FINANCE COMMITTEE

MINUTES

The Finance Committee of the Willmar City Council met on Monday, August 10, 2015, in Conference Room No. 1 at the City Office Building.

Present:	Tim Johnson	……..	Vice-Chair
	Rick Fagerlie	……..	Member
	Audrey Nelsen	……..	Member
	Andrew Plowman	……..	Member

Others present: Finance Director Steve Okins, Interim City Administrator Kevin Halliday, Police Chief Jim Felt, Fire Chief Frank Hanson, Walmart Alcohol Manager Kim Lippert, Willmar Municipal Utilities Finance Director Tim Hunsted, Rice Memorial Hospital Representatives Mike Schramm and Bill Fenske, "West Central Tribune" Journalist David Little, and Accounting Supervisor Carol Cunningham.

Item No. 1 Call to Order

The meeting was called to order by Vice-Chair Johnson at 4:45 p.m.

Item No. 2 Public Comments

There were no comments from the public.

Item No. 3 Liquor License Violations (Information)

Staff reported to the Committee that the Willmar Police Department conducted alcohol compliance checks on 16 on-sale and 5 off-sale liquor establishments in the City of Willmar. As a result, all of these businesses passed the compliance check with the exception of Walmart and Grizzly's. This is the first failed compliance check for Walmart and the second failed compliance check for Grizzly's. A first violation requires the license holder to appear at a City Council Committee Meeting to explain measures being taken to eliminate future violations. A second violation requires the license holder to be fined $1,000 or request a hearing to appeal the penalty. Kim Lippert, Walmart Alcohol Manager, was present to explain to the Committee what measures they are undertaking to eliminate future violations. Grizzly's paid their fine in full on August 3, 2015; consequently, they will not be requesting a hearing to appeal. This matter was for information only.

Item No. 4 Possible Sale of Decommissioned Squad Cars (Resolution)

Police Chief Jim Felt explained to the Committee that the Police Department (WPD) has three Chevrolet Impala squad cars that are scheduled for decommission and sale as part of the City Vehicle Replacement Program. The Minnesota Highway Safety Research Center (MHSRC – St. Cloud / a division of St. Cloud State University) would like to directly purchase the vehicles for use in the emergency vehicle operators training. Staff is requesting authorization to sell the three decommissioned squad cars directly to the MHSRC in return for training voucher dollars for drivers training. MHSRC has offered $4,000 in vouchers per vehicle, will take them as-is, and will incorporate the emergency equipment that cannot be re-used by the WPD. Historically, the City has sold these squads on the City auction, averaging $3,900 per vehicle. It was noted that additional expenses of an auction would include the cost of removing all emergency equipment and a 5% auctioneer fee. The MHSRC voucher dollars would be used for WPD officers to attend the mandatory emergency vehicle operators' courses which typically cost about $600 per officer. By utilizing a sale to MHSRC, the City can retain a higher value on the squad cars and directly reduce costs for recertification of officers.

Following discussion, Council Member Fagerlie moved to introduce a resolution to approve the sale of the three decommissioned Chevrolet Impala squad cars to MHSRC for $4,000 in vouchers per vehicle. Council Member Nelsen seconded the motion which carried.

Item No. 5 Willmar Municipal Utilities 05/31/15 Financial Report (Information)

Willmar Municipal Utilities (WMU) Finance Director Tim Hunsted presented their Financial Report as of May 31, 2015. Both revenues and expenditures are below budget for the period to date reflecting a net loss of $725,276 as of May 31, 2015. It was noted that rate increases went into effect in June. This matter was for information only.

Item No. 6 Rice Memorial Hospital 06/30/15 Financial Report (Information)

Rice Hospital Chief Financial Officer Bill Fenske presented their Financial Report as of June 30, 2015, which reflected a net income of $2,177,751 compared to a net loss of $2,698,460 a year ago. It was noted that inpatient volumes are up and expenses are down. CEO Mike Schramm updated the Committee regarding ICCU's integration into general hospital areas which provides more support staff for rooms near nurses' stations. He also reported on anticipated changes to Rehab Services. This matter was for information only.

Item No. 7 Set Special Assessment Hearing for Unpaid Weed/Grass Mowing (Motion)

Staff presented to the Committee a list of properties that have not paid the charges for weed and grass mowing. Pursuant to Municipal Code, Chapter 9, Article III, concerning the cutting of weeds or grass and in the case of noncompliance, such work is to be performed by the City or its agent. The costs thereof can be certified as a special assessment against the property in question. The Committee asked staff to review standard mowing fees to determine whether or not changes are warranted.

Following discussion, Council Member Fagerlie moved to set a public hearing for 7:01 p.m. on September 8, 2015, to consider objections to the proposed assessment for the mowing costs incurred. Council Member Nelsen seconded the motion which carried.

Item No. 8 Set Special Assessment Hearing for Unpaid Garbage Removal (Motion)

Staff presented to the Committee a list of properties that have not paid the charges for garbage removal. Pursuant to Municipal Code, Chapter 12, Article II, concerning the removal of nuisance conditions by the City, the costs thereof can be certified as a special assessment against the property in question.

Following discussion, Council Member Nelsen moved to set a public hearing for 7:02 p.m. on September 8, 2015, to consider objections to the proposed assessment for the garbage removal costs incurred. Council Member Plowman seconded the motion which carried.

Item No. 9 Set Special Assessment Hearing for Unpaid Snow/Ice Removal (Motion)

Staff presented to the Committee a list of properties that have not paid the charges for snow or ice removal. Pursuant to Municipal Code, Chapter 13, Article III, concerning the removal of snow or ice from sidewalks, the costs thereof can be certified as a special assessment against the property in question.

Following discussion, Council Member Plowman moved to set a public hearing for 7:03 p.m. on September 8, 2015, to consider objections to the proposed assessment for the snow or ice removal costs incurred. Council Member Nelsen seconded the motion which carried.

Item No. 10 Maintenance Work at Aquatic Center (Information)

Staff reported to the Committee that this item has been deferred to the Public Works/Public Safety Committee meeting on August 11, 2015.

Item No. 11 Fire Department Verbal SCBA Order (No Action Taken)

As requested by Chair Denis Anderson, the issue of the verbal SCBA order placed in December, 2014, has been returned to the Committee to become an official motion. After review, the City Attorney indicated that if the City wishes to lock in the price of purchasing the full $330,000+ worth of equipment in 2016 without legally committing to such purchase at this time, and the seller is okay without receiving a legal commitment to purchase, Attorney Scott would "…recommend the City Council pass a motion to approve the purchase as proposed, but which is contingent on 1) the City including such expenditure in its official 2016 budget (or CIP, as applicable); and 2) City staff not executing any contracts, purchase orders or other documents related to the purchase until after the 2016 budget (or CIP, as applicable) has been officially adopted and includes such expenditure."

Following considerable discussion, Council Member Nelsen moved to approve the purchase as proposed contingent on the City including the SCBA Purchase in its 2016 budget and City staff not executing any contracts, purchase orders or other documents related to the purchase until after the 2016 budget has been officially adopted and includes this expenditure. There was no second to this motion which consequently failed.

Item No. 12 Reports (Information)

The Committee received the following report: 07/31/15 CVB Financial Report. Council Member Nelsen raised a concern that the CVB Board should review these reports before they are provided to the Council. This matter was taken for information only.

There being no further business to come before the Committee, the meeting was adjourned at 5:50 p.m. by Vice-Chair Johnson.

Respectfully submitted,

Carol Cunningham

Carol Cunningham
Accounting Supervisor