



**City of Moorhead
Advisory Budget Work Group
Meeting Minutes
April 27, 2016 at 4:00 PM
City Hall - Boardroom (1st Floor)**

Pursuant to due call and notice thereof, a regular meeting of the Advisory Budget Work Group was held in the City Hall - Boardroom (1st Floor), on April 27, 2016, at 4:00 PM.

Attendees:

Council Member: Jim Haney
Council Member: Mari Daley
Council Member: Chuck Hendrickson
Staff: Wanda Wagner, Amy Wohlwend

1. IT Project Request and Cashflow

- a. Wanda Wagner, Finance Director, distributed a 10 year trend of the cash flow in the Information Technology (IT) Fund and a 5 year projection of future cash flow.
- b. Cash balance in this fund has gotten significantly low and discussion was held on ways to equitably charge rent to different departments in order to increase the cash balance in this fund.
- c. Future IT projects were discussed and Chuck Hendrickson noted that there is a necessity for new financial software to be able to be more efficient and save staff time. He stated the sooner, the better, but also realizes that it does take a lot of time to find the right software and then train the staff to use it.

2. Other Internal Service Fund Updates

- a. Wagner distributed a 10 year trend of the cash flow and a 5 year projection of future cash flow for the other remaining Internal Service Funds. She noted that the main source of revenue for the Internal Service funds are rents charged to the other departments for the equipment they use.
- b. Vehicle Fund
 - i. The Vehicle Fund cash balance is looking good. Future projections include an annual increase in service charges to continue to build the cash balance so that the money is there when new vehicles need to be purchased.
 - ii. Wagner is meeting with Steve Moore, Public Works Director, next week to go over everything and the possibility that services charges could stay the same for few years without any increase.
- c. Radio Fund
 - i. The Radio Fund cash balance has grown steadily over the past years, but this is a good thing because there was enough money to provide the local share of the new ARMER radio system that we needed this year.
 - ii. Chuck Hendrickson requested that a detailed presentation on the ARMER system be done at an upcoming Committee of the Whole meeting so the entire City Council can understand it.
 - iii. Wagner is meeting with Tory Jacobson, Police Lieutenant, to go over future needs and the possibility to reduce the rent charged to other departments so the cash balance does not grow as steadily as it has in the past.
- d. Wagner will bring updates on the Internal Service Funds to the June 22, 2016 ABWG meeting.

3. Revised 2017 Budget Plan

- a. Wagner noted that the 2017 Budget will remain pretty much status quo as the 2016 budget and there will not be departmental presentations done this year as department heads will be fulfilling other needs until a new City Manager has been recruited.
- b. Wagner brought up three options to look into to help with the future budgets.
 - i. It was suggested that we call the Golf Course bonds early and pay them off as soon as possible. This would require the use of some General Fund reserves but would provide future budget savings. All three Council Members present were in agreement to go forward with this.
 - ii. Wagner suggested doing 2 bond refundings in February 2017. This would save approximately \$130,000 per year in debt service payments. All three Council Members present were in agreement with this option.
 - iii. One other item Wagner is looking into is removing the Maintenance shop function from the General fund into a separate Internal Service Fund. This would make departments more accountable and may be a cost savings. Wagner is going to look into if there is a cost savings and how much and will report the results at the June 22, 2016 ABWG meeting.
- c. It was also agreed upon by all the Council Members to start with a 2% wage adjustment to all pay scales when calculating wages and benefits for the 2017 budget.

4. Next meeting & Proposed Agenda

- a. Wednesday, May 25, 2016, at 4:00 PM, City Hall Boardroom (1st Floor)
 - i. Updated Market Values
 - ii. Tax Exemptions and Rebates