

FINANCE COMMITTEE

MINUTES

The Finance Committee of the City of Willmar met on Monday, January 11, 2016, in Conference Room No. 1 at the City Office Building.

Present:	Denis Anderson	Chair
	Tim Johnson	Vice-Chair
	Rick Fagerlie	Member
	Shawn Mueske	Member

Others present: Council Member Audrey Nelsen sat in for Rick Fagerlie until 4:55 PM, City Administrator Larry Kruse, Finance Director Steve Okins, Rice Hospital Representatives Mike Schramm and Bill Fenske, Planning and Development Director Bruce Peterson, and Police Chief Jim Felt.

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 Rice Hospital Intergovernmental Transfer Agreement (Resolution)

Rice Hospital Representatives Mike Schramm and Bill Fenske explained to the Committee that back in the Fall of 2010, Rice Hospital and the City amended the Intergovernmental Transfer Agreement to increase the rate of payment from .40% to .75% of Net Position to cover a pass-through of funds from the State of Minnesota for Medical Assistance Costs for Rice Care Center. Then again in 2013, the rate was increased from .75% to .80% because of increased costs and reimbursement for the program. Beginning in 2016, this program has been replaced and no longer needs to come through the City to Rice Hospital. Since the program revenues go directly to Rice, staff has met and discussed the need to amend the present agreement which covers 2016 through 2018. Staff recommendation would be revenue neutral to the General Fund budget and this would only affect the amount related to the Reimbursement for Rice Care Center.

Following discussion, Council Member Mueske made a motion to introduce a resolution to approve the amended Intergovernmental Transfer Agreement with Rice Memorial Hospital to reflect .45% of Net Position with a floor of \$225,000 as presented. Council Member Nelsen seconded the motion which carried.

Council Member Fagerlie arrived at this time.

Item No. 4 Bolton & Menk Work Order No. 5 (Resolution)

Planning and Development Director Peterson explained to the Committee that while staff had completed the first two phases of the land release for the former airport, the final phase is much more technical due to the extent and type of information required by the FAA. The City of Wilmar has a professional services contract with Bolton & Menk for the airport services, but there was nothing within that scope of services that included work on the land release. Bolton & Menk had led the effort to secure the phase three land release and has worked on this quite some time. It was determined that the City should formalize those efforts in a work order to define the scope of the additional services, as well as the compensation for those services. The total for Work Order No. 5 for the Airport Land Release Phase 3 is \$40,000. It was noted that funding is available in the 2015 Airport Operating Budget.

Following discussion, Council Member Mueske made a motion to introduce a resolution to approve Work Order No. 5 for the Airport Land Release Phase 3 in the amount of \$40,000 with Bolton & Menk. Council Member Fagerlie seconded the motion which carried.

Item No. 5 Police Department Video Equipment Funding (Resolution)

Staff explained that the Police Department shares a facility with the Kandiyohi County Sheriff's Office that was built in 2000. The initial video recording system installed in the interview rooms used DHS cassettes and was upgraded to DVD recording about nine years ago. In the Fall of 2015, the DVD recording system failed and was deemed irreparable. In the interim, staff has been able to retrofit one of the three interview rooms with lower quality video equipment but an upgrade and replacement is deemed a high priority. An estimate from Bank-Koe Company was found to fit our needs and at a lower price than other vendors. It would also be expandable in the future if needed. This system would be an upgrade to digital video and make transfer of videos to the prosecutors and court more efficient plus produce a much higher quality video/audio recording. Staff time to transfer videos is predicted to decrease significantly. Courts and the public continue to expect and demand video and audio recordings for criminal investigations and we deem this a high priority item for replacement. Due to the sudden failure of the system, it was an unexpected replacement and had not been placed on a CIP at this point. Total cost to the City for this new system is estimated at \$13,765.25 and it is being requested that these funds be taken from other line items in the 2015 Police Department Operating Budget. It was noted that the County is also contributing the same amount for the purchase of this equipment.

Following discussion, Council Member Fagerlie made a motion to approve the purchase of the new video/audio recording equipment from Ban-Koe Company in the amount of \$13,765.25 and that these funds are to be taken from the 2015 Police Department Operating Budget. Council Member Mueske seconded the motion which carried.

Item No. 6 2016 Improvement Project Preliminary Budget (Resolution)

Staff presented to the Committee the preliminary budget for the 2016 Improvement Projects. It was noted that Council action is required to approve the budgets outlining the estimated cost and funding sources for the projects. Estimated bond financing for these improvements is \$1,260,000.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution to approve the 2016 Improvement Projects Preliminary Budget as presented. Council Member Mueske seconded the motion which carried.

Item No. 7 Ice Arena Water System Funding (Resolution)

Staff presented to the Committee a request to install a Reverse Osmosis Water System in both the Blue Line Arena and the Cardinal Arena at the Civic Center. If approved, the System in the Blue Line Arena would be replaced yet this season in order to improve the ice for curling. It was noted that the System in the Cardinal Arena would be installed after the ice season because it would need some storage area created and would work better for staff and the installer to complete the project after the ice is out for the year. Total cost for both arenas is estimated at \$25,898 with \$23,000 budgeted for this project in the CIP. The remaining 2,898 is requested to be taken out of the 2016 Civic Center Operating Budget.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution to approve the Reverse Osmosis Water System Project for the Civic Center in the amount of \$25,898 and that \$2,898 be transferred from the 2016 Civic Center Operating Budget to the 2016 CIP Budget. Council Member Johnson seconded the motion which carried.

Item No. 8 Orange Baseball Field Scoreboard Donations (Resolution)

Staff explained that the Willmar Baseball/Fastpitch Booster Association agreed to cost share in the purchase of the scoreboard for the Orange Baseball Field at Swansson Park and subsequently have made a donation of \$5,000 for this project.

Following discussion, Council Member Mueske made a motion to introduce a resolution to accept the donation of \$5,000 from the Willmar Baseball/Fastpitch Booster Association for the purchase of the scoreboard at the Orange Baseball Field and to direct the City Administrator to send a letter of appreciation. Council Member Johnson seconded the motion which carried.

Item No. 9 Insurance Trust Dividend (Information)

Staff explained the \$250,000 was temporarily borrowed in 2014 from the Designated Self-Insurance Fund Balance to help fund the City Auditorium/Gun Range corrections with the intent of using annual Insurance Dividends to repay it. In 2014, \$31,916 was received from the League of Minnesota Cities Insurance Trust reducing the amount from \$250,000 to \$218,083. In December, 2015, an additional \$50,527 was received and, if applied to the adjusted balance would reduce the amount needed to repay the loan to \$167,557. This matter was for information only.

There being no further business to come before the Committee the meeting was adjourned at 5:20 p.m.

Respectfully submitted,



Carol Cunningham
Accounting Supervisor