

BUDGET COMMITTEE MEETING NOTES

Wednesday, April 19, 2023; 3:00PM

Depot Board Room

Attended: Commissioner Dawn Morgan, Commissioner Joe Deutsch, Commissioner Vicki Dawson, Commissioner Aaron Hill, Dave Leker, Carolyn Boutain, Paul Grindeland, Dave Bietz, Susan Faus, Broc Lietz, Luke Evenson, Tony Schmitt, Stacy Kruger, Kelly Kisell

Absent: Commissioner Jerry Rostad

Budget 2024; Broc Lietz, presenter.

This is the 2024 budget kickoff meeting and to also get some direction from the commissioners on some items with budgeting over time.

The preliminary budget for 2024 is due to Cass County by August 10, 2023. Final budget approval by the board will occur on October 3, 2023 and certification to Cass County on October 10, 2023.

Luke went through the snapshot of 2022 of the revenue over expenditures with our four funds. Our non-operating revenue in Capital Funds was the largest at \$47,826,433 due to bond proceeds.

Commissioner Dawson asked if there were any surprises in these numbers and the capital funds number is that we borrowed \$44M and we spent about \$32M on the sports complex project. So, what is left is about \$13M from the bond proceeds.

Broc stated that the leftover funds are earmarked for use. Next year the same will happen. The left-over amount for VSS of \$880,009 is down a bit from prior years but will stay with VSS and a fund balance for the future.

The 1.8M that is left over in the General Fund will be put into buckets for long range projects like Edgewood Irrigation, Island Park, Yunker Farm, Golf, Aquatics, Parks, etc....based on prioritization. Recommendations for allocations will be brought to the leadership team for discussion and then to the Board. Commissioner Morgan stated that some are still concerned about Lindenwood Park. Commissioner Morgan would also like the public brought in to discuss and have a public forum.

Broc discussed transitioning to a zero-budget philosophy, where if you were to collect a \$1.00 next year, we should then spend a \$1.00 next year. The budget going forward would be based on the prior year actually spent.

The fee structure historically has been tied to the CPI which we usually look to for pricing and compensation. The Midwest and Nationwide CPI is at 5% and Minneapolis St. Paul CPI is 3.4%. Broc discussed transitioning fee increases to a “cost recovery model”, in which the district would collectively agree on a targeted revenue recovery based on a percentage of expenses. Analysis would include program demographics, participant numbers, affordability, and market tolerance for cost escalation. We will be testing this with the golf pro’s this year, as we consider golf rates for 2024. Commissioner Dawson and Deutsch discussed charging fees based on resident’s vs non- residents with less fees for Fargo residents and/or earmark funds to subsidize low-income residents. Every child should be able to participate in sports no matter the income and provide opportunities.

Commissioner Morgan discussed the volume of people interested in programs.

- Finances always affected.
- Overwhelming demand
- Reservations/Regular spot concern at the campground

Susan spoke about Fargo residents having priority for registrations and we do this now with the Boys and Girls club.

The Mill Levy projection for 2024 is at 12.3% increase, and this is the 2023 estimate. We are limited to 12% growth.

- New growth is at 3.5% and 8.8% for Market increase.

It would be Broc and Luke’s recommendation that we do nothing with the Mill Levy (general fund) for next year due to the two new projects we have going on, staffing, compensation, and other items in the works.

We are currently working through a business model for the Sports Complex which will open in 2024. We will have staffing needs here. There are about 12 positions identified for the additional workloads and resources that may be needed. These positions may not be needed specifically at the Sports Complex.

We will be working on a compensation study for all full-time employees.

Emerald Ash Borer is here now and will have a financial impact. There was \$1M of Fargo Parks money set aside for this and we will need to start utilizing these funds. At the April facility meeting the first week of May there will be a presentation regarding the types of dollars we are looking at spending for studies and injections of some tree’s that we want to keep.

There will be tree’s that we need to removed and then will replant with other trees. There will be equipment costs with large trucks that are needed, staffing for an equipment operator and another

Arborist. We are looking to spend about \$500,000 in the next two years of this reserve that we set aside.

Purchasing lag update:

- We have earmarked \$1.3M in our budget, as an expense, for large equipment the last two years but due to the lag we won't spend the money for another 1 ½ years. This is also an issue for our park mowers that were ordered in 2021.

Other: Dave Leker, presenter.

Staff had a brief discussion regarding keeping a Fargo Park District footprint in the downtown community. Staff will work on some pro and con scenarios and put some fiscal notes together that can be further discussed with Commissioners.

With no further questions, the meeting adjourned at 5:20 PM

Notes submitted by: Cindy Boettcher, Administrative Specialist.