



**CITY OF
MANDAN**

“WHERE THE WEST BEGINS”

2011 BUDGET



CITY OF MANDAN

MANDAN CITY HALL - 205 2nd Avenue NW
MANDAN, NORTH DAKOTA 58554

701-667-3215 • FAX: 701-667-3223 • www.cityofmandan.com

CITY DEPARTMENTS

ADMINISTRATION	667-3215
ASSESSING/BUILDING INSPECTION	667-3230
BUSINESS DEVELOPMENT	667-3485
CEMETERY	667-6044
ENGINEER/PLANNING & ZONING	667-3225
FINANCE	667-3213
FIRE	667-3288
HUMAN RESOURCES	667-3217
LANDFILL	667-0184
MUNICIPAL COURT	667-3270
POLICE	667-3455
PUBLIC WORKS	667-3240
SEWER TREATMENT	667-3278
SPECIAL ASSESSMENTS	667-3271
UTILITY BILLING	667-3219
WATER TREATMENT	667-3275

October 6, 2010

TO: Citizens of Mandan
Board of City Commissioners

The City of Mandan is required to prepare the annual Budget in accordance with the Municipal Budget Law (North Dakota Century Code Chapter 40-40) and also with existing City Ordinances, Resolutions, contracts and agreements. In addition to these legal requirements, the City's Significant Budget Policies provide further direction and guidance to the budgeting process.

The City's Budget Committee consists of the following members:

- Sandy Tibke, City Commissioner (Finance Portfolio)
- Jim Neubauer, City Administrator
- Greg Welch, Finance Director

The following is a summary of the 2011 Budget:

Annual Cost for City Services

The annual cost for City services for an existing \$160,000 residential home with an average valuation increase of 3.2% (Board of Equalization) and using 10 units of water per month, excluding special assessments:

Property Taxes:

- FY 2010 = \$705
- FY 2011 = \$727

Utility Bill:

- FY 2010 = \$835
- FY 2011 = \$861

Total:

- FY 2010 = \$1,541
- FY 2011 = \$1,588

Ordinance (pages 1 to 2)

September 7, 2010 - The Board of City Commissioners conducted a public hearing and passed the introduction and first reading of Ordinance No. 1085 adopting the 2011 Budget.

October 5, 2010 - The Board of City Commissioners conducted a public hearing and passed the second and final reading of Ordinance No. 1085 adopting the 2011 Budget. In addition, the Board approved the Resolution for increased levies and also the Resolutions establishing rates and charges for services from the Cemetery Fund, and the Water and Sewer Utility Fund.

Summary (pages 3 to 5)

Revenues (before Transfers):

- Property Taxes = \$3,544,200 (16%)
- 1% City Sales Taxes = \$1,427,300 (7%)
- Other Taxes = \$509,100 (2%)
- Licenses and Permits = \$495,650 (2%)
- Intergovernmental = \$2,191,850 (10%)
- Utility Charges for Services = \$7,187,250 (33%)
- Other Charges for Services = \$289,650 (1%)
- Fines and Forfeits = \$179,350 (1%)
- Special Assessments = \$5,783,150 (26%)
- Miscellaneous = \$406,250 (2%)
- Total = \$22,013,750

Expenditures (before Transfers):

- Salaries and Benefits = \$7,387,900 (33%)
- Operations and Maintenance = \$5,376,100 (24%)
- Capital Outlay = \$388,300 (2%)
- Debt Service-Principal and Interest = \$8,939,450 (41%)
- Total = \$22,091,750

Excess of Expenditures over Revenues = \$78,000

- Funds to come from existing cash balances.

Estimated Fund Balances (pages 6 to 7)

The purpose of this schedule is to summarize the City's funds and to indicate the estimated change in Fund Balances from January 1, 2010 to December 31, 2011 for each fund.

General Fund (pages 8 to 9)

Revenues = \$6,760,550

Expenditures = \$7,233,950

Estimated Fund Balance at December 31, 2011:

- Reserved (16%) = \$1,143,384
 - 2012 Budget = 17% or 2 months
 - Government Finance Officers Association recommendation.
- Capital Improvement = \$1,279
- Total = \$1,144,663

General Fund (pages 8 to 9), continued

Operating Deficits:

- 2010 Budget (revised) = \$391,300
 - Capital Outlay (machinery and equipment) = \$234,650
 - City re-assessment project = \$101,800
 - Operations = \$54,850
- 2011 Budget = \$473,400
 - Capital Outlay (machinery and equipment) = \$87,800
 - City re-assessment project = \$173,350
 - Operations = \$212,250
- FY 2010 and FY 2011 total = \$864,700
- Expenditure savings:
 - FY 2007 - FY 2009 = \$714,650
- 2012 Budget recommendation:
 - Deficits may only result from one-time expenditures such as capital outlay (machinery and equipment) or for special projects provided that funding comes from available balances (savings) in excess of the minimum Fund Balance Operative Reserve. Deficits may not result from normal operating expenditures.

Cemetery Fund (pages 10 to 12)

The purpose of this Fund is to account for a specific annual property tax levy, charges for services, and sale of lots to be used exclusively for the care, maintenance, and improvement of the Cemetery.

Revenues = \$157,650

Expenditures = \$147,450

Estimated Fund Balance at December 31, 2011:

- Reserved (17%) = \$24,455
- Capital Improvement = \$43,628
- Total = \$68,082

Fees and Charges:

- Grave Opening and Closing winter rate increase = \$100
- Purpose: Machinery and equipment for winter burials.

Grave Opening and Closing (10 year average) = 106

Sale of Cemetery Lots (10 year average) = 82

City Visitors' Promotion/Capital Construction Fund (pages 13 to 15)

The purposes of this Fund are: 1) to account for the 2% City Occupancy Tax to promote, encourage, and attract visitors to come to the City and use the travel and tourism facilities within the City, and 2) to account for the 1% City Restaurant and Lodging Tax for the purchase, equipping, improving, construction, maintenance, repair, and acquisition of buildings or property consistent with visitor attraction and promotion.

Revenues:

- 2% Occupancy Taxes = \$44,850
- 1% Restaurant and Lodging Taxes = \$273,700

City Visitors' Promotion/Capital Construction Fund (pages 13 to 15), continued

Occupancy Tax revenues are distributed as follows:

- Bismarck-Mandan Convention and Visitors Bureau (90%) = \$40,350

The Visitors' Committee recommends funding for projects from the 1% City Restaurant and Lodging Tax revenues.

Estimated Fund Balance at December 31, 2011:

- 2% Tax = \$6,750
- 1% Tax:
 - Unreserved = \$621,824
 - Reserved (17%) = \$46,529
 - Total = \$668,353

Occupancy Tax revenues have increased 35% over the last ten years.

Restaurant and Lodging Tax revenues have increased 26% over the last ten years.

City Sales Tax Fund (pages 16 to 19)

The purpose of this Fund is to account for the 1% City Sales Tax for reducing property taxes and municipal debt, street, water and sewer improvements, and for job and economic development.

1% City Sales Taxes = \$1,427,300

40% of the annual Sales Tax revenues are transferred to the General Fund for property tax reduction = \$570,950 or 13.29 mills

Estimated Fund Balance at December 31, 2011 = \$468,895

Taxable Sales and Purchases have increased 36% over the last ten years.

Sales Tax revenues have increased 24% over the last ten years.

Historically, the City has expended the Sales Tax revenues as follows:

- Property Tax Reduction = 38%
- Street, Water and Sewer Improvements = 29%
- Job and Economic Development = 28%
- Municipal Debt Reduction = 5%

Refunding Improvement Bonds Fund (page 20)

The purpose of this Fund is to account for, by district, the financing of the City's special assessment bonds for the construction of infrastructure improvements such as for Sidewalk, Curb and Gutter, Street, and Water and Sewer Utility projects.

Revenues:

- Sidewalk, Curb and Gutter = \$208,800
- Street = \$4,232,850
- Water and Sewer Utility = \$1,275,350
- Total = \$5,717,000

Refunding Improvement Bonds Fund (page 20), continued

Expenditures:

- Sidewalk, Curb and Gutter = \$201,450
- Street = \$4,680,419
- Water and Sewer Utility = \$1,669,831
- Total = \$6,551,700

Estimated Fund Balance at December 31, 2011:

- Sidewalk, Curb and Gutter = \$149,097
- Street = \$893,795
- Water and Sewer Utility = \$683,387
- Total = \$1,726,280

Mandan Growth Fund (page 21)

The Fund generally receives \$250,000 from the City Sales Tax Fund annually for Job and Economic Development.

Revenues:

- Business Development Director = \$128,300
- Economic Development = \$159,300
- Storefront Improvement Program = \$0
- Total = \$287,600

Expenses:

- Business Development Director = \$128,300
- Economic Development = \$12,000
- Storefront Improvement Program = \$0
- Total = \$140,300

The funding for Economic Development projects are recommended by the Mandan Growth Fund Committee.

Estimated Fund Balance at December 31, 2011:

- Business Development Director = \$0
- Economic Development = \$270,177
- Storefront Improvement Program = \$7,896
- Total = \$278,073

Water and Sewer Utility Fund (pages 22 to 26)

Revenues:

- Water = \$3,954,575
- Sewer = \$1,904,225
- Total = \$5,858,800

Expenses:

- Water = \$3,510,800
- Sewer = \$1,777,250
- Total = \$5,288,050

Water and Sewer Utility Fund (pages 22 to 26), continued

Estimated Fund Balance at December 31, 2011:

- Reserved (25%) = \$738,288
- Water Main Replacement = \$322,896
- Sewer Collection System Improvements = \$70,000
- Capital Improvement = \$2,507
- Revenue Bonds = \$1,433,372
- Total = \$2,567,062

Fees and Charges:

- Water Utility base rate increase:
 - Residential = \$2.15 per month
 - Commercial and Industrial = \$4.30 per month
 - Apartment = \$6.45 per month
 - Purpose: Debt Service (1/3) for a \$7M Residual Management Facility Project at the Water Treatment Plant. The Board approved the bids on June 1, 2010 and the financing on July 20, 2010.
- No increase in Sewer Utility Fees and Charges.
- The annual increase in the Utility Bill for an average customer using 10 units (7,500 gallons or 1,000 cubic feet) of water per month:
 - Residential = \$25.80
 - Commercial and Industrial = \$51.60
 - Apartment = \$77.40

Water:

- % of water sold for FY 2009:
 - City = 81.6%
 - Missouri West Water System = 18.4%
 - The City entered into a 40 year Water Supply Contract with the Morton County Water Resource District on May 20, 1997.
- % of City water consumption for FY 2009:
 - Residential = 60.7%
 - Commercial = 25.7%
 - Trailer Parks/Mobile Homes = 12.6%
 - Apartments = 1.0%

Sewer:

- % of waste treated for FY 2009:
 - Residential/Commercial = 91.6%
 - Industrial = 8.4%

Solid Waste Utility Fund (pages 27 to 29)

Revenues = \$1,213,700

Expenses = \$1,349,200

Service contracts:

- Garbage collection agreement with Dakota Sanitation Plus, Inc. expires on October 31, 2012.
- Disposal agreement with Waste Management of North Dakota, Inc. expires on June 30, 2015.

Solid Waste Utility Fund (pages 27 to 29), continued

Estimated Fund Balance at December 31, 2011:

- Reserved (25%) = \$307,300
- Capital Improvement = \$1,060,031
- Total = \$1,367,331

No increase in Fees and Charges.

Solid Waste Tons Hauled From the Transfer Station:

- Residential (6 year average) = 6,570
- Commercial (6 year average) = 1,552
- Total (10 year average) = 9,557

Inert Landfill Tons (6 year average) = 19,407

Street Light Utility Fund (page 30)

Revenues = \$326,500

Expenses = \$299,450

Estimated Fund Balance at December 31, 2011:

- Reserved (25%) = \$74,863
- Capital Improvement = \$115,719
- Total = \$190,582

No increase in Fees and Charges.

City Shop Fund (page 31)

The purpose of this Fund is to account for the salaries and benefits of the City's Mechanic, purchase of fuel, and for repairs and maintenance of City vehicles, and machinery and equipment.

The Fund charges the departments for services provided and for reimbursement of expenditures.

Revenues = \$218,750

Expenditures = \$218,750

Estimated Fund Balance at December 31, 2011 = \$0

Mill Levy and Taxable Valuation (pages 32 to 42)

Mill Levy:

- City operations = 86.83 Mills
 - General Fund = 78.07 Mills
- Airport operations = 4.00 Mills
- Library operations = 7.00 Mills
- Total = 97.83 Mills
 - Decrease = 0.10 Mills
 - Average city levy of the 11 largest cities (excluding Mandan) for FY 2009 = 97.83 Mills

Mill Levy and Taxable Valuation (pages 32 to 42), continued

Property Taxes:

- City operations = \$3,730,919
 - General Fund = \$3,354,496
- Airport operations = \$171,871
- Library operations = \$300,775
- Total = \$4,203,565
 - Increase = \$265,781

Taxable Valuation (estimated) = \$42,967,800

- Increase = 6.9%
- 1 Mill = \$42,968

The increase in the City property taxes for an existing residential home with an average valuation increase of 3.2% (Board of Equalization) in the true and full value, excluding special assessments = \$21.82

City's share of 1 Mill for FY 2009 = 24%

Mill Levy has decreased 18.43 Mills over the last ten years.

Taxable Valuation has increased 102% over the last ten years.

Salaries and Benefits (pages 43 to 48)

Salaries:

- Salaries = \$5,457,500
 - Cost Of Living Adjustment (COLA) = 2.5% or \$162,950
 - No merit or step increases.
 - Increase = \$176,800

Benefits:

- Benefits = \$1,930,400
 - Estimated Health Insurance increase (effective July 1, 2011) = 20% or \$94,750
 - Increase = \$128,800

Salaries and Benefits = \$7,387,900

- Increase = \$305,600 or 4.3%

Employees = 110

Capital Outlay (page 49)

See schedule.

Capital Outlay = \$388,300

Debt Service (pages 50 to 51)

Debt Service:

- General Obligation Bonds-Liberty Memorial Bridge = \$1,054,393
- Special Assessment Bonds-Sidewalk, Curb and Gutter = \$1,213,194
- Special Assessment Bonds-Street = \$39,053,904
- Special Assessment Bonds-Water and Sewer Utility = \$13,962,068
- Revenue Bonds-Mandan Community Center = \$1,261,663
- Revenue Bonds-Water Utility = \$29,423,241
 - Includes the \$7M Residual Management Facility Project.
- Revenue Bonds-Sewer Utility = \$6,115,400
- Total Principal and Interest:
 - Principal = \$74,316,000
 - Interest = \$17,767,860
 - Total = \$92,083,860

Amortization:

- % of Debt Service retired in 10 years = 78%
- % of Debt Service retired in 15 years = 94%

2012 Budget Recommendations:

- Consider a Debt Management Policy.
- Consider an Infrastructure Policy for developer related projects.

Transfers (page 52)

The purpose of this schedule is to indicate the Transfers in/out between funds and to provide a description for each transfer.

Transfers = \$2,188,050

Demographic Statistics (pages 53 to 55)

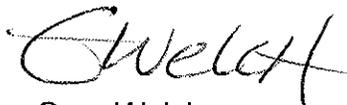
The purpose of these schedules is to provide a general overview of the City's Demographic Statistics.

Population has increased 9% since 2000.

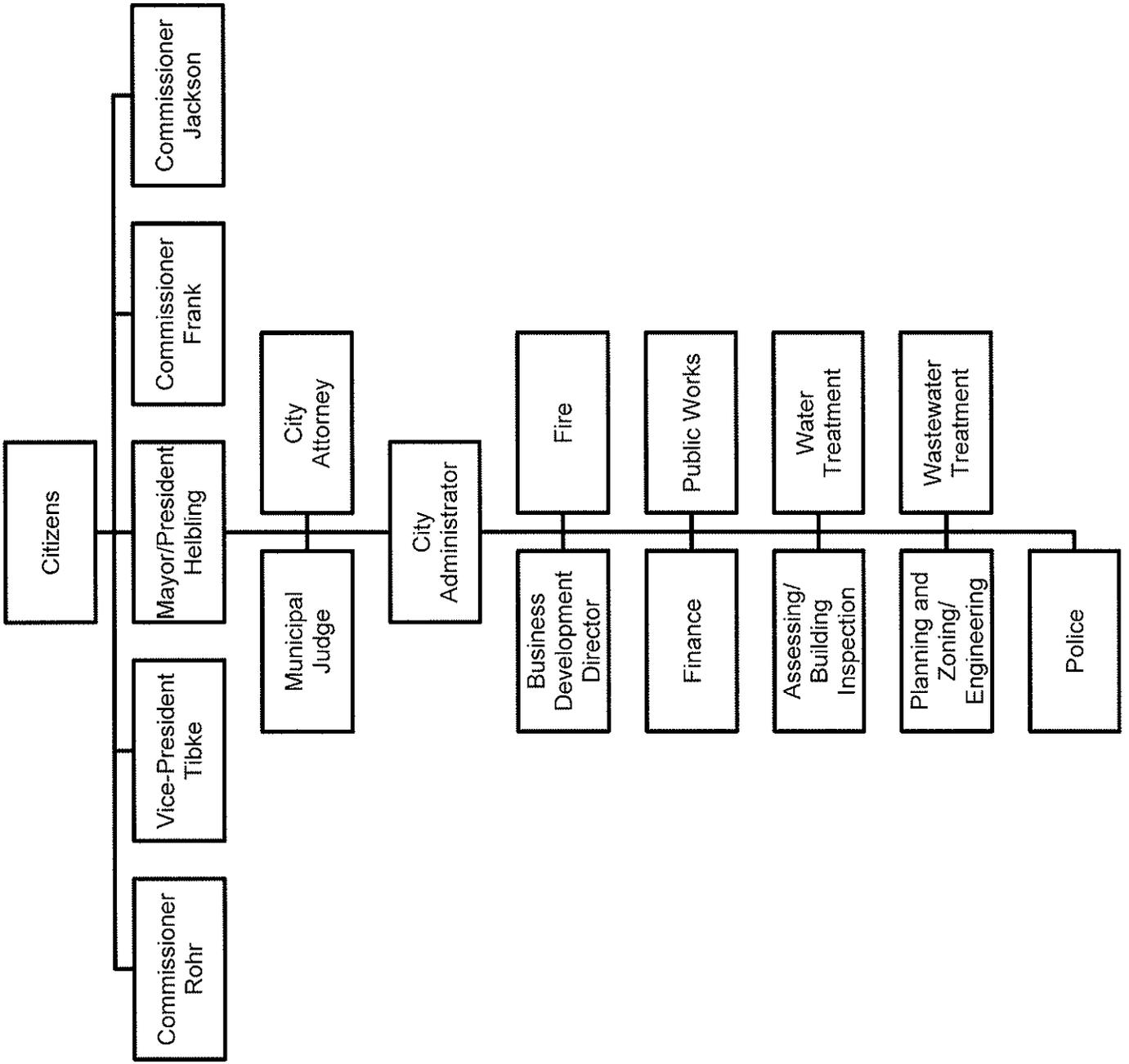
Respectfully submitted,



Jim Neubauer
City Administrator



Greg Welch
Finance Director





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MANDAN, NORTH DAKOTA 58554

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COMMISSION

Tim Helbling, Mayor/President (Term 2008-2012)
Portfolio: Public Buildings, Police, and Fire

Sandy Tibke, Vice-President (Term 2008-2012)
Portfolio: Finance and Mandan Airport Authority

Tom Jackson (Term 2008-2012)
Portfolio: Assessing, Building Inspection, and Morton Mandan Public Library

Dot Frank (Term 2010-2014)
Portfolio: Health Inspection, Cemetery, and Business Development

Dennis Rohr (Term 2010-2014)
Portfolio: Planning and Zoning, Engineering, Public Works, Water and Sewer Utility, Solid Waste Utility, Street Light Utility, and Mandan Parking Authority

OTHER ELECTED OFFICIAL

DeNae Kautzmann - Municipal Judge (Term 2008-2012)

APPOINTED OFFICIALS

Malcolm Brown - City Attorney
Jim Neubauer - City Administrator
Ellen Huber - Business Development Director

DEPARTMENT DIRECTORS

Greg Welch - Finance
Rich Barta - Assessing/Building Inspection
Dave Bechtel - Planning and Zoning/Engineering
Dennis Bullinger - Police
Steve Nardello - Fire
Jeff Wright - Public Works
Gary Zander - Water Treatment
Steve Himmelspach - Wastewater Treatment

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2011 BUDGET
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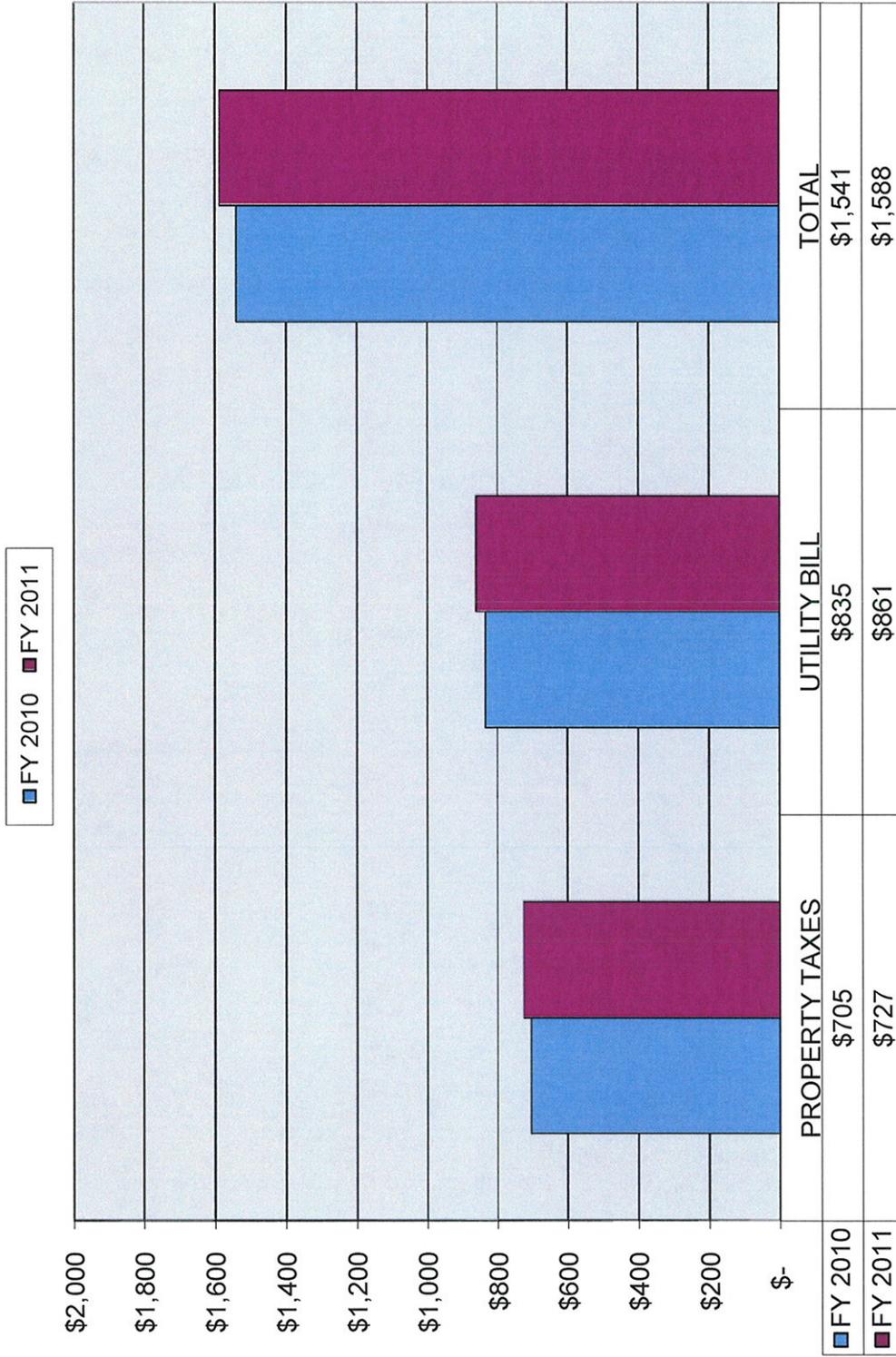
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ANNUAL COST FOR CITY SERVICES



EXISTING \$160,000 RESIDENTIAL HOME
 (WITH AN AVERAGE VALUATION INCREASE AND USING 10 UNITS OF WATER PER MONTH,
 EXCLUDING SPECIAL ASSESSMENTS)