

BUDGET COMMITTEE MEETING
Wednesday, June 5, 2024; 8:00 a.m.
Fargo Park District Board Room
6100 38th Street S, Fargo

Board Committee Members:

Joe Deutsch, Aaron Hill, Jerry Rostad, Vicki Dawson and Dawn Morgan

AGENDA

1. Eide Bailly, LLP presentation of draft of the 2023 Audit Report; Brian Stavenger, presenter.
2. Budget 2025 Update; Broc Lietz and Luke Evenson; presenters.
3. Other

Next Park Board Meeting: June 11, 2024; 5:30 p.m.
Next Budget Committee Meeting: July 10, 2024; 8:00 a.m.



MEMORANDUM

DATE: June 5, 2024

TO: Fargo Park Board Budget Committee

FROM: Luke Evenson, Controller

RE: Agenda Item No. 1 - Eide Bailly, LLP presentation of the draft of the 2023 Audit report and Financial Reports

Brian Stavenger from Eide Bailly will be presenting a draft of the 2023 Executive Summary at the Budget Meeting. This includes an overview of the audit and a high-level review of the 2023 Financial Statements.

The 2023 Financial Statements, Federal Report, Governance Letter and Executive Summary will be handed out by Eide Bailly on the day of the presentation. Brian will mainly go over the Executive Summary during the meeting but will answer questions in regards to any of these documents.

If you have any questions regarding the audit or the attachments, please contact me prior to the meeting.

Thank you!



MEMORANDUM

DATE: June 1, 2024

TO: Park Board Commissioners

FROM: Luke Evenson, Controller

RE: Agenda Item No. 2 – Budget 2025 Discussion

The Finance Department has distributed budget worksheets to all Directors and will be submitting back on June 7th. From there we will compile and see what changes need to be made in order to balance the budget. We will then bring a draft #1 of a balanced budget to the July 10 Budget Committee meeting. Below are a few of the preliminary changes we would like to go over and discuss for 2025. These are not all encompassing, but just to give an overview in a couple of different areas.

Projected Changes for 2025 Budget

Tax Revenue in the General Fund:

- 5% growth in valuation yields \$43,144 additional in revenue per mill.
 - Per Mill increase from City Assessors Report \$43,144.00
- | | |
|--|------------|
| General Fund Mills Levied by FPD currently | 22.79 |
| <u>Collection/Discount Rate Factor</u> | <u>95%</u> |

Increase in GF Tax Revenue, with no Mill change \$934,089.17

Intergovernmental State Aid in the General Fund - passed through from the City of Fargo:

- Finance team has reached out to the City for an estimate based on legislative action
 - Rolling 5-year average increase of 6% per year.
 - FY2024 State Aid Revenue budgeted \$3,697,999.00
- | | |
|---------------------------|-----------|
| <u>Projected increase</u> | <u>6%</u> |
|---------------------------|-----------|

Increase in State Aid Revenue \$221,880.00

Charges for Services

- Programming, Facilities, Golf, Courts Plus and Sports Center all presented updates to pricing models at the May 29th Facilities Meeting. We are still going through budget process to determine a total revenue impact that those prices will have for each area, along with any changes in demand. But a large majority of the increases in these areas are directly to cover the costs that are related (payroll, utilities, equipment, etc). As such we don't have a specific dollar impact to the budget at this time.

Susan Faus, Executive Director
PARK COMMISSIONERS – Vicki Dawson * Joe Deutsch * Aaron Hill * Dawn Morgan * Jerry Rostad
CLERK Jeff Gunkleman

General Fund Payroll Expense Increase:

➤ 2024 Budgeted Full Time Salaries	\$8,698,189.00
➤ Salary increase pool of 4.5%	4.5%
➤ <u>Projected cost of 4 New FT additional positions</u>	<u>181,000.00</u>

Projected increase in payroll expenses **\$391,419.00**

General Fund Benefits Costs Increase:

- With new positions and salary increases we also incur costs for increased benefits. Historically we see benefits expense as a percentage of salary expense in the range of 30-35%.

➤ Projected increase in payroll expenses	\$391,419.00
➤ <u>Benefits cost for salary increases and new positions</u>	<u>35%</u>

Projected increase in benefits expenses **\$36,996.48**

General Fund Utility Costs Increase

- We have had discussions with both Xcel Energy and Cass County Electric. Neither have officially stated an exact rate increase, but a ballpark for budgeting purchases of 5%. The City of Fargo has not commented on any Utility costs increases.

➤ 2024 Budgeted Utilities	\$2,617,845.00
➤ <u>Utility increase of 5%</u>	<u>5.0%</u>

Projected increase in utilities **\$130,892.25**

Debt Service Fund Tax Revenue:

➤ 5% growth in valuation yields \$43,144 additional per mill.	
➤ Per Mill Levy increase from City Assessors Report	\$43,144.00
Debt Service Mills Levied by FPD currently	11.29
<u>Collection/Discount Rate Factor</u>	<u>95%</u>

Increase in Debt Service Tax Revenue, with no Mill change **\$462,741.53**

- The large majority of our Debt Service expenses are fixed dollar amounts for principal and interest.

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

Thank you.