

FINANCE COMMITTEE

MINUTES

The Finance Committee of the City of Willmar met on Monday, September 26, 2016, in Conference Room No. 1 at the City Office Building.

Present: Shawn Mueske Chair
 Ron Christianson Member
 Steve Ahmann Member
 Audrey Nelsen Member

Others present: Finance Director Steve Okins, Police Chief Jim Felt, Community Ed & Rec Director Steve Brisendine, John Harren and Denise Runge of Willmar Municipal Utilities.

Item No. 1 Call to Order

The meeting was called to order by Chair Mueske at 4:53 p.m.

Item No. 2 Public Comments

There were no comments from the public.

Item No. 3 Willmar Municipal Utilities 2017 Proposed Budget (Motion)

Director of Operations John Harren and Finance Director Denise Runge presented the Willmar Municipal Utilities (WMU) 2017 Budget. Total Operating Revenue is estimated at \$33,615,309. Total Operating Expenditures are estimated at \$28,942,312 and the 2017 Intergovernmental Transfer to the City of Willmar is estimated at \$2,152,600. The projected Net Income for 2017 is \$2,460,730. The 5-year projections for revenues, expenditures and capital improvements were also presented. It was noted that per new MISO requirements, council approval of the WMU Budget is now required prior to October of each year.

Following discussion, Council Member Nelsen made a motion to accept the proposed 2017 WMU Budget as presented. Council Member Ahmann seconded the motion which carried.

Item No. 4 Purchase Stalker 360 Message Trailer (Resolution)

Police Chief Jim Felt explained to the Committee that the Willmar Police Department and Public Works Department jointly purchased a Stalker 360 Message trailer in August, 2016, in the amount of \$12,750. This trailer was a demo model that was being stored and was obtained at a substantial discount. The trailer contains a radar unit for traffic count/monitoring along with a 3' x 6' programmable message board for traffic warning message, community announcements, etc. It was noted that this item was not on a vehicle committee worksheet prior to this time and that both the Police and Public Works Departments utilized existing funds in the amount of \$6,375 each from their 2016 operating budgets for this purchase.

Following discussion, Council Member Nelsen made a motion to introduce a resolution to approve the purchase of the Stalker 360 Message trailer in the amount of \$12,750 and that funding of \$6,375 each be transferred from the respective 2016 Operating Budgets for the Police Department and the Public Works Department as presented. Council Member Christianson seconded the motion which carried.

Item No. 5 Finalize 2016 Street Financing (Resolution)

Staff explained to the Committee that the City Council previously authorized the financing for the 2016A Street Program and authorized the Pricing Committee to negotiate with local banks to price the

financing. The criteria used included an amount not to exceed \$1,600,000 with an interest rate not to exceed 3.25%. As a result of these negotiations, the proposal is for four institutions to participate with an interest rate of 2.50% as follows: Lake Region Bank \$500,000; Home State Bank \$500,000; North American State Bank \$500,000; and Concorde Bank \$100,000.

Following discussion, Council Member Christianson made a motion to introduce a resolution authorizing staff to finalize the 2016A Street Financing for \$1,600,000 utilizing an interest rate of 2.50% with the following institutions: Lake Region Bank \$500,000; Home State Bank \$500,000; North American State Bank \$500,000; and Concorde Bank \$100,000. Council Member Nelsen seconded the motion which carried.

Item No. 6 Local Option Sales Tax Brochure Funding (Motion)

Staff explained to the Committee that the estimated costs for preparation and distribution of the Local Option Sales Tax Brochures total \$10,000. These costs will be charged to the 2016 Mayor/Council Operating Budget Professional Services line item. It was noted that as of August 31, 2016, the unspent balance in this expenditure account totaled \$24,000.

Following discussion, Council Member Nelsen made a motion to authorize \$10,000 from the 2016 Mayor/Council Operating Budget Professional Services line item for the preparation and distribution of the Local Option Sales Tax Brochures. Council Member Christianson seconded the motion which carried.

Item No. 7 Willmar Stinger Lease/Rent Waiver Request (Motion)

Steve Brisendine, CER Director, explained to the Committee that Marc Jerzak of the Willmar Stingers contacted City staff and the Mayor, requesting that the City waive the fee for two games in August that were played at Baker Field. They have made this request due to the cancellation of the remaining games at the stadium due to water issues from the storm that took place last month. Staff recommends that the City follow the lease and have the Stingers pay the \$820 due for the two games at \$410 each. Staff prepared the field for usage and West Central Industries cleaned the stadium after the games at a cost of \$160 per game so the City has had an outlay of cash for these two games that would be recovered by the lease payment. Following discussion, Council Member Christianson made a motion to adhere to the lease with the Willmar Stingers requiring the payment of rent for the two August home games actually played for a total of \$820. Council Member Ahmann seconded the motion which carried.

Item No. 8 Bremer Grant for the Destination Playground (Resolution)

Steve Brisendine, CER Director, explained to the Committee that staff was approached about writing an application to the Otto Bremer Foundation for a grant to support funding efforts for the Destination Playground at Robbins Island. It is proposed that the grant request be in the amount of \$150,000. Staff has submitted applications to this organization before and believes this grant will be well received. It was noted that funding requests are due in early October.

Following discussion, Council Member Ahmann made a motion to introduce a resolution authorizing staff to submit an application for an Otto Bremer Foundation Grant for \$150,000 for improvements at Robbins Island. Council Member Nelsen seconded the motion which carried.

Item No. 9 Blue Cross Blue Shield Grant/Donation for Water Safety Efforts in Willmar (Motion)

Steve Brisendine, CER Director, explained to the Committee that staff was contacted this summer about leading efforts to create some water safety initiatives in reaction to the tragic death of two young Willmar residents this past summer. Staff will work with community members to create opportunities over the next couple of years around water safety programming. This effort could be in the form of swim lessons, water front safety programming, and utilizing experts in the field to offer low or no cost programming to our community members. We plan to target our newest residents and those not comfortable around the water. We will utilize all of our assets such as the indoor pools, the Aquatic Center, and Robbins Island to assist with

this effort. Blue Cross Blue Shield's donation of \$10,000 could lead to some great efforts around water safety in the future.

Following discussion, Council Member Nelsen made a motion to accept the donation of \$10,000 from Blue Cross Blue Shield for water safety efforts in Willmar. Council Member Christianson seconded the motion which carried.

Item No. 10 Civic Center Budget Adjustment (Resolution)

Steve Brisendine, CER Director, explained to the Committee that due to having ice available this early in the year, a new youth hockey program was started this fall in conjunction with the Willmar Hockey Association, Willmar Warhawks, and Civic Center staff. There are 150 students involved in this activity with additional revenues projected of \$10,650 along with associated expenses mostly pertaining to supplies for the purchase of new jerseys for the participants to wear for this activity as well as additional staffing costs. Staff is requesting to increase both the revenues and expenditures in the 2016 Civic Center Operating Budget by this amount.

Following discussion, Council Member Nelsen made a motion to introduce a resolution revising the 2016 Civic Center Operating Revenues and Expenditures by \$10,650 to accommodate the new hockey program as presented. Council Member Christianson seconded the motion which carried.

Item No. 11 2017 Mayor's Proposed Budget Schedule (Information)

Staff reviewed with the Committee the 2017 Mayor's Proposed Budget Schedule. Discussion centered on dates and information needed to review and recommend a 2017 Budget. It was noted that, to date, October 10, 2016, has been set to discuss the Capital Improvements, Facilities, and Pavement Management Systems. It was the consensus of the Committee members that the budget meetings, including the one scheduled for October 10th, be full council meetings. Council Member Ahmann requested detail of items being added or deleted in the budget and that a line item be established in the budget specifically for ditch cleaning. This matter was for information only.

Item No. 12 Reports

The Committee received the following reports: 07/31/16 Rice Memorial Hospital Financial Report and 08/31/16 Status of 2016 Capital Improvement Program. This matter was taken for information only.

There being no further business to come before the Committee the meeting was adjourned at 7:05 PM by Chair Mueske.

Respectfully submitted,



Carol Cunningham
Accounting Supervisor