

**FINANCE COMMITTEE**

**MINUTES**

The Finance Committee of the City of Willmar met on Wednesday, November 30, 2016, in Conference Room No. 1 at the City Office Building.

Present: Denis Anderson ..... Chair  
Tim Johnson ..... Vice-Chair  
Rick Fagerlie ..... Member  
Shawn Mueske ..... Member

Others present: Finance Director Steve Okins, City Administrator Mike McGuire, Rice Hospital Representatives Michael Schramm and Bill Fenske, and Council Member Audrey Nelsen.

Item No. 1 Call to Order

The meeting was called to order by Chair Anderson at 4:45 p.m.

Item No. 2 Public Comments

There were no comments from the public.

Item No. 3 2017 Rice Memorial Hospital Budget (Information)

CEO Michael Schramm and CFO Bill Fenske reviewed the 2017 Forecast and explained the statistics used in preparation of the Forecast and the methodology followed in developing their 2017 projections. Net Operating Revenue for 2017 is projected with a slight increase to be \$107,406,991 and Net Operating Expenses are projected with a slight increase to be \$103,876,138. The estimated Net Income by the end of 2017 is \$4,014,853. Discussion included Inpatient activity which remains flat, the push towards Outpatient services, the positive effects of the Affordable Care Act, and a projected rate increase of 3% next year. This matter was taken for information.

Item No. 4 2017 Street Improvement Program (2 Resolutions)

A. Intent to Reimburse for Costs. Staff explained to the Committee that prior to incurring costs on the 2017 Street Improvement Projects, it is necessary, per bond regulations under the Internal Revenue Code, that the Council adopts a Resolution of Intent to Reimburse. This will ensure the City will be reimbursed for project costs after the date of the resolution.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution establishing procedures relating to compliance with reimbursement bond regulations under the Internal Revenue Code for the 2017 Street Improvement Projects. Council Member Johnson seconded the motion which carried.

B. Budget. Staff presented to the Committee the budget for the 2017 Improvement Projects totaling \$3,450,000. It was noted that Council action is required to approve the budgets outlining the estimated cost and funding sources for the projects. Estimated bond financing for these improvements is \$2,000,000. It was noted that the estimated special assessments listed on this budget is subject to further review.

Following discussion, Council Member Mueske made a motion to introduce a resolution to approve the 2017 Improvement Projects Budget for a total of \$3,450,000 as presented. Council Member Johnson seconded the motion which carried.

There being no further business to come before the Committee, the meeting was adjourned at 5:30 PM by Chair Anderson.

Respectfully submitted,

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

Carol Cunningham  
Accounting Supervisor