



**Advisory Budget Work Group Agenda
June 10, 2015 - 4:00 PM
Boardroom - 1st Floor City Hall**

Advisory Budget Work Group

1. Overview of 2015 Assessable Value Pay 2016 _____

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CITY OF MOORHEAD
PRELIMINARY ESTIMATED CHANGES IN MARKET VALUE
(Residential, Apartments & C/I Only)

	Residential	Apartments	Commercial & Industrial	Total
2014 Estimated Market Value	\$ 1,687,828,800	\$ 262,010,800	\$ 420,594,500	\$ 2,370,434,100
<i>Value Added New Improvements</i>	43,882,600	13,193,300	15,814,900	72,890,800
<i>New Exemptions</i>		(700,000)	(9,993,500)	(10,693,500)
<i>Expiring Exemptions</i>		253,200	6,224,700	6,477,900
<i>Market Value Adjustments</i>	161,473,300	18,412,500	1,704,900	181,590,700
2015 Estimated Market Value	\$ 1,893,184,700	\$ 293,169,800	\$ 434,345,500	\$ 2,620,700,000
	12.17%	11.89%	3.27%	10.56%

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

ADDITIONAL ANNUAL EXPENDITURE INCREASES			
TYPE	2015	2016	2017
Wages & Benefits:			
Class Comp Implementation	586,000	680,000	668,000
Health Insurance - 8% in 2015; 10% after	147,700	174,100	191,500
PERA - Police & Fire	51,500	-	-
27th Pay Period	500,000	-	-
Minimum Wage Adjustments	62,000	31,000	-
Oakport Annexation:			
Additional Staff (5)	356,000		
Snow Removal - Contracted	50,000		
Vehicle Rent	22,500		
Internal Service Fund Charges:			
Vehicles	39,000	39,000	39,000
IT	42,500	42,500	42,500
Debt Service:			
2014 Projects Approved	369,500		
Future S/A Debt Service		200,000	100,000
Other			
Additional Rebates	93,500		
RRRDC Increase	40,000		
Legal Services (no Incr since 2011)	45,000		
All other	(16,166)		
Total Additional Expenditures	\$ 2,389,034	\$ 1,166,600	\$ 1,041,000

ADDITIONAL ANNUAL REVENUE INCREASES			
SOURCE	2015	2016	2017
Local Government Aid	36,136		
Enterprise Fund Transfers:			
2014 One-Time Electric Tfr Increase			
Electric - Based on kWh Proposal	(241,900)	125,000	125,000
Water	10,000	11,000	17,000
Wastewater	24,000	19,900	17,500
Other Funds	25,200		
Property Taxes:			
New Construction	193,720	175,000	150,000
Expiration of Exemptions	4,550	50,240	35,125
Expiration of Rebates	-	68,550	61,410
Additional Rebates	93,500	-	-
Oakport Tract 2	360,000	-	-
2014 Debt Service	369,500	200,000	100,000
Additional Operational Tax Levy	194,328	416,910	534,965
Engineering Fees	170,000		
Street Light Utility	650,000	100,000	-
Use of Reserves (27th Payperiod)	500,000		
Total Additional Revenues	\$ 2,389,034	\$ 1,166,600	\$ 1,041,000

PROPOSED TAX LEVY INCREASES

	<u>Payable 2015</u>	<u>Payable 2016</u>	<u>Payable 2017</u>
BY PURPOSE:			
<i>Oakport</i>	360,000	-	-
<i>Property Tax Rebates</i>	93,500	-	-
<i>Debt Service</i>	369,500	200,000	100,000
<i>Operations</i>	392,598	710,700	781,500
Total Tax Levy Increase	1,215,598	910,700	881,500
	14.4%	9.4%	8.3%

BY TAXPAYER IMPACT						
<i>Levy Increase Absorbed by Growth</i>	651,770	7.7%	293,790	3.0%	246,535	2.3%
<i>Levy Increase Affecting Taxes</i>	563,828	6.7%	616,910	6.4%	634,965	6.0%
Total Tax Levy Increase	1,215,598		910,700		881,500	

**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**

TYPICAL BUDGET PROCESS

Begin with tax supported funds:

Non-Discretionary Items –zero budget based approach:

- Full-Time Wages & Benefits – Detailed Staffing Level
- Seasonal Employees & Benefits
- Overtime & Benefits
- Debt Service – Re-evaluate Old & Add New
- Internal Service Fund Service Charges
- General Liability & Auto Insurance – typically around 5% increase
- Utilities, Telephone & Other Monthly Charges
- Other - RRRDC, Prosecution & Civil Legal Fees, Additional Property Tax Rebates, LARL, Community Partnerships

Discretionary Items – line item historical based analysis:

- Repair & Maintenance Accounts
- Supplies
- Motor Fuels –Historically kept at the same level due to volatility, however in 2015 adjusted budget to 10% over actual 2013 cost which resulted in an \$86,000 reduction citywide.
- Dues & Subscriptions
- Travel

Look at Revenue Sources – use both historical and projected analysis:

- Local Government Aid
- New Construction
- New Property Tax Exemptions
- Enterprise Fund Transfers
- Engineering Fees
- Franchise Fees
- Licenses & Permits – don't budget these to full estimate
- Other Fees and Charges

At this point we balance all of the tax supported funds individually.

Next to non-tax supported funds:

Balance Individual Funds – reserves may or may not be used in these funds:

- Capital Improvement Fund allocation – Determined by Electric Transfer
- Enterprise Funds – Fee increases, growth
- Internal Service Funds – balanced using to/from reserves as expenditures in these funds fluctuate from year to year

2016 BUDGET TIMELINE

JUNE						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8 Council Meeting	9	10 ABWG	11	12	13
14	15 COW	16	17	18	19	20
21	22 Council Meeting	23	24	25	26	27
28	29	30				

JULY						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	
5	6	7	8 ABWG?	9	10	11
12	13 Council Meeting	14	15	16	17	18
19	20 COW	21	22	23	24	25
26	27 Council Meeting	28	29	30	31	

AUGUST						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10 Council Meeting	11	12 ABWG?	13	14	15
16	17 COW	18	19	20	21	22
23	24 Council Meeting	25	26	27	28	29
30	31					

SEPTEMBER						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6		8	9	10	11	12
13	14 Council Meeting	15	16	17	18	19
20	21 COW	22	23	24	25	26
27	28 Council Meeting	29	30 Proposed Tax Levy Deadline			