

**BUDGET WORK SESSION
HARRIS TOWN BOARD
Wednesday, February 6, 2013, 7:30pm**

The Harris Town Board met at 7:30pm on Wednesday, February 6, 2013 at the Harris Town Hall for a budget work session. The following officers of the board were present: Supervisors Gary Rosato, Dennis Kortekaas and Larry Key, and Clerk Michele Smith. *Absent:* Treasurer Becky Adams (but she called in from the road)

Also in attendance were Julie Kennedy – SEH, Judy Myers, Dan Butterfield, Cindy Martin – township residents.

The purposes of this work session were:

- Roads: Discuss possible road improvement projects for 2013 based on adopted budget and the repair priority based on 2012 road inspections.
- Review past, current, and projected expenses and balances for all funds, and consider a recommended 2014 levy for each.

ROADS:

The board discussed what roads they'd like to see repaired in 2013. Supervisor Key listed the following:

- Robinson Road – Do an overlay and repair the culvert that's sticking up. This road has been at the top of the list for a while, but shied away from repair due to the alignment of the road (it's not in the ROW).
- Stony Point – Do an overlay and repair a culvert
- Wesleyan Road – Do an overlay as it's in bad shape; reconstruction is not needed.
- Southwood Road – Do an overlay – this is a long road.
- Set money aside for Lakeview in 2015?, as it's falling apart

Julie had the following comments:

- An estimated cost for overlay only – no striping – was apx \$195,000/mile .
- To do an overlay without construction needs to be approved by the contractor, as they need to determine if it can be done without the paver breaking through.
- Southwood Road:
 - 1.39 miles long
 - Estimated \$265,000 for overlay only, up to \$500,000 to do ditching
 - Plus traffic control costs – as it's a busy road
 - Leveling course - \$190,000/mile
 - Would get best price if paired with Robinson road, for reduced mobilization costs
 - Can do a bid with different options
- Underwood and Harbor Heights were not mentioned by Key, but have been at top of the road priority list:
 - Harbor Heights – will need to address the turn around, as it doesn't belong to the township. Land is owned by Ernie Jacobson. A formal agreement has not been done. We put gravel on the turnaround it to maintain it. If property sells, this could be an issue.
 - Underwood Road – Clarified that the entire road is bad, from the culdesac to Co Rd 67. There are not many houses on it, but the section between Wendigo Park Road and Co. Rd 67 get a lot of through traffic.
- Money for major road repair:
 - \$229,000 budgeted in Road and Bridge fund for 2013
 - \$242,000 in Cap Impv fund (dedicated to roads) at end of 2013
 - Total of these would be apx \$470,000 – which would zero out Cap Impv *road* fund, until mid 2014.
 - Julie would need to know by April how much board is willing to spend on road repairs

- 2013 Gravel project – year 5 of the 5 year cycle
 - *Roads to be one in 2013 include:*
 - Davis Road, Forest View, Pennella, River Ridge and River View
 - These total 1.01 miles of gravel road
 - Estimate cost: \$15,000 for this year’s roads schedule; have \$35,000 in the 2013 budget
 - Board likes this system and agreed to keep the plan
 - *Roads for 2014 include:*
 - Bear Creek only
 - It’s length is 1.71 miles
 - Estimated cost: \$25,000
 - *For 2015:*
 - Need to add Sunny Beach Addition (end only) to the cycle; the first part is paved but the gravel end is used for a turnaround.

ROAD FUND:

- Discussed a proposed \$430,000 levy for R&B – the same as last year. This would include:
 - \$35,000 for major gravel,
 - \$5,000 for major repair
 - \$229,000 for major construction
 - \$10,000 for rubberized crack fill
 - \$40,000 for road patching
 - \$25,000 for road shouldering
- Clerk Smith reminded the board that the levy for roads was increased significantly in 2012, when other funds were reduced, or zero, due to their overly healthy balances. The “extra” money from those funds was put into the Road and Bridge Fund on a temporary basis, to help get roads repaired.

From 2007 – 2011, the levy for R&B was \$300,000. In 2012 and 2013, that amount was increased to \$430,000 - an increase of \$130,000, though the total levy overall remained the same. If the board desires to keep this levy amount for Road and Bridge, an increase in other funds will be needed next year.
- The operating costs in Road & Bridge is apx \$175,000 (excluding major projects) . So if there is a yearend balance between \$50-\$80,000, that would be safe and within the guideline of our auditor’s suggestion of a 50% ‘reserve’ of operating costs.
- THE BOARD WOULD LIKE TO SEE \$430,000 ROAD LEVY for 2014

EQUIPMENT FUND:

- Proposed zero levy for 2014, as yearend balance would be apx 50% of operating costs at the end of 2014.
- Board agreed with this.
- In 2013, the Ford F250 truck is scheduled for replacement as is the Gravely riding mower
- The Capital Equipment Replacement Chart was included for the board’s review, as all new equipment costs come out of the Cap Impv Fund, and not the Equipment Fund.

CEMETERY FUND:

- Proposed zero levy for 2014, as yearend balance would be apx 50% of operating costs at the end of 2014
- Board agreed with this.

RECREATION FUND:

- Proposed \$40,000 levy for 2014 – same as last year. This would allow for a 50% of operating cost balance at the end of 2014. Any projects would need to come out of the Cap Impv non-dedicated fund.
- Board wanted to wait to talk to Mike Hendricks before deciding on this fund.

BUILDING AND GROUNDS FUND:

- Proposed \$50,000 levy for 2014 – same as last year. This would allow for a 50% of operating costs balance at the end of 2014.
- Supervisor Key said there were some items at the town hall that were needed:
 - The step of the back/side entrance, the cement ramp in the front, and the floors in the town hall should all be replaced. There is a lot of traffic in the hall, and the bathroom and kitchen floors are the original from 1983. The tile is really worn, and attempts to improve have been unsuccessful.
 - Estimate of \$5-6,000 to repair
 - The operating costs for B&G only was \$48,000 in 2012 so with a levy of \$50,000, the year end balance would be apx 13,000 at the end of 2014. So, if the levy remains at \$50,000, any project costs would probably need to come out of the Capt Impv – non dedicated fund.

FIRE FUND:

- As previously discussed at the Jan 30th budget meeting, a levy of \$85,000 was approved by the board for this fund. The ending balance for 2014 would be slightly negative, but the board was not concerned.

GENERAL FUND

- \$140,000 was a DRAFT proposed levy for 2014 – The proposed amount was on high side, as this was a fund reduced for 2011 due to being overly healthy. For the past two years, the levy for the General Fund was \$100,000; prior to that, it was \$150,000.
- If only \$100,000 was levied for 2014, the balance of the fund at the end of 2014 would only be apx \$50,000; this is only 30% of operating costs...lower than the 50% recommended by the auditor.
- Employee wages are not included in General, as they are split out by fund, but their insurance is in General along with the board’s wages, legal fees, engineering fees, the website, office supplies, phones, etc.

The board hoped to keep the levy the same, but recognized that if the road fund levy remains high, then other funds levy will need to be increased.

The board recommended an increase to \$120,000 for General Fund levy.

CAPITAL IMPV FUND

- Proposed levy at \$140,000 – the same as last year. This included
 - \$30,000 for equipment
 - \$10,000 for Service Center (garage is a priority)
 - \$100,000 for Roads
 - \$0 for non-dedicated.

Clerk Smith noted that the annual cost for the GIS cemetery database is \$4,500, and she recommended it come out of the non-dedicated fund for 2013 and 2014.

The board agreed with the \$140,000 levy for Cap Impv Fund.

OVER ALL:

- \$20,000 levy increase, in General Fund. All other funds would remain the same as last year.
- Recreation Fund levy still TBD, until the board talks to Mike Hendricks

Motion to adjourn 9:13pm by Supervisor Kortekaas, second by Supervisor Rosato. Meeting adjourned.

Respectfully submitted,

Michele Smith – Harris Twp Clerk