount of \$8,000 and by decreasing Police Department Other Services Expenditures in the amount of \$5,000 and Fire Department Other Services Expenditures in the amount of \$3,000.

## **Item No. 2 – Watershed Management Plan Funding Request ( Resolution )**

Staff presented to the Committee a request to appropriate \$8,700 from the Storm Water Fund to complete and publish the City's Watershed Management Plan. The Phase III Flood Mitigation study and recommendations, which substantially include the issues at 10<sup>th</sup> Street SW and Kandiyohi Avenue, will be incorporated into the existing plan which will then be presented to the City Council. Following discussion, it was moved by Council Member Dokken, seconded by Council Member Johnson and passed to make the following:

**RECOMMENDATION:** to introduce a resolution appropriating \$8,700 from the Storm Water Fund to update the City's Watershed Management Plan with the Phase III Flood Mitigation study and recommendations, and to publish the completed Plan.

**Item No. 3 – Redesignate Capital Funds – Auditorium ( Resolution )**

Public Works Director Holly Wilson explained to the Committee that the 2012 City Auditorium Capital Outlay Budget includes \$8,000 for replacement of door frames on the exterior of the building. It is being requested that the Council redesignate this \$8,000 to complete HVAC upgrades at the Auditorium which have recently become a higher priority for 2012. Following discussion, it was moved by Council Member Dokken, seconded by Council Member Johnson, and passed to make the following:

**RECOMMENDATION:** to introduce a resolution redesignating \$8,000 from the 2012 Auditorium Capital Outlay Budget for replacement of exterior door frames to complete needed HVAC upgrades at the Auditorium.

**Item No. 4 – Reports ( Information )**

The Committee received the following January Reports for information: Rice Hospital and Rice Trust.

There being no further business to come before the Committee, the meeting was adjourned at 5:20 p.m. upon motion by Council Member Dokken, seconded by Council Member Johnson, and carried.

Respectfully submitted,

Carol Cunningham  
Accounting Supervisor