

THE MAYOR'S PRELIMINARY 2022 BUDGET

THE CITY OF
Fargo
FAR MORE

07.26.2021
Informational Meeting

RESILIENT | RESPONSIVE | RE-EMERGENT 

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



#1 Housing Market in North Dakota | *Insurify – 2021*



#1 Most Healthy People Per Capita | *WalletHub – 2021*



#3 Happiest City in the US | *WalletHub – 2021*



#4 Best Place for Renters in the US | *WalletHub – 2021*



Top 10 Best Place to Retire | *Forbes – 2011-2021*

2022 MAYORAL BUDGET OBJECTIVES

**ATTRACTING AND
RETAINING A
TALENTED TEAM**

1

**FUNDING
ESSENTIAL
INFRASTRUCTURE**

2

**REINFORCING STRONG
COMMITMENTS TO
PUBLIC SAFETY**

3

**SUPPORTING
COMMUNITY EQUITY
INITIATIVES**

4

**FUNDING
DELAYED REQUESTS
DUE TO COVID-19**

5

**EFFICIENT AND
EFFECTIVE USE OF
FEDERAL FUNDS**

6

LEGACY PROJECTS FOR FUTURE GENERATIONS

**FARGO-MOORHEAD
AREA FLOOD DIVERSION**



**RED RIVER VALLEY
WATER SUPPLY PROJECT**



MAJOR INITIATIVES FOR 2022

1

CORE NEIGHBORHOODS PLAN IMPLEMENTATION



2

BODY-WORN CAMERA INTEGRATION AT FPD



3

INVESTMENTS IN STREET-LEVEL EXCELLENCE



MAJOR INITIATIVES FOR 2022

4

HARM REDUCTION & HOMELESS SUPPORT



5

EMPHASIS ON CODE ENFORCEMENT

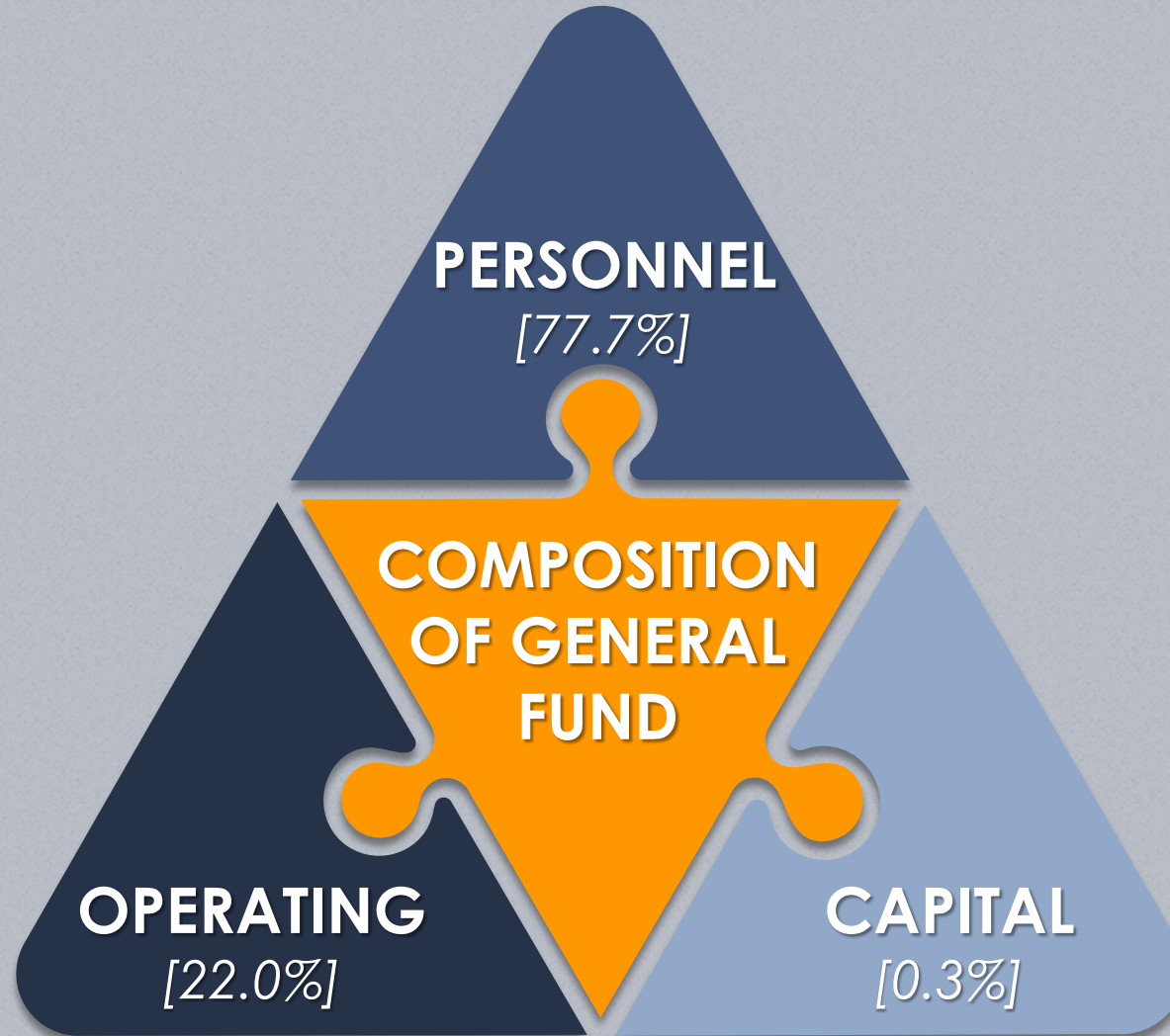


6

FARGODOME EXPANSION & IMPROVEMENTS



MAJOR CATEGORIES FOR BUDGETARY EXPENSES



PERSONNEL EXPENSES

THE CITY OF
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THE 2022 MAYOR'S BUDGET - 9

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PROPOSED FULL-TIME EMPLOYEE ADDITIONS

General Fund Full-Time Employees *(Excluding Public Safety)*



Assessors



Buildings
& Grounds



Fargo Cass
Public Health



Finance

PROPOSED FULL-TIME EMPLOYEE ADDITIONS (CONT.)

General Fund Full-Time Employees *(Excluding Public Safety)*



Fargo Public Library



Inspections

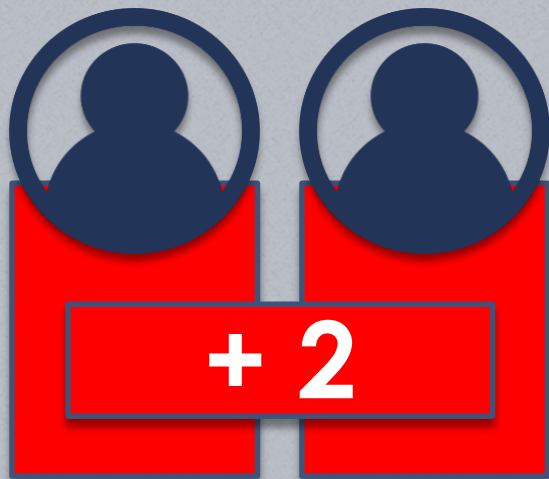


Planning & Development



Streets

General Fund Full-Time Public Safety Employees



Fire Department



Police Department



PROPOSED FULL-TIME EMPLOYEE ADDITIONS

Enterprise Funds Full-Time Employees

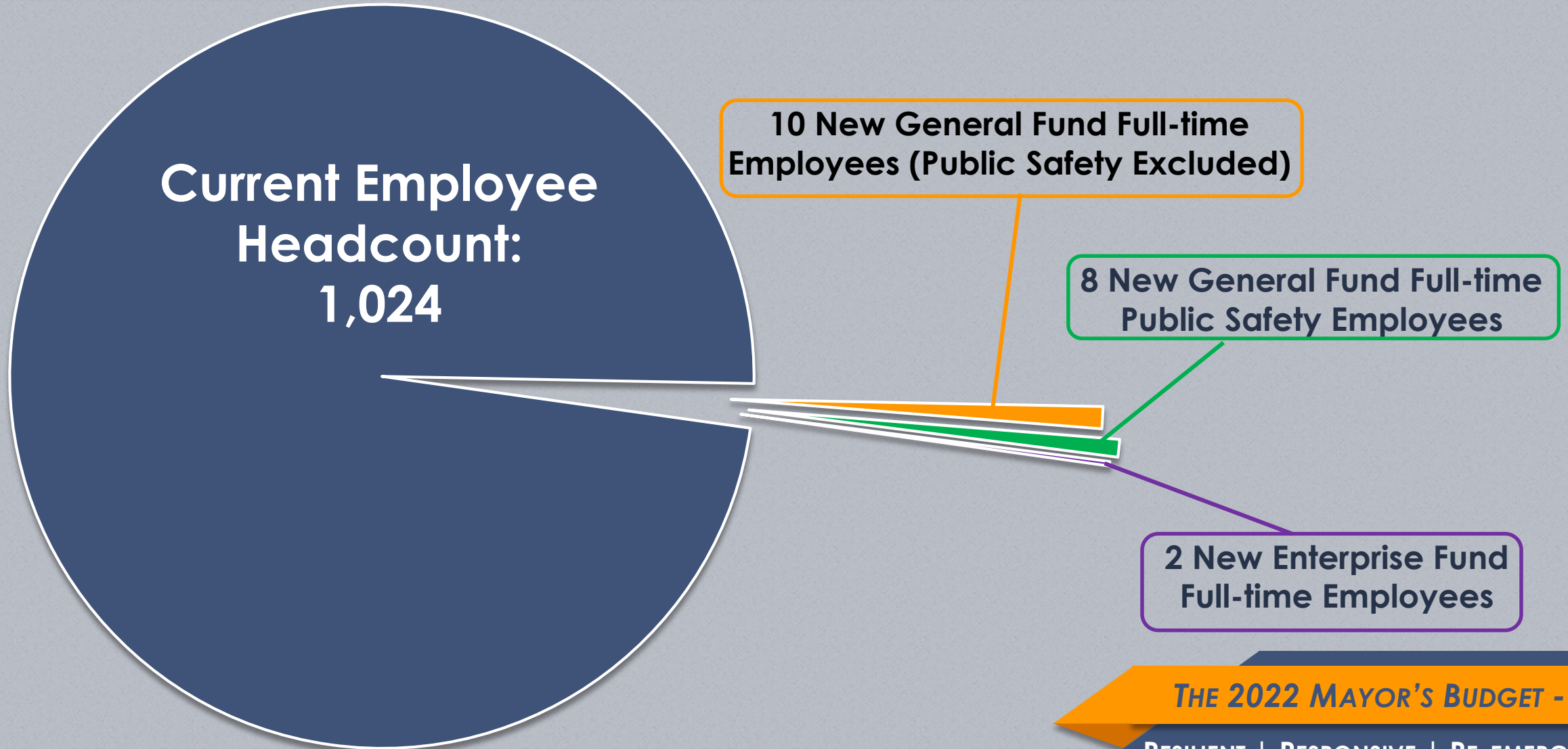


Transit



Mains & Hydrants

PROPOSED IMPACT ON EMPLOYEE HEADCOUNT



INVESTING IN TEAM FARGO - 2021 VS. 2022

	2021 APPROVED BUDGET	2022 PROPOSED BUDGET
NEW GENERAL FUND EMPLOYEES	+ 2.25	+ 18.00
SINGLE HEALTH INSURANCE (EMPLOYER SHARE)	86 %	86 %
FAMILY HEALTH INSURANCE (EMPLOYER SHARE)	72 %	80 % (\$ 358,000 PER YEAR)
GENERAL FUND COMPETITIVE WAGE ADJUSTMENT	0 %	3 % (\$ 1,926,055)
GENERAL FUND PERSONNEL RECLASSIFICATIONS	\$ 6,859	\$ 94,757

OPERATING EXPENSES

THE CITY OF
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THE 2022 MAYOR'S BUDGET - 16

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OPERATING EXPENSES INCREASES

Department	2022 Proposed (\$)
Human Resources	11,300
Information Services (IS)	120,740
Communications	82,310
City Attorney	75,000
Municipal Court	31,000
General Support	84,709
Buildings & Grounds	15,000
Planning & Development	43,790
Inspections	19,350
Engineering	30,735
Economic Development	40,000
Social Services	11,000
Streets & Central Garage	273,200
Fire	82,708
Fargo Cass Public Health	40,000
Library	67,100
Commission	36,000
Unallocated	182,899
TOTAL ADDITIONAL OPERATING EXPENSES	\$ 1,246,841

Department	2022 Proposed (\$)
Administration	(20,000)
Auditors	(1,000)
Assessors	(21,952)
Incarceration	(75,000)
Police (SWAT moved to different fund)	(35,934)
TOTAL REDUCED OPERATING EXPENSES	(\$ 153,886)

$$\begin{array}{r}
 \$ 1,246,841 \quad \text{ADDITIONS} \\
 - \$ 153,886 \quad \text{DEDUCTIONS} \\
 \hline
 \$ 1,092,955 \quad \text{NET ADDITIONS}
 \end{array}$$

OPERATING EXPENSES MAJOR ADDITIONS

1. Additional Contracted Snow Clearance Costs \$ 100,000
2. Software License Costs (Video Conferencing) \$ 70,000
3. Additional Attorney Labor (Body-Worn Cameras) \$ 50,000
4. Land Development Code Growth Plan Update \$ 35,000
5. Central Garage General Equipment Repair \$ 35,000



CAPITAL EXPENSES

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THE 2022 MAYOR'S BUDGET - 19

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RECOMMENDED NON-ENTERPRISE CAPITAL OUTLAYS

101

General
Fund

\$ 349,210

219

Skyway Maintenance
Fund

\$ 72,000

241

Parking Repair &
Replacement

\$ 15,000

403

GIS Development
Fund

\$ 50,000

475

Capital Equipment
Fund

\$ 4,752,140

HIGHLIGHTS OF RECOMMENDED NON-ENTERPRISE CAPITAL OUTLAYS

FUND 101

- RRVUAS Equipment Fund: **\$ 65,000**
- Inspections Software Upgrades: **\$ 40,000**
- Crime Scene Investigation Camera Replacement: **\$ 17,500**

FUND 219

- Downtown Skyway HVAC Replacement: **\$ 32,000**

FUND 241

- Software update for RoCo and Mercantile: **\$ 15,000**

FUND 403

- Geographic Information Systems (GIS) Software and Equipment Upgrades: **\$ 50,000**

FUND 475

- Motorgrader For New Snow Removal Route: **\$ 288,000**
- Fire Department Breathing Apparatus, Equipment Replacement & Vehicles for New Employees: **\$ 1,000,000**
- Desktops, Laptops, Tablets and Security Firewall: **\$ 275,500**
- Police Squad Cars Equipment Setup: **\$ 100,000**
- Street Department Vehicle Replacements: **\$ 920,000**

FUND 402 (DEBT-FINANCED) CAPITAL REQUESTS

Department	Project	2022 Requests (\$)	2022 Obligated (\$)
Central Garage	Roof Section J Replacement	100,000	---
Central Garage	Generator Replacement	125,000	---
Fire	Fire Station #8 Design & Construction	5,000,000	---
Fire	Fire Truck for Station #8	800,000	---
Fire	Fire Station #2 Addition & Remodel	350,000	---
Police	Window Upgrades	115,000	---
Police	Downtown Cameras	42,612	---
Planning & Development	New Elevator at Ground Transportation Center	48,533	---
Fund 402 Proposed Capital Requests		\$ 6,581,145	---

This table represents the total requested; no cash outlay has been obligated

The Mayor's 2022 Proposed Budget includes a \$ 2 million Metro City ARP appropriation for these items

ENTERPRISE CAPITAL RECOMMENDED EXPENSES

501

Water Utility
Fund

\$ 1,012,000

521

Wastewater Utility
Fund

\$ 6,967,184

531

Solid Waste
Utility Fund

\$ 3,643,000

450

Water Sales Tax
Fund

\$ 9,243,818

455

Wastewater Sales Tax
Fund

\$ 2,250,000

ENTERPRISE CAPITAL RECOMMENDED EXPENSES

268

Newman Outdoor
Stadium

\$ 162,500

554

Civic Center
Fund

\$ 125,000

570

FARGODOME
Fund

\$ 674,700

ENTERPRISE CAPITAL RECOMMENDED EXPENSES

524

Storm Water Utility
Fund

\$ 1,096,350

528

Street/Traffic Light
Utility Fund

\$ 627,000

541

Forestry Utility
Fund

\$ 137,300

552

Transit Utility
Fund

\$ 646,000

PROPOSED USAGE OF AMERICAN RESCUE PLAN (ARP) ACT

Department	Project	2022 Obligation (\$)
Planning & Development	Core Neighborhoods Capital	1,000,000
Planning & Development	Mid-America Environmental Cleanup	500,000
Planning & Public Health	Non-Profits/Social Services (Operating)	1,000,000
Information Services	Server/SAN Equipment; 24/7 Network Monitoring	789,000
Finance	ERP Software Replacement + Software Consultant	1,250,000
General Fund	Revenue Replacement	2,500,000
Buildings & Grounds	Transfer to 402 Building Capital Fund	2,000,000
Public Health	Engagement Center With Services	400,000
Planning	Sheltering	900,000
Public Works	Southside Fueling Station	1,500,000
Water Treatment	Ultrafiltration Membrane Buildout	900,000
Proposed Usage of ARP Allocations from Metro City + HUD		\$ 12,739,000

Total ARP Allocations from Metro City + HUD to Fargo:
\$ 21,902,034

PROJECTS PROPOSED TO BE FUNDED WITH CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT – [PUBLIC SAFETY]

**Police
Department**

**REORGANIZATION
PLAN**

\$ 850,000

**Planning
+ Health**

**ENGAGEMENT CENTER
ROOF REPAIR**

\$ 75,000

**Fire
Department**

**EMERGENCY OPERATIONS
CENTER UPGRADES**

\$ 125,000

**Planning
+ Health**

**ENGAGEMENT CENTER
CHILLER REPLACEMENT**

\$ 31,000

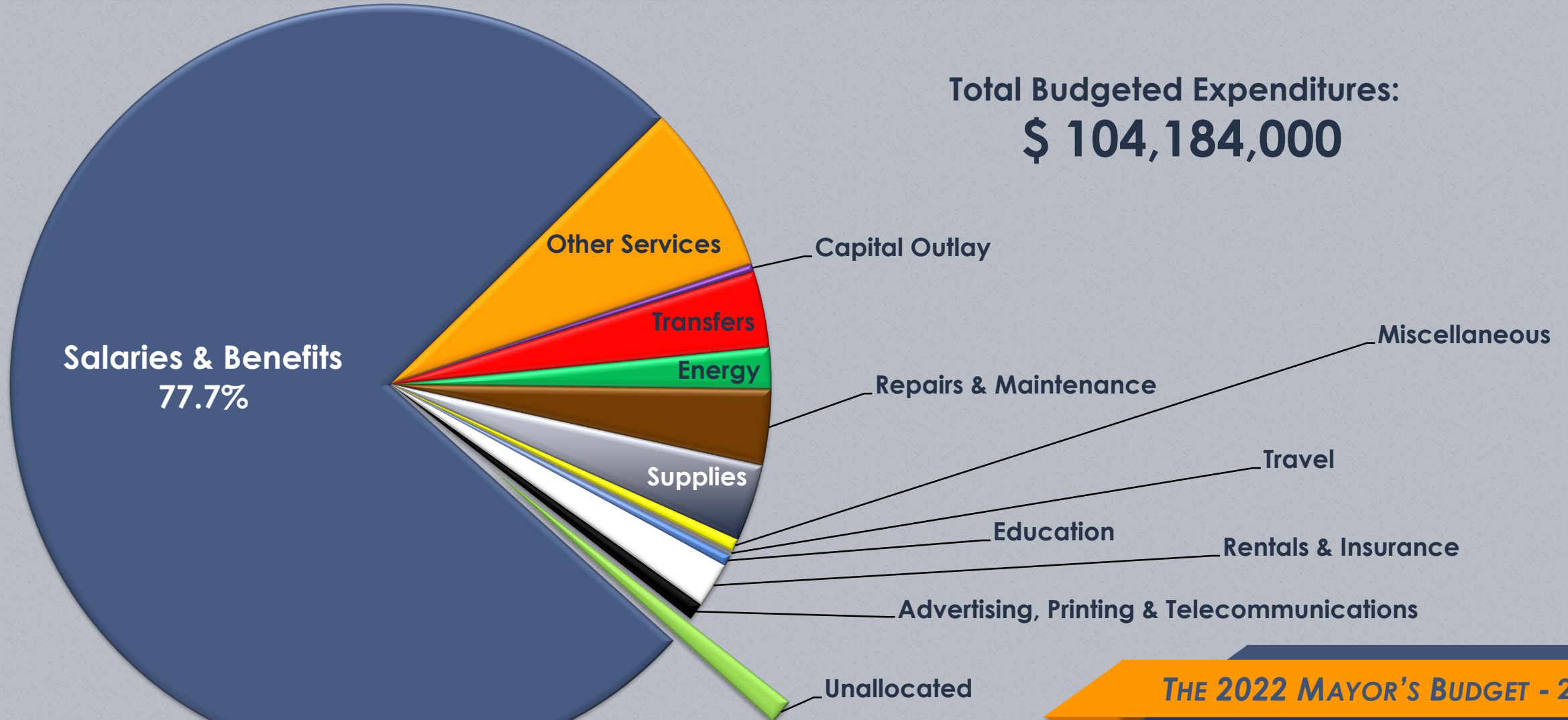
2022 PROPOSED OBLIGATIONS – \$ 1,081,000

GENERAL FUND EXPENSE PROJECTIONS

EXPENSE CATEGORY	2021 APPROVED BUDGET	2022 PROPOSED BUDGET	PERCENTAGE OF TOTAL	CHANGE FROM 2021 APPROVED BUDGET TO 2022 PROPOSED BUDGET	
				\$	%
Salaries	\$ 55,744,532	\$ 60,919,325	58.5%	\$ 5,174,793	9.3%
Benefits	19,386,701	20,020,033	19.2%	633,332	3.3%
Other Services	7,283,866	7,722,896	7.4%	439,030	6.0%
Capital Outlay	346,090	349,210	0.3%	3,120	0.9%
Transfer For Debt Service	3,363,532	3,324,989	3.2%	(38,543)	-1.1%
Other Transfers	76,545	126,545	0.1%	50,000	65.3%
Major Cost Categories	86,201,266	92,462,998	88.7%	6,261,732	7.3%
Energy	1,852,567	1,867,788	1.8%	15,221	0.8%
Repairs and Maintenance	3,174,391	3,437,199	3.3%	262,808	8.3%
General Supplies	2,624,008	2,752,343	2.6%	128,335	4.9%
Rentals	1,434,281	1,456,769	1.4%	22,488	1.6%
Major Supplies	731,676	733,876	0.7%	2,200	0.3%
Miscellaneous	557,755	564,100	0.5%	6,345	1.1%
Travel	170,000	208,390	0.2%	38,390	22.6%
Education	493,219	512,150	0.5%	18,931	3.8%
Insurance	570,699	583,399	0.6%	12,700	2.2%
Telecommunications	413,348	544,846	0.5%	131,498	31.8%
Advertising and Printing	217,790	242,590	0.2%	24,800	11.4%
Unallocated	(1,000,000)	(1,182,448)	-1.1%	(182,448)	18.2%
Minor Cost Categories	11,239,734	11,721,002	11.3%	481,268	4.3%
TOTALS	\$ 97,441,000	\$ 104,184,000	100.0%	\$ 6,743,000	6.9%

GENERAL FUND BUDGETED EXPENDITURES

Total Budgeted Expenditures:
\$ 104,184,000



REVENUES



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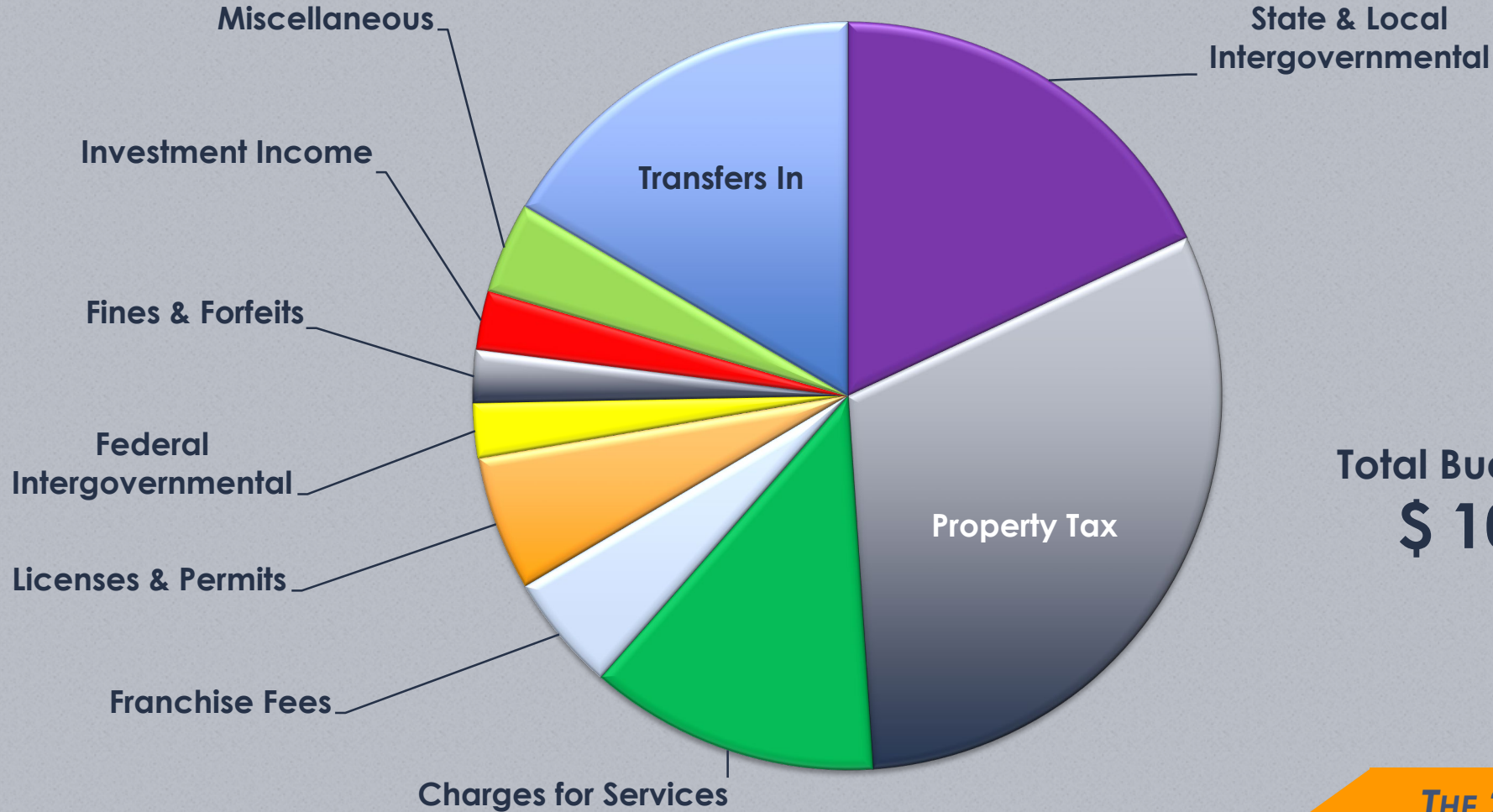
THE 2022 MAYOR'S BUDGET - 30

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2022 GENERAL FUND REVENUE PROJECTION

REVENUE SOURCE	2021 APPROVED BUDGET (\$)	2022 PROPOSED (\$)	CHANGE (\$)	BUDGET CHANGE (%)
Property Taxes	30,665,000	32,249,600	1,584,600	5.2%
Franchise Fees	5,326,200	5,304,800	(21,400)	-0.4%
Licenses & Permits	5,724,400	6,044,400	320,000	5.6%
Federal Grants	1,666,500	2,473,317	806,817	48.4%
State Share Revenues	15,284,761	17,273,643	1,988,882	13.0%
Local Grant Revenues	1,513,276	1,591,369	78,093	5.2%
Charges for Services	15,574,112	13,087,847	(2,486,265)	-16.0%
Fines	2,267,500	2,378,500	111,000	4.9%
Interest	3,279,200	2,660,000	(619,200)	-18.9%
Miscellaneous	3,929,650	4,125,667	196,017	5.0%
Transfers	11,309,401	17,276,857	5,967,456	52.8%
TOTALS	\$ 96,540,000	\$ 104,466,000	\$ 7,926,000	8.2%

2022 GENERAL FUND BUDGETED REVENUES



Total Budgeted Revenues:
\$ 104,466,000

PROPOSED UTILITY FEE INCREASE



**Storm Water Residential Rate
+ \$ 1 per month**

**Storm Water Non-Residential Rate
+ \$ 3 min. per month**
*with graduated scale based on
property size and dynamics*

NO PROPOSED PROPERTY TAX MILL INCREASE

CURRENT CITY OF FARGO MILL LEVY



■ MILLS LEVIED ■ UNUSED MILLS

[MILL LEVY LIMITATION OF 64 MILLS]

Collection Year	City Mill Levy
2013	58.25
2014	57.25
2015	57.25
2016	55.00
2017	53.00
2018	51.00
2019	51.00
2020	53.00
2021	53.00
2022 Proposed	53.00

Since 2013,
5.25 mill reduction

THE COST OF YOUR LOCAL GOVERNMENT



5 % of the average Fargo household's gross income pays for City services

NEXT STEPS IN BUDGETARY PROCESS

July 26	The Mayor's Preliminary Budget Presentation
July 26 – August 5	Initial Review and Comment by Commissioners
August 1	Distribution of Entire Preliminary Budget Document to Commissioners
August 9	Receive, Approve & File Preliminary Budget, Set Public Hearing Date
August 10	Final Deadline to Submit Preliminary Budget Information to Cass County
August 31	Cass County Sends Consolidated Budget Data and Property Owner Notification Mailings
September 7	Public Hearings on Property Tax and Preliminary Budget
September 20	Approve Final Budget and Tax Levies
October 7	North Dakota Century Code Deadline for Budget Approval

THE CITY OF FAR MORE

RESIDENTS



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FARGO

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