

Agenda

1. Call Meeting to Order – Mayor Boschee
2. Approve Agenda – Mayor Boschee
3. Approve Minutes – Mayor Boschee
4. Discussion Topic(s):

2027 Budget Discussion

Social Service Presentations

Other Discussion

5. Other Business
6. Adjourn

FINANCE COMMITTEE
Fargo, North Dakota

Regular Meeting:

Tuesday:

September 8, 2026:

The Regular Meeting of the Finance Committee of the City of Fargo, North Dakota, was held in the Commission Chambers at City Hall at 1:00 p.m., Tuesday, September 8, 2026.

Commissioners present or absent were as follows:

Present: Gullickson, Peterson, Strand, Turnberg, Boschee.

Absent: None.

Staff attending: Finance Director Susan Thompson, Assistant Finance Director Wyatt Papenfuss, Human Resources Director Jill Minette, City Administrator Michael Redlinger.

Mayor Boschee presiding.

Order of the Agenda:

Commissioner Peterson moved the Order of the Agenda be approved. Second by Gullickson. There was unanimous approval.

Minutes:

Commissioner Peterson moved the Minutes from the August 26, 2026 meeting be approved. Second by Gullickson. There was unanimous approval.

Administrative Updates and Budget Overview:

Finance Director Susan Thompson:

- o Clarified that the meeting's sole purpose was to work toward a balanced General Fund budget following the preliminary budget baseline set in previous meetings.
- o Blue Cross Blue Shield Health Insurance: Expected a 6% to 10% increase (budgeted at 8.5%), but it came in at 6.6%, yielding a cost decrease/savings of \$218,500.00,
- o Fuel Expenses: Locked in Q1 and Q2 rates for diesel (\$3.888.00) and gasoline (\$2.90). Due to global market conditions, fuel costs increased, leading to a projected \$255,000.00 increase to the General Fund for the full year.
- o Pending Items: Noted that proposed adjustments to cleaning contracts (balancing cuts with long-term facility maintenance needs) and animal impound costs require further vetting with staff and Commissioners.

Market Adjustments and Salary Studies:

Finance Director Susan Thompson and HR Director Jill Minette:

- o Discussed four implementation options for employee market adjustments.

- o Proposed Option 1A (phasing in adjustments on employee step/anniversary dates rather than all on January 1st) as the most affordable fit for the 2027 budget, bringing the initial cost down from \$720,000.00 to roughly \$406,000.00.
- o Suggested funding public safety market items (such as the Fire Department shift differential and non-sworn police staff) through a 50/50 split between the General Fund and the Public Safety Sales Tax.

Commissioner Peterson expressed a desire to find \$300,000.00 in additional funds to implement Option 1 (full market adjustment immediately) if possible.

Commissioner Gullickson clarified that shift differentials would take effect immediately while position-specific market adjustments would occur on anniversary dates.

Public Safety & Sales Tax Revenue:

Finance Director Susan Thompson:

- o Updated the committee that local sales tax collections grew 8.64% through June 26th.
- o The preliminary budget included 4 new police officers (2 funded by the General Fund, 2 by Public Safety Sales Tax).
- o Under the updated balanced model, 1 additional officer is added via the General Fund. If sales tax growth holds conservatively around 5%, there is capacity to fund an additional 2 officers out of sales tax bringing the total to 7 out of 8 requested police officers.

Commissioner Turnberg raised questions regarding the longevity of sales tax growth as major infrastructure/Diversion construction winds down, as well as general economic compression and rising consumer costs.

Mayor Boschee and Commissioner Strand noted that while construction activity impacts revenue, future development and general price increases also influence sales tax totals.

Social Services and External Agency Funding:

Finance Director Susan Thompson presented status-quo funding (\$500,000.00 total) for social service and external agencies (e.g., Downtown Community Partnership, Arts Partnership) for discussion.

Commissioner Turnberg said that during tight financial times, the City should prioritize core municipal/public safety services over charitable giving, suggesting residents choose how to donate their own money.

Commissioner Gullickson said that agencies such as the Downtown Community Partnership perform essential services (such as Downtown snow removal) cheaper than the City could if brought in-house, providing a strong return on investment.

Commissioner Peterson suggested that external organizations receiving public funds should formally present to the full Commission to justify their budget requests and demonstrate the value they provide to the community.

Commissioner Strand said that while City Commissions (such as the Native American or Arts and Culture Commissions) historically vetted these items, formal public presentations by these groups have not occurred recently.

Next Steps:

Mayor Boschee and Finance Director Susan Thompson agreed to maintain process momentum on core budget items and tentatively schedule a follow-up Finance Committee meeting for September 23rd, where external social service agencies can be invited to present their requests.

Adjourn:

The meeting adjourned at 2:33 o'clock p.m.