

FINANCE COMMITTEE

MINUTES

The Finance Committee of the Willmar City Council met on Monday, September 28, 2015, in Conference Room No. 1 at the City Office Building.

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

Others present: Finance Director Steve Okins, Interim City Administrator Kevin Halliday, Community Ed & Rec Director Steve Brisendine, Information Systems Coordinator Ross Smeby, Westberg & Eischens Representative David Euerle, "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. It was noted that a new item, Land Rent Issue, will be added to the agenda under 10A.

Item No. 2 Public Comments

There were no comments from the public.

Item No. 3 12/31/14 City of Willmar Audit Report (Information)

Independent City Auditor David Euerle of Westberg & Eischens provided the Committee with an overview of the 12/31/14 Audit Report. It was noted that the City overall has very good fund balances. The Waste Treatment Fund has shown strong improvement in operating income over the last three years and expenses have been relatively flat. Chair Anderson asked about the delay in finalizing the financial statements. Mr. Euerle felt there were several issues causing this problem, including the Finance Department being short staffed, other departments not providing information to the Finance Department in a timely manner, and the auditors not conducting their audit until everything has been compiled by the City. Mr. Euerle suggested that in the future a timeline could be provided to the Committee relating to the audit process. Additionally, he offered to attend meetings to update the Committee with the status of the financial statements. This matter was for information only.

Item No. 4 PEG Access Assessment Agreement with CBG Communications (Resolution)

Information Systems Coordinator Ross Smeby explained to the Committee that in preparation for the Cable Franchise renewal, a PEG (Public, Educational and Governmental) Access Assessment will need to be done to review access operations, facility needs and current/future channel capacity need. A proposal for this work has been received from CBG Communications, Inc., of St. Paul, for a not to exceed amount of \$19,920 which includes reimbursable expenses. The Proposed 2016 Budget includes a request for \$20,000 to cover the cost this assessment. This six-month project needs to be done by the 1st quarter of 2016 so we would need to enter into the agreement now; consequently, the funds have to be allocated in 2015. Staff suggested that Public Improvement Revolving Funds (PIR) be used to fund the agreement in 2015, with the understanding that the 2016 Information Systems Operating Budget will reimburse the PIR Fund. It was noted that this agreement has already been reviewed by the Cable Advisory Committee with a recommended action of sending it to the full council for approval.

Following discussion, Council Member Fagerlie moved to introduce a resolution to authorize the Mayor and Interim City Administrator to execute the PEG Access Agreement with CBG Communications, Inc., for an amount not to exceed \$19,920 and that Public Improvement Revolving Funds be used to temporarily

fund this agreement until 2016 at which time the Information Systems Budget will reimburse the PIR Fund. Council Member Johnson seconded the motion which carried.

Item No. 5 Information Systems 2015 Capital Improvement Reallocation (Information)

Information Systems Coordinator Ross Smeby explained to the Committee that the current HVAC system at the WRAC-8 building cannot adequately remove moisture from the building and there is no air exchanger or windows that allow for air circulation. After an analysis by multiple contractors, it was determined that a dehumidifier and air exchanger was needed for the building. One of the quotes also included reattaching heater cores in the building since there is a concern that the current heater for the building is not adequate. Also, leaks in the basement need to be sealed to avert future flooding. Staff is recommending that this work, including reattaching the heater cores and sealing the basement leaks, be done by Bullet Proof Mechanical of Willmar for their bid of \$43,219. Funds could be reallocated from the 2015 Capital Outlay budget for Thin Clients which is not being done at this time. After noting that Chappell Central had only provided a bid on installing an air exchanger only, Chair Anderson asked that Chappell resubmit their bid to cover the same scope of work that Bullet Proof Mechanical provided. Council Member Nelsen stated the City needs a building or facilities manager to help avert these types of issues. For now she feels that the City Engineering Department should look at the issue and then the project should be rebid. Council Member Fagerlie suggested using the two City building officials to inspect the building. After considerable discussion, it was determined that staff should research the issue further and bring back a recommendation as to how to proceed.

This matter was for information only.

Item No. 6 New City of Willmar Technology Use Policy (Resolution)

Information Systems Coordinator Ross Smeby explained to the Committee that the City's current Computer Use Policy was adopted in 2003. Given the new technology that has been implemented by the City since that time, a complete rewrite of the policy was needed. The new Technology Use Policy was presented for review and approval. Council Member Nelsen raised the issue of using personal email for City business that could subject the City to perform a search on those personal emails. Staff will include in the new policy that all City staff should use only City email addresses when conducting City business.

Following discussion, Council Member Fagerlie moved to introduce a resolution to adopt the Technology Use Policy, subject to City Attorney review, to include that all City staff use City email addresses when doing City business. Council Member Nelsen seconded the motion which carried.

Item No. 7 Civic Center Wi-Fi Grant – EDC and Blandin Foundation (Resolution)

Staff explained to the Committee that the EDC wrote an application to the Blandin Foundation to provide greater WiFi accessibility for users at the Civic Center. The EDC has agreed to provide a grant in the amount of \$8,800 to the City of Willmar to fund these WiFi enhancements. Matching funds are required for this grant in the amount of \$4,200 from the City with the Willmar Area Curling Club donating an additional \$1,000 for a total project cost of \$14,000. Having this enhancement would benefit dry floor events, school functions, and curling club activities. Questions discussed included frequency of needed updates, security issues, and adequate bandwidth. Council Member Nelsen supported the project stating it would be helpful for students to do their homework. Chair Anderson asked that staff look into charging extra for using WiFi at the Civic Center.

Following discussion, Council Member Nelsen moved to introduce a resolution authorizing the WiFi Enhancement Project at the Civic Center in the amount of \$14,000, accepting the EDC Grant of \$8,800, accepting the Willmar Area Curling Club donation of \$1,000, and to direct the Interim City Administrator to send a letter of appreciation to both entities. The motion further included reallocating \$4,200 from the 2015 Civic Center Operating Budget to Capital Outlay. Council Member Fagerlie seconded the motion which carried.

Item No. 8 Vision 2040 Stakeholders Funding Request (Information)

Staff explained to the Committee that, at a recent Vision 2040 Steering Committee meeting, it was noted some stakeholders are paying their requested share from current 2015 sources, including the City of Pennock, Willmar Public Schools, New London-Spicer Schools, and Community Christian School. The last payment made toward Vision 2040 by the City of Willmar was on August 26, 2014. Mayor Calvin asked the Committee to consider contributing the \$5,000 Vision 2040 Stakeholder Request out of the 2015 budget instead of the proposed 2016 budget. The Mayor would like this contribution to be designated for Vision 2040 Marketing and Website Improvements. Sources for 2015 funding of this payment were discussed. Council Member Nelsen expressed her support for Vision 2040 as well as concerns about the increasingly stringent process civic organizations need to follow to submit a request, particularly what changed from last year to this year in the process. She also wants staff to provide a report on the Vision 2020 Contributions as well as the Vision 2040 Contributions to date. Further, she informed the Committee that the Vision 2040 Group would be willing to attend a Council meeting to provide an update on their progress. Council Member Johnson stated he is uncomfortable with making this contribution in that it is not entirely for public purpose. Staff explained that Vision 2040 marketing and website improvements as well as community health initiatives would all be public purpose.

This matter was taken for information only.

Item No. 9 Consideration of Senior Citizen Deferred Assessment to be Reassessed (Resolution)

Staff explained to the Committee that property located at 1300 12th Street SE, identified as Parcel #95-672-0060, had a senior citizen deferment recorded against the property by Melissa A. (Sutherland) Walsh. This lien for a 2010 Street Project, totaling \$4,244.08, was omitted by the title company in a January 22, 2015, sale. This secondary sale does not qualify for continuation of the deferred assessment and pursuant to MS 435.195, the original assessed amount plus interest was due and payable at the time of sale. Apparently, the new owner, Douglas Mulder, was deceived at the time of sale that no payment was due until 2016. No City staff in any office would have indicated such a procedure to the title company. The only practical legal solution is to assess the full amount of \$4,244.08 against the parcel for full collection in 2016.

Following discussion, Council Member Fagerlie moved to introduce a resolution certifying the deferred assessment of \$4,244.08 for collection on the tax rolls in 2016. Council Member Johnson seconded the motion which carried.

Item No. 10 Consideration of Nuisance Administrative Charge (Motion)

Staff reported to the Committee that the City's current nuisance weed and grass mowing ordinance allows for a \$35 Administrative Charge to be added to the City mowing charges. Recently, Kandiyohi County added a new fee of \$10.00 for each property tax bill entered into their system, thereby increasing the cost to the City to certify unpaid nuisance grass mowing charges to the County. Staff is recommending a new Administrative Charge of \$50.00 or more. It was noted that the current \$35.00 Administrative Fee was set in May, 2000, by Ordinance No. 1135.

Following discussion, Council Member Nelsen moved to direct the City Attorney to draft the proposed change of \$50 for the Administrative Charge. Council Member Johnson seconded the motion. After further discussion, Council Member Fagerlie moved to amend the motion to direct the City Attorney to draft the proposed change to \$75 for the Administrative Charge. Council Member Johnson seconded the amended motion which carried.

Item No. 10A Land Rent Issue (Resolution)

Staff explained to the Committee that the lessees of agricultural land lease Tract VIII has requested permission to install drainage tile on the property at no cost to the City and, subsequently, are also requesting that their lease be extended an additional four years for the same rental rate which would bring the expiration date to December 15, 2022. Copies of the new proposed land lease for Tract VIII was provided.

Following discussion, Council Member Fagerlie moved to introduce a resolution to authorize the Mayor and City Administrator to execute the agricultural lease extension for Tract VIII as presented. Council Member Johnson seconded the motion which carried.

Item No. 11 Miscellaneous

Chair Anderson reminded the Committee that the October 12, 2015, Finance Meeting agenda will include the department directors' presentation of their respective 2016 budgets.

There being no further business to come before the Committee, the meeting was adjourned at 6:08 p.m. by Chair Anderson.

Respectfully submitted,



Carol Cunningham
Accounting Supervisor