

BUDGET COMMITTEE MEETING MINUTES

Wednesday, July 10, 2024; 8:00AM
FPSC Board Room

Attended: Commissioner Joe Deutsch, Commissioner Aaron Hill, Commissioner Vicki Dawson, Commissioner Jerry Rostad, Commissioner Zoë Absey, Susan Faus, Broc Lietz, Luke Evenson, Dave Bietz, Carolyn Boutain, Tony Schmitt, Kelly Kisell, Kali Mork, Stacy Kruger, Paul Grindeland, Carmen Johnson

Review 2025 Preliminary Budget

Luke Evenson reviewed the preliminary budget for 2025. There will be an additional budget meeting on July 25th, 2024.

There is currently a \$2.4 million deficit in the General Fund. Debt Service Fund balances and Valley Senior Services has a \$16k deficit. The directors got together and revised the budget and now there is a \$1.2 million deficit.

Commissioner Rostad asked if this is a concern, Broc and Luke stated they are meeting with departments again to see what can be reduced or removed to get a balanced budget.

Broc reviewed the new information on the spreadsheet and went over the items that were reduced.

- **Reviewed expense reduction options:**
 - Fargo Park Sports Center
 - Capital Requests
 - Internal Transfers
 - Osgood Repair Maintenance
 - Seasonal Staffing
 - HRIS – Software conversion
 - Health Insurance
 - Concessions
 - Pools
 - Island Park pool contingency
 - Courts Plus capitals
 - Programming/Events

Susan asked Tony to go over some of the items that he cut to reduce the deficit.

- Tony said a lot of it is equipment, Mickelson Field was cut, turfing was cut down for infield at Tharaldson, netting for the driving range at Edgewood, aerial lift was put off.
- It was asked if the Depot was factored into this. Broc said that won't affect the 2025 budget.
- Dave stated that this all ties in nicely with our strategic plan, right now we don't have long range facility plans. Dave said we are starting to put long range plans together and the strategic plan will articulate that is part of the work we are going to do.
- Commissioner Rostad asked if we could collaborate with the City of Fargo or Fargo Public Schools, Broc stated the challenge is, they have bought their systems already, but we

don't have leverage and Tyler Technologies has already gotten reimbursement. We are trying to, but our 2 primary partners already have this technology.

- Broc continued to review the expense reduction options.
- Commissioner Rostad asked where we are at with Island Park Pool, Dave stated that we are on target, scheduled for completion and ready to be open in 2025. It is on budget.
- Broc discussed capital items for Courts Plus. Broc said he hasn't been able to meet with Kelly Kisell again but when they had their initial meeting it was discussed to take some of the 2025 requests and fund them now because there is money in this year's budget and then take it off 2025.
- Commissioner Rostad asked about Broadway Square, he asked with the agreements and things we have done, have we reduced our deficit. Luke stated in 2024 we had a budgeted deficit of \$231,000. For 2025 we have a budgeted deficit of \$94,000. Broc said that number is already in the \$2.4million. Luke said if you go through the departmental details in the packet, you will see it. Susan said that would include the changes with security, etc. It does include the \$60,000 revenue contribution for programming that will be given to DCP to work with Folkways.

Broc discussed the revenue options listed below:

- **Revenue options:**
 - Grant income – Broc mentioned that Tony stated there will be a grant of \$125,000 in 2025.
 - Interest income – based on dollars we spend now and what we will still have, there is a possibility of \$100,000 more than we originally thought.
 - Pool Fees – is there a possibility at Island Park to change the fee that we already presented to the board. Kevin Boe said he and Dave Klundt and Isabelle researched other pools around the state like Island Park. The other parks have more amenities but are higher in price. Kevin stated they would be comfortable with youth at \$12 and adult at \$14 for fees at Island Park. The season passes were not increased.
 - Golf revenue or expense – Carolyn has done a lot of work with the golf budget and discussed what that entailed.

Broc said of the items that have been discussed for reduction or removal and recommended to date, the \$2.4 million becomes \$1,266,000.

Included in the preliminary budget is:

- Property Tax Revenue – the budget as it is, has a tax rate that is flat. There is no change in the overall mill levy. Broc created a table with 1 mill to 2.67 mills. You can reduce or add mills in any percentage you like. The projection next year from the city is that 1 mill in the City of Fargo will generate \$843,000. Broc went through all the scenarios with different mill percentages.
- State Aid Revenue – there is an increase of 6% from the 2024 budget.
- Payroll and Benefit Expenses – looking at 4.5% salary increase for full-time. There will be 4 new full-time positions and an increase in health insurance of 20%.
- Utility Expense – looking at a 5% increase from the 2024 budget.

- Transfers – there is currently \$1.75 million for transfer to capital projects fund.

Commissioner Rostad asked if by August we need to agree on a mill levy. Broc stated we have a meeting on July 24th, to bring a balanced budget. Luke asked if they could discuss a mill increase now and asked Susan to present information on requests.

There was discussion between the commissioners as to what they would like to see on the increase of the mill levy.

Susan discussed that there were 18-19 new full-time positions requests initially. There are 4 positions factored in at this time. The Sports Center has one full-time custodial position, but Kali and team feel very strongly that we need two. We are having a very difficult time finding part-time custodial positions. The outside service coming in is expensive.

Commissioner Rostad stated it would be helpful to have data showing changes over the last 5 years. He would like to see a report before there is a vote.

Commissioner Deutsch stated that he could support the 2.67 if there was data to support exactly where the \$800,000 would go, if it were to move the Yunker Farm project along faster or advance a project at Courts Plus. There needs to be specifics and strong talking points. Commissioner Absey also agrees as long as there is firm information to review.

With no further items, the meeting was adjourned at 9:37 AM.

Minutes submitted by Carmen Johnson, Executive Assistant