

**FINANCE/CITY COUNCIL PROCEEDINGS  
COUNCIL CHAMBERS  
WILLMAR MUNICIPAL UTILITIES BUILDING  
WILLMAR, MINNESOTA**

The meeting of the Finance Committee/Willmar City Council was called to order at 4:45 p.m. in the Council Chambers by Chair Denis Anderson. Members present were Mayor Marv Calvin, Council Members Denis Anderson, Tim Johnson, Rick Fagerlie, Steve Ahmann, Andrew Plowman and Audrey Nelsen. Present 7, Absent 2. Council Members Ron Christianson and Shawn Mueske were excused from the meeting.

Also present were City Administrator Larry Kruse, Finance Director Steve Okins, City Clerk-Treasurer Kevin Halliday, Police Chief Jim Felt, Fire Chief Frank Hanson, Public Works Director Sean Christensen, CER Director Steve Brisendine and Rice Hospital CFO Bill Fenske and CEO Mike Schramm.

The gavel was turned over to Mayor Calvin at 4:46 p.m. Council Member Anderson asked to have items six and seven on the agenda moved up.

There were no comments from the public.

Bill Fenske, of Rice Hospital, presented the Council with the 12/31/15 Financial Report which reflects an increase in net position \$4,089,605. The Hospital's 04/30/16 Financial Report was also presented which reflects a 3.5% increase in operating margin. It was noted that both 2015 and the first four months of 2106 were positive in terms of actual financial performance generating a gain on operations. Discussion included new required reporting in pension funds and its effect on the annual financial statements. This matter was received for information.

Staff presented to the Council the proposed five-year capital improvement program and vehicle replacement schedule. The City Charter requires this information be presented for review three months prior to the Mayor's Budget Presentation which affords the City Council an opportunity for review and analysis so formal action can be taken during the budget process. This matter was taken for information only.

Staff presented to the Committee the City of Willmar Projects of Regional Significance Report compiled by Mid-Minnesota Development Commission which reflects a compilation of projects that could be pursued under a local option sales tax program. It was noted that staff, the Mayor and Council have been studying the processes of implementing a local option sales tax to fund projects of regional significance. Staff is requesting direction from the Council on the next action desired. A local option sales tax could potentially generate \$2.2 million annually.

Following considerable discussion, Council Member Anderson made a motion to commit to pursue further discussion of a .5% local option sales tax. Council Member Fagerlie seconded the motion which carried.

Following further considerable discussion, it was the consensus of the Council Members present that the top three projects to pursue included Street Improvements which would be incorporated into the Mayor's Capital Improvement Budget, a Community Center/Civic Center Project, and Robbins Island Infrastructure. These items will continue to be discussed.

Staff explained to the Committee that the below grade Bio-Solids Storage Tank is currently mixed by three external draft tube mixers and eight submersible propeller mixers. Components of this mixing system have been problematic since commissioning in 1996 or soon after. It is being requested to use funds originally financed through the 2016 CIP slated for Industrial Stormwater Permit/No Exposure Certification Work for a vehicle fueling station. Staff would like to remove the above ground fueling station at the Wastewater Treatment Facility (WWTF) and begin to utilize the fueling station at Public Works to avoid the "No Exposure" requirements to cover the vehicle fueling station at the WWTF. It is being requested that these

funds instead be used to rebuild and modify one of three existing external draft tube mixers with a new style mechanical seal and extra bearings that will outperform the existing OEM design. The estimated cost for one external draft tube mixer is \$17,740.18. If proven to be reliable, similar modifications for the other two mixers will be pursued at a later date.

A resolution reappropriating the \$17,740 originally budgeted in the 2016 CIP for Industrial Storm Water Permit/No Exposure Certification Work for a vehicle fueling station to the 2016 Wastewater Treatment Biosolids Operating Budget to rebuild an external draft tube mixer as presented.

Resolution No. 1 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 7, Noes 0.

RESOLUTION NO. 1

BE IT RESOLVED by the City Council of the City of Willmar that \$17,740 be reallocated from the 2016 CIP Budget to the 2016 Waste Treatment Bio-Solids Operating Budget as follows:

Decrease:	2016 Capital Outlay/Waste Treatment Bio-Solids/Industrial Stormwater Permit	\$17,740
Increase:	2016 Waste Treatment Bio-Solids Operating Budget	\$17,740

Dated this 13th day of June, 2016.

/s/ Marv Calvin  
Mayor

/s/ Kevin Halliday  
Attest: City Clerk

Staff explained to the Committee that the current server system that operates the financial software needs to be replaced. It was purchased in 2004 and is no longer supported by Xerox. The problems that are occurring are mainly due to incompatibility with new software and systems along with no updates to support an upgrade. It is the suggestion of our vendor that we replace the server. After staff reviewed replacement systems it was decided that purchasing the Software as a Service (SaaS) from Xerox would be the best solution. The SaaS plan consists of having Xerox host the software in a secure and offsite location. Xerox will also be responsible for backups and upgrades. This will be a three-year contract totaling \$89,195.85. The new system changeover would occur in 2016 and funds have been approved with the 2016 Operating Budget.

A resolution authorizing the Mayor and City Administrator to execute the three-year contract with Xerox for their "Software as a Service" package for the City's financial software totaling \$89,195.85 as presented was introduced for consideration.

Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 4, Noes 0.

RESOLUTION NO. 2

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Mayor and City Administrator to execute the three-year agreement with ACS/XEROX for the purchase of their financial system Software as a Service (SaaS) in the amount of \$89,195.85 for the entire three-year term.

Dated this 13th day of June, 2016.

/s/ Marv Calvin  
Mayor

/s/ Kevin Halliday  
Attest: City Clerk

City Administrator Kruse reported to the Committee on the City of Willmar's historical practice on accepting donations. Based on his review, he feels the City's practices in managing donations are exemplary and would not recommend any changes be made. Staff will endeavor to increase community awareness of the donation process. This matter was for information only.

City Administrator Kruse explained to the Committee that pursuant to the City abolishing the Assessing Department effective July 4, 2016, the AFSCME Union Labor Contract requires the City to meet and negotiate with the Union when a pending layoff occurs. Staff met with AFSCME regarding the Appraiser I, Brenda Vander Pol where it was requested that she be paid out her 42 hours of accumulated sick leave. Further, as Ms. Vander Pol transitions to the County, her health insurance costs will increase \$482 per month. Although Ms. Vander Pol's deductible will decrease and she will have improved coverage, the reduction in deductible provides no benefit to Ms. Vander Pol unless her family incurred additional medical expense.

Ms. Vander Pol has decided to accept a position with the County. The City Council is under no obligation to provide additional assistance, however, it was agreed the City Administrator would make a recommendation based on this unusual circumstance to pay Ms. Vander Pol for accumulated sick leave and to meet the Union halfway and pay up to \$241 per month for 18 months in a lump sum either directly to her or into a tax deferred account.

Staff presented a resolution authorizing the payout of the Appraiser I sick leave and to pay \$241 per month for 18 months toward health insurance costs totaling \$4,338 as presented.

Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Fagerlie, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 6, Noes 1, with Council Member Johnson casting the "No" vote.

RESOLUTION NO. 3

WHEREAS, the City of Willmar has abolished the Assessing Department and the positions therein as of July 4, 2016; and

WHEREAS, Appraiser I, Brenda Vander Pol, will be transitioning to the County thereby losing her accumulated sick leave and incurring an increase of \$482 per month in health insurance premiums as a result of this abolishment;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the City of Willmar pay out Ms. Vander Pol's accumulated sick leave as of July 4, 2016; and

BE IT FURTHER RESOLVED that the City of Willmar meet half of the increase in health insurance premiums for 18 months for a total lump sum payment of \$4,338.

Dated this 13th day of June, 2016.

/s/ Marv Calvin  
Mayor

/s/ Kevin Halliday  
Attest: City Clerk

There being no further business to come before the Council the meeting adjourned at 6:48 p.m.

Attest:

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MAYOR

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SECRETARY TO THE COUNCIL