

**FINANCE COMMITTEE REPORT
CITY OF WILLMAR
MONDAY, DECEMBER 30, 2013**

The Finance Committee of the Willmar City Council met at 4:45 p.m. on Monday, December 30, 2013, in Conference Room #1 at the City Office Building. Chair Denis Anderson called the meeting to order. Members present included Chair Denis Anderson, Vice-Chair Tim Johnson, Rick Fagerlie, and Audrey Nelsen. Others present included Mayor Frank Yanish; Council Member Bruce Deblieck; Council Member Ron Christianson; City Administrator Charlene Stevens; City Finance Director Steve Okins; City Clerk-Treasurer Kevin Halliday; Andy Bjur of Engan Associates; Perry Nistler of Duffy Engineering; Accounting Supervisor Carol Cunningham; and West Central Tribune Journalist David Little.

Item No. 1 – Public Comment

Chair Anderson acknowledged that no one present wished to address the Council at this time.

Item No. 2 – Windstream Office Closure (Motion)

Staff explained to the Committee that Windstream has approached the City with the request to close its local office. Section 5, Paragraph 8 of the current cable television franchise requires a cable company to maintain a local office within the City operating for 40 hours per week, staffed for bill payments, subscriber inquiries and equipment transfers. Windstream is proposing language to amend the cable franchise agreement with Windstream to allow closing of the local office with the following stipulations: \$10,000 payment to the City; 3rd party location able to accept payment 40 hours per week; subscribers do not have to return cable equipment; and Windstream will notify subscribers prior to effective date. It was noted that Charter Communications is also operating under an identical cable television franchise. 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 deny the Windstream request to close its local office and to leave the existing cable franchise agreement with Windstream as is.

Item No. 3 – Extend Rice Hospital Land Lease (Resolution)

Staff explained to the Committee that Rice Memorial Hospital approached the City in 1995 for permission to construct a vehicle storage facility on City property next to the fueling facilities. Permission was granted and a lease executed. Rice Hospital is now requesting an extension of this lease for a 10-year period, which would be through August 31, 2015. Member Johnson inquired about the status of the insurance requirements in the agreement. After discussion, it was then moved by Council Member Fagerlie, seconded by Council Member Johnson and passed for the following:

RECOMMENDATION: To introduce a resolution authorizing the Mayor and the City Administrator to execute the land lease extension agreement with Rice Memorial Hospital through August 31, 2015, subject to receiving proof of insurance from the Hospital.

Item No. 4 – Consideration of City Auditorium Upgrades (Resolution)

Staff explained to the Committee that in early September, 2013, the City closed the Indoor Gun Range at the City Auditorium due to a malfunction with the Heating Ventilation and Air Conditioning (HVAC) system. At the same time, access to other areas of the building were limited due to concerns regarding potential contamination from the range HVAC. Since that time, testing has been conducted that revealed the shortfalls in the gun range technology and HVAC system. Staff has solicited proposals from architectural and mechanical engineering firms to assist in redesigning the HVAC and assessing any other building conditions that may need upgrades in order to return the range and other areas to public use. Proposals from three architectural firms with associated mechanical firms were received: 1) TSP with WSB, Inc. from Rochester; Miller Dunwiddie with Gausman & Moore from Roseville; and Engan Associates with Duffy Engineering from Willmar. Staff was recommending Engan Associates with Duffy Engineering for the low bid of \$9,500. After discussion, it was then moved by Council Member Nelsen, seconded by Council Member Fagerlie and passed for the following:

RECOMMENDATION: To introduce a resolution awarding the contract to conduct a building assessment and master planning for the City Auditorium improvements to Engan Associates with Duffy Engineering for \$9,500.

Item No. 5 – Reports (Information)

The Committee received the preliminary 12/31/13 general fund expenditures report, with staff noting areas that have exceeded the 2013 budget amounts which include Mayor/Council Professional Services, Legal Professional Services, and NonDepartmental in both General and Public Safety. The final overages will be addressed by the Council in January. Chair Anderson asked staff to look into a policy governing the procedure for staff to follow in contacting Flaherty & Hood in an effort to streamline charges. The Committee also received reports on the November CVB Financials, October Rice Financials, MUC financials, and November Rice Trust Financials. This matter was taken for information only.

Item No. 6 – Old Business (Information)

Chair Anderson acknowledged there was no old business for the Committee to discuss at this time.

Item No. 7 – New Business (Information)

Member Fagerlie raised the issue of Rice Hospital no longer allowing Heartland Orthopedics to operate at the hospital. This question will be addressed when representatives from the Hospital will present their year-end financial report to the Finance Committee in January.

There being no further business to come before the Committee, Chair Anderson declared the meeting adjourned at 5:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carol Cunningham".

Carol Cunningham
Accounting Supervisor