

Minutes of Watab Township Board of Audit and Budget Planning Meeting on January 9, 2018

The Watab Township Board of Audit was called to order by Chair Craig Gondeck at 9:00 a.m. on Tuesday, January 9, 2018. Other board members present were Supervisors Todd Waytashek and Lloyd Erdmann, Treasurer Maureen Graber, and Clerk Pat Spence. The Supervisors audited each claim for 2017 comparing them to the check stubs. Motion was made by Supervisor Erdmann, second by Supervisor Gondeck, and passed that all claims were paid correctly and had matching checks.

The Supervisors compared the year-end financial reports for the Clerk and the Treasurer including the City Township Accounting System (CTAS) Schedule 2 Reports from each. The year-end balances for each fund are as follows:

| | |
|--------------------------------|--------------|
| General Fund: | \$179,792.85 |
| Road & Bridge: | 568,929.81 |
| Fire District 1: | 18,601.10 |
| Fire District 2: | 29,674.80 |
| Debt Service for Roads: | 60,907.55 |
| Debt Service for Town Hall: | 28,173.17 |
| Building: | <u>26.98</u> |
| Total: | \$886,106.26 |

A motion was made by Supervisor Erdmann, second by Supervisor Gondeck, and passed to approve the Audit of the Township Financial Reports with no negative findings. Julie Johnson, township resident, arrived at 10:10 a.m. while the board began comparing the 2017 budget with actual income and expenses:

| Fund | Budgeted Amount | Actual Amount |
|-------------------------------------|------------------------|----------------------|
| General Fund Revenue: | \$189,954.00 | \$175,671.97 |
| General Fund Expense: | 197,248.00 | 185,157.41 |
| Road & Bridge Revenue: | 380,525.00 | 383,547.86 |
| Road & Bridge Expense: | 454,650.00 | 136,031.18 |
| Fire District 1 Revenue: | 51,730.00 | 53,745.91 |
| Fire District 1 Expense: | 48,396.46 | 56,899.80 |
| Fire District 2 Revenue: | 33,030.00 | 34,745.91 |
| Fire District 2 Expense: | 40,098.00 | 41,531.25 |
| Debt Service for Roads Revenue: | 57,967.00 | 58,278.92 |
| Debt Service for Roads Expense: | 55,325.00 | 55,400.00 |
| Debt Service for Town Hall Revenue: | 21,015.00 | 21,332.68 |
| Debt Service for Town Hall Expense: | 20,790.00 | 20,705.00 |

The General Fund differences between budget and actual amounts were largely due to the number of Building Permits being lower in 2017 than 2016.

As the board went through the 2018 Budget the following changes were made:

- Increase Clerk’s wages by \$2,000 due to new person taking position
- Increase Treasurer’s training wages by \$125
- Add \$1,000 to donations for civic organizations
- Include \$10,000 for public address system in meeting room
- Increase wages budget for elections by \$1,000 due to statewide primary and general election in fall
- Budget \$5,000 for economic development work
- Budget \$20,000 for engineering work for 105th Street
- Budget \$323,574 for 95th Street NW and \$188,213 for 85th Street; \$65,000 for BNSF for crossing planks and surface improvements payable in 2018; and \$2,500 for the Sentence to Serve Crew for crack filling

These are the amounts for the 2018 Budget:

| Fund | Budgeted Amounts |
|-------------------------------------|-------------------------|
| General Fund Revenue | \$169,629.00 |
| General Fund Expense: | 199,245.00 |
| Road & Bridge Revenue: | 396,100.00 |
| Road & Bridge Expense: | 743,850.75 |
| Fire District 1 Revenue: | 65,150.00 |
| Fire District 1 Expense: | 49,859.00 |
| Fire District 2 Revenue: | 40,040.00 |
| Fire District 2 Expense: | 40,753.00 |
| Debt Service for Roads Revenue: | 60,625.00 |
| Debt Service for Roads Expense: | 59,977.50 |
| Debt Service for Town Hall Revenue: | 21,025.00 |
| Debt Service for Town Hall Expense: | 20,485.00 |

The Board then worked through the draft of the 2019 budget and made the following recommendations:

- Increase Revenue Fund levy from \$70,000 to \$120,000 due to year-end balances continuing to decrease below the level of annual disbursements
- Increase Economic Development in the General Fund to \$5,000
- Increase Road & Bridge Fund levy from \$350,000 to \$450,000, which is the amount recommended by the township engineer
- Budget \$300,000 for \$105th Street and \$70,000 for the BNSF Quiet Zone improvements, \$20,000 for engineering fees, \$5,000 for Crack Filling, and \$2,500 for the Sentence to Serve Crew
- Increase budget for the medical first responders in Fire District 1 to \$17,400

- Increase the Rice Fire District Levy to \$75,000 to create adequate fund balance
- Increase the Sauk Rapids Fire District Levey to \$52,000 to create adequate fund balance

The board tentatively set Levy Recommendations for 2019 Payable Taxes as follows:

| | | |
|----------------------------------|------------------|------------------------------|
| General Fund: | \$120,000.00 | <i>(currently \$70,000)</i> |
| Road & Bridge Fund: | 450,000.00 | <i>(currently \$350,000)</i> |
| Fire District 1 Fund: | 70,000.00 | <i>(currently \$59,000)</i> |
| Fire District 2 Fund: | 57,000.00 | <i>(currently \$40,000)</i> |
| Debt Service for Roads Fund: | 63,000.00 | <i>(currently \$60,575)</i> |
| Debt Service for Town Hall Fund: | <u>22,000.00</u> | <i>(currently \$21,000)</i> |
| Total: | \$782,000.00 | <i>(currently \$600,575)</i> |

Due to this being a large, recommended increase the Supervisors want to discuss these amounts at the February board meeting; Supervisor Gondeck will talk to Brian Koester about the probable impact on township property taxes. Further analysis is needed on the board goals for year-end fund balances to maintain the current, high Standard and Poor rating.

The meeting adjourned at 2:00 p.m.

Respectfully submitted by Clerk Pat Spence