

# SPECIAL CITY COUNCIL

July 27, 2020

5:00 P.M.

Members Present: Mayor Dale, Council Members Lambrecht, Heitkamp, Goltz, Wateland, Bohn, Woods II, Fobb, and McNary.

Staff Present: Huwe, Hatting, Miranowski, Thorsteinson, Broadland, DeVries, Bakken, Rogahn, and Amos.

Also Present: Frank Stanko of the Daily News, Damon DeVillers and Rich Slagle.

Mayor Dale called the meeting to order at 5:00 p.m.

## 2021 Preliminary Budget Discussion & Certification of Preliminary Tax Levy

The City of Wahpeton 2021 Preliminary Budget was reviewed as presented by Finance Director Huwe. (See below) It was noted that this is a unique budget with many unknowns due to the affects of the COVID-19 pandemic.



## 2021 Budget Draft City of Wahpeton Wahpeton, ND



CITY OF WAHPETON BUDGET 2021

### Fiscal Overview 2019 to 2021



#### Budget Cycles 2019, 2020 and 2021

The City of Wahpeton's 2020 Budget was adopted on September 16, 2019. The budget is considered fiscally constrained including a \$94,187 (2%) reduction in revenues and expenses in the general fund. Operational budgets were forecasted at nearly hold level rates with concerted efforts made to decrease or hold level property taxes levied for city services for the 6<sup>th</sup> consecutive year, including a decrease in the number of mills levied for the 9<sup>th</sup> consecutive year.

2020 began with a transition from 2019 with a strong collective cash balance of \$14.5 million. The general fund reserve balance on January 1, 2020 was \$1,598,127 or 42% of the projected revenue/expense budget for 2020. Wahpeton's general fund reserve balances are typically targeted between 25% to 50% of the annual expense budget.

On March 13, 2020 North Dakota Governor Doug Burgum declared a state of emergency in response to the public health crisis related to the COVID-19 pandemic. On March 17<sup>th</sup> the North Dakota Department of Mineral Resources projected a decrease of 50% - 60% in cash flows related to oil field activities caused by a global oil price war. The effects of the downturn in the state wide economy became evident in April 2020 with diminished city revenues in lodging taxes, local sales taxes, restaurant tax, state revenue sharing of state sales taxes and the highway fuel tax.

The anticipated infrastructure fund disbursements to cities "Operation Prairie Dog" were also derailed by the sharp decline in oilfield activity. The anticipated \$3.7 million dollar allocation to the City of Wahpeton expected to be received in late 2020 and early 2021 was dedicated to the \$6 million Eastside Sanitary Sewer Improvement Project Phase B. Due to uncertainty in funding, bids were rejected and the project postponed in May 2020.

In June of 2020 the North Dakota Office of Management and Budget and the North Dakota Tax Commission provided revenue estimates based on current information that rolls back state sales tax and highway tax formula revenues shared with the City of Wahpeton to pre-2008 levels. The dismal revenue forecast explained the current economic variables influencing consumer activity and the supply and demand for oil are extraordinary and extremely difficult to predict. It is possible the city will find it necessary to draw down general fund reserves to meet operational demands during the remaining months of 2020.

The 2021 budget has been prepared based on a very conservative revenue forecast, with an emphasis on bridging the immediate financial crisis, implementing short term cost control measures and preparing alternatives for a multi-year fiscal recovery.

The fiscal plan for 2021 is resilient, it looks at using available revenues as efficiently as possible including holding the mill rate level while capturing additional property tax revenue created by new properties and appreciation in existing properties' market values. The expenditure budget has been prepared focusing funding on maintaining essential city services as efficiently as possible with minimal increases in utility rates or tax rates. Adequate cash flow and working capital are key elements to financial sustainability and considered throughout the appropriations process. The city will be well prepared to meet service demands and commitment to continuous improvement in the delivery of city services.

CITY OF WAHPETON BUDGET 2021

### Forecasting Variables



#### City Budget Process

The budget is a policy document that identifies essential public services and the allocation of resources needed to provide those services. The City of Wahpeton's financial statements include 90 independent funds, with the general fund accounting for the majority of the government services delivered and the seven enterprise funds accounting for municipal utility services.

There are 17 department specific expense budgets prepared and submitted for incorporation into the preliminary budget document. The following variables influenced the 2021 forecast:

- Declining economic activity due to the COVID-19 Pandemic
- Declining revenue in lodging taxes and monies received from the state
- Hold level in the consumer price index/cost of living
- Increase in the overall property tax valuation (value of a mill)
- Increase in payroll expenses for health insurance
- Increase in need for additional public services (storm water and forestry)
- Increase in opportunities to use the resources we have differently than in the past

Revenue forecasts are conservatively based on current information. The expense budgets are service delivery focused and fiscally constrained. The budget may be amended throughout the year if economic conditions change and resource availability improves or worsens.

The certification of the property tax levy is due by August 10<sup>th</sup>, the public hearing on the budget is Sept. 8<sup>th</sup>, with adoption of the 2021 budget ordinance scheduled at the Sept. 21<sup>st</sup> council meeting.

CITY OF WAHPETON BUDGET 2021

### 2021 Budget Points of Interest



#### General Government

General government activities are included in the general fund budget. Operational expenses for council, city hall, assessing, municipal court, city attorney, insurance and miscellaneous departments are included. The 2021 expense budget for these departments decreased \$7,760 primarily the decrease in the revenue sharing formula for State Aid shared with the Wahpeton park Board. The general fund budget for general government departments for 2021 is \$22,398 less than the current year budget and considered a "hold level budget" at \$1,117,217.

#### Public Safety

The police and fire departments comprise the public safety aspects of city operations. The police department budget increased \$35,708 (2%) attributed to payroll related costs and the contractual agreement with Richland County for public safety communications services. The fire department operations expense budget in the general fund is a \$0 increase. The fire department equipment mill levy fund expense budget decreased \$40,000 in an effort to accumulate funds for the next major truck purchase in 2025. Public safety expenses are projected to decrease \$4,292 from the 2020 budget of \$2,121,201.

#### Public Works

Public works includes the street department, public works department, special street maintenance fund, special transportation fund and the flood levee maintenance fund. The public works and street departments in the general fund reduced expenditures \$61,596 primarily attributed to reallocation of storm water management line items to the storm water enterprise fund. The special street maintenance fund, special transportation fund and the flood levee maintenance fund are all budgeted at nearly "hold level" showing an increase of \$829 over the 2020 budget of \$1,082,452.

#### Sales Tax Funds

Sales tax revenues are typically a strong indicator of economic activity in general. An unusual pattern has appeared during the COVID-19 pandemic where state sales tax revenues have declined significantly (presumably because of the downturn in oil production) while local sales tax collections cumulatively are ahead of the same time last year nearly 15%. Sales tax revenues are subject to reporting period inconsistencies and current trends are an atypical pattern.

#### Debt Service

The 16 restricted debt service funds reflect a decrease in revenue of \$475,255 and a decrease in expense of \$216,836 as the R1 10708 and R1 11817 series bonds were paid in full in 2020. An increase in fund equity of \$196,236 is projected due to the timing of revenues and disbursements.

#### Enterprise Funds

Storm water was added to the six existing utility funds for 2021. The fiscal year end fund balances are conservative, although revenues are projected to exceed expenses in 2021. The collective enterprise fund balances are solid and projected to equal 53% of annual expenses 12/31/2021.

## 2021 Budget Summary Statement



| Fund   | Balance 1/1/2021  | Revenue          | Transfers In    | Transfers Out   | Expenditures    | Balance 12/31/2021 |
|--|-------------------|------------------|-----------------|-----------------|-----------------|--------------------|
| <b>101 General Fund</b>                      | \$ 1,588,107.00   | \$ 2,063,826.00  | \$ 474,539.00   | \$ 56,446.00    | \$ 3,700,710.00 | \$ 1,888,107.00    |
| <b>Special Revenue Funds</b>                 |                   |                  |                 |                 |                 |                    |
| 290 Library Levy                             | \$ 174,910.00     | \$ 200,344.00    | \$ 12,070.00    | \$ -            | \$ 278,916.00   | \$ 176,398.00      |
| 296 Airport 4-Mile Levy                      | \$ 7,000.00       | \$ 76,170.00     | \$ -            | \$ -            | \$ 80,840.00    | \$ 94.00           |
| 231 Fire Dept. Bldg. & Equipment Levy        | \$ 228,310.00     | \$ 194,680.00    | \$ -            | \$ 70,000.00    | \$ 34,990.00    | \$ 298,900.00      |
| 236 Snow/Flood Emergency Levy                | \$ 27,000.00      | \$ -             | \$ -            | \$ -            | \$ 27,000.00    | \$ -               |
| 297 City Share of Specials Levy              | \$ 97,700.00      | \$ 22,780.00     | \$ -            | \$ -            | \$ 40,100.00    | \$ 34,420.00       |
| 240 Special Transportation Funding           | \$ 225,340.00     | \$ -             | \$ -            | \$ -            | \$ -            | \$ 225,340.00      |
| 305 Vector Control District Levy             | \$ 1,824.00       | \$ -             | \$ -            | \$ -            | \$ -            | \$ 1,824.00        |
| 317 Job Development Levy                     | \$ 128,900.00     | \$ 20,700.00     | \$ -            | \$ -            | \$ 71,000.00    | \$ 123,200.00      |
| 318 Water Mainline Levy                      | \$ 145,900.00     | \$ 4,400.00      | \$ -            | \$ -            | \$ 4,400.00     | \$ 145,900.00      |
| <b>Total Major Special Revenue Funds</b>     | \$ 997,367.00     | \$ 596,524.00    | \$ 12,070.00    | \$ 70,000.00    | \$ 686,714.00   | \$ 1,015,145.00    |
| <b>Total Major Debt Service Funds</b>        | \$ 3,114,800.00   | \$ 1,164,000.00  | \$ 987,892.00   | \$ 391,890.00   | \$ 1,496,422.00 | \$ 3,597,382.00    |
| <b>Total Interest Agency Funds</b>           | \$ 1,617,344.00   | \$ -             | \$ 424,100.00   | \$ -            | \$ 479,000.00   | \$ 1,482,324.00    |
| <b>Community Development/State Tax Funds</b> |                   |                  |                 |                 |                 |                    |
| 271 Economic Development Department          | \$ -              | \$ 203,000.00    | \$ -            | \$ -            | \$ 203,000.00   | \$ -               |
| 272 Urban Forestry Grant Program             | \$ -              | \$ 23,000.00     | \$ 23,000.00    | \$ -            | \$ 23,000.00    | \$ -               |
| 316 1% Lighting Tax (Subsequent 11-02)       | \$ 98,900.00      | \$ 10,000.00     | \$ -            | \$ -            | \$ 30,000.00    | \$ 38,900.00       |
| 319 Lighting Tax                             | \$ 107,240.00     | \$ 32,800.00     | \$ -            | \$ -            | \$ 34,900.00    | \$ 104,340.00      |
| 320 Sales Tax Econ. Development Fund         | \$ 1,490,762.00   | \$ 977,000.00    | \$ 220,520.00   | \$ 25,000.00    | \$ 2,500,000.00 | \$ 1,893,304.00    |
| 321 Sales Tax Recreation                     | \$ 266,000.00     | \$ 110,000.00    | \$ -            | \$ -            | \$ 40,000.00    | \$ 276,000.00      |
| 322 Sales Tax Debtors Reserve                | \$ 38,500.00      | \$ -             | \$ -            | \$ -            | \$ -            | \$ 38,500.00       |
| 323 Sales Tax Hearing & Dev. Agent           | \$ 107,640.00     | \$ -             | \$ -            | \$ -            | \$ -            | \$ 107,640.00      |
| 324 Sales Tax Historical Reserve             | \$ 4,400.00       | \$ -             | \$ -            | \$ -            | \$ -            | \$ 4,400.00        |
| 325 Sales Tax 1/2-Ct. Hearing                | \$ 677,900.00     | \$ -             | \$ -            | \$ -            | \$ -            | \$ 677,900.00      |
| 326 Revolving Loan Fund                      | \$ 1,528,900.00   | \$ 17,200.00     | \$ 6,000.00     | \$ 2,500.00     | \$ 1,528,200.00 | \$ 1,533,200.00    |
| 328 Summer Music Festival                    | \$ 30,000.00      | \$ 30,000.00     | \$ -            | \$ -            | \$ 30,000.00    | \$ 30,000.00       |
| 329 1% Recreational Tax Enhancement          | \$ 80,000.00      | \$ 100,000.00    | \$ -            | \$ -            | \$ 73,000.00    | \$ 87,000.00       |
| 330 5% Sales Tax Infrastructure              | \$ 2,241,721.00   | \$ 720,000.00    | \$ -            | \$ 159,400.00   | \$ -            | \$ 2,820,281.00    |
| 472 1/2-Ct. Tax                              | \$ 125,241.00     | \$ -             | \$ -            | \$ -            | \$ 704,000.00   | \$ 1,124,781.00    |
| <b>Total Community Dev./Sales Tax Funds</b>  | \$ 7,273,120.00   | \$ 2,462,800.00  | \$ 228,008.00   | \$ 1,162,844.00 | \$ 4,777,000.00 | \$ 6,315,974.00    |
| <b>Total Major Capital Projects Funds</b>    | \$ (2,204,378.00) | \$ 96,800.00     | \$ 988,211.00   | \$ -            | \$ -            | \$ (2,244,167.00)  |
| <b>General Fund:</b>                         |                   |                  |                 |                 |                 |                    |
| 231 Water Operating                          | \$ 900,000.00     | \$ 1,056,200.00  | \$ 346,400.00   | \$ 1,208,760.00 | \$ 900,000.00   | \$ 900,000.00      |
| 232 Sanitary Sewer Operating                 | \$ 618,900.00     | \$ 1,249,900.00  | \$ 310,590.00   | \$ 908,890.00   | \$ 618,900.00   | \$ 618,900.00      |
| 233 Water Revenue Operating                  | \$ 53,040.00      | \$ 308,200.00    | \$ 62,920.00    | \$ 329,740.00   | \$ 53,040.00    | \$ 53,040.00       |
| 234 Water Reduction                          | \$ 20,000.00      | \$ 20,400.00     | \$ 6,180.00     | \$ 20,700.00    | \$ 20,000.00    | \$ 20,000.00       |
| 235 Vector Control                           | \$ 140,000.00     | \$ 113,400.00    | \$ 14,590.00    | \$ 98,450.00    | \$ 140,000.00   | \$ 140,000.00      |
| 236 Street Lighting                          | \$ 98,000.00      | \$ 189,000.00    | \$ 33,200.00    | \$ 130,000.00   | \$ 98,000.00    | \$ 98,000.00       |
| 237 Storm Sewer                              | \$ 20,000.00      | \$ 191,000.00    | \$ 117,000.00   | \$ 117,000.00   | \$ 20,000.00    | \$ 20,000.00       |
| 238 Meter Deposits Trust                     | \$ 20,000.00      | \$ 2,200.00      | \$ -            | \$ 2,200.00     | \$ 20,000.00    | \$ 20,000.00       |
| <b>Total Enterprise Funds</b>                | \$ 1,915,940.00   | \$ 3,020,900.00  | \$ -            | \$ 779,570.00   | \$ 2,811,487.00 | \$ 1,888,970.00    |
| <b>Total All Funds</b>                       | \$ 13,615,820.00  | \$ 11,041,499.00 | \$ 2,421,708.00 | \$ 2,421,720.00 | \$ 9,232,822.00 | \$ 15,033,771.00   |

## 2021 Revenue & Expense Summary



### Revenue

Revenue projections include small increases in revenue from property tax sources and utility rates as large revenue declines are expected in funds received through formula distributions from the State of North Dakota.

| 2020 to 2021 Revenue Comparisons | 2020                | 2021                | +/-              | +/- %     |
|----------------------------------|---------------------|---------------------|------------------|-----------|
| <b>Revenue by Fund Type</b>      |                     |                     |                  |           |
| General Fund                     | \$3,782,756         | \$3,760,358         | -\$22,398        | -1%       |
| Special Revenue Funds            | \$606,933           | \$603,102           | -\$3,831         | -1%       |
| Debt Service Funds               | \$2,227,650         | \$1,752,395         | -\$475,255       | -21%      |
| Internal Service/Cap. Imp.       | \$633,998           | \$468,580           | -\$165,418       | -26%      |
| Community Dev. & Sales Tax       | \$2,735,631         | \$3,239,095         | \$503,464        | 18%       |
| Enterprise Funds                 | \$3,529,829         | \$3,639,995         | \$110,166        | 3%        |
| <b>TOTAL</b>                     | <b>\$13,516,797</b> | <b>\$13,463,469</b> | <b>-\$53,328</b> | <b>0%</b> |

### Expense

Expense budgets are fiscally constrained with an emphasis on providing services and bridging the gap created by an economic downturn in our state. Major capital improvement/infrastructure project expenses are not included in the 2021 budget. The capital improvement plan identifies 11 projects with an estimated cost of \$10,969,244 including the Eastside Sanitary Sewer Project Phase B and Westside Development, both projects require leveraging public and private monies to be initiated. The timing and sources of funding will be important, currently too many unknowns exist to confirm the start dates for either project. Budget amendments can be made quickly as conditions improve.

| 2020 to 2021 Expense Comparisons | 2020                | 2021                | +/-               | +/- %      |
|----------------------------------|---------------------|---------------------|-------------------|------------|
| <b>Expense by Fund Type</b>      |                     |                     |                   |            |
| General Fund                     | \$3,782,756         | \$3,760,358         | -\$22,398         | -1%        |
| Special Revenue Funds            | \$584,049           | \$564,714           | -\$19,335         | -3%        |
| Debt Service Funds               | \$2,030,258         | \$1,813,422         | -\$216,836        | -11%       |
| Internal Service/Cap. Imp.       | \$636,359           | \$479,669           | -\$156,670        | -25%       |
| Economic Dev. & Sales Tax        | \$1,877,741         | \$1,640,372         | -\$237,369        | -13%       |
| Enterprise Funds                 | \$3,438,957         | \$3,587,065         | \$148,108         | 4%         |
| <b>TOTAL</b>                     | <b>\$12,350,120</b> | <b>\$11,845,620</b> | <b>-\$504,500</b> | <b>-4%</b> |

## 2021 Fund Position Summary



### Fund Equity

Fund position describes the net asset balance. Balances available may be conditioned by the type of fund, existing commitments and fund balance reserve policies. The 2021 budget projects revenues in excess of expenses resulting in a net gain in the fund equity balances.

| 2020 to 2021 Budgeted Fund Equity Comparisons | 2020                | 2021                | +/-              | +/- %     |
|---|---------------------|---------------------|------------------|-----------|
| <b>Equity by Fund Type</b>                    |                     |                     |                  |           |
| General Fund                                  | \$1,563,724         | \$1,598,127         | \$34,403         | 2%        |
| Special Revenue Funds                         | \$839,095           | \$1,035,745         | \$196,650        | 23%       |
| Debt Service Funds                            | \$2,861,146         | \$3,057,382         | \$196,236        | 7%        |
| Internal Service/Cap. Imp.                    | -\$194,957          | -\$841,932          | -\$646,975       | 332%      |
| Economic Dev. & Sales Tax                     | \$7,464,651         | \$8,315,576         | \$850,925        | 11%       |
| Enterprise Funds                              | \$2,021,874         | \$1,868,873         | -\$153,001       | -7%       |
| <b>TOTAL</b>                                  | <b>\$14,535,533</b> | <b>\$15,033,771</b> | <b>\$498,238</b> | <b>3%</b> |

Projecting the fiscal year end balances then comparing the previous year projection to the current year projection illustrates the forecasting nature of budgets. Fortunately, the current year to date fund balances exceed the projected 2020 year end balances by \$1,303,009 (9%). This gain in equity may change quickly as long term debt payments are made in Q4 and the revenue generated from property tax sources due in Q1 are spent down. Overall, the fund equity allocations and liquidity are well positioned to weather an economic downturn.

| 2020 to 2021 Budgeted Fund Equity Comparisons | +/-              | Description of Change                  |
|---|------------------|--|
| <b>Changes in Fund Equity</b>                 |                  |  |
| General Fund                                  | \$34,403         | Year end surplus retained in 2020      |
| Special Revenue Funds                         | \$196,650        | Accumulation of reserves in Fire Dept. |
| Debt Service Funds                            | \$196,236        | Decrease/timing of debt payments       |
| Internal Service/Cap. Imp.                    | -\$646,975       | Dependent on construction projects     |
| Economic Dev. & Sales Tax                     | \$850,925        | Accumulating funds for future projects |
| Enterprise Funds                              | -\$133,001       | 2020 FYE balance projected to be less  |
| <b>TOTAL</b>                                  | <b>\$498,238</b> |  |

## 2021 Inter-Fund Transfer Summary



### Fund Transfers

Fund transfers allow allocation of revenue and expenses between funds. The 2021 projected fund transfers of \$2,421,788 are nearly hold level with the 2020 budgeted amount of \$2,446,864. Allocations to inter-fund transfers may be influenced by major capital projects using pay-as-you-go financing requiring the transfer of funds from an enterprise or sales tax fund to a major capital project fund.

| 2020 Budgeted Inter-Fund Transfers | Revenue Only        | Transfers In       | Expense Only       | Transfers Out      |
|------------------------------------|---------------------|--------------------|--------------------|--------------------|
| <b>Fund Type</b>                   |                     |                    |                    |                    |
| General Fund                       | \$3,134,224         | \$648,532          | \$3,740,448        | \$42,208           |
| Special Revenue Funds              | \$591,039           | \$15,894           | \$514,049          | \$70,000           |
| Debt Service Funds                 | \$1,321,539         | \$906,111          | \$1,849,136        | \$181,122          |
| Internal Service/Cap. Imp.         | \$43,314            | \$590,684          | \$595,359          | \$41,000           |
| Economic Dev. & Sales Tax          | \$2,449,888         | \$285,643          | \$501,343          | \$1,376,998        |
| Enterprise Funds                   | \$3,529,829         | \$0                | \$2,702,921        | \$736,036          |
| <b>TOTAL</b>                       | <b>\$11,069,933</b> | <b>\$2,446,864</b> | <b>\$9,903,256</b> | <b>\$2,446,864</b> |

Transfers In and Transfers Out must always balance – or it is not a transfer.

| 2021 Budgeted Inter-Fund Transfers | Revenue Only        | Transfers In       | Expense Only       | Transfers Out      |
|------------------------------------|---------------------|--------------------|--------------------|--------------------|
| <b>Fund Type</b>                   |                     |                    |                    |                    |
| General Fund                       | \$3,083,826         | \$676,532          | \$3,703,712        | \$56,646           |
| Special Revenue Funds              | \$590,132           | \$12,970           | \$494,714          | \$70,000           |
| Debt Service Funds                 | \$1,164,503         | \$587,892          | \$1,456,422        | \$357,000          |
| Internal Service/Cap. Imp.         | \$100,425           | \$924,356          | \$479,689          | \$0                |
| Economic Dev. & Sales Tax          | \$2,462,800         | \$220,028          | \$477,808          | \$1,162,564        |
| Enterprise Funds                   | \$3,639,995         | \$0                | \$2,811,487        | \$775,578          |
| <b>TOTAL</b>                       | <b>\$11,041,681</b> | <b>\$2,421,788</b> | <b>\$9,423,832</b> | <b>\$2,421,778</b> |

The 2021 budget includes a transfer from the Tax Increment Financing Fund to the Wheatland Trail/Rosewood Shared Use Path Project Fund of \$342,000. There are scheduled transfers to the 2019 Fire Truck Project Fund and the Gateway Signage & Improvements spanning three years illustrating pay-as-you-go financing for major capital projects.

The debt service and levee maintenance commitments related to flood mitigation account for \$704,486 (29%) of the budgeted 2021 transfers.

## 2021 Property Tax Mills Levied



| City Mill Levy Fund                | Fund                | Levied 2016 for 2017 | Levied 2017 for 2018 | Levied 2018 for 2019 | Levied 2019 for 2020 | Levied 2020 for 2021 |
|------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Tax Collections            | 101                 | 93.36                | 92.97                | 89.01                | 85.55                | 85.74                |
| Library/Operating                  | 209                 | 3.98                 | 4.00                 | 3.98                 | 3.97                 | 4.00                 |
| Airport 4-Mile                     | 216                 | 3.98                 | 4.00                 | 3.98                 | 3.97                 | 4.00                 |
| Snow & Flood Emergency             | 235                 | 1.49                 | -                    | -                    | -                    | -                    |
| Share of Spl Assets                | 237                 | 2.11                 | 1.80                 | 1.49                 | 1.48                 | 1.23                 |
| Job Development Authority          |                     |                      |                      |                      |                      |                      |
| a. General Fund                    | 101                 | 1.99                 | -                    | -                    | -                    | -                    |
| b. Job Dev. Reserve Fund           | 317                 | 1.99                 | -                    | -                    | -                    | -                    |
| 20% G.O. R1#10910                  | 455                 | 0.30                 | 1.97                 | 0.36                 | 0.36                 | 0.36                 |
| <b>TOTAL</b>                       |                     | <b>108.26</b>        | <b>104.74</b>        | <b>98.82</b>         | <b>95.33</b>         | <b>95.33</b>         |
| <b>TOTAL LEVY</b>                  |                     |                      |                      |                      |                      | <i>preliminary</i>   |
| State/County                       | 113.27              | 102.80               | 102.80               | 99.25                | TBD                  |                      |
| School Dist.                       | \$ 2,232,419        | \$ 2,322,318         | \$ 2,397,382         | \$ 2,497,256         | TBD                  |                      |
| City/Vector                        | \$ 1,798,644        | \$ 1,794,728         | \$ 1,761,408         | \$ 1,761,215         | \$ 1,859,163         |                      |
| Park Dist.                         | \$ 611,895          | \$ 611,722           | \$ 633,479           | \$ 662,511           | TBD                  |                      |
| <b>TOTAL</b>                       | <b>\$ 6,607,616</b> | <b>\$ 6,490,256</b>  | <b>\$ 6,599,664</b>  | <b>\$ 6,754,619</b>  | <b>\$ 1,899,183</b>  |                      |
| <b>CHANGE IN CITY &amp; LEVIED</b> |                     | <b>-0.22%</b>        | <b>-0.22%</b>        | <b>-1.39%</b>        | <b>-0.91%</b>        | <b>6.27%</b>         |
| <b>Levied in Wahpeton</b>          |                     |                      |                      |                      |                      | <i>preliminary</i>   |
| State/County                       | \$ 1,864,657        | \$ 1,761,496         | \$ 1,807,395         | \$ 1,833,637         | TBD                  |                      |
| School Dist.                       | \$ 2,232,419        | \$ 2,322,318         | \$ 2,397,382         | \$ 2,497,256         | TBD                  |                      |
| City/Vector                        | \$ 1,798,644        | \$ 1,794,728         | \$ 1,761,408         | \$ 1,761,215         | \$ 1,859,163         |                      |
| Park Dist.                         | \$ 611,895          | \$ 611,722           | \$ 633,479           | \$ 662,511           | TBD                  |                      |
| <b>TOTAL</b>                       | <b>\$ 6,607,616</b> | <b>\$ 6,490,256</b>  | <b>\$ 6,599,664</b>  | <b>\$ 6,754,619</b>  | <b>\$ 1,899,183</b>  |                      |
| <b>CHANGE IN CITY &amp; LEVIED</b> |                     | <b>-0.22%</b>        | <b>-0.22%</b>        | <b>-1.39%</b>        | <b>-0.91%</b>        | <b>6.27%</b>         |
| <b>City Mill Value</b>             |                     | <b>\$ 16,482</b>     | <b>\$ 17,135</b>     | <b>\$ 17,824</b>     | <b>\$ 18,475</b>     | <b>\$ 19,503</b>     |
| <b>GROWTH IN MILL VALUE</b>        |                     | <b>2.66%</b>         | <b>4.09%</b>         | <b>4.02%</b>         | <b>3.65%</b>         | <b>5.56%</b>         |

## 2021 Property Tax Estimate for City Services



| 2020 to 2021 Property Tax Estimate for City Services | 2020         | 2021 projected |
|--|--------------|----------------|
| Estimated Total Taxable Valuation                    | \$18,474,930 | \$19,502,537   |
| 1 Mill = 1/1,000                                     | \$18,474.93  | \$19,502.54    |
| City General and Special Levy Funds                  | \$1,761,215  | \$1,859,183    |
| Preliminary Revenues Required from Property Taxes    |              |                |
| Mills to be certified on all taxable properties      | 95.33        | 95.33          |

City of Wahpeton Tax Assessment Estimate on a \$200,000 Home:

|  |              |              |
|--|--------------|--------------|
| True & Full Value                        | \$200,000    | \$200,000    |
| Assessed Value (50%)                     | \$100,000    | \$100,000    |
| Taxable Valuation (9%)                   | \$9,000      | \$9,000      |
| X Mill Levy                              | 0.09533      | 0.09533      |
| <b>= Taxes Payable for City Services</b> | <b>\$858</b> | <b>\$858</b> |
| Less: Prompt Payment 5% Discount         | -\$42.90     | -\$42.90     |
| <b>Taxes Payable</b>                     | <b>\$815</b> | <b>\$815</b> |
| Per Month                                | \$68         | \$68         |

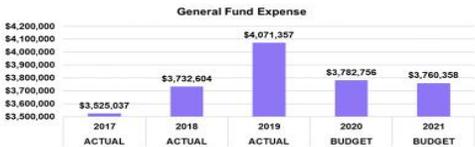
\*This example illustrates taxes payable for city services only\*  
If the value of your home increased or decreased the property tax liability will also increase or decrease\*

## 2021 General Fund Expense

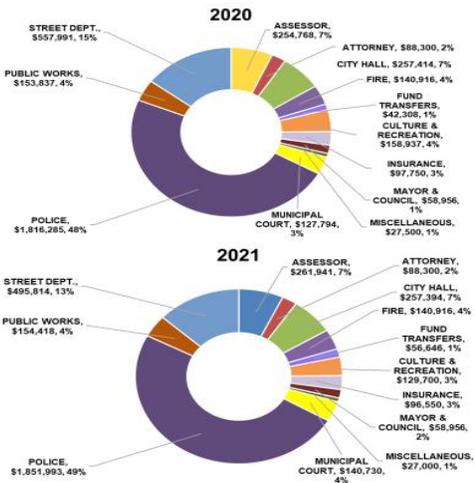


The 2021 general fund expenses are projected to decrease \$22,398 from the 2020 budget reflecting declining funding from state formulary payments shared with the Wahpeton Park Board and reallocation of storm water maintenance expenses from the street department to the storm water utility fund.

| 2020 to 2021 General Fund Expense Category | 2020               | 2021               | +/-              | +/- %      |
|--|--------------------|--------------------|------------------|------------|
| Assessing                                  | \$254,768          | \$261,941          | \$7,173          | 3%         |
| Attorney                                   | \$88,300           | \$88,300           | \$0              | 0%         |
| City Hall                                  | \$257,414          | \$257,394          | -\$20            | 0%         |
| Culture & Recreation                       | \$158,937          | \$129,700          | -\$29,237        | -18%       |
| Fire Dept.                                 | \$140,916          | \$140,916          | \$0              | 0%         |
| Insurance                                  | \$97,750           | \$96,550           | -\$1,200         | -1%        |
| Mayor & Council                            | \$58,956           | \$58,956           | \$0              | 0%         |
| Miscellaneous                              | \$27,500           | \$27,000           | -\$500           | -2%        |
| Municipal Court                            | \$127,794          | \$140,730          | \$12,936         | 10%        |
| Police Dept.                               | \$1,816,285        | \$1,851,993        | \$35,708         | 2%         |
| Public Works                               | \$153,837          | \$154,418          | \$581            | 0%         |
| Street Dept.                               | \$546,741          | \$495,814          | -\$50,927        | -9%        |
| Transfers Out                              | \$53,558           | \$56,646           | \$3,088          | 6%         |
| <b>TOTAL</b>                               | <b>\$3,782,756</b> | <b>\$3,760,358</b> | <b>-\$22,398</b> | <b>-1%</b> |



## 2021 General Fund Expense Summary



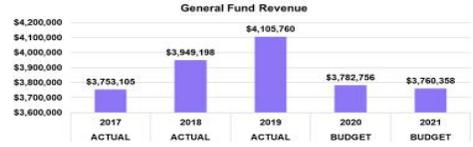
## 2021 General Fund Revenue



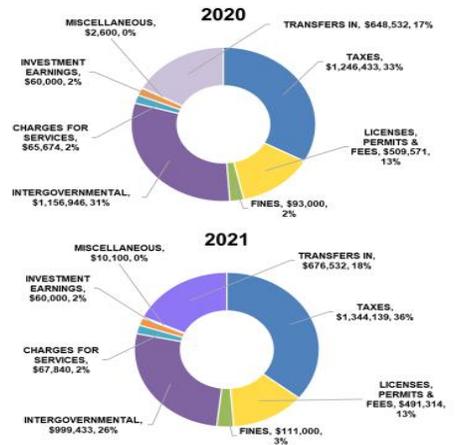
The 2021 general fund revenues are projected to decrease \$22,398 from the 2020 budget reflecting declining funding from state formulary payments (intergovernmental) and a small decrease in revenues from licenses, permits and fees.

| 2020 to 202 General Fund Revenue Revenue Category | 2020               | 2021               | +/-              | +/- %      |
|---|--------------------|--------------------|------------------|------------|
| Taxes   | \$1,246,433        | \$1,344,139        | \$97,706         | 8%         |
| License, Permits, Fees                            | \$509,571          | \$491,314          | -\$18,257        | -4%        |
| Fines   | \$93,000           | \$111,000          | \$18,000         | 19%        |
| Intergovernmental                                 | \$1,156,946        | \$999,433          | -\$157,513       | -14%       |
| Charges for Services                              | \$65,674           | \$67,840           | \$2,166          | 3%         |
| Investment Earnings                               | \$60,000           | \$60,000           | \$0              | 0%         |
| Miscellaneous                                     | \$2,500            | \$10,100           | \$7,500          | 288%       |
| Transfers In                                      | \$648,532          | \$678,532          | \$28,000         | 4%         |
| <b>TOTAL</b>                                      | <b>\$3,782,756</b> | <b>\$3,760,358</b> | <b>-\$22,398</b> | <b>-1%</b> |

Revenues from the State of North Dakota are projected to diminish significantly based on the economic downturn affecting the supply and demand for oil and natural gas. License fees are projected to decrease with fewer Class C liquor licenses issued to clubs and fraternal organizations.



## 2021 General Fund Revenue Summary



## 2021 Sales Tax Funds Summary



Revenue from sales taxes are difficult to predict in the 2021 budget. Tax collections are conservatively projected to be consistent with the 2020 projections, investment income allocated to sales tax for economic development is currently underperforming. Allocations to each fund remain the same for 2021 as 2020.

| 2020 to 2021 Sales Tax Funds Revenue | 2020               | 2021               | +/-              | +/- %     |
|--------------------------------------|--------------------|--------------------|------------------|-----------|
| Economic Development (25%)           | \$568,000          | \$557,600          | -\$10,400        | -2%       |
| Flood Mitigation (37%)               | \$814,000          | \$814,000          | \$0              | 0%        |
| Infrastructure (33%)                 | \$726,000          | \$726,000          | \$0              | 0%        |
| Recreation (5%)                      | \$110,000          | \$110,000          | \$0              | 0%        |
| <b>TOTAL</b>                         | <b>\$2,218,000</b> | <b>\$2,207,600</b> | <b>-\$10,400</b> | <b>0%</b> |

| 2020 to 2021 Sales Tax Funds Expense | 2020               | 2021               | +/-               | +/- %       |
|--------------------------------------|--------------------|--------------------|-------------------|-------------|
| Economic Development                 | \$293,643          | \$245,000          | -\$48,643         | -17%        |
| Flood Mitigation                     | \$852,705          | \$704,486          | -\$148,219        | -17%        |
| Infrastructure                       | \$159,430          | \$159,430          | \$0               | 0%          |
| Recreation                           | \$42,000           | \$40,000           | -\$2,000          | -5%         |
| <b>TOTAL</b>                         | <b>\$1,347,778</b> | <b>\$1,148,916</b> | <b>-\$198,862</b> | <b>-15%</b> |

| 2020 to 2021 Sales Tax Fund Equity Comparisons | 2020               | 2021               | +/-              | +/- %      |
|--|--------------------|--------------------|------------------|------------|
| Economic Development                           | \$2,295,316        | \$1,803,334        | -\$491,982       | -21%       |
| Flood Mitigation                               | \$1,022,124        | \$1,314,755        | \$292,631        | 29%        |
| Infrastructure                                 | \$1,641,275        | \$2,808,291        | \$1,167,016      | 71%        |
| Recreation                                     | \$369,771          | \$278,000          | -\$91,771        | -25%       |
| <b>TOTAL</b>                                   | <b>\$5,326,486</b> | <b>\$6,204,380</b> | <b>\$875,894</b> | <b>16%</b> |

Expenses are projected to decline with the update of the comprehensive plan currently budgeted in the 2020 sales tax for economic development fund. A \$20,000 transfer from sales tax for economic development is included to create an urban forestry plan. Input from elected officials and staff suggested a partnership program concept to address tree trimming, removal and replanting. The sales tax for flood debt service commitments will decrease with the payoff of bond series R/ 11212. The sales tax for infrastructure continues to accumulate for the buy down of scheduled capital improvement projects.

## 2021 Flood Project Summary



### Summary of Flood Control Project Cash Flows June 30, 2020

| PROJECT   | CONSTRUCTION         | ENGINEERING         | OTHER                | TOTAL COSTS          |
|---|----------------------|---------------------|----------------------|----------------------|
| Feasibility Study                                       |                      |                     | \$ 759,206           | \$ 759,206           |
| Stage 1   | \$ 5,547,350         | \$ 1,929,399        | \$ -                 | \$ 7,476,749         |
| Stage 2   | \$ 2,269,807         | \$ 1,311,765        | \$ -                 | \$ 4,081,572         |
| Stage 3A  | \$ 2,056,476         | \$ 999,574          | \$ -                 | \$ 3,056,050         |
| Stage 3B  | \$ 1,735,910         | \$ 973,553          | \$ -                 | \$ 2,709,463         |
| Level 6 Evaluation Report                               |                      |                     | \$ 198,204           | \$ 198,204           |
| LEIRAGIS (certified in 2006)                            |                      |                     | \$ 1,437,000         | \$ 1,437,000         |
| Breakout LEIRAGIS (new watershed - yet to be acquired)  |                      |                     | \$ 698,038           | \$ 698,038           |
| Additional LEIRAGIS (acquired after 2006 certification) |                      |                     | \$ 57,268            | \$ 57,268            |
| <b>Army Corps of Engineers 206 Program</b>              | <b>\$ 12,629,635</b> | <b>\$ 6,409,497</b> | <b>\$ 2,963,173</b>  | <b>\$ 22,002,305</b> |
| Airport Park Rec. Facilities                            |                      |                     | \$ 138,500           | \$ 138,500           |
| Airport Park Rec. Rescues                               |                      |                     | \$ 158,600           | \$ 158,600           |
| Airport Levee & Drainage                                |                      |                     | \$ 459,100           | \$ 459,100           |
| Toe Drain & Zool Enclosures                             |                      |                     | \$ 3,028,736         | \$ 3,028,736         |
| Blairwood Levee   |                      |                     | \$ 407,500           | \$ 407,500           |
| Waterside Replacement                                   |                      |                     | \$ 348,592           | \$ 348,592           |
| 1097 Flood Walk   |                      |                     | \$ 1,839,200         | \$ 1,839,200         |
| 2016-2020 Review & Revision of Flood Plain Mapping      |                      |                     | \$ 67,271            | \$ 67,271            |
| Misc. LEIRAGIS  |                      |                     | \$ 1,068,804         | \$ 1,068,804         |
| <b>Flood Mitigation Outside Corps Project</b>           | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ 8,362,282</b>  | <b>\$ 8,362,282</b>  |
| <b>Permanent/Flood Protection Expenses</b>              | <b>\$ 12,629,635</b> | <b>\$ 6,409,497</b> | <b>\$ 11,212,456</b> | <b>\$ 29,351,587</b> |

| Funding Sources                         | 2019 Prepayments | 2020-2021     | % of Total | Per Capita |
|---|------------------|---------------|------------|------------|
| Federal Funding Sources                 | 774              | \$ 12,354,765 | 47%        | 1,507      |
| City of Wahpeton Funding Sources        | 7,734            | \$ 10,274,070 | 37%        | 1,387      |
| State SHAD - Dept. of Land Flood Impact | 7,734            | \$ 121,500    | 0%         | 146        |
| SHAD of ND - State Water Commission     | 7,734            | \$ 6,151,232  | 21%        | 795        |
|   |                  | \$ 20,351,587 | 100%       | 3,716      |

| Uses of Funding                                  | FEDERAL       | STATE & LOCAL | TOTAL         |
|--|---------------|---------------|---------------|
| Feasibility Study                                | \$ 411,323    | \$ 347,943    | \$ 759,266    |
| Flood Control Infrastructure & Engineering       | \$ 11,143,862 | \$ 5,265,670  | \$ 16,409,532 |
| Recreational Amenities/With Corps Agreement      | \$ 800,000    | \$ 800,000    | \$ 1,600,000  |
| LEIRAGIS   | \$ -          | \$ 4,107,801  | \$ 4,107,801  |
| Improvements Prior to/Outside of Corps Agreement | \$ 12,354,766 | \$ 16,966,802 | \$ 29,321,567 |

| Debt Service                         | ISSUED | TOTAL ISSUED  | BUDGETED 2021 | PAY OFF YEAR     |
|--------------------------------------|--------|---------------|---------------|------------------|
| Flood Debt Ref 0606                  | 1599   | \$ 1,639,200  | \$ -          | 2014 reb 2011    |
| Flood Debt Ref 0405                  | 2002   | \$ 2,000,000  | \$ -          | 2020 reb 2012    |
| Flood Debt Ref 0607 Ref to Fund 457  | 3007   | \$ 1,650,000  | \$ -          | 2022 reb 2011    |
| Flood Debt Ref 0111 Fund 457         | 3011   | \$ 3,290,000  | \$ 299,862    | 2026             |
| Flood Debt Ref 0112 Fund 458         | 3012   | \$ 1,815,000  | \$ 1,840      | 2021             |
| Flood Debt Ref 0116 Fund 462         | 3017   | \$ 2,150,000  | \$ 183,704    | 2032             |
| Flood Debt Refinance Recertification |        | \$ 2,795,599  | \$ -          | Refinancing      |
| Flood Project Fund Balance 6/30/2020 |        | \$ 578,430    | \$ -          | Current Expenses |
| Levee Maintenance Fund               |        | \$ -          | \$ 251,649    | Perpetuity       |
| Subject to Change with Refinancings  |        | \$ 10,724,070 | \$ 786,606    |                  |

## 2021 Utility Rates



### Monthly Utility Bill

Municipal utility rates are unique to each system; the amount of debt service, the condition of the production, collection and distribution infrastructure all influence utility rates. The 2021 rates illustrated will become effective on Jan. 1, 2021.

| Monthly Utility Charges                   | 2020 Current Rate | 2021 Proposed Rate | No. of Customers | Proposed Revenue 2021 | Rate Basis                            |
|---|-------------------|--------------------|------------------|-----------------------|---------------------------------------|
| <b>Water</b>                              |                   |                    |                  |                       |                                       |
| Water Minimum (2,000 gal)                 | \$ 28.08          | \$ 28.08           | 2369             | \$ 792,258            |                                       |
| Water Commodity Charge                    | \$ 4.05           | \$ 4.05            |                  | \$ 739,852            |                                       |
| <b>Water Revenue</b>                      |                   |                    |                  | <b>\$ 1,532,110</b>   | <b>No Rate Increase</b>               |
| <b>Sanitary Sewer</b>                     |                   |                    |                  |                       |                                       |
| Sewer Minimum (2,000 gal)                 | \$ 17.76          | \$ 17.76           | 3967             | \$ 644,647            |                                       |
| Sewer Commodity Charge                    | \$ 3.76           | \$ 3.76            |                  | \$ 494,653            |                                       |
| <b>Sanitary Sewer Revenue</b>             |                   |                    |                  | <b>\$ 1,139,300</b>   | <b>No Rate Increase</b>               |
| <b>Garbage Service</b>                    |                   |                    |                  |                       |                                       |
| Gasified Senior Citizen                   | \$ 14.61          | \$ 14.63           | 32               | \$ 464                |                                       |
| Single Family Homes                       | \$ 15.92          | \$ 17.50           | 1797             | \$ 377,595            | Waste Management Contract includes 3% |
| Duplex Homes                              | \$ 31.64          | \$ 35.00           | 12               | \$ 5,085              | Increase July 1st.                    |
| Triplex Homes                             | \$ 47.75          | \$ 52.50           | 0                | \$ -                  |                                       |
| Surcharge 64 gal Container                | \$ 2.93           | \$ 2.93            | NA               | \$ -                  | Customers billed by Waste Management  |
| Surcharge 96 gal Container                | \$ 2.93           | \$ 2.93            | NA               | \$ -                  | Customers billed by Waste Management  |
| <b>Waste Removal Revenue</b>              |                   |                    |                  | <b>\$ 388,286</b>     | <b>16.65% Rate Increase</b>           |
| <b>Waste Reduction Charge</b>             |                   |                    |                  |                       |                                       |
| Residential                               | \$ 0.84           | \$ 0.84            | 1814             | \$ 1,828              |                                       |
| Commercial                                | \$ 3.36           | \$ 0.67            | 189              | \$ 7,620              |                                       |
| <b>Waste Reduction/Composting Revenue</b> |                   |                    |                  | <b>\$ 25,900</b>      | <b>No Rate Increase</b>               |
| <b>Vector Control Charge</b>              | \$ 2.40           | \$ 2.40            | 3958             | \$ 114,000            | <b>No Rate Increase</b>               |
| <b>Street Lights</b>                      |                   |                    |                  |                       |                                       |
| Residential                               | \$ 4.28           | \$ 4.28            | 1836             | \$ 94,210             | Single family residence               |
| Mult-Family                               | \$ 12.41          | \$ 12.41           | 153              | \$ 2,268              |                                       |
| Commercial                                | \$ 12.41          | \$ 12.41           | 385              | \$ 5,210              |                                       |
| <b>Street Lighting Revenue</b>            |                   |                    |                  | <b>\$ 254</b>         | <b>No Rate Increase</b>               |
| <b>Storm Water</b>                        |                   |                    |                  |                       |                                       |
| Small Residential                         | \$ 1.34           | \$ 0.66            | 9,744            | \$ 6,434              | Avg. 2.58% of impervious surface      |
| Medium Residential                        | \$ 2.00           | \$ 2.00            | 882              | \$ 1,764              | Avg. 3.84% of impervious surface      |
| Large Residential                         | \$ 3.22           | \$ 3.22            | 437              | \$ 1,414              | Avg. 6.71% of impervious surface      |
| Commercial (based on sf)                  | \$ 2.00           | \$ 1.13            | 82,214           | \$ 92,214             |                                       |
| <b>Storm Water Revenue</b>                |                   |                    |                  | <b>\$ 131,885</b>     | <b>New Charge</b>                     |
| <b>Average Bill (\$5,000 gal)</b>         | <b>\$ 92.60</b>   | <b>\$ 97.81</b>    |                  |                       | <b>5.6% Increase</b>                  |

Each water meter is considered an account. Apartment Sewer, Vector Control and Storm Water services have additional billing units.

## 2021 Compensation Summary



### Compensation Plan

The City of Wahpeton uses a step and grade compensation system that was fully implemented Jan. 1, 2016. There are 10 unique pay grades with 34 unique positions assigned to the grade based on each individual position description. There are 13 steps available to each grade. Steps 1-6 progress in 5% increments, and the grade midpoint increases 4.5%. Steps 8-13 progress in 2% increments. The step in each grade is indicative of the duration and performance evaluation of each employee. The 2021 budget includes 42.8 full time employees assigned to 16 unique position descriptions in 8 of the 10 pay grades. The 2021 salary schedule was not adjusted for cost of living based on the April 2020 Consumer Price Index. The budget includes step increases for employees that are eligible.

### Cafeteria Benefits

The compensation plan includes a cafeteria 125 plan offering insurance options for health, life, long term disability, accident, dental and vision plans. All full time employees are required to provide proof of health insurance coverage. Additionally, the city requires a portion of the employee funded cafeteria allotment be used to purchase a base life insurance policy of \$30,000 and long term disability insurance. Employees may elect higher levels of coverage or additional benefits through payroll deduction. The two tier cafeteria allotment offers employees enrolled in the city's health insurance plan electing family coverage \$1,490 per month towards the \$1,774 (84%) health insurance premium; this amount is revised to \$1,788 effective July 1, 2021 in anticipation of an increase in the insurance contract renewal with NDPERS on July 1, 2021. Employees enrolled in single or no coverage are allotted \$735 (100%) per month of a single policy health insurance premium; this amount is revised to \$882 effective July 1, 2021 in anticipation of an increase in the insurance contract renewal with NDPERS on July 1, 2021. If the premium renewal is less than the increase in the benefit allotments will be less and coordinated to the employer participation percentages that currently exist. The total amount budgeted for the cafeteria benefits plan in 2021 is \$656,370 with a dollar cost average hourly value of \$7.37, the dollar cost average hourly value for 2020 is \$6.80.

### Retirement

The city participates in the NDPERS Retirement 403(b) defined benefit plan. Employees are required to contribute 5% of base salary and the city contributes 10.26%. The city also provide a defined contribution 457(b) retirement plan employees may participate in, although no employer match is offered. The total amount budgeted for the retirement plan in 2021 is \$272,280 with a dollar cost average hourly value of \$3.06, the dollar cost average hourly value for 2020 is \$3.01.

## 2021 Enterprise Funds



### Enterprise Funds

Enterprise funds describe a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services. Enterprise funds are operated like "business funds" and may provide revenue that can be used to support general government operations.

North Dakota Century Code Chapter 40-33-12 allows the transfer of funds from a municipal utility to the general fund, this practice is especially useful in cities with a number of property tax exempt parcels allowing them to defray some of the costs of providing public services. Approximately 50% of the land in Wahpeton city limits is exempt from property taxes. The 2021 budget includes transfers from the general fund, sanitary sewer, waste removal, waste reduction and street light funds to the general fund totaling \$656,532 or 17% of the general fund projected revenue for 2021.

The fees for residential waste removal are adjusted 3% each July as part of a five year contract with Waste Management, Inc. The 2021 budget proposes implementing all increases effective January 1, 2021 rather than having an increase in some fees on January 1st then the waste removal increase on July 1st. The 12 month collection period has been incorporated into the revised rates. The waste removal fee was also increased to allow a transfer to the general fund consistent with the other enterprise funds.

The overall financial condition of the enterprise funds is positive and consistent in comparison to similar size systems.

### Storm Water Utility

Elected officials and public works staff have worked together to create a strategic approach to manage storm water. Storm water management lessens the probability of street flooding, water damage to roads/curbs/gutter and standing water conducive to vector populations. Identification of specific components and challenges to storm water collection, conveyance and disposition have been incorporated into the adopted Capital Improvements Plan (CIP) - Operating Budgets and in the proposal to adopt a storm water utility ordinance. Adjustments were made in the street department general fund budget moving ditch cleaning and storm water maintenance expenses of \$52,000 to the newly created storm water enterprise fund as part of the projected \$117,000 expense budget.

The proposed residential fee schedule is based on a \$2 per month per residential unit equivalent tiered into small, medium and large residential lots. Commercial properties will be charged based on the amount of impervious surface they have (paved areas and rooftops) that contribute to storm water runoff. The revenue projection for 2021 is \$131,585.

## 2021 Enterprise Fund Summary



| 2020 to 2021 Enterprise Funds Revenue | 2020               | 2021               | +/-              | +/-%      |
|---------------------------------------|--------------------|--------------------|------------------|-----------|
| Water                                 | \$1,566,000        | \$1,558,220        | -\$7,780         | 0%        |
| Sanitary Sewer                        | \$1,308,000        | \$1,249,500        | -\$58,500        | -4%       |
| Waste Removal                         | \$345,425          | \$388,286          | \$42,861         | 12%       |
| Waste Reduction                       | \$26,404           | \$28,404           | \$2,000          | 0%        |
| Vector Control                        | \$114,000          | \$113,800          | -\$200           | 0%        |
| Street Lights                         | \$169,000          | \$169,000          | \$0              | 0%        |
| Storm Sewer                           | \$0                | \$131,585          | \$131,585        | NA        |
| Meter Deposits Trust                  | \$1,000            | \$3,200            | \$2,200          | 220%      |
| <b>TOTAL</b>                          | <b>\$3,529,829</b> | <b>\$3,639,995</b> | <b>\$110,166</b> | <b>3%</b> |

| 2020 to 2021 Enterprise Funds Expense | 2020               | 2021               | +/-              | +/-%      |
|---------------------------------------|--------------------|--------------------|------------------|-----------|
| Water                                 | \$1,540,138        | \$1,558,220        | \$18,082         | 1%        |
| Sanitary Sewer                        | \$1,259,439        | \$1,211,459        | -\$47,980        | -4%       |
| Waste Removal                         | \$344,499          | \$388,286          | \$43,787         | 13%       |
| Waste Reduction                       | \$26,500           | \$28,500           | \$2,000          | 0%        |
| Vector Control                        | \$86,881           | \$114,000          | \$27,119         | 31%       |
| Street Lights                         | \$169,000          | \$169,000          | \$0              | 0%        |
| Storm Sewer                           | \$0                | \$117,000          | \$117,000        | NA        |
| Meter Deposits Trust                  | \$1,000            | \$1,000            | \$0              | 0%        |
| <b>TOTAL</b>                          | <b>\$3,438,957</b> | <b>\$3,584,865</b> | <b>\$145,908</b> | <b>4%</b> |

| 2020 to 2021 Enterprise Funds Equity | 2020               | 2021               | +/-               | +/-%       |
|--------------------------------------|--------------------|--------------------|-------------------|------------|
| Water                                | \$831,214          | \$900,000          | \$68,786          | 8%         |
| Sanitary Sewer                       | \$830,583          | \$656,541          | -\$174,042        | -21%       |
| Waste Removal                        | \$55,000           | \$53,840           | -\$1,160          | -2%        |
| Waste Reduction                      | \$86,901           | \$28,504           | -\$58,397         | -67%       |
| Vector Control                       | \$136,742          | \$140,403          | \$3,661           | 3%         |
| Street Lights                        | \$70,354           | \$68,000           | -\$2,354          | -3%        |
| Storm Sewer                          | \$0                | \$14,585           | \$14,585          | NA         |
| Meter Deposits Trust                 | \$16,000           | \$20,000           | \$4,000           | 25%        |
| <b>TOTAL</b>                         | <b>\$2,001,874</b> | <b>\$1,868,873</b> | <b>-\$133,001</b> | <b>-7%</b> |

Flood Mitigation are 62% of annual expenses

## 2021 Compensation Summary



| 2021 FUND      | GROSS              | FICA             | NDPERS           | CAPE             | TOTAL              | % TOTAL     | FTE'S        |
|----------------|--------------------|------------------|------------------|------------------|--------------------|-------------|--------------|
| General Fund   | \$1,771,241        | \$135,500        | \$178,377        | \$441,038        | \$2,526,157        | 65%         | 27.95        |
| Water          | \$391,228          | \$29,929         | \$40,140         | \$70,000         | \$531,397          | 12%         | 5.19         |
| Sanitary Sewer | \$238,934          | \$18,278         | \$24,515         | \$59,813         | \$341,540          | 9%          | 3.71         |
| Waste Removal  | \$9,647            | \$738            | \$990            | \$1,940          | \$13,315           | 0%          | 0.20         |
| Vector Ctrl    | \$11,992           | \$917            | \$1,230          | \$1,940          | \$16,080           | 0%          | 0.20         |
| Library        | \$108,858          | \$8,175          | \$10,964         | \$29,370         | \$155,367          | 5%          | 2.00         |
| Flood Mtc      | \$78,318           | \$5,991          | \$8,035          | \$18,005         | \$110,951          | 3%          | 1.25         |
| Community Dev  | \$57,749           | \$7,478          | \$10,029         | \$24,572         | \$139,828          | 5%          | 2.20         |
| <b>TOTAL</b>   | <b>\$2,705,968</b> | <b>\$207,007</b> | <b>\$272,280</b> | <b>\$656,370</b> | <b>\$3,841,625</b> | <b>100%</b> | <b>42.80</b> |

| 2020 FUND      | GROSS              | FICA             | NDPERS           | CAPE             | TOTAL              | % TOTAL     | FTE'S        |
|----------------|--------------------|------------------|------------------|------------------|--------------------|-------------|--------------|
| General Fund   | \$1,743,914        | \$133,792        | \$174,006        | \$405,927        | \$2,457,639        | 65%         | 27.95        |
| Water          | \$384,618          | \$29,423         | \$39,462         | \$72,988         | \$526,491          | 12%         | 5.19         |
| Sanitary Sewer | \$235,241          | \$17,996         | \$24,136         | \$56,006         | \$333,379          | 9%          | 3.71         |
| Waste Removal  | \$9,458            | \$704            | \$904            | \$1,764          | \$12,826           | 0%          | 0.20         |
| Vector Ctrl    | \$11,757           | \$899            | \$1,200          | \$1,764          | \$15,620           | 0%          | 0.20         |
| Library        | \$102,959          | \$7,876          | \$10,564         | \$26,700         | \$148,099          | 5%          | 2.00         |
| Flood Mtc      | \$76,963           | \$5,868          | \$7,895          | \$18,773         | \$109,020          | 3%          | 1.25         |
| Community Dev  | \$94,634           | \$7,240          | \$9,709          | \$22,338         | \$133,921          | 5%          | 2.20         |
| <b>TOTAL</b>   | <b>\$2,864,544</b> | <b>\$203,838</b> | <b>\$268,029</b> | <b>\$605,760</b> | <b>\$3,742,171</b> | <b>100%</b> | <b>42.80</b> |

| CHANGE 2020 TO 2021 |
|---------------------|
|---------------------|

Certificate of Levy (DRAFT)

CITY OF WAHPETON BUDGET 2021  
**2021 Salary Scale**



CITY OF WAHPETON  
POSITION CLASSIFICATION & GRADE ASSIGNMENTS  
EFFECTIVE JANUARY 1, 2021

| Grade | Work                             | Beginning  | Midpoint    | Ending       | Hourly       | Hourly   |          |
|-------|----------------------------------|------------|-------------|--------------|--------------|----------|----------|
|       |                                  | Minimum    | Normal      | Maximum      | Minimum      | Ending   |          |
| 19    | Chief of Police                  | Exempt     | \$79,953.64 | \$106,604.85 | \$120,054.38 | \$ 38.44 | \$ 57.72 |
|       | Finance Director/Auditor         | Exempt     | \$79,953.64 | \$106,604.85 | \$120,054.38 | \$ 38.44 | \$ 57.72 |
|       | Public Works Director            | Exempt     | \$79,953.64 | \$106,604.85 | \$120,054.38 | \$ 38.44 | \$ 57.72 |
| 18    | Village                          | Exempt     | \$69,122.83 | \$ 92,163.77 | \$103,731.38 | \$ 33.23 | \$ 49.85 |
| 17    | Assessor                         | Exempt     | \$60,368.02 | \$ 80,230.69 | \$ 90,690.63 | \$ 29.04 | \$ 43.60 |
|       | Assistant Chief of Police        | Exempt     | \$60,368.02 | \$ 80,230.69 | \$ 90,690.63 | \$ 29.04 | \$ 43.60 |
|       | Engineering Project Manager      | Exempt     | \$60,368.02 | \$ 80,230.69 | \$ 90,690.63 | \$ 29.04 | \$ 43.60 |
| 16    | Library Director                 | Exempt     | \$52,976.91 | \$ 70,635.88 | \$ 79,547.47 | \$ 25.47 | \$ 38.24 |
|       | Community Development Director   | Exempt     | \$52,976.91 | \$ 70,635.88 | \$ 79,547.47 | \$ 25.47 | \$ 38.24 |
|       | Sergeant                         | Non-Exempt | \$52,976.91 | \$ 70,635.88 | \$ 79,547.47 | \$ 25.47 | \$ 38.24 |
|       | Public Works Superintendent      | Non-Exempt | \$52,976.91 | \$ 70,635.88 | \$ 79,547.47 | \$ 25.47 | \$ 38.24 |
|       | Water Plant Superintendent       | Non-Exempt | \$52,976.91 | \$ 70,635.88 | \$ 79,547.47 | \$ 25.47 | \$ 38.24 |
| 15    | Building/Cooking Office          | Non-Exempt | \$46,656.94 | \$ 62,211.92 | \$ 70,969.72 | \$ 22.43 | \$ 33.68 |
|       | Sewer/Water Foreman              | Non-Exempt | \$46,656.94 | \$ 62,211.92 | \$ 70,969.72 | \$ 22.43 | \$ 33.68 |
|       | Inspector                        | Non-Exempt | \$46,656.94 | \$ 62,211.92 | \$ 70,969.72 | \$ 22.43 | \$ 33.68 |
| 14    | Engineering/Inspector Technician | Non-Exempt | \$41,544.39 | \$ 55,392.52 | \$ 62,389.97 | \$ 19.97 | \$ 29.99 |
|       | Police Officer                   | Non-Exempt | \$41,544.39 | \$ 55,392.52 | \$ 62,389.97 | \$ 19.97 | \$ 29.99 |
|       | Police/Cannin Officer            | Non-Exempt | \$41,544.39 | \$ 55,392.52 | \$ 62,389.97 | \$ 19.97 | \$ 29.99 |
|       | Police/PCA Officer               | Non-Exempt | \$41,544.39 | \$ 55,392.52 | \$ 62,389.97 | \$ 19.97 | \$ 29.99 |
| 13    | Street Foreman                   | Non-Exempt | \$37,232.12 | \$ 49,642.83 | \$ 55,905.89 | \$ 17.90 | \$ 26.88 |
|       | Mechanic Street Crew Worker      | Non-Exempt | \$37,232.12 | \$ 49,642.83 | \$ 55,905.89 | \$ 17.90 | \$ 26.88 |
|       | Senior Water Plant Operator      | Non-Exempt | \$37,232.12 | \$ 49,642.83 | \$ 55,905.89 | \$ 17.90 | \$ 26.88 |
| 12    | Auditors Assistant               | Non-Exempt | \$33,421.29 | \$ 44,561.71 | \$ 50,183.73 | \$ 16.07 | \$ 24.13 |
|       | Econ. Dev. Admin. Asst.          | Non-Exempt | \$33,421.29 | \$ 44,561.71 | \$ 50,183.73 | \$ 16.07 | \$ 24.13 |
|       | Finance Assistant                | Non-Exempt | \$33,421.29 | \$ 44,561.71 | \$ 50,183.73 | \$ 16.07 | \$ 24.13 |
|       | Police Dept Admin Asst           | Non-Exempt | \$33,421.29 | \$ 44,561.71 | \$ 50,183.73 | \$ 16.07 | \$ 24.13 |
|       | Public Works Asst.               | Non-Exempt | \$33,421.29 | \$ 44,561.71 | \$ 50,183.73 | \$ 16.07 | \$ 24.13 |
|       | Street Crew Worker               | Non-Exempt | \$33,421.29 | \$ 44,561.71 | \$ 50,183.73 | \$ 16.07 | \$ 24.13 |
|       | Utility Worker                   | Non-Exempt | \$33,421.29 | \$ 44,561.71 | \$ 50,183.73 | \$ 16.07 | \$ 24.13 |
|       | Water Plant Operator             | Non-Exempt | \$33,421.29 | \$ 44,561.71 | \$ 50,183.73 | \$ 16.07 | \$ 24.13 |
| 11    | Children's Librarian             | Non-Exempt | \$30,011.59 | \$ 40,015.45 | \$ 45,063.89 | \$ 14.43 | \$ 21.67 |
|       | Librarian                        | Non-Exempt | \$30,011.59 | \$ 40,015.45 | \$ 45,063.89 | \$ 14.43 | \$ 21.67 |
|       | Municipal Clerk of Court         | Non-Exempt | \$30,011.59 | \$ 40,015.45 | \$ 45,063.89 | \$ 14.43 | \$ 21.67 |
| 10    | Cook/Boiler                      | Non-Exempt | \$27,205.60 | \$ 36,271.47 | \$ 40,847.56 | \$ 13.08 | \$ 19.64 |
|       | Meter Maintenance Worker         | Non-Exempt | \$27,205.60 | \$ 36,271.47 | \$ 40,847.56 | \$ 13.08 | \$ 19.64 |

State of North Dakota  
County of RICHLAND  
County Auditor

You are hereby notified on the 21st day of September, 2020 the governing body of the City of Wahpeton, North Dakota, levied a tax of \$ 1,859,184 upon all the taxable property in the City for the calendar year, ended December 31, 2020, which levy is itemized as follows:

| Fund   | 2021 Proposed Amount Levied | 2020 Amount Levied  | Change           |
|--|-----------------------------|---------------------|------------------|
| 1601 General   | \$ 1,672,437                | \$ 1,580,530        | \$ 91,907        |
| 1606 Airport Fund                                      | \$ 78,010                   | \$ 73,345           | \$ 4,665         |
| 1607 Share of Special Assessment                       | \$ 23,989                   | \$ 27,343           | \$ (3,354)       |
| 1613 Library Fund                                      | \$ 78,010                   | \$ 73,345           | \$ 4,665         |
| 1607 20% General Obligation 2/110910 Dakota Ave. Bonds | \$ 6,738                    | \$ 6,651            | \$ 87            |
| <b>Total Amount Levied</b>                             | <b>\$ 1,859,184</b>         | <b>\$ 1,761,214</b> | <b>\$ 97,970</b> |
|  |                             | 95.33 mill          | 95.33            |
|  |                             |                     | 5.30             |

You will duly enter tax upon the County tax list for the collection upon the taxable property of the City of Wahpeton, North Dakota, for the ensuing year. Dated at Wahpeton, North Dakota, this 21st day of September, 2020.

Darice E. Huwe  
Finance Director

CITY OF WAHPETON 2021 BUDGET PUBLIC HEARING  
MONDAY, SEPTEMBER 21, 2020 AT 5:00 PM  
WAHPETON CITY HALL  
1900 4TH ST. N.  
WAHPETON, ND 58075

Huwe then referred to the Proposed Certificate of Levy, which gets submitted to the Richland County Auditor. She reviewed the proposed amount levied which was the hold level amount of \$1,761,214 plus the captured amount of \$97,970 for a total of \$1,859,184. She asked for consideration of increasing the dollars levied by \$97,970, to capture the growth. This captured amount is included in the proposed budget. She reported the 2021 Budget Public Hearing is to be scheduled for Monday, September 21<sup>st</sup>, 2020 at 5:00 p.m. Discussion held. **Motion by Bohn, seconded by Wateland, to approve the Preliminary Certificate of Levy as presented, with a hold level rate plus capturing the growth. Motion carried with all voting 'aye'.** Huwe noted the 2021 Budget will be reviewed at both the Finance and Public Works Committee meetings as we move forward, noting the mill can do down but cannot increase. Huwe asked that any questions or suggestions be directed to her. Further discussion held.

**Motion by Wateland, seconded by Bohn and carried, to adjourn at 5:57 p.m.**

ATTEST

\_\_\_\_\_  
Steve Dale, Mayor

\_\_\_\_\_  
Lynelle Amos, Finance Assistant