



**MINUTES
BUDGET MEETING AND BOARD OF AUDIT MEETING
FEBRUARY 4, 2020
6:00 PM**

Call Meeting to Order

R. Keller called the meeting to order at 6:05 pm

The Pledge of Allegiance was recited.

Adopt the Agenda

T. Nelson made a motion to adopt the agenda. Second by L. Sinna. All in favor, motion carried.

Set Bad Weather Date for Annual Meeting

T. Nelson made a motion to set the bad weather date of the Annual Meeting for March 17, 2020 at 7:00 pm. Second by L. Sinna. All in favor, motion carried.

Treasurer's Report

S. Aker handed out the report. General Fund: Training simulator funds are in it and the Fire Equipment Fund includes the LG555. Final for General Fund is \$155,727.72 less the Training Simulator Funds. Final for Fire Equipment Fund is \$108,425.63 less the LG555 funds. She explained we still owe \$17k for the Northern Natural Gas law suit through Chisago County. It is distributed out of every fund. S. Aker said it is something to keep in mind while budgeting. We switched the Maintenance Staff payroll and it is coming out of the General Fund as of January 2020. R. Keller asked S. Aker for a number for payroll for Maintenance; wages, PARA, insurance, etc. She said approximately \$150k.

Road Bond:

In 7 years, it can be paid off. We can start paying it down in 2025. S. Aker suggested budgeting a little higher to save up for it. T. Nelson said we did not borrow this year, but we had planned on it so we had that figured in. If we can stay with the \$600k we can set some aside. B. Seekon noted that \$500k was levied for 2020. T. Nelson said that was because the extra \$100k went to General for Maintenance Staff wages.

M. Fehrman said there are issues with his truck and it is going to cost more to fix than they initially thought. They had to get new strobe lights because everything on it is obsolete and they do not make parts for it anymore. S. Aker said Maintenance has put in two starters on the truck. The gas tank was leaking and had needed a part. It is a 2001, they are fixing electrical right now. The truck is in rough shape and a new one should be budgeted for. The metal under the windshield is so rusted that while he is plowing, snow gets in the cab. We have to have a sander with all of the blacktop. We need two good, working trucks.

Review past numbers

B. Seekon made a motion to accept the Treasurer and Clerk's numbers for 2019. Second by T. Nelson. All in favor, motion carried.

Proposed Levy

T. Nelson said we could look at financing a plow truck because we cannot zero the account out. R. Keller said borrowing the money makes sense because interests rates are low. He said Maintenance can repair some things on the truck and then it can be traded in a few years. They put a value of approximately \$20k on the truck. He said he would like the budget to remain under one million dollars. T. Nelson suggested cutting Parks. Everyone was okay cutting Parks. There are no major improvements planned.

C. Cagle said there was \$15k in revenue last year and is predicting more revenue in 2020 for the Hall. She does not have any projects planned this year and would like to see the building pay for itself. She said it doesn't make sense to build another building or bump out for at least five years. T. Nelson said we could also borrow if we need it for a building. C. Cagle said they have added some energy efficient lights and they no longer have to run the furnace in there with the splits. She is good with \$15k for the Building Fund.

B. Seekon said we are going to have to bond for turnout gear. T. Nelson said the air packs are the expense at \$320k. C. Cagle asked if the building fund is paying the utilities. S. Aker said yes. R. Keller said he would rather keep the Building at \$15k and take General to \$245k. T. Nelson said the air pack people run a lot of good rates. T. Nelson said they can donate their gambling funds here and we can spend it on the packs, but cannot depend on gambling funds. He is wondering if we can short the Fire Equipment Fund. Even if we had to come up with the whole amount we would not have to borrow much. He would be okay with lowering it to \$15k. T. Nelson said the main engine is the next to be replaced at the SLFD. It is a million-dollar truck. R. Keller said we are doing the right thing with the roads. T. Nelson said the main engine is starting to nickel and dime the department.

D. Hardin said he is trying to get the number down and he does not have any good ideas. The levy keeps going up. R. Keller said part of it is getting all of those roads paved. Inflation is a silent killer. Maintaining trucks goes up. We spent \$9k for tires on the loader. M. Fehrman said it is \$6k to rent a shouldering machine to rent one for a month. The one for the loader does not need to be purchased anymore. M. Fehmarn said he can get money for trade-ins for equipment that he does not use. D. Hardin stated that he likes the idea of the low interest rates right now. B. Seekon said we know the truck is going to have to be replaced at some point. T. Nelson said he does not know where else to cut it. C. Cagle said take building down to \$10k because it is a money generator.

T. Nelson likes that we saved \$100k in interest by not borrowing. To him, it's a win. B. Seekon said we used to have the Fire Fund at \$150k. C. Cagle said we were expecting the huge radio fee. B. Seekon asked if we could shave that off. R. Keller said for around four years the Fire Department has not raised their budget. T. Nelson said they were not spending the budget they

had. T. Nelson said we could go back to the \$150k. T. Nelson said they have not gone over. Our portion was \$156k last year.

L. Sinna asked if we lower the building fund, will it lower the income because it will not allow us to put money into marketing. T. Nelson said C. Cagle spent almost \$80k last year. C. Cagle noted that was over four years. S. Aker said that building fund is for all of the buildings. C. Cagle said the best advertising is word of mouth.

Road and Bridge Fund: \$500k
Road and Bridge Equipment Fund: \$30k
Fire Fund: \$160k
Fire Equipment Fund: \$15k
Building Fund: \$10k
Park Fund: \$0
P & Z Fund: \$0
General Fund: \$245k
Total: \$960,000.00
1.9 percent increase from 2020

B. Seekon made a motion to accept the proposed levy. Second by T. Nelson. All in favor, motion carried.

D. Hardin said when we pay down the loans, you should tell people we are paying down the loans and here is the money you are not paying in interest. T. Nelson said they are going to tell people we saved them money from not borrowing last time.

B. Randt asked if the MN Bid. Discussion was had about truck pricing.

Adjourn

T. Nelson made a motion to adjourn the meeting at 7:22 pm. Second by L. Sinna. All in favor, motion carried.



Rick Keller, Chair



Kelly Wood, Chair

