

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, AUGUST 13, 2012**

The Finance Committee of the Willmar City Council met at 4:00 p.m. on Monday, August 13, 2012, in the Willmar Municipal Utilities Auditorium. Chair Denis Anderson called the meeting to order.

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

Others present included Mayor Frank Yanish; Council Member Doug Reese; Council Member Ron Christianson; Council Member Bruce Deblieck; Police Chief Wyffels; City Clerk Kevin Halliday; Planning and Development Services Director Bruce Peterson; Public Works Director Holly Wilson; Community Ed and Rec Director Steve Brisendine; Acting Fire Chief Jeff Gilbertson; and Carol Cunningham, Accounting Supervisor.

Item No. 1 – 2012 Mayor’s Proposed Budget (Information)

Mayor Frank Yanish presented his proposed 2013 Budget totaling \$34,974,785. Of the total budget, \$15,090,918 is for General Operating; \$5,051,245 is for Capital Improvements; \$919,636 is for Special Revenue/Internal Services; \$2,456,760 is for Debt Service; and \$8,258,736 is for the Wastewater Treatment Plant. It was noted that the General Operating portion of the budget includes \$1,817,611 in transfers for Capital Improvements. The Mayor is proposing an increase of \$240,000 in the property tax levy for a total estimate of \$4,232,734 as part of his budget. The amount of this increase is not for General Operations but will be dedicated for infrastructure improvements. An overview of the estimated revenues and expenditures was presented. Revenues are relatively stable with no fee increases proposed at this time. Changes in budgeted expenditures include: 1) Personnel costs; 2) Increases in Mayor/Council salaries; 3) Reinstating the government relations contract; 4) Increase funding for KAT and the Library; 5) Reductions in overtime for Public Works and Police, in Seasonal employees, in Tree Planting, and in Community Partner funds; and 6) Transfer of funds from General Operating to the Capital Improvement Program.

The Committee will review the proposed 2013 budget over the next several meetings prior to the public hearing to be held in December, 2012. It was noted that any council pay increases may only be instituted by ordinance and that ordinance must be adopted prior to the elections in November, 2012. Council Member Dokken requested a discussion of the City’s investment portfolio at a future Finance Committee meeting. This matter was for information only.

Item No. 2 – Police Department Budget Request (Resolution)

Staff presented to the Committee a request to reallocate funds in the 2012 Police Department Budget from Full Time Salaries and Part Time Salaries to Small Tools in the amount of \$55,000 for the purchase of bullet proof vests and rifles. Equipment purchases have been deferred for some years to reduce budgetary costs as requested. An opportunity exists to replace some of the equipment needed to protect the safety of the officers. The current bullet proof vests for the SWAT team are now two years beyond the manufacturer's warranty. The existing rifles are also in need of replacement. The salary savings from two employee vacancies would allow for the reallocation of funds and the purchase of the needed vests and rifles without negatively impacting the approved 2012 Police Department Budget. Following discussion, it was moved by Council Member Fagerlie, seconded by Council Member Dokken and passed to make the following:

RECOMMENDATION: to introduce a resolution amending the 2012 Police Department Budget by reallocating \$55,000 from Full Time and Part Time Salaries to Small Tools for the purchase of bullet proof vests and rifles.

Item No. 3 – Reports (Information)

The Committee reviewed the 2nd Quarter Investment Activity, 2nd Quarter Interest/Dividends, June 30th Cash/Investment Portfolio, June 30th Rice Trust, 2nd Quarter Willmar Arts Fund, July 31st LOST Financial Reports, July 31st CVB Financial Reports, and the July 31st WRAC-8 Financial Reports. This matter was for information only.

There being no further business to come before the Committee, the meeting was adjourned at 4:35 p.m. upon motion by Council Member Fagerlie, second by Council Member Dokken, and carried.

Respectfully submitted,

Carol Cunningham
Accounting Supervisor