

**FINANCE COMMITTEE**

**MINUTES**

The Finance Committee and Full Council of the City of Willmar met on Monday, September 14, 2015, in the Council Chambers at the Willmar Municipal Utilities Building.

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

Others present: Council Member Steve Ahmann, Council Member Ron Christianson, Council Member Andrew Plowman, Finance Director Steve Okins, Interim City Administrator/City Clerk Kevin Halliday, Community Ed & Rec Director Steve Brisendine, Public Works Director Sean Christensen, Police Chief Jim Felt, Fire Chief Frank Hanson, Planner/Airport Manager Megan DeSchepper, IT Coordinator Ross Smeby, "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. who noted that this is a Finance Committee meeting with full council participation for purposes of discussing the 2016 Mayor's Proposed Budget and Capital Improvement Program.

Item No. 2      Public Comments

There were no comments from the public.

Item No. 3      Consideration of EDC 2016 Budget and Levy Presentation (Motion)

Steve Renquist, EDC Executive Director, reviewed the EDC 2016 Budget with the Council. Anticipated revenue for 2016 totals \$522,981 and includes the County Tax Levy of \$477,750. The levy was increased 5% or \$22,750 from previous years. The EDC is also proposing to utilize \$23,332 from the agency's reserves as a funding source. The overall budgeted expenditures for 2016 total \$522,981 which results in no change from 2015. Mr. Renquist stated this budget includes a proposed 5% increase in each of the salaries for the Director, the Assistant Director and the Business Development Specialist.

Following discussion, the proposed 2016 EDC Budget, including the tax levy, was approved upon motion by Council Member Fagerlie, seconded by Council Member Nelsen and carried.

Item No. 4      Local Option Sales Tax Audit (Information)

Staff explained that on September 3, 2015, Penny Demko of the Sales and Use Tax Division of the Department of Revenue called to say that the State has finalized an audit with a large employer in the City of Willmar and that there will be a rebate to the company of approximately \$159,000 for Willmar's Local Option Sales Tax program which ended December 31, 2012. There is a 3 ½ to 4 year audit life after this ending date, with the State continuing to do small audits for various companies. Final settlement with the City of Willmar is anticipated to occur at the beginning of the 4<sup>th</sup> quarter 2016. Staff is reviewing commitments and contract close outs to determine if any funds are available to pay this amount back to the State. Council Member Nelsen requested information that was previously distributed to the Council reflecting the various projects with Local Option Sales Tax fund commitments.

This matter was for information only.

Item No. 5      12/31/14 City of Willmar Financial Statements (Information)

Staff explained that the City of Willmar has received notification from the State Auditor's office that the 12/31/14 financial statements are to be submitted by no later than 09/30/15 or the City will be subject to lose its 12/15/15 Local Government Aid payment of \$2,244,657. It was noted that On June 25, 2015, the City's financial statements were uploaded to the State of Minnesota using the State electronic format and a request for a filing extension for the Comprehensive Annual Financial Report was submitted. City staffing levels have caused workload and scheduling difficulties that are continually being worked on. Staff conversations with both the City and State Auditor's offices are ongoing to establish a schedule to meet the September 30<sup>th</sup> timeline to assure no loss of LGA to the City. Staff will provide copies when filed. The City's auditor is scheduled to be present at the 09/28/15 Finance Committee Meeting. Council Member Nelsen stated her concerns regarding this issue and requested updates of progress. She also wants to institute checks and balances for deadline dates. Council Member Christianson stated he has full faith in staff, doesn't blame anyone, and would like to know who signs off on the Financial Statements. Finance Director Okins responded that the Finance Director does.

This matter was for information only.

Item No. 6      Consideration of Proposed 2016 Capital Improvements Programs (Motions)

Chair Anderson explained that the Mayor, Finance Director and Interim City Administrator prepared the Proposed 2016 Capital Improvements Program Budget and included a minimal number of items. These items are being presented at this time for Council's determination whether or not to retain them in the budget. Discussion began with the Vehicle Replacements proposed for 2016.

A new Fire Pumper is proposed by staff for purchase in the amount of \$650,000, with the Mayor reducing the amount to \$400,000, to replace a 1988 vehicle. The higher priced Pumper would be a multisystem truck that would haul water, have a command center inside, and have an SCBA Fill Station. It would serve as a City/Rural/Mutual Aid truck and would have an estimated 25-year life cycle. The lower priced Pumper would have a commercial chassis, would not have a command center, and would have an estimated 20-year life cycle.

Following discussion Chair Anderson made a motion to include \$650,000 in the 2016 Capital Improvement Program to purchase a Fire Pumper. Council Member Fagerlie seconded the motion.

Questions were asked about how often the vehicle would be used (at least 300 times per year for fires and training), if other departments have a vehicle like this (Willmar would probably be the only one in the County), what is wrong with the current vehicle and do we have a backup vehicle (the current vehicle is a backup and it is anticipated that additional maintenance will be needed on it soon). Council Member Nelsen asked if it would work to wait until next year to purchase the Pumper for \$650,000 instead of settling for the one for \$400,000 this year. Fire Chief Hanson responded that by then the additional repairs would be needed and the value of the vehicle as well as the salability would be lower. Council Member Nelsen asked what efficiencies would be created by having the more expensive Pumper. Fire Chief Hanson stated the firemen would have easier conversation because it would be a command center and not have to resort to using a pickup for that. Also they would have the ability to have internet on multiple devices for researching issues and for monitoring firemen. Council Member Fagerlie asked how inflation would affect the price if we wait a year. Fire Chief Hanson stated he had been informed the price would increase around 6% by next year.

Council Member Christianson stated his concern about spending the additional \$250,000 and made a motion to reduce the dollar amount to \$400,000. Council Member Ahmann seconded the motion which carried on a 4-3 vote with Council Members Johnson, Fagerlie, and Nelsen voting no. The original motion was similar and required no vote.

A new Patrol Car is proposed by staff for purchase in the amount of \$41,483 which would replace a 2006 unmarked vehicle. This amount is higher because additional equipment would need to be purchased to outfit the vehicle for police use. Following discussion, Chair Anderson made a motion to include \$41,483 in the 2016 Capital Improvement Program to purchase a new Police Patrol Car to replace the 2006 vehicle. Council Member Christianson seconded the motion which carried.

Three new Patrol Cars are proposed by staff for purchase in the amount of \$39,508 each replacing one 2008 vehicle and two 2013 vehicles. Following discussion, Chair Anderson made a motion to include the purchase of three vehicles at \$39,508 each in the 2016 Capital Improvement Program. Council Member Christianson seconded the motion which carried.

A new Bobcat Toolcat is proposed by staff for purchase in the amount of \$60,000 to replace the existing Toolcat in the Public Works Department. Questions were raised as to why this Toolcat would be \$7,000 less than the one recently purchased for the Civic Center. Staff explained that there were extra features required on the Civic Center Toolcat which are not needed on the one for Public Works. Following discussion, Chair Anderson made a motion to include the purchase of a Bobcat Toolcat for the Public Works Department in the amount of \$60,000. Council Member Nelsen seconded the motion which carried.

A new Public Works Pickup is proposed by staff for purchase in the amount of \$37,500 to replace the existing 2006 Ford F350 ½-Ton Pickup. Following discussion, Chair Anderson made a motion to include the purchase of a new Public Works Pickup in the amount of \$37,500 to replace the 2006 Ford F350 ½-Ton Pickup. Council Member Christianson seconded the motion which carried.

A new Public Works Pickup is proposed by staff for purchase in the amount of \$49,000 to replace the existing 2004 Ford F350 1-Ton Pickup. Following discussion, Chair Anderson made a motion to include the purchase of a new Public Works Pickup in the amount of \$49,000 to replace the 2004 Ford F350 1-Ton Pickup. Council Member Nelsen seconded the motion which carried.

A new Gator for the Waste Treatment Plant is proposed by staff for purchase in the amount of \$18,500 to replace the existing 2006 Gator. Following discussion, Chair Anderson made a motion to include the purchase of a new Gator for the Waste Treatment Plant in the amount of \$18,500 to replace the 2006 Gator. Council Member Nelsen seconded the motion which carried.

Proposed Capital Allocations for 2016 were discussed, beginning with Information Technology. Installation of Wi-Fi at the Community Center is proposed by staff estimated at \$10,000. It was noted that Wi-Fi is currently available at the Community Center in one room as well as hardwired computers with internet access. Council Member Christianson spoke against this expenditure stating \$10,000 is a lot of money. Council Member Ahmann does not support this project either and asked why the roof replacement project at the Community Center has not been scheduled. CER Director Steve Brisendine stated that staff is well aware of the roof problem but is waiting for the Facility Study to be completed. Following discussion, Chair Anderson made a motion to include the installation of Wi-Fi at the Community Center in the amount of \$10,000. Council member Nelsen seconded the motion which failed on a 1-6 vote with Council Members Ahmann, Christianson, Plowman, Anderson, Johnson, and Fagerlie voting no.

Installation of Wi-Fi at Taunton Stadium is proposed by staff estimated at \$20,000. Council Member Christianson spoke against this project. Following discussion, Chair Anderson made a motion to include the installation of Wi-Fi at Taunton Stadium in the amount of \$20,000. Council Member Fagerlie seconded the motion which failed on a unanimous vote.

Purchase of a Video Server at the WRAC-8 studio is proposed by staff estimated at \$10,000. It would be a Standard Definition (SD) server and it was noted that the anticipated addition of a fourth channel would be unable to broadcast without this SD server. Following discussion, Chair Anderson made a motion to include the purchase of an SD Video Server for the WRAC-8 studio in the amount of \$10,000. Council Member Fagerlie seconded the motion which carried.

Purchase of a New City Website is proposed by staff estimated at \$25,000. Staff reported issues with the current website, including complaints regarding difficult navigation, etc. Council Member Plowman asked if quotes were being obtained from providers with government experience. It was noted this has been done. Council Member Ahmann suggested providing blogging capabilities on the new website. Following discussion, Chair Anderson made a motion to include the purchase of a New City Website in the amount of \$25,000. Council Member Johnson seconded the motion which carried.

Purchase of New Server Switches is proposed by staff estimated at \$31,000. Server switches rout traffic for users. Following discussion, Chair Anderson made a motion to include the purchase of New Server Switches in the amount of \$31,000. Council Member Fagerlie seconded the motion which carried.

Purchase of a Server Room Generator is proposed by staff estimated at \$20,000. It was noted power outages have occurred during the past year and having a generator would alleviate issues that arise from those situations. Council Member Ahmann asked about sharing a generator with Christianson & Associates. IT Coordinator Smeby felt that option may not be cost effective. Following discussion, Chair Anderson made a motion to include the purchase of a Server Room Generator in the amount of \$20,000. Council Member Nelsen seconded the motion which carried on a 6-2 vote with Council Members Christianson and Johnson voting no.

Purchase of New Server Switches for the Waste Treatment Plant is proposed by staff estimated at \$25,000. Following discussion, Chair Anderson made a motion to include the purchase of New Server Switches for the Waste Treatment Plant in the amount of \$25,000. Council Member Christianson seconded the motion which carried.

Proposed Capital Allocations for 2016 continued with the Fire Department requests. Purchase of 50 SCBA Packs for the Fire Department is proposed by staff estimated at \$275,000. It was noted that there is no obligation with the company at this time. Following discussion, Chair Anderson made a motion to include the purchase of 50 SCBA Packs for the Fire Department in the amount of \$275,000. Council Member Christianson seconded the motion which carried.

Purchase of 50 SCBA Bottles for the Fire Department is proposed by staff estimated at \$65,000. Following discussion, Chair Anderson made a motion to include the purchase of 50 SCBA Bottles for the Fire Department in the amount of \$65,000. Council Member Fagerlie seconded the motion which carried.

Purchase of an SCBA Compressor for the Fire Department is proposed by staff estimated at \$40,000. It was noted that the current compressor is from 1995 and they typically last 20 years. Following discussion, Chair Anderson made a motion to include the purchase of an SCBA Compressor for the Fire Department in the amount of \$40,000. Council Member Christianson seconded the motion which carried.

Purchase of Extraction Equipment for the Fire Department is proposed by staff estimated at \$35,000. Council Member Ahmann asked if the City could use the existing County extraction equipment. Fire Chief Hanson explained those are hydraulically powered where the new ones being requested would be battery operated. Council Member Christianson spoke against this item stating the County Rescue Squad is there for performing extraction duties and the Fire Department fights fires. Following discussion, Chair Anderson made a motion to include the purchase of Extraction Equipment for the Fire Department in the amount of \$35,000. Council Member Nelsen seconded the motion which failed on a 3-4 vote with Council Members Christianson, Ahmann, Plowman, and Johnson voting no.

Roof Replacement on the Fire Station is proposed by staff estimated at \$48,500. Following discussion, Chair Anderson made a motion to include the Roof Replacement Project at the Fire Station in the amount of \$48,500. Council Member Christianson seconded the motion which carried.

Proposed Capital Allocations for 2016 continued with the Engineering Department requests. Updating Survey Equipment is proposed by staff estimated at \$50,000. Following discussion, Chair Anderson

made a motion to include Updating the Survey Equipment for the Engineering Department in the amount of \$50,000. Council Member Christianson seconded the motion which carried.

Pavement Management is proposed by staff estimated at \$3,000,000. Council Member Ahmann asked how much of this would be for sealcoating and crack filling. Public Works Director Christensen explained the entire \$3,000,000 is earmarked for reconstruction and overlays. He also noted that the MUC portion of street work costs is taken into consideration as well, in response to Council Member Nelsen's question. Following discussion, Chair Anderson made a motion to include Pavement Management in the amount of \$3,000,000. Council Member Christianson seconded the motion which carried.

Storm Sewer Design work is proposed by staff estimated at \$200,000. Following discussion, Chair Anderson made a motion to include Storm Sewer Design in the amount of \$200,000. Council Member Christianson seconded the motion which carried.

Proposed Capital Allocations for 2016 continued with the Public Works Department requests. Purchase of a new Paint Striping Machine is proposed by staff estimated at \$12,000. Following discussion, Chair Anderson made a motion to include the purchase of a Paint Striping Machine for the Public Works Department in the amount of \$12,000. Council Member Nelsen seconded the motion which carried.

Replacement of Public Works Garage Lighting is proposed by staff estimated at \$35,000. Public Works Director Christensen noted that the existing lighting will be replaced with LED lighting. Following discussion, Chair Anderson made a motion to include the Replacement of Public Works Garage Lighting in the amount of \$35,000. Council Member Christianson seconded the motion which carried.

Roof Repair at the Public Works Garage is proposed by staff estimated at \$40,000. Following discussion, Chair Anderson made a motion to include the Roof Repair on the Public Works Garage in the amount of \$40,000. Council Member Christianson seconded the motion which carried.

Purchase of a Pressure Washer for the Public Works Department is proposed by staff estimated at \$9,000. It was noted that the current machine is 20 years old. Following discussion, Chair Anderson made a motion to include the purchase of a Pressure Washer for the Public Works Department in the amount of \$9,000. Council Member Christianson seconded the motion which carried.

Proposed Capital Allocations for 2016 continued with the Airport Department requests. Airport Manager Megan DeSchepper noted that four of the items listed are to be removed to a future year: Fencing Plans & Specs, Back-Up Generator, Environmental Assessment, and Land Acquisition Road 116. Preparation of an Airport Master Plan is proposed for 2016 by staff estimated at \$250,000. It was noted that the Federal Government requires this Plan be completed every 20 years and that the last one was done in 1997. Following discussion, Chair Anderson made a motion to include the Airport Master Plan in the amount of \$250,000. Council Member Christianson seconded the motion which carried.

Overlay of Taxi Lanes by the East Hangar at the Airport is proposed by staff estimated at \$250,000. Following discussion, Chair Anderson made a motion to include the Overlay of Taxi Lanes by the East Hangar at the Airport in the amount of \$250,000. Council Member Nelsen seconded the motion which carried.

Purchase/Installation of a Credit Card System for Jet Fuel at the Airport is proposed by staff estimated at \$20,000. Following discussion, Chair Anderson made a motion to include the Purchase/Installation of a Credit Card System for Jet Fuel at the Airport in the amount of \$20,000. Council Member Nelsen seconded the motion which carried.

Establishment a NavAid Access Road at the Airport is proposed by staff estimated at \$55,000. It was noted this road is needed to access equipment. Following discussion, Chair Anderson made a motion to include the NavAid Access Road at the Airport in the amount of \$55,000. Council Member Fagerlie seconded the motion which carried.

Tiling and Drainage at the Airport is proposed by staff estimated at \$31,500. It was noted this is needed to help alleviate drainage issues. Following discussion, Chair Anderson made a motion to include Tiling and Drainage at the Airport in the amount of \$31,500. Council Member Fagerlie seconded the motion which carried.

Proposed Capital Allocations for 2016 continued with the Leisure Services Department requests. Park Development of Rice Park is proposed by staff estimated at \$706,000. CER Director Brisendine explained that this would include demolition of the wading pool, tennis courts, basketball court, and shelter. It would further include construction of a three-season shelter, a splash pad, pathways, and addressing ADA issues. Chair Anderson made a motion to include the Park Development of Rice Park in the amount of \$706,000. Council Member Nelsen seconded the motion.

Council Member Christianson stated that this is too much to spend on one park at this time and that there is needed street work to be done. He also feels all aquatic facilities should be in one area at the Aquatic Center.

Council Member Johnson raised the question that if we build it, will they come?

Council Member Nelsen feels the City is very far behind in our park system and encourages the Council to stay positive in promoting our community. The City needs to make a commitment to move this project forward. Various organizations are waiting to see what the City will be doing before initiating a fund raising campaign.

Council Member Fagerlie raised concerns about the lack of parking and proposed moving the splash pad to Robbins Island which is to be established as a regional park that would qualify for grants to assist with this project.

Council Member Ahmann raised concerns that the Council hasn't received information for this project regarding maintenance costs, annual operating/staffing costs, useful life cycle of the facility, and traffic/parking issues.

Council Member Plowman supports parks and development but is concerned about maximizing the dollar benefit. Since it is apparent the Council Members do not agree on this project as presented, he proposed amending the motion as follows: include \$706,000 for Park Development with details to follow once the Council has discussed this issue further and sets guidelines and parameters. Council Member Fagerlie seconded this amended motion which carried on a 4-3 roll call vote with Council Member Johnson, Ahmann, and Christianson voting no.

The meeting recessed at 7:25 PM and reconvened at 7:30 PM.

Proposed Capital Allocations for 2016 continued with the Civic Center requests. Replacement of the Cedar Shakes on the exterior of the Civic Center is proposed by staff estimated at \$95,000. Following discussion, Chair Anderson made a motion to include the Cedar Shake Replacement at the Civic Center in the amount of \$95,000. Council Member Christianson seconded the motion which carried.

Installation of a Reverse Osmosis Water System at the Civic Center is proposed by staff estimated at \$23,000. Following discussion, Chair Anderson made a motion to include the Installation of a Reverse Osmosis Water System at the Civic Center in the amount of \$23,000. Council Member Christianson seconded the motion which carried.

Proposed Capital Allocations for 2016 continued with the Aquatic Center request. Replacement of the Pool Heater at the Aquatic Center is proposed by staff estimated at \$40,000. It was noted that the useful life is estimated at 10 to 15 years and the current heater is 11 years old. Following discussion, Chair Anderson made a motion to include the Pool Heater Replacement at the Aquatic Center in the amount of \$40,000. Council Member Nelsen seconded the motion.

Council Member Ahmann amended the motion for this \$40,000 to be part of the Park Development funds just approved for \$706,000. Council Member Christianson seconded the motion which failed on a roll-call vote of 3-4 with Council Members Fagerlie, Nelsen, Plowman, and Anderson voting no.

The original motion to include the Pool Heater Replacement at the Aquatic Center in the amount of \$40,000 was then voted on and passed.

Proposed Capital Allocations for 2016 continued with the Auditorium requests. Replacement of the Lighting in the Auditorium is proposed by staff estimated at \$20,000. It was noted the new lights would be LED. Following discussion, Chair Anderson made a motion to include the Lighting Replacement at the Auditorium in the amount of \$20,000. Council Member Ahmann seconded the motion which carried.

Replacement of the Ceiling in the Auditorium is proposed by staff estimated at \$110,000. It was noted the existing ceiling has deteriorated and this project would be in conjunction with the lighting replacement just discussed. Following discussion, Chair Anderson made a motion to include the Ceiling Replacement at the Auditorium in the amount of \$110,000. Council Member Fagerlie seconded the motion which carried.

Council Member Nelsen stated her concerns about why the Council has not received a report on the status of the heating and cooling system at the Auditorium. She wants to know why the cooling system has not been addressed until next year's budget, what happened and who is accountable. She would also like an opportunity to come back to the Council with additions if needed.

Proposed Capital Allocations for 2016 continued with the Waste Treatment Program requests. Computer Software Upgrades for the Waste Treatment Plant is proposed by staff estimated at \$146,000. Following discussion, Chair Anderson made a motion to include the Computer Software Upgrades for the Waste Treatment Plant in the amount of \$146,000. Council Member Fagerlie seconded the motion which carried.

Computer Hardware Upgrades for the Waste Treatment Plant is proposed by staff estimated at \$87,000. Following discussion, Chair Anderson made a motion to include the Computer Hardware Upgrades for the Waste Treatment Plant in the amount of \$87,000. Council Member Nelsen seconded the motion which carried.

Phase II Westwood Court Liftstation Construction for the Waste Treatment Plant is proposed by staff estimated at \$950,000. Following discussion, Chair Anderson made a motion to include the Phase II Westwood Court Liftstation Construction for the Waste Treatment Plant in the amount of \$950,000. Council Member Ahmann seconded the motion which carried.

Replacement of Two Raw Waste Water Municipal Pumps for the Waste Treatment Plant is proposed by staff estimated at \$100,000. Following discussion, Chair Anderson made a motion to include the Replacement of Two Raw Waste Water Municipal Pumps for the Waste Treatment Plant in the amount of \$100,000. Council Member Christianson seconded the motion which carried.

Streets Sewer Replacement for the Waste Treatment Plant is proposed by staff estimated at \$50,000. Following discussion, Chair Anderson made a motion to include the Streets Sewer Replacement for the Waste Treatment Plant in the amount of \$50,000. Council Member Fagerlie seconded the motion which carried.

Phase I Fairgrounds Liftstation for the Waste Treatment Plant is proposed by staff estimated at \$120,000. It was noted this is for the Design Phase of this liftstation. Following discussion, Chair Anderson made a motion to include the Phase I Fairgrounds Liftstation (Design Phase) for the Waste Treatment Plant in the amount of \$120,000. Council Member Ahmann seconded the motion which carried.

Overlay Biosolid Driveway Project for the Waste Treatment Plant is proposed by staff estimated at \$40,000. It was noted this driveway was originally built in 1996. Following discussion, Chair Anderson made

a motion to include the Overlay Biosolid Driveway Project for the Waste Treatment Plant in the amount of \$40,000. Council Member Nelsen seconded the motion which carried.

Industrial Stormwater Permit for the Waste Treatment Plant is proposed by staff estimated at \$20,000. It was noted this is an annual permit required by the MPCA. Following discussion, Chair Anderson made a motion to include the Overlay Biosolid Driveway Project for the Waste Treatment Plant in the amount of \$20,000. Council Member Fagerlie seconded the motion which carried.

HVAC for the Administration Building at the Waste Treatment Plant is proposed by staff estimated at \$30,000. It was noted this is specifically for the lab. The existing HVAC system does not adequately maintain cooling and dehumidification in the lab and this problem needs to be addressed. Following discussion, Chair Anderson made a motion to include the HVAC for the Administration Building at the Waste Treatment Plant in the amount of \$30,000. Council Member Ahmann seconded the motion which carried.

It was noted that as a result of tonight's meeting, there have been a total of \$441,500 of available funds unappropriated for the 2016 Proposed Budget. Chair Anderson expressed his appreciation to staff and to the council members for their efforts for tonight's meeting.

There being no further business to come before the Committee, the meeting was adjourned at 7:50 p.m.

Respectfully submitted,



Carol Cunningham  
Accounting Supervisor