

2015 MAYOR'S PRELIMINARY BUDGET

City of Grand Forks, North Dakota
City Council
August 18, 2014

AGENDA

- Guiding Principles
- Mayor's Direction
- Special Revenue Funds
- Enterprise Funds
- Capital Project Funds
- CIP
- General Fund
- Mill Rate Comparison
- Conclusion
- Next Steps
- Questions

GUIDING PRINCIPLES

- Budgeting critical for expenditure control
- Budget document
 - Planning & management tool
 - Long-term perspective
- Fiscal & budgetary policies
 - Integrity
 - Prudent Stewardship
 - Planning
 - Accountability

GUIDING PRINCIPLES, cont...

- Fund Balance – General Fund
 - Fund Balance Policy –
 - Maintain Target Unassigned Fund Balance at 18%
 - If drops below this level
 - Replenish within 3 years
 - Estimated General Fund Unassigned Fund Balance
 - \$6.6M @ 12/31/14
 - 18% of 2015 Budgeted Expenditures
 - Department Cash Carryover – Consider for capital items
 - Excess –
 - Move to Loan & Stabilization Fund
 - Mitigate future tax impacts
 - Use for one-time expenditures
 - Public Building Fund needs
 - Street Projects/Maintenance

GUIDING PRINCIPLES, cont...

- Expenditures
 - Maintain Integrity of Market/PFP System
 - 3.72% Based on market comparisons
 - Detailed salary plan information in back of budget binder
 - Good performance review required
 - Efficiencies
 - Continue to rethink operations for efficiency opportunities

MAYOR'S DIRECTION

- Grand Forks Promise – 5 Pillars
 - Safe community
 - Affordable place to live & do business
 - Commitment to youth
 - Rich cultural & healthy experiences
 - Opportunities to be engaged
- Close budgetary gaps
 - Fiscally responsible measures
 - Prudent resource allocation
- Maintain reserves backed by sound financial policy
- Continue 6-year planning-Minimize fiscal impact to citizens
 - Annual review of priorities
 - Develop long-term financial planning-concerted efforts of administration & City Council

MAYOR'S DIRECTION, cont...

- Responsive, equitable service to community
- Maintain quality and level of service
- Plan for Public Buildings – integrate energy efficiency
- Evaluate necessary investments
 - To provide same standard of service meeting residents' future needs & expectations
- Employees – Treat fairly
 - Consistent with City Council's history of employee compensation
- Evaluate processes/Seek efficiencies
 - Process improvements; utilization of technology; improve service delivery
- Vacant Positions
 - Continue to examine – maximize scope of existing positions

SPECIAL REVENUE FUNDS

- Special Revenue Funds – Account for proceeds of specific revenue for specific purpose
- 2015 Highlights of SR Funds
 - 2101 Loan & Stabilization (est. cash balance \$710,000 1/1/15)
 - Make the following transfers to prevent any mill increases
 - \$52,680 to Insurance Reserve Fund (2151)
 - City Share (2142)/City Special Assessment Funds (2145)
 - Transfer remaining balance from City Share to City Special Assessment Fund
 - 2121 Public Building
 - SE Fire Station – construction in 2015
 - Estimated cost \$2,380,000
 - \$2,041,095 reserve balance set aside for this purpose
 - \$338,905 transferred from emergency funds to cover remainder
 - \$675,000 budgeted for Senior Citizen Center – existing building
 - 75% share (they'll apply for CDBG funds as competitive process for remaining 25% needed for project)
 - \$81,700 included energy efficiency lighting project
 - Estimating grant dollars of \$25,000 to help offset cost
 - Projection includes other building needs in 6 year outlook
 - HVAC (North Fire Station), Impound Lot (blacktop), Boilers (City Hall), Elevator (City Hall), Roof (PD Annex)

Special Revenue Funds, cont...

- 2015 Highlights, cont.
 - 2163 Economic Development
 - \$10,000 for City contribution of Greater Grand Forks Young Professional organization
 - \$75,000 for Go Downtown/Downtown Development Association (DDA)
 - SIG project funding
 - Used Economic Development sales tax dollars toward development to serve primary sector businesses
 - Approximately \$1.4M included in 2015 budget
 - Projected total use in 6 year period \$4.7M
 - Continue contribution to EDC, JDA, special events & arts
 - Mayor's calling for committee
 - Process/use of arts/events funds
 - Also to include beautification funds in discussion

ENTERPRISE FUNDS - Sanitation

- 2015 BUDGET:

Begin Operating Cash	\$0.4
Revenues	\$9.7
Expenses	<u>\$9.3</u>
End Operating Cash	\$0.8

(Amounts in Millions)

Rate Increase for 2015
Collection 4%
Landfill 4%

Estimated Cash Balance 1/1/15

Operating Cash	\$450,000
Planned Use of Reserved Cash:	
Legally Restricted:	
Debt Service	\$1,200,000
Baling Reserve	250,000
Landfill Closure & Post Closure	<u>\$1,650,000</u>
Total Cash	\$3,550,000

ENTERPRISE FUNDS - Wastewater

- 2015 BUDGET:

Begin Operating Cash	\$ 0.8
Revenues	\$10.2
Expenses	<u>\$10.2</u>
End Operating Cash	\$ 0.8

(Amounts in Millions)

5% Rate Increase for 2015

Estimated Cash Balance 1/1/15

Operating Cash	\$ 750,000
Planned Use of Reserved Cash:	
Future Vactor Cleaner	\$ 200,000
Set aside lawsuit proceeds for WWTP repairs	\$ 400,000
Unreserved	\$ 100,000

Legally Restricted:

Debt Service	<u>\$4,000,000</u>
Total Cash	\$5,450,000

ENTERPRISE FUNDS - Water

- 2015 BUDGET:

Begin Operating Cash	\$ 0.8
Revenues	\$16.8
Expenses	<u>\$15.8</u>
End Operating Cash	\$ 1.8

(Amounts in Millions)

7% Rate Increase for 2015

Estimated Cash Balance 1/1/15

Operating Cash	\$ 800,000
Planned Use of Reserved Cash:	
Future WTP Project	\$6,000,000
Legally Restricted:	
Debt Service	<u>\$2,500,000</u>
Total Cash	\$9,300,000

ENTERPRISE FUNDS - Stormwater

- 2015 BUDGET:

Begin Operating Cash	\$0.7
Revenues	\$2.7
Expenses	<u>\$2.7</u>
End Operating Cash	\$0.7

(Amounts in Millions)

2015 Rate Increase:

5% Rate Increase in Stormwater Fee

0% Rate Increase in flood protection/greenway mtce fee

Estimated Cash Balance	1/1/15
Operating Cash	\$ 750,000
Planned Use of Reserved Cash:	
Future purchase-Vactor Cleaner	30,000
Future Flood Station/Eq Repair	60,000
Future SW/Dike/Greenway renewal & replacement	80,000
Future SW Projects	200,000
Legally Restricted:	
Debt Service	<u>700,000</u>
Total Cash	\$1,820,000

ENTERPRISE FUNDS – Monthly Utility Bill (4,000 Gallons Per Month)

- 2014

5/8" Min. Charge	\$ 6.76
Water Usage	13.95
Refuse	15.21
Wastewater Min.	13.17
Wastewater usage	12.28
Mosquito	2.55
Stormwater:	
Flood Prot/Greenway	
Mtce	1.39
Stormwater	<u>2.72</u>
Total Bill	\$68.03

- 2015

5/8" Min. Charge	\$ 7.23
Water Usage	14.93
Refuse	15.81
Wastewater Min.	13.83
Wastewater usage	12.90
Mosquito	2.55
Stormwater:	
Flood Prot/Greenway	
Mtce	1.39
Stormwater	<u>2.86</u>
Total Bill	\$ 71.50
Overall Increase	\$3.47
	5.1%

ALERUS CENTER

- Projecting profit of \$151,301
 - Assumptions used:
 - 5 UND home football games
 - Estimated attendance of 7,000 per game
 - 2 ticketed events
 - Hospitality tax estimated 3% increase
 - Full time labor based on current full time positions
 - Part time labor based on schedule
 - Further detail in executive summary – distributed at work session
 - CIP totals \$2.1M

CAPITAL PROJECT FUNDS

2014 Budget	\$ 7.3 M
2015 Budget	<u>\$35.1 M</u>
Increase	\$27.8 M

2015 Capital Projects Include:

Combined Hwy User & Infrastructure

Into one Capital Project Fund

\$19,834,913

Sidewalk Repair – ADA

\$ 50,000

2015 Special Assessment Projects

\$10,000,000

Wastewater Capital Project-pump station

\$ 5,000,000

Nuisance Abatement

\$ 11,000

Bikeway

\$ 150,000

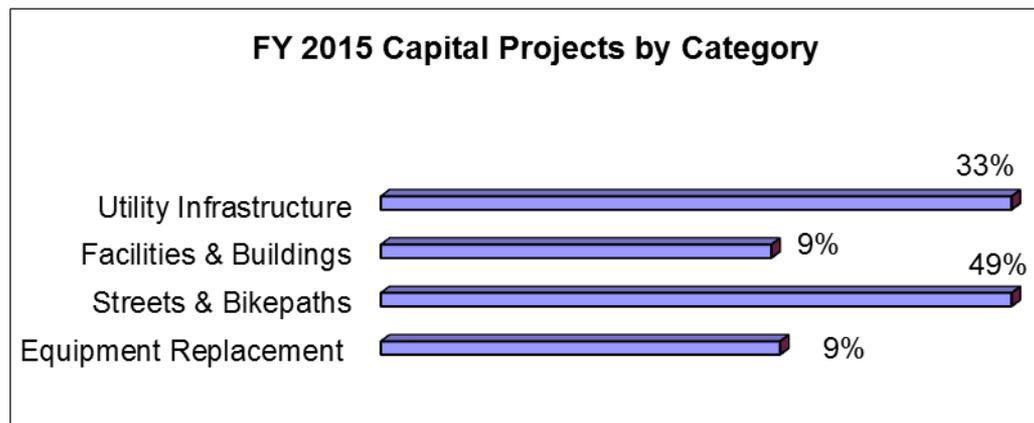
Total 2015 Budgeted Capital Projects

\$35,095,913

CIP – CAPITAL IMPROVEMENT PLAN

- The 2015 CIP is distributed into the following categories:

Equipment Replacement	\$	5,062,824
Streets & Bikepaths	\$	26,044,822
Facilities & Buildings	\$	4,951,500
Utility Infrastructure	\$	<u>17,903,249</u>
	\$	53,962,395



CIP-CAPITAL IMPROVEMENT PLAN, Cont...

Highlights of 2015 Projects:

- Construction of SE Fire Station
- Water Treatment Plant Project
- Pump Station Rehab & 2 New Pump Stations
- Demers Ave Maintenance (I-29 to Fire Station)
- Columbia Rd (36th to 40th Ave S)
- S Washington (47th Ave S to Southend Drainway)
- Belmont Rd (57th to 62nd Ave S)
- 42nd St S (34th to 40th Ave S)
- S 38th St (40th to 43rd Ave S)
- University Ave (55th to 58th Ave S)
- HW2 NW
- I-29 S
- LED Street Light Replacement Program
- Street Maintenance/Controllers/Traffic Signals/Street lights/Intersection Improvements

CIP-CAPITAL IMPROVEMENT PLAN, Cont...

CASH FLOW PROJECTION OF STREET/INFRASTRUCTURE FUND						
	2015	2016	2017	2018	2019	2020
SOURCES OF FUNDS:						
Highway Users Tax (3% increase/yr)	\$ 3,764,216	\$ 3,877,143	\$ 3,993,457	\$ 4,113,261	\$ 4,236,659	\$ 4,363,758
Legislative distribution(1)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$ 1,000,000
Sales Tax Revenue (3% increase annually)	3,052,173	3,143,738	3,238,051	3,335,192	3,435,248	3,538,305
Use Tax (3% increase annually)	905,631	932,800	960,783	989,607	1,019,295	1,049,874
Transfer from Economic Development for SIG projects	1,370,400	1,061,040	152,560	146,160	3,600	-
Interest	152,118	56,714	17,544	(10,503)	(157,845)	(212,753)
Estimated Yearly Revenue	10,244,538	10,071,435	9,362,395	9,573,717	9,536,957	9,739,184
Use of Bridge Reserve Cash	50,000	50,000	200,000	1,500,000	200,000	500,000
Est Carryover Beginning Yr	15,211,753	5,671,378	1,754,373	(1,050,281)	(15,784,510)	(21,275,336)
Available for Expenditure	25,506,291	15,792,813	11,316,768	10,023,436	(6,047,553)	(11,036,152)
USES OF FUNDS:						
Ongoing Obligations:						
Interdept chgs;ADA SW approach;Gen Fund Streets)	1,658,401	1,638,230	1,659,676	1,682,517	1,706,793	1,732,547
Street Maintenance (Traffic signal; minor street repair; Mtce Street lights;Minor Intersection Imp;etc)	382,099	387,720	393,456	379,305	385,271	391,355
Street Maintenance (mill/overlay)	855,460	881,124	907,558	934,784	962,828	991,713
Bikeway Capital & Mtce	100,000	100,000	100,000	100,000	100,000	100,000
Landscaping(Beautification)	123,416	127,118	130,932	134,860	138,905	143,072
Property Management	187,037	192,648	198,427	204,380	210,511	216,827
Debt Service (2021)	1,366,100	1,340,600	1,340,000	1,258,100	1,274,475	1,273,100
Sub-total Ongoing Obligations	4,672,513	4,667,440	4,730,049	4,693,946	4,778,783	4,848,614
Set Aside Reserve for Bridge/Underpass Project	300,000	400,000	500,000	500,000	200,000	200,000
Replace Downtown Street Light System	60,000	-	-	-	-	-
Replace Downtown Street Lights with LED Lamps	50,000	-	-	-	-	-
Intelligent Transportation System	47,000	-	-	-	-	-
Total Street Projects Budgeted (see detail listing for breakdown)(2)	14,705,400	8,971,000	7,137,000	20,614,000	10,249,000	4,544,000
Total Expenditures	19,834,913	14,038,440	12,367,049	25,807,946	15,227,783	9,592,614
Amount Available for Carryover (Cash Balance)	\$ 5,671,378	\$ 1,754,373	\$ (1,050,281)	\$ (15,784,510)	\$ (21,275,336)	\$ (20,628,766)
Revenue over/(under) expenditures annually	\$ (9,590,375)	\$ (3,967,005)	\$ (3,004,654)	\$ (16,234,229)	\$ (5,690,826)	\$ 146,570
(1)Includes assumption of funding from the State based on recent history of legislative distributions; adjust priority of projects if funding from State is not realized						
(2) will be working with State Legislators to secure additional funding for projects; will also look to timing and bonding of projects as needed for cash flow purposes						

CIP-CAPITAL IMPROVEMENT PLAN, Cont...

STREET/HIGHWAY PROJECTS INCLUDED IN 2015 BUDGET 6-YEAR CIP	Timeline	Street/Infrastructure					Total Project Cost
		Fund \$ budgeted	Federal	State	Special	Economic	
		in this timeline	Share	Share	Assessment	Development	
Bikepath Development	2015-2020	\$ 270,000	\$ 600,000	\$ -	\$ -	\$ -	\$ 870,000
Sorlie Bridge - (Use of Bridge Reserve Funds)	2015-2019	2,000,000	11,880,000	1,330,000	-	-	15,210,000
Intersection Improvements(11th Ave S/42nd St)	2015	70,000	-	-	-	-	70,000
S Washington Prev Maintenance (32nd Ave S to Hammerling)	2015	40,000	-	-	-	-	40,000
17th Ave S/Columbia, 32nd & 38th Turn Lanes	2016-2017	150,000	392,000	-	-	-	542,000
Intersection Improvements(24th & 34th Roundabout)	2015	40,000	-	-	-	-	40,000
Columbia Rd (11th - 14th Ave S)	2015-2017	2,300,000	4,027,000	-	-	-	6,327,000
Intersection Improvements (S Washington St & 40th Ave S)	2015	30,000	-	-	-	-	30,000
Gateway Dr/Hwy 2 (I-29 to 55th St) Prev. Mtce	2015	20,000	-	-	-	-	20,000
Columbia Rd (40th to 47th Ave S)	2015-2018	4,350,000	3,000,000	-	-	-	7,350,000
Demers Ave Maintenance (I-29 to Fire Station)	2015-2016	450,000	2,000,000	250,000	-	-	2,700,000
N Washington St US81 Surface Treatment	2017-2019	40,000	132,000	16,500	-	-	188,500
	2018-2020	161,000	888,000	111,000	-	-	1,160,000
N Wash Reconst (5th Ave S to 1st Ave N-includes Underpass)	2019-2020	1,337,000	13,896,000	1,737,000	-	-	16,970,000
N Washington Reconstruct - portion from Bridge Res Cash		500,000	-	-	-	-	500,000
Kennedy Bridge	2015-2017	200,000	10,118,000	2,383,000	-	-	12,701,000
Business Hwy 2 (Gateway to I-29) Asphalt	2016-2017	95,000	1,214,000	239,000	-	-	1,548,000
Traffic Signals - 42nd & Gardenview	2016-2018	320,000	640,000	-	-	-	960,000
Traffic Signals	2018-2020	230,000	500,000	-	-	-	730,000
Columbia Rd & 24th Ave S - Pole Foundations	2015	30,000	-	-	-	-	30,000
42nd Street & 32nd Ave S/I29 Ramp Reconfiguration	2019-2020	1,050,000	-	-	-	-	1,050,000
47th Ave S Interchange (48th to Columbia)	2015-2019	10,200,000	-	36,800,000	-	-	47,000,000
Business US 2 Reconstruction (6th to Red River)	2016-2019	1,300,000	3,200,000	400,000	-	-	4,900,000
N 42nd Street Reconstruct (University Ave to Gateway Drive)	2016-2019	2,800,000	4,880,000	-	-	-	7,680,000
Traffic Signal Interconnect	2015-2018	200,000	-	-	-	-	200,000
S Washington St (47th Ave S to SE Drainway)	2015-2016	3,190,000	-	-	-	-	3,190,000
S Washington St (SE Drainway to 55th Ave S)	2018-2020	2,212,000	-	-	528,000	-	2,740,000
Consulting Assesment for Special Revisions	2015	75,000	-	-	-	-	75,000
Columbia Rd (36th to 40th Ave S)	2015-2016	4,000,000	-	-	-	-	4,000,000
LED Street Light Replacement Program	2015-2020	300,000	-	-	-	-	300,000
Reconstruct Granitoid (Cottonwood St, 2nd Ave S, 3rd Ave S)	2015	120,000	-	-	30,000	-	150,000

CIP-CAPITAL IMPROVEMENT PLAN, Cont...

STREET/HIGHWAY PROJECTS INCLUDED IN 2015 BUDGET 6-YEAR CIP (cont.)		Street/Infrastructure						
Project	Timeline	Fund \$ budgeted	Federal	State	Special	Economic	Total Project	
		in this timeline	Share	Share	Assessment	Development	Cost	
47th Ave S (Washington St to SE Drainway)	2015	50,000	-	-	-	-	50,000	
47th Ave S (SE Drainway to 20th)	2015-2017	3,310,000	-	-	340,000	-	3,650,000	
47th Ave S (20th to Columbia Rd)	2017-2019	3,850,000	-	-	900,000	-	4,750,000	
Belmont Rd (57th to 62nd Ave S)	2015	1,560,000	-	-	390,000	-	1,950,000	
University Ave Bridge Repair	2015-2016	300,000	-	-	198,000	-	498,000	
S 38th St (40th-43rd)	2015-2016	548,000	-	-	132,000	-	680,000	
S 42nd St (34th-40th Ave S; rural section)	2015-2016	790,000	-	-	185,000	-	975,000	
N 62nd (Gateway to 10th)	2016	432,960	-	-	132,000	95,040	660,000	
University Ave (55th to 58th Ave S)	2015-2016	406,000	-	-	-	406,000	812,000	
University Ave (58th to 62nd St N)	2016-2017	406,000	-	-	198,000	406,000	1,010,000	
Cherry St (55th to 58th Ave S)	2015	50,000	-	-	-	-	50,000	
S 34th St (45rd to 47th Ave S)	2016	276,000	-	-	69,000	-	345,000	
Columbia Rd Rehab (14th to 17th Ave S)	2017	500,000	-	-	-	-	500,000	
Cherry St (58th to 62nd Ave S)	2018	528,000	-	-	132,000	-	660,000	
S 38th St (43rd to 47th Ave S)	2018	528,000	-	-	132,000	-	660,000	
62nd Ave S (Belmont to Washington)	2018-2020	6,124,000	-	-	1,468,500	-	7,592,500	
S 48th St (32nd to 47th Ave S)	2017-2020	1,416,000	-	-	279,000	-	1,695,000	
Columbia Rd Overpass	2020	100,000	-	-	-	-	100,000	
32nd Ave S Reconstruct (Washington St to I29)	2020	500,000	-	-	-	-	500,000	
Traffic Signal-temporary (Washington & 44th Ave S)	2015	150,000	-	-	-	-	150,000	
N 36th St (20-24th)	2016	-	-	-	140,000	560,000	700,000	
HW2 NW	2015	-	-	-	-	974,400	974,400	
I29 S	2015	496,000	-	-	-	-	496,000	
62nd St (University to 6th)	2017-2018	665,840	-	-	-	146,160	812,000	
62nd St (6th to 10th)	2018-2019	665,840	-	-	-	146,160	812,000	
6th Ave (55th to 58th)	2019-2020	812,000	-	-	-	-	812,000	
6th Ave (58th to 62nd)	2020	792,000	-	-	-	-	792,000	
Sidewalks (Special Assessment)	2015-2020	-	-	-	1,050,000	-	1,050,000	
Quiet Zone Redundancy	2015-2017	150,000	-	-	-	-	150,000	
		\$ 63,486,640	\$ 57,367,000	\$ 43,266,500	\$ 6,303,500	\$ 2,733,760	\$ 173,157,400	

GENERAL FUND

- 2015 Budget Highlights:
 - Mill Reduction for 2015
 - 3.89 mill decrease – set aside equivalent of 4 mills for future fire station operational impact (beginning 2016)
 - 5.68 mill decrease inclusive of all funds
 - Just takes amount due to growth + inflation (equivalent to 1.5%)
 - Wage increase 3.72% (overall average)
 - Salary Plan as presented at July 14th work session & in your budget binder
 - Continue funding Defined Benefit pension plan as recommended contributions-21 years left on 30 year plan to fully fund
 - Health Insurance 14% Increase in Premium for ½ year (currently locked in with rate through 6/30/15)
 - Council Pay – budgeted for increase as previously approved

GENERAL FUND, cont...

- 2015 Budget Highlights:
 - Funding Capital replacement reserve of \$337,775
 - Eventually, all GF vehicles will be on a replacement schedule & paid from this reserve & a flat amount budgeted annually to prevent spikes in budgeting
 - Internship Program
 - \$25,000 budgeted
 - Change in FTE's
 - Assessing
 - +1 Real Estate Appraiser (classified)
 - Engineering
 - +1 Civil Engineering Technician (temp)
 - Increased revenue associated with growth
 - Human Resources
 - +1 HR Technician (temp)

GENERAL FUND

- 2015 Budget Highlights: (cont)
 - Health
 - +1 Environmental Health Specialist
 - .6 General Fund; .4 Local Health Svc fees
 - Info Center
 - -.2 Communication Specialist
 - Shift funding with available grant dollars
 - Police
 - +1 Officer, which comes off grant
 - Had already been partially funded by general fund as a match
 - Inspections
 - +2 Building Inspectors (temp)
 - Help with increased building activity as well as transition for retirements
 - Funded with increased revenue associated with building activity
 - Streets
 - +1 Parking Enforcement (temp)
 - Funded through fees

GENERAL FUND, cont...

- Revenue Assumptions
 - Property Tax
 - 1 mill = Estimated Value \$180,200
 - Compares to \$162,284 in 2014
 - 11.04% estimated increase value of mill
 - Approximately 63.5% from revaluation; 36.5% from new construction & everything excluding revaluation
 - 5.68 mill decrease– equates to the City taking only increase of 1.5%
 - Growth + Inflation
 - Sales Tax
 - Budget includes 3% increase in sales tax from 2014 budget
 - Allocate 1% sales tax as in 2014 & previously
 - 49.5% General Fund
 - 20.5% Economic Development
 - 30% Infrastructure

GENERAL FUND, cont...

- State Aid
 - Estimating increase due to State's projection
- Increases budgeted due to growth/building activity
 - License/permit fees
 - Includes building permit and other related permit fees
 - Charges for services
 - Includes engineering/administration fees for projects
 - Due to these increases from growth, able to reduce number of mills

GENERAL FUND, cont...

GENERAL FUND SUMMARY

	2014 Adopted	2015 Mayor	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Revenue	\$ 34,691,216	\$ 36,439,648	\$ 1,748,432
Use of Department Carryover	\$ 21,100	\$ -	(21,100)
Expense	<u>(34,712,316)</u>	<u>(36,439,648)</u>	<u>(1,727,332)</u>
Net	\$ -	\$ -	\$ -

REVENUE SUMMARY

RE Tax - for GF operations	\$ 12,262,680	\$ 12,914,430	\$ 651,750
(offset by amount set aside in reserve for future SE Fire Station)	<u>(488,553)</u>	<u>(720,800)</u>	<u>(232,247)</u>
Net RE Tax for current operations	11,774,127	12,193,630	\$ 419,503
Airport RE Tax	701,888	740,067	38,179
Penalty-Delinq Tax	50,000	50,000	-
Pmt In Lieu-Utilities	807,622	739,426	(68,196)
Sales Tax	4,889,404	5,036,086	146,682
Fire Prevention Tax	21,000	20,000	(1,000)
License & Permit Fees	1,540,004	1,884,524	344,520
State Aid	4,300,000	4,450,000	150,000
Other Intergovernmental	790,493	826,963	36,470
Operational & Wage Reimb's - from other funds	3,898,647	3,975,960	77,313
Other Charges for Services	1,341,472	2,002,807	661,335
Special Assessment Revenue	165,809	106,726	(59,083)
Fines & Forfeitures	912,300	857,800	(54,500)
Cable Franchise Fee	865,000	890,000	25,000
Nodak Franchise Fee	224,000	235,000	11,000
Xcel Franchise Fee	1,125,000	1,125,000	-
Interest & Other misc	143,553	131,221	(12,332)
Council Mtg Sponsorship & Calendar Advertising	28,083	28,083	-
Operating Transfers In	<u>1,112,814</u>	<u>1,146,355</u>	<u>33,541</u>
Annual revenue stream	34,691,216	36,439,648	1,748,432
Use of Department Carryover	<u>21,100</u>	<u>-</u>	<u>(21,100)</u>
Total Revenue	34,712,316	36,439,648	1,727,332

GENERAL FUND, cont...

GENERAL FUND SUMMARY

	2014	2015 Mayor	
	<u>Adopted Budget</u>	<u>Budget</u>	<u>Change</u>
EXPENSE SUMMARY			
Personnel Services -	18,694,753	19,824,085	1,129,332
Benefits	7,450,324	7,900,172	449,848
Materials & Supplies	1,354,965	1,393,793	38,828
Utilities	837,249	871,725	34,476
Contract Services	1,203,255	1,266,075	62,820
Mtce Structures	245,455	252,755	7,300
Mtce Equip	968,651	982,505	13,854
Other Operations	2,001,610	1,978,624	(22,986)
Transfer Out(primarily PSAP)	769,928	822,084	52,156
Capital	889,544	815,055	(74,489)
Capital Replacement Reserve	296,582	332,775	36,193
Total Expense	<u>\$ 34,712,316</u>	<u>\$ 36,439,648</u>	<u>\$ 1,727,332</u>
Net Change - revenue over/(under) expense	\$ -	\$ -	\$ -

GENERAL FUND, cont...

- Cash Balances

General Fund Fund Balance		Recommendation: Use of Cash to fund Reserves for Public Building Fund; Streets needs	
As of 12/31/2013			
General Fund Unassigned Fund Balance 12/31/13	\$ 8,742,287	Estimated Cash Balance (Assuming Revenue & Expenditures com in as budgetd im 2014	\$8,414,733
Less:		Public Building Fund Needs	(750,000)
Unrealized Gain	(179,988)	Street Projects	<u>(1,047,101)</u>
Doris Olson Bequest	(67,158)	Revised estimated cash balance	\$6,617,632
Offstreet Parking Cash	(500)		
Customer Deposits	(79,908)	Revised estimated cash balance	6,617,632
		Revised estimated cash balance as % of total budgeted expenditures	18.14%
General Fund Cash available for 2014 budget	\$ 8,414,733		

GENERAL FUND-Plan for SE Fire Station & Operational Impact to Budget

CITY OF GRAND FORKS, NORTH DAKOTA
 INTEGRATED FINANCIAL PLANNING MODEL
 FISCAL YEARS 2015 - 2020

1 MILL INCREASE PER YEAR FOR 2 YEARS (2012 & 2013) - SET ASIDE
 EQUIVALENT OF 1 MILL PER YEAR IN 2014 & 2015 - SE FIRE STATION OPERATIONAL IN 2016

GENERAL FUND	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Revenue				37,160,448	38,459,615	39,787,666	41,339,035	42,998,195	44,695,945
Less mills reserved toward Fire Station operations	(149,311)	(306,962)	(488,553)	(720,800)	-	-	-	-	-
Use of Department Carryover				-	-	-	-	-	-
Use of Fire Station Reserve Cash				-	848,442	373,439	310,352	133,393	-
Total Sources of Funds				36,439,648	39,308,057	40,161,105	41,649,387	43,131,588	44,695,945
Total Expenditures				36,439,648	39,308,057	40,161,105	41,649,387	43,178,902	44,874,388
Net Change in Cash Balance				-	-	-	-	(47,314)	(178,443)
Cash Balance - Beginning				\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,552,686
Cash Balance - Ending				\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 6,552,686	\$ 6,374,243

Assumptions:

Property Tax budgeted w/growth as projected in budget model (ranging from 5.5 to 5.79%)

3% increase per year in sales tax

3% increase per year in state aid

3% increase per year in salaries

10% increase per year in Utilities/fuel

12 FTEs in 2016 for SE Fire Station

Follow up item:

Public safety master plan to determine appropriate number and timing of additional safety personnel

MILL RATE COMPARISON

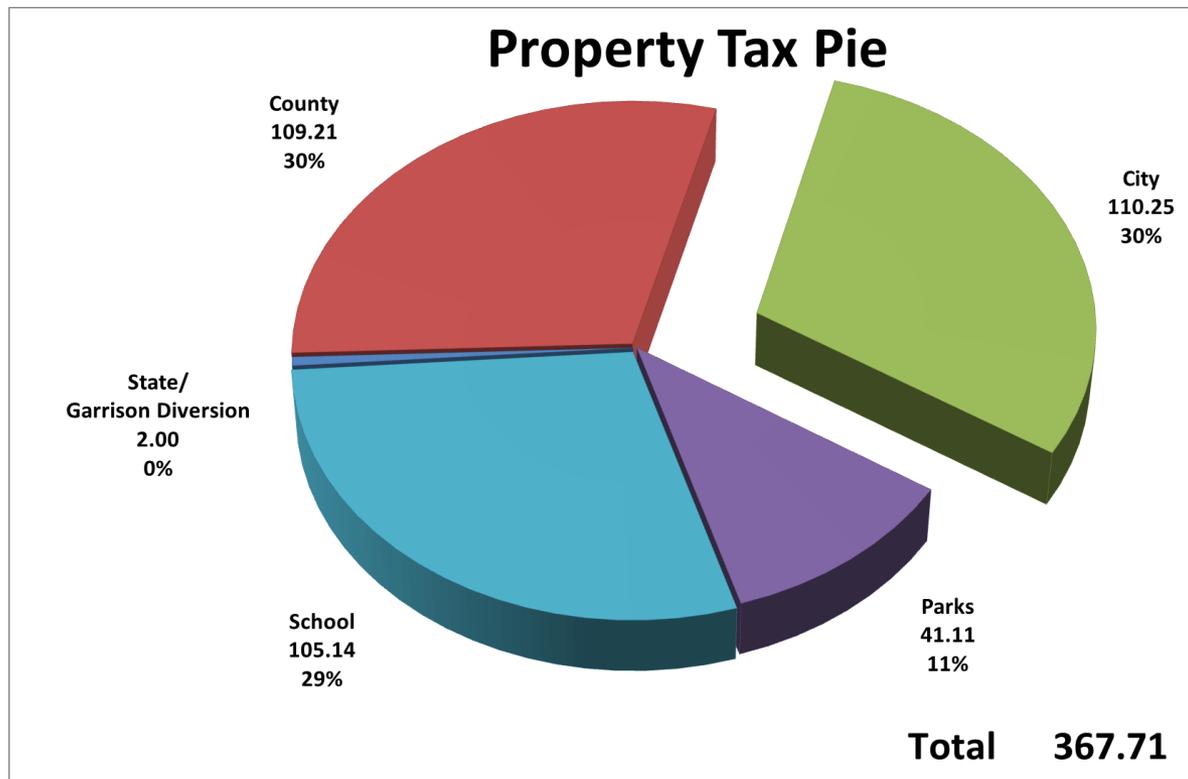
		CITY OF GRAND FORKS 2014 - 2015 COMPARATIVE MILL RATE AND REVENUE GENERATED					
		2014	2015		2014	2015	
		ACTUAL	ESTIMATED	INCREASE	REVENUE	ESTIMATED	INCREASE
		RATE	RATE	DECREASE	GENERATED	REVENUE	(DECREASE)
1100	General Fund	75.56	71.67	(3.89)	\$ 12,262,190	\$ 12,914,430	\$ 652,240
2106	Emergency Fund	1.00	0.50	(0.50)	162,284	89,826	(72,458)
2109	Municipal Band	0.11	0.10	(0.01)	17,851	18,020	169
2121	Public Building	3.61	3.42	(0.19)	585,846	617,008	31,162
2124	Library	9.60	9.11	(0.49)	1,557,928	1,640,796	82,868
2142	City Share of Special Improvements	0.25	-	(0.25)	40,571	-	(40,571)
2145	City Special Assessments	2.57	2.68	0.11	417,070	482,035	64,965
2151	Insurance Reserve Fund	1.35	1.35	-	219,084	243,270	24,186
2157	Noxious Weed	0.02	0.02	(0.00)	3,246	3,420	174
	Airport	4.33	4.11	(0.22)	702,690	740,067	37,377
5500	Public Transportation	4.81	4.78	(0.03)	780,587	861,356	80,769
5600	Dial-A-Ride	1.00	1.00	-	162,284	180,200	17,916
7202	Animal Control	0.50	0.47	(0.03)	81,142	85,458	4,316
3100	Dike Construction	5.54	5.37	(0.17)	899,054	968,139	69,085
Total Mill Levy		<u>110.25</u>	<u>104.57</u>	<u>(5.68)</u>	<u>\$ 17,891,827</u>	<u>\$ 18,844,028</u>	<u>\$ 952,201</u>
Note:	2014 Actual Rate - 1 Mill = \$162,284 2015 Estimated Rate - 1 Mill = \$180,200						
(approximately 63.5% of this increase coming from revaluation; 36.5% from all changes excluding revaluation)							

Mill Rate, cont...

- Property Tax – City portion
 - What does the City collect?
 - \$100,000 Value
 - Currently = \$496 annually; 12% (\$59) of this paid by State
 - After proposed 5.68 mill reduction = \$470; 12% (\$56) paid by State; nets out to \$414 per \$100,000 of value
 - \$100,000 used as basis for calculation;
 - If home is valued at **\$225,000**, take above figures X 2.25
 - Example: $\$414 \times 2.25 = \$931.50 = \mathbf{\$77.63/month}$ for City Services
 - What do I get in return?
 - Services include:
 - Police & Fire protection; Street cleaning/snow removal; Health; Eng/Insp/P&Z; Mayor/Council/Admin; 62% of PSAP; Bus/Dial-A-Ride; Animal Control; Flood Protection (prop tax portion); City portion of Airport & Library

Property tax bill

- City – 1 Piece of the Property tax pie
 - 30% of total property tax bill (prior to proposed mill reduction)
 - If include 125 mill buy-down by State; City would be at 22% of the total



Conclusion

- In Summary – what does this budget accomplish?
 - Balanced Budget with 6-year outlook
 - 5.68 mill decrease for 2015
 - 1 additional mill (4 in total) set aside for future fire station operational impact
 - SE Fire Station
 - Construction in 2015
 - On track with plan to fund operation impact while minimizing property tax impact to citizens
 - Utility Rates
 - Average bill increase \$3.47 per month
 - Moving Forward with Phase I of SIG project development
 - Continue to plan for Water Treatment Plant and its impacts as well as other utility projects
 - Still to do: Need to continue to work with State Legislators this coming year regarding issue of funding of Water & Street Projects and lack of Federal Funding for these projects

THANKS

- Thank You
 - All departments – helped throughout the budget process
 - Finance Department – staff worked very hard so we could have this presentation this evening
 - Mayor & Council who realize resources need to be provided in order to provide services and the importance of good planning and a sound budget
 - Citizens for their input throughout the year

WHAT'S NEXT?

- September 2, 2014 – Preliminary approval of Budget
 - Once preliminary approval given
 - Can't increase budget, but can decrease
- September 15, 2014 @ 6pm – Final Adoption of Budget & Fee List (Public Hearing)
 - Legislation requires the meeting to begin no earlier than 6pm
 - Notice will be given of this public hearing in the newspaper
 - Need to give 7 days notice
 - Recent legislation also requires an additional mailing of a letter be sent as notice to those properties who's home value was estimated to increase 10% or greater - not everyone will get this letter
 - Exploring combined letter with other local taxing entities
- October 10, 2014 – Budget certified to County Auditor

Notice in Newspaper

- The notice in the newspaper will look like this:

**IMPORTANT
NOTICE TO
GRAND FORKS CITY
TAXPAYERS**

A Public Hearing to consider increasing the 2014 Grand Forks City property tax levy by **1.5%** will be held at the Grand Forks City Hall Building, 255 North 4th Street, 3rd Floor, Grand Forks, North Dakota on Monday, September 15, 2014 at 6:00pm. Citizens will have an opportunity to present oral or written comments regarding the property tax levy.