



**Advisory Budget Work Group Agenda**  
**May 25, 2016 - 4:00 PM**  
**City Hall - Boardroom (1st Floor)**

---

**Advisory Budget Work Group**

1. Mass Transit Presentation \_\_\_\_\_
2. Updated Market Values \_\_\_\_\_
3. Tax Exemptions and Rebates \_\_\_\_\_

Upon request, accommodations for individuals with disabilities, language barriers, or other needs to allow participation in City Council meetings will be provided. To arrange assistance, call the City Clerk's office at 218.299.5166 (voice) or 711 (TDD/TTY).

Visit our website at [www.cityofmoorhead.com](http://www.cityofmoorhead.com)



# Transit Service Alternatives 2017 Budget

Lori Van Beek, Transit Manager

# Greater MN Transit Investment Plan

- Strategies Identified to Improve Service
  - Coverage
  - Connections and cross-system trips
  - Quality & on-time performance
  - Coordination
  - Investments based on performance
- Funding Available for Improvements
  - 20% local match

# Improvements to Small Urban Cities

Needs Identified	Strategy
Service gaps	Longer span of service (evening and early morning)
Service gaps	Saturday service
Service gaps	Sunday service
Customer experience / system reliability	Improve reliability (on-time performance)
Commuter options / congestion mitigation	Park & ride / Park & pool facilities

# Five-Year Transit Plan for F-M

- To be finalized in June 2016
- Service Gaps Identified for Moorhead
  - No Sunday Service (Fixed or Paratransit)
  - No core service in evenings (Currently operates 2 routes in evening vs. 5 core daytime)
  - Low frequency service on Saturdays (hourly vs. 30-minute)

# MAT Coordinating Board

- Review and recommend approval of the Five-Year Plan at their June 15<sup>th</sup> Board Meeting
- Recommend service improvements for 2017 Transit Budget and Beyond

# Ranking During Public Open Houses

- #1 - Sunday Service & Extending Core Routes into Evening were *tied*
- #2 – Adding second bus for 30-minute frequency on shopping Route 4 in evening

# Alternatives Identified - Sunday

- Sunday service on core routes 1, 2, 3, 4 & 5 (excludes 6 & 9)
- Hours 9 a.m. to 7 p.m.
- Hourly frequency
- Dependent on Fargo implementation of Sunday service
- Open GTC and Metro Transit Garage
- Add service to MAT Paratransit

Total Cost	State 80%	Local 20%
\$ 150,000	\$ 120,000	\$ 30,000



# Alternatives Identified– Evening

- Remove existing evening routes
- Increase coverage by extending core day routes
- Reduce frequency from 30 minutes to hourly, with exception of shopping route

Description	Total Cost	Local 20%
Core Day Routes Extended to Evening (remove existing two evening routes)	\$82,000	\$16,400
Add second bus for 30-minute frequency to Shopping Route 4	\$ 83,000	\$16,600

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

	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
<i>New Exemptions</i>		(11,560,000)	(4,682,200)	(16,242,200)
<i>Expiring Exemptions</i>		4,950,000	3,633,900	8,583,900
<i>Market Value Adjustments</i>	130,223,700	20,563,800	7,090,600	157,878,100
<b>2016 Estimated Market Value</b>	<b>\$ 2,070,875,200</b>	<b>\$ 334,725,800</b>	<b>\$ 463,433,900</b>	<b>\$ 2,869,034,900</b>

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

	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	31.1%
<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	422,978	231,052	1,128,684
<i>Market Value Adjustments</i>	1,302,237	257,048	141,812	1,701,097
<i>Exemptions Expired in Pay 2016</i>		99,000	72,678	171,678
<i>New Exemptions for Pay 2017</i>		(231,200)	(93,644)	(324,844)
	<b>\$ 1,776,891</b>	<b>\$ 547,826</b>	<b>\$ 351,898</b>	<b>\$ 2,676,615</b>

	TAXES GENERATED BY PROPERTY TYPE			
	Residential	Apartments	Commercial & Industrial	Total
<i>Value Added New Improvements</i>	187,690	167,260	91,370	446,320
<i>Market Value Adjustments</i>	514,950	101,650	56,080	672,680
<i>Exemptions Expired in Pay 2015</i>	-	39,150	28,740	67,890
<i>New Exemptions for Pay 2016</i>	-	(91,420)	(37,030)	(128,450)
	<b>\$ 702,640</b>	<b>\$ 216,640</b>	<b>\$ 139,160</b>	<b>1,058,440</b>
<i>Impact to existing taxpayers due to rate increase</i>				306,560
<i>Total Property Tax Increase</i>				<b>\$ 1,365,000</b>

## 2017 LGA - current law vs the HF848 conference committee report

Cityname	2014 Population	Certified 2016 LGA	2017 LGA Baseline	2017 LGA under HF848-ccr.	Increase in 2017 LGA	Per capita 2017 LGA increase
	(1)	(2)	(3)	(4)	(5=4-3)	(6=5/1)
<b>Non-metro</b>						
<b>Major Cities</b>						
DULUTH	86,367	29,264,120	29,299,735	29,782,098	482,363	5.59
ROCHESTER	111,007	7,190,925	7,215,608	7,549,910	334,302	3.01
ST CLOUD	66,462	12,006,847	12,045,227	12,565,028	519,801	7.82
Cluster total	263,836	48,461,892	48,560,570	49,897,036	1,336,466	5.07
<b>Regional Centers</b>						
ALBERT LEA	17,945	5,237,752	5,246,399	5,363,512	117,113	6.53
AUSTIN	25,010	7,984,340	7,996,510	8,161,347	164,837	6.59
BEMIDJI	14,376	3,222,583	3,230,437	3,336,800	106,363	7.40
BRAINERD	13,659	4,083,322	4,092,223	4,212,772	120,549	8.83
CLOQUET	12,258	2,356,480	2,363,651	2,460,763	97,112	7.92
FAIRMONT	10,464	3,530,759	3,426,119	3,426,119	0	0.00
FARIBAUT	23,631	5,395,536	5,409,262	5,595,163	185,901	7.87
FERGUS FALLS	13,280	3,635,852	3,639,516	3,689,134	49,618	3.74
HIBBING	16,340	8,098,794	8,101,990	8,145,281	43,291	2.65
HUTCHINSON	14,124	2,286,660	2,295,093	2,409,307	114,214	8.09
MANKATO	41,202	6,938,495	6,954,232	7,167,364	213,132	5.17
MARSHALL	13,719	2,427,970	2,432,207	2,489,599	57,392	4.18
MOORHEAD	41,181	7,128,746	7,136,198	7,237,116	100,918	2.45
NEW ULM	13,519	4,245,997	4,249,903	4,302,811	52,908	3.91
NORTHFIELD	20,313	2,889,833	2,898,829	3,020,663	121,834	6.00
OWATONNA	25,660	4,088,995	4,103,683	4,302,615	198,932	7.75
RED WING	16,505	1,289,906	1,124,856	1,124,856	0	0.00
WILLMAR	19,731	4,505,367	4,514,567	4,639,165	124,598	6.31
WINONA	27,581	9,800,483	9,811,876	9,966,185	154,309	5.59
WORTHINGTON	12,986	3,170,982	3,177,961	3,272,485	94,524	7.28
Cluster total	393,484	92,318,852	92,205,512	94,323,057	2,117,545	5.38
<b>Sub-Regional Center</b>						
AITKIN	2,151	754,102	754,596	761,290	6,694	3.11
ALEXANDRIA	13,182	1,471,798	1,475,493	1,525,526	50,033	3.80
APPLETON	1,374	848,291	834,551	834,551	0	0.00
BAUDETTE	1,079	301,822	302,107	305,956	3,849	3.57
BAXTER	8,002	0	0	0	0	0.00
CANNON FALLS	4,108	640,227	640,873	649,627	8,754	2.13
COOK	570	161,276	161,424	163,417	1,993	3.50
CROSSLAKE	2,193	0	0	0	0	0.00
DEERWOOD	532	12,881	13,190	17,362	4,172	7.84
DETROIT LAKES	9,053	791,204	792,420	808,889	16,469	1.82
GRAND MARAIS	1,367	69,282	55,612	55,612	0	0.00
GRAND RAPIDS	11,114	1,322,103	1,329,177	1,424,991	95,814	8.62
HINCKLEY	1,794	339,686	340,500	351,530	11,030	6.15
LA PRAIRIE	671	66,559	59,849	60,533	684	1.02
MOTLEY	663	159,854	160,298	166,304	6,006	9.06
MT IRON	2,903	1,298,446	1,301,211	1,338,661	37,450	12.90
NISSWA	2,015	0	0	0	0	0.00

## 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*	417,500	358,750	315,350
2% Wage Adjustment	291,000	304,000	309,000
Health Insurance - 5% annual increase	104,000	106,000	114,500
<b>Additional Staffing Authorized in 2015:</b>			
Assessing Division Reorganization	21,000		
<b>Internal Service Fund Charges:</b>			
Vehicles	39,000		
IT	42,500		
<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%	44,400	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>\$ 1,644,770</b>	<b>\$ 1,420,905</b>	<b>\$ 939,600</b>

ADDITIONAL ANNUAL REVENUE INCREASES			
SOURCE	2017	2018	2019
Local Government Aid	100,918	-	-
<b>Enterprise Fund Transfers:</b>			
Electric - Based on kWh Proposal	125,000	125,000	125,000
Water	17,000		
Wastewater	17,500		
Other Funds			
<b>Property Taxes:</b>			
New Construction (net of exemptions)	317,870		
Value Increase - C/I & Apartments	157,730		
Expiration of Exemptions	67,890	10,281	133,466
Expiration of Rebates	125,028		
Additional Rebates	(132,963)	-	-
Debt Service	524,000	375,000	325,000
Additional Operational Tax Levy	305,447	920,905	439,600
TIF Interfund Loan Repayment	19,350		50,000
<b>Total Additional Revenues</b>	<b>\$ 1,644,770</b>	<b>\$ 1,431,186</b>	<b>\$ 1,073,066</b>

\* Based on 2012 Class Comp Study

ANTICIPATED TAX LEVY INCREASES					
	Payable 2017		Payable 2018		Payable 2019
<b>BY PURPOSE:</b>					
Property Tax Rebates	(7,935)		-		-
Debt Service	524,000	4.7%	375,000		325,000
Authorized Staffing Increases	21,000		0.2%		
Operations	827,937	7.5%	931,186		573,066
<b>Total Tax Levy Increase</b>	<b>1,365,002</b>		<b>1,306,186</b>		<b>898,066</b>
	12.3%		10.5%		6.5%
<b>BY TAXPAYER IMPACT</b>					
Levy Increase Absorbed by Growth	535,555	4.8%	10,281	0.1%	133,466
Levy Increase Attributable to Additional Debt	524,000	4.7%			
Levy Increase for Operations	305,447	2.7%	1,295,905	10.4%	764,600
<b>Total Tax Levy Increase</b>	<b>1,365,002</b>		<b>1,306,186</b>		<b>898,066</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**