

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, SEPTEMBER 24, 2012**

The Finance Committee of the Willmar City Council met at 4:45 p.m. on Monday, September 24, 2012, in City Hall Conference Room No. 1. 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
	Kevin Halliday	.....	City Clerk-Treasurer

Others present included Mayor Frank Yanish; Council Member Bruce Deblieck; Council Member Ron Christianson; Council Member Steve Ahmann; David Herzer; John Sullivan; Gary Geiger; Vision 2040 Representatives Ron Erpelding and Ken Warner; Willmar Baseball Boosters Representatives Kent Skoglund and Rick Maursetter; Westberg & Eischens CPA David Euerle; West Central Tribune Journalist David Little; and Accounting Supervisor Carol Cunningham.

Item No. 1 – Public Comment

David Herzer questioned continual donations to community organizations. He also raised concerns regarding employer share of benefits. John Sullivan opposed the pay increase proposed for the Mayor and Council.

Item No. 2 – Vision 2040 Presentation (Motion)

Ron Erpelding presented an overview of the Vision 2020 process which began in late 1999. Significant accomplishments resulting from that project were referenced, including Willmar’s All America City Award in 2005. Recent discussion among the original community leadership groups reveals that much has changed and evolved in our community since 1999 and it may be time to create Vision 2040. Ken Warner explained that a Steering Committee has held meetings to review the pros and cons of a new vision process with the consensus that it is time to revisit Willmar’s future. After receiving several recommendations, the Steering Committee interviewed and subsequently received a proposal from Next Generation Consulting of Madison, Wisconsin, for a total cost of \$27,000. The Steering Committee is requesting a contribution from the City of Willmar of \$5,000 toward this endeavor. Council Member Dokken inquired about the facilitator used for Vision 2020, Carl Neu, stating he should also be contacted for a proposal for Vision 2040. Following discussion, it was moved by Council Member Fagerlie, seconded by Council Member Johnson and passed to make the following:

RECOMMENDATION: to make a motion to participate in Vision 2040, to commit \$5,000 toward the project, and to direct staff to determine whether funding is available in the 2012 Budget or the proposed 2013 Budget.

Item No. 3 – Investment Broker Addition (Resolution)

Staff explained to the Committee that Multi-Bank Securities, Inc. offers an internet based “eConnectDirect” service that allows users access to securities inventory issued by all Federal agencies. This is a free service offered to Multi-Bank clients. In past years, the City’s investment policy authorizing the Treasurer to conduct investment transactions was sufficient. However, due to the stringent parameters of the Patriot Act, the City must now adopt a resolution authorizing the City Clerk/Treasurer to open a new account with a new investment broker. 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 authorizing City Administrator Charlene Stevens or City Clerk-Treasurer Kevin Halliday to open an account and engage in transactions with Multi-Bank Securities, Inc., to be used as a broker in the management of the City’s investment portfolio.

Item No. 4 – 2013 Budget

A) Baseball Boosters Budget Request (Motion)

Kent Skoglund of the Willmar Baseball Boosters provided a summary to the Committee of the funding raised for Taunton Stadium at Baker Field. On behalf of the Boosters, Mr. Skoglund requested \$13,000 in 2013 from the City of Willmar to pay off the outstanding loan balance for the Stadium project. It was noted that the Mayor had not included funding for the Baseball Boosters in his proposed 2013 Budget. Following considerable discussion, it was moved by Council Member Fagerlie, seconded by Council Member Dokken and passed to make the following:

RECOMMENDATION: to make a motion adding \$13,000 for the Willmar Baseball Boosters under community organization contributions in the proposed 2013 Budget.

B) Mayor & Council Salary (No Recommendation)

The Committee reviewed the Mayor’s proposed increase in Mayor and Council salary for 2013. After considerable discussion, it was the consensus of the Committee to forward this issue on to the full council with no recommendation.

Item No. 5 – 2011 Financial Statement (Information)

David Euerle of Westberg & Eischens presented the City of Willmar’s 2011 Financial Statement to the Committee. He explained that not only do they perform an audit of the Financial Statement itself, but they also audit the City’s compliance with State and Federal requirements. He stated there were no Compliance issues at the City as of 2011 but there was one Finding with the Financial Statement in regard to accounting for the retirees benefits liability. To correct this Finding, the City is required to hire an Actuary to formally determine the amount to be accrued. Mr. Euerle reported that the General Fund is in good shape with the Fund Balance at the end of 2011 well over average annual expenditures. There were also no issues in the other governmental funds. He noted that the Waste Treatment Plant, which is an

enterprise fund, reflects capital asset disposals of \$3.8 million for which the majority is the decommissioning of the old plant.

Mr. Euerle recommended the following policy improvements: 1) Consolidate funds, in particularly transferring the Convention & Visitors Bureau, WRAC-8, and Public Improvement Revolving funds to the General Fund; 2) Improve Budget management by allowing the Administrator to manage intra-department budgets with the council monitoring the department budgets' totals as well as formally recognizing any budget overruns by department; 3) Centralize the process of collecting and retaining grant information; and 4) Consider including the Willmar HRA as a component unit in the City's financial statements.

This matter was for information only.

Item No. 6 – Reports (Information)

The Committee reviewed the August Rice Trust Report. This matter was for information only.

Item No. 7 – Future Agenda Items (Information)

Future agenda items scheduled for October 22, 2012, include: 1) HRA Budget Presentation; and 2) Fund Balance. Agenda items scheduled November 26, 2012, include budget presentations by Rice Hospital and MUC.

Item No. 8 - Miscellany (Motion)

Chair Anderson explained that the Willmar Library Funding Request in the Mayor's proposed 2013 budget included a 3% increase of \$10,986. He suggested that amount be reduced to 1.5% or \$5,493. Following discussion, it was moved by Council Member Fagerlie, seconded by Council Member Johnson and passed to make the following:

RECOMMENDATION: to make a motion reducing the funding request increase for the Willmar Library from 3% to 1.5% which reduces the increase to approximately \$5,493 for 2013.

There being no further business to come before the Committee, the meeting was adjourned at 6:16 p.m. upon motion by Council Member Fagerlie, second by Council Member Johnson, and carried.

Respectfully submitted,

Carol Cunningham
Accounting Supervisor