

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, OCTOBER 8, 2012**

The Finance Committee of the Willmar City Council met at 4:45 p.m. on Monday, October 8, 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
	Steve Okins	.....	City Finance Director

Others present included Mayor Frank Yanish; Michael Schramm and Bill Fenske of Rice Memorial Hospital; West Central Tribune Journalist David Little; and Accounting Supervisor Carol Cunningham.

Item No. 1 – Public Comment

Chair Anderson acknowledged that no one was present to address the committee at this time.

Item No. 2 – Rice Hospital 5-Year Plan (Information)

Mike Schramm presented an overview of Rice Memorial Hospital’s Five-year Financial Plan which establishes specific balance sheet and profitability targets along with projected capital expenditures through 2017. Bill Fenske reviewed key financial and statistical indicators used to prepare this five-year plan as well as projected financial statements. It was noted that as new or enhanced programs and services are considered, their financial impact on this five-year plan will be addressed. This matter was for information only

Item No. 3 – West Central Industries (Information)

Staff explained to the Committee that originally, the Council was to take action on a resolution on October 1, 2012, for the West Central Industries (WCI) Conduit Financing request. This has been postponed until the Council Meeting on October 15, 2012, due to illness of WCI Executive Director Charlie Oakes. In 2005, WCI obtained a Private Revenue Note for \$1.1 million through Conduit Financing and are now requesting to refinance the remaining balance of \$500,000. This new note will reduce their interest rate to 2.35% and shorten the term by approximately five years. This matter was for information only.

Item No. 4 – Reports (Information)

The Committee reviewed the following September 30, 2012, Reports: LOST, WRAC-8 and CVB. This matter was for information only.

Item No. 5 – Future Agenda Items (Information)

Future agenda items scheduled for October 22, 2012, include: 1) Capital Improvement Program; 2) HRA Budget Presentation; and 3) Fund Balance. Agenda items scheduled for November 26, 2012, include budget presentations by Rice Hospital and MUC. Chair Anderson suggested that a Council Work Session be held prior to an upcoming Council Meeting to discuss the Waste Treatment Plant Rate Study once all the information has been prepared.

Item No. 6 - Miscellany (Information)

Chair Anderson explained to the Committee that the Payment In Lieu Of Taxes Agreement with the Willmar Municipal Utilities is expiring at the end of 2012 and needs to be renegotiated. In the past, the Finance Committee Chair and the City Administrator have negotiated this agreement with the MUC. It was the consensus of Committee members that this same process be followed for negotiating the new agreement. This matter was for information only.

Finance Director Okins reviewed with the Committee the recent changes acted on by the Council affecting the 2013 Budget. The proposed increase to the Mayor/Council Salaries of \$13,500 has been deducted. Offsetting that reduction, \$13,000 was added for the contribution to the Baseball Boosters and \$500 has been added to the Mayor/Council Travel Budget. The Library's Funding Request was reduced by \$5,500 of which \$500 has been reallocated to the Mayor/Council Travel Budget as well. As a result, \$5,000 remains for reallocation. Other items not yet factored into the 2013 Budget include revenue for the Building Inspection Services Contract with Kandiyohi County which could total approximately \$15,000; and the expenditure of \$5,000 for contribution to the 2040 Vision Planning. Council Member Fagerlie also pointed out that it has not yet been decided if the contribution to the Historical Society will be \$5,000 in 2013 or \$1,000 per year for five years. Mayor Yanish commented that contracted airport management services are being considered; consequently, there may be changes to the 2013 Airport budget as well. This matter was for information only.

There being no further business to come before the Committee, the meeting was adjourned at 5:56 p.m. upon motion by Council Member Fagerlie, second by Council Member Johnson, and carried.

Respectfully submitted,

Carol Cunningham
Accounting Supervisor