



**City of Moorhead**  
**Advisory Budget Work Group**  
**Meeting Minutes**  
**June 22, 2016 at 4:00 PM**  
**City Hall – Boardroom (1<sup>st</sup> Floor)**

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Pursuant to due call and notice thereof, a regular meeting of the Advisory Budget Work Group was held in the City Hall Boardroom, on June 22, 2016, at 4:00 PM.

**Attendees:**

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

**1. Updated Revenue and Expenditure Forecasting**

- a. Wanda Wagner, Finance Director distributed an update to the 3 year revenue and expenditure forecasting model.
- b. Items such as wages and benefits, setting up the new internal service fund, local government aid, and portions of the property tax allocations changed slightly from the previous presentation.
- c. The market is doing well, which is increasing values and the City is able to recognize an additional \$912,000 in new revenue due to this growth. This growth covers a majority of the shortage needed to balance the budget and will result in a low tax rate increase.

**2. Internal Service Fund Update**

- a. Wanda Wagner, Finance Director distributed an update of the Vehicle and IT Internal Service Funds.
- b. Due to more accurate replacement costs being used, the Vehicle Fund cash balance will not grow such a significant balance as in the previous presentation.
- c. Actual wages and benefits were updated from the estimates used in the previous IT fund analysis. IT cash balance is getting pretty low and IT charges to other departments will need to be increased in order to build the cash balance back up to a more stable level.

**3. Maintenance Shop as Internal Service Fund**

- a. Wanda Wagner, Finance Director distributed an analysis showing the benefits of removing the Maintenance Shop function from the General Fund and putting it into a separate internal service fund.
- b. A detailed listing by account was distributed to show which budget line items could be excluded from the general fund and moved, which will include moving 2 employees' wages and benefits.
- c. Savings to be recognized in the General Fund budget would be approximately \$100,000.

**4. Next meeting & Proposed Agenda**

- a. Wednesday, July 20, 2016, at 4:00 PM, City Hall Boardroom (1<sup>st</sup> Floor)
  - i. Proposed Tax Levy Detail