

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, SEPTEMBER 10, 2012**

The Finance Committee of the Willmar City Council met at 6:06 p.m. on Monday, September 10, 2012, in the Willmar Municipal Utilities Auditorium. Vice-Chair Rick Fagerlie called the meeting to order.

Members Present: Rick Fagerlie Vice-Chair
Tim Johnson Member
Jim Dokken Member
Bruce Deblieck Member
Charlene Stevens City Administrator
Steve Okins City Finance Director
Kevin Halliday City Clerk-Treasurer

Others present included Charles Oakes of West Central Industries; North American State Bank Loan Officer Justin Schnichels, Mayor Frank Yanish; West Central Tribune Journalist David Little; and Accounting Supervisor Carol Cunningham.

Item No. 1 – West Central Industries Conduit Financing (Motion)

Charles Oakes of West Central Industries (WCI) explained to the Committee that WCI had received conduit financing through the City of Willmar in 2005 for a \$1.1 million Private Revenue Note which allowed them to accomplish a significant expansion to their building. With the current low interest rates available, WCI has obtained preliminary approval through North American State Bank for Tax-Exempt Revenue Bonds to refinance the remaining balance of \$473,095 at a fixed interest rate of 2.35% over 7 years subject to City of Willmar approval. It was noted that this type of bond financing has no impact on the City’s bond rating. Following discussion, it was moved by Council Member Deblieck, seconded by Council Member Dokken and passed to make the following:

RECOMMENDATION: to make a motion approving the West Central Industries Tax-Exempt Revenue Note for \$473,095 through North American State Bank as proposed.

Item No. 2 – LOST Notification (Motion)

Staff explained to the Committee that the City’s Local Option Sales Tax is due to sunset at the end of 2012. It was being recommended that a letter be sent to the Minnesota Department of Revenue notifying them of this termination. Further, City Ordinance No. 1097 establishing this tax needs to be repealed. Following discussion, it was moved by Council Member Deblieck, seconded by Council Member Johnson and passed to make the following:

RECOMMENDATION: to direct staff to submit notification to the Minnesota Department of Revenue that the City of Willmar’s Local Option Sales Tax will be ending on December 31, 2012; to introduce an ordinance to repeal the local option sales tax and excise tax from the municipal code, and to set a public hearing for October 1, 2012.

Item No. 3 – Reports (Information)

The Committee reviewed the August Local Option Sales Tax, WRAC-8, and CVB Reports and the July Rice Hospital Report. This matter was for information only.

Item No. 4 – Future Agenda Items (Information)

Future agenda items scheduled for September 24, 2012, include: 1) Mayor/Council Salaries; and 2) Fund Balance. Agenda items scheduled for October 22, 2012, include the HRA Budget Presentation. Agenda items scheduled for November 26, 2012, include budget presentations by Rice Hospital and MUC.

There being no further business to come before the Committee, the meeting was adjourned at 6:20 p.m. upon motion by Council Member Dokken, second by Council Member Johnson, and carried.

Respectfully submitted,

Carol Cunningham
Accounting Supervisor