

FINANCE COMMITTEE

MINUTES

The Finance Committee of the City of Willmar met on Monday, May 23, 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, Finance Director Steve Okins, and Information Systems Coordinator Ross Smeby.

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 Re-establish WRAC as a Special Revenue Fund (Resolution)

Staff explained to the Committee that the current WRAC budget was incorporated with the Information Systems budget in 2013 when the two departments were combined. At the December, 2015, Cable Advisory Committee Meeting it was recommended that the budgets be separated again due to the difficulty of tracking and approving a recommended budget for the WRAC Department. With the renewal of the cable franchise this year, a needs assessment was performed by CBG Communications. With this study, there have been equipment and infrastructure upgrade recommendations that were suggested for the years 2017 through 2019. At this time, funding is a concern due to the removal of the WRAC reserve fund. There have been suggestions to implement a PEG Fee to local cable subscribers. The PEG Fee is an option under the current cable franchise which consists of charging cable subscribers an additional one dollar per month and the funds can only be used towards purchases for the local access stations and studio. It was reviewed by staff that the current franchise fees which the City receives would be adequate to fund the WRAC operating budget along with the proposed equipment and infrastructure upgrades and that any excess funds from those franchise fees could be placed into a reserve account for WRAC projects or distributed as needed. It was noted that separating the budgets would alleviate the need to implement the PEG fee for cable subscribers. The proposed change would start with the 2017 budget and the Cable Coordinator would be the responsible party for proposing the WRAC budget to the Council.

Following discussion, Council Member Mueske made a motion to introduce a resolution to separate the WRAC budget from the Information Systems Budget beginning in 2017. Council Member Fagerlie seconded the motion which carried.

Item No. 4 Civic Center Budget Amendment (Resolution)

Staff explained to the Committee that previous action by the City Council approving an agreement for Junior Hockey has resulted in an estimated increase for Civic Center expenditures as well as an increase in rental income of \$20,000. The term of the lease begins June 1, 2016, for one year in the amount of \$40,000 with 6 months allocated to the 2016 Budget and 6 months allocated to the 2017 Budget.

Following discussion, Council Member Mueske made a motion to introduce a resolution increasing the 2016 Civic Center Budget in the amount of \$20,000 for both revenues and expenditures as presented. Council Member Fagerlie seconded the motion which carried.

Item No. 5 2017 Budget Calendar (Motion)

Staff reviewed with the Committee the proposed 2017 Budget Calendar. It was noted that Council needs to adopt and certify the Proposed Levy to the County Auditor for Truth in Taxation in September.

Following discussion Council Member Fagerlie moved to approve the 2017 Budget Calendar as presented. Council Member Mueske seconded the motion which carried.

Item No. 6 2016 General Obligation Street Improvement Financing (Resolution)

Staff explained to the Committee that previous City Council action has approved the 2016 Street Improvement Program of \$2,869,000. Funding for the program is planned to come from a number of funding sources, those being a General Tax Levy, Municipal State Aid, Waste Treatment funds, Willmar Municipal Utilities, Kandiyohi County, and the issuance of approximately \$1,600,000 in General Obligation Special Revenue Bonds. At this time, Council action is required to set a public hearing which staff is proposing to be held June 20, 2016, at 7:05 PM.

Following discussion, Council Member Anderson made a motion to introduce a resolution setting a Public Hearing for June 20, 2016, at 7:05 PM to discuss the 2016 General Obligation Street Improvements. Council Member Mueske seconded the motion which carried.

Item No. 7 Fairgrounds Lift Station PFA Loan (Resolution)

Staff explained to the Committee that the City of Willmar has entered into an agreement with Bolton & Menk for engineering and construction related services for the Fairgrounds Lift Station project. The preliminary budget for this project is \$640,000 which has previously been approved by the Council. At this time, staff is requesting authorization to apply for the Minnesota Public Facilities Authority (PFA) loan from the Clean Water Revolving Fund in the amount of \$640,000.

Following discussion, Council Member Mueske made a motion to introduce a resolution authorizing the City of Willmar's application for a PFA loan estimated at \$640,000 to fund the Fairgrounds Lift Station Project. Council Member Fagerlie seconded the motion which carried.

There being no further business to come before the Committee the meeting adjourned at 5:12 p.m.

Respectfully submitted,



Carol Cunningham
Accounting Supervisor