

FINANCE COMMITTEE

MINUTES

The Finance Committee of the City of Willmar met on Thursday, April 4, 2019 in Conference Room No. 1 at the City Office Building.

Present: Audrey Nelsen Chair
 Rick Fagerlie Vice Chairman
 Andrew Plowman Member
 Julie Asmus Member

Others present: Finance Director Steve Okins, Parks & Rec Director Rob Baumgarn, and West Central Tribune Reporter Shelby Lindrud

Item No. 1 Call to Order

The meeting was called to order at 5:15p.m.

Item No. 2 Public Comments

There were no comments from the public.

Item No. 3 Recommended Action Items for the Council

Industrial Development Fund (Resolution)

Staff explained to the Committee that during the 2019 Budget process, a pending project in the Industrial Park was estimated to generate approximately \$700,000 in revenues. The 2019 Budget was adopted in December, 2018; however, since that time, the pending project and land sale are no longer anticipated to occur, thus reducing the Estimated Revenue for 2019 by \$700,000. This reduction is considered material in nature so it is recommended that the Budget be reduced and attempt made to reflect what the activity will be moving forward in 2019.

After discussion, it was moved by Councilmember Plowman and seconded by Councilmember Asmus to introduce a Resolution reducing the 2019 Budget by \$700,000.

Bike Share Budget (Resolution)

Staff explained to the Committee that Council approval had been given to apply to the Community Foundation Bernicks Community Fund for a grant of \$18,000 for the Bike Share Program. The original program budget of \$45,000 for Capital and \$5,200 for operating had not been formally adopted by the Council. Since the City has received notification of a \$10,000 grant instead of the \$18,900 that had been applied for and since there was not a formally approved budget, staff is bringing forth a proposed budget for the Bike Share Program of \$69,240.

After discussion, it was moved by Councilmember Asmus and seconded by Councilmember Plowman to introduce a resolution to adopt the 2019 Bike Share Program Budget of \$69,240.

Civic Center Wheelchair Life Project – Cardinal Arena (Resolution)

Staff reported that Cardinal Arena at the Civic Center has never had a wheelchair lift previously, although there was a wheelchair ramp when the hockey boards were present. With this lift, wheelchairs will now be able to reach the mezzanine and deck area now. The bleacher project is designed to have handicap

seating on both sides of the arena. We have received two quotes to install a wheelchair lift with the low bidder being Arrow Lift for \$25,990. This project was included in the 2019 Capital Improvements Program and is within the scope of the budget.

After discussion, it was moved by Councilmember Fagerlie and seconded by Councilmember Plowman to authorize the Mayor and City Administrator to execute an agreement with Arrow Lift to install a wheelchair lift in cardinal Arena in the amount of \$25,990.

Civic Center Wall Project – Cardinal Arena (Resolution)

Staff explained to the Committee that Cardinal Arena has 1-inch foam insulation covered with plastic panels. Over time, the panels have yellowed, have holes and are cracking. These panels are roughly 20 – 25 years old. Two bids were received for this project with Cornerstone Construction as the low bidder of \$55,115. This project was included in the 2019 Capital Improvements Program and is within the scope of the budget.

After discussion, it was moved by Councilmember Asmus and seconded by Council Member Fagerlie to authorize the Mayor and City Administrator to execute an agreement with Cornerstone Construction to install new walls in Cardinal Arena for \$55,115.

Civic Center Wall Painting Project – Cardinal Arena (Resolution)

Staff explained to the Committee that the new walls to be constructed at Cardinal Arena will need painting as well. Three quotes were received for this project and M & M Painting and Construction was the low-bidder for \$25,490.00. This project was also included in the 2019 Capital Improvements Program and is within the scope of the budget.

After discussion it was moved by Councilmember Fagerlie and seconded by Councilmember Asmus to authorize the Mayor and City Administrator to execute an agreement with M & M Painting and Construction to paint the new walls in Cardinal Arena for \$25,490.

Our Courts, Our Future Program (Resolution)

Staff presented a request to apply for the “Our Courts, Our Future” grant through the Minnesota Timberwolves FastBreak Foundation. This is the third year of the court refurbishment project which restores four community courts throughout the summer across Minnesota. Staff noted that the basketball court at Miller Park is outdated and the court needs to be resurfaced and the hoops should be replaced. With the improvements that have already been completed with the new playground and tennis courts, this would be the ideal location. Further, it would provide another opportunity to add additional programming at Miller Park.

After discussion it was moved by Councilmember Fagerlie and seconded by Councilmember Asmus to authorize the Mayor and City Administrator to submit an application to the Minnesota Timberwolves FastBreak Foundation for the “Our Courts, Our Future Program”.

Curling Grant Request (Motion)

Staff presented a request to apply for various grants offered by the State of Minnesota and the Federal Government to construct a new facility for the Curling Club. If the Council grants this request, the City of Willmar will work with the Glacial Ridge Curling Club and Senator Andrew Lang’s office on any and all grants that may apply to help in building a new curling facility. The estimated cost of the building is currently about \$2.4 million, however, that may change after the Architectural and Engineering design is completed.

After discussion it was moved by Councilmember Asmus and seconded by Councilmember Fagerlie to authorize the City Staff to work with the Glacial Ridge Curling Club and Senator Lang's office in applying for grants officered by the State of Minnesota and the Federal Government.

Acknowledgment of Donations Received (Resolution)

Staff explained that the City regularly receives donations and pursuant to former Council action on March 7, 2016, a donation protocol, which allows staff to promptly send a thank you letter and formally approve the donations, was passed. During the time period of January 1 through March 31, 2019, the following donations were received: \$1,500 from Willmar Elks Lodge No. 952 for the Willmar Police Explorers Account, and \$4,000 from Gregg and Linda Hanson for the value to sandblast, prime and powder coat the airport beacon.

After discussion it was moved by Councilmember Plowman and seconded by Councilmember Asmus to formally accept the donations as stated above.

Item No. 4 Information Items Discussed

Robbins Island 4-Season Shelter (Information)

Staff explained that the City has been awarded a legacy grant from the DNR for Robbins Island. The dollars that were awarded and the local match from the City are not enough to cover the cost of the shelter that is being proposed. This grant is due June, 2020. During the Parks and Recreation board meeting, there was a motion to have Engan and Associates adjust and present more detail of their drawing for the proposed shelter and to have staff research additional funding possibilities. Staff is recommending discussion on where to find these additional funding sources.

Cambridge Storm Water Project

A brief discussion was held on this project and will continue to be discussed at a future meeting.

Local Option Sales Tax Effective Date (Information)

Staff presented a copy of the bill introduced in the House of Representatives and reported that the Senate Bill was presented on March 28, 2019. With the last day of the legislature's session projected for May 20th, it was noted that the City Council is scheduled to meet that evening so there is a possibility that the ordinance could be introduced at that meeting along with setting a future public hearing on the local option sales tax. Once that has been completed, the Secretary of State needs to be notified, plus, the Dept of Revenue requires a 90 day notice to implement the tax which can only be established as of the 1st day of a quarter. Consequently, at this time, the earliest implementation date for the local option sales tax is projected to be October 1, 2019. Discussion included whether or not the Cambridge Project could be partially funded through the local option sales tax. This will all be brought back to the Finance Committee at a future meeting to receive updates and continue discussion.

Waste Treatment Rate Study

Staff explained that Springsted, Inc., and had completed their analysis of wastewater utility rates for the City's sewage treatment plant. Based on various assumptions, the financial projects indicate no rate increase is needed in 2019 through 2021. The City can alternatively plan to refinance the ballooned maturities in 2025 through 2029 or increase rates 2.5% annually beginning in 2022 to maintain coverage levels and address the debt service increases that begin in 2025.

Tax Abatement/Tax Increment

Per the Committee's request, staff provided some brief information on Tax Abatements versus Tax Increment Programs. Tax Increment can be used for longer durations (up to 25 years in some cases) than Abatements which are typically 15 years. Tax Increment requires approval only from the municipality to capture all local property taxes, while abatement requires each entity's approval to capture its taxes and cannot capture special district taxes. Further, Tax Increment use is subject to more legal restrictions than Abatement. These include a blight test for redevelopment districts, but-for findings, and stricter limits on what increments may be spent on.

Deferred/Suspense and Agriculture Assessments

This item was tabled until a future meeting.

Review Meeting Schedule (Information)

The Committee reviewed the Future Meeting Schedule. Items included for April 18th were Unaudited Financial Report, 1st Quarter 2019 Budget Amendments, March Monthly Report, Comprehensive Assessment Policy Discussion, Unaudited 2018 Financial Report, and 1st Quarter 2019 Budget Amendments.

There being no further business to come before the Committee, the meeting was adjourned at 6:35 PM by Chair Nelsen.

Respectfully submitted,



Carol Cunningham
Accounting Coordinator