

Canosia Township

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Town Board: Chair Kurt Brooks, Supervisor Kevin Connick, Supervisor Dan Golen
Clerk Susan Krasaway, Treasurer Cheryl Borndal

Budget Meeting Minutes

January 31, 2018

Chair Brooks called the meeting to order at 6:21 p.m. The treasurer distributed a budget/levy worksheet for the supervisors to consider. Attending: Chair Kurt Brooks, Supervisor Kevin Connick, Supervisor Dan Golen, Clerk Susan Krasaway, Treasurer Cheryl Borndal, Fire Chief Gene Stevens, Assistant Chief Clyde Mortinsen, and Rec Director Mike Ellingson.

Discussion Topics

- The Road & Bridge Fund year-end reserve totals have declined over the past three years
- The FD year-end reserve totals have increased over the past three years
- The general fund year-end reserve went down in 2016, but bounced back slightly last year.

Year-End Reserve Totals			
	General Fund	Road & Bridge Fund	FD Operating Fund
2015	\$85,292	\$205,857	\$107,396
2016	\$71,753	\$199,943	\$121,676
2017	\$79,065	\$120,441	\$135,996

- The Chief said there is at least one significant upcoming purchase: 30+ airpack bottles (\$1,000 each) are reaching the end of their 15-year lifespans and will need to be replaced in the next few years.
- Supervisor Connick said road expenses (including county plowing/sanding) are on the rise; plus, we will need to figure out whether it makes more sense to invest in costly snowplow turnaround improvements or hire a private contractor to plow those roads for the foreseeable future. We also have \$150,000 in road upgrades (scrub seals) in the coming years.
- The supervisors agreed their goal should be to try to adjust the various fund levy amounts in hopes of getting comfortable and practical reserves in each fund. In a worst-case scenario, the township can borrow from other funds' reserves if one fund runs out, but everyone would obviously like to avoid this type of situation.
- Supervisor Connick suggested raising the 2019 Road & Bridge levy by \$18,000 (from \$80,000 to \$98,000) and lowering the FD levy by \$18,000 (from \$100,000 to \$82,000) for two-years in hopes of leveling out the fund reserves while still accomplishing the scheduled road projects.
- Chief Stevens said he was fine with this, as long as it was in writing that the plan was for this to be a *two-year* (not permanent) reduction. The board all agreed this should be temporary. This is how the FD levy money will likely be budgeted in 2019:
 - **TOTAL = \$82,000:** \$25,000 (operating), \$12,000 (fire relief), \$45,000 (truck replacement)

- They also noted that although the FD *levy* amount is being reduced, the FD's operating *budget* (\$45,000) will stay the same (any spending over the \$25,000 will be taken from their reserves).
- NOTE: The residents at the Annual Meeting only vote on the total levy amounts for the three major umbrella funds (General, Road & Bridge and FD); they do not have the ability to make a binding vote on any specifics accounts/expenditures within those three funds (i.e. Parks & Rec, Fire Relief, etc).
- Brooks asked whether the board was fine with having only about \$80,000 in reserve in the General Fund at the year-end (and sometimes it gets as low as \$40,000 mid-year while we wait for the property taxes to come in). For the time being they are ok with it, especially since we have a substantial amount of referendum money (\$30,000+) that can be used for most rec area projects which should help. Until the referendum funds are depleted, we will not have to budget as much for the rec area (which comes from the general fund)
- Brooks also mentioned that we spent \$20,000 in attorney fees in 2016.

Recommended Levy Amounts

Motion by Cornick, seconded by Golen, to recommend the following levy amounts for 2019:

Recommended 2019 Levy	
General	\$117,200
Road & Bridge	\$98,000
Fire Department	\$82,000
(Total = \$297,200)	

Discussion: The general fund recommended levy is the same as 2018. The plan is to have the \$18,000 reduction to the FD and increase to Road & Bridge in place for two years only (see details above) as we finance some upcoming road projects and level out the reserve funds.

The board expressed their gratitude to the FD for their willingness to work with them to meet the needs of all township departments. Motion carried unanimously, 3 - 0.

The levy has been at \$297,200 for the past several years. Chair Brooks noted that new construction added an estimated \$4-million in value to the township in 2017. By his calculations, the township could increase the levy by 2% and property taxes would stay the same since the levy would be spread out over a larger base. This is something to consider during next year's budget/levy discussions. The supervisors all agreed they would not be in favor of raising the levy unless the extra money was needed to run the township or if there were any big projects on the horizon that would additional funding.

The board also discussed the proposed Pike Lake Beach & Golf Club which could add additional value to the town (and possibly additional expenses) down the road.

Motion by Cornick, seconded by Golen, to adjourn the meeting at 7:18 p.m. Motion carried unanimously.

Respectfully submitted,

Approved:

Susan Krasaway, Clerk
February 7, 2017

Kurt Brooks, Chair
February 7, 2017