

## FINANCE COMMITTEE

### MINUTES

The Finance Committee and Full Council of the City of Willmar met on Monday, August 31, 2015, in the Council Chambers at the Willmar Municipal Utilities Building.

Present:	Denis Anderson	.....	Chair
	Tim Johnson	.....	Vice-Chair
	Rick Fagerlie	.....	Member
	Audrey Nelsen	.....	Member

Others present: Mayor Marv Calvin, Council Member Steve Ahmann, Council Member Ron Christianson, Council Member Andrew Plowman, Finance Director Steve Okins, Interim City Administrator/City Clerk Kevin Halliday, Community Ed & Rec Director Steve Brisendine, Planning and Development Services Director Bruce Peterson, Public Works Director Sean Christensen, Police Chief Jim Felt, Fire Chief Frank Hanson, "West Central Tribune Journalist" David Little, 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. who noted that this is a Finance Committee meeting with full council participation for purposes of discussing the 2016 Mayor's Proposed Budget.

#### Item No. 2      Public Comments

There were no comments from the public.

#### Item No. 3      Mayor's 2016 Budget Presentation (Information)

Mayor Marv Calvin presented his proposed 2016 Budget totaling \$34,745,568. Of the total budget, \$14,433,983 is for General Operating; \$7,688,007 is for Capital Improvements; \$1,054,260 is for Special Revenue/Internal Services; \$2,404,267 is for Debt Service; and \$9,165,051 is for the Wastewater Treatment Plant. It was noted that the General portion of the budget includes \$2,009,787 in transfers bringing the total to \$16,443,770. The total proposed tax levy of \$4,451,028 is the same as last year with \$4,054,028 for General Operating. However, last year \$147,000 was dedicated for the Street Program and \$250,000 for the PIR fund. For 2016, the entire \$397,000 is proposed to be dedicated for the Street Program. Other revenues discussed included an anticipated increase in Local Government Aid and expenditures included the addition of the Human Resources position and Downtown Neighborhood Coordinator position. Other changes in 2016 include 1) revisiting the Centerpoint Energy Franchise Ordinance; 2) reclassifying the Central Stores Fund to the General Fund; and 3) dedicating the additional \$250,000 for Pavement Management.

Mayor Calvin noted what he sees as top priorities for the City of Willmar: 1) To maintain operations of the City at the current level; 2) Pavement Management Plan; 3) Parks Plan; 4) Facilities Management Plan; 5) Stormwater; 6) Establish a new local option sales tax program; 7) Continue with the additional \$250,000 portion of levy to be applied toward the Pavement Management Plan; 8) Spend down the remaining Library Fund Balance; 9) Establish the two new staff positions of Human Resources under the Finance Department and Downtown Neighborhood Coordinator under the Planning and Development Services; 10) Promote "shop local" options; and 11) Proposed three-year agreements for Rice Hospital and WMU intergovernmental transfer agreements.

Finance Director Okins indicated that Finance Committee Meetings with Full Council have been scheduled for September 14, 2015, to discuss the Capital Improvement Program and for October 12, 2015, for departmental staff to present their operating budgets.

Council Member Christianson felt that the City should hold off on the two new positions until the new City Administrator is hired because he or she may have different ideas. He also questioned the \$710,000 for improvements under the Park Plan as he felt those funds would be needed more for improvements under the Pavement Management Plan.

Council Member Johnson expressed concern about instituting franchise fees since there have been substantial increases in other utility charges which already burden citizens.

Chair Anderson expressed concern about terminating the Library Fund and raised the question about it originally being established for library improvements only.

Council Member Fagerlie questioned the Downtown Neighborhood Coordinator position since the City already contracts with Downtown Development to do similar work. This new position would be in addition to Downtown Development.

Council Member Nelsen asked why Mayor Calvin did not fund the \$5,000 for Vision 2040. It was explained that various forms, such as Form 990 as well as a budget, need to be received from the requesting community organization in order to include it on the proposed budget. None of those forms were received from Vision 2040.

Chair Anderson asked if staff were seeking grants and other leveraging options to offset the \$710,000 for Parks. Staff assured the Committee that was being done.

Council Member Ahmann questioned why a splash park was being proposed for Rice Park when area residents don't want one. Further, funds would be better spent on improvements under the Facilities Management Plan, including the Aquatic Center.

Mayor Calvin challenged the Council to set priorities to pursue and said that, although he is aware of council members' concerns, he would like to have a retreat to establish these priorities. Council Member Christianson expressed concerns about the value of a retreat. Council Member Ahmann stated his first priority is building maintenance. Council Member Nelsen stated the Council needs to hear what the community feels are priorities and not just what the Council thinks are priorities.

This matter was for information only.

Item No. 4      \$2,000 Donation/Grant Vision 2040 for Dog Park Amenities (Resolution)

Staff reported that Willmar Lakes Area Vision 2040/United Way is providing a grant/donation of \$2,000 to be used for amenities for the Dog Park. This grant was solicited by KC Dog on behalf of the City of Willmar. These funds will be used for signage, waste pickup dispensers, and benches to be placed in the park.

Following discussion, Council Member Nelsen moved to introduce a resolution to accept the grant/donation of \$2,000 from the Willmar Lakes Area Vision 2040/United Way to be used for Dog Park amenities and to direct staff to issue a letter of appreciation. Council Member Fagerlie seconded the motion which carried.

Item No. 5      Selvig Park Renovation (Resolution)

Staff explained that the Selvig Park Committee has solicited a quote from Stacy's Nursery to renovate the landscaping at Selvig Park in two phases. Phase 1 totals \$17,210.80 which includes demolition of the old timber landscaping and replacing it with block landscaping. Phase 2 of this project would not be done until Spring of 2016 and is estimated at \$7,288.94. The City has a trust fund donated by Clara Selvig for the purpose of maintaining Selvig Park. Requirements for this fund establish that the balance cannot go below \$30,000. Given the current balance in this fund, \$8,000 would be available for this park project. Mayor Yanish had requested assistance from downtown merchants to rejuvenate Selvig Park and fund raising is in

process. It was noted that Faith At Work may also be interested in contributing to this project. Once funding is secured the work can begin.

Following discussion, Council Member Fagerlie moved to introduce a resolution to authorize Stacy's Nursery to renovate Selvig Park as presented in Phase 1 for \$17,210.80 and in Phase 2 for \$7,288.94 with the work to begin only after funding is in place. Council Member Johnson seconded the motion which carried.

Item No. 6      Consideration of Willmar Rifle and Pistol Club Agreement (Resolution)

Staff presented the proposed Shooting Range Monitoring Services Agreement with the Willmar Rifle and Pistol Club (WRPC) for Committee review and approval. There have been numerous discussions with the WRPC to arrive at this agreement. It was noted that training and certification costs for Range Safety Officers will be provided by WRPC through 2016 and then beginning in 2017 these costs will be the City's responsibility. City Attorney Robert Scott raised concerns with the decades old practice of allowing the WRPC the full use of the vault for storage of their guns. With League of Minnesota Cities Insurance Trust (LMCIT) review of that concern, Clause II.5 was amended noting WRPC will be fully responsible for the contents and no City insurance will be placed under our LMCIT policies to cover theft, water damage, etc. LMCIT review of the arrangement does require Clause I.7 which refers to the City being named as an additional insured under the WRPC insurance coverage.

Following discussion, Council Member Fagerlie moved to introduce a resolution authorizing the Mayor and the Interim City Administrator to execute the Shooting Range Monitoring Services Agreement with the Willmar Rifle and Pistol Club as presented. Council Member Johnson seconded the motion which carried.

Item No. 7      Consideration of Amending the Assessment Roll of the 2015 Streets & Other Improvements (Resolution)

Staff explained that the Council had previously adopted the Assessment Roll for the 2015 Street & Other Improvements. Since then, assessments for the Historic 313 Building have been finalized totaling \$28,471.70. Consequently, Council approval is needed to amend the Assessment Roll for the 2015 Street & Other Improvements for a new total \$444,139.34 which would include the Historic 313 Building assessments. This would reset the start date of interest to September 9, 2015, which is the date of closing with the five local banks.

Following discussion Council Member Fagerlie moved to introduce a resolution approving the Assessment Roll for the 2015 Street & Other Improvements as amended totaling \$444,139.34. Council Member Nelsen seconded the motion which carried.

Item No. 8      Consideration of Agricultural Land Exemption of Special Assessments (Resolution)

Staff explained to the Committee that it is City policy to temporarily exempt from assessments certain lands currently used for agricultural purposes. Each year contact is made with the listed land owners to ascertain their desire to place the land in agricultural use for the next crop year, which in this case is for 2016 totaling \$654,059.06 in Deferred Collections.

Following discussion, Council Member Fagerlie moved to introduce a resolution approving the exemptions for qualifying agricultural land owners of special assessments as presented for 2016 in the amount of \$654,059.06. Council Member Nelsen seconded the motion which carried.

Item No. 9      Allocating Funds from Verizon Tower Project to Fire Department Budget (Resolution)

Staff explained to the Committee that Verizon and the City of Willmar have entered into an agreement through which Verizon will be renting land from the City of Willmar at the fire station to build a new cell phone tower. The agreement states that Verizon will remit \$15,000 annually for land usage and a

one-time fee of \$7,381.36 for new communications equipment to be placed on the tower. It is being proposed that the \$15,000 be used to replace four overhead garage doors, add a restroom in the training room area and remodel two other restrooms. The overhead doors were originally installed about 33 years ago and have outlived their useful life. They are falling apart and cannot be fixed. The fire department training room is used on an average of two to three times per week and has outgrown the one restroom concept. The original restroom in the training room area will be used as a female locker room/shower area. Currently we do not have an area for our female firefighters to use as a shower. The restroom/shower area in the male locker room is in need of repair with the tiles coming off the floor and the sink/toilet fixtures being very old and inefficient. This restroom has never been remodeled and was built in 1970. The cost of replacing the overhead doors is estimated at \$8,760 and the restroom remodel project is estimated at \$7,560. The Verizon funds are currently unallocated and would pay for the projects listed above with additional funding coming from the 2015 Fire Department Operating Budget. Council Member Nelsen questioned setting a precedent by designating new revenue for specific projects. In response to Council Member Fagerlie's questions regarding details of the lease, staff explained that there is a one-time lump sum payment due from Verizon in the amount of \$7,381.36 for reimbursement of the purchase and installation of equipment. There is also a one-time lump sum payment due from Verizon in the amount of \$3,000 for reimbursement of the City's attorney costs for this lease. Verizon also agrees to pay annual rent of \$15,000 the first year with a 3% increase each year thereafter. The first term of the lease is five years with the option for several additional five-year extensions after that. Responsibility for payment of real estate taxes as a result of improvements made to the property were not addressed in the lease.

Following discussion, Council Member Fagerlie moved to introduce a resolution allocating the funds to be received from Verizon for the annual rent of \$15,000 and equipment expenses for their new cell phone tower of \$7,381.36 to the Fire Department budget for building maintenance projects and to purchase the replacement communications equipment that will be placed on the Verizon tower. Council Member Johnson seconded the motion which carried.

There being no further business to come before the Committee, the meeting was adjourned at 6:25 p.m.

Respectfully submitted,



Carol Cunningham  
Accounting Supervisor