



THE OFFICE OF MAYOR TIMOTHY J. MAHONEY

Members of the Fargo community and Fargo City Commissioners,

The City of Fargo's 2017 Preliminary Budget is being presented for your review and consideration. I would like to express my appreciation to the Department Heads, Division Heads, Commissioners and the Budget Team for their excellent work in arriving at a budget plan that will work for Fargo.

INTRODUCTION

A plethora of ideas, recommendations and conversations occurred during dozens of meetings to create the document before you today. With the help of the Commissioners, the Budget Team feels the 2017 Preliminary Budget addresses the needs of a city transitioning into one of the Midwest's most vibrant urban areas.

It goes without saying that we were impacted by the recent challenges surrounding the State of North Dakota's budget. We were required to make many difficult choices and, in addition, will be utilizing a portion of our fund balances in 2017 for the overall budget. However, Fargo remains well positioned to continue providing its citizens with excellent services while being mindful of the tax burdens placed on all of us. This proposed budget continues the precedent set forth by former Mayors Furness and Walaker in producing fiscally conservative plans.

WEIGHING THE NEEDS OF A GROWING CITY

With public safety at the forefront of the national narrative, the requirement to support the mission of our police officers and firefighters is vital. To address rising crime in the region, we understand the need to hire additional officers charged with keeping our community safe. With the remodel of the downtown fire station, we will have a functional, efficient and improved facility for our hub of operations. We now need to turn our next thoughts to expanding our police headquarters.

The health of our community is extremely important. The issue of opioid overdoses has devastated our community with the loss of many of our own citizens. Fargo Cass Public Health will be working extensively on the issue in 2017, with a sufficient workforce to aid in this mission. We are striving to be a heart safe community to address cardiac issues and, to that goal, I'd like to see every person learn how to perform cardiopulmonary resuscitation (CPR). Coupled with automated external defibrillators (AED), we should strive to be able to assist anyone experiencing a cardiac event within our community.

Street improvements and infrastructure needs continue to grow as our city expands. Innovations at the landfill will allow for the conversion of landfill gas into natural gas, offering us the ability to

become more self-sufficient. Investing in water and wastewater facilities brings the potential of becoming a regional supplier of these vital services; this is truly a win-win for all communities involved. With all the infrastructure upgrades occurring in the community, our Engineering and Planning Departments are working to meet the demands of the homebuilders, developers and citizens. Whether a project is large or small, we need to be responsive to all of the work taking place throughout the city. At the same time, we need to move full speed ahead on the in-town flood protection projects and the Fargo-Moorhead Diversion.

As our community continues to grow and expand, so too does the need for transportation. It is incredible to see the number of bikes and buses on our city's roads as the usage of alternative transportation becomes widespread. It's time to think about the transit system we want to offer our citizens, knowing that people need ample options to reach employment, education and residential areas. At the same time, we are looking into the need for additional parking structures to address an increased number of residents and businesses in the downtown core. Fargo is booming with many large projects occurring, most notably the completion of the Sanford Health complex in 2017.

With over 5,000 job openings in our community, we need to train a workforce capable of meeting the demands of area employers. Entering into the equation are the requirements of affordable housing, neighborhood infill and a robust growth plan. We need to find the right mix of incentives to continue our growth with opportunities capable of offering livable wages for our citizens. Also, we need to attract and retain an excellent workforce for the City of Fargo; the quality of the services we provide is directly attributable to the caliber and knowledge of our staff members.

PRIORITY AREAS IDENTIFIED FOR NEW FUNDING IN 2017

PUBLIC SAFETY

- This budget includes five new police officers. A submitted COPS grant application brings the potential for an additional eight officers.
- The purchase of vehicles and equipment for the new police officers.
- The lease of warehouse space for the Police Department.

PUBLIC HEALTH

- Resources and staffing to respond to the opioid crisis.
- Additional assistance for the detox shelter.
- Provide a new transit route to the new Sanford Health complex in southwest Fargo.

PUBLIC UTILITIES

- Offer a single sort recycling program.
- Begin the process of converting landfill gas to compressed natural gas.
- Growth in regional water and wastewater services.

EMPLOYEE COMPENSATION

- Offer a 2 percent competitive wage adjustment for all City employees in mid-2017.

OTHER PRIORITIES

- Provide funding for the public arts.
- Contribute to the Greater Fargo-Moorhead Economic Development Corporation.

SUMMARIZING THE 2017 BUDGET

The reduction in aid from the State of North Dakota required us to tighten our belts, and we responded accordingly. We have formulated a preliminary budget that is balanced, while also offering our citizens a level of property tax relief through a two-mill reduction in the total mill levy. The City's overall budget is proposed to modestly increase by 1.65%, while the General Fund budget will see a similar increase of 1.69%. To continue providing excellent services to a growing community, we are proposing the addition of 14 new full-time employees. Astonishingly, we were able to reduce capital requests by 57.5%.

We have addressed the ongoing needs of our growing city, while placing an emphasis on public safety, public health, public utilities and employee compensation. I look forward to further discussion on this plan and the final completion of the process in late September. Again, thank you to everyone who played an active role in this process.

LET'S WORK TOGETHER IN OUR MISSION OF BEING 'FAR MORE'

The next several years will bring abundant opportunities, trying challenges and unexpected surprises. However, we have a strong foundation to build upon and Fargo remains the envy of many in the region. To that point, I'd like to share a sampling of the recent accolades received by this community:

- #1 City for Finding a Job – *U.S. News and World Report*
- #1 Best Performing Small City – *Milken Institute*
- #2 Best Small Places for Businesses & Careers – *Forbes Magazine*
- #3 Most Secure Places to Live – *Farmers' Insurance*
- #3 Best Place to Raise a Family – *Children's Health Magazine*
- #5 Best Places to Live in America – *Moving.com*
- #6 Overall in the Nation for City Services - *WalletHub*
- #8 Most Walkable Neighborhoods in the Midwest (Mid-Size City) - *Redfin*

It is a tremendous honor to be a part of this community. Fargo truly offers **Far More** than people expect. Together, we can bring this city to even greater heights if we work together to advance the interests of our citizens.

Sincerely yours,



Dr. Timothy J. Mahoney
Mayor of the City of Fargo