

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, FEBRUARY 27, 2012**

The Finance Committee of the Willmar City Council met at 4:45 p.m. on Monday, February 27, 2012, in Conference Room #1 at the City Office Building. Chair Denis Anderson called the meeting to order.

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

Others present included Council Member Bruce Deblieck; Jill Bengtson, HRA Executive Director; Representatives from Dominion Management Services and Dougherty & Company; and Carol Gluth, Accounting Supervisor.

Item No. 1 – Dominion Development Project – HRA Recommendation (Information)

Jill Bengtson, HRA Executive Director, reported to the Committee that the HRA Board met on February 23, 2012, to further discuss the Dominion Application For Tax-Exempt Financing for \$13.948 million of tax-exempt bonds to finance the acquisition and rehabilitation of Eagle Ridge, Somerset and Waters Edge Apartments. Initially, the HRA had proposed that 40% of the units be made eligible and available for Section 8 voucher holders. However, cash flow reasons preclude this project from having no more than 25% of the units as Section 8 eligible. Consequently, the HRA passed a motion to require, as a condition of bond issuance, that a minimum of 25% of the units in the project remain eligible for the Section 8 voucher program. Rent for the remainder of the units will be within the 60% Area Median Income Range. Because the company is willing to make improvements to the rental housing stock and work with the HRA to keep a portion of the project eligible for the Section 8 program, the HRA continues to support the conduit financing request and requests the City give its favorable consideration to the project.

After considerable discussion, it was the consensus of the Committee, with the exception of Council Member Dokken, to support this project. Staff explained that the HRA will be conducting the public hearing to issue these bonds. Once that has been successfully completed, the City will be required to adopt a resolution describing the project, stating the Borrower agrees to pay all costs and that the City would not be liable, and giving permission to do the project within the City Limits. This matter was taken for information only.

Item No. 2 – 2013 Budget Calendar (Resolution)

Staff reviewed with the Committee the proposed 2013 Budget Calendar. Some changes were noted including: the Development of Capital Improvement Program Items Submitted by March 9th; Peer Review March 10th through April 4th; Completed Department Heads' estimates must be returned and reviewed with the City Administrator by April-May; Department Head presentations to the Finance Committee during May-June; and the Mayor will present his

proposed budget during the 1st meeting in August. 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 approving the 2013 Budget Calendar as presented.

Item No. 3 – Miscellany (Information)

Staff noted that a Webinar is scheduled for March 5, 2012 at 10:30 AM in Conference Room No. 1 presenting the State Budget Forecast.

Council Member Fagerlie raised a concern that Sonshine may be proposing not to engage the Willmar Ambulance Service for their festival this year and is searching elsewhere for EMT services. Staff will look into this issue.

There being no further business to come before the Committee, the meeting was adjourned at 5:26 p.m. upon motion by Council Member Fagerlie, seconded by Council Member Johnson, and carried.

Respectfully submitted,

Carol Cunningham
Accounting Supervisor