

FINANCE COMMITTEE

MINUTES

The Finance Committee of the Willmar City Council met on Monday, July 14, 2014, in Conference Room No. 1 at the City Office Building.

Present:	Tim Johnson	Vice-Chair
	Rick Fagerlie	Member
	Audrey Nelsen	Member
	Bruce Deblieck	Member

Others present: Finance Director Steve Okins, City Clerk Kevin Halliday, Fire Chief Gary Hendrickson, Police Chief Jim Felt, MUC General Manager Wes Hompe, MUC Finance Director Tim Hunstad, KAT Transit Director Tiffany Collins, Mayor Frank Yanish, Council Member Jim Dokken, "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 Willmar Municipal Utilities Financial Report (Information)

MUC General Manager Wes Hompe and Finance Director Tim Hunstad presented information on the MUC 2013 Financial Report as well as a summary of the MUC financial status as of May 31, 2014. The Statements of Revenues and Expenses as of December 31, 2013, reflect a net change in position of a negative \$37,610 which is attributable to expenses booked for market value decreases during 2013. It was noted that market values have rebounded to date in 2014 reflecting a positive balance in investment income. Other discussion included an update on the wind turbines. This matter was for information only.

Item No. 4 Transit Joint Powers Agreement (Resolution and Motion)

City Clerk Kevin Halliday explained that pursuant to the directive from the MNDOT Office of Transit, elected officials from KAT and Renville County have been meeting to draft a new joint powers agreement, 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. Assets, bus titles, and cash reserves will be combined and existing employees will be hired by this new transit agency. The KAT Transit Director will take the lead role with the Renville County Transit Director as the assistant. Attrition will be the only planned reduction in staff, if any. The estimated cost sharing arrangement for the new transit entity will be one-third each for the City of Willmar, Kandiyohi County, and Renville County. This final draft of the new Joint Powers Agreement presented to the Committee has been approved by the attorneys for Renville County, Kandiyohi County, the City of Willmar, and KAT and needs to be ratified by both the County Board and the Willmar City Council. Additionally, two council members need to be appointed to represent the City on the new Transit Board as well.

Following discussion, Council Member Nelsen moved to introduce a resolution authorizing the Mayor and City Administrator to execute the new Transit Joint Powers Agreement. Council Member Fagerlie seconded the motion which carried.

Council Member Nelsen then moved to appoint the two council members currently representing the City on the existing KAT Board to the new Transit Board, which are Bruce Deblieck and Rick Fagerlie. Council Member Johnson seconded the motion which carried.

Item No. 5 Sale of Fire Engine 8 (Resolution)

Fire Chief Gary Hendrickson explained that the Fire Department recently took delivery of the new Ladder Truck which replaces the 1991 E-One Hush Truck (Engine 8). The Town of Clara City has offered \$25,000 to purchase Engine 8. Another option would be to retain Engine 8 as a backup engine or for use in another department; however, the costs of regular maintenance need to be taken into consideration for a fire truck that is not used regularly. Consequently, staff's recommendation is to sell Engine 8 to Clara City for \$25,000.

Following discussion, Council Member Nelsen moved to introduce a resolution approving the sale of the 1991 E-One Hush Fire Truck (Engine 8) to the Town of Clara City for \$25,000. Council Member Deblieck seconded the motion which carried.

Item No. 6 School Resource Officer Agreement 2014 - 2017 (Resolution)

Police Chief Jim Felt explained that Willmar Schools have contracted with the Willmar Police Department for school resource officers for over 15 years. The most recent three-year contract concluded in June which was for three officers assigned during the school year to the Willmar High School, Middle School, and Alternative Learning Center/Elementary Schools. Staff is proposing a new agreement for 2014 - 2017 incorporating an increase of \$33,000 over the three-year period.

Following discussion, Council Member Fagerlie moved to introduce a resolution authorizing the City Administrator to execute the 2014-2017 School Resource Officers Agreement as presented. Council Member Nelsen seconded the motion which carried.

Item No. 7 General Obligation Improvement Bonds 2014B (Resolution)

Finance Director Steve Okins explained that staff was directed to work with the local lending institutions to develop a negotiated sale of \$1,000,000 for funding the 2014 Street Improvements. Results show that by utilizing local options, the interest rate will be 2.17% which is slightly higher than the metro rate; however, there are less underwriting costs involved so overall expenditures will be similar to traditional bonding. Staff is recommending that the Council proceed with the local funding option.

Following discussion, Council Member Deblieck moved to introduce a resolution authorizing the Mayor and City Administrator to execute the agreements for the negotiated sale of \$1,000,000 of General Obligation Improvement Bonds 2014B through local lending institutions as presented for financing the 2014 Street Improvements. Council Member Nelsen seconded the motion which carried.

Item No. 8 Reports (Information)

2013 General Fund Staff presented the preliminary December 31, 2013, General Fund Revenues and Expenditures noting that more detail will be brought to the Committee in the near future to authorize budget overages. This matter was for information only.

Item No. 9 Old Business (Information)

There was no old business.

Item No. 10 New Business (Information)

Council Member Deblieck indicated that Dan Groothuis had sent an e-mail to council members last weekend regarding agriculture land owned by the City. Vice-Chair Johnson will forward this e-mail to the City Administrator to issue a response and/or forward to appropriate staff to address.

There being no further business to come before the Committee, the meeting was adjourned at 5:33 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carol Cunningham".

Carol Cunningham
Accounting Supervisor