Finance Committee
City Commission Chambers
7-27-2026

AGENDA

Call Meeting to Order
Approve Agenda
Approve Prior Minutes

Discussion Topics:

Metro Transit Garage Update	Cassie McNames, KLJ
2027 Budget Workshop	

Other Business
Adjourn

Next Meeting: August 17, 2026 10AM

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Other Business

Questions/Comments?

2027 Budget Process & Timeline

2027 Budget Process & Timeline

March 13	Budget documents sent to Utility Departments
April 2	Budget requests for Utility Departments are due to Finance
Weeks 4/13 & 4/20	Utility Department Meetings, including liaison commissioner
April 10	Budget documents sent to all other (non-Utility) Departments
April 27	Budget requests for all other (non-Utility) Depts are due to Finance
Weeks 5/11 & 5/18	Department all other (non-Utility) Meetings, w/ liaison commission
June	Several Budget Team and Cabinet Discussions
Week of 7/20	Budget Workshop
July 27	Finance Committee
August 3	City Commission: Receive, file and approve Preliminary Budget
August 10	Final deadline to forward Preliminary Budget to Cass County
August 17	Finance Committee
September 14	City Commission: Public Hearing on Prelim Budget and Tax Levies
September 28	City Commission: Approve Final Budget and Tax Levies
October 12	Certification of 2026 Final Budget to Cass County Auditor

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FINANCE OVERVIEW – Updated General Fund 2027 Budget

updated 7-26-2026 (Post workshop)

	superseded	updated			
101 Revenue:	**7/20/2027**	**7/27/2027**	**2027 v 2026**	**Notes re: 2027 Updates**	**2026**
Property Tax	48,357,505	48,357,505	2,351,647		46,005,858
Franchise Fees	12,472,924	12,472,924	250,500		12,222,424
Licenses & Permits	5,951,000	5,951,000	(1,388,000)		7,339,000
Federal Grants	2,530,309	2,607,210	(137,099)	Health Grant Award	2,744,309
State Share Revenues	22,808,582	22,808,582	(209,364)		23,017,946
Local Grant Reveneus	1,960,221	1,960,221	81,514		1,878,707
Charges for Services	17,625,918	17,625,918	2,197,008		15,428,910
Miscellaneous	9,690,697	9,690,697	371,544		9,319,153
Transfers In - PSST	6,168,838	6,168,838	289,921		5,878,917
Tranfers In - All Other	19,865,504	19,930,815	3,078,828	Updated Transfer	16,851,987
TOTALS	**147,431,498**	**147,573,710**	6,886,499		**140,687,211**
101 Expense:					
Personnel					
Salary - 3% COLA #	79,256,959	79,371,959	3,511,618	adj: PT Mayor + HR seas/temp	75,860,341
Benefits - Health at 8.5% increase ^	28,850,508	28,958,323	(151,192)	add WSI Prem and adj BCBS to 8.5%	29,109,515
PERSONNEL EXPENSE	**108,107,467**	**108,330,282**	3,360,426		**104,969,856**
Operating					
Other Services	10,578,272	10,578,272	747,776		9,830,496
Energy	2,322,018	2,322,018	93,400		2,228,618
Repairs & Maintenance	6,481,073	6,481,073	497,134		5,983,939
Supplies	4,733,498	4,733,498	218,330		4,515,168
Travel/Education	894,433	894,433	(53,789)		948,222
Professional/Admin	1,740,809	1,740,809	52,954		1,687,855
Other/Miscellaneous	864,132	864,132	182,706		681,426
Transfer Debt Service & Other	9,870,339	9,870,339	28,708		9,841,631
OPERATING EXPENSE	**37,484,574**	**37,484,574**	1,767,219		**35,717,355**
CAPITAL EXPENSE	-	-	-		
	145,592,041	145,814,856	5,127,645		140,687,211
	3.49%	2872.88%	29		
			-		
INCREMENTAL GF INCR - 25% TO FUND BAL	1,686,072	1,721,625	-		
	147,278,112	**147,536,481**	147,536,481		
Excess Revenue over Exp	153,386	37,229			

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COMPENSATION

- History of COLA & Comparisons

Year	% COLA Increase
2026	3%
2025	4.5%
2024	2%
2023	3.5%
2022	3.5%

- 3.41% Average 2027 COLA – local cities and counties
- Employment Cost Index (ECI) 3.4% (government & private)
- 3% COLA factored in preliminary budget
- 1% COLA costs $775,000 (general fund)
- 1% COLA costs $275,000 (other funds)

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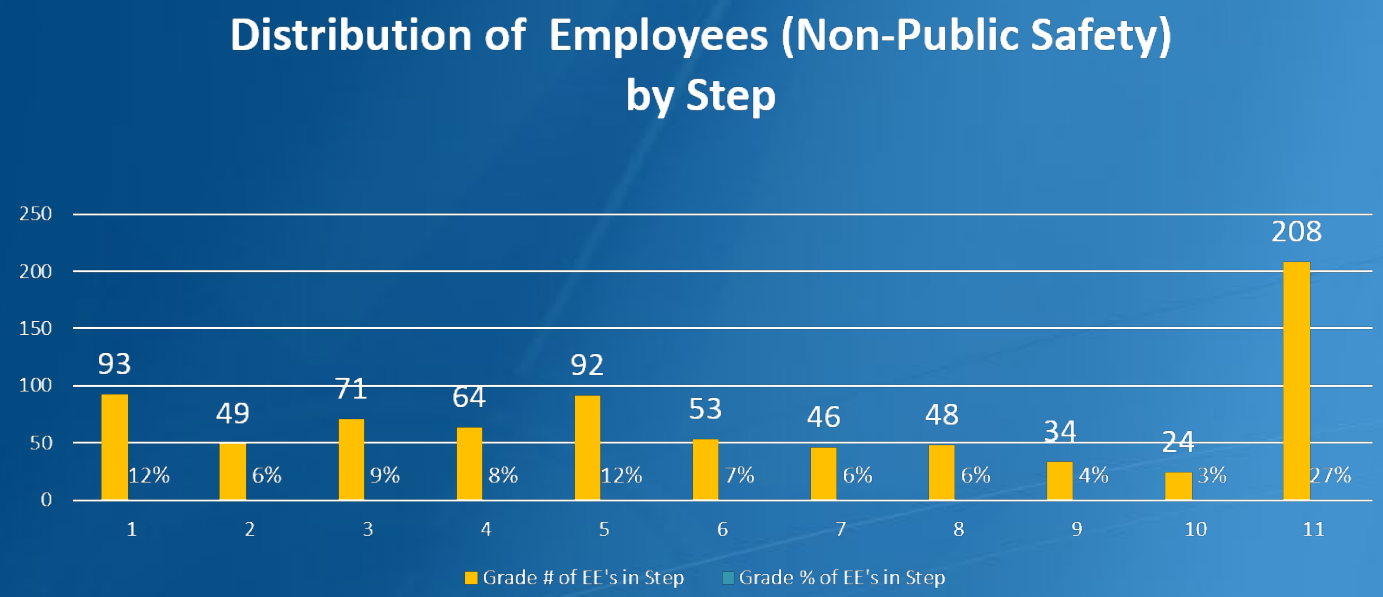
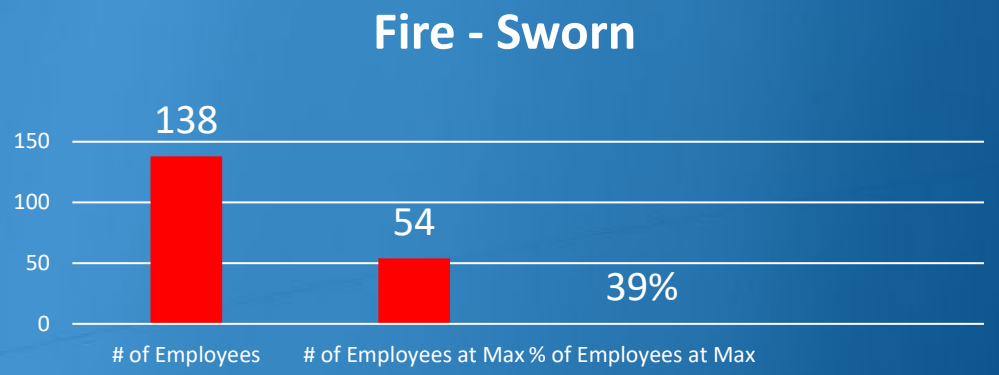
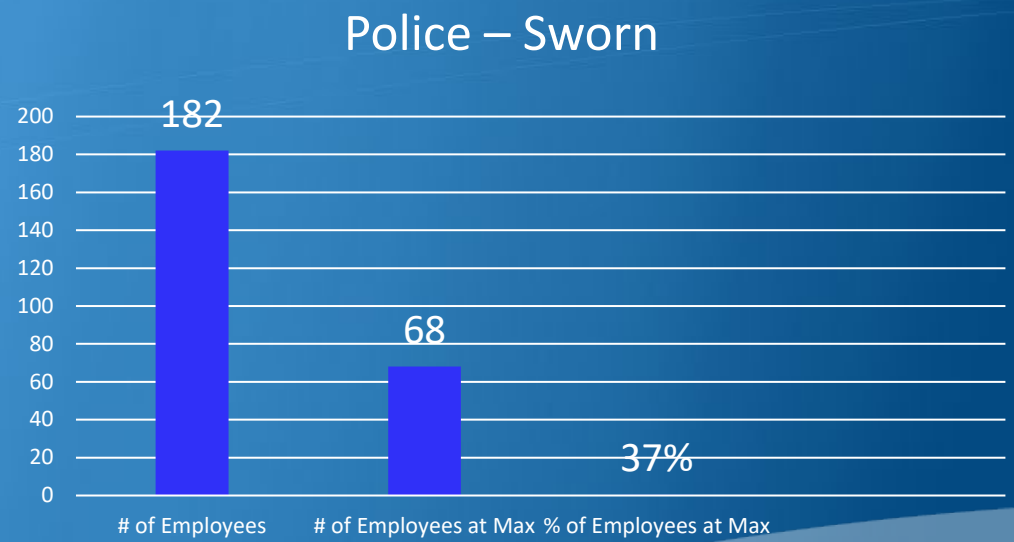
COMPENSATION







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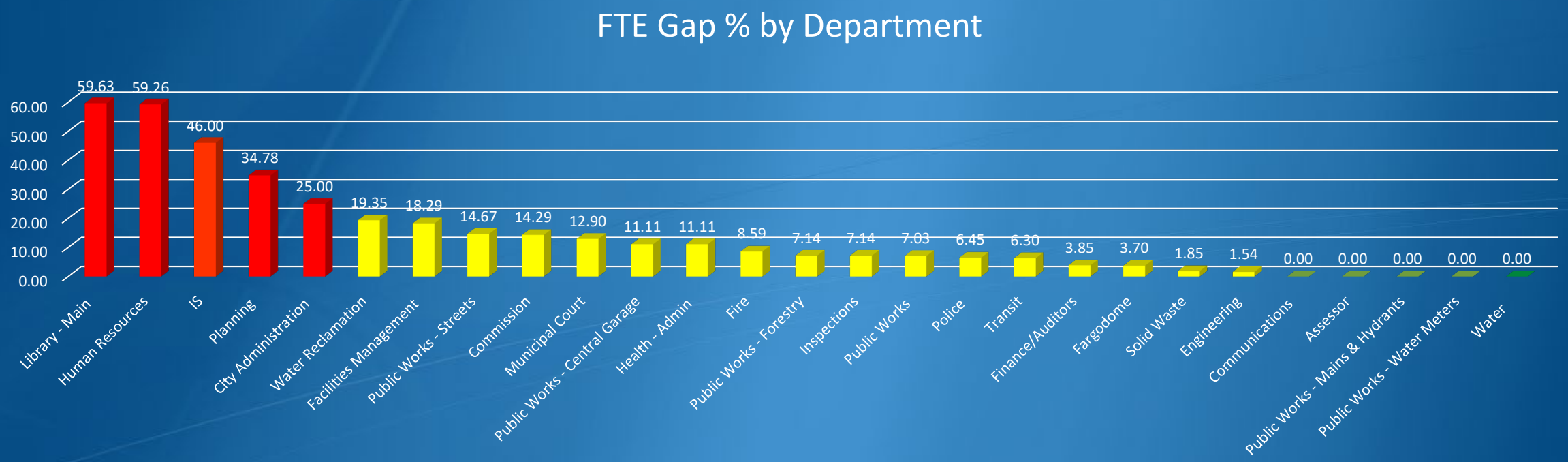
STAFFING FOR SUCCESS



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CITY OF FARGO, NORTH DAKOTA
DEPARTMENTAL HUMAN CAPITAL ADJUSTMENTS FOR 2027

DRAFT AS OF 6-10-26

DEPARTMENT	DIV. No.	HUMAN CAPITAL REQUESTS / DESCRIPTION	FTE's	AMOUNT	PROPOSED FUNDING	
GENERAL FUND						
Human Resources	101-0515	Human Resources Associate	1.00	93139	1.00	93139
	101-0515	Reclassification/Market Adjustments		2253		2253
Library	101-7010	Library Safety Specialist	1.00	93139	1.00	93139
	101-7010	Reclassification/Market Adjustments		34659		34659
	101-7012	Reclassification/Market Adjustments		9630		9630
	101-7016	Reclassification/Market Adjustments		3830		3830
Assessors	101-0405	Funding in Temp/Seasonal		10776		10776
Municipal Court	101-0402	Associate Deputy Clerk of Municipal Court	1.00	88042		
Streets and Sewers	101-3025	Equipment Operator II	4.00	352169	4.00	352169
	101-3025	Reclassification/Market Adjustments				
Central Garage	101-3030	Equipment Tech II	1.00	98888	1.00	98888
	101-3030			0		
Public Health	101-6013	Temp/Seasonal Funding - Reduction of 2 FT Temp Advocates		(157630)		(157630)
	101-6013	Reallocate Temp/Seasonal Funding to Overtime Accounts		(229295)		(229295)
	101-6013	Reallocated Temp/Seasonal Funding to 101-6013-451-11-01 FT OT		102268		102268
	101-6013	Reallocated Temp/Seasonal Funding to 101-6013-451-13-01 PT OT		13995		13995
	101-6013	Reallocated Temp/Seasonal Funding to 101-6013-451-14-01 Temp/Seasonal OT		113033		113033
	101-6091	seasonal positions - WW open 8pm-8am, 7 days a week)		107478		107478
	101-6091	Team Lead (1 position) for 6 months (out-of-grade pay)		30908		30908
	101-6013	DEC - Open on Saturdays(4 staff working 8 hours)		41307		
	101-6013	DEC - OT for Saturday hours		20654		
	101-6010	Reclassification/Market Adjustments		5408		5408
Police	101-5050	Community Service Officer	1.00	78690		
	101-5050	Police Officer (2 FTE's funded by PSST)	8.00	819823	4.00	502365
Total General Fund			**17.00**	**$ 1,733,162**	**11.00**	**$ 1,187,011**

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ENTERPRISE FUNDS						
Forestry	541-3081	Full-Time Overtime		16400		16400
Meters	501-3053	Full-Time Overtime		23500		23500
Water Mains & Hydra	501-3052	Reclassification/Market Adjustments		5058		5058
Transit / Microtransit	551-2566	Bus Operator	7.00	616295	7.00	616295
Transit / Fixed Route	551-2561	Bus Operator	1.00	88042	1.00	88042
Transit / Paratransit	551-2562	Bus Operator	1.00	88042	1.00	88042
Transit / Admin	551-2560	Road Supervisor	1.00	98888	1.00	98888
Transit / Microtransit	551-2566	Full-Time Overtime		5000		5000
Transit / Fixed Route	551-2561	Full-Time Overtime		5000		5000
Transit / Paratransit	551-2562	Full-Time Overtime		5000		5000
Transit / Admin	551-2560	Full-Time Overtime		5000		5000
Solid Waste	531-3074	Reclassification/Market Adjustments		5447		5447
Total Enterprise Funds			**10.00**	**$ 961,673**	**10.00**	**$ 961,673**
TOTAL HUMAN CAPITAL REQUESTS			**27.00**	**$ 2,694,835**	**21.00**	**$ 2,148,683**

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HUMAN CAPITAL

Fund	Requested	Proposed*
General:		
New Positions	$1,693,637	$1,147, 485
Reclassification	$53,527	$53,527
Market Adjustments	$677,421	
TOTAL:	$2,424,584	$1,201,012
Enterprise:		
New Positions	$951,167	$951,167
Reclassifications	$5,447	$5,447
Market Adjustments	$48,878	
TOTAL:	$1,005,492	$956,615
COMBINED TOTALS:	$3,430,077	$2,157,627

*Included in preliminary budget

THE CITY OF Fargo FAR MORE

HUMAN CAPITAL

FARGO'S SUBSTANTIAL PUBLIC SAFETY INVESTMENT

	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	1 Contractual Health and Wellness Coordinator	-----
2024	6 Police Officers *(Partially grant-funded)* 5 Overfill Police Officers *(To hire for Academy due to upcoming/anticipated retirements)*	15 Firefighters *(Staggered start dates in 2024)*
TOTALS	**53 TOTAL F.P.D. (43 Sworn + 10 Non-Sworn)**	**23 TOTAL F.F.D.**

Source: July 2024 for 2025 Budget

THE CITY OF Fargo FAR MORE

A Balanced Plan Over Ten Years

		2025	2026	2027	2028	2029	2030 to 2034	10-Year Total
	Public Safety Sales Tax Revenue (75% in 2025, Estimating 2% growth)	$ 6,500,000	$ 8,670,000	$ 8,843,000	$ 9,020,268	$ 9,200,673	$ 48,838,287	$ 91,072,628
FIRE	Pay Structure	$ 542,790	$ 1,145,286	$ 1,208,277	$ 1,274,732	$ 1,344,842	$ 7,918,498	$ 13,434,424
	Ongoing Cost of New Personnel in 2025 and 2026	$ 300,429	$ 751,351	$ 897,062	$ 951,966	$ 1,028,124	$ 6,127,394	$ 10,056,325
	Ongoing Operating (Various)	$ 0	$ 246,000	$ 240,000	$ 233,880	$ 227,638	$ 852,593	$ 1,800,111
	Ongoing Capital (Facilities/Equipment)	$ 0	$ 625,00	$ 637,500	$ 650,250	$ 663,255	$ 3,520,638	$ 6,096,643
	Facilities Updates / Upgrades	$ 1,269,922	$ 638,447	$ 852,100	$ 902,488	$ 939,584	$ 3,799,594	$ 8,402,135
	Facilities Existing Debt Service	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
POLICE	Pay Structure	$ 603,992	$ 1,274,423	$ 1,357,261	$ 1,445,483	$ 1,539,439	$ 9,334,738	$ 15,555,336
	Ongoing Cost of New Personnel in 2025 and 2026	$ 40,619	$ 1,074,357	$ 1,086,504	$ 1,156,564	$ 1,249,090	$ 7,444,302	$ 12,051,436
	Ongoing Operating (Various)	$ 0	$ 246,000	$ 240,000	$ 233,880	$ 227,638	$ 852,593	$ 1,800,111
	New and/or Expanded Technology	$ 391,500	$ 1,141,500	$ 1,141,500	$ 1,141,500	$ 1,141,500	$ 6,507,500	$ 11,465,000
	Operational/Support Equipment	$ 422,416	$ 0	$ 222,548	$ 0	$ 0	$ 70,000	$ 714,964
	New Vehicles	-	$ 262,650	-	-	-	$ 628, 332	$ 890,982
	Ongoing Capital (Facilities/Equipment)	-	$ 875,000	$ 892,500	$ 910,350	$ 928,557	$ 4,928,893	$ 8,535,300
	Facilities Existing Debt Service	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
	ANNUAL NET OVER EXPENSES	**$ 2,928,334**	**$ 389,986**	**$ 68,148**	**$ 119,174**	**- $ 88,993**	**- $ 3,146,788**	**$ 269,863**

PSST-Funded Expenditures for FFD

2025
New Fire Pay Plan with 07.07.2025 implementation
3 new Fire Captains for downtown response
3 new Firefighters for downtown response
Fire Station Alerting Upgrades
Fire Facility Study
Fire Facility Earmark

2026
1 new Firefighter
1 new Fire Data Analyst
Fire Training Captain Reclassification/Promotion (1)
Fire Facility Earmark

Sworn: **+7 (145)**

Non-Sworn: **+1 (4)**

PSST-Funded Expenditures for FPD

2025
New Police Pay Plan with 07.07.2025 implementation
1 new Police Operations Technician
Axon Draft-One
Mobile Police Vehicle Barriers
Peregrine System
Fit-up of Police Headquarter Crime Centers
Fit-up of Motorcycle Unit

2026
3 new Police Lieutenants
1 new Police Sergeant
5 new Police Officers
1 Police Wellness Coordinator (previously grant-funded)
Axon Police Body Worn Camera Enhancements
Vehicles for new Police Officers

Sworn: **+9 (201)**

Non-Sworn: **+2 (30)**

PUBLIC SAFETY SALES TAX - PSST

2027:

Assume 2% increase in sales tax

Fire –

Original Proposal of 2027 Asst Emergency Mgr

=> reallocate to Facilities

Police –

Modify 2026 – Axon should be 6 mo exp, not 12

No 2027 Barricades => Reallocate to Officers

No 2027 Support Specialist => Reallocate to Officers

=> capacity for 2 Officer hires in 2027

GENERAL FUND REVENUE METHODOLOGY: ENTERPRISE FUND TRANSFERS

Preliminary City of Fargo General Fund 101

updated 7-14-2026

101 Revenue:	2027	2026	change
Property Tax	48,357,505	46,005,858	2,351,647
Franchise Fees	12,472,924	12,222,424	250,500
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Transfers In - PSST	6,168,838	5,878,917	289,921
Tranfers In - All Other	19,865,504	16,851,987	3,013,517
TOTALS	**147,431,498**	**140,687,211**	6,744,287

GENERAL FUND REVENUE:

PROPERTY TAX REVENUE:

Mill Levy / Property Tax Comparison

CITY	2025 Total Mill Levy	2025 City Mill Levy	Est. Tax $200,000 Residential	Effective Tax Rate Residential	Est. Tax $200,000 Commercial	Effective Tax Rate Commercial
Williston	200.76	38.34	$1,807	0.90%	$2,008	1.00%
Bismarck	237.10	76.38	$2,134	1.07%	$2,371	1.19%
Dickinson	245.42	38.20	$2,209	1.10%	$2,454	1.23%
Mandan	263.87	62.48	$2,375	1.19%	$2,639	1.32%
Fargo (ISD #1)	298.43	57.36	$2,686	1.34%	$2,984	1.49%
West Fargo	306.19	79.60	$2,756	1.38%	$3,062	1.53%
Minot	320.38	78.00	$2,883	1.44%	$3,204	1.60%
Valley City	327.44	72.14	$2,947	1.47%	$3,274	1.64%
Jamestown	337.96	97.59	$3,042	1.52%	$3,380	1.69%
Wahpeton	342.24	81.04	$3,080	1.54%	$3,422	1.71%
Grand Forks	343.11	92.00	$3,088	1.54%	$3,431	1.72%
Devils Lake	365.56	90.11	$3,290	1.65%	$3,656	1.83%

Major North Dakota City Comparison

Population / Taxable Value Comparison

City	Population	2015 Taxable Value
Fargo (School District #1)	113,658	$436,837,979
Bismarck	61,272	$324,136,621
Grand Forks	58,277	$193,328,437
Minot	41,888	$228,630,129
West Fargo	35,000	$113,738,389
Williston	30,000	$160,989,826
Dickinson	27,500	$135,900,511
Mandan	20,820	$68,418,167
Jamestown	15,500	$38,207,759
Wahpeton	7,903	$16,035,092
Valley City	7,200	$16,000,470
Devils Lake	6,711	$15,224,757

2025

	POPULATION	GROWTH	2025 TAXABLE VALUE	GROWTH	Mill Levy Total	Mill Levy City	Mill Levy city% of total	Residential Tax on 200k Property	Residential Effective Tax Rate	Commerical Tax on 200k Property	Commerical Effective Tax Rate
Fargo (ISD #1)	136,285	20%	882,475,566	102%	298.43	57.36	19.22%	2,686	1.34%	2,984	1.49%
Bismarck	77,772	27%	552,264,156	70%	237.1	76.38	32.21%	2,134	1.07%	2,371	1.19%
Grand Forks	59,845	3%	297,470,785	54%	343.11	92	26.81%	3,088	1.54%	3,431	1.72%
Minot	47,440	13%	256,037,065	12%	320.38	78	24.35%	2,883	1.44%	3,204	1.60%
West Fargo	41,588	19%	285,947,666	151%	306.19	79.6	26.00%	2,756	1.38%	3,062	1.53%
Williston	28,821	-4%	173,270,611	8%	200.76	38.34	19.10%	1,807	0.90%	2,008	1.00%
Mandan	24,788	19%	137,897,135	102%	263.87	62.48	23.68%	2,375	1.19%	2,639	1.32%
Jamestown	15,789	2%	61,466,512	61%	337.96	97.59	28.88%	3,042	1.52%	3,380	1.69%
Wahpeton	8,115	3%	28,710,794	79%	342.24	81.04	23.68%	3,080	1.54%	3,422	1.71%
Devils Lake	7,277	8%	24,270,443	59%	365.56	90.11	24.65%	3,290	1.65%	3,656	1.83%
Valley City	6,580	-9%	25,738,061	61%	327.44	72.14	22.03%	2,947	1.47%	3,274	1.64%
					AVG =>		24.60%	AVG =>	1.37%	AVG =>	1.52%

2015

	POPULATION	2025 TAXABLE VALUE	Mill Levy Total	Mill Levy City	Mill Levy city% of total	Residential Tax on 125k Property	Residential Effective Tax Rate	Commerical Tax on 125k Property	Commerical Effective Tax Rate
Fargo (ISD #1)	113,658	436,837,979	279.24	48.4	17.33%	1,492	1.19%	1,658	1.33%
Bismarck	61,272	324,136,621	214.37	32.64	15.23%	1,146	0.92%	1,273	1.02%
Grand Forks	58,277	193,328,437	301.91	87.19	28.88%	1,613	1.29%	1,793	1.43%
Minot	41,888	228,630,129	237.11	67.8	28.59%	1,267	1.01%	1,408	1.13%
West Fargo	35,000	113,738,389	279.66	70.47	25.20%	1,494	1.20%	1,660	1.33%
Williston	30,000	160,989,826	157.92	27.27	17.27%	844	0.68%	938	0.75%
Mandan	20,820	68,418,167	246.18	58.66	23.83%	1,316	1.05%	1,462	1.17%
Jamestown	15,500	38,207,759	288.92	90.14	31.20%	1,544	1.24%	1,715	1.37%
Wahpeton	7,903	16,035,902	349.77	98.73	28.23%	1,869	1.50%	2,077	1.66%
Valley City	7,200	16,000,470	281.79	73.21	25.98%	1,506	1.20%	1,673	1.34%
Devils Lake	6,711	15,224,757	296.53	82.46	27.81%	1,585	1.27%	1,761	1.41%
			266.673	66.99727	24.50%	AVG =>	1.14%	AVG =>	1.27%

THE CITY OF Fargo FAR MORE

GENERAL FUND REVENUE:

101 Revenue:	updated 7/27/2027
Property Tax	48,357,505
Franchise Fees	12,472,924
Licenses & Permits	5,951,000
Federal Grants	2,607,210
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Local Grant Reveneus	1,960,221
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Miscellaneous	9,690,697
Transfers In - PSST	6,168,838
Tranfers In - All Other	19,930,815
TOTALS	**147,573,710**

PROPERTY TAX REVENUE:

2025

	POPULATION	GROWTH	2025 TAXABLE VALUE	GROWTH	Mill Levy Total	Mill Levy City	Mill Levy city% of total	Residential Tax on 200k Property	Residential Effective Tax Rate	Commerical Tax on 200k Property	Commerical Effective Tax Rate
Fargo (ISD #1)	136,285	20%	882,475,566	102%	298.43	57.36	19.22%	2,686	1.34%	2,984	1.49%
Bismarck	77,772	27%	552,264,156	70%	237.1	76.38	32.21%	2,134	1.07%	2,371	1.19%
Grand Forks	59,845	3%	297,470,785	54%	343.11	92	26.81%	3,088	1.54%	3,431	1.72%
Minot	47,440	13%	256,037,065	12%	320.38	78	24.35%	2,883	1.44%	3,204	1.60%
West Fargo	41,588	19%	285,947,666	151%	306.19	79.6	26.00%	2,756	1.38%	3,062	1.53%
Williston	28,821	-4%	173,270,611	8%	200.76	38.34	19.10%	1,807	0.90%	2,008	1.00%
Mandan	24,788	19%	137,897,135	102%	263.87	62.48	23.68%	2,375	1.19%	2,639	1.32%
Jamestown	15,789	2%	61,466,512	61%	337.96	97.59	28.88%	3,042	1.52%	3,380	1.69%
Wahpeton	8,115	3%	28,710,794	79%	342.24	81.04	23.68%	3,080	1.54%	3,422	1.71%
Devils Lake	7,277	8%	24,270,443	59%	365.56	90.11	24.65%	3,290	1.65%	3,656	1.83%
Valley City	6,580	-9%	25,738,061	61%	327.44	72.14	22.03%	2,947	1.47%	3,274	1.64%
					AVG =>		24.60%	AVG =>	1.37%	AVG =>	1.52%

	ALL OTHER	COF	TOTAL LEVY	COF %
ACTUAL 2025 FARGO ISD #1	**241.07**	**57.36**	**298.43**	**19.22%**
IF COF FOLLOWED AVG %	241.07	**78.65**	319.72	**24.60%**
ADDITIONAL MIL		**21.29**		
2025 MIL VALUE		**$ 882,475.00**		
ADDITIONAL REVENUE		**$ 18,789,203.59**		

THE CITY OF Fargo FAR MORE

GENERAL FUND REVENUE:

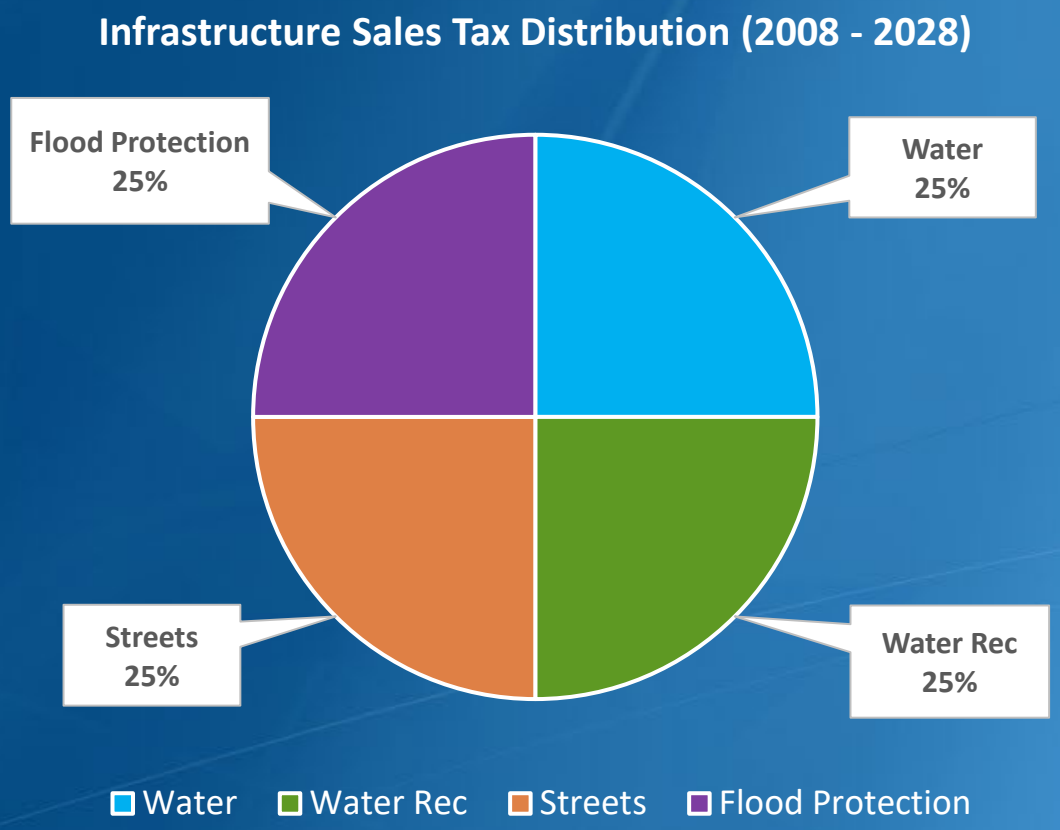
	2007			2012			2017			2022			2027		
	rev by category	% total	mil levy ^	rev by category	% total	mil levy ^	rev by category	% total	mil levy ^	rev by category	% total	mil levy ^	rev by category	% total	mil levy ^
Property Tax	13,606,000	24%	52.32	17,641,000	23%	53.32	23,668,000	26%	54.15	32,249,600	31%	49.90	48,357,505	33%	55.83
Franchise Fees	4,059,876	7%		4,349,000	6%		5,391,500	6%		5,304,800	5%		12,472,924	8%	
Licenses & Permits	2,697,000	5%		2,904,002	4%		4,790,000	5%		6,044,400	6%		5,951,000	4%	
Intergovermental	12,484,936	22%		21,308,000	28%		21,641,070	23%		21,338,329	20%		27,376,013	19%	
Charges for Services	9,591,838	17%		14,979,766	20%		17,637,863	19%		13,087,847	13%		17,625,918	12%	
Fines & Forfeits #	3,262,500	6%		2,715,000	4%		2,536,500	3%		2,378,500	2%		1,903,500	1%	
Investment Income #	2,118,000	4%		1,600,000	2%		3,129,000	3%		2,660,000	3%		7,150,000	5%	
Miscellaneous #	377,000	1%		552,232	1%		921,067	1%		4,125,667	4%		637,197	0%	
Transfers In - PSST	-	0%		-	0%		-	0%			0%		6,168,838	4%	
Transfers In - Spec Rev/Other										8,540,000	8%		-		
Transfers In - Enterprise	7,515,200	13%		9,616,000	13%		13,066,000	14%		8,736,857	8%		19,930,815	14%	
TOTALS	**55,712,350**	**100%**		**75,665,000**	**100%**		**92,781,000**	**100%**		**104,466,000**	**100%**		**147,573,710**	**100%**	

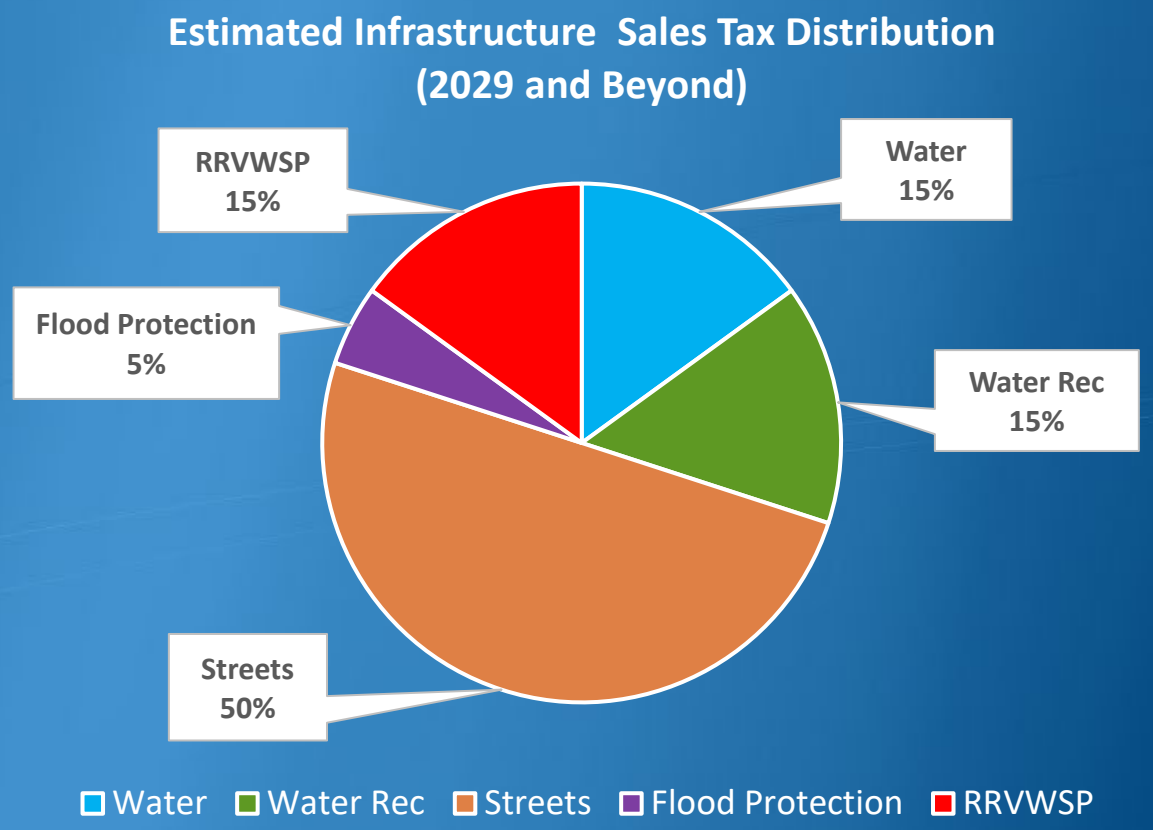
^ Mil levy associated w/ General Fund

Rolls up to "Miscellaneous"

THE CITY OF Fargo FAR MORE

Infrastructure Sales Tax Distribution





Infrastructure Sales Tax distribution can vary annually at the City's discretion

THE CITY OF Fargo FAR MORE

Water Utility Rates

Summary of Proposed Utility Rate Increases for 2027

Water

- Chemical/Operational Cost Increases
- Debt Service for Capital Improvements / Membrane WTP
- Changing Sales Tax Distribution
- $4.60 (Average Residential)

RRVWSP (new for 2027)

- $3.15 (Average Residential)

Average Residential Bill Impact (6,000 gallons used)

- $7.75

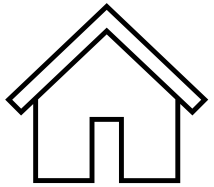
THE CITY OF Fargo FAR MORE

Rate Containment Strategies - Water

$67.75

Estimated Bill Without Containment

Containment Strategy	Reduction	%
Infrastructure Sales Tax	$ 11.17	26%
Regional Service	$ 8.33	19%
Grants / Loan Forgiveness for Capital Projects	$ 3.05	7%
Membrane WTP Efficiencies	$ 2.20	5%
Subtotal	$ 24.75	58%



$43.00

Actual Average Customer Bill (2026)

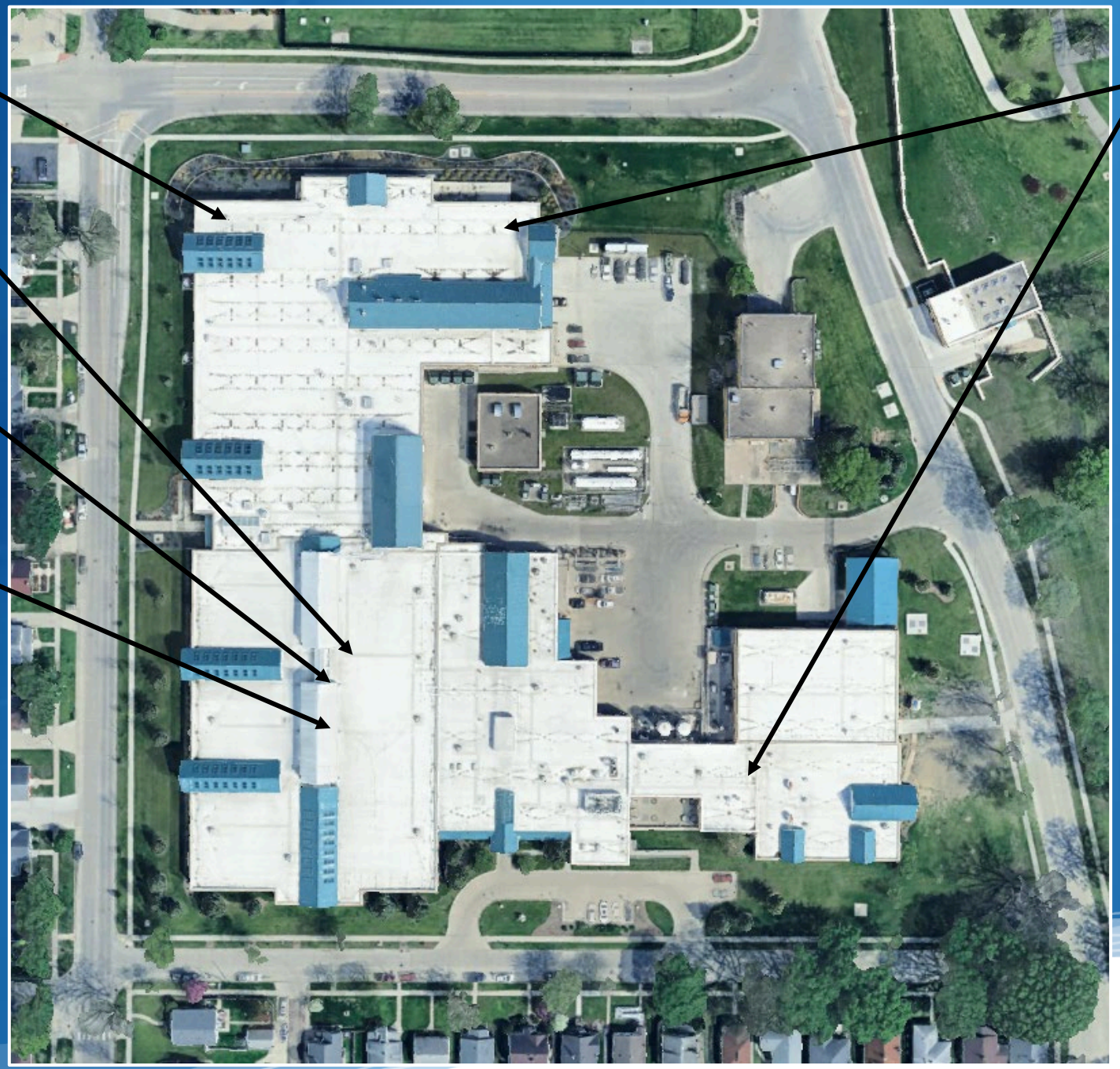
Note: Use of Infrastructure Sales Tax has kept rates to Fargo businesses and residents artificially low. Infrastructure Sales Tax is currently part of revenue stream and is tapped out. Prudent water rate increases will be still be needed in the future.

ACH (coag) up 121.6%
2021: $510.00/ton
2026: $1,130.00/ton

Lime – up 62.0%
2022: $185.50/ton
2026: $300.50/ton

Soda Ash – up 42.3%
2022: $302.10/ton
2026: $430.00/ton

Ferric Sulf. – up 61.2%
2021: $307.04/ton
2026: $494.97/ton



Chlorine – up 314.8%
2021: $524.40/ton
2026: $2,175.00/ton

Raw Hardness – up 34.9%
2022: 392 ppm
2025: 529 ppm

Annual Chemical Cost
2021: $2,999,879
2025: $5,131,619

Percent Change: 71.1%

THE CITY OF Fargo FAR MORE

RRVWSP - A Century of Project Development

RED RIVER VALLEY WATER SUPPLY PROJECT

DEC. 1944
Flood Control Act

AUG. 1965
Garrison Diversion Unit Act (GDU)

JAN. 2003
ND Legislature Created LAWA

DEC. 2000
Dakota Water Resources Act

2008-2010
No "Record of Decision" Issued for Federal RRVWSP

NOV. 2020
ENDAWS Environmental Impact Statement Released

DEC. 2020
Construction Begins

1940s | 1950s | 1960s | 1970s | 1980s | 1990s | 2000s | 2010s | 2020s

1955
Garrison Diversion Conservancy District Created

1967
Construction of Principal Supply Works begins

MAY 1986
GDU Reformulation Act

DEC. 2007
Federal RRVWSP Final Environmental Impact Statement Released

JAN. 2011
State & Local Project Developed

JAN. 2021
ENDAWS Issued a "Record of Decision"

THE CITY OF Fargo FAR MORE

RRVWSP – Debt Service Obligations

User	A		B		C		D1		D2		E		F	
101 - Fargo / West Fargo / Cass Rural / Moorhead	77.21%	$986,808	77.22%	$1,445,937	83.51%	$15,211,689	82.24%	$40,048,873	74.70%	$8,443,363	78.75%	$1,181,250	79.19%	$54,108,135

As with the previous interim financing agreements, Fargo's cost share for the Series E infrastructure loan will be included in the Water Utility financial model and budgeted for on an annual basis.

THE CITY OF Fargo FAR MORE

Water Utility Rates

Summary of Proposed Utility Rate Increases for 2027

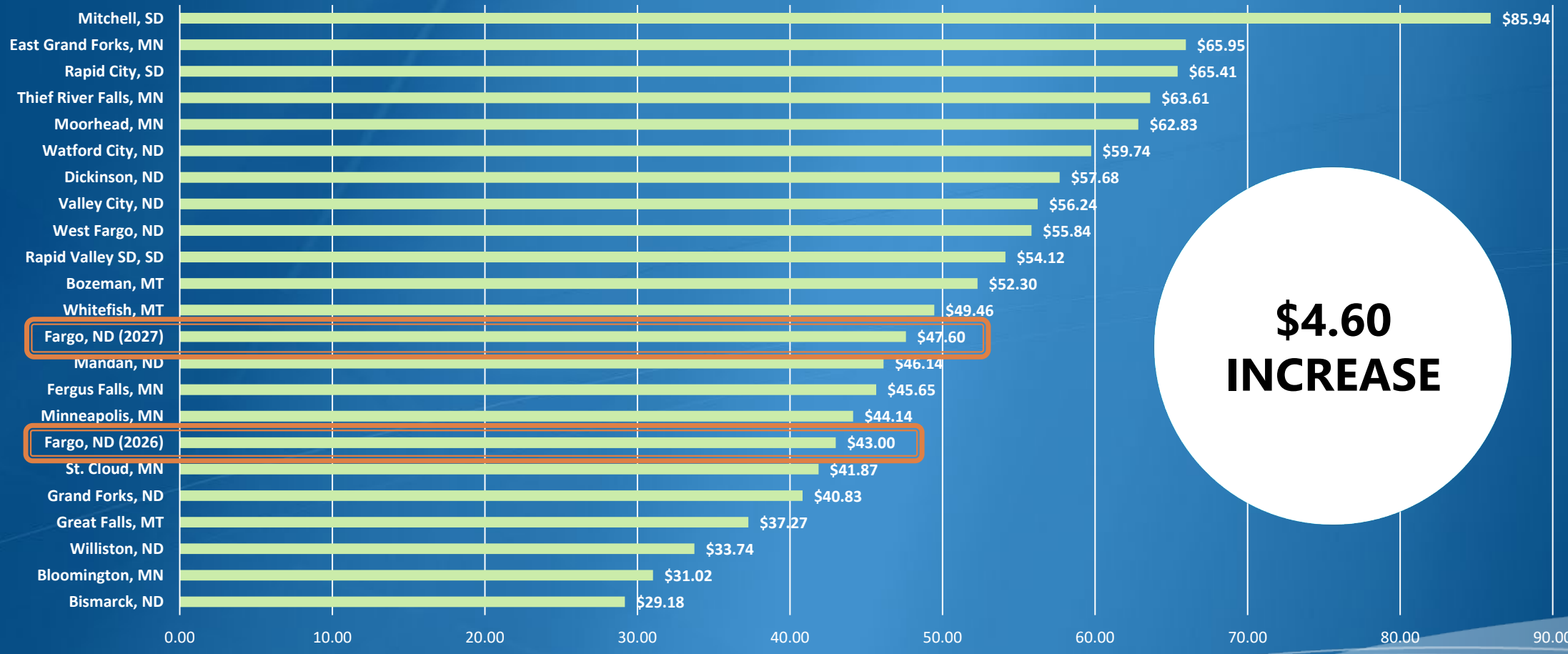
Tier Min (Gal)	Tier Max (Gal)	Current	2027 Proposed
-	2,000	$0	$1.50
2,000	200,000	$5.70	$6.10
200,000	2,000,000	$5.45	$6.10
2,000,000	-	$5.05	$6.10

To minimize single year impact, proposing to remove the 2,000 gallon allowance over 4-year period.

Rate Structure Modernization

- Declining block structure and 2,000 gallon flow allowance is unique to Fargo
- Working over the next few years to align structure with industry best practices:
  - Remove declining block structure
  - Charge for all water sold

Average Monthly Residential Water Bill (6,000 GAL)



$4.60 INCREASE

2027 Budget Workshop

THE CITY OF Fargo FAR MORE

Water Reclamation (Wastewater) Utility Rates

Summary of Proposed Utility Rate Increases for 2027

Category	Current	2027 Proposed
Residential	**$25**	**$30**
Commercial / Multi-Family	**$2.55 / 1,000**	**$3.06 / 1,000**

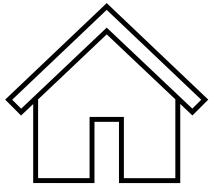
- Need for Rate Increase:
  - Energy Costs (Electricity and Natural Gas)
  - Biosolid Management
  - Administration Building Needs
  - West Side Interceptor Rehabilitation
  - Chemical Increases
  - Debt Service for Regional Water Reclamation Facility Expansion
  - **New Infrastructure Sales Tax Needs = Less to Water Reclamation**

Rate Containment Strategies – Water Reclamation

$42.93

Estimated Bill Without Containment

Containment Strategy	Reduction	%
Infrastructure Sales Tax	$ 10.46	42%
Regional Service	$ 5.62	22%
Grants / Loan Forgiveness for Capital Projects	$ 1.85	7%
Subtotal	$ 17.93	72%

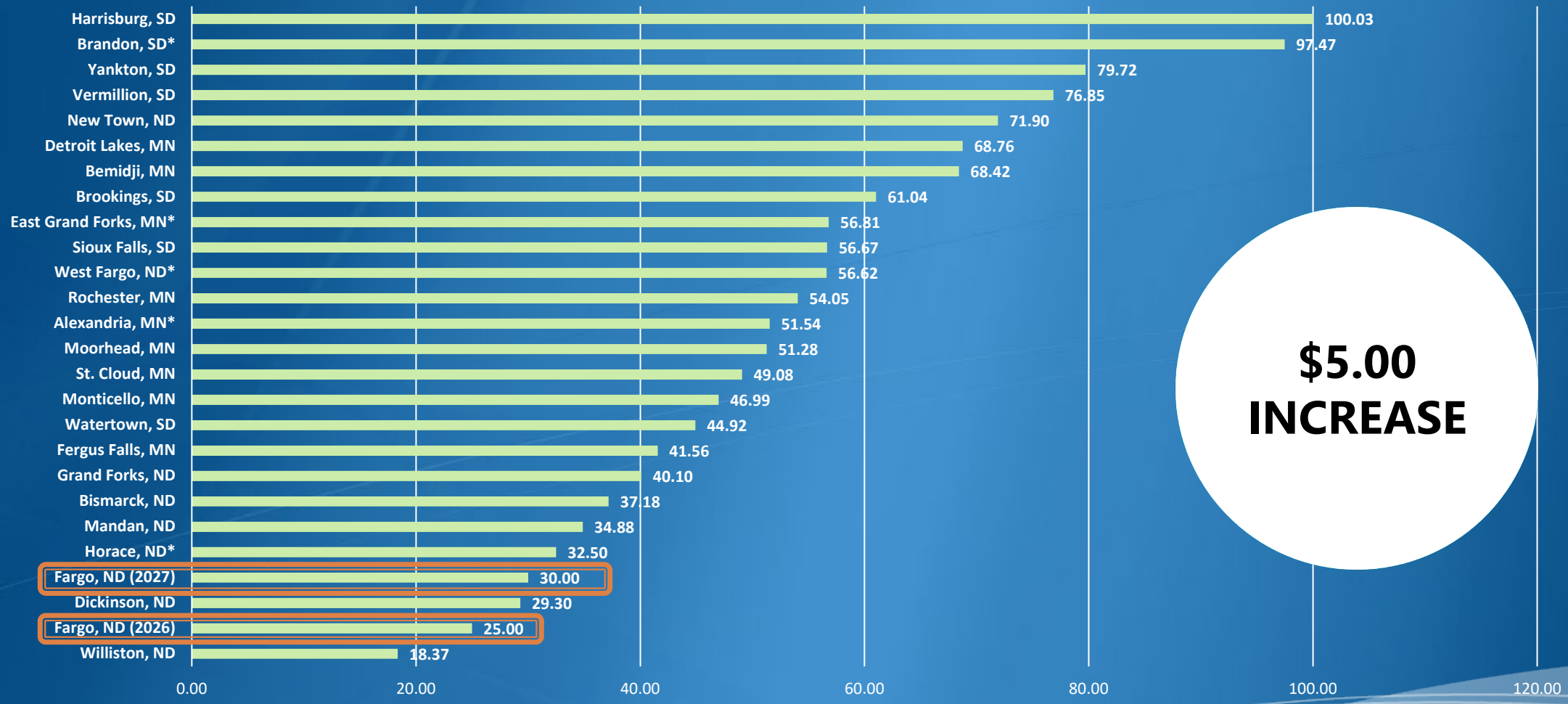


$25.00

Actual Average Customer Bill (2026)

Note: Use of Infrastructure Sales Tax has kept rates to Fargo businesses and residents artificially low. Infrastructure Sales Tax is currently part of revenue stream and is tapped out. Prudent water rate increases will be still be needed in the future.

Average Monthly Residential Water Reclamation Bill (6,000 GAL)



$5.00 INCREASE

2027 Budget Workshop

THE CITY OF Fargo FAR MORE

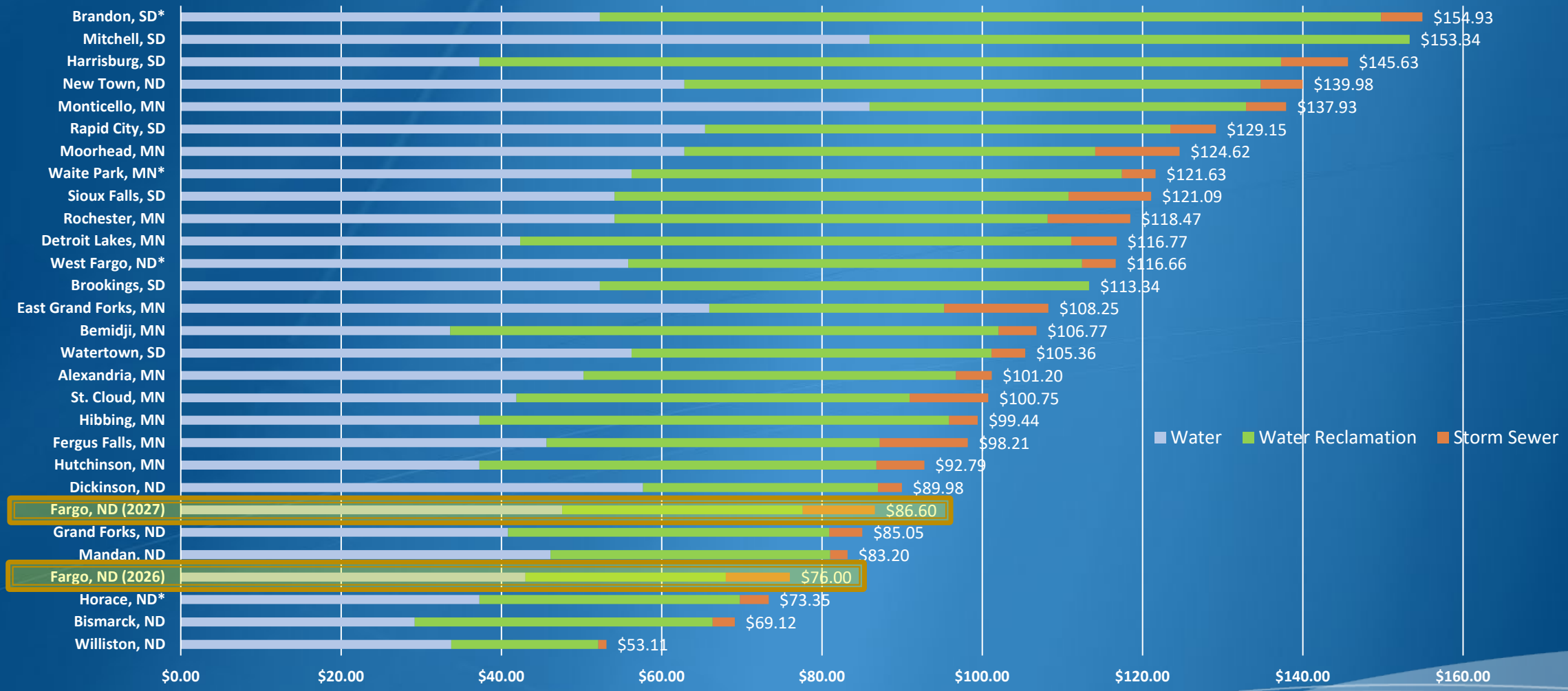
2027 Proposed Rates

Utility Rate	Average Monthly Residential Bill Impact
Street Light & Traffic Control Devices	$0.00
Storm Sewer	$1.00
Forestry	$1.02
Water	$4.60
Water Reclamation (Wastewater)	$5.00
Red River Valley Water Supply Project	$3.15
Total	$14.77

Equivalent to approximately $0.40/day
Similar percentages increase to commercial and wholesale rates

THE CITY OF Fargo FAR MORE

Average Monthly Residential Utility Bill (2026 Rate Survey)



2027 Budget Workshop

THE CITY OF Fargo FAR MORE

FINANCE OVERVIEW – Updated Water Utility

FUND RANGE:	Preliminary 2027 Budget	2026 Budget	2025 Actuals	2024 Actuals	2023 Actuals	2022 Actuals
REVENUE						
Capital	0	-	-	10,365,417	10,852,686	12,803,426
Local Sales Tax Revenue	10,700,000	9,217,000	8,534,322	8,728,093	8,656,308	8,321,390
Federal Grants	-	-	1,169,258	1,046,983	1,768,905	-
Loan Proceeds	0	2,000,000	-	-	-	-
Rate Revenue	38050866	33,251,138	32,912,843	27,810,004	28,969,829	25,446,618
State Shared Revenues	0	-	-	40,354	1,240,713	111,301
Transfers In	7,045,782	-	-	-	-	-
Transfers In	3,532,415	5,143,685	1,087,935	7,603,374	2,120,783	2,499,280
Miscellaneous	2,473,258	195,217	518,098	243,230	346,133	213,285
REVENUE Total	**61,802,321**	**49,807,040**	**44,222,456**	**55,837,455**	**53,955,357**	**49,395,300**
Revenue Total	**61,802,321**	**49,807,040**	**44,222,456**	**55,837,455**	**53,955,357**	**49,395,300**
Expense						
PERSONNEL EXPENSE						
Salaries	6,068,325	5,654,176	5,348,594	4,598,997	4,463,564	3,988,878
Benefits	2,065,334	1,983,503	1,142,960	1,579,456	1,736,605	2,417,335
PERSONNEL EXPENSE Total	**8,133,659**	**7,637,679**	**6,491,554**	**6,178,453**	**6,200,169**	**6,406,213**
OPERATING EXPENSE						
Other Services	4,636,317	4,671,764	4,934,230	4,735,256	4,618,770	4,365,702
Energy	2,805,000	2,566,000	1,302,591	2,322,902	2,246,891	2,373,210
Repairs & Maintenance	725,600	1,189,800	645,493	726,676	640,992	764,590
Supplies	7,200,700	6,869,500	6,609,095	6,148,381	5,478,522	4,138,835
Travel/Education	115,000	111,500	91,571	91,653	79,171	56,884
Professional/Admin	348,946	332,813	314,947	292,616	253,083	223,493
Other/Miscellaneous	243,360	224,360	211,898	90,443	224,740	194,967
Transfers Out	23,374,203	16,044,413	15,774,818	16,468,291	14,567,952	14,471,323
Debt Service	7,743,997	6,827,800	3,334,987	3,257,588	3,332,255	3,430,647
Miscellaneous	32,712	530,712	37,788	777,678	25,187	26,851
OPERATING EXPENSE Total	**47,225,835**	**39,368,662**	**33,257,418**	**34,911,484**	**31,467,563**	**30,046,502**
CAPITAL EXPENSE						
Capital	5,170,464	2,597,500	16,791,766	7,500,557	7,656,676	7,006,746
CAPITAL EXPENSE Total	**5,170,464**	**2,597,500**	**16,791,766**	**7,500,557**	**7,656,676**	**7,006,746**
Expense Total	**60,529,958**	**49,603,841**	**56,540,738**	**48,590,494**	**45,324,408**	**43,459,461**

Rev over Exp 1,272,363

THE CITY OF Fargo FAR MORE

FINANCE OVERVIEW – Updated Water Reclamation

FUND RANGE:	Preliminary 2027 Budget	2026 Budget	2025 Actuals	2024 Actuals	2023 Actuals	2022 Actuals
REVENUE						
Capital	0	-	-	6,828,636	6,788,076	6,852,145
Local Sales Tax Revenue	6,700,000	9,217,000	8,534,322	8,728,093	8,656,308	8,321,390
Federal Grants	-	-	-	-	4,348,770	-
Rate Revenue	26938613	23,277,421	22,033,262	18,908,214	18,381,717	16,381,927
Transfers In	45,684	45,684	45,684	45,754	45,684	45,684
Transfers In	10,254,059	6,658,560	5,151,535	5,010,800	5,486,101	5,154,186
Miscellaneous	463,305	425,014	813,042	542,728	1,533,430	279,959
REVENUE Total	**44,401,661**	**39,623,679**	**36,577,845**	**40,064,225**	**45,240,086**	**37,035,291**
Revenue Total	**44,401,661**	**39,623,679**	**36,577,845**	**40,064,225**	**45,240,086**	**37,035,291**
Expense						
PERSONNEL EXPENSE						
Salaries	2,794,696	2,660,712	2,410,996	2,087,055	1,859,337	1,763,929
Benefits	1,000,907	979,921	467,720	693,973	754,423	1,111,136
PERSONNEL EXPENSE Total	**3,795,602**	**3,640,633**	**2,878,716**	**2,781,028**	**2,613,760**	**2,875,065**
OPERATING EXPENSE						
Capital	100000	-	-	-	-	-
Other Services	2,004,544	2,587,731	2,250,820	2,936,526	3,834,564	4,708,473
Energy	2,516,500	2,887,545	2,456,823	2,403,533	1,751,015	1,972,930
Repairs & Maintenance	1,173,500	1,604,000	1,311,045	1,644,075	1,661,939	1,599,990
Supplies	1,453,650	1,248,650	1,471,647	1,036,716	1,148,439	982,711
Travel/Education	15,575	15,575	5,741	13,638	8,827	12,335
Professional/Admin	175,983	131,254	149,492	108,344	95,880	81,397
Other/Miscellaneous	203,521	203,521	796	7,317	61,599	11,440
Transfers Out	21,450,636	15,566,481	15,810,913	20,173,630	14,260,680	13,169,638
Debt Service	9,047,929	9,168,185	8,118,401	7,984,895	7,754,173	6,974,576
Miscellaneous	14,751	14,751	8,026	8,646	9,964	9,222
OPERATING EXPENSE Total	**38,156,589**	**33,427,693**	**31,583,704**	**36,317,320**	**30,587,080**	**29,522,712**
CAPITAL EXPENSE						
Capital	1,000,000	160,000	7,712,375	1,788,765	4,426,430	4,109,257
CAPITAL EXPENSE Total	**1,000,000**	**160,000**	**7,712,375**	**1,788,765**	**4,426,430**	**4,109,257**
Expense Total	**42,952,191**	**37,228,326**	**42,174,795**	**40,887,113**	**37,627,270**	**36,507,034**

Rev over Exp 1,449,470

THE CITY OF Fargo FAR MORE