

THE MAYOR'S PRELIMINARY 2023 BUDGET

THE CITY OF
Fargo
FAR MORE

07.28.2022

Informational Meeting



PEOPLE + SERVICES = EXCELLENCE >>

BASIS FOR THE MAYOR'S PRELIMINARY BUDGET

NORTH DAKOTA CENTURY CODE 40-40-04

The Governing Body of each municipality, annually on or before August 10, shall make an itemized statement known as the preliminary budget statement showing the amounts of money which, in the opinion of the governing body, will be required for the proper maintenance, expansion or improvement of the municipality during the year.

FARGO HOME RULE CHARTER BUDGET SECTION ARTICLE 2 SECTION B (3)

The Mayor shall cause to be prepared and shall present to the governing body on or before September 1 of each year, the proposed budget for the ensuing fiscal year, which starts on January 1 and ends on December 31.

MAINTAINING FARGO AS THE REGIONAL LEADER



Top 10 Least Stressed Cities | *WalletHub – 2022*



Top 10 Best Places to Retire | *Forbes – 2011-2022*



Top 15 Best Places for Renters | *WalletHub – 2022*



Top 100 Best Places to Live | *Livability – 2022*

LEGACY PROJECTS FOR FUTURE GENERATIONS



METRO
FLOOD
DIVERSION
AUTHORITY



**RED RIVER VALLEY
WATER SUPPLY PROJECT**

Serving the Water Supply Needs of Central North Dakota and the Red River Valley



MAJOR INITIATIVES FOR 2023



**PRIORITIZE THE
RETENTION OF
TEAM FARGO**

**ENSURE
STREET-LEVEL
EXCELLENCE**

**BOLSTER
OPERATIONAL
RESILIENCIES**

**EMPHASIZE
SMART
GROWTH**

**FARGODOME
EXPANSION**

**ADVANCE A
PERFORMING
ARTS CENTER**

COMPOSITION OF THE 2023 GENERAL FUND



PERSONNEL EXPENSES

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PROPOSED FULL-TIME EMPLOYEE ADDITIONS

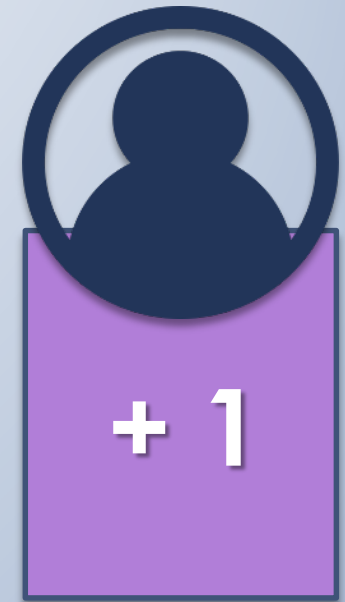
General Fund Full-Time Employees



**Streets &
Sewer**



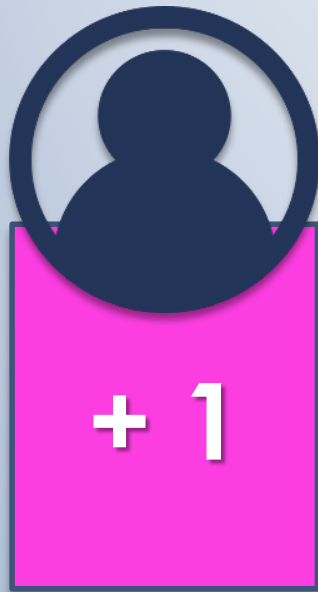
Engineering



Finance

PROPOSED FULL-TIME EMPLOYEE ADDITIONS (CONT.)

General Fund Full-Time Employees



**Diversity
Equity &
Inclusion**



**Human
Resources**



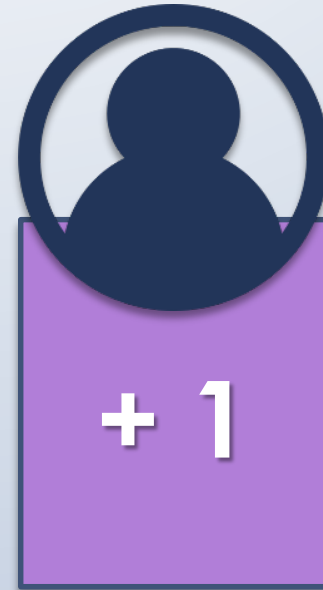
**Fargo Cass
Public Health**

PROPOSED FULL-TIME EMPLOYEE ADDITIONS (CONT.)

Enterprise Funds Full-Time Employees



Street
Lights



Transit
(MATBUS)

PROPOSED IMPACT ON EMPLOYEE HEADCOUNT

1,021
**CURRENT TEAM FARGO
EMPLOYEE HEADCOUNT**

+10
**GENERAL FUND
FULL-TIME EMPLOYEES**

+2
**NEW ENTERPRISE FUND
FULL-TIME EMPLOYEES**

THE 2023 MAYOR'S BUDGET - 11

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INVESTING IN TEAM FARGO - 2022 VS. 2023

	2022 APPROVED BUDGET	2023 PROPOSED BUDGET
NEW GENERAL FUND EMPLOYEES	+ 10.00	+ 10.00
GENERAL FUND COMPETITIVE WAGE ADJUSTMENT	3.50 %	3.50 %
GENERAL FUND MARKET ADJUSTMENTS	\$ 51,690	\$ 287,424
GENERAL FUND'S ANNUAL STEPS FOR EMPLOYMENT ANNIVERSARIES	\$ 782,734	\$ 1,038,619
GENERAL FUND PERSONNEL RECLASSIFICATIONS	\$ 106,886	\$ 222,571

FARGO'S SUBSTANTIAL PUBLIC SAFETY INVESTMENTS

	FARGO POLICE DEPARTMENT	FARGO FIRE DEPARTMENT
2014	1 Evidence / Property & Quartermaster Asst. 3 Police Officers	4 Firefighters (3 FTE Safer Grant)
2015	2 Police Support Specialists 7 Police Officers	-----
2016	6 Police Officers (including 2 FTE COPS Grant) 1 Police Sergeant	1 Fire Inspector
2017	1 Police Sergeant 11 Police Officers (including 6 FTE's added for airport security; 1 FTE COPS Grant)	-----
2018	1 Police Officers (including 1 FTE funded by Fargo Parks) 1 Crime Prevention / PIO 1 Police Operations Technician	-----
2019	1 Crime Analyst	1 Fire Inspector/Investigations
2020	3 Police Officers 1 Police Officer – Transit/Library	-----
2021	-----	-----
2022	3 Police Officers 1 Police Support Specialist 2 Crime Analysts	1 Assistant Fire Marshal 1 Fire Captain/Training
2023	Support on-going evaluating of staffing / needs reflective of current FTE openings, including CARES funding for comprehensive physicals and other initiatives	Staffing of new Station #8 to correlate with construction, including CARES funding for comprehensive physicals and other initiatives
TOTALS	46 TOTAL F.P.D. (37 Sworn + 9 Non-Sworn)	8 TOTAL F.F.D.

THE 2023 MAYOR'S BUDGET - 13

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CARES PUBLIC SAFETY ALLOCATION – 2023 BUDGET

Department	Project	2023 Proposed
Police Department	Equipment Replacement + Technology Upgrades	\$ 35,000
Police Department	Baseline Comprehensive Physicals for Sworn Officers	\$ 115,000
Police Department	Master Facilities Planning	\$ 60,000
Fire Department	Baseline Comprehensive Physicals for Firefighters	\$ 85,000
Fire Department	Strategic Planning (Accreditation)	\$ 10,000
Fire + Police Departments	Facility Modifications at Fargo Cass Public Health to Allow Annual Spirometry Testing for Lung Capacity	\$ 5,000
TOTAL CARES PUBLIC SAFETY ALLOCATION TO FPD + FFD IN 2023		\$ 310,000

OPERATING EXPENSES

THE CITY OF
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OPERATING EXPENSES MAJOR ADDITIONS

ADDITIONS & NEW SERVICES

- Downtown Engagement Center - **\$ 450,000**
- Suicide Prevention Outreach Activities - **\$ 50,000**
- Fargo PD Mental Health Initiative - **\$ 50,000**
- Cleanup Week Expansion to Two Weeks - **\$ 45,000**
- Targeted Annual Human Resource Market Studies - **\$ 25,000**
- Rehabilitation of Failing Sewer Manhole Structures - **\$ 25,000**
- Increase in Library Books & Periodicals (E-Content) - **\$ 20,000**

INFLATIONARY & OTHER IMPACTS

- Energy / Fuel - **\$ 481,000**
- Repairs / Maintenance / Supplies - **\$ 373,000**
- Contracted Snow Hauling / Removal - **\$ 140,000**
- Insurance - **\$ 86,000**
- Travel Education (Return to pre-COVID levels) - **\$ 60,000**

OPERATING EXPENSE CHANGES BY DEPARTMENT

Department	2023 Proposed (\$)
City Administration	27,760
Diversity, Equity and Inclusion	48,700
Human Resources	15,000
Information Services (IS)	255,297
Communications & Gov. Affairs	126,625
City Attorney	284,000
City Prosecutor	242,540
Finance	(26,400)
Municipal Court	8,990
Incarceration	(129,000)
Assessor's Office	20,300
General Support	179,875
Facilities	260,040
Planning & Development	50,500

Department (continued)	2023 Proposed (\$)
Inspections	9,575
Economic Development	75,000
Engineering	(3,000)
Engineering – One Call	-0-
Traffic Engineering	47,719
Street Department	427,011
Central Garage	(101,744)
Fire	243,600
Police	407,367
Health	146,846
Library	99,214
City Commission	(9,400)
Social Services	346,421
TOTAL ADDITIONAL OPERATING EXPENSES	\$ 3,052,836

CAPITAL EXPENSES

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RECOMMENDED NON-ENTERPRISE CAPITAL OUTLAYS

101

**GENERAL
FUND**

\$ 394,630

241

**PARKING REPAIR &
REPLACEMENT**

\$ 125,000

403

**GIS DEVELOPMENT
FUND**

\$ 190,000

475

**CAPITAL EQUIPMENT
FUND**

\$ 5,850,826

HIGHLIGHTS OF RECOMMENDED CAPITAL ITEMS

FUND 101 – GENERAL FUND

- Additional Virtual Rooms for Video Conferencing - \$ 100,000
- Citywide Physical Infrastructure Security Assessment - \$ 50,000

FUND 241 – PARKING REPAIR & REPLACEMENT

- General Maintenance - \$ 125,000

FUND 403 – GIS DEVELOPMENT FUND

- Migrate Water/Sanitary/Storm into unified City GIS System - \$ 75,000
- Aerial Photos / LIDAR / Geo-Referenced Imagery - \$ 65,000

FUND 475 – CAPITAL EQUIPMENT FUND

- Motor Grader for Expanded Snowplowing Zones - \$ 295,000
- IS Switches, Firewalls, Wireless Access Points - \$ 258,000
- Fargo Cass Public Health Facility Improvements - \$ 156,000
- Additional Downtown Cameras - \$ 42,000
- Engagement Center Chiller - \$ 40,000
- Fire Department Zodiac Boat - \$ 15,000

FUND 402 (DEBT-FINANCED) CAPITAL REQUESTS

Department	Project	2023 Requests (\$)	2023 Obligated (\$)
Library	Main Library Window Shade Replacement	210,000	---
Public Works – Central Garage	Public Works West – Exterior & Repairs	575,000	---
Public Works – Central Garage	Campus Master Plan – Property Acquisition	1,200,000	---
Civic Center	HVAC, Machinery, Roof and Other Repairs	1,025,000	---
Newman Outdoor Stadium	New Elevator – Freight and Accessibility	475,000	---
Skyway Maintenance	Skyway – Civic to Ramp RTU Replacement	25,000	---
Skyway Maintenance	Skyway – Civic to Ramp Roof Replacement	30,000	---
Skyway Maintenance	Skyway – Carpet and Wallcovering	80,000	---
Fund 402 Proposed Capital Requests		\$ 3,620,000	---

**This table represents the total requested.
No cash outlay has been obligated.**

ENTERPRISE CAPITAL RECOMMENDED EXPENSES

501

**WATER UTILITY
FUND**

\$ 831,000

521

**WATER RECLAMATION
UTILITY FUND**

\$ 780,000

531

**SOLID WASTE
UTILITY FUND**

\$ 3,563,500

450

**WATER SALES TAX
FUND**

\$ 4,115,000

455

**WATER RECLAMATION
SALES TAX FUND**

\$ 1,250,000

570

**FARGODOME
FUND**

\$ 619,500

ENTERPRISE CAPITAL RECOMMENDED EXPENSES

524

**STORM WATER UTILITY
FUND**

\$ 1,165,250

528

**STREET/TRAFFIC LIGHT
UTILITY FUND**

\$ 120,000

541

**FORESTRY UTILITY
FUND**

\$ 140,000

552

**TRANSIT UTILITY
FUND**

\$ 822,400

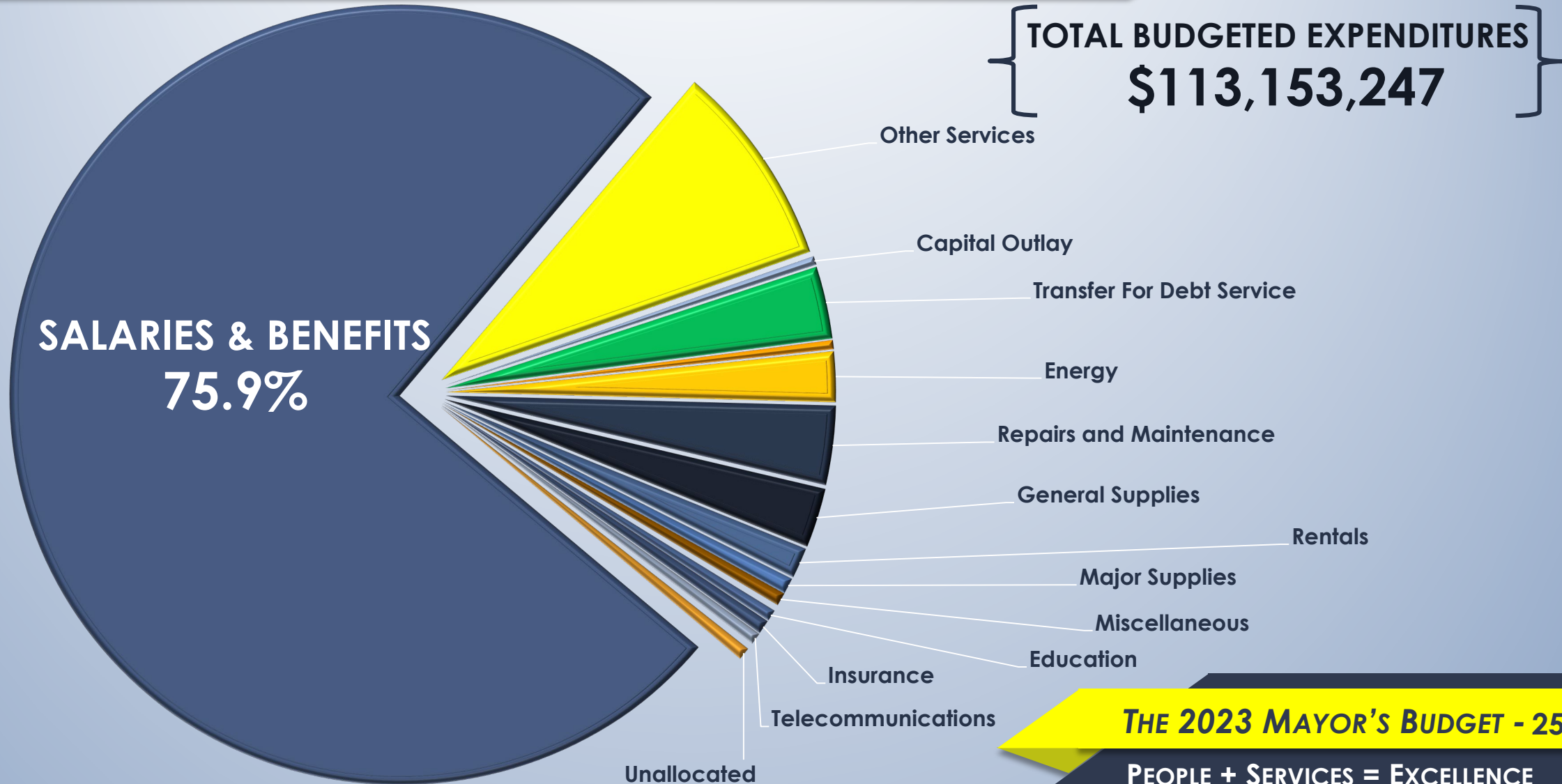
GENERAL FUND EXPENSE PROJECTIONS

EXPENSE CATEGORY	2022 APPROVED BUDGET (\$)	2023 PROPOSED BUDGET (\$)	PERCENTAGE OF TOTAL	CHANGE FROM 2022 APPROVED BUDGET TO 2023 PROPOSED BUDGET	
				\$	%
Salaries	61,256,218	63,776,694	56.4%	2,520,476	4.1%
Benefits	20,020,033	22,070,599	19.5%	2,050,566	10.2%
Other Services	7,722,896	9,686,944	8.6%	1,964,048	25.4%
Capital Outlay	349,210	408,130	0.4%	58,920	16.9%
Transfer For Debt Service	3,324,989	3,387,748	3.0%	62,759	1.9%
Other Transfers	126,545	430,525	0.4%	303,980	240.2%
Major Cost Categories	92,799,891	99,760,640	88.5%	6,960,749	7.5%
Energy	1,867,788	2,348,380	2.1%	480,592	25.7%
Repairs and Maintenance	3,437,199	3,724,376	3.3%	287,177	8.4%
General Supplies	2,752,343	2,805,713	2.5%	53,370	1.9%
Rentals	1,456,769	1,459,959	1.3%	3,190	0.2%
Major Supplies	733,876	763,876	0.7%	30,000	4.1%
Miscellaneous	564,100	626,600	0.6%	62,500	11.1%
Travel	208,390	237,440	0.2%	29,050	13.9%
Education	512,150	543,517	0.5%	31,367	6.1%
Insurance	583,399	669,441	0.6%	86,042	14.7%
Telecommunications	544,846	551,246	0.5%	6,400	1.2%
Advertising and Printing	242,590	261,690	0.2%	19,100	7.9%
Unallocated	(1,182,448)	(599,631)	-0.5%	582,817	(49.3%)
Minor Cost Categories	11,721,002	13,392,607	11.5%	1,671,605	14.3%
TOTALS	\$ 104,520,893	\$ 113,153,247	100.0%	\$ 8,632,354	8.3%

THE 2023 MAYOR'S BUDGET - 24

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2023 GENERAL FUND EXPENSE PROJECTIONS



THE 2023 MAYOR'S BUDGET - 25

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REVENUES

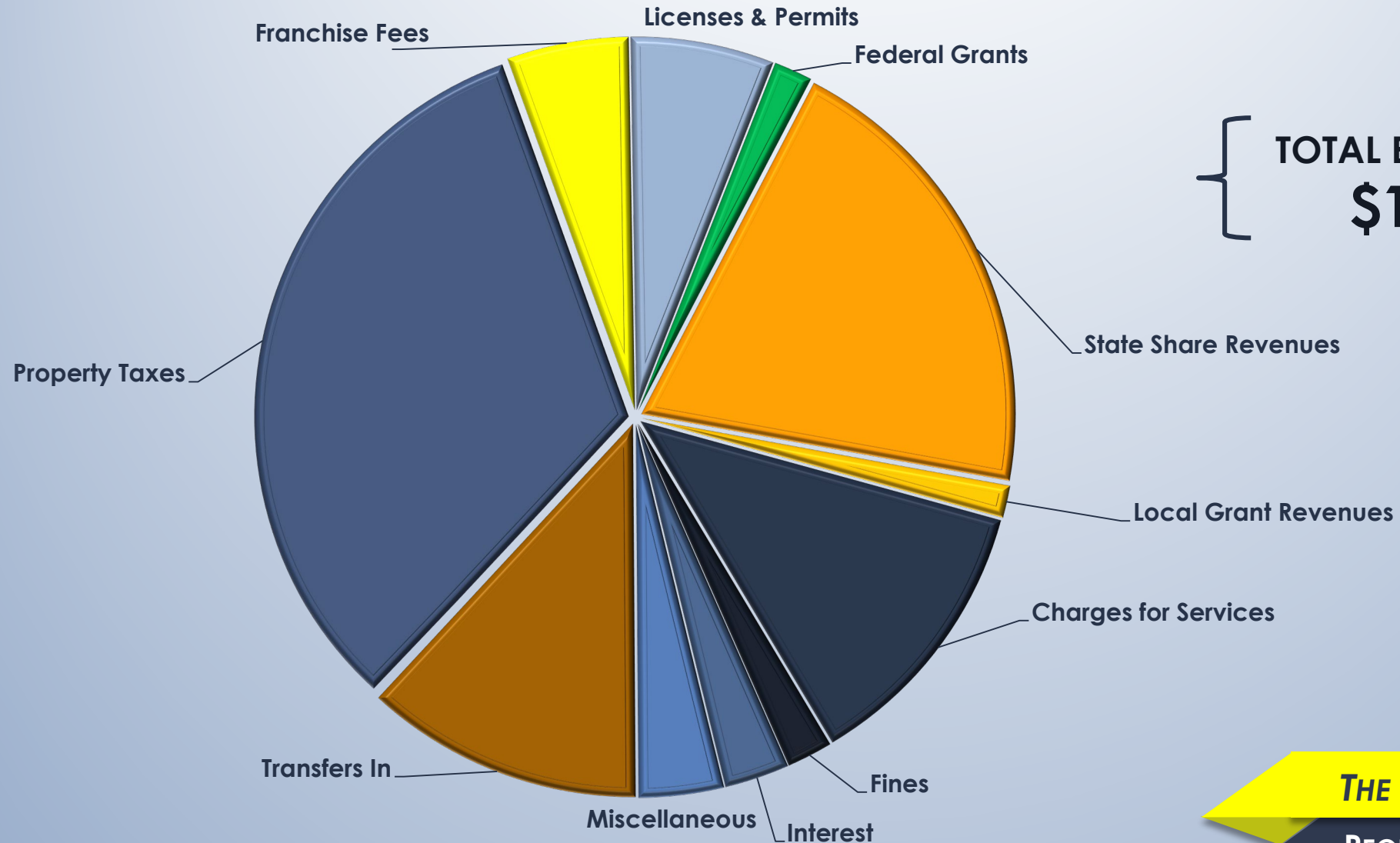
THE CITY OF
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2023 GENERAL FUND REVENUE PROJECTIONS

REVENUE SOURCE	2022 APPROVED BUDGET (\$)	2023 PROPOSED (\$)	CHANGE (\$)	BUDGET CHANGE (%)
Property Taxes	32,249,600	36,828,749	4,579,149	14.2%
Franchise Fees	5,304,800	5,936,800	632,000	11.9%
Licenses & Permits	6,044,400	7,042,400	998,000	16.5%
Federal Grants	2,473,317	1,886,700	(586,617)	(23.7%)
State Share Revenues	17,323,643	22,892,643	5,569,000	32.1%
Local Grant Revenues	1,591,369	1,583,130	(8,239)	(0.5%)
Charges for Services	13,087,847	13,769,714	681,867	5.2%
Fines	2,378,500	2,248,500	(130,000)	(5.5%)
Interest	2,660,000	3,170,000	510,000	19.2%
Miscellaneous	4,130,560	4,151,720	21,160	0.5%
Transfers In	17,276,857	13,642,891	(3,633,966)	(21.0%)
TOTALS	\$ 104,520,893	\$ 113,153,247	\$ 8,632,354	8.3%

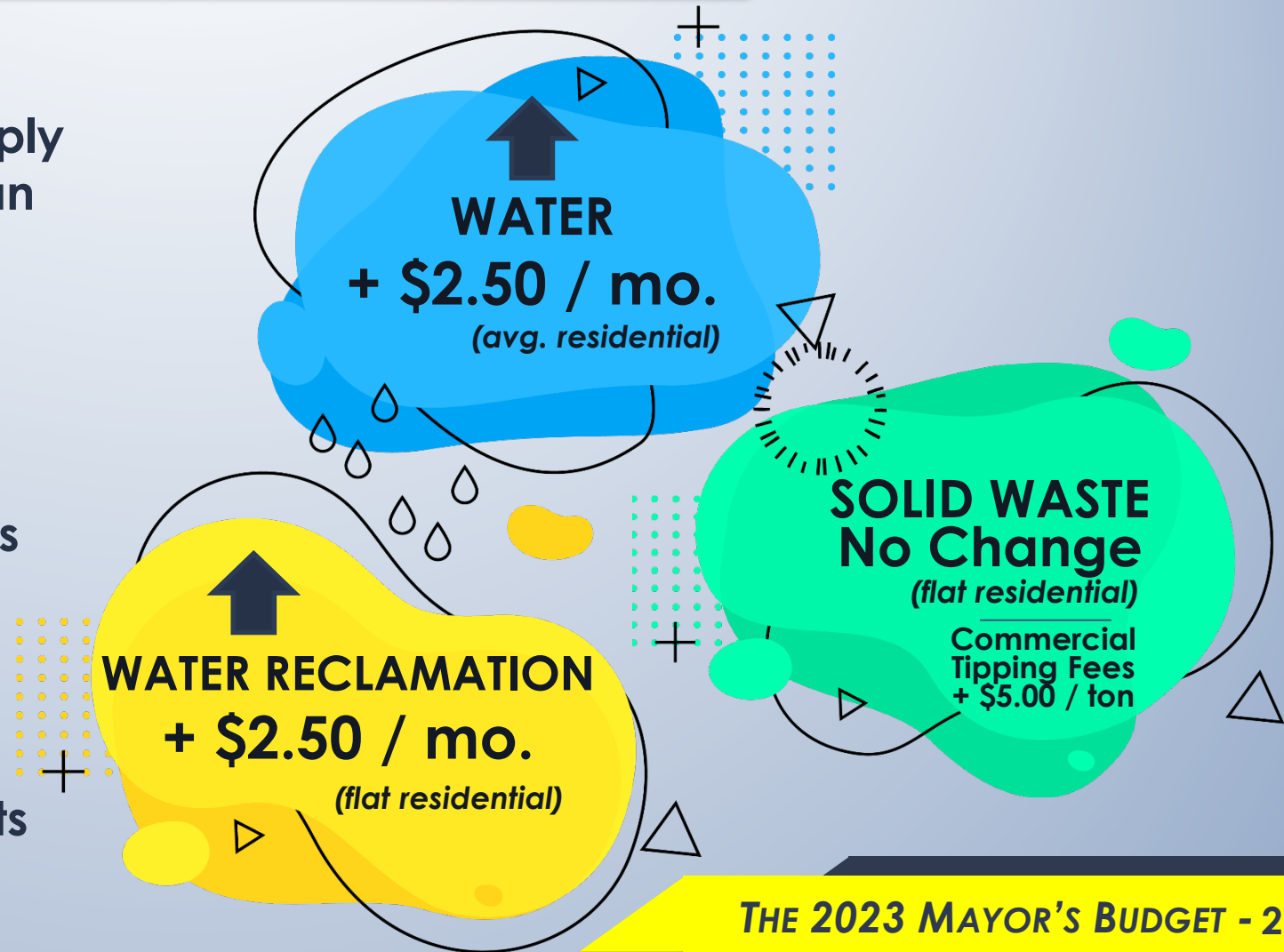
2023 GENERAL FUND BUDGETED REVENUES



TOTAL BUDGETED REVENUES
\$113,153,247

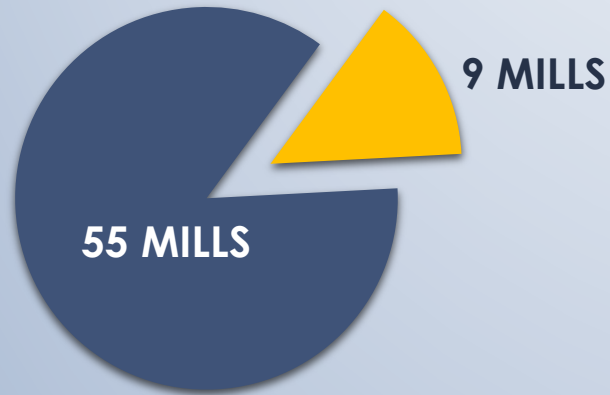
PROPOSED UTILITY FEE INCREASES

- Chemicals, equipment and supply costs are 25% higher in 2022 than the previous year
- Energy costs have increased 20-45% in 2022
- Workforce pay and benefit costs are increasing
- Debt service obligations
- Regional utility rate survey results



A PROPOSED 2-MILL PROPERTY TAX INCREASE

CURRENT MILL LEVY FOR THE CITY OF FARGO



■ MILLS LEVIED ■ UNUSED MILLS

[MILL LEVY LIMITATION OF 64 MILLS]

Collection Year	City Mill Levy	Airport Mill Levy
2013	56.25	2.00
2014	55.25	2.00
2015	55.25	2.00
2016	53.00	2.00
2017	51.00	2.00
2018	49.00	2.00
2019	49.00	2.00
2020	51.00	2.00
2021	51.00	2.00
2022	51.00	2.00
2023 (Proposed)	53.00	2.00

Since 2013,
reduction
of 3.25 mills

2023 Value of a Fargo Mill - \$ 715,833

[2022 Value - \$ 661,353]

THE 2023 MAYOR'S BUDGET - 30

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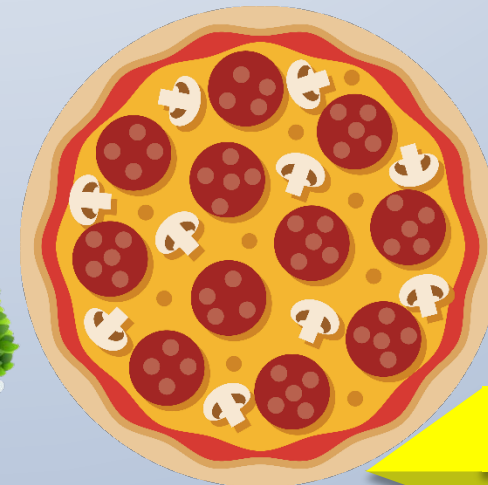
IMPACT OF PROPOSED MILL LEVY INCREASE



Average FM Metro Home Price - \$ 225,600

 **\$20**

Annual Impact of a
Two-Mill Increase



THE 2023 MAYOR'S BUDGET - 31

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THE COST OF YOUR LOCAL GOVERNMENT



4.84%

of the average Fargo household's
gross income pays for City services

THE 2023 MAYOR'S BUDGET - 32

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NEXT STEPS IN BUDGETARY PROCESS



July 28	The Mayor's Preliminary Budget Presentation
July 28 – August 3	Initial Review and Comment by Commissioners
August 2	Distribution of Additional Preliminary Budget Details to Commissioners
August 8	Receive, Approve & File Preliminary Budget, Set Public Hearing Date (Establishes the Ceiling/Not-to-Exceed)
August 10	Final Deadline to Forward Preliminary Budget Information to Cass County
August 26	Cass County Sends Consolidated Budget Data and Property Owner Notification Mailings
September 6	Public Hearing on Preliminary Budget and Tax Levies (City Commission Meeting)
September 19	Approve Final Budget and Tax Levies
October 7	North Dakota Century Code Deadline for Budget Approval



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