

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, APRIL 23, 2012**

The Finance Committee of the Willmar City Council met at 4:45 p.m. on Monday, April 23, 2012, in Conference Room #1 at the City Office Building. Chair Denis Anderson called the meeting to order.

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| Members Present: | Denis Anderson | | Chair |
| | Rick Fagerlie | | Vice Chair |
| | Jim Dokken | | Member |
| | Charlene Stevens | | City Administrator |
| | Steve Okins | | City Finance Director |

Others present included Carol Cunningham, Accounting Supervisor.

Item No. 1 – Capital Asset Policy Amendment (Resolution)

Staff explained to the Committee that a formally written Capital Assets Policy was adopted in July, 2011, setting the capitalization thresholds at levels that had been in place for several years. This policy currently requires that items purchased between \$350 to \$1,000 be recorded on the asset inventory but not capitalized and items purchased for a minimum of \$1,000 be capitalized. Since that time, these thresholds have been reviewed by staff, including a comparison to other communities. As a result, it is being recommended that these levels be increased so that items will be recorded on the inventory but not capitalized for purchases from \$1,000 to \$5,000 and that items in excess of \$5,000 be capitalized. This change would result in cost benefits and savings in staff time required to monitor inventory items. 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 amending the Capital Asset Policy to the new thresholds of \$1,000 to \$5,000 for items to be recorded on the asset inventory but not capitalized and \$5,000 or greater for items to be capitalized.

Item No. 2 – 2013 Budget Process (Information)

Staff explained to the Committee that each department director will be presenting their respective proposed 2013 Budget requests to the Finance Committee as well as their annual reports. The schedule will be as follows: May 14th City Administrator, Fire Chief, CER Director; May 30th Police Chief, Public Works Director; June 11th Planning Director, City Clerk, Finance Director; and June 25th Civic Organizations. Committee Members requested that Rice Hospital, MUC, and HRA present their proposed budgets to the Finance Committee sometime after June 25th. Staff is also working on a final Five-Year Capital Improvement Plan to be presented later this year. It was noted that additional work sessions are anticipated to discuss the Street Improvement Program, Fund Balances, and other aspects of the budget. This matter was for information only.

Item No. 3 – Reports (Information)

The Committee received the following March 31, 2012, Reports for information: 1st Quarter Interest/Dividends by Institution, 1st Quarter Investment Activity, Cash Investment Portfolio, 10-Year Historical Interest/Dividends Per Quarter, 10-Year Historical Investments Per Quarter.

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

Respectfully submitted,

Carol Cunningham
Accounting Supervisor