



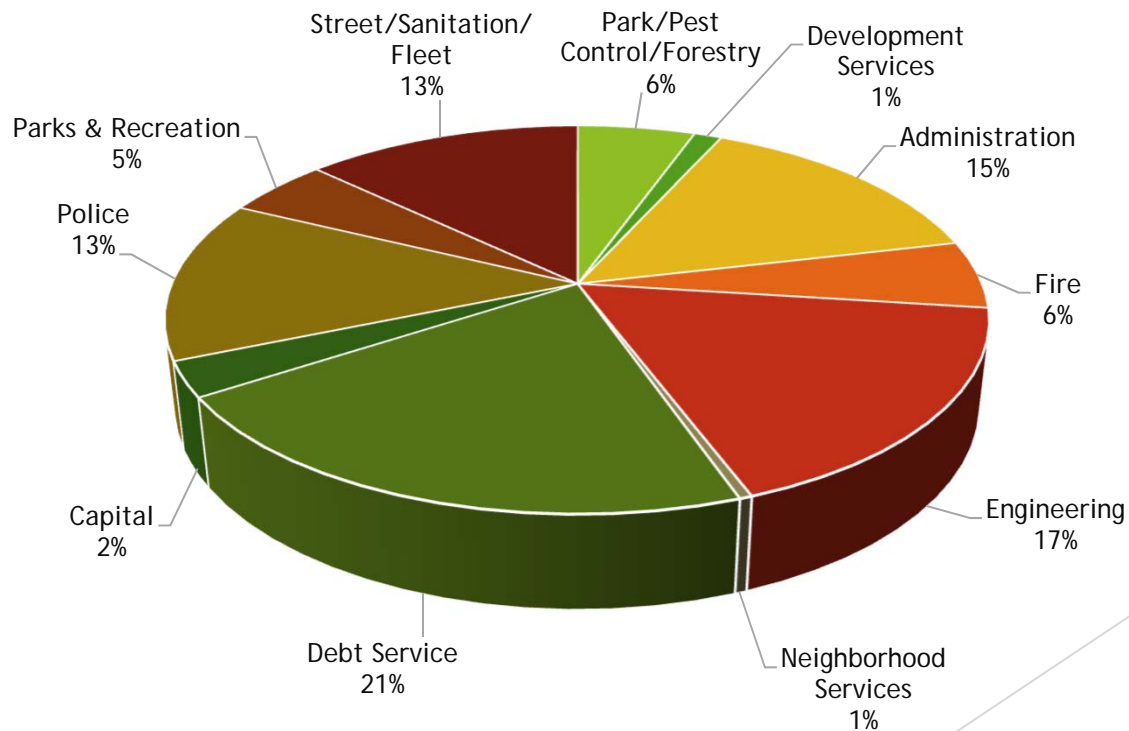
2019 Operating & Capital Budget

November 26, 2018
City Council Meeting

Expenditures by Function

Total 2019 Operating & Capital Budget
\$84,143,970

Expenditures by Function



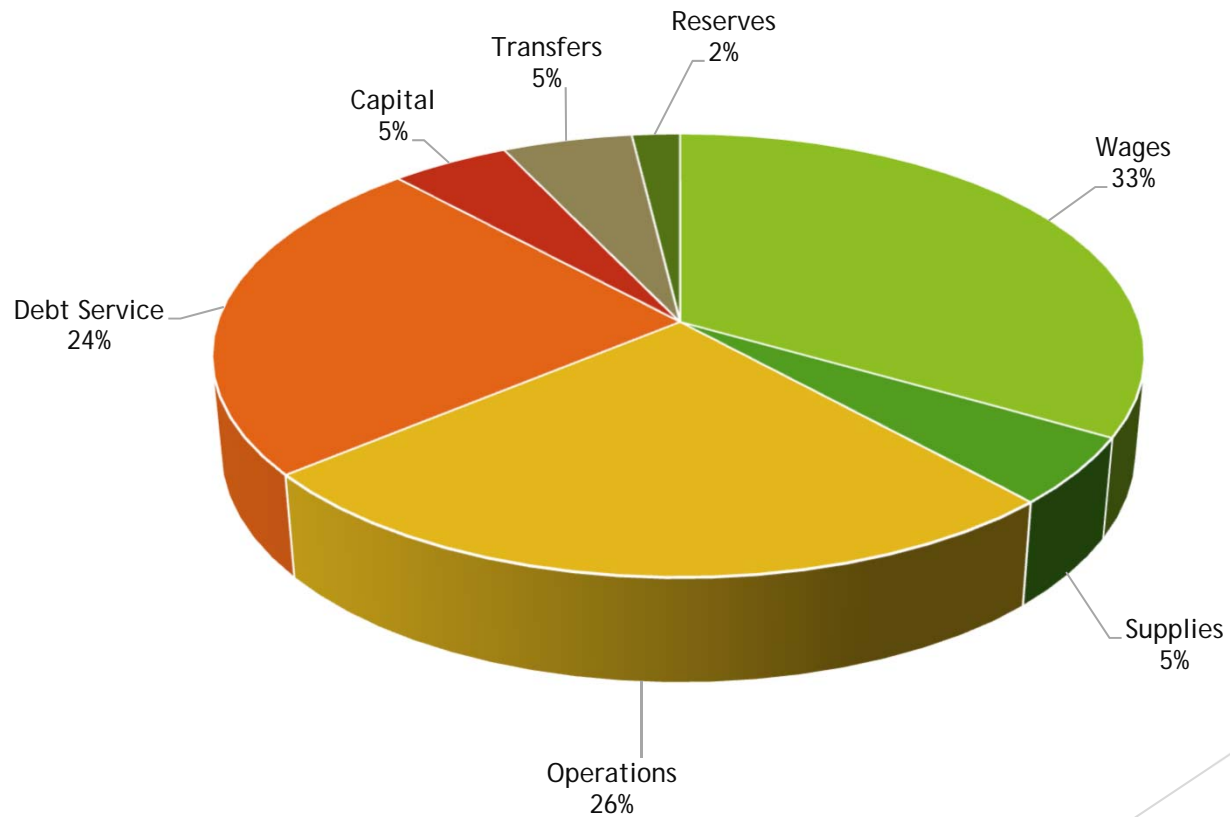
Expenditures by Function

Increase of \$1,535,570 (1.86%) over 2018
Operating & Capital Budget

FUNCTION	2018 BUDGET	2019 BUDGET	INCREASE (DECREASE)
Park/Pest Control/Forestry	\$ 4,323,046	\$ 4,616,304	\$ 293,258
Development Services	1,042,217	1,077,133	\$ 34,916
Administration	11,483,866	12,284,170	\$ 800,304
Fire	4,455,193	4,745,194	\$ 290,001
Engineering	15,916,284	14,505,310	\$ (1,410,974)
Neighborhood Services	482,936	354,618	\$ (128,318)
Debt Service	17,372,692	17,800,478	\$ 427,786
Capital	2,069,000	2,449,500	\$ 380,500
Police	10,696,971	11,345,370	\$ 648,399
Parks & Recreation	4,134,367	4,085,544	\$ (48,823)
Street/Sanitation/Fleet	10,631,828	10,880,349	\$ 248,521
	<u>\$ 82,608,400</u>	<u>\$ 84,143,970</u>	<u>\$ 1,535,570</u>

Expenditures by Category

EXPENDITURES BY CATEGORY

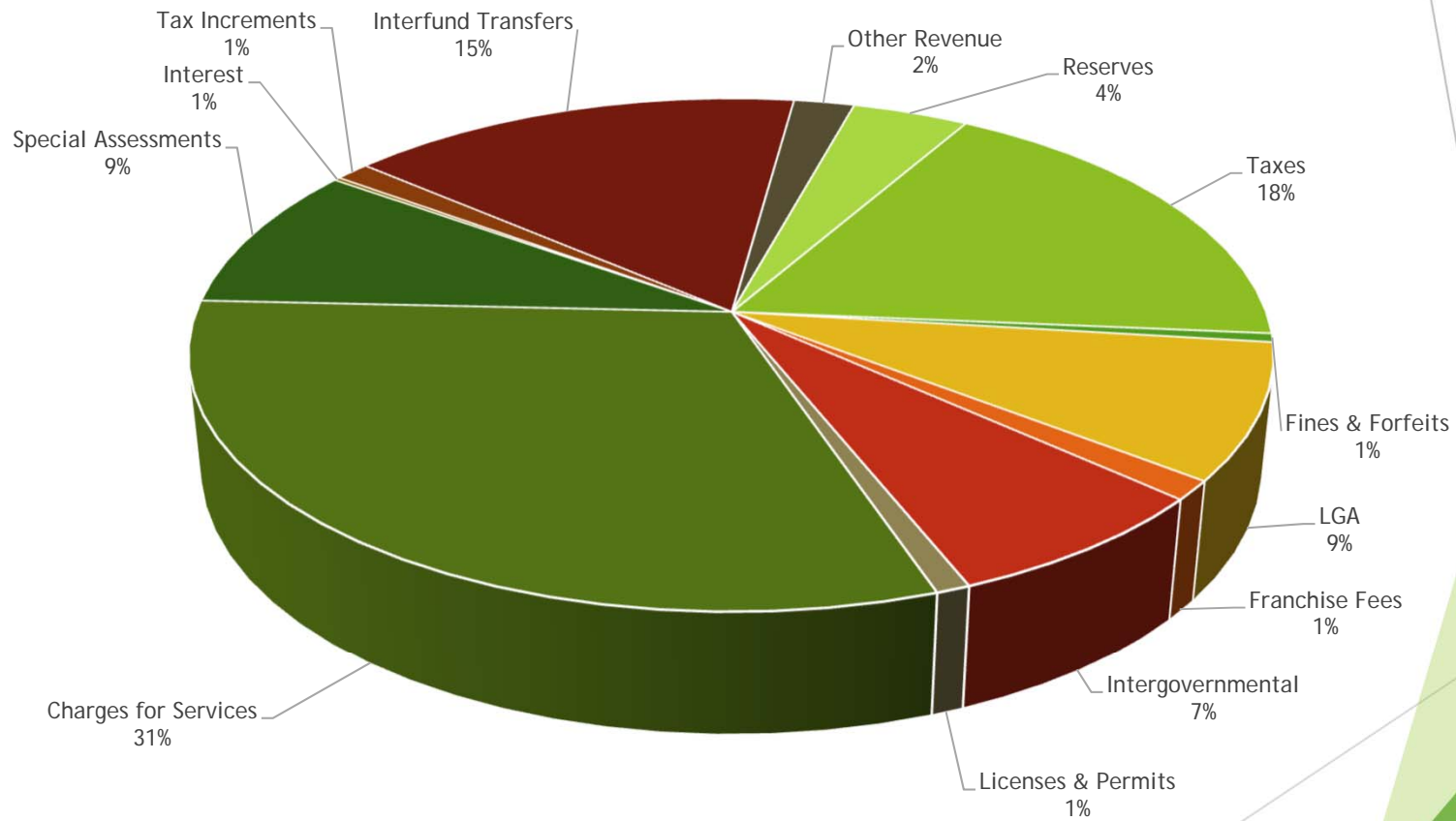


Expenditures by Category

CATEGORY	2018 BUDGET	2019 BUDGET	INCREASE (DECREASE)
Wages	\$ 26,309,776	\$ 27,981,194	\$ 1,671,418
Supplies	4,097,173	4,191,424	\$ 94,251
Operations	23,101,147	21,664,736	\$ (1,436,411)
Debt Service	19,029,438	20,330,750	\$ 1,301,312
Capital	4,934,300	3,989,721	\$ (944,579)
Transfers	3,769,937	4,367,018	\$ 597,081
Reserves	1,366,629	1,619,127	\$ 252,498
Total	\$ 82,608,400	\$ 84,143,970	\$ 1,535,570

Revenue Sources

REVENUE SOURCES



Revenue Sources

SOURCE	2018 BUDGET	2019 BUDGET	INCREASE (DECREASE)
Taxes	\$ 14,093,015	\$ 15,166,234	\$ 1,073,219
Fines & Forfeits	455,100	459,500	\$ 4,400
LGA	7,179,877	7,181,027	\$ 1,150
Franchise Fees	1,025,000	1,025,000	\$ -
Intergovernmental	5,518,585	6,099,906	\$ 581,321
Licenses & Permits	734,470	736,970	\$ 2,500
Chgs for Services	25,223,953	26,036,274	\$ 812,321
Special Assessmen	7,382,734	7,692,495	\$ 309,761
Interest	164,585	178,752	\$ 14,167
Tax Increments	1,010,049	1,010,049	\$ -
Interfund Transfers	12,851,937	13,364,018	\$ 512,081
Other Revenue	1,866,136	1,777,251	\$ (88,885)
Reserves	5,102,959	3,416,494	\$ (1,686,465)
	<u>\$ 82,608,400</u>	<u>\$ 84,143,970</u>	<u>\$ 1,535,570</u>

Property Taxes

- ▶ Good news - MORE GROWTH!!
 - ▶ New Construction
 - ▶ Increase in Market Value
 - ▶ Expiration of Property Tax Exemptions and Rebates
- ▶ Tax Levy reduced by \$60,000 from the Proposed 2019 Operating & Capital Budget
- ▶ 2nd consecutive year that final levy was reduced from the approved proposed tax levy

CITY OF MOORHEAD

GROWTH IMPACT ON PROPERTY TAXES

(Residential, Apartments & Commercial/Industrial)

	CHANGES IN MARKET VALUE				
	Residential	Apartments	Commercial & Industrial	Total	
2017 Estimated Market Value	\$ 2,197,154,000	\$ 363,949,500	\$ 478,581,300	\$ 3,039,684,800	
<i>Value Added New Improvements</i>	32,206,000	17,370,600	12,563,500	62,140,100	56.2%
<i>Market Value Adjustments</i>	20,233,000	24,135,400	4,171,900	48,540,300	43.9%
2018 Estimated Market Value	\$ 2,249,593,000	\$ 405,455,500	\$ 495,316,700	\$ 3,150,365,200	
	2.39%	11.40%	3.50%	3.64%	

	CHANGES IN TAX CAPACITY			
	Residential	Apartments	Commercial & Industrial	Total
<i>Value Added New Improvements</i>	322,060	217,133	251,270	790,463
<i>Market Value Adjustments</i>	202,330	301,693	83,438	587,461
<i>Exemptions Expired in Pay 2018</i>		112,813	104,516	217,329
<i>New Exemptions for Pay 2019</i>		(31,563)	(121,516)	(153,079)
	\$ 524,390	\$ 600,075	\$ 317,708	\$ 1,442,173

TAXES GENERATED BY PROPERTY TYPE

	Residential	Commercial & Apartments	Industrial	Total
<i>Value Added New Improvements</i>	140,050	94,420	109,260	343,730
<i>Market Value Adjustments</i>	87,980	131,190	36,280	255,450
<i>Exemptions Expired in Pay 2018</i>	-	49,060	45,450	94,510
<i>New Exemptions for Pay 2019</i>	-	(13,730)	(52,840)	(66,570)
<i>Expiring Rebates</i>	210,223			210,223
<i>Additional Rebates</i>	(98,784)			(98,784)
	<u>\$ 339,469</u>	<u>\$ 260,940</u>	<u>\$ 138,150</u>	<u>738,559</u>
<i>Impact to existing taxpayers due to rate increase</i>				<u>296,660</u>
<i>Total Property Tax Increase</i>				<u><u>\$ 1,035,219</u></u>

**CITY OF MOORHEAD
2018 TAX LEVY PAYABLE 2019**

2017 Tax Levy Payable 2018		\$ 13,693,015	
<u>Increases resulting from growth</u>			
New Construction	\$ 277,160		
Market Value Adjustments	255,450		
Expiring Rebates	210,223		
Expiring Exemptions	94,510		
New Rebates	<u>(98,784)</u>		
		738,559	<u>71%</u>
<u>Increases to existing tax base</u>			
Existing Tax Base for Debt	\$ (35,788)		
Existing Tax Base for Operations	\$ 66,878		
Increases Beyond City Control (A)	\$ 81,427		
Supplemental Operating Requests (B)	<u>\$ 184,143</u>		
		<u>296,660</u>	<u>29%</u>
2018 Tax Levy Payable 2019		<u><u>\$ 14,728,234</u></u>	

Property Taxes

- ▶ Tax rate increase was reduced from a proposed 3.4% increase to a 2.98% increase
- ▶ Impact to median value home (\$180,000) is \$20 for the City portion on a \$2,300 tax bill
- ▶ Clay County is proposing a slight increase and the School District's proposed rate actually decreases for a net impact on the median value home of a \$4 increase

Budget Highlights

- ▶ Continued implementation of new class/comp study citywide
- ▶ An increase to the City contribution for employee health insurance premiums
- ▶ PERA Rate increase for Public Safety employees
 - ▶ Additional ½% city contribution in 2019
 - ▶ Additional ½% city contribution in 2020
- ▶ Increased debt service expenditures but actual tax levy reduction
- ▶ Consolidated mowing & weed control for ROW maintenance, park maintenance, storm ponds and lift stations for increased efficiency and cost savings

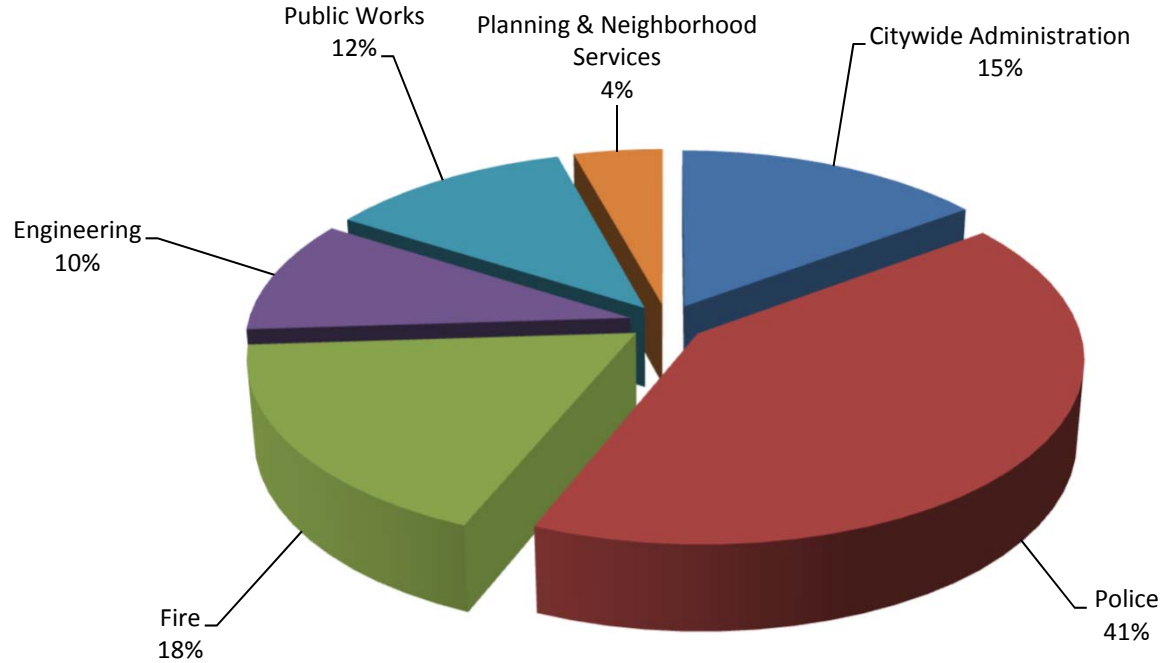
Budget Highlights

- ▶ Funding increase in support of Lake Agassiz Regional Library
- ▶ Accommodates lease payment to Clay County for the new Law Enforcement Center
- ▶ Includes various supplemental operating requests
 - ▶ Mayor & Council per diem compensation for attending committee meetings
 - ▶ Smart phones for police officers
 - ▶ Annual allocation for playground woodchip replacement
 - ▶ Subscription to Strategic Planning Software to ensure that the plan remains a “living document”

Budget Highlights

- ▶ Staffing Change Highlights:
 - ▶ City Manager Reorganization of the Administration and Planning & Neighborhood Services Departments
 - ▶ City Planner to replace Director of Planning & Neighborhood Services position
 - ▶ Facilities and Fleet Manager position to replace Technical Office Specialist authorized in the 2018 budget

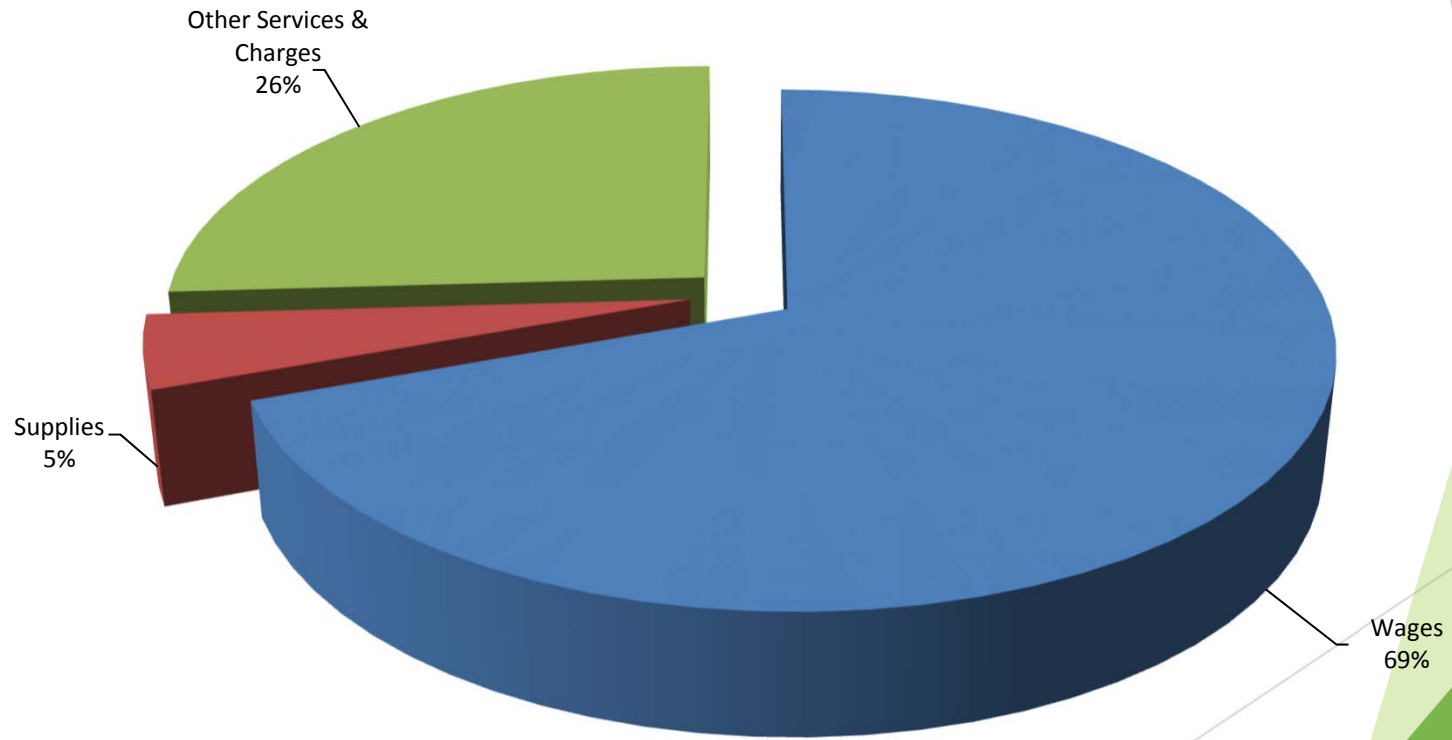
General Fund Expenditures by Department



General Fund Expenditures by Department

DEPARTMENT	2018 BUDGET	2019 BUDGET	INCREASE (DECREASE)
Citywide Administration	\$ 3,651,236	\$ 3,926,266	\$ 275,030
Police	10,270,444	10,893,376	\$ 622,932
Fire	4,423,617	4,679,828	\$ 256,211
Engineering	2,469,683	2,632,575	\$ 162,892
Public Works	3,087,727	3,093,222	\$ 5,495
Planning & Neighborhood Services	1,150,849	1,127,369	\$ (23,480)
	<u>\$ 25,053,556</u>	<u>\$ 26,352,636</u>	<u>\$ 1,299,080</u>

General Fund Expenditures by Category



18

General Fund Expenditures by Category

CATEGORY	2018 BUDGET	2019 BUDGET	INCREASE (DECREASE)
Wages	\$ 17,194,717	\$ 18,240,354	\$ 1,045,637
Supplies	1,181,514	1,212,600	\$ 31,086
Other Services & Charges	6,632,725	6,806,682	\$ 173,957
Capital Outlay	1,600	-	\$ (1,600)
Transfers to Other Funds	-	50,000	\$ 50,000
Fund Balance/Equity Reserves	43,000	43,000	\$ -
Total Expenditures / Uses	<u>\$ 25,055,574</u>	<u>\$ 26,354,655</u>	<u>\$ 1,299,080</u>

General Fund Highlights

- ▶ Allocated \$50,000 additional Municipal State Aid for additional infrastructure maintenance
- ▶ Stabilized the budget for election costs by allocating \$25,000 annually with every other year going to or coming from reserves
- ▶ Created a Government Affairs Director position to develop a citywide response to various inquiries and to provide a unified message to the public

General Fund Highlights

- ▶ Included funding for smart phones for police department staff to improve accessibility to information and enhance communications
- ▶ City Manager reorganization providing funding for previously unfunded positions
- ▶ Includes a much needed Facilities and Fleet Manager in the Public Works Department

Capital Improvement Fund Budget Summary

DEPARTMENT	ALLOCATION
ADMINISTRATION DEPARTMENT	\$ 224,000
COMMUNITY DEVELOPMENT	\$ 130,000
ENGINEERING DEPARTMENT	\$ 260,500
FIRE DEPARTMENT	\$ 48,700
PARKS & RECREATION DEPARTMENT	\$ 38,500
POLICE DEPARTMENT	\$ 8,800
PUBLIC WORKS	\$ 1,245,000
COMMUNITY AMENITIES AND PARK TRAILS	\$ 85,000
TOTAL CAPITAL IMPROVEMENT FUND	\$ 2,040,500

Capital Budget

- ▶ New in 2019
 - ▶ Historical Capital Improvement budget funding - 5% transfer from the Electric Fund
 - ▶ Includes a 2% transfer from the other City Utility Funds
 - ▶ WWT - \$169,990
 - ▶ Storm Water - \$55,920
 - ▶ Sanitation - \$94,360
 - ▶ Forestry - \$18,200
 - ▶ Pest Control - \$13,590
 - ▶ Street Light Utility - \$16,440

Capital Budget Highlights

- ▶ Phase III & IV Airport Pavement Rehab - \$130K
- ▶ 11th Street Railroad Grade Separation - Environmental Assessment & Preliminary Engineering - \$200K
- ▶ Final year for outdoor warning siren backup battery installation - \$37K
- ▶ Red-rated facility improvements - \$500K
- ▶ Additional facility improvements - \$200K
- ▶ Citywide Furniture, Fixtures & Equipment - \$125K

Capital Budget Highlights (cont.)

- ▶ Park Amenities - \$250K
- ▶ Additional trail grant match funding - \$100K
- ▶ Annual funding to replace Mass transit Buses - \$150K
- ▶ 3-year plan for new electronic election equipment - \$30K/year (2018 - 2020)
- ▶ Needs Assessment (City Hall & Library) - \$35K
- ▶ Needs Assessment/Concept Design (Community Center/Aquatics Center) - \$46K
- ▶ Concept Design for Inclusive Playground - \$10K
- ▶ Southside Dog Park to supplement donations - \$25K

Administration Capital Budget

ADMINISTRATION DEPARTMENT		
DESCRIPTION	FUNDING SOURCE	CITY MANAGER PROPOSAL
Unallocated		
2019 Unallocated	CI	44,000
City Clerk		
2020 Election Equipment (3 year funding 2018 - 2020)	CI	30,000
Mass Transit		
Replace (1) 35' 2005 Transit Bus - Unit 593 - 20% Local Match (Grant in place)	80% FTA (State Pass Thru 5339)	96,400
Replace (1) Paratransit Bus - Unit 1225 (2014) - 20% Local Match	80% FTA	17,000
Replace (1) Senior Ride Van (2015) - 20% Local Match	80% FTA	5,600
Replace (1) Senior Ride Van (1999) - 20% Local Match	80% FTA	5,600
MTG Shop Equipment - Forklift 1/3 Moorhead 20% Local Match	80% FTA	2,000
MTG Shop Equipment - Mobile Lifts for Shop 1/3 Mhd - 20% Local Match	80% FTA	3,000
Replacement of Aging Shelter(s) and Concrete - 20% Local Match	80% FTA	4,660
Add \$150,000 per year over 10 years for future bus replacement local match		15,740
ADMINISTRATION DEPARTMENT TOTAL		224,000

Community Development Capital Budget

COMMUNITY DEVELOPMENT DEPARTMENT		
DESCRIPTION	FUNDING SOURCE	CITY MANAGER PROPOSAL
Moorhead Municipal Airport		
Phase III/IV Pavement Rehabilitation Construction and Construction Services - Runway and Taxiway - Project Year 2019/2020	FAA/MnDOT/CI	130,000
\$2.35 Est. Total Cost - FAA and MnDOT Funds		
COMMUNITY DEVELOPMENT DEPARTMENT TOTAL		130,000

Engineering Capital Budget

ENGINEERING DEPARTMENT		
DESCRIPTION	FUNDING SOURCE	CITY MANAGER PROPOSAL
Engineering		
11 St Railroad Grade Separation Environmental Assessment/Preliminary Engineering	CI	200,000
Survey Equipment (TSC7 Controller & Software and S7 Robotic Total Station)	CI	45,000
Software (enhanced design capabilities)	CI	15,500
ENGINEERING DEPARTMENT TOTAL		260,500

Parks & Recreation Capital Budget

PARKS & RECREATION DEPARTMENT		
DESCRIPTION	FUNDING SOURCE	CITY MANAGER PROPOSAL
Meadows Clubhouse		
Replace Light Cans with LED (cost savings) rebate possible	CI	4,000
Hjemkomst Center		
Replace Lights around church 2 broken LED	CI	4,500
Stain Stave Church Fund \$50,000 in 2020 / less if fund sooner \$30,000 2019	CI	30,000
PARKS & RECREATION DEPARTMENT TOTAL		38,500

Police Capital Budget

POLICE DEPARTMENT		
Operations		
New FIST suit for Defensive Tactics Training (2) \$500 now donated by MHS	CI	1,500
PIT Bumpers (\$1,000 per vehicle with new replacements)	CI	4,000
2 add. computers (Patrol & Sgt. Office) actual equipment only	CI	3,300
POLICE DEPARTMENT TOTAL		8,800

Public Works Capital Budget

PUBLIC WORKS DEPARTMENT		
General Government Buildings		
F, F & E	CI	125,000
Needs Assessment (City Hall/Library)	CI	30,000
Needs Assessment/Concept Design - Community Center/Aquatics Center	CI	46,000
Facility Improvements - address FCA red rated repairs	CI	500,000
Facility Improvements - annual requirement	CI	200,000
Street and Alley		
Skid Steer Snow Blower/Truck Loading Chute - Downtown sidewalks	CI	7,000
Park Maintenance		
Park Amenities	CI	250,000
Chemical injectors for (6) wading pools and municipal pools	CI	21,000
River Corridor/Match for Companion Project/Maintenance	CI	50,000
Village Green Golf Course Maintenance		
Greens Covers	CI	6,000
Irrigation head replacement (3 of 6 years)	CI	6,000
Meadows Golf Course Maintenance		
Tow Behind Brush for Greens	CI	4,000
PUBLIC WORKS DEPARTMENT TOTAL		1,245,000

Community Amenities & Park Trails Capital Budget

COMMUNITY AMENITIES AND PARK TRAILS		
Park Trails		
Heartland/Midtown/Blue Goose Trail - additional matching grant funds	CI	50,000
Community Amenities CIP		
Inclusive Playground (request \$10K for concept design)	Donations	10,000
Southside Dog Park	CI / Donations	25,000
COMMUNITY AMENITIES & PARK TRAILS TOTAL		85,000

Final 2019 Operating & Capital Budget

The Final 2019 Operating & Capital Budget will be approved at the December 10, 2018 City Council Meeting

This presentation and the final budget document will be posted on the City website at:

www.cityofmoorhead.com/budget