



THE OFFICE OF THE MAYOR, DR. TIMOTHY J. MAHONEY

Members of the Fargo community and Fargo City Commissioners,

The City of Fargo's 2019 Preliminary Budget is being presented for your review and consideration. I would like to express my appreciation to the department heads, division heads, Commissioners and the budget team for their excellent work arriving at a budget plan that will serve the citizens of Fargo.

The budget team met with each department, during which ideas, recommendations and conversations occurred to create the document before you today. Throughout this process, we have remained committed to providing the high quality service that our residents have come to expect, while also continuing our commitment to being fiscally prudent with the public's money. With the help of the Commissioners, the budget team feels the 2019 Preliminary Budget addresses the needs of a city transitioning into one of the Midwest's most vibrant urban areas.

BALANCING THE NEEDS OF A GROWING CITY

Our community is continuing its upward trajectory in several measureable ways, including population, geographic footprint, infill development activities and stronger neighborhoods. While there has been substantial progress, there is always more to attain as we strive to implement smart growth strategies. We consistently seek new partnerships with the private sector to achieve sustainable and impactful growth. The city has almost 40 recognized neighborhoods and we need to continually work together to ascertain ways of empowering and energizing residents to become civic leaders within these neighborhoods, truly allowing our city to thrive together.

We continue to see the necessity of a strong commitment to public safety within our city. Calls for service are ever increasing, which is the result of urbanization and an increasing population. Our new investments, coupled with our past commitments, are a testament to the value we place on ensuring Fargo is a safe community for everyone.

Emerging strategies for economic development and workforce training are complementary to one other, and are vital for the community's long-term success. While there have been notable achievements, we are intensifying our efforts in these sectors to ensure we are doing everything possible to lay the groundwork for the next decade and beyond.

PRIORITY AREAS IDENTIFIED FOR 2019

CONTINUATION OF CURRENT MAJOR INITIATIVES

- Lease/purchase of Border States Electric corporate and IT offices
- Permanent flood protection (F-M Diversion Project and in-town levees)
- Working towards Red River Water Supply Project
- New water treatment plant startup
- Focus on neighborhoods and code enforcement
- Fostering strategic economic development opportunities
- Opioid reduction efforts with treatment options
- Portion of General Fund Capital funded through Capital Project Fund

PRIORITIZING NEW INITIATIVES

- Reorganization of Engineering & Inspections Department
- Hiring a Facilities Manager
- Fit-up of Border States Electric corporate offices for the new Fargo Police Central Headquarters
- Wastewater Treatment Plant expansion
- New Fire Department pumper truck
- Performing Arts Center + Civic/City Plaza Task Force
- Proposed utility rate increases
- Potential redevelopment of Police Department, Health Department, Park East Apartments and Mid-America Steel locations
- Implement recommendations of Special Assessment Task Force

2019 PRELIMINARY BUDGET SUMMARY

City leaders have formulated a preliminary budget that is balanced, while also keeping our mill levy fixed at the 2018 level. The city will continue its commitment to in-town flood protection project and invest in organization-wide capital improvement projects in 2019.

The budget team is proposing modest fee adjustments in storm water, street light and forestry utilities. Fargo's municipal utility rates are among the lowest in comparison to other North Dakota cities and our neighbors. Our residents continue to highly rank the quality of Fargo utility services. These rate adjustments are a slight increase that will pay dividends in maintaining our services and facilities.

The City's General Fund expenses are proposed to slightly increase by 1.9%. The budget team is proposing the addition of 4.75 new full-time employees (a 0.5 reduction from the General Fund and 5.25 from the Enterprise Fund) out of the 29.75 positions requested. The budget team

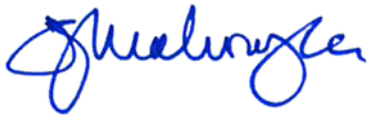
carefully evaluated all requests, has directed funding to high-priority operating and capital requests.

Simply put, this is a strategic and lean budget. It addresses the ongoing needs of our growing city, while minimizing the growth of government. Our entire City of Fargo team of employees are devoted to providing excellent services for the public at a reasonable cost. We are using technologies and efficiencies to improve our services while keeping costs down. Thank you to everyone who played an active role in this process.

LET'S WORK TOGETHER TO ACHIEVE OUR MISSION OF BEING 'FAR MORE'

Undoubtedly, the next several years will bring abundant opportunities, challenges and unexpected surprises. However, we have a strong foundation to build upon, and Fargo remains the model many look to in this region. It is a tremendous honor to be a part of this community and its local government. Fargo truly offers **Far More** than people expect. We can bring this city to even greater heights and success if we work together to advance the interests of our citizens.

Sincerely yours,



Dr. Timothy J. Mahoney
Mayor of the City of Fargo