

**BUDGET COMMITTEE MEETING**  
**Wednesday, June 7, 2023; 8:00 a.m.**

**Fargo Park District Board Room**  
**701 Main Avenue, Fargo**

**AGENDA**

1. Budget 2024 Discussion
2. Fargo Parks Sports Complex Operating Model
3. Other

*Next Park Board Meeting: June 13, 2023; 5:30 p.m.*  
*Next Budget Committee Meeting: July 12, 2023; 8:00 a.m.*



## MEMORANDUM

DATE: June 1, 2023

TO: Fargo Park Board Budget Committee

FROM: Luke Evenson, Controller

RE: Agenda Item No. 1 – Budget 2024 Discussion

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The Finance Department has distributed budget worksheets to all Directors. The department budgets will be input and reviewed by Broc Lietz and Luke Evenson. We will meet with the Directors once the budget is assembled and determine priorities for balancing the operating budget for presentation at the July 12 budget meeting. Below are a few of the preliminary changes we would like to go over and discuss for 2024.

### Projected Changes for 2024 Budget

General Fund Tax Revenue: \$2,070,000

- 12% growth in valuation yields \$85,891 additional per mill.
- $\$85,891 * 25.49 \text{ mills} * 95\% \text{ collection rate} = \$2.078 \text{ million}$ 
  - 20.66 general fund mills
  - 4.81 Parks & Rec Facilities
  - 25.49 general fund mills

Golf Revenue: \$265,000

- 8% increase on memberships
- 5% increase on green fees and carts
- \$1 increase on range ball buckets
- Calculations are based on best estimates of 2023 revenues multiplied by the proposed increases.

State Aid (pass through from the City of Fargo:

- Finance team has reached out to the City for an estimate based on legislative action
- Between 2020-2022, state aid has increased between \$252,000 - \$445,000 annually.

Program Fees:

- Recreation team presented proposed rate increases at May Facilities meeting, estimates are based on historical participation multiplied by the proposed increased rates.

Debt Service Tax Revenue:

- 12% growth in valuation yields \$85,891 additional per mill.
- $\$85,891 * 12.62 \text{ mills} * 95\% \text{ collection rate} = \$1.02 \text{ million}$
- However, Mill levy specifically for General Obligation debt will likely decrease based on valuation growth. As we Levy based on the estimate debt payment amounts, and those dollars have already been set.

**Total New General Fund Projection for Operations:      \$2,335,000**

- \$2,070,000 Tax revenue
- \$ 265,000 Golf Revenue
- Pending State Aid and Program Fees
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Projected Payroll Expense Increase:      \$456,928

- 2023 Budgeted FT Salaries \$9,138,551 for all departments
- Staff would propose a 5% increase in total for 2024
- Increase in FT Salaries would be \$456,928.00
- This does not include any new positions that would be added, which still need to be submitted, and reviewed by directors. We will also cover some of this during agenda item #2 for the Sports Complex.

Please reach out to me with any questions you may have.

Thank you.



## MEMORANDUM

DATE: June 1, 2023

TO: Fargo Park Board Budget Committee

FROM: Luke Evenson, Controller

RE: Agenda Item No. 2 – Fargo Parks Sports Complex Operating Model

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Park District Staff has been working on a model to forecast the financials of the Sports Complex. This was our first draft attempt to start looking into what the operations of the new building will even and the financial impacts. All departments at the Park District have had some input on our model, and we will continue to review through the next few months to be able to incorporate into the 2024 budget.

Attached to this memo is financial model that would show the revenues and expenditures relating to the new building. A few notes to keep in mind for these figures:

- The numbers represent the full build out (Phase 1 and Phase 2) for first year of the complex.
- Rental Revenue figures in have a 65% or less utilization of available usage hours
- Personnel Expenses are for future positional staff that will be directly related to the building.
- Operating Expenses for additional costs that would be attributable to the building.
- The contract agreement with Sanford as many impacts on the facility is yet to be finalized. Things included in this contract pertain to signage, utilities, operating commitment, turf and gym rentals, and others.

Again, these figures are just estimates, but we wanted to get some of the numbers on paper to have some sort of plan and expectation of what will be included for the 2024 budget.

Please reach out to me with any questions you may have.

Thank you.

## FARGO SPORTS COMPLEX - Operating Financial Model

### REVENUES

	<u>Annual</u>
Turf (1 - full soccer)	\$ 539,350
Gymnasiums (8- basketball courts)	796,232
Ice (2 sheets)	215,432
Multi-Purpose Rooms (8)	99,372
Pickleball	141,960
Playground & Party Rooms	230,300
Space Rental Power Center	50,000
Concessions	218,400
Advertising	87,500
Other - <i>Sanford's operations commitment</i>	<u>200,000</u>
<b>Total Revenues</b>	<b>\$ 2,578,546</b>

### EXPENSES

<b>Staff &amp; Benefits</b>	
Full Time	938,995
Part Time	318,240
Emploment Benefits & Taxes	<u>366,837</u>
<b>Staff &amp; Benefits</b>	<b>\$ 1,624,072</b>

#### Operating Expenses

Marketing	72,000
Professional Development	21,000
Supplies	240,000
Concession/Pro Shop (COGS)	109,200
Programming	36,000
Professional Services	26,400
Insurance	85,000
Telephone	33,600
Heat, Electric, Water, Sewer Garbage	862,058
Facility Repairs & Maintenance	30,000
Technology Support & Services	51,080
Travel & Meals	6,000
Purchased Services	42,200
Small Tools/Equipment	12,000
Misc. Expense	<u>60,000</u>
<b>Operating Expenses</b>	<b>\$ 1,686,538</b>

<b>Net Operating Revenues (Expenses)</b>	<b><u>\$ (732,065)</u></b>
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