



**Advisory Budget Work Group Agenda**  
**June 22, 2016 - 4:00 PM**  
**City Hall - Boardroom (1st Floor)**

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**Advisory Budget Work Group**

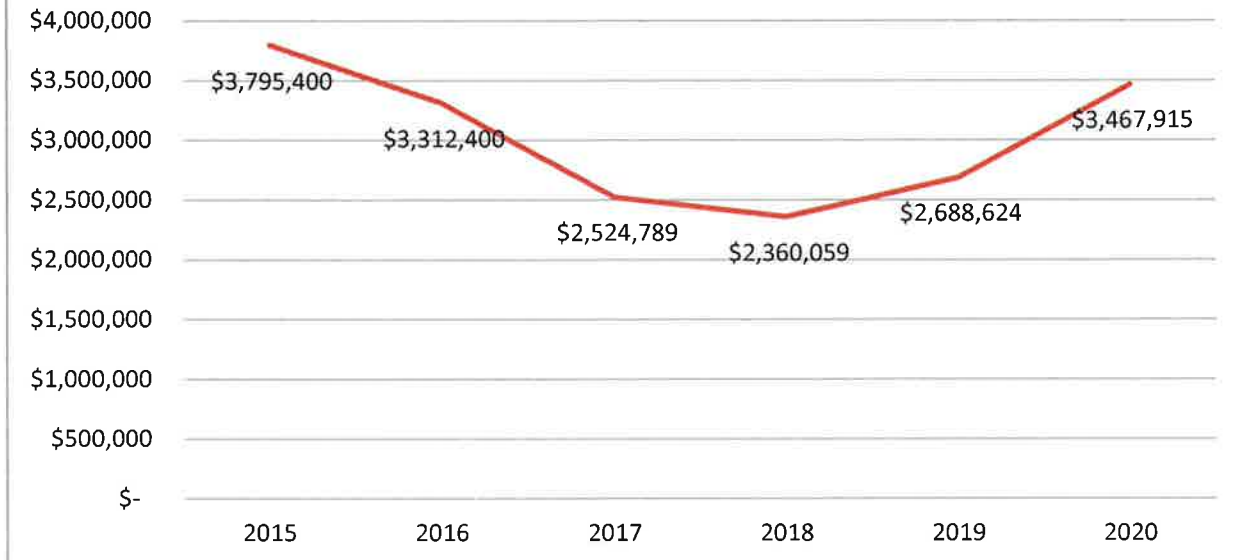
1. Updated Revenue and Expenditure Forecasting \_\_\_\_\_
2. Internal Service Fund Update \_\_\_\_\_
3. Maintenance Shop as Internal Service Fund \_\_\_\_\_

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## Year-End Cash Balances Vehicle Fund 5-Year Forecast *(06/22/16 Update)*



Year Ended	Cash Balance	Service Charges*	Capital Outlay**	Sale of Assets***
2015	\$ 3,795,400			
2016	\$ 3,312,400	\$ 1,490,000	\$ 1,998,000	\$ 25,000
2017	\$ 2,524,789	\$ 1,570,000	\$ 2,382,611	\$ 25,000
2018	\$ 2,360,059	\$ 1,650,000	\$ 1,839,730	\$ 25,000
2019	\$ 2,688,624	\$ 1,730,000	\$ 1,426,435	\$ 25,000
2020	\$ 3,467,915	\$ 1,810,000	\$ 1,055,709	\$ 25,000

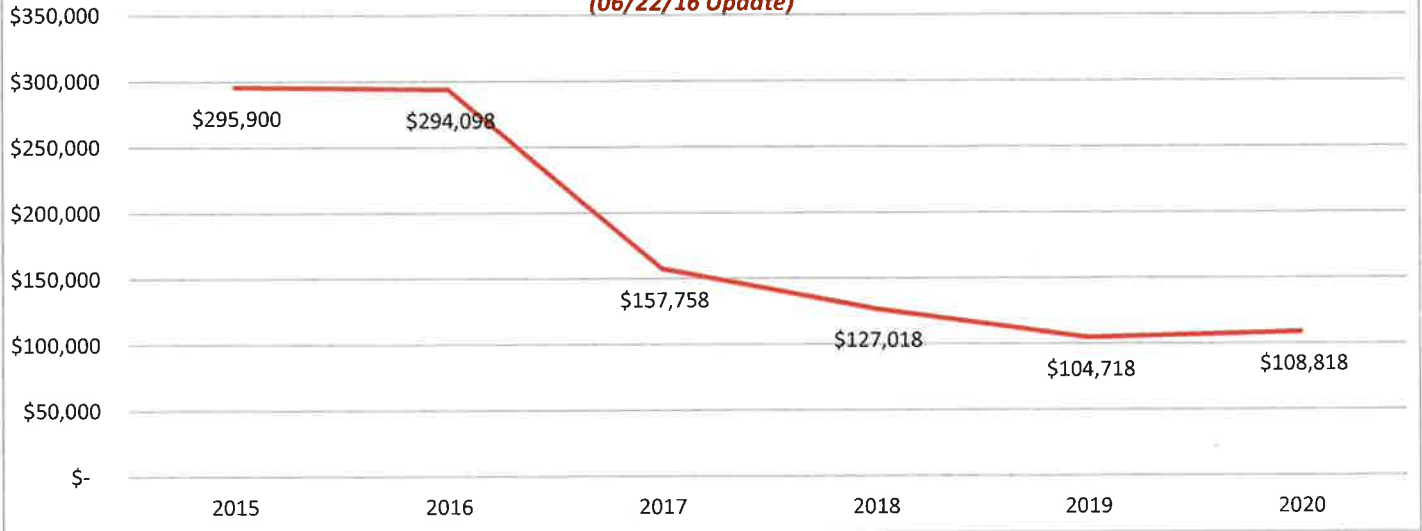
*\* 2017 and 2018 Service Charges are based on a phase in of revised 2016 rent calculations. \$80,000 added annually thereafter.*

*\*\* These figures have been updated to reflect actual replacement costs*

*\*\* Asset sales based on estimate from Steve Moore*

**Year-End Cash Balances  
Information Technology Fund  
5-Year Forecast**

*(06/22/16 Update)*



Year Ended	Cash Balance	Service Charges *	Capital Outlay	Wages & Benefits**	Other Expenses
2015	\$ 295,900				
2016	\$ 294,098	\$ 1,112,110	\$ 114,000	\$ 646,837	\$ 353,075
2017	\$ 157,758	\$ 1,167,700	\$ 282,000	\$ 672,040	\$ 350,000
2018	\$ 127,018	\$ 1,226,100	\$ 200,000	\$ 706,840	\$ 350,000
2019	\$ 104,718	\$ 1,287,400	\$ 200,000	\$ 759,700	\$ 350,000
2020	\$ 108,818	\$ 1,351,800	\$ 200,000	\$ 797,700	\$ 350,000

*\*Service charges include a 5% annual increase.*

*\*\* Projected wages & benefits include a 2% annual wage adjustment and annual step increases based on current pay system*

**MAINTENANCE SHOP  
NEW INTERNAL SERVICE FUND**

Description	<b>2017 BUDGET</b>	
	<b>Mtce Shop</b>	<b>PWF</b>
100-431-70-34308	<b>60,000</b>	
100-431-70-34309	<b>1,200,000</b>	
100-431-70-34310	<b>520,000</b>	
100-431-70-36301	-	
Total Reven	<b>1,780,000</b>	
100-431-70-41010	<b>95,118</b>	<b>89,048</b>
100-431-70-41020	<b>1,500</b>	-
100-431-70-41030		<b>25,094</b>
100-431-70-41040	<b>22,000</b>	
100-431-70-41210	<b>7,133</b>	<b>8,674</b>
100-431-70-41220	<b>8,960</b>	<b>8,847</b>
100-431-70-41310	<b>16,190</b>	<b>20,707</b>
100-431-70-41330	<b>30</b>	<b>35</b>
100-431-70-41510	<b>4,537</b>	<b>4,715</b>
100-431-70-42080		<b>430</b>
100-431-70-42120	<b>2,800</b>	-
100-431-70-42170	<b>905</b>	-
100-431-70-42190	<b>18,000</b>	<b>4,309</b>
100-431-70-42400		-
100-431-70-42600	<b>500,000</b>	-
100-431-70-42650	<b>1,200,000</b>	-
100-431-70-43076		<b>280</b>
100-431-70-43090		<b>9,590</b>
100-431-70-43100		<b>12,000</b>
100-431-70-43210		<b>2,280</b>
100-431-70-43220		<b>60</b>
100-431-70-43610	<b>7,464</b>	<b>7,000</b>
100-431-70-43630		<b>190</b>
100-431-70-43860		<b>55,000</b>
100-431-70-44010		<b>14,800</b>
100-431-70-44030		<b>2,000</b>
100-431-70-44040		<b>3,200</b>
100-431-70-44190		<b>1,469</b>
100-431-70-44195		<b>5,525</b>
100-431-70-44370		<b>240</b>
Total Expen	<b>1,884,637</b>	<b>275,493</b>
	<b>(104,637)</b>	<b>(275,493)</b>

**CITY OF MOORHEAD**  
**PRELIMINARY ESTIMATED CHANGES IN MARKET VALUE**  
**(Residential, Apartments & C/I Only)**  
**06/22/16 Update**

	Residential	Apartments	Commercial & Industrial	Total	
<b>2015 Estimated Market Value</b>	\$ 1,893,184,700	\$ 293,869,800	\$ 445,839,000	\$ 2,632,893,500	
<i>Value Added New Improvements</i>	47,466,800	26,902,200	11,552,600	85,921,600	27.8%
<i>New Exemptions</i>		(12,160,000)	(9,697,500)	(21,857,500)	
<i>Expiring Exemptions</i>		4,950,000	3,633,900	8,583,900	3.7%
<i>Market Value Adjustments</i>	130,223,700	20,563,800	7,090,600	157,878,100	68.5%
<b>2016 Estimated Market Value</b>	<b>\$ 2,070,875,200</b>	<b>\$ 334,125,800</b>	<b>\$ 458,418,600</b>	<b>\$ 2,863,419,600</b>	
	9.39%	13.70%	2.82%	8.76%	
	6.9%	6.9%	1.6%	15.34%	

*These figures were based on the preliminary spring mini abstract!!*

**CITY OF MOORHEAD**  
**GROWTH IMPACT ON PROPERTY TAXES**  
**(Residential, Apartments & Commercial/Industrial)**

06/22/16 Update

	CHANGES IN MARKET VALUE				
	Residential	Apartments	Commercial & Industrial	Total	
<b>2015 Estimated Market Value</b>	\$ 1,893,184,700	\$ 293,869,800	\$ 445,839,000	\$ 2,632,893,500	
<i>Value Added New Improvements</i>	47,466,800	26,902,200	11,552,600	85,921,600	35.2%
<i>Market Value Adjustments</i>	130,223,700	20,563,800	7,090,600	157,878,100	64.8%
<b>2016 Estimated Market Value</b>	<b>\$ 2,070,875,200</b>	<b>\$ 341,335,800</b>	<b>\$ 464,482,200</b>	<b>\$ 2,876,693,200</b>	
	9.39%	16.15%	4.18%	9.26%	

	CHANGES IN TAX CAPACITY			
	Residential	Apartments	Commercial & Industrial	Total
<i>Value Added New Improvements</i>	474,654	343,778	241,490	1,059,922
<i>Market Value Adjustments</i>	1,302,237	257,048	141,812	1,701,097
<i>Exemptions Expired in Pay 2016</i>		61,875	72,519	134,394
<i>New Exemptions for Pay 2017</i>		(152,001)	(192,876)	(344,877)
	<b>\$ 1,776,891</b>	<b>\$ 510,700</b>	<b>\$ 262,945</b>	<b>\$ 2,550,536</b>

	TAXES GENERATED BY PROPERTY TYPE			
	Residential	Apartments	Commercial & Industrial	Total
<i>Value Added New Improvements</i>	187,690	135,940	95,490	419,120
<i>Market Value Adjustments</i>	514,950	101,650	56,080	672,680
<i>Exemptions Expired in Pay 2016</i>	-	24,470	28,680	53,150
<i>New Exemptions for Pay 2017</i>	-	(60,110)	(76,270)	(136,380)
<i>Expiring Rebates</i>	124,825			124,825
<i>Additional Rebates</i>	(221,327)			(221,327)
	<b>\$ 606,138</b>	<b>\$ 201,950</b>	<b>\$ 103,980</b>	<b>912,068</b>
<i>Impact to existing taxpayers due to rate increase</i>				301,725
<i>Total Property Tax Increase</i>				<b>\$ 1,213,793</b>

## 3-YEAR REVENUE AND EXPENDITURE FORECAST TAX-SUPPORTED FUNDS ONLY

ADDITIONAL ANNUAL EXPENDITURE INCREASES			
TYPE	2017	2018	2019
<b>Wages &amp; Benefits:</b>			
Class Comp Implementation*	410,000	359,000	315,350
2% Wage Adjustment	291,000	304,000	317,000
Health Insurance - <i>5% annual increase</i>	73,500	97,200	102,000
<b>Additional Staffing Authorized in 2015:</b>			
Assessing Division Reorganization	21,000		
<b>Internal Service Fund Charges:</b>			
Vehicles	39,000		
IT	42,500		
Set up New Maintenance Shop	(100,000)		
<b>Debt Service:</b>			
CIMS Project Carryover from 2015	144,000		
Addnl S/A Debt Service - 5-Yr CIP	510,000	375,000	325,000
Savings Resulting from Refundings	(130,000)		
<b>Other</b>			
RRRDC Increase - 6%	45,225	47,000	49,800
Election Costs	(35,000)	35,000	(35,000)
Transfer to Golf Courses	30,000	30,000	(350,000)
Transfer to HHIC	30,000	30,000	30,000
LARL Funding - 2% Annual Increase	14,370	14,655	14,950
Operating Budget Increase - 1/2%	65,000	65,500	66,000
Joint LEC Lease	25,000	25,000	100,000
Mass Transit Evening/Sunday Service	32,000	30,000	
<b>Total Additional Expenditures</b>	<b>\$ 1,507,595</b>	<b>\$ 1,412,355</b>	<b>\$ 935,100</b>

ADDITIONAL ANNUAL REVENUE INCREASES			
SOURCE	2017	2018	2019
Local Government Aid	7,452	-	-
<b>Enterprise Fund Transfers:</b>			
Electric - Based on kWh Proposal	125,000	125,000	125,000
Water	17,000	17,000	17,000
Wastewater	12,000	12,000	12,000
Storm Water	3,900	3,900	3,900
Sanitation	5,900	5,900	5,900
Pest Control	1,000	1,000	1,000
Forestry	1,200	1,200	1,200
Street Light	1,000	1,000	1,000
<b>Property Taxes:</b>			
New Construction - Apts & C/I (net exemptions)	282,740	141,370	141,370
Value Increase - C/I & Apartments	157,730		
Expiration of Exemptions	53,150	10,281	133,466
Value Increase - Residential	514,950		
Expiration of Rebates	124,825	183,150	171,443
Additional Rebates	(221,327)	(200,000)	(200,000)
Levy Increase Affecting Tax Rate	401,725	1,110,554	471,821
TIF Interfund Loan Repayment	19,350		50,000
<b>Total Additional Revenues</b>	<b>\$ 1,507,595</b>	<b>\$ 1,412,355</b>	<b>\$ 935,100</b>

\* Based on 2012 Class Comp Study

ANTICIPATED TAX LEVY INCREASES						
	Payable 2017		Payable 2018		Payable 2019	
<b>BY PURPOSE:</b>						
Wages & Benefits	774,500	7.0%	760,200		734,350	
Debt Service	524,000	4.7%	375,000		325,000	
Authorized Staffing Increases	21,000		0.2%			
Operations	(5,707)	-0.1%	1,245,355		718,100	
<b>Total Tax Levy Increase</b>	<b>1,313,793</b>		<b>2,380,555</b>		<b>1,777,450</b>	
	11.8%		19.2%		12.0%	
<b>BY TAXPAYER IMPACT</b>						
Levy Increase Absorbed by Growth	912,068	8.2%	134,801	1.1%	246,279	2.0%
Levy Increase Attributable to Additional Debt	524,000	4.7%	375,000	3.0%	325,000	2.6%
Levy Increase for Operations	(122,275)	-1.1%	1,870,754	15.1%	1,206,171	8.1%
<b>Total Tax Levy Increase</b>	<b>1,313,793</b>		<b>2,380,555</b>		<b>1,777,450</b>	

**Note: These increases do not impact Commercial, Residential or Apartment property owners.  
Border Cities legislation caps their property tax liability at 1.6% of Market Value, reduced from 1.9% in 2014**