

## **BUDGET WORKSHOP MEETING MINUTES**

### **February 19, 2022 – 12:00 p.m.**

A budget workshop was held on February 19, at 12:00 p.m. at Village Hall. Present at the meeting were Mayor Myron Marion, Mayor Pro Tem Lori Shore-Smith, Councilor Boyce Shore, Councilor Mark Baker and Administrator Dan Corder. Attendance was 6. One member of the public was in attendance.

Mayor Myron Marion called the meeting to order, and then turned the meeting over to Administrator Corder to update the Council concerning the status of the 2021-2022 budget and the preparations for the 2022-2023 budget.

He presented several items to the Council. The review and discussion proceeded as follows:

- **ARP Funds** – The Village has received \$339,528.75 in ARP funding and an equal amount will be received in July of 2022. The Village deposited this funding in a separate account at NCCMT, and tagged it as other income in the 2021-2022 budget. The Village Council did not assign these funds for expenditure due to US Treasury finalizing the rules and reporting requirements. The rules for expenditure and reporting can be very extensive depending on how one directs the funds. An option that US Treasury has given us is to take a one time \$10 million exemption for revenue loss. If this is done, then one can direct the funding be spent for any general service expenditure. However, depending on how the money is spent, federal guidelines still apply. The Village has until December 2024 to spend the funds and until 2026 if those funds are obligated prior to December 2024. In order to account for the funds a recommendation was made to create a grant project ordinance or (special revenue fund) that would span the period over which the funds would be expended. A recommendation was also made to charge all the funds over the course of the period to salaries and fringe benefits for Administration and Park & Recreation. Such a direction of funding would be much simpler in order to comply with federal regulations and would free up general fund money to be spent for projects and other general services. This process is called supplanting. The Village can charge expenses back to March 3, 2021. The direction of funding should expend the entire amount of ARP Funds by the end of December 2024. The Village will essentially have \$679,058 to spend for general services with a minimum number of policies and rules required. The recommendation would achieve the most efficient and productive use of the money available with the least amount of regulation required. The first report to the US Treasury is due the last of April of 2022. It would be beneficial to have two people assigned as Account Representative. Also, designations must be made for Point of Contact for Reporting and Representative for Reporting. We think the first reporting period will cover from March 3, 2021 to December 31, 2021. A spreadsheet was shared with Council detailing how salaries and fringe benefits could be charged to ARP Funding if Council were to approve the recommendation. By consensus, the Council directed the Administrator to bring a grant project ordinance to the March Council Meeting for consideration. At the March meeting the Council will also vote on taking the one time \$10 million dollar exemption for revenue loss and to charge all expenses for salaries and fringe benefits to the ARP grant ordinance. The Council will then continue during the budget process to determine how compensating general funds that are not being spent on salaries and benefits can then be directed for the best benefit to the community.

- **Available Budget Estimates** – Budget spreadsheets showing costs and revenues as of December 2021 were reviewed. Most revenue estimates for 2022-2023 are not available at this time. Property tax data will not be finalized until the month of May. Some expenses can be determined, and one of those is garbage cost. The CPI has risen approximately 7% and inflation has become an economic factor in the cost of goods and services. The Village has a long-term contract with Foothills Waste Solutions and this will be the third year of the contract. The contract limits the increase to 3%. The Village budget for garbage and recycling services should be around \$189,134 per year. Village property taxes only provide \$125,331 in revenue or 66% of the cost of this one service. A salary and position study will be presented to Council sometime in a March timeframe. Until that point, salary estimates will not be finalized. The Village will need to perform a Powell Bill project in the upcoming budget in order to comply with State requirements. A project will be determined during the budget process. The Bulk Pickup contract with City of King will be finalized during the month of April.
  
- **Projects, Equipment, and Other Needs** – A discussion of needs for the upcoming budget year took place. The following list was formulated for further consideration:
  1. Development of the 9.5-acre parcel for recreation. This would include grading and trail development as well as potentially adding frisbee golf and volleyball facilities.
  2. Renewal/Replacement of tennis, basketball, and pickleball facilities.
  3. Addition of parking lot lights to lot near playground.
  4. Addition of security cameras in park.
  5. Cost determination for small amphitheater.
  6. Budget for PARC Committee to have Celebration as well as other normal events.
  7. Equipment replacement of tractor and mower.
  8. HVAC / roofing estimates at Community Center as well as any other facility needs
  9. Parking lot repairs / replacement
  10. Installation of wi-fi replacement hardware and software.

The Council will discuss the upcoming 2022-2023 budget and holding additional budget meetings at the March 3, 2022 Council meeting. Councilor Boyce Shore made a motion to adjourn the meeting and Councilor Lori Shore-Smith seconded the motion. The Council voted in favor of adjournment and the meeting adjourned at 2:00 p.m.

Minutes Prepared By:

Dan Corder, Administrator