



Proposed 2019 Operating & Capital Budget

September 17, 2018
City Council Meeting

Budget Overview

- ▶ Total Proposed 2019 Operating & Capital Budget \$83,755,556
- ▶ Increase of \$1,147,156 (1.4%) over 2018 budget
 - ▶ \$1.2M General Fund
 - ▶ \$0.6M Mass Transit
 - ▶ \$380K Capital Improvements
 - ▶ (\$1.0M) Wastewater Treatment
 - ▶ (\$0.5M) Storm Water Fund

Budget Overview

- ▶ Continued implementation of new class/comp study citywide
- ▶ Additional City contribution to health insurance premiums
- ▶ PERA Rate increase for Public Safety employees
 - ▶ Additional ½% city contribution in 2019
 - ▶ Additional ½% city contribution in 2020
- ▶ Minimal increase for debt service expenditures

Budget Overview

- ▶ Funding increase in support of Lake Agassiz Regional Library
- ▶ Accommodates lease payment to Clay County for the new Law Enforcement Center
- ▶ Includes various supplemental operating requests
 - ▶ Mayor & Council per diem compensation for attending committee meetings
 - ▶ Smart phones for police officers
 - ▶ Annual allocation for playground woodchip replacement

Budget Overview

- ▶ Staffing Change Highlights:
 - ▶ City Manager Reorganization of the Administration and Planning & Neighborhood Services Departments
 - ▶ City Planner to replace Director of Planning & Neighborhood Services position
 - ▶ Facilities and Fleet Manager position to replace Technical Office Specialist authorized in the 2018 budget

Budget Overview

- ▶ General Fund Highlights:
 - ▶ Allocated \$50,000 additional Municipal State Aid for additional infrastructure maintenance
 - ▶ Stabilized the budget for election costs by allocating \$25,000 annually with every other year going to or coming from reserves
 - ▶ Created a Government Affairs Director position to develop a citywide response to various inquiries and to provide a unified message to the public

Property Taxes

- ▶ Good news - GROWTH!!
 - ▶ New Construction
 - ▶ Increase in Market Value
 - ▶ Expiration of Property Tax Exemptions and Rebates

CITY OF MOORHEAD

GROWTH IMPACT ON PROPERTY TAXES

(Residential, Apartments & Commercial/Industrial)

	CHANGES IN MARKET VALUE				
	Residential	Apartments	Commercial & Industrial	Total	
2017 Estimated Market Value	\$ 2,197,154,000	\$ 363,949,500	\$ 478,581,300	\$ 3,039,684,800	
<i>Value Added New Improvements</i>	32,206,000	17,370,600	12,563,500	62,140,100	56.1%
<i>Market Value Adjustments</i>	20,233,000	24,135,400	4,171,900	48,540,300	43.9%
2018 Estimated Market Value	\$ 2,249,593,000	\$ 405,455,500	\$ 495,316,700	\$ 3,150,365,200	
	2.39%	11.40%	3.50%	3.64%	

	CHANGES IN TAX CAPACITY			
	Residential	Apartments	Commercial & Industrial	Total
<i>Value Added New Improvements</i>	322,060	217,133	251,270	790,463
<i>Market Value Adjustments</i>	202,330	301,693	83,438	587,461
<i>Exemptions Expired in Pay 2018</i>		112,813	104,516	217,329
<i>New Exemptions for Pay 2019</i>		(31,563)	(121,516)	(153,079)
	\$ 524,390	\$ 600,075	\$ 317,708	\$ 1,442,173

TAXES GENERATED BY PROPERTY TYPE

	Residential	Commercial & Apartments	Industrial	Total
<i>Value Added New Improvements</i>	135,990	91,690	106,100	333,780
<i>Market Value Adjustments</i>	85,440	127,390	35,230	248,060
<i>Exemptions Expired in Pay 2018</i>	-	47,640	44,130	91,770
<i>New Exemptions for Pay 2019</i>	-	(13,330)	(51,310)	(64,640)
<i>Expiring Rebates</i>	210,223			210,223
<i>Additional Rebates</i>	(95,924)			(95,924)
	<u>\$ 335,729</u>	<u>\$ 253,390</u>	<u>\$ 134,150</u>	<u>723,269</u>
<i>Impact to existing taxpayers due to rate increase</i>				<u>371,950</u>
<i>Total Property Tax Increase</i>				<u>\$ 1,095,219</u>

CITY OF MOORHEAD
2018 TAX LEVY PAYABLE 2019

2017 Tax Levy Payable 2018 **\$ 13,693,015**

Increases resulting from growth

New Construction (net of Exemptions)	\$	269,140		
Market Value Adjustments		248,060		
Expiring Rebates		210,223		
Expiring Exemptions		91,770		
New Rebates		<u>(95,924)</u>		
			723,269	<u>66%</u>

Increases to existing tax base

Existing Tax Base for Debt	\$	15,000		
Existing Tax Base for Operations		91,380		
Increases Beyond City Control (A)		81,427		
Supplemental Operating Requests (B)		<u>184,143</u>		
			371,950	<u>34%</u>

2018 Tax Levy Payable 2019 **\$ 14,788,234**

Capital Budget

- ▶ New in 2019
 - ▶ Historical Capital Improvement Budget Funding - 5% transfer from the Electric Fund
 - ▶ Proposing a 2% transfer from the other City Utility Funds
 - ▶ WWT - \$169,990
 - ▶ Storm Water - \$55,920
 - ▶ Sanitation - \$94,360
 - ▶ Forestry - \$18,200
 - ▶ Pest Control - \$13,590
 - ▶ Street Light Utility - \$16,440

Capital Budget Highlights

- ▶ Phase III & IV Airport Pavement Rehab - \$130K
- ▶ 11th Street Railroad Grade Separation - Environmental Assessment & Preliminary Engineering - \$200K
- ▶ Final year for outdoor warning siren backup battery installation - \$37K
- ▶ Red-rated facility improvements - \$500K
- ▶ Additional facility improvements - \$200K
- ▶ Citywide Furniture, Fixtures & Equipment - \$125K

Capital Budget Highlights (cont.)

- ▶ Park Amenities - \$250K
- ▶ Additional trail grant match funding - \$100K
- ▶ Annual funding to replace Mass transit Buses - \$150K
- ▶ 3-year plan for new electronic election equipment - \$30K/year 2018 - 2020
- ▶ Needs assessment (City Hall/Library/Fire Station) - \$45K
- ▶ Needs assessment/Concept Design (Community/Aquatics Center) - \$46K

Capital Budget Summary

DEPARTMENT	ALLOCATION
ADMINISTRATION DEPARTMENT	\$ 209,000
COMMUNITY DEVELOPMENT	\$ 130,000
ENGINEERING DEPARTMENT	\$ 260,500
FIRE DEPARTMENT	\$ 48,700
PARKS & RECREATION DEPARTMENT	\$ 38,500
POLICE DEPARTMENT	\$ 8,800
PUBLIC WORKS	\$ 1,260,000
COMMUNITY AMENITIES AND PARK TRAILS	\$ 85,000
TOTAL CAPITAL IMPROVEMENT FUND	\$ 2,040,500

The Proposed 2019 Operating &
Capital Budget document will be
posted to:

www.cityofmoorhead.com/budget