



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

Members of the Fargo community and Fargo City Commissioners,

The City of Fargo's 2020 Approved 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 in arriving at a budget plan that will work for Fargo.

During our departmental meetings, many ideas, recommendations and conversations occurred to create the document before you today. Throughout this process, we have all remained devoted to providing the high quality of services our residents have come to expect, while also continuing our commitment to being fiscally mindful with the taxpayers' money.

With the assistance and input of the Fargo City Commission, the budget team feels the Approved 2020 Budget addresses the needs of a community that has placed itself on the radar as one of the Midwest's most vibrant urban centers.

In just the last few years, Fargo has been nationally recognized with many honors. The following is just a sampling of these rankings:

- #6 Quality of City Services {WalletHub, 2019}
- #6 Happiest Cities List {WalletHub, 2019}
- #7 Best City for Entrepreneurs {Livability, 2016}
- #8 Walkable Neighborhoods {Redfin, 2016}
- #10 Best Run Cities {WalletHub, 2019}

We all should be especially proud of the quality of city services ranking. This comparison placed Fargo in direct competition with the nation's most populous cities, including major metros. Fargo truly is a regional leader and the nation is taking notice.

With growth comes substantial increases in the demand for City of Fargo services. Over the past decade these changes have been profound, as is detailed below:

- 161% increase in Fargo Fire service calls
- 86% increase in Fargo Police service calls
- 56% increase in Fargo Public Works miles of streets
- 33% increase in Fargo daily drinking water consumption
- 26% increase in Fargo Public Library collection usage

BALANCING THE NEEDS OF A DEVELOPING CITY

Our community continues its upward trajectory in several other measurable ways, including population, geographic footprint, infill development activities and stronger neighborhoods. The Fargo community 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 to truly allow this city to thrive.

As we all know, Fargo continues to realize the necessity of a strong commitment to public safety. Additional investment into public safety compensation and staffing, coupled with our past commitments, are a testament to the value we place on ensuring Fargo is a safe community for every resident and visitor.

Strategic tactics for economic development and workforce training are complimentary to each other and vital for our community's long-term success. While there have been many notable achievements, we are redoubling our efforts in these sectors to ensure we are doing everything possible to lay the groundwork for the next decade and beyond.

IMPROVING SERVICES + MAXIMIZING EFFICIENCY

The budget team has worked with department heads to identify integral priority areas for 2020 as detailed below. Working together, these initiatives will help the City of Fargo improve its services and maximize the efficiencies demanded by our citizens.

MAJOR INITIATIVES

- F-M Area Diversion Project
- Red River Valley Water Supply Project
- Southwest Regional Stormwater Retention & Recreational Pond
- FARGODOME Expansion
- Performing Arts Center
- Fargo Civic Plaza

ENSURING STREET-LEVEL SERVICE EXCELLENCE INITIATIVES

- Fargo Police Strategic Plan and Emerging Issues
- Snow Gate Feasibility Study
- Planning & Community Development Outcomes
- Transit Efficiencies + MAT Paratransit Pilot Project
- Inspection 'Zones'

SUMMARIZING THE 2020 BUDGET

City leaders have formulated a budget that is balanced and reflective of a growing community. We are funding the commitments made by the City Commission, continuing our steadfast commitment to in-town flood and drought protection projects and investing in organization-wide

capital improvement projects. Staff members have identified short-term and long-term needs to produce better budgets in the future.

The budget team is proposing a two mill property tax increase, which would equate to an additional \$21.38 per year for a resident living in home worth \$250,000. While any tax increase is always difficult, it is important to remember that Fargo has reduced its City mill levy by 7.25 mills since 2013 and, with this approved increase, we will still see a net deduction of 5.25 mills over the past nine years. Studies continue to show that Fargo's operating expenditures per resident are lower than our collective regional peers and property taxes, as a percentage of general fund revenues, are lower in Fargo than our peers. Additionally, this year's approved budget ends our past practice of using reserves to balance the general fund bottom line.

The budget team is also proposing a modest adjustment of \$1 per month for residential curbside recycling fees to accurately reflect the costs to operate these services. Increased landfill disposal fees, which were factored into the Solid Waste revenue fee models, are also included in the approved budget; this will not affect curbside collection costs.

We are recommending the net addition of 13 new full-time employees (six from the General Fund, six from the Enterprise Fund and one from the Special Revenue Fund) from the 53.95 total positions requested. We employed a six-factor evaluation criteria model in reviewing these personnel requests. Priority operating and capital requests were reviewed and recommended very carefully, as well as a thorough forensic review of all individual budgetary subaccounts.

Our entire City of Fargo team of employees are devoted to providing excellent services at a reasonable cost. Be assured that 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, trying challenges and unexpected surprises. However, Fargo remains well positioned to fulfill its goals of being a safe city for everyone, the leader of the region, embracing of smart growth, engaging members of the community and continuing its tradition of being nationally-recognized for service excellence.

Fargo remains the envy of the Upper Midwest. Together, we can take it to even greater heights.

Sincerely yours,



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