

**VILLAGE OF DRESSER
FINANCE/PERSONNEL COMMITTEE MEETING
MONDAY, NOVEMBER 8, 2021**

The meeting was called to order by Grace Bjorklund at 5:30 PM. Roll Call was taken: Grace Bjorklund, Darren Peterson, Bryan “Fatboy” Raddatz, and Joe Peterson. Also present was Jodi Gilbert – Clerk/Treasurer, Rob Thompson - Public Works, Matt Koch – Public Works, Brock Geyen and Sarah Kobs – CliftonLarsonAllen LLP. No other public or press was in attendance. This meeting was posted that a majority of Dresser Board members may be present to gather information about a subject over which they decision-making responsibility.

Bjorklund stated you have the Budget Handout dated November 8, 2021 that Gilbert put in your packets. The auditors have reviewed the numbers and added some items that were missing. That document is called 11/8/21 Auditor Version. The purpose of this meeting is to finalize the proposed 2022 Budget with Brock Geyen and Sarah Kobs – CliftonLarsonAllen LLP. Geyen presented the committee with 5 handouts as the meeting’s starting point.

Handout 1 – Budget Summary. We have several challenges in front of us. We are over on two of our limitations set by the State. You have put together a draft budget and we are going to need to tweak some of the numbers. Due to the revaluation your assessment went way up. Right now, your 2022 proposed budget levy is at \$532,275.00. When you look at the bottom right on the handout for \$100,000.00 of value the taxes would be at \$705.60, which is a reduction of \$236.54. When you look at row 20 the Village’s assessed value went from \$52,475,400 to \$75,435,950, but this is not new value. The tax levy is up \$37,882, which is an increase from last year even though the mill rate is down.

Handout 2 – Levy Limit Calculation. If you increase levy dollar for dollar then your state aid is reduced, so you want to stay within the limits proposed. This can be done by 1. Reducing expenses 2. Increasing revenues or 3. Issuing long term debt for capital items. The long-term debt would be a temporary increase in levy that comes off the next year. On row 10 last year we levied for debt \$57,548.00. Row 16 adjustments for principal and interest total \$61,283.00. Last year we took \$20,000.00 and put it in a Capital Projects Fund. Right now, the \$61,283.00 is without adding the \$20,000.00. If you keep the expense as proposed the taxes are going to go up.

Handout 3 – Expenditure Restraint Payment Calculation. This is the second limitation that you are over. Right now, you are over by \$57,063.67. You keep the expenditure restraint revenue by staying within the allowable increase. The allowable increase is \$23,865.33. The current budget is over \$80,929.00. This revenue applies to the 2022 budget – filed next spring for 2023 aid payment. That aid payment is usually between \$9,000.00 to \$10,000.00 per year free money from the state.

Handout 4 – Carryover Funds. This spreadsheet shows the carryover/assigned funds. This shows how we expect 2021 to play out. You start with the balance on 1/1/2021, look at what was spent in 2021 and add in the 2021 budget monies not spent to project where you will be at the end of the year.

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Handout 5 - Budget Detail. The AARP Funds are at the very end. You have specific sewer expenses to use those monies. So that will be split off separately for the Sewer Utility. Let's review the detail line by line. Starting with the Revenues. Are there any changes to go over? Transportation Aids are going up. Line 67 Cable TV Franchise Fees we would recommend that you move that back up to \$5,500.00. The committee agreed. Line 91 Osceola Municipal Court increase that back to \$1,500.00. Line 147 Water Utility Tax Equivalent is \$30,965.00. Line 148 is the Balances Carried Forward. This is not capital related. In the budget for Clerk/Deputy Treasurer/source to pay for unused funds. You didn't spend all of the funds and you have reserves. Ongoing you gross that up what is the cost you plan on spending. Gross up how you plan to pay for it – carry over \$20,000.00. The challenge is restraining our expenses. You could back this expense down and plug in prior year reserves. Budget \$20,000.00 and reduce your expenses. You could find another solution. Keep this in your budget. It is a way to pay for it. Levy will go up. Next year you will be able to reduce the hydrant rental around \$25,000.00 and still get a balanced budget. This will happen if you plug in the \$20,000.00. Line 181 Osceola Municipal Court – the average is \$2,500.00. You could cut \$500.00. Line 181 \$2,500.00. Line 199 Clerk/Deputy Treasurer increase to \$20,800.00. Page 3 Line 230 Auditors \$7,975.00. Page 4 no changes. Page 5 Line 334 Ambulance St Croix Valley – remove \$2,265.00. Page 6 Line 375 Bulk Fluids \$1,000.00 is proposed. Public Works has not ordered yet this year. Will need new oil for pay loader. Raddatz stated leave it at \$1,000.00. Line 406 no spring/fall clean up. Page 7 Line 492 tree trimming – we may come back and take a look at it. Page 8 – there are items highlighted. The question is do you cut off some of these expenses and move them to a capital project fund. You can either do Street Maintenance or onetime expenses. Line 539 shop driveway can be removed. Take out the \$17,500.00. Raddatz stated Line 538 welder is up in the air right now, so remove the welder \$5,000.00. Where are we now at? Need to cut \$3,600.00 to be within the levy limit and \$32,000.00 to qualify for expenditure restraint program. Bjorklund stated Line 552 Municipal Office Chairs could be taken from Office Equipment Assigned Funds. You may have \$8,266.00 at the end of 2021. Remove Line 552 \$2,475.00. You have road maintenance of \$11,000.00 and \$19,000.00 that you could borrow for the same as you did this year. Geyen stated you are under the Expenditure Restraint limit by \$600.00 and the Levy Limit you are OK. Handout #1 – Levy is now at \$503,535.00. Dollars increased by \$9,142.00. You are still reducing taxes. The mill rate is going down. Next year the public hydrant will reduce the budget to offset the Full Time Clerk/Deputy Treasurer position. You have \$30,000.00 that you will have to borrow for and repay it. How do we handle interest on the \$30,000.00? Geyen stated I recommend taking this debt out for 12 months/long term debt. The adjustment on the levy limit worksheet talks about long term debt, so make sure the term of the debt is for 12 months. You can repay it early. Darren asked do others take out this type of loan. Some boards limit expenses based on net new construction and you have the statute limitations. You either have to reduce your expenses or take out debt. There are a handful of other adjustments, but they don't apply here. So, on page 8 the \$11,000.00 and \$19,000.00 will be moved to a capital projects fund. Line 531 and 535. We will be setting up a new Fund 25. The windows for the office are still in the budget. Raddatz stated let's stick \$500.00 back into machinery maintenance/repair. Line 376 change to \$5,500.00. Geyen finalized the numbers and printed out new handouts. For the publication the date for the public hearing is November 29, 2021 at 6:30 PM. No other items were discussed.

Motion Darren Peterson/Raddatz to adjourn at 6:35 PM. All in Favor. Motion Carried.

Jodi A Gilbert, Clerk/Treasurer

These minutes have not been approved.