

**FINANCE COMMITTEE**

**MINUTES**

The Finance Committee of the Willmar City Council met on Monday, April 28, 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

Others present: City Administrator Charlene Stevens, Finance Director Steve Okins, City Clerk Kevin Halliday, Community Education and Recreation Director Steve Brisendine, Kandiyohi Area Transit Director Tiffany Collins, Mayor Frank Yanish, Council Member Bruce DeBlieck, Council Member Ron Christianson, Gary Gilman, Donavon Kuehl, Christine Weitzel, "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

Gary Gilman expressed his support for the proposed improvements to the Auditorium, stating it is one of Willmar's greatest assets. He also raised concerns about security issues, negligence and why these improvements weren't done years ago.

Donovan Kuehl expressed his support for making improvements particularly to the gun range in the Auditorium.

Christine Weitzel also stated the Auditorium is an asset to the community and as a community building it needs to be reopened.

Item No. 3      Funding for Additional Costs for Auditorium Improvements

Staff explained that at the last City Council meeting, the Master Plan for the City Auditorium Improvements was reviewed. At that time, Council approved implementation of Steps 1 and 2 and referred Step 3 to the Finance Committee to discuss bid alternatives and potential funding sources. It was noted that \$250,000 has previously been designated in the Capital Improvements Program for City Auditorium/Indoor Gun range improvements. An additional \$340,000 will be needed to complete Steps 1 through 3. City Clerk Halliday presented the following options to the Committee: 1) use \$250,000 from the \$1,000,000 self-insurance deductible reserve; 2) seek general obligation bonding; 3) use prior-year capital appropriations that are no longer needed; 4) eliminate other 2014 Capital Improvement Program (CIP) projects; 5) determine if departmental expenditures may be less than anticipated; 6) determine if additional revenue may be received over amount budgeted; 7) designate the audited prior year surplus; and 8) temporary funding from the Public Improvement Revolving Fund to be replenished through the budgeting process. Council Member Fagerlie asked about using Local Option Sales Tax Funds for this project. It was noted that the LOST program was closed so Council could legally authorize uses other than what voters and the legislature approved.

After considerable discussion, it was the consensus of the Committee to direct staff to determine funds available from the Self-Insurance Deductible Reserve, the Public Improvements Revolving Fund and from CIP projects that could be eliminated from the 2014 schedule. Staff was also directed to encourage Engan Associates to apply for long-term and short-term funding options for the auditorium improvements.

Item No. 4      Transit Joint Powers Agreement (Motion)

Staff explained that the MnDOT Office of Transit has issued a directive that County and City transit service agencies are expected to combine programs in an effort to provide the most cost beneficial delivery of services. The Kandiyohi Area Transit Joint Powers Board and the Renville County Board of Commissioners have given preliminary approval to combine agencies. Staff and elected officials from both agencies have been meeting to draft new joint powers agreements, by-laws, and governing policies. The timeline for this new agency is set for an operational start of January 1, 2015. Most agreements, by-laws, and operational policies should be finalized by the August, 2014, submission deadlines for the 2015 grant funding applications. This new transit service will be called Kandiyohi Renville Transit and will combine assets, bus titles for insurance purposes, and cash reserves. Existing employees will be hired by the new agency with the KAT Transit Director taking the lead role and the Renville County Transit Director being the assistant director. Attrition will be the only planned reduction in staff – if any. The estimated cost sharing arrangement will be one-third each for the City of Willmar, Kandiyohi County, and Renville County. Members of the new Kandiyohi Renville Transit Board will include two Kandiyohi County Commissioners, two Willmar City Council Members, two Renville County Commissioners, and two elected officials from remaining local units of government. The proposed Joint Powers Agreement, which has been presented to the County Attorneys, the Willmar City Attorney, and the KAT Attorney for their review, will need to be ratified by both County Boards and the Willmar City Council.

Following discussion, Council Member Fagerlie made a motion to approve the concept of the proposed new Transit Joint Powers Board structure and agreement. Council Member Nelsen seconded the motion which carried.

Chair Denis Anderson left at 5:43 p.m. with Vice-Chair Johnson assuming Chair duties.

Item No. 5      Reports (Information)

The Committee received the following reports: First Quarter Rice Trust Activity, First Quarter Investment Activity, March 31, 2014, Investment Listing, First Quarter Interest/Dividends by Institution, Ten-Year Historical Interest/Dividends by Quarter, and Ten-Year Historical Investment Balances by Quarter. This matter was taken for information only.

Item No. 6      Future Agendas

Staff reported that the Finance Committee meeting scheduled for May 12, 2014, will include a financial status report from Rice Memorial Hospital representatives and discussion of the 2014B Street Improvement Financing.

Item No. 7      Old Business (Information)

There was no old business.

Item No. 8      New Business (Information)

There was no new business.

There being no further business to come before the Committee, the meeting was adjourned at 5:48 p.m. by Vice-Chair Chair Johnson.

Respectfully submitted,



Carol Cunningham  
Accounting Supervisor