

TOWN OF SILVER CREEK
BUDGET AND LEVY WORKING MEETING
February 5, 2019

The Budget and Levy meeting of the Town Board of the Town of Silver Creek was held on Tuesday, February 5th, 2019 in the Board Meeting Room. Present were Supervisors: Greg Hull, Denny Moen, Mike Hoops; Clerk Alison Oftedahl; Town Operations and Facilities Manager Jody Reineccius; and Chuck Voss.

Chairman Hull called the meeting to order at 4:10 p.m.

Before working on the budget, the end of year fund balances were reviewed. Hull reported on the Clerk's discovery that paying the Loader portion of the Capital Project Loan out of Road and Bridge wasn't correct. Funds levied for this debt were all received in the Debt Service Fund, which now has a surplus. The Auditor confirmed that Road and Bridge is due a reimbursement of approximately \$31,000 which will help with its current low balance. Unexpected costs including the June 2018 flood and personnel turnover expenses have pushed the Road and Bridge fund over its budget. In addition to the \$31,000 reimbursement, the Board anticipated \$20,000 from FEMA and discussed making a transfer from the Building fund which has a current surplus. The Board also examined the Fire fund's current deficit which arose very quickly in the last couple years. It is a result of the unanticipated doubling of the cost of Fire support provided by Silver Bay and Two Harbors. Both the budget and levy for fire are increased in 2020 to work on erasing this shortfall.

The following draft Budget and Levy was developed in the meeting.

2020 BUDGET:

General	\$77,150
Road & Bridge	\$279,000
Road Enhancement	\$20,000
Building	\$7,500
Fire	\$50,000
Cemetery	\$5,000
General Debt Service	<u>\$58,500</u>
Township Sub Total	\$497,150

CD Sewer Debt Service	\$107,500
CD Sewer Enterprise	\$98,100
CD Sewer Replace	<u>\$50,000</u>
Total CD Sewer	\$255,600

TOTAL BUDGET \$752,750

2020 LEVY:

General	\$45,000
Road & Bridge	\$205,000
Road Enhancement	\$20,000
Building	\$0
Fire	\$50,000
Cemetery	\$1,500
General Debt Service	<u>\$58,500</u>
Township Sub Total	\$380,000

CD Sewer Taxes \$0

TOTAL LEVY \$380,000

Other Anticipated Income	\$109,200
Sewer User Fees	\$148,100

TOTAL INCOME \$ 637,300

The Sewer Enterprise, which is wholly supported by user fees, was discussed at the end of the meeting. Of concern is the negative balance in the Sewer Enterprise Replacement fund. Hoops explained the deficit is partly due to necessary repairs that exceeded the budget and partly due to reimbursable expenses that have

not yet been collected. The deficit has shrunk in the past year but is expected to take a few years to erase. An increase of 10% in user fees was suggested as a possible solution. The Board noted that residential sewer fees for CDSSD fall well below those in nearby areas such as Two Harbors. Rates for the sewer will be formally proposed at the April 16 Rate Hearing.

This draft Budget and Levy will be revisited at the next two meetings before being formally proposed to constituents at the Annual Meeting March 12th.

There being no further business, meeting adjourned at 8:32 p.m. upon motion by Moen, second Hoops. Motion carried unanimously.

Respectfully submitted,
Alison Oftedahl, Clerk