

**FINANCE COMMITTEE**

**MINUTES**

The Finance Committee Meeting of the City of Willmar met at 5:00 p.m. on Monday, December 10, 2020, via TeleConference.

Present:	Audrey Nelsen	.....	Chairman
	Rick Fagerlie	.....	Member
	Julie Asmus	.....	Member

Others on the teleconference: Finance Director Steve Okins, Councilmember-elect Tom Butterfield, and Councilmember elect Michael O'Brien

**Item No. 1    Call to Order**

The meeting was called to order at 5:00 p.m.

**Item No. 2    Roll Call**

Roll-call was taken with the following members present: Chair Audrey Nelsen, Councilmember Rick Fagerlie, Councilmember Julie Asmus. Councilmember Andrew Plowman was absent.

Staff requested two items be added to the agenda: 1) Resolution to Fund Two Dump Trucks for Public Works and 2) Motion to designate recording of Local Option Sales Tax Legal Fees and Building Permit Fees. It was moved by Councilmember Fagerlie, seconded by Councilmember Asmus, and passed to amend the agenda to include the Two Public Works Pickups Resolution and the Local Option Sales Tax Legal Fees and Building Permit Fees Motion.

**Item No. 3    Discussion Items for the Council**

**November Finance Report**

Staff reviewed the Capital Outlay and Capital Improvement Expenditures with the Committee. The process of the vehicle replacement schedule was discussed and it was noted that the Vehicle Replacement Policy and the Five-Year Capital Improvement Program Policy will be reviewed at a future Finance Meeting. Revenues and Expenditures of the General Fund and Waste Treatment Fund were also discussed.

**Item No. 4    Action Items**

**Purchase Trucks for Public Works - Resolution**

The Public Works Department is requesting to begin the purchase process before the end of calendar year 2020 for two dump trucks due to significant ordering delays. The truck chassis are proposed to be purchased from North Central International of St. Cloud per Minnesota State Contract No. 12463. One new unit will replace the 2008 International dump truck scheduled for replacement and the other will replace a 2005 John Deer loader. An additional 2008 International dump truck will also be traded on the purchase which was replaced by a 2020 International truck purchased last March and currently being built. The change from a loader to truck unit allows the department more

sanding and hauling capabilities. The timeline on ordering the new truck and outfitting it with the snow removal equipment will have it ready for use in the Fall of 2021. The current State contract expires December 31, 2020, and build times have been delayed due to Covid-19. Once the new trucks are finished and delivered, the 2008 units will then be sold as well as the 2005 unit. These purchases were budgeted for purchase in 2021 in the amount of \$220,000 each for a total of \$440,000. The Council has the option of using Public Improvement Revolving (PIR) funds which are designated to cover major purchases in the interim until funding can be found. It is proposed that PIR funds be used at this time to purchase these two trucks in 2020 until 2021 funds can be expended January 1<sup>st</sup>.

It was moved by Councilmember Asmus, seconded by Councilmember Fagerlie, and passed to recommend a resolution to direct staff to begin the purchase process of two International Dump Trucks and to appropriate \$440,000 from Public Improvement Revolving funds for this purchase which is to be repaid after January 1, 2021, by the 2021 Budget.

### **Local Option Sales Tax Projects Legal Fees and City Permit Fees - Motion Tabled**

Staff explained the past practice of not charging City Projects for Permit Fees other than the State Surcharge Fees. It is staff recommendation that all City Permit Fees be waived for all City Local Option Sales Tax Projects and that any associated Legal Fees be charged to the General Operating Fund under the Legal Department. To date, \$14,500 has been incurred in legal fees for the Local Option Sales Tax Projects. It has been confirmed with Bond Counsel that payment of these costs are eligible and that they could be delayed or recorded as an internal loan to the Local Option Sales Tax Projects to be repaid at a later date or written off depending on the status of excess sales tax funds at the end of the life of the Local Option Sales Tax Program. It was noted that this would also pertain to the City portion of the building permit fees. The State building permit surcharges will continue to be charged to the Local Option Sales Tax Projects.

After considerable discussion, it was the consensus of the Committee that this item be tabled until specific wording of the motion can be determined to avoid future issues with interpretation.

### **Department Report**

Finance Director Okins noted it is a busy time of year for the Finance Department with nothing new to report.

### **Item No. 5     Future Agendas**

Future Finance Committee meetings will include discussion on Federal Path Local Financing and possible Carris Health Debt Refinancing.

There being no further business to come before the Committee, the meeting was adjourned at 5:41 p.m. by Chair Nelsen.

Respectfully submitted,



Carol Cunningham, Accounting Coordinator