

## **BUDGET COMMITTEE MEETING NOTES**

Wednesday, April 17th, 2024; 3:00PM

Depot Board Room

Attended: Commissioner Joe Deutsch, Commissioner Aaron Hill, Commissioner Vicki Dawson, Commissioner Jerry Rostad, Commissioner Dawn Morgan, Susan Faus, Broc Lietz, Luke Evenson, Dave Bietz, Tony Schmitt, Carmen Johnson

### **Review 2023 Audit Update**

Luke presented the 2023 audit update. He presented the figures for the four different funds. The financial numbers are included in the packet. Luke reviewed the deficits and surplus. Commissioner Aaron Hill asked what is done with the surplus. Broc stated that there is a significant amount of cash used from the fund balance, so thoughts are replenishing that, and there will be discussion regarding long range plans.

Luke mentioned that Eide Bailly is wrapping up the audit, done with the field work portion. A representative from Eide Bailly will be here at the June 5th meeting to discuss it.

This item was for information only.

### **Review 2025 Budget Process Update**

Broc said we are into the 2025 budget planning process. There was an earlier start for the personnel and hiring process. Luke put out the 2025 operating worksheets to the director's team who will then share with their department and then they will work on their operating budgets. Broc discussed the new position requests; the stats are included in the memo.

Broc discussed that the City's Assessor's Annual Report for 2024 had just been released prior to the meeting. Broc mentioned property tax is our largest revenue generator, the preliminary estimate is 5.39% increase for property valuations. So, Broc estimated that a mil in Fargo will be worth \$843,259, that will fluctuate slightly. At the time of the meeting, CPI for March 2023 to March 2024 had not been released.

There was discussion regarding property taxes and the potential property tax reform effort in North Dakota. Commissioners and administration will continue to monitor progress.

This item was for information only.

### **Review Long Range Plan Update**

Broc stated that we have talked about reestablishing a long-range plan process. Luke, Dave and Broc have met and talked about how to define a long-range plan process, what are the parameters and implementation.

Broc talked about how it used to be called fund 40, which had multiple different accounts. Broc said now they would like to establish funding categories for these long-range items. Broc stated the goal is to put annual operating expenses for both equipment and operational maintenance directly into annual operating budgets. Defining a long-range plan item as any project or purchase that exceeds \$500,000 and requiring two or more years to fund.

Broc discussed how we fund this, there are 2 components to this. In our budgeting process we have an internal transfer line which can be transferred into the long-range capital plan. This process was discussed. The suggested fund categories for this purpose are building/facilities, concrete/asphalt, equipment, golf, park amenities, aquatics.

Broc said the next step in this process is to have the leadership team update and prioritize existing items on the former capital plan. Include additional projects that have come up since the last update and estimate costs of each. The goal is to have a lot of involvement from the leadership team. Luke stated this will be part of our budgeting process.

This item was for information only.

With no further items, the meeting was adjourned at 3:44 PM.

Notes submitted by Carmen Johnson, Administrative Specialist