



2026 Final Budget

2026 Budget Process



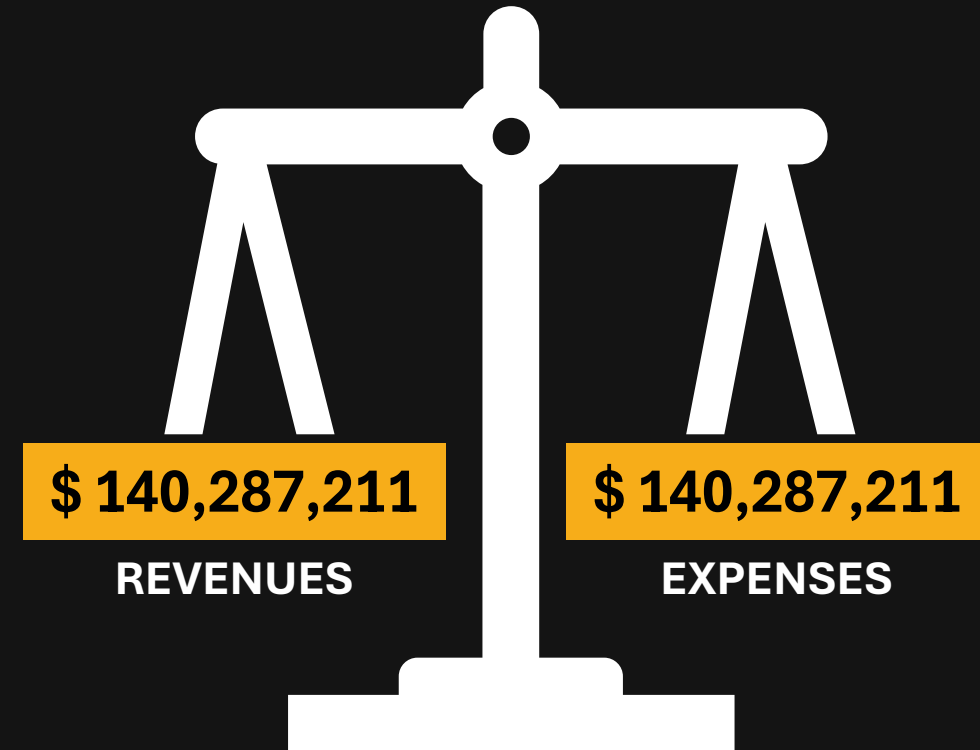
April	Departmental Budget Requests Due to Finance
May 27, 2025	Public Safety Sales Tax Plan Approved by City Commission
May - June	Budget Team and Departments Meet to Discuss Departmental Requests
July 14, 2025	Budget Workshop
July 14 - August 4, 2025	Initial Review and Comment by Commissioners
August 4, 2025	The Mayor's Preliminary Budget Presentation <i>(Special City Commission Meeting)</i>
August 4, 2025	Approve Preliminary Budget and Set Public Hearing Date <i>(Establishes the Ceiling/Not-to-Exceed)</i>
August 11, 2025	Deadline to Forward Preliminary Budget Information to Cass County
August 31, 2025	Deadline for Cass County to Send Consolidated Budget Data and Property Owner Notification Mailings
September 15, 2025	Public Hearing on Preliminary Budget and Tax Levies <i>(City Commission Meeting)</i>
September 29, 2025	Approve Final Budget and Tax Levies
October 7, 2025	North Dakota Century Code Deadline for Budget Approval



2026 Budget Priorities:

New Property Tax Cap
Public Safety Sales Tax
Cost of Living Adjustment (COLA)
Optimize Service Revenue
Operating Reductions

THE CITY OF Fargo FAR MORE COLUMN D	
POST-WORKSHOP PRELIMIARY BUDGET	
REVENUE:	
Property Taxes	\$ 46,005,858
Franchise Fees	\$ 12,022,424
Licenses & Permits	\$ 7,339,000
Federal Grants	\$ 2,744,309
State Share Revenues	\$ 23,017,946
Local Grant Revenues	\$ 1,878,707
Charges for Services	\$ 15,428,910
Miscellaneous	\$ 9,119,153
Transfer In - PSST (new)	\$ 5,878,917
Transfers In - all other	\$ 16,851,987
TOTALS	\$ 140,287,211
EXPENSE:	
Salaries	\$ 76,600,341
Benefits	\$ 28,840,515
PERSONNEL EXPENSE	\$ 105,440,856
	\$ -
Other Services	\$ 9,805,496
Energy	\$ 2,228,618
Repairs & Maintenance	\$ 4,717,939
Supplies	\$ 3,543,492
Travel/Education	\$ 948,222
Professional / Admin	\$ 1,687,855
Other / Miscellaneous	\$ 1,737,102
Transfer Debt Serv & Other	\$ 9,011,631
OPERATING EXPENSE	\$ 33,680,355
CAPITAL EXPENSE	\$ 1,166,000
TOTALS	\$ 140,287,211
BUDGET SHORTFALL	\$ -



Includes \$5,878,917 of Public Safety Sales Tax Transfer In and related Expenses

General Fund Updates to Preliminary Budget:

Transit: Expense in excess of \$3.5M Transfer from General Fund
Increase Transfer Out to Transit by **\$830,000**

Other: Finalization of Health Insurance Premiums
Increase of 12% (est at 10%) **+304,000**
Reinstate Community Land Trust support **+\$25,000**
Restate Auto Impound Rev & Exp – No change net \$200,000 Rev

Propose to be Funded via:

Additional Franchise Fees expected

Updates to Fuel Cost supports Reduction

Freeze of two vacant positions & reduction of Operating Exp (CommsGA)

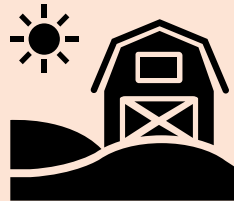
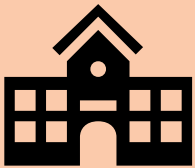
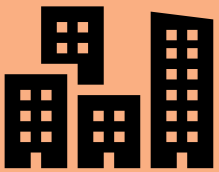
Additional Salary Savings, as supported by historic trends

	2025 FINAL BUDGET	2026 PRELIMINARY BUDGET	Adjustments	Adjustment Explanations	2026 FINAL BUDGET
REVENUE:					
Property Taxes	\$ 43,825,380	\$ 46,005,858			\$ 46,005,858
Franchise Fees	\$ 12,162,224	\$ 12,022,424	\$ 200,000	A	\$ 12,222,424
Licenses & Permits	\$ 6,214,000	\$ 7,339,000			\$ 7,339,000
Federal Grants	\$ 3,025,131	\$ 2,744,309			\$ 2,744,309
State Share Revenues	\$ 21,769,740	\$ 23,017,946			\$ 23,017,946
Local Grant Revenues	\$ 1,784,022	\$ 1,878,707			\$ 1,878,707
Charges for Services	\$ 16,173,035	\$ 15,428,910			\$ 15,428,910
Miscellaneous	\$ 9,816,653	\$ 9,119,153	\$ 200,000	B	\$ 9,319,153
Transfer In - PSST (new)		\$ 5,878,917			\$ 5,878,917
Transfers In - all other	\$ 17,574,768	\$ 16,851,987			\$ 16,851,987
TOTALS	\$ 132,344,953	\$ 140,287,211	\$ 400,000		\$ 140,687,211
EXPENSE:					
Salaries	\$ 70,961,137	\$ 76,600,341	\$ (185,000)	C	\$ 75,860,341
			\$ (555,000)	H	
Benefits	\$ 26,970,673	\$ 28,840,515	\$ (35,000)	C	\$ 29,109,515
			\$ 304,000	D	
PERSONNEL EXPENSE	\$ 97,931,810	\$ 105,440,856	\$ (471,000)		\$ 104,969,856
Other Services	\$ 10,623,318	\$ 9,805,496	\$ (100,000)	C	\$ 9,830,496
			\$ 100,000	B	
			\$ 25,000	F	
Energy	\$ 2,243,658	\$ 2,228,618			\$ 2,228,618
Repairs & Maintenance	\$ 4,476,903	\$ 4,717,939	\$ 100,000	B	\$ 4,817,939
Supplies	\$ 3,659,627	\$ 3,543,492	\$ (84,000)	E	\$ 3,459,492
Travel/Education	\$ 958,952	\$ 948,222			\$ 948,222
Professional / Admin	\$ 1,640,299	\$ 1,687,855			\$ 1,687,855
Other / Miscellaneous	\$ 1,742,752	\$ 1,737,102			\$ 1,737,102
Transfer Debt Serv & Other	\$ 8,857,329	\$ 9,011,631	\$ 830,000	G	\$ 9,841,631
					\$ -
OPERATING EXPENSE	\$ 34,202,838	\$ 33,680,355	\$ 871,000		\$ 34,551,355
CAPITAL EXPENSE	\$ 210,304	\$ 1,166,000			\$ 1,166,000
TOTALS	\$ 132,344,952	\$ 140,287,211	\$ 400,000		\$ 140,687,211

- A** Cass County Electric implementing 14% rate increase 10/25 - anticipate additional Revenue
- B** Restate Gross Auto Impound Revenue and related Expense - no change to net of \$200,000
- C** CommsGA - FTE Freeze and Operations Expense reduction
- D** BCBS Premium Increase finalized at 12.9% (prelim budget at 10%)
- E** Adjust Fuel for 1Q/2Q 2026 bids
- F** Reinstate Community Land Trust at \$25,000
- G** Additional Transfer to Transit
- H** Additional estimated Salary Savings, as supported by trends

Property Tax Revenue Cap

During the 2025 Legislative Sessions, the North Dakota legislature enacted property tax revenue caps for municipalities, effective for 2026 budgets.



CAP IS THE GREATER OF:

A

3%

OF BASE YEAR LEVY
[\$48,621,067]

OR

B

3%

ADJUSTED YEAR* LEVY

\$50,346,330

**includes new growth*

Property Tax Revenue: Assessed \$ and Mill Levy

Subject to Property Tax Cap:		Value of 1 Mill = 883,880
City of Fargo General Fund	48,606,757	54.99
Airport	<u>1,739,573</u>	1.97
	\$ 50,346,330	
Not Subject to Property Tax Cap:		
City Share of Special Assessments	350,000	.40
Gross Property Tax Assessed	\$50,696,330	57.36 (+.36 mills)

average cost of +.36 mills* = **\$5.73**

** based on median 2024 Home Sale Price = 353,500*



Proposed Solid Waste Rate Changes

	Current Rate	Proposed Rate	Change
Residential Waste Rate last changed 2009	\$ 9.00	\$ 10.00	\$ 1.00
Residential Recycling Rate last changed 2020	\$ 4.00	\$ 5.00	\$ 1.00
Commercial Collection Rate last changed 2023	\$ 131.69	\$ 150.77	\$ 19.08
Roll Off Collection Rate last changed 2017	\$ 100.00	\$ 120.00	\$ 20.00
Landfill Rate last changed 2023	\$ 51.00	\$ 57.00	\$ 6.00



+\$2 Per Month
For Residential Collection

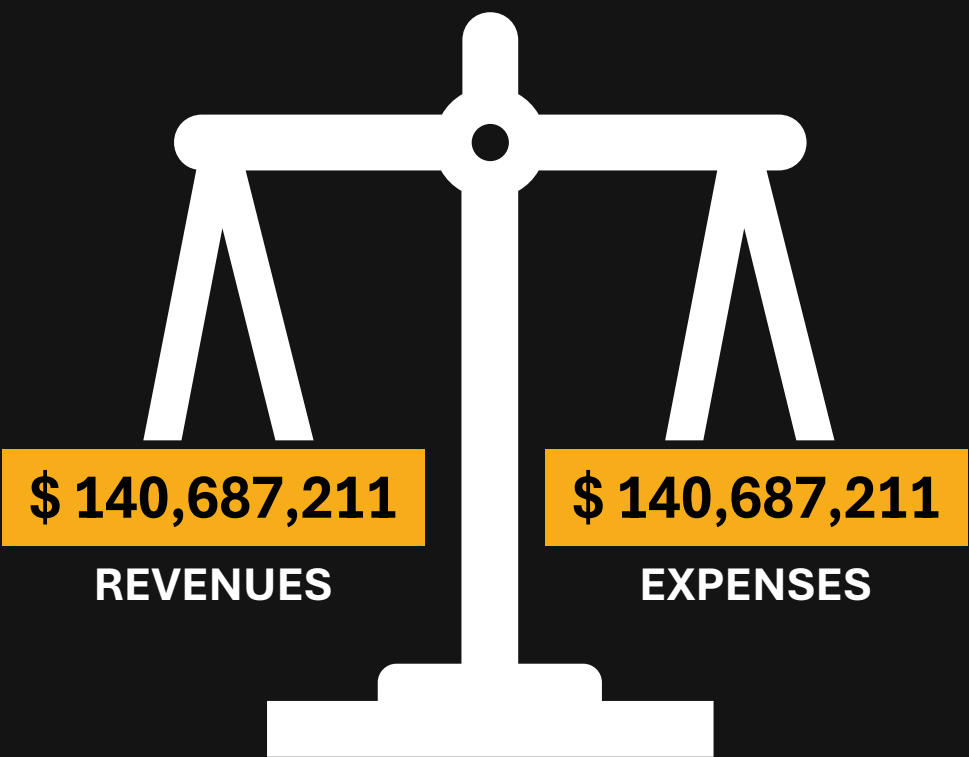




2026 Budget Accomplishments:

- ✓ Property Tax Cap
 - Minimal mill increase of .36
 - Excl PSST, General Fund increase of **1.86%**
- ✓ Public Safety Sales Tax
- ✓ COLA at 3%
- ✓ Optimize Service Revenue
- Operating Reductions

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Salaries	\$	75,860,341
Benefits	\$	29,109,515
PERSONNEL EXPENSE	\$	104,969,856
Other Services	\$	9,830,496
Energy	\$	2,228,618
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OPERATING EXPENSE	\$	34,551,355
CAPITAL EXPENSE	\$	1,166,000
TOTALS	\$	140,687,211



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Suggested Motion

Approve the 2026 Final Budget and related property tax assessment as presented.