

BUDGET COMMITTEE MEETING NOTES

Wednesday, April 20, 2022; 3:00PM

Depot Board Room

Attended: Commissioner Vicki Dawson, Commissioner Stacey Griggs, Commissioner Jerry Rostad, Commissioner Dawn Morgan, Dave Leker, Carolyn Boutain, Brian Arett, Dave Bietz, Kevin Boe, Broc Lietz, Luke Evenson, Cindy Boettcher

Absent: Commissioner Joe Deutsch

2022 Budget Review- Reallocation of Capital Expenditures. (See the attached list of priority projects)
Dave Bietz, presenter.

Staff is requesting to do a reallocation of budgeted dollars to complete various other priority projects within the Park District. This is with the news of the Park District receiving funding through the North Dakota Parks and Recreation, Park District Facility Renovation Grant in the amount of \$726,654.90 and combined with the knowledge that our Osgood Slope Project will be considerably under budget by approximately \$500,000, due to the ability to keep excavated material on site and the ability of getting free fill from the City of Fargo SW Regional Pond project. We anticipate an approximate surplus of \$1,225,000.

Broc Lietz stated that this is the first step in a change in Philosophy. He would like to see us use these funds on these projects, without an increase in the budget or change to the bottom line. Commissioner Griggs asked what projects were put on the grant application. We used the 2022 concrete improvements and pickleball courts.

Commissioner Dawson asked how the projects are prioritized on the project list. The attached list of projects is in no particular order. All items on the list are considered a priority. Staff would like to complete all the projects on the list that are attainable in the time we have this year. What does not get done this year will come back in next year's budget. Dave Bietz is just looking for the go ahead to use these funds to complete these projects.

Discussions included a review of the items on the project list.

Commissioner Rostad had asked about the cost listed on the project list regarding the Sports Arena and this project at the Sports Arena will also has some interior work under the roof to be completed at the same time of the exterior roof.

Commissioner Dawson asked about grants available for the LED lighting project. There are grants available, one is an 80/20 split and the other is a 50/50 split. The 80/20 split is for certain sized projects and there would have to be a payback requirement on energy savings. The 50/50 split is there with a certain amount of dollars available, and as of right now there are still funds available. With LED there is less maintenance costs also. Commissioner Dawson is in agreement with using the surplus for these projects and deciding which projects need to be done.

Broc Lietz asked if any budget adjustments need to go to the board since it does not affect the bottom line of the budget. Commissioner Dawson asked for a list itemizing the projects completed. She stated it

would be useful for future years to know how the money was spent and to show adjustments between line items.

Commissioner Dawson asked how we would know the history of when certain projects are completed. Dave Bietz stated that at this time we go to multiple people and research to look up when projects were completed. The goal is to get where we do not have to wonder when items were completed. Fargo Public Schools recently switched to the ICS software system, and this will list all the facilities out and a dollar amount assigned to all items and keeps track on a five-year rolling priority list of everything that has been done. Dave Bietz is checking on what the cost will be to hire a company to come in set us up with this kind of system. Commissioner Griggs asked about the cost and how we compare to Fargo Public Schools. The approximate cost of the ICS software is \$42,000, and a \$19,000 annual cost, and the Fargo Park District has more facilities but not as sophisticated as Fargo Public Schools. Commissioner Rostad stated he is a firm believer in the analytics and software and has his full support.

Commissioner Dawson inquired on our warming houses that are on the priority project list. Did they get utilized, were there good numbers at the rinks? Kevin Boe stated the numbers were average of a typical year. We have 16 locations. Future discussions will revolve around if we just want ice and do we need the hockey rinks. There is going to be further discussion on the warming houses and rinks next week.

Commissioner Rostad thought it would be good to hold some money back for any unforeseen projects that could come up.

Budget 2023.

Broc Lietz, presenter.

Philosophy

Since Broc and Luke have now been here just over a year, the finance department is working on budgeting more efficiently. Over the years, there has been \$2-3 million of revenue over expenditures and again this year. Broc believes that 14% is too large of a cushion and would like to see budgeting at 90-97%. Part of the philosophy of getting there is to look back for a five-year average of expenditures and the current budget to compare to try tightening the gap. Commissioner Rostad asked if we are going to try maximize all we can or cut back on the revenue we are generating? Broc stated it could be both, and once we get through the next two years with the two major projects we have, we can then start having those conversations regarding the revenue. Commissioner Dawson wants the staff to know that the money amount in your budget will not need to be all spent in the same year. This does not mean you can't get what you need the next year if you spend less than what you were allotted for your budget in the prior year.

Broc stated that we need to fund needs over the wants based budgeting. Grant funds do need to be prioritized and used. If not used will need to be returned.

Schedule-

Luke Evenson, presenter.

Luke has put together a general timeline for the 2023 budget. Some of the important dates include the following.

May 4, 2022- Next budget meeting
July 6, 2022- Initial budget
July 27, 2022- New preliminary budget
August 2, 2022- Final preliminary budget

The preliminary budget is due to the County on August 9th, 2022. The final budget is due to the County on October 10th, 2022.

CPI

We have not received the Assessors report that we usually have by mid-April. The CPI from March 2021-March 2022 was 8% that is a CPI that is higher than usual. We tie a lot of decisions that we make at the Park District to the CPI. We may continue that way or have further discussion on that.

Budget sheets will go out to staff as of next week.

Commissioner Dawson asked what the range has been the last couple years and what the salaries could have increased to. Last year was 4%, which was a 2.6 CPI and 1.4 that was available for merit increase. The year prior (2020) was 2.2%, which was a 1.2 CPI and 1.0.

Mill Levy

Typically, this comes out mid-April and it is not out yet. Last years was 6%. The average the last 10 years has been at 6.5%.

Capital

Capital expenditures vs Operation Maintenance- Establish a capital plan where there are standalone categories. Separate new from the operational maintenance. We would have a central clearinghouse for all capital expenditures in one area. Today everyone budgets for capital, and we end up with repeats in more than one person's budget. We won't see the long list of capitals with this type of plan. Commissioner Rostad is in agreement with this. A subcategory could be full replacement. Discussion included examples of capital expenditures that would fit under this subcategory. Some examples could be spread out, but when it comes to golf courses its hard to split projects like irrigation replacement into multiple years. You run into more disruption again and more cost when that is done.

Friends of the Depot- We currently have a contract from 1985 and the money donated to Friends of the Depot have been deposited through the FM Area Foundation in a permanent endowment. Funds were invested and cannot be touched. What can be used are the earnings from the investment and the proceeds are sent to the Park District. These funds must be spent on the Depot/Depot Plaza. Currently that amount is \$35,000. If we move out of this building, we will need to repurpose what the dollars are to be spent on, and this would take board action. Another option would be to liquidate the endowment and utilize the funds for the building and get it ready for sale. Since this building is an historic building, those standards would need to be upheld. There will be further follow-up regarding these items.

Personnel Compensation and Staffing needs

Commissioner Dawson asked if the lack of employees and finding employees is monetary. Dave Bietz stated that yes pay could be a part of it. Some roles there are many applications and others there are none. Seasonally we are on par with West Fargo Parks, City of West Fargo, and under the City of Fargo. Commissioner Dawson thinks that people have learned to do more with less.

Broc asked about having more full-time employees and less temporary/PT employees as a possibility also. Could we or should we be doing more year-round activities? Commissioner Morgan stated there has been a greater use of leisure time and more use of the parks and outdoors. We may be better off raising our pay schedule as it seems the way the public is moving. Commissioner Rostad stated we could use this opportunity to create and innovate and have more technology to rely on.

Fees

The fees are tied to the CPI as our costs go up, we raise fees according to that. Commissioner Griggs asked if we are underpriced for golf, and is everything priced right? Should we be using dynamic pricing. This is not something we have implemented where we charge more for certain days and times. Commissioner Dawson is unsure that we should use dynamic pricing.

Other

Audit Presentation- This is usually presented at the budget meeting and after it is fully vetted there, we have Brian Stavanger, with Eide Bailly, present at the board meeting. The auditors would like staff to present at the board meeting this year. Broc and Luke would present the audit findings at the board meeting.

Funding Update- Update on the capital projects, the Fargo Parks Sports Complex, and Island Park Pool. As fundraising goes up for the complex, the bond funding needs go down. We are currently at a 67% public and 33% private funds for the complex. Our goal is to be at 50/50. What we need to reach that 50/50 is \$13,589,723.50.

With no further questions, the meeting adjourned at 4:55 PM

Notes submitted by: Cindy. Boettcher, Administrative Specialist.

Priority Projects

Project Name	Estimated Cost	Date Started	Date Completed	Contractor	Staff Assigned
Sports Arena roof, we already have \$229,860 budgeted. Estimated to need an additional \$100,000.	\$ 330,000.00				Tyler
Rheault Farm Fencing (north and East sides)					
Dike West Skate Park lighting project	\$ 20,000.00				
Fencing at Kennedy Tennis Courts					
Fencing at Tharaldson Little League (West Side)					
Edgewood irrigation Design and construction Documents	\$ 12,000.00				
RC retaining walls near cart tunnel- repair/replace					
LED Lighting Upgrade SWYA	\$ 57,000.00				
LED Lighting Upgrade Sports Arena	\$ 28,000.00				
LED Lighting Upgrade North Shop	\$ 19,000.00				
LED Lighting Upgrade Rose Creek Pro Shop	\$ 2,000.00				
Gas Line and Furnace Roosevelt Warming House					
Furnace Replacement at Westgate Warming House					
Metro Rec Furnace Replacement for Lobby Area and Restrooms					
Waterline Replacement at Mickelson					
SWYA Furnace Replacement for Concessions and Fencing Area					
Roofing at Washington Warming House					
Roofing at Lewis and Clark Warming House					
Roofing at McCormick Building					
Roofing at Trollwood Gazebo					
Roofing at Lindenwood Maintenance Building					
Washington Warming House Siding and Windows					
Westgate Warming House Siding and Windows					
Gutters on the west side of the Sports Arena					

Gutters on Horseshoe Building at Oak Grove \$ 24,000.00

Gutters on Rabanus Warming House

Gutters on Lemke Warming House

Elephant Park Building Roofing and update plumbing fixtures

Update Plumbing Fixtures at Oak Grove Main Shelter

Update Plumbing Fixtures in Campground B Building at Lindenwood

Update Plumbing Fixtures at Trollwood Restroom Building

Update Air Conditioning at the South Shop Office Area

Reframe doors and new doors at Edgewood

Maintenance Shop

Replace Fuel Containment Container, North Shop \$ 37,000.00

Replace Asphalt Trail and Area by Brunsdale Large Field

Replace Asphalt at Tharaldson Little League at Entrance

Add Air Exchange Fans at Carpenters Shop

New Gate for Lindenwood Park

Add Doors to the South End of Players Boxes at SWYA

LED Lighting Upgrades at all Warming Houses

Lindenwood Campground A Electrical Panel Update

Redo Bennett Outdoor Rink

Replace Rubber Flooring at Warming Houses

Outdoor Recreational Amenities Plan

		FSC - Spring 2022 IPP - Fall 2022
Capital Projects		
Fargo Sports Complex		\$ 77,659,657.00
Island Park Pool		\$ 16,900,000.00
Total Capital Costs		\$ 94,559,657.00
Available Funds		
General Obligation Bonds		\$ 41,419,552.00
Park District Cash Reserves		\$ 11,000,000.00
Private Fund Raising		\$ 25,240,105.00
Total Funds Available		\$ 77,659,657.00
Sports Complex		
Access Current Available Funds		\$ 77,659,657.00
Island Park Pool		
General Obligation Bonds		\$ 2,580,448.00
Fund Transfer of 12/31/21 Carryover		\$ 3,000,000.00
Debt Serviced by Special Projects Funds		\$ 10,200,000.00
Total		\$ 93,440,105.00

Total Capital Projects 2022 \$ 94,559,657.00

Total Funds Available \$ 93,440,105.00

Funds Needed for Completion \$ 1,119,552.00

(Needed to Reach 50/50 Partnership) \$ 13,589,723.50

Current Funding Level:

Fargo Park District: 67%

Private Donations: 33%