

FINANCE COMMITTEE

MINUTES

The Finance Committee of the City of Willmar met on Monday, April 25, 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: City Administrator Larry Kruse and Finance Director Steve Okins.

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 City Purchasing Policy (Resolution)

Staff explained to the Committee that, per Council direction, the recently adopted Purchasing Policy is again being brought to the Committee with the intent to continue discussion for clarification of sections within the adopted policy document. There was some concern by Council Members about when capital purchases need to be presented to the Council for approval.

Following considerable discussion, Council Member Johnson made a motion to introduce a resolution to revise the Purchasing Policy as follows: under "Spending Not Requiring Council Action" in the first sentence strike "unless the project, in aggregate, was previously approved by the City Council", in the second sentence change "unbudgeted" to "capital" and to strike bullet #5 "Items that were previously approved by the Council". Further, to include the requirement that monthly reports for all capital expenditures reflecting amounts budgeted in the current year CIP, items and amounts not budgeted in the CIP, amounts actually expended, year to date expended, and date put in service shall be provided to the Council by the City Administrator. Council Member Fagerlie seconded the motion which carried.

Item No. 4 Reimbursement of Personal Expenditures (Resolution)

Staff explained to the Committee that it has been some time since the City has adjusted its compensation rates for reimbursement of meals in its Travel Policy. The current rates of \$7.00 for breakfast, \$9.00 for lunch, and \$14.00 for dinner have been in place since April, 1999. Staff is proposing to increase these amounts to \$10.00 for breakfast, \$12.00 for lunch, and \$18.00 for dinner to more accurately reflect reasonable costs. Council Members raised the option of setting meal reimbursement rates to follow those rates established for State of Minnesota employees which according to a quick search are currently \$9.00 for breakfast, \$11.00 for lunch, and \$16.00 for dinner.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution amending compensation rates for reimbursement of meals in the Travel Policy to follow those rates established for State of Minnesota employees. Council Member Johnson seconded the motion which carried.

Item No. 5 Request to Purchase Nuhn Honey Wagon (Resolution)

Staff reported to the Committee that Wastewater staff solicited quotes for the purchase of a honey wagon in accordance with the 2016 Capital Improvements Program. Quotes were received from Boss Supply of Janesville, Inc. in the amount of \$78,500 and Dairyland Supply, Inc. in the amount of \$75,335. The honey wagon is used in the field to inject bio-solids as required by our land application program. The current unit was purchased in 2001 and was deferred from the ten-year replacement schedule to 2016. It is a key component to the bio-solids program and, as it has aged, the tank is starting to corrode from the inside out as well as needing wheel spindles, bearings, wheel hubs and a rebuild of the pump. Staff recommended purchase of the Nuhn 6000 Honey Wagon Slurry Tank from Dairyland Supply, Inc. less trade-in of the current unit of \$16,000 for a net cost of \$59,335.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution to approve the purchase of the Nuhn 6000 Honey Wagon Slurry Tank from Dairyland Supply, Inc. in the amount of \$59,335 as presented. Council Member Mueske seconded the motion which carried.

Item No. 6 Fairgrounds Lift Station Project Preliminary Budget (Resolution)

Staff presented to the Committee the preliminary budget for the Fairgrounds Lift Station Project which is identified in the 2016 Improvement Projects as needing replacement. The lift station is located at 908 Park Avenue on the south side of the Fairgrounds and is a custom dry pit station constructed in 1931. Bolton & Menk, Inc. was awarded the design engineering and construction related services contract for this project on March 21, 2016. Staff has prepared the preliminary construction budget for the Fairgrounds Lift Station estimated at \$640,000. Funding for the project will be through a Public Facilities Authority (PFA) loan.

Following discussion, Council Member Mueske made a motion to introduce a resolution to approve the Fairgrounds Lift Station Project Preliminary Budget as presented. Council Member Fagerlie seconded the motion which carried.

Item No. 7 2016 Street Improvement Projects (2 Resolutions)

A. Intent to Reimburse for Costs. Staff explained to the Committee that prior to incurring costs on the 2016 Street Improvement Projects, it is necessary per bond regulations under the Internal Revenue Code that the Council adopts a Resolution of Intent to Reimburse. This will ensure the City will be reimbursed for project costs after the date of the resolution.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution establishing procedures relating to compliance with reimbursement bond regulations under the Internal Revenue Code for the 2016 Street Improvement Projects. Council Member Mueske seconded the motion which carried.

B. Budget. Staff presented to the Committee the budget for the 2016 Improvement Projects totaling \$2,869,200. 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 \$1,600,000.

Following discussion, Council Member Mueske made a motion to introduce a resolution to approve the 2016 Improvement Projects Budget for a total of \$2,869,200 as presented. Council Member Fagerlie seconded the motion which carried.

Item No. 8 Reports (Information)

The Committee received the following reports: Quarter End 03/31/16 Investment Activity, Quarter End 03/31/16 Interest Activity, Quarter End 03/31/16 Cash/Investment Portfolio, Quarter End 03/31/16 Ten-Year Historical Interest Received Per Quarter, Quarter End 03/31/16 Ten-Year Historical Investment Balances Per Quarter, and 03/31/16 Rice Trust Fund. Staff explained to the Committee the restrictions attached to the various City funds which dictate how those funds may be used. This matter was taken for information only.

There being no further business to come before the Committee the meeting adjourned at 5:35 p.m.

Respectfully submitted,

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

Carol Cunningham
Accounting Supervisor