# Valley City Special Commission Budget Proceedings

*Tuesday, August 2, 2022*

7:00 AM City Hall

President Carlsrud called the meeting to order at 7:00 AM.

Members present: Commissioner Magnuson via Zoom, Commissioner Bishop, Commissioner Erickson, Commissioner Gulmon

Members absent: None

Others Present: City Administrator Crawford, Finance Director Richter, Deputy Auditor Klein, City Attorney Martineck, Police Chief Hatcher, Fire Chief Magnuson, Municipal Court Clerk Westerhausen, City Assessor Hansen and Tina Current.

**New Business**

**Discuss First Draft of 2023 Budget**

Deputy Auditor Klein reported that the value of a mill increased by an estimated $1,508 from last year to an estimated value of $21,500. The County Auditor will determine the actual value of a mill later in Dec 2022. The increase in mill value generates $114,000 which is a 7% increase in tax dollars. The first draft of the budget came in with a need for a 13.3 mill increase, which is equivalent to $285,950. During our meetings we were able to reduce the levy by the same with some adjustments to expenditures, lowering cash reserves from 30% to 27%, increasing state revenues to the State’s projections, and increasing the utility transfer to the general fund by $26,000. Cash reserves of $973,900 is 27% of expenditures This is a $56,100 reduction in reserves from 2022, which is within the guidelines set in the City’s Fund Balance policy (30% to no lower than 21%, with 20% needing corrective action by the Commission).

The City completed a salary study and has updated salary schedules based on the findings. The proposed salaries in the 2023 budget includes a 5% cost of living allowance (COLA) increase and a step increase in the 25-year salary schedule. Cost of Living Adjustment (COLA) is calculated using the Consumer Price Index, in the U.S. Department of Labor, Bureau of Labor Statistics report for the Midwest Region from June 2021 to June 2022. The CPI’s COLA was listed at a 9.5% increase. Finance Director Richter explained that the increase in expenses for salaries would be covered by transfers from Fund 105- City Financed Special Assessment Projects and Fund 241- Property Tax Relief. The increase in the transfer from the utility fund is $51,000: $26,000 to Fund 100-General and $25,000 to Fund 231-Street Renew & Replacement.

NDPHIT has not released any information regarding health insurance premium increases for 2023. A 5% increase to be picked up by the City is currently budgeted. There was not an increase to premiums in 2022. If the premium increase is more than the estimated 5%, the Commission will re-evaluate. The City’s contribution to the employee’s HSA accounts would remain the same, with the employees matching a portion of the contribution in order to receive the full amount.

Commissioner Gulmon moved to approve the 2023 Preliminary Budget as presented which includes the proposed salary structure and 5% COLA, seconded by Commissioner Bishop. Motion carried.

**ADJOURN**

Meeting Adjourned at 8:00 A.M.

Attested to by:

Avis Richter, City Auditor Dave Carlsrud, President of the

City of Valley City City of Valley City Commission