

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, JANUARY 28, 2013**

The Finance Committee of the Willmar City Council met at 4:45 p.m. on Monday, January 28, 2013, in Conference Room No. 1 at the City Office Building. Chair Denis Anderson called the meeting to order.

Members Present:	Denis Anderson	.....	Chair
	Tim Johnson	.....	Vice-Chair
	Rick Fagerlie	.....	Member
	Jim Dokken	.....	Member
	Charlene Stevens	.....	City Administrator
	Steve Okins	.....	City Finance Director

Others present included Audrey Nelson, West Central Tribune Journalist David Little, and Accounting Supervisor Carol Cunningham.

Item No. 1 – Public Comment

Chair Anderson acknowledged that no one present wished to address the Committee at this time.

Item No. 2 – Waste Treatment Rate Discussion (Information)

Staff reviewed information with the Committee regarding the recent rate study completed by Springsted, Inc., for the wastewater treatment plant. The study indicates an increase in rates is necessary to fund current debt service as well as operational costs. The Committee discussed concerns raised by Eagle Lake representatives regarding proposed rate increases. After considerable discussion, it was the consensus of the Committee for staff to proceed with the proposed rates as presented. This matter was for information only.

Item No. 3 – Fund Balance Policy Discussion (Resolution)

Staff reviewed the proposed Fund Balance Policy with the Committee. The purpose of this policy is to establish specific guidelines for the level of fund balances available for current and future spending in the governmental funds. It addresses minimum fund balances as well as sets a stabilization amount for use in emergency situations. U.S. Generally Accepted Accounting Principals (GAAP) is requiring a formal policy be adopted by the City Council and that this policy be reviewed annually. Following discussion, it was moved by Council Member Fagerlie, seconded by Council Member Johnson and passed to make the following:

RECOMMENDATION: to introduce a resolution to approve the City of Willmar’s Fund Balance Policy as presented.

Item No. 4 – Miscellany (Information)

Chair Anderson informed the Committee that Rice Memorial Hospital’s Payment In Lieu of Taxes Agreement expired December 31, 2012. Initial meetings with Rice representatives will occur within the next couple of weeks to discuss renewal. Council Member Dokken requested to be part of these negotiations, as will Chair Anderson. This matter was for information only.

There being no further business to come before the Committee, the meeting was adjourned at 5:30 p.m. upon motion by Council Member Fagerlie, second by Council Member Johnson, and carried.

Respectfully submitted,

Carol Cunningham
Accounting Supervisor