

**BUDGET WORK SESSION
HARRIS TOWN BOARD
Wednesday, February 4, 2015 - 7:00pm**

The Harris Town Board met at 7:00pm on Wednesday, February 4, 2015 at the Harris Town Hall for a budget work session. The following officers of the board were present: Supervisors Gary Rosato, Larry Key, Dennis Kortekaas, Jim Kelley, and Burl Ives, Treasurer Becky Adams and Clerk Michele Smith. *Absent:* none.

Also in attendance: Glen Hodgson – SEH Road Engineer, and residents Marge Kelley, Cyndy Martin, Judy Myers and Bonnie Key

1. Pledge to the flag, followed by the reading of the Harris Township mission statement

2. Roads - Glen Hodgson, SEH Engineer

- Discuss Gravel Road Project considerations: 2015 & 2016 (see memo – attached to these minutes)

- **2015 gravel roads:**

The 5-year gravel rotation calls for the following six roads to receive additional gravel in 2015:

Carol Street, Hauser Road, Pine Crest Road, Sunset drive, Root Road, and Sunset Lane

Total length: 1.39 miles

Estimated cost: \$39,000 (based on last year’s cost of \$28,000/mile)

Budget for 2015: \$35,000

Hodgson commented that the cost for 2015 may end up to be lower, as he and Supervisor Key will be looking at all gravel roads in the spring and may find that some do not need additional gravel, and thus can be pulled of the list for 2015.

Regarding the 5-year rotation, Hodgson explained that they just finished the first completion of the 5 year cycle for gravel roads. In this time, he found that adding new gravel every five years may be too often for some roads, but just fine for other roads. The main factors that affect the need for additional gravel are the speed and volume of traffic on a road. Hodgson suggested looking at creating two categories for gravel roads – one for higher traffic roads that gets gravel every 5 years, and another category for low traffic roads that only get gravel every 6-9 years.

- **2016 gravel roads:**

The 5-year gravel rotation calls for the following four roads to receive additional gravel in 2016:

Hughes Road, Jane lane, Vroman Road, and Wagon Wheel road

Total length: 1.25 miles

Estimated cost: \$35,000 (based on last year’s cost of \$28,000/mile)

Budget for 2016 would be discussed tonight, but the 2015 figure of \$35,000 was suggested.

- Discuss Pavement Road Project considerations: 2015 – 2016

Hodgson handed out his preliminary 5-year road plan spreadsheets, which the board had reviewed and discussed at prior meetings and work sessions. Hodgson reminded the board that “Part Two” of the report contained the paved roads that he felt needed to be rehabilitated in the next 5 years:

- The roads Hodgson recommended for **reclaim** were (in priority index order):

Sunny Beach Road (Park to Adair Road), Sunny Beach Road (Wendigo to Park Road), the Cemetery roads, Sunny Beach Addition, Birch Street, Isle View Road, Romans Road, Sunny Lane, Gary Drive, Field Crest Road

- The roads Hodgson recommended an **overlay** were (in priority index order):

Sunny Beach Road (Adair to Harris Town Road), Alicia Spur, Little Crystal Lane, Underwood Road (west), Tolerick Drive, Alicia Place, Mishawaka Shores, Pine Street, Norberg Drive and Woodbine Lane.

Total estimated cost of all roads in Part Two = \$3.4 million (apx 700,000/year)

Underwood Road west was discussed by the board. The cost of improvements to this section of Underwood Road was estimated to be \$184,000, which includes \$40,000 for drainage improvements and an overlay.

Cemetery roads were also discussed. The board felt that these could be overlaid rather than reclaimed. Doing so would reduce Hodgson's estimated cost from \$144,000 to \$67,000.

3. 2016 Budget / Levy Discussions for:

- Road Fund - proposed 2016 levy= \$500,000 (compared to \$460,000 adopted for 2015)

The board reviewed the draft proposed 2016 budget spreadsheet for the Road Fund as prepared by the clerk. Funds from state aid and town road allotment are *not* included in the Road Fund income budget, as it varies and may end at some point.

Each line item was reviewed, and the following were noted:

- Line 203 - Salt & Sand: The proposed budget for the cost of salt & sand was reduced by \$5,000 based on an email the clerk received from county when she asked why the 2014 actual cost was only \$2,700 – when it's usually around \$15,000. Overall, the county explained that they modified how they deice the roadways – and they no longer *always* combine salt & sand, but rather use just salt if the weather is warm enough. As a result, there is a big savings in using less sand. The county encouraged the township to budget somewhere between the past two year actual costs (2013=\$15,124 and 2014=\$2,702)
- Line 206 – Striping: Dead end roads are not striped. When major construction is done on a road, striping is usually included. East Underwood – rehabilitated in 2014 - will *not* be striped. Only high traffic roads are generally striped now, though the township did used to stripe all roads – but it's expensive. Also, the township does try to coordinate with city when they have striping contractors in the area.
- Line 214: Pot hole repair. This is the material that the guys use for crack filling – for gravel and paved roads
- Line 221 - Street lights: The proposed budget was increased by \$1,000 based on the actual for 2014, which increased. This was because a streetlight that was formerly billed under park and recreation, is now being paid out of the Road fund. For years, a portion of the billing said it was for “the old Wendigo site” – assumed to be the park. However, when Adams found out that it is actually for a street light, she now pays it out of the Road fund.
- Line 223 – Major Repair: The Fieldcrest patch made up most of the \$8,000 paid in the 2014 for this line item.
- Line 224 - Major Construction (paved roads only): \$300,000 proposed for 2016
- Line 228 – Road inspections: If someone outside the board does an road inspection – such as Braun Intertec boring for the testing of construction material - is comes out of this line item. That is what made up the 2014 actual of \$1,200
- Line 230 – Rubberized crack fill: All newly overlaid roads will be crackfilled in 2015, and whatever is paved in 2015 will be crack filled in 2016. Supervisor Key also has list of other roads he'd like crack-filled as well. Mishawaka Shores is one of those roads, as it was felt that crackfilling it could save the road
- Line 231 – Patching: Could combine with line item 214 Pothole repair materials. There is no maintenance crew labor in this line item – only materials.
- Line 232 – Shouldering: No money spent since 2011. Do we need to budget anything? Usually spot shouldering – where mailman or 4 wheelers drive.

The 2014 yearend balance was \$235,443. The projected 2015 yearend balance was \$214,393, and the projected yearend balance for 2016 with a \$500,000 levy was \$190,843 – or 36% of the total disbursements proposed.

Treasurer Adams explained that having 35-55% of a year's expenses in each fund is recommendation by the MN Association of Townships and the township's auditor. However the need to carry over \$235,000 was questioned by Ives.

The Capital Improvement-Road dedicated fund was also reviewed:

There will be \$342,456 for roads in this capital improvement road fund at end of 2015. That amount plus the \$460,000 road levy in 2015 plus the rollover of \$235,443 from 2014 Road Fund totals apx \$1 million dollars. Ives noted this is money the board could tap into for some of the larger road projects.

- General Fund - 2016 proposed levy = \$140,000 (compared to \$150,000 adopted for 2015)

Each line item was reviewed, and the following were noted:

- Line 100 - Meetings: This is the \$60 meeting fee, for all officers
- Line 101: This is the monthly wage amount for the board supervisors. The clerk and treasurer's monthly wages have their own line items – 102 and 103
- Line 108 - Misc Labor: This is the hourly charges by all officers
- Line 129 - Insurance: Adams explained that the swing in actual from 2012-2014 was due to Workers Compensation and Equipment Insurance billing that comes in December. In 2012, part of that fee was paid in 2013 so that's why it looks "off". The average is still \$14,000/year.
- Line 199 - Maintenance crew labor: There is a maintenance crew labor line item for each fund; in the General fund, this is only for tasks in the 100 category such as holiday pay, misc labor, dump runs, election set up, etc.

Supervisor Ives commented that he felt there could be some savings made in wages for board. Rosato commented that the board will review their compensation in April.

- Building & Grounds Fund – 2016 levy proposed = \$60,000 (compared to \$50,000 adopted for 2015)

Clerk Smith noted that this fund is currently in a deficit balance of <\$10,379> at the end of 2014, due to the costs of the new ramp and awning, the new furnace at service center, and new well at Wendigo park – all of which were paid out of this fund. She proposed that the cost of the new town hall entrance be transferred to this fund from the Capital Improvement-non dedicated fund – which would be \$16,822 – to remedy the deficit.

The town hall caretaker was in attendance, and shared a list of town hall improvements she'd like considered:

- Ramp from the back entry to the town hall, for battery wheel chairs as the only entrance they could get out of now was the front door. In case of a fire, a second accessible ramp was requested.
- Windows – need new windows. The current ones are a crank out style, and they leak air and rain. The varnish is cracking, and the wood is starting to rot.
- New flooring – she has been asking for last 7 years for new flooring. She'd also like new registers. Jeff Fortune stripped the floor previously and commented that there is mold spores and mildew in the tile. Dorholt Tile did an appraisal in 2007 but it was not approved by the board.
- An area to store table and chairs was requested as kids are climbing on them – which is dangerous.
- New chairs were requested as the legs of the current ones are starting to bend and welds are breaking; they are going to be a safety hazard. There are some chairs in the basement now that are bad. Have apx 115 usable chairs currently.
- Restrooms – As they are now, with 2 doors, they not very wheelchair accessible. It was requested that they take the inside door off, and put them on outside only (lockable) and change the doors to swing in.
- Dishwasher – legally may need, for sanitary reasons of dish and glassware are used by public (things they put in their mouth); would need water softener too, as the current water is pretty hard.
- Basement – currently only used for Election supplies; could are area be built for other thing as well?
- Playground equipment for renters – kids currently play in Lotti's field – which is not township property
- Propane tank - Build something around it to prevent kids from playing on
- Trophies in basement – belonged to Peggy Bishop, who's since died. Her husband Dave didn't want – and gave the township permission to get rid of them. The Itasca Rabbit breeding association would like them, if donated. There are apx 30 trophies.
- There is a breaker that blows when too many items are plugged in, in the kitchen. May need to rewire kitchen area circuits. Add additional breakers would help.

The Board thanked Bonnie for coming to the board with these concerns and requests.

Each line item of the Buildings and Grounds fund was reviewed, and the following were noted:

- Line 615 - Heat Garage at hall: Yes, we do have heat in the town hall garage in case it's used in winter for rental (ex: Humane society)
- Line 619 – Satellite toilet: Why is there an actual amount here? A: The billing says 'town hall', but it should be 'Public Access'; yet there is no line item for public access portable bathrooms currently. A new line item can be added per Adams
- Line 623 – Well: The cost of the new well at Wendigo was \$7,849. This cost could come out of capital improvement fund (transfer funds)
- Line 682 – Serv Ctr: The cost of the new furnace at Service Center was 3,545. This cost too could come out of capital improvement fund (transfer funds)

With a proposed 60,000 levy and the transfer of \$16,822 from the capital improvement fund for the cost of the town hall entrance, the projected ending balance would be apx \$6,400 for end of 2015 and apx \$8,500 at the end of 2016. This is only 14% of total disbursements however, so additional transfers from capital improvement may be needed, or a higher levy can also be considered.

- Recreation Fund - 2016 proposed levy =\$40,000 (same as that adopted for 2015)

Clerk Smith noted that the budget included \$5,000 for new park development at each Wendigo and Crystal Parks in lines 550 and 560 – but that this was TBD.

The board did not have any proposed projects or costs to consider, as Mike Hendricks/Creative Services 2015 contract had not yet been approved by the board. However, items the board discussed were:

- Herbicide application– which requires a contractor
- Basketball court at Wendigo should be repaired. The blacktop needs to be taken out – where old rink was – and replaced. There is a basketball standard there now.

- Capital Improvement Fund – 2016 proposed levy = \$140,000 total (same as 2015)

- Clerk Smith clarified that the breakout of the proposed levy was as follows:
 - \$30,000 –Equipment
 - \$10,000 – Service Center
 - \$100,000 - Roads
- Equipment: It as noted that there is no equipment scheduled for replacement in 2015 or 2016, but that a “shouldering machine” would be nice to have.

- Overall Levy for 2016 (all funds)

Total DRAFT levy for 2016 was proposed by the Clerk of \$960,000, compared to \$930,000 adopted for 2015.

4. Adjourn

The work session was adjourned upon a motion by Supervisor Kelley at 9:45pm, and a second by Supervisor Ives.

Respectfully submitted,

Michele Smith – Harris Township Clerk

Next budget meetings:

- Tuesday, February 17th, 2015.....7:00pm Harris Town Hall.....Final review of all funds for 2016 proposed levy