

FINANCE COMMITTEE

MINUTES

The Finance Committee of the Willmar City Council met on Monday, April 13, 2015, in Conference Room No. 1 at the City Office Building.

Present: Denis Anderson Chair
Tim Johnson Vice-Chair
Jim Dokken Member
Audrey Nelsen Member

Others present: Finance Director Steve Okins, Interim City Administrator/City Clerk-Treasurer Kevin Halliday, Fire Chief Gary Hendrickson, Community Ed & Rec Director Steve Brisendine, IT Coordinator Ross Smeby, and Accounting Supervisor Carol Cunningham.

Item No. 1 Call to Order

The meeting was called to order by Chair Anderson at 4:45 p.m.

Item No. 2 Public Comments

There were no comments from the public.

Item No. 3 Purchase/Install Fiber Link Between City Hall and Fire Station (Resolution)

Fire Chief Hendrickson explained to the Committee that the Fire Station’s current means of communication with the City’s network is via a wireless link which is prone to weather interruptions and has a limited service life. The most recent purchase of a new antenna for the fire station occurred in 2013 which cost \$4,000, not including installation, and replaced a three-year old antenna. It was also noted that the current tower that the antenna resides on is scheduled to be taken down in 2016 to be replaced with a new mono-pole by Verizon Wireless. During the installation an alternative connection would need to be developed in order for staff to continue to conduct daily activities. The purchase and installation of a fiber connection will eliminate the need to invest in a temporary connection which will ultimately save money in the future. The total cost to purchase and install the direct fiber link between City Hall and the Fire Station is estimated at \$26,649 through MP Nexlevel. It is proposed that excess funds from the Fire Department 2014 Operating Budget be utilized for this expenditure.

Following discussion, Council Member Dokken made a motion to introduce a resolution authorizing the Mayor and the City Administrator to execute the agreement with MP Nexlevel to purchase and install the direct fiber link between City Hall and the Fire Station in the amount of \$26,649, utilizing excess funds from the 2014 Fire Department Operating Budget as presented. Council Member Johnson seconded the motion which carried.

Item No. 4 Charter and Windstream Monthly Expense Increase (Resolution)

IT Coordinator Ross Smeby reported to the Committee that the elevator installed in the Blue Line Center has a dedicated phone line expense that was not planned for in the 2015 budget. It is anticipated the annual cost for this phone line will be \$633.12. Also, Charter Communications has recently notified the City that they will begin charging an additional \$588.89 per month for the City’s Primary Rate Interface (PRI) phone line. The City purchased the new Voice Over IP system a couple of years ago. The additional annual cost to the City for 2015 is anticipated at \$6,477.79. The 2015 IT Communications Budget needs to be increased \$7,111 to accommodate these two unplanned operating expenditures and would be funded from excess funds in the 2014 budget.

Following discussion, Council Member Dokken made a motion to introduce a resolution authorizing the 2015 IT Communications Budget increase of \$7,111 and that excess funds from the 2014 Budget be utilized for this increase. Council Member Johnson seconded the motion which carried.

Item No. 5 Microsoft Licensing Expense Increase (Resolution)

IT Coordinator Ross Smeby reported to the Committee that Microsoft Software Assurance licensing for Server and Devices is due every three years. Due to Microsoft licensing policy changes and additional users for the City, the recalculated total for the licenses was \$9,206 higher than anticipated. Prorated over three years, the annual increase would be \$3,069. It is being proposed that these funds come from the 2014 General Fund Surplus.

Following discussion, Council Member Dokken made a motion to introduce a resolution authorizing the 2015 IT Licenses/Taxes Budget increase of \$3,069 and that excess funds from the 2014 Budget be utilized for this increase. Council Member Johnson seconded the motion which carried.

Item No. 6 Intergovernmental Agreement Willmar Municipal Utilities (Resolution)

Staff explained that the current intergovernmental transfer agreement with Willmar Municipal Utilities (MUC) expired at the end of December, 2014. A new agreement has been negotiated for 2015 establishing an annual amount based on 4.90% of the MUC's audited net position as of January 1 of the previous year, but not to exceed a four percent increase in the amount of the intergovernmental transfer payment of the previous year. The previous agreement also reflected a rate of 4.90% of net position with the same limit on annual increases. It was noted that other potential methods for calculating this payment will be researched for future agreements.

Following discussion, Council Member Dokken made a motion to introduce a resolution authorizing the Mayor and the City Administrator to execute the agreement as presented. Council Member Johnson seconded the motion which carried.

Item No. 7 Statutory Municipal Liability Coverage Limits – City Options (Resolution)

Staff presented details of the current statutory tort liability limits to the extent of the coverage purchased from the League of Minnesota Cities Insurance Trust. A decision must be made annually whether to waive the limits.

If the City does not waive the statutory tort limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover in a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. If the City waives the statutory tort limits and purchases excess liability coverage, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants. Staff was recommending not to waive the statutory tort limits at this time.

Following discussion, Council Member Dokken made a motion to introduce a resolution stating the City will not waive the statutory tort limits. Council Member Johnson seconded the motion which carried.

Item No. 8 Change Order For Park Plan Project (Resolution)

Community Ed & Rec Director Steve Brisendine presented to the Committee a request for an increase of \$2,000 to the Willmar Parks & Recreation Master Plan Contract with SRF Consulting Group, Inc. Staff felt it necessary to have a final meeting with SRF representatives to clarify and provide deeper explanation of the Master Plan results. This additional work was provided by SRF at a cost of \$2,000 which increased the total contract to \$49,950.

Following discussion, Council Member Dokken made a motion to introduce a resolution authorizing the additional work performed by SRF Consulting Group, Inc., thereby increasing the total Contract to \$49,950. Council Member Johnson seconded the motion which carried.

Item No. 9 Reappropriate Funds from CIP to Public Works Operating Budget for Crack Seal/Seal Coat Project (Resolution)

Staff explained to the Committee that the 2015 Crack Sealing and Seal Coating Project quotes were received on April 7, 2015, totaling \$70,470. The 2015 Public Works Operating Budget included \$65,000 for this project. Consequently, it is necessary to reappropriate unused 2015 Capital Funds from the purchase of four Kubota mowers to cover the \$5,470 shortfall.

Following discussion, Council Member Nelsen made a motion to introduce a resolution reappropriating \$5,470 from the 2015 Capital Projects Purchase of Four Kubota Mowers to the 2015 Public Works Operating Budget for the additional amount needed for Crack Sealing and Seal Coating. Council Member Dokken seconded the motion which carried.

Item No. 10 Sale of Zamboni (Resolution)

Staff explained that the Civic Center Zamboni was authorized for replacement in accordance with the Vehicle Replacement Program on September 2, 2014. Arena Warehouse has offered \$27,500 to purchase the old Zamboni. It was noted that the dealer who sold the City the new Zamboni indicated the old one would be valued at \$12,000, so selling it for \$27,500 is a respectable return on our initial investment. Staff was seeking approval for the sale of the old Zamboni and charger to Arena Warehouse for the sum of \$27,500 and to reallocate those funds to the 2015 Civic Center Operating Budget.

Following discussion, Council Member Johnson made a motion to introduce a resolution authorizing the sale of the old Civic Center Zamboni and charger to Arena Warehouse for \$27,500 and that those funds be reallocated to the 2015 Civic Center Operating Budget. Council Member Dokken seconded the motion which carried.

Item No. 11 Sale of 2005 International Dump Truck (Resolution)

Staff explained that the Public Works Department replaced the 2005 International Dump Truck in accordance with the Vehicle Replacement Program through State Contract as authorized by Council action on January 20, 2015. The Willmar Municipal Utilities has offered \$28,000 to purchase the old truck from the City of Willmar. It was noted that the dealer who sold the City the new truck indicated the old one would be valued at \$26,000 so selling it for \$28,000 would be a respectable return on our initial investment. Committee Members requested staff to find out what the MUC's intentions are for use of this truck.

Following discussion, Council Member Dokken made a motion to introduce a resolution authorizing the sale of the old 2005 International Dump Truck to the Willmar Municipal Utilities for \$28,000. Council Member Johnson seconded the motion which carried.

There being no further business to come before the Committee, the meeting was adjourned at 5:45 p.m. by Chair Anderson.

Respectfully submitted,



Carol Cunningham
Accounting Supervisor