

BUDGET COMMITTEE MEETING NOTES

Wednesday, May 4, 2022; 3:00PM

Depot Board Room

Attended: Commissioner Joe Deutsch, and Katie McCormick (via teams), Commissioner Vicki Dawson, Commissioner Stacey Griggs, Commissioner Jerry Rostad, Dave Leker, Carolyn Boutain, Brian Arett, Dave Bietz, Kevin Boe, Broc Lietz, Luke Evenson, Brian Stavenger (Eide Bailly), Cindy Boettcher

Absent: Commissioner Dawn Morgan

Eide Bailly, LLP presentation of draft 2021 audit report. Broc Lietz, presenter. (Brian Stavenger has provided everyone with a hard copy of the Audit Report)

Brian Stavenger from Eide Bailly presented a draft of the 2021 Executive Summary. This included an overview of the audit and a high-level review of the 2021 Financial Statements.

A draft of the 2021 Financial Statements, Federal Report and Executive Summary is included in the packet that was handed out. Brian mainly went over the Executive Summary during the meeting and answered questions regarding any of these documents.

- The timeline with planning and prework is usually from October – February
- Year-end testing is March and April
- Reporting results is in May of the year
- The Fargo Park District received a clean audit opinion for 2021

Estimated Taxable Valuation for the 2023 Budget. Broc Lietz, presenter.

This is an estimate of what the Taxable Valuation will be when we certify our levy. The estimated increase would be to \$714,900 mill, which is just over an 8.3% increase from the current amount of \$661,357. In total it would be an increase in revenue of \$1,812,407 with no changes in our current number of mills.

Current Levy's in 2022

General Mills	19.96 mills X \$661,357 = \$ 13,200,700
Parks & Rec Facilities	4.81 mills X \$661,357 = \$ 3,181,130
Debt Service	<u>9.08</u> mills X \$661,357 = <u>\$ 6,005,128</u>
Total	<u>33.85</u> mills X \$661,357 = <u>\$22,386,958</u>

Estimated Levy in 2023 with no changes in mills

General Mills	19.96 mills X \$714,900 = \$ 14,269,404
Parks & Rec Facilities	4.81 mills X \$714,900 = \$ 3,438,669
Debt Service	<u>9.08</u> mills X \$714,900 = <u>\$ 6,491,292</u>
Total	<u>33.85</u> mills X \$714,900 = <u>\$24,199,365</u>

*Note that the Taxable Valuation Report excerpt is just an estimate for the next year's mill levy.

Broc Lietz stated that the 2021 City Assessors Annual Report listed the estimated valuation at \$659,882. The actual certified levy from Cass County was \$661,357. The City Assessors office does not go back and put the actual in the prior year, which is the reason for the disparity.

2023 Budget Discussion. Broc Lietz, presenter

The finance department has distributed budget worksheets to all Directors. The Directors will input values in the department budgets and then the budgets will be 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 6 budget meeting.

The two major topics for discussion are:

- Revenue Projections
- Compensation/Positions

Projected New Revenue:

Below is an initial estimate of new revenue:

Property Tax

2022 Mil Valuation	33.85 Mills X 661,357 = \$22,386,958
2023 Mil Valuation (est)	33.85 Mills X 714,900 = \$ <u>24,199,365</u>
Total increase in Property Taxes	\$ 1,812,407

State Aid for Parks

2022 Estimated Collection	\$2,847,200
2023 Budget Proposal (5%)	\$ <u>3,074,900</u>
Total increase in revenue from State Aid	\$ 227,776

Fees

2022 Estimated Collection	\$ 5,760,024
2023 Estimated Collection with increase fees (8%)	\$ <u>6,220,826</u>
Total increase in Fee Revenue	\$ 460,802

Compensation/Positions

The COLA impact on compensation based on the current 8% CPI is detailed below:

	<u>Budgeted in 2022</u>	<u>With 8% CPI Increase</u>	<u>Change</u>
Full Time Salaries	\$7,938,468	\$8,573,545	\$635,077
Part Time Salaries	<u>4,209,789</u>	<u>4,546,572</u>	<u>336,783</u>
Totals	\$12,148,257	\$13,120,117	\$971,861

This does not include any new positions that will be added for 2023, just purely to review what the increase in current salaries would be with the CPI increase like we have done in the past.

Commissioner Dawson asked if our seasonal employees are included in the above numbers, and they are under the Part Time numbers.

Commissioner Rostad stated that with the CPI being where it is at 8%, we should be getting creative, looking to solutions that are scalable and cost effective.

Kevin Boe commented on program/facility fees. Those get put in the brochure. Staff will ask for approval in the June board meeting so staff need to look at those soon. We haven't raised field fees for over two years. Kevin will be having some upcoming meetings with West Fargo and Moorhead to get the feel for what the community is doing in each department and to know if this is something we need to adjust.

Commissioner Griggs asked if we should have the fees be looked at separately for certain things, or should we be looking at the fees more dynamically?

Commissioner Rostad believes that the fees should not be looked at across the board the same way.

The Directors will bring some fee proposals to the May facility meeting.

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

Notes submitted by: Cindy. Boettcher, Administrative Specialist.