

SEP 12 2016



September 12, 2016

**Auditor**

Board of County Commissioners  
Cass County Government  
211 9<sup>th</sup> Street South  
Fargo, North Dakota 58103

Michael Montplaisir, CPA  
701-241-5601

Re: 2017 Budget Hearing

montplaisirm@casscountynd.gov

Dear Commissioners:

The date of September 19, 2016, has been set to hold a public hearing on the 2017 Cass County budget. A notice was published in The Forum on August 29, 2016, and is also posted on our web site, along with the detailed preliminary budget. We did not send out notices to individual property owners or schedule the hearing for 6:00 PM because we are projected to meet the zero number of mills as outlined in state law.

The Preliminary Budget approved on August 16, 2016, totaled \$93,412,155 with a projected maximum mill levy on county property of 61.21 mills—down from 66.12 mills levied for 2015 taxes (2016 Budget) for a decrease of 4.91 mills. A breakdown of the savings is as follows and varies by taxing district because some levies are not county wide:

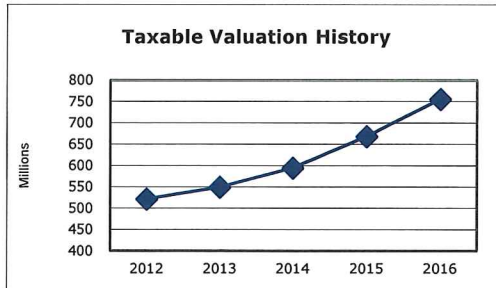
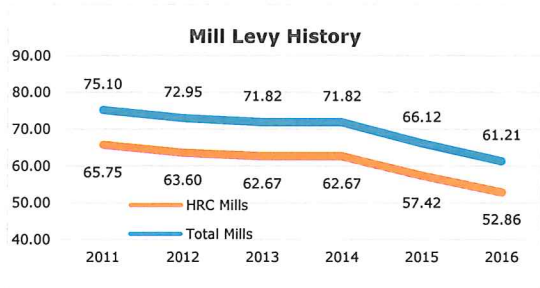
	<u>2015 Taxes</u>	<u>2016 Taxes</u>	<u>Difference</u>
General Fund	28.80	30.00	1.20
Human Services	13.66	12.23	(1.43)
County Highway	9.83	8.28	(1.55)
Senior Citizens	1.00	1.00	-0-
Emergency and Flood Mitigation	2.88	0.25	(2.63)
Courthouse Debt Service	1.25	1.10	(0.15)
Vector Control	0.90	0.90	<u>(0.10)</u>
 Total County Wide Reductions			<u>(5.35)</u>
 Southeast Cass WRD	3.50	3.40	<u>(0.10)</u>
(Applies to area within the Southeast Cass WRD, including Fargo and West Fargo)			
 Weed Control District	1.80	1.45	<u>(0.35)</u>
(Applies to areas outside the corporate limits of the City of Fargo)			

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www.casscountynd.gov

The reduction in property taxes for a \$200,000 house in Fargo or West Fargo would be \$44.19 for the county portion of the property tax. The county portion of a Fargo property owner's tax bill is about 18.7% of the total tax bill. This assumes, of course, that the property was valued the same in both years.

The county portion of the levy has remained fairly consistent over the years while at the same time the valuation has been steadily increasing due to both new construction and inflation.



We were able to reduce the mill levy used to finance a portion of our budget primarily because of the strong growth in the taxable valuation of the property within the county.

While reducing the number of mills, the county is still moving forward with providing needed services to county residents. This has been a year where the county has tried to hold the line on budgets but has approved hiring more employees in Human Services to better serve those clients. Each department in the county takes pride in providing the best service they can to the county residents while at the same time keeping the cost to the taxpayer in mind.

I would like to make a recommendation on the the mill levies approved in the Preliminary Budget. The current plan allows for 12.23 mills for Social Services with an estimated ending balance at the end of 2017 of almost \$2.2 million dollars. Reserves are a good thing, but as you heard in the discussion today, the state will probably take over funding of Social Services and provide funds to the county each year for the allowable expenditures of the department. For the last two budget years, Social Services has been limited in the amount of increase in their budget, and with the new legislation will continue to be limited. As such, there is no need for a large reserve for Social Services even if the county retains funding for this department. I would suggest you lower the mill levy to 10 mills, which would leave a reserve of \$500,000 at the end of 2017. You could either reduce overall taxes by the 2.23 mills, or you could reassign those mills to other funds. My suggestion would be to increase the Road Fund to 10.00 mills, Vector Control to 1.00 mill and the General Fund to 30.41 mills, leaving the mill levy at the advertised 61.21 mills.

Following today's hearing, the board can consider changes to the budget and you can reduce the overall mill levy; however, you may not raise the mill levy from what has been published. The final budget must be approved on or before the first day of October under our Home Rule Charter.

Sincerely,

Michael Montplaisir  
Cass County Auditor

**SUGGESTED MOTION:**

Move to make the following changes to the 2017 Preliminary Budget and to approve the 2017 Final Budget in the amount of \$\_\_\_\_\_ and direct the County Auditor to levy the necessary taxes to support the 2017 Final Budget with a maximum mill levy on any county property of \_\_\_\_\_ mills.

### Cass County Government Budget/Levy Summary 2017

	2016			2017		2017 Projected Fund Balance	2015 Mill Levy	2016 Mill Levy	Percent Of Expenditures
	Adjusted Budget	Projected Expenditures	Projected Fund Balance	Board Revenues	Approved Budget				
<b>101 General Fund</b>	<b>31,545,787</b>	<b>32,619,396</b>	<b>3,817,777</b>	<b>32,955,301</b>	<b>32,794,535</b>	<b>3,978,543</b>	<b>28.80</b>	<b>30.41</b>	<b>12.13%</b>
<b>Special Revenue Funds</b>									
201 Human Services	12,480,325	12,403,987	2,427,896	10,645,976	12,561,442	512,430	13.66	10.00	4.08%
211 Road and Bridge	20,575,229	20,313,072	3,105,280	16,887,342	17,977,104	2,015,518	9.83	10.00	11.21%
219 Parenting Workshop	20,000	17,855	39,254	14,500	20,000	33,754			
221 Sheriff Asset Forfeiture	182,114	137,742	94,903	225,033	155,750	164,186			
222 Senior Citizens Fund	1,103,589	1,103,589	226,155	1,327,679	1,207,790	346,044	1.00	1.00	28.65%
224 911 Service Fund	2,991,072	2,976,672	4,039	3,446,728	3,446,728	4,039			
225 Asset Forfeiture (States Atty)	500	4,000	239,470	7,800	4,000	243,270			
226 JAIBG Fund (Sheriff)	4,000	4,000	66,414	4,100	4,000	66,514			
229 Emergency/ Flood Mitigation Fund	2,000,000	-	4,256,162	187,711	2,000,000	2,443,873	2.88	0.25	122.19%
220 24/7 Sobriety Program	310,850	338,538	148,789	350,200	336,956	162,033			
235 Jail Commissary Fund (Sheriff)	140,814	167,230	474,132	160,850	174,660	460,322			
236 Hazardous Plan/Response Fund (EM)	6,000	6,000	36,670	7,000	6,000	37,670			
237 Valley Water Rescue Fund (Sheriff)	43,500	43,500	6,144	42,706	43,500	5,350			
238 NDRIN Fund (Recorder)	1,072,000	969,561	1,960,560	1,383,000	1,318,500	2,025,060			
239 Document Preservation (Recorder)	236,667	208,506	377,514	135,000	390,031	122,483			
241 Swat Vehicle Replacement	-	-	12,513	2,355	-	14,868			
<b>Total Special Revenue Funds</b>	<b>41,166,660</b>	<b>38,694,252</b>	<b>13,475,895</b>	<b>34,827,980</b>	<b>39,646,461</b>	<b>8,657,414</b>	<b>27.37</b>	<b>21.25</b>	
<b>Total General and Special Revenue Funds Mill Levy</b>							<b>56.17</b>	<b>51.66</b>	
<b>Debt Service Fund (Special Assessment)</b>									
303 Greyhawk Estates Sub	30,919	31,119	38,914	24,371	29,850	33,435			
306 Holmen's 3rd Subdivision	8,352	8,352	-	-	-	-			
318 Grandberg/Amber Plains Subdivision	33,575	33,575	8,428	29,893	32,525	5,796			
Courthouse Debt Service	930,761	930,761	95,988	897,459	917,578	75,869	1.25	1.10	8.27%
<b>Total Debt Service Funds</b>	<b>1,003,607</b>	<b>1,003,807</b>	<b>143,330</b>	<b>951,723</b>	<b>979,953</b>	<b>115,100</b>	<b>1.25</b>	<b>1.10</b>	
<b>Internal Service Funds</b>									
501 Health Insurance Fund	4,722,755	4,599,686	2,738,917	4,966,993	4,955,975	2,749,935			
502 Telephone Service Fund	234,700	241,446	169,692	244,100	245,700	168,092			
504 Motor Pool Service Fund	38,382	34,382	83,816	41,050	36,382	88,484			
505 Dental Insurance Fund	376,522	349,165	249,386	380,880	380,880	249,386			
<b>Total Internal Service Funds</b>	<b>5,372,359</b>	<b>5,224,679</b>	<b>3,241,811</b>	<b>5,633,023</b>	<b>5,618,937</b>	<b>3,255,897</b>	<b>-</b>	<b>-</b>	
<b>Total "County" Mill Levy</b>							<b>57.42</b>	<b>52.76</b>	
<b>Other County Agencies</b>									
231 Weed Control Fund	515,193	497,211	258,426	435,319	485,245	208,500	1.80	1.45	42.97%
232 Vector Control Fund	1,070,175	1,059,075	198,288	1,274,581	1,111,904	360,965	0.90	1.00	32.46%
233 County Park Fund	40,400	40,410	82,010	30,190	62,500	49,700			
Southeast Cass WRD	6,207,095	42,000,000	6,079,640	8,374,800	7,171,290	7,283,150	3.50	3.40	
Rush River WRD	859,725	859,725	1,802,866	841,985	918,395	1,726,456	4.00	4.00	
Maple River WRD	1,774,385	11,960,000	2,058,133	1,800,225	1,434,450	2,423,908	4.00	4.00	
North Cass WRD	591,190	450,000	1,402,503	791,695	678,405	1,515,793	4.00	4.00	
Red River Joint WRD	2,479,895	2,479,895	7,859,725	2,510,080	2,510,080	7,859,725	2.00	2.00	
<b>Total Other County Agencies</b>	<b>13,538,058</b>	<b>59,346,316</b>	<b>19,741,591</b>	<b>16,058,875</b>	<b>14,372,269</b>	<b>21,428,197</b>	<b>20.20</b>	<b>19.85</b>	
<b>Total All County Funds</b>	<b>92,626,471</b>	<b>136,888,450</b>	<b>40,420,404</b>	<b>90,426,902</b>	<b>93,412,155</b>	<b>37,435,151</b>	<b>77.62</b>	<b>72.61</b>	
<b>Maximum County Mill Rate on any Property</b>							<b>66.12</b>	<b>61.21</b>	

NAME OF GOVERNMENTAL UNIT:  
CASS COUNTY

The valuations for the 2016 tax levy are as follows:

	Cass County	Weed District	
Real Property	741,856,362	257,976,060	
Railroads	4,464,508	4,141,718	
Pipelines	1,199,655	1,143,859	
Electric	8,719,822	3,235,725	
Telephone			
Total	<u>756,240,347</u>	<u>266,497,362</u>	
	Dollars Requested	Mill Levy Computed	Actual Dollars Levied
COUNTY LEVIES:			
GENERAL		30.41	22,997,268.95
HUMAN SERVICES		10.00	7,562,403.47
COUNTY HIGHWAY		10.00	7,562,403.47
10 MILL ROAD			0.00
VSO FUND			0.00
SENIOR CITIZENS		1.00	756,240.35
COURTHOUSE ADDITION DEBT SERVICE		1.10	831,864.38
EMERGENCY FUND		0.25	189,060.09
VECTOR CONTROL		1.00	756,240.35
WEED CONTROL		1.45	386,421.17
TOTAL	<u>0.00</u>	<u>55.21</u>	<u>41,041,902.23</u>