

FINANCE COMMITTEE

MINUTES

The Finance Committee of the Willmar City Council met on Monday, March 31, 2014, 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: City Administrator Charlene Stevens, Finance Director Steve Okins, City Clerk Kevin Halliday, Community Education and Recreation Director Steve Brisendine, Bob Mathiasen, Robbins Island Amphitheater Fund Raising Chair, Mayor Frank Yanish, Council Member Jim Dokken, "West Central Tribune" 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.

Item No. 2 Public Comments

There were no comments from the public.

Item No. 3 Amphitheater Naming Rights (Motion)

Staff explained that the amphitheater proposed to be constructed at Robbins Island Park is being spearheaded by private citizens and introduced Bob Mathiasen, Community Fund Raising Chair, who presented an update to the Committee on the project progress and naming rights requirements. The cost to construct the amphitheater is estimated at \$350,000 to be funded through grants, naming rights donations, and business/individual donations. Council support is needed for utilizing naming rights donations as one of the fund sources. Mr. Mathiasen also requested Council approval to allow donors to make payments over a period of ten years.

Council Member Johnson raised concerns about the amount the City would be underwriting and the credibility of donors making payments. Mr. Mathiasen responded that those donors making payments would be required to execute a pledge agreement.

Council Member Fagerlie also raised a concern about possible land-use restrictions that may be listed on the Robbins Island deed to the City of Willmar. Staff will research this question.

Following discussion, Council Member Nelsen made a motion to approve naming rights donations as one of the sources of funding for the amphitheater project and to support the continued fund-raising efforts for grants, naming rights donations and business/individual donations to fully fund the project. This motion further requires that a minimum of 50 percent of the total funds needed for the project be received in cash up front and an allowance of the remaining balance of these donations be secured with a pledge agreement payable over a maximum of ten years. Council Member Johnson seconded the motion which carried.

Item No. 4 Stingers Facility Lease (Resolution)

Staff explained that 2014 is the last year of the first five-year agreement with the Northwoods League and Willmar Baseball LLC for use of the Bill Taunton Stadium at Baker Diamond. A new five-year lease is being proposed effective August 25, 2014 through August 25, 2019, and has been reviewed by the City Attorney. It was noted that rents were increased by \$18,540 over the previous agreement for the five-year

period and that these rates are comparable with statewide cities of like-size. Other changes to the agreement include opening the concessions one-half hour prior to game time and disallowing political signage at the stadium. Concerns were raised about conflicts with the Legion, VFW and Willmar Baseball Association. Community Ed and Rec Director Brisendine explained that he is working with these groups to coordinate schedules and alleviate conflicts. In response to a question from Council Member Nelsen, CER Director Brisendine noted that requests are being addressed for improvements to the Orange Field for Concession area, bathroom facilities, and a press box. Concerns were also raised regarding recycling issues. Mr. Brisendine stated that would be the City's responsibility to address and will look into providing those receptacles.

Following discussion, Council Member Fagerlie made a motion to introduce a resolution to authorize the Mayor and City Administrator to execute this five-year agreement with the Northwoods League and Willmar Baseball LLC. Council Member Johnson seconded the motion which carried.

Item No. 5 Statutory Municipal Liability Coverage Limits (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 Fagerlie made a motion to introduce a resolution stating the City will not waive the statutory tort limits. Council Member Nelsen seconded the motion which carried.

Item No. 6 Local Option Sales Tax (Motion)

Staff presented a summary of the Local Option Sales Tax Program that expired December 31, 2012, for the four authorized projects including the Industrial Park Expansion, Hiking/Biking Trails, Purchase of WRTC 60 Acres, and the Civic Center/Blue Line Arena Connection. It was noted that one year has elapsed since the expiration of the tax; subsequently, the City Council could explore the possibility of requesting authorization to reinstate the tax from the State Legislature, as previously considered, for street funding. Unrealized market value losses over the last year reduced the amount of the total funds remaining in the Local Option Sales Tax (LOST) Fund by approximately \$722,000. Staff recommended reallocating this unrealized market value loss to other City funds to reinstate the full amount back into the LOST Funds portion of the Industrial Development Fund. It was noted that this market value loss is anticipated to be regained upon maturity of the applicable investments.

Following discussion Council Member Nelsen made a motion to approve reallocating the 2013 unrealized market value loss in the Industrial Development Fund by prorating the total among other City funds. Council Member Johnson seconded the motion which carried.

Item No. 7 Old Business (Information)

There was no old business.

Item No. 8 New Business (Information)

There was no new business

There being no further business to come before the Committee, the meeting was adjourned at 5:33 p.m. by Chair Anderson.

Respectfully submitted,

A handwritten signature in black ink that reads "Carol Cunningham". The signature is written in a cursive style with a large initial "C".

Carol Cunningham
Accounting Supervisor