

**BUDGET WORK SESSION
HARRIS TOWN BOARD
Wednesday January 24, 2011, 7:15pm**

The Harris Town Board met at 7:15pm on Monday, January 24, 2011 at the Blandin Foundation for a budget work session. The following officers of the board were present: Supervisors Gary Rosato, Dennis Kortekaas and Larry Key, Treasurer John Jokela and Clerk Michele Smith. Absent: none.

Actual expenses had not yet been finalized for 2010, so the Board met to discuss potential projects by fund, for 2012 – the year in which they would be levying for at the March 8, 2011 annual meeting.

Capital EQUIPMENT:

The Capital Equipment replacement chart was reviewed, and for 2011 the gravely lawn mower and 1435 tractor were budgeted to be replaced; however, the Gravely mower does *not* need to be replaced per Supervisor Key, but the John Deer 2009 mower does need to be replaced in 2011 and was not scheduled to be replaced until 2012. The Board was fine with changing these two mowers around, for replacement: The John Deer will be replaced in 2011 and the Gravely will be replaced in 2012.

Also due for replacement in 2012 according to the equipment plan, is the Ford F350 dump truck with snowplow. The replacement value being budgeted for is \$30,000. Key agreed this truck should be replaced in 2012.

It was noted that the 1952 grader could be taken off of the capital equipment list, currently being levied at \$3,000/year, as it's currently up for sale. Instead of replacing the grader, the township plans to contract with either Casper or Swartz to do grading for 2011 and forward. This operating expense line item will need to be put back in the Road Fund.

Also, the board agreed to take some of the smaller items off of the replacement list, as there is generally enough money in the Equipment operating fund to replace these as needed – which isn't very often. These items included: Brush saw (2003 Stihl FS4450), at \$200/year, the 2 chain saws (2001 Stihl 026 and the 2009 Johnsrud CS 2250S), at \$800/year for both, and the walk behind snowblower (Toro) at \$250/year.

A 2010 Skidsteer needs to be added to the Capital Equipment plan, which replaced the 1993 Ford tractor with backhoe/loader/sickle mower; the cost for this piece of equipment, plus attachments, was \$50,700. Useful life was estimated to be 10 years, so \$5,000/year would be levied for this item.

A used (2004) grave ground thawer was purchased in 2010 to replace the grave heating hoods/tanks. The cost was about \$14,000 and is expected to last 10 years, or \$1,500/year levy.

Overall, when all deletions/additions are figured in, the amount needed to levy for 2012 comes to \$30,295. This is consistent with the \$30,000 that has been levied for the past several years.

Levy: No change recommended – \$30,000 again for capital equipment in 2012.

EQUIPMENT FUND – Clerks notes, as fund not actually discussed this meeting:

- The maintenance cost of equipment and purchases of small pieces of equipment come out of the EQUIPMENT fund. The purchases to replace larger equipment come out of the Capital Improvement/Equipment fund noted above.
- We've levied \$40,000 the past few years for the Equipment (operating) fund, and a healthy balance is projected for the end of 2010 of \$123,000 and \$132,000 at the end of 2011.

- The operating disbursements for this fund the past few years have only been about \$23 - \$25,000...yet we've levied \$40,000. Perhaps a decrease could be made here, to allow for an increase to another funds.
- The Board will review this fund at an upcoming budget meeting, after 2010 actuals are known.

ROAD & BRIDGE:

Roads were not discussed at this meeting, as the Board wanted to wait until Julie Kennedy from SEH could attend for input on estimated costs of various road projects. The cost for striping will be also considered.

In brief discussion, the Board agreed they wanted to keep \$100,000/year coming into the capital improvement dedicated road fund, for larger roads, as well as increase the regular R&B levy with any "excess" from other funds with a healthy balance, where levies may be reduced.

BUILDINGS & GROUNDS:

No special B&G needs were noted for 2012; the town hall roof was replaced in 2010 and ramps and south step will be redone in 2011.

Levy: \$40,000 has been levied the past several years – will try to keep the same.

RECREATION:

The board reviewed the items that Mike Hendricks had suggested for possible 2012 projects:

- Wendigo: Concrete basket ball court – \$10,000, for a 40' x 42' surface
- Crystal: Hard surface walkway from parking lot to pavilion – \$2,800
- Wendigo: Replace tennis court surfaces at Wendigo – \$50,000 (to replace the double court)

It was discussed that the balance in the Recreation fund has been declining each year, and for the end of 2011, the projected balance was expected to be minimal (\$10,000 or less).

The board discussed if they wanted to keep both skating rinks open, as the headcount at Wendigo has been questionable. If removed, the township would save the expense of flooding, maintenance, and rink attendants. In its place, the board discussed possibly putting in a small pavilion.

Levy for 2012: No decision was made on projects or a levy for 2012. The board will revisit at the next budget meeting.

CEMETERY:

At the end of 2009, there was a very healthy balance of \$83,000 in the cemetery fund. The board discussed that perhaps we could do a zero budget for this fund for a year, to reduce the balance, and that this would allow us to levy more in another fund – such as roads or recreation.

Clerk Smith asked about a fund transfer rather than a zero levy, and if one would be any better than the other. John will look into a fund transfer, but he wasn't sure if it was even (legally) possible.

In reviewing last year's budget meeting notes for this fund, and its healthy balance, the following list of upcoming expenses for the new addition to the cemetery was shared as the reasoning for levying \$40,000 in 2010:

- We will need to build roads through there eventually – and blacktopped.
- Additional fencing will be needed

- Cemetery sites will need to be platted and laid out (part of the area has already been done)
- When another section is ready and “opened”, maintenance costs will go up.
- A computer program to track burials and sale of cemetery sites will be needed, given the increase in size to the cemetery.

However, a new line item was added in 2009 (#450), for “new section development” to assist in levying for the new addition. We’ve levied \$4,000/year for this line item the past two years. Since Bart Johnson will be using the field for stumpage for a few years, there is still time to build up the fund.

The Board liked the idea of no levy for the Cemetery in 2012, and instead, increases the Road Fund levy accordingly.

FIRE FUND:

The balance of the Fire Fund at the end of 2009 was \$22,446. Because we have been levying less than the contract amount in order to reduce the fund balance, the balance at the end of 2011 is projected to be only about \$5,000. Therefore, the board discussed that they will probably need to increase the levy to more closely equal the contract amount (not yet known for 2011 or 2012)

The levy for the Fire Fund the past few years has been \$65,000; the contract amount in 2010 was \$73,050.

Levy for 2012: Increase by apx \$5,000 - \$10,000 (*use excess from another fund to offset*). Once the actual 2010 yearend balance is known, and an estimated fire contract amount for 2011-2012, the board will revisit the levy needed for the fire fund.

GENERAL FUND:

At the end of 2009, we had a fund balance of \$155,225. This balance has been going up each year, for the past several years – indicating that we’re levying more than needed for operations. The board discussed that \$150,000 may not be needed for 2012 – and the “extra” could be levied elsewhere (roads/fire/recreation).

Levy for 2012: May reduce.

The budget session ended at 10:00pm. The date/time/place for the next budget meeting will be set at the January 26, 2011 P&D meeting.

Respectfully submitted,

Michele Smith, Clerk