

FINANCE COMMITTEE

MINUTES

The Finance Committee of the Willmar City Council met on Monday, February 24, 2014, in Conference Room No. 1 at the City Office Building.

Present:	Denis Anderson	.....	Chair
	Tim Johnson	.....	Vice Chair
	Rick Fagerlie	.....	Member
	Audrey Nelsen	.....	Member
	Steven B. Okins	.....	Finance Director

Others present: Wes Hompe and Tim Hunstad, Municipal Utilities; and City Council Member Jim Dokken.

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 Willmar Municipal Utilities 2013 Financial Report (Information)

Staff presented the Willmar Municipal Utilities 2013 Financial Report. Wes Hompe presented to the Committee the 2013 Financial Report which included Revenues, Operating Income, and Operating Expenses. Revenues were down from the annual budget due to electrical consumption being down. This matter was for information only.

Item No. 4 Willmar Township Fire Contract (Resolution)

Staff reviewed with the Committee the proposed Fire Protection Contract with Willmar Township. The state-wide formula used to calculate the amount due from the Township is based on information from the previous year, which includes operating costs of the Fire Department, depreciation of the fire station and equipment, the number of firefighter hours used and market values of the area covered in Willmar Township.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution authorizing the Mayor and the City Administrator to execute the agreement as presented in the amount of \$47,706.46. Council Member Nelsen seconded the motion which carried.

Item No. 5 2014 Street Improvement Budgets (Resolutions)

Staff presented the 2014 Street Improvement Budget for five individual projects. The reason individual budgets are required is due to the various financing requirements to fund the improvements. The projects were for reconstruction, overlay, new construction and street lighting.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution to approve the 1401 Preliminary Project Budget at \$965,700. Council Member Nelsen seconded the motion which carried.

Following discussion, Council Member Nelsen made a motion to introduce a resolution to approve the 1403 Preliminary Project Budget at \$372,150. Council Member Johnson seconded the motion which carried.

Following discussion, Council Member Johnson made a motion to introduce a resolution to approve the 1404 Preliminary Project Budget at \$390,110. Council Member Fagerlie seconded the motion which carried.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution to approve the 1405 Preliminary Project Budget at \$3,771,900. Council Member Nelson seconded the motion which carried.

Following discussion, Council Member Nelsen made a motion to introduce a resolution to approve the 1407 Preliminary Project Budget at \$58,190. Council Member Johnson seconded the motion which carried.

The committee then discussed the need to set a public hearing in order to be able to finance a portion of the program with G.O. Improvement Bonds. Council Member Fagerlie made a motion to introduce a resolution setting a Public Hearing for March 17, 2014, to consider an Ordinance Authorizing the issuance of \$1,205,000 in G.O. Improvement Bonds. Council Member Johnson seconded the motion which carried.

Item No. 6 Lakeland Drive Financing (Resolutions)

Staff presented the Minnesota Public Facilities Authority loan application for the MinnWest Lift Station and Lakeland Drive sewer project for review. There were some questions on projected costs listed in the application and staff will work with the consulting engineers to verify that the numbers on the application match those of the recent rate study that was completed by Springsted. Council Member Nelson made a motion to introduce a resolution authorizing an Application to the MPFA for loan. Council Member Fagerlie seconded the motion which carried.

Following discussion Council Member Fagerlie made a motion to introduce a resolution to set a Public Hearing for March 17, 2014 to consider an Ordinance Authorizing the issuance of G.O. Revenue Notes in the amount of \$2,730,000. Council Member Nelsen seconded the motion which carried.

Item No. 7 1302 Final Budget (Resolution)

Staff presented the 1302 Final Budget which is based on the Council approved contracts for Willmar Avenue, Willmar Avenue Quiet Zone, and 4th Avenue in the Industrial Park. After committee review Council Member Fagerlie made a motion to introduce a resolution to approve the Final Budget for Project 1302 at \$2,379,768. Council Member Nelsen seconded the motion which carried.

Item No. 8 Local Option Sales Tax Summary Report (Information)

Staff presented the status of the Local Option Sales Tax Fund, informing the Committee that the second Local Option Sales Tax expired on December 31, 2012. The fund (220) was closed in 2012 by City Council action and the remaining funds (\$8,899,441) were transferred to the Industrial Development Fund (205) and designated for the redevelopment of the old City airport land. Other activity in 2012 was the recapture of funds for the Willmar Avenue realignment, due to land release issues with the FAA, the payment of taxes, and the removal of FAA equipment. The balance starting 2013 was \$9,347,031.

The committee reviewed the 2013 activity of Industrial Land Reclamation, the Western Collector, Project 1302 Willmar Avenue realignment and Quiet Zone, Robbins Island Bike Path and Market Value Reductions. Also discussed were projects approved for 2014 of Civic Center Improvements, Industrial Park Development, Bike Path Improvements and preliminary work on the Lakeland Drive Bike Path.

The committee received this for information at this time, directing staff to review the present policy of allocating the Investment Market Value fluctuations for discussion at the next meeting, so the committee could reinstate a possible \$722,393 for eligible projects. The committee would also like to have more

discussion on total costs for all projects past, present and future at its next meeting.

Item No. 9 Old Business (Information)

There was no old business.

Item No. 10 New Business (Information)

There was no new business

There being no further business to come before the Committee, the meeting was adjourned at 5:55 p.m. by Chair Anderson.

Respectfully submitted,

Steve B. Okins
Finance Director