

FINANCE COMMITTEE

MINUTES

The Finance Committee of the Willmar City Council met on Monday, July 27, 2015, in Conference Room No. 1 at the City Office Building.

Present: Denis Anderson Chair
Tim Johnson Vice-Chair
Rick Fagerlie Member
Audrey Nelsen Member

Others present: Finance Director Steve Okins, Fire Chief Frank Hanson, Community Education and Recreation Director Steve Brisendine, Mayor Marv Calvin, "West Central Tribune" Journalist David Little, and Accounting Supervisor Carol Cunningham.

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 Fire Department (SCBA) Self Contained Breathing Apparatus (Information)

Staff explained to the Committee that back in December, 2014, the Fire Chief at that time, Gary Hendrickson, discussed with and received approval from City Administrator Charlene Stevens to verbally order 50 Self Contained Breathing Apparatuses with a commitment to purchase them in 2016. The SCBA's and Apparatuses were listed on the 2016 CIP for an estimated \$340,000. Staff noted that it is not common practice for the City to use a verbal order and that, per the City's auditor, there are no legal requirements to honor this order. Fire Chief Frank Hanson and Mayor Marv Calvin have been discussing this matter with the City attorney for any legal ramifications. Chief Hanson stated there are no grants available for the 2015/2016 Fiscal Year and, since Willmar's equipment is currently only one step behind the standard, the City will not be eligible for a grant until 2019. However, the useful life of SCBA's is 15 years and Willmar's equipment will reach that on April 1, 2016, Staff noted that the Council's options in this matter include 1) leaving it as a verbal order with the company assuming full liability, or 2) officially authorizing any or all of the purchase. This matter was for information only.

Council Member Audrey Nelsen arrived at this time.

Item No. 4 Purchase and Re-allocate Funds for the Civic Center Toolcat (Resolution)

Staff explained to the Committee that the 2015 CIP included \$60,000 for the purchase/replacement of the forklift at the Civic Center with a Bobcat Toolcat. The current forklift did not meet OSHA standards for indoor use and was recommended for replacement after a safety walk through of the Civic Center. The Toolcat is an OSHA-approved multi-use machine with forks, snow blower, and mowing attachments, making it more versatile for various tasks. The total purchase price for the new Toolcat is \$67,769.24 from Farm-Rite Equipment, Inc. Staff is requesting \$7,769.24 of unused funds from the purchase of four Kubota mowers be re-allocated for this expenditure. It was noted that this item has already been ordered and received but that it had not been brought to the Committee for approval until now. The Council's policy is that staff is to bring any item on the CIP Budget that is over \$10,000 to the Committee for approval. Staff was directed to review this policy to ensure this issue does not recur. .

Following discussion, Council Member Fagerlie moved to approve the purchase of the Bobcat Toolcat from Farm-Rite Equipment, Inc., in the amount of \$67,769.24 and to re-allocate \$7,769 from the purchase of

four Kubota mowers to cover the actual cost for the Toolcat over the 2015 CIP Budget amount. Council Member Johnson seconded the motion which carried.

Item No. 6 Reports (Information)

The Committee received the following reports: 06/30/15 Cash/Investment Portfolio Report; 06/30/15 Quarterly Investment Activity Report; 06/30/15 Quarterly Interest/Dividends Report; 06/30/15 Ten-Year Historical Quarterly Investments Balances; 06/30/15 Ten-Year Historical Quarterly Interest/Dividends; and 06/30/15 Quarterly Rice Trust Report. This matter was taken for information only.

Item No. 7 Miscellany: Capital Improvements Program (CIP). Council Members noted that the CIP information they recently received is only for 2016 and were wondering about the other four years since it is a five-year plan. Staff explained that the first year (2016) has been ranked and will be included on the 2016 budget. The remaining four years are estimates only but have not yet been ranked. Both Chair Anderson and Mayor Calvin stated the remaining four years' estimates need to be ranked before the final 2016 Mayor's Proposed Budget is presented.

There being no further business to come before the Committee, the meeting was adjourned at 5:25 p.m. by Chair Anderson.

Respectfully submitted,



Carol Cunningham
Accounting Supervisor