

FINANCE COMMITTEE

MINUTES

The Finance Committee of the Willmar City Council met on Thursday, August 14, 2014, in the Council Chambers at the Willmar Municipal Utilities 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, Planning and Development Services Director Bruce Peterson, Public Works Director Sean Christensen, Police Chief Jim Felt, Mayor Frank Yanish, Council Member Bruce Deblieck, Council Member Jim Dokken, Council Member Steve Ahmann, Council Member Ron Christianson, 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 Mayor’s 2015 Budget Presentation (Information)

Mayor Frank Yanish presented his proposed 2014 Budget totaling \$33,272,396. Of the total budget, \$15,530,066 is for General Operating; \$2,080,306 is for Capital Improvements; \$1,788,913 is for Special Revenue/Internal Services; \$2,581,227 is for Debt Service; and \$11,291,884 is for the Wastewater Treatment Plant. It was noted that the General Operating portion of the budget includes \$1,823,386 in transfers for Capital Improvements. The proposed tax levy of \$4,201,028 is \$61,294 more than last year due to new construction valuations with \$4,054,028 for General Operating and \$147,000 for the Street Program. An overview of the estimated revenues and expenditures was presented. Revenues include an anticipated minimal increase in Local Government Aid. Changes in budgeted expenditures include: 1) Elimination of the Human Resources position that was unfilled in 2014; 2) Smaller transfer to the Capital Reserve; and 3) Reduction in capital purchases and projects.

Chair Anderson noted that the City will be using the last of the Local Option Sales Tax funds in 2015. He also restated that the tax levy is the same as last year but valuations have caused it to increase approximately \$61,294. Vice-Chair Johnson raised concerns about funding that will be needed for future capital improvements and asked that research be done to find potential revenue sources to be allocated for the projected capital needs over the next 5 – 10 years. Council Member Ahmann suggested an assessment for everyone in the City for street maintenance and repair. It was noted that the City is required to assess at least 20 percent of the properties in each street improvement project. Council Member Deblieck expressed concerns about maintaining the City Parks. Council Member Christianson asked about specific items listed on the Capital Improvements Plan. Potential funding sources for projected capital improvements needed over the next several years will be researched for future meetings.

Chair Anderson noted that there will be future Council Work Sessions to discuss the Capital Improvement Plan (copy on file at City Offices), Pavement Management, Community Partners, Willmar Municipal Utilities, Hospital and HRA, and other items as requested by the Council. The Finance Committee will continue to review and discuss the proposed 2015 budget over the next several meetings prior to the public hearing to be held in December, 2014. This matter was for information only.

Item No. 4 Air Conditioning Budget Reallocation (Resolution)

Staff explained that the air conditioning unit that cools the basement of City Hall needs to be replaced. Noting the unit is 20 years old, staff reported that the coils in the condenser have burned out, the compressor has quit working and the Freon needs to be replaced to be within current regulations. There are unused funds totaling \$5,585 in the 2014 Engineering Other Services Budget which could be allocated to cover the additional cost of replacing this air conditioner.

Following discussion, Council Member Nelsen moved to introduce a resolution to authorize reallocating \$5,585 from the 2014 Engineering Other Services Budget to City Hall Capital Outlay to cover the additional cost for replacement of the air conditioning unit. Council Member Johnson seconded the motion which carried.

Item No. 5 Future Agendas (Information)

It was noted that the following items will be scheduled for future finance committee meetings: Liquor License Violations, City Auditorium Funding, Multi-Family Waste Treatment Schedule and Definitions, and 2013 Departmental Overages. This matter was for information only.

Item No. 6 Old Business (Information)

There was no old business.

Item No. 7 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.

Respectfully submitted,



Carol Cunningham
Accounting Supervisor