



September 10, 2014

Cass County Board of Commissioners
211 9th Street South
Fargo ND 58103

RE: 2015 Budget Hearing

Auditor

Michael Montplaisir, CPA
701-241-5601

Treasurer

Charlotte Sandvik
701-241-5611

Director of Equalization

Frank Klein
701-241-5616

Dear Commissioners:

In August you reviewed department and appointed board budgets. In addition, you listened to requests from other entities that provide services to Cass County residents. To say that you had a challenging job is an understatement. In presenting the original budget, the entire requests of each entity requesting dollars were presented. We limited tax revenue in the original preliminary budget to the mill levy required if the board wanted to meet the “zero number of mills increase” contained in state law.

The county was not obligated to stay within the zero number of mills increase but it was important for you as a commission to understand the implications of budgeting using that concept and how it would affect future budgets. The zero number of mills concept allows a governmental entity to collect additional taxes on new properties added to the tax base, but to the extent you received inflationary growth in existing properties that increased valuation, you should use that inflationary growth to drive down the mill levy. The zero number of mills increase was computed as shown in Attachment 1.

As you can see in Attachment 2 (General Fund Budget Summary), the original General Fund requests were for \$31 million in expenditures with revenues of \$27.3 million—or deficit spending of \$3.5 million. Through budget deliberations, you reduced the 2015 budget to \$30 million and by keeping the total mills to the 2014 level increased revenues by \$1.5 million. Under this plan the county will still spend about \$1 million more in the General Fund than it is projecting to take in but it is more of a planned reduction in fund balance rather than the drastic reduction under the preliminary budget.

Similarly the Human Service Fund’s spending deficit (Attachment 3) has been reduced by almost \$250,000 by reducing the number of new employees. The resulting deficit spending of \$560,000 is better than the \$800,000 funding deficit at the start of the preliminary budget. The Human Service Fund, of course, is mostly mandated services the county needs to deliver in the most cost efficient manner. Hopefully in the next legislative session some service costs will be taken over by the State of North Dakota as property tax relief.

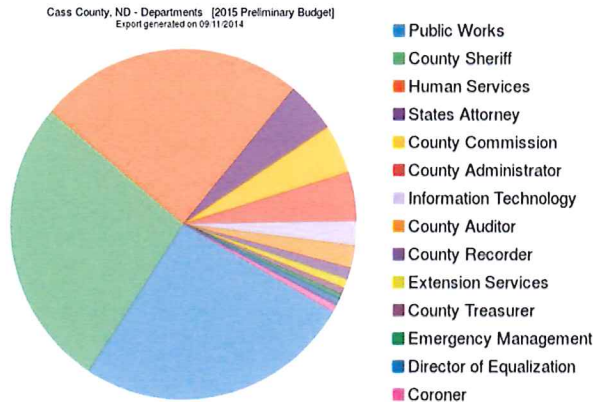
The last major fund is the County Road and Bridge Fund (Attachment 4) and is largely intact compared to the preliminary budget proposal. This fund is project driven which in turn is driven by dollars allocated by the State of North Dakota. In 2013 and 2014 the county was spending at a rate of \$20 million annually, fueled by additional appropriations each year through the legislature. The budget for 2015 does not include additional funding over what we would normally receive in Highway Distribution funds. The county may have to amend the budget during 2015 if the legislature approves additional highway funds.

Box 2806
211 Ninth Street South
Fargo, North Dakota 58103

Fax 701-241-5728

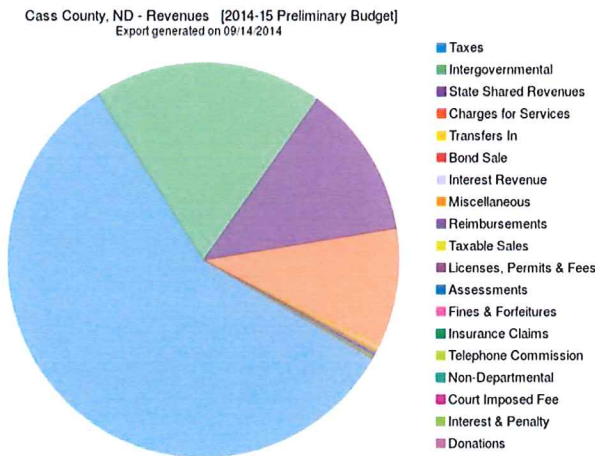
www.casscountynd.gov

The county operates using a number of funds with most departments being contained in the General Fund. Other operational funds include County Road and Bridge, Human Services, Vector Control, and Weed Control. The chart below shows the different functions of the major operations areas of the budget:



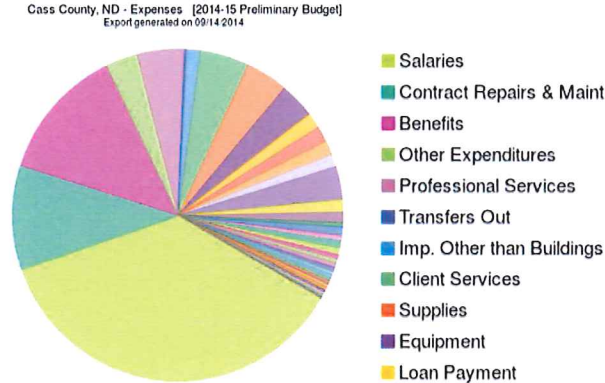
Public Works includes County Road and Bridge, Vector Control and Weed Control. As you can see by the graph, Public Works, County Sheriff, and Human Services each are about ¼ of the county operations. The remaining county departments make up the other ¼ of the operations budget. Funds not included in the chart are some Special Revenue, Debt Service, Capital Projects, and Water Resource Funds.

Our revenue sources are fairly limited. The bulk of revenue comes from property taxes—almost 60%, intergovernmental revenues and state shared revenues (share of sales tax) which combined is a little over 30%; the remaining 10% are charges for services and other miscellaneous revenue sources.



On the spending side, 50% of the budget is spent on salaries and benefits. The largest portion (10%) of the remaining budget is spent on contracted road work. The rest of the budget is spent on a variety of things such as allocations to Public Health, Red River Valley Fair, Rural Ambulance and EMS squads, supplies, travel, and equipment replacements.

All of these items are subject to inflationary pressures so even without expanding any services, costs more each year.



There are some things the county is doing differently for 2015—most notably, moving Juvenile Detention from the County Jail and contracting with Clay County and repurposing the jail pod from juvenile detention to adult prisoners. In a non-election year, the budget includes replacements of outdated election equipment; paying off some of our remaining flood year deficits; and increasing tax assessment services in response to requests from entities that cannot find qualified assessors.

The projected mill levy to support the 2015 budget is the same as the 2014 budget. The county will be spending some reserves but will still leave sufficient dollars in reserves to survive most unexpected situations, including floods. Staying at the same mill levy forced us to send out notices to some taxpayers and to publish a special notice concerning our budget hearing tonight. Several local units of government have also had to publish and mail notices concerning their hearings while at the same time keeping their mill levies level. In most cases taxpayers' effective tax rate as expressed as a percentage of total consolidated tax against their true and full value will remain the same. In Fargo last year the effective tax rate for residential houses was 1.30% and will likely remain the same for the 2014 taxes. In West Fargo the effective tax rate of 1.34% should drop slightly as the city lowered their levy.

The overall budget is summarized in Attachment 5. The total budget for 2015 is \$88,300,207 with the 2014 mill levy the same as the 2013 mill levy at 71.82 mills.

Sincerely,


Michael Montplaisir, CPA
Cass County Auditor

SUGGESTED MOTION:

Move to approve the 2015 budget of \$88,300,207 and to levy a maximum of 71.82 mills as shown on Attachment 5.

Cass County Government

	<u>2013</u>	<u>2014</u>
a Taxable Value	\$ 548,947,150	\$ 587,768,760
b Minus New Growth		<u>(18,464,085)</u>
c Taxable Value excl. New Growth		<u>\$ 569,304,675</u>
d 2013 Mill Levy	<u>71.82</u>	
e Zero Increase Number of Mills (f / c / 1000)		<u>69.25</u>
f Tax	<u>\$ 39,425,384</u>	<u>\$ 39,425,384</u>
g Proposed Mill Levy		<u><u>71.82</u></u>
h Percentage Increase Exceeding "Zero Increase number of Mills"		<u><u>3.71%</u></u>

2013 Mill Levy

County	62.67
Water Resource	6.00
Weed	1.80
Vector	1.00
Park	0.35
g	<u>71.82</u>
i	<u><u>-2.57</u></u>

a = taxable value before adjustments

b = new growth such as property built, exemptions lost, or property that otherwise was not taxed in the base year but is taxed in the current year.

d = mill levy in previous year for all county levies

e = zero number of mills, mills needed to raise same dollars as previous year on current valuation less the new growth.

f = tax result adjusted for new growth and zero number of mills calculation, equals previous years tax.

g = tax rate (mills) for the current year and the proposed mill levy to support the 2015 budget

i = number of mills decrease needed to meet the zero increase number of mills

**County General Fund
Budget Summary
Fund Number 101**

	Two Year's Ago Actuals	Last Year's Actuals	2014 Adjusted Budget	Y-T-D Actual	2014 Projection	2015 Department Request	2015 Commission Budget
Revenues	26,616,604	25,357,562	27,685,751	20,568,509	27,019,667	27,345,190	28,897,106
Expenditures	24,350,852	25,160,346	28,739,338	16,361,951	28,733,102	30,933,012	30,049,330
Revenues Over (Under) Expenditures	2,265,752	197,216	(1,053,587)	4,206,558	(1,713,435)	(3,587,822)	(1,152,224)
Beginning Balance	6,506,714	8,772,466	8,969,682	8,969,682	8,969,682	7,256,247	7,256,247
Ending Balance	8,772,466	8,969,682	7,916,095	13,176,240	7,256,247.0	3,668,425	6,104,023
					25.25%	11.86%	20.31%

**Human Service Fund
Budget Summary
Fund Number 201**

	Two Year's Ago Actuals	Last Year's Actuals	2014 Adjusted Budget	Y-T-D Actual	2014 Projection	2015 Departmental Request	2015 Commission Budget
Revenues	11,861,391	13,340,319	13,961,145	11,872,312	13,968,620	14,055,538	14,055,538
Expenditures	12,207,748	13,125,257	14,132,517	8,044,606	14,123,377	14,861,711	14,617,767
Revenues Over (Under) Expenditures	(346,357)	215,062	(171,372)	3,827,706	(154,757)	(806,173)	(562,229)
Revenue Adjustment (1%) Expenditure Adjustment (1%)							
Beginning Balance	2,272,141	1,925,784	2,140,846	2,140,846	2,140,846	1,986,089	1,986,089
Ending Balance	1,925,784	2,140,846	1,969,474	5,968,552	1,986,089	1,179,916	1,423,860
					14.06%	7.94%	9.74%

County Road and Bridge Fund
Budget Summary
Fund Number 211

	Two Year's Ago Actuals	Last Year's Actuals	2014 Adjusted Budget	Y-T-D Actual	2014 Projection	2015 Departmental Request	2015 Commission Budget
Revenues	15,314,448	19,808,206	19,568,005	15,197,986	19,494,642	12,750,120	12,750,120
Expenditures	20,991,422	18,094,493	21,786,036	10,625,485	21,764,046	13,897,711	13,887,211
Revenues Over (Under) Expenditures	(5,676,974)	1,713,713	(2,218,031)	4,572,501	(2,269,404)	(1,147,591)	(1,137,091)
Transfer In/Out							
Beginning Balance	7,470,177	1,793,203	3,506,916	3,506,916	3,506,916	1,237,512	1,237,512
Ending Balance	1,793,203	3,506,916	1,288,885	8,079,418	1,237,512	89,921	100,421
						0.65%	0.72%

Cass County Government Budget/Levy Summary 2015

	2014			2015		2015 Projected Fund Balance	2013 Mill Levy	2014 Mill Levy
	Adjusted Budget	Projected Expenditures	Projected Fund Balance	Board Revenues	Approved Budget			
101 General Fund	28,739,338	28,733,102	7,256,247	28,897,106	30,049,330	6,104,023	27.34	28.80
Special Revenue Funds								
201 Human Services	14,132,517	14,123,377	1,986,089	14,055,538	14,617,767	1,423,860	19.50	18.71
211 Road and Bridge	21,786,036	21,764,046	1,237,512	12,750,120	13,887,211	100,421	10.25	9.83
219 Parenting Workshop	20,000	20,000	29,794	15,530	20,000	25,324		
221 Sheriff Asset Forfeiture	59,100	156,600	72,003	100,200	56,110	116,093		
222 Senior Citizens Fund	947,596	947,596	103,399	1,046,618	1,023,421	126,596	1.00	1.00
224 911 Service Fund	356,013	358,263	420	364,000	364,355	65		
225 Asset Forfeiture (States Atty)	3,000	2,000	213,188	15,300	44,350	184,138		
226 JAIBG Fund (Sheriff)	10,000	10,000	65,401	-	-	65,401		
229 Emergency/ Flood Mitigation Fund	1,200,000	1,877,260	1,534,379	1,673,285	3,174,000	33,664	3.00	2.88
220 24/7 Sobriety Program	40,000	180,608	63,866	200,150	214,252	49,764		
235 Jail Commissary Fund (Sheriff)	130,548	130,548	275,938	160,600	138,116	298,422		
236 Hazardous Plan/Response Fund (EM)	6,000	-	37,590	6,000	6,000	37,590		
237 Valley Water Rescue Fund (Sheriff)	34,290	34,290	8,272	42,706	43,500	7,478		
238 NDRIN Fund (Recorder)	1,286,000	1,286,000	1,397,182	1,442,000	1,300,000	1,539,182		
239 Document Preservation (Recorder)	206,346	217,916	235,975	125,000	56,956	304,019		
241 Swat Vehicle Replacement	-	-	7,805	2,355	-	10,160		
Total Special Revenue Funds	40,217,446	41,108,504	7,268,814	31,999,402	34,946,038	4,322,178	33.75	32.42
Total General and Special Revenue Funds Mill Levy							61.09	61.22
Debt Service Fund (Special Assessment)								
303 Greyhawk Estates Sub	32,994	32,994	45,753	27,761	31,957	41,557		
306 Holmen's 3rd Subdivision	8,352	8,352	2,370	5,769	8,352	(213)		
318 Grandberg/Amber Plains Subdivision	35,638	35,638	11,866	32,311	34,625	9,552		
Courthouse Debt Service	945,283	943,683	105,007	935,568	936,225	104,350	1.58	1.45
Total Debt Service Funds	1,022,267	1,020,667	164,996	1,001,409	1,011,159	155,246	1.58	1.45
Internal Service Funds								
501 Health Insurance Fund	3,914,731	4,146,503	1,343,260	4,384,376	4,472,375	1,255,261		
502 Telephone Service Fund	193,700	205,427	102,936	190,100	189,000	104,036		
504 Motor Pool Service Fund	27,000	35,189	57,263	32,100	35,189	54,174		
505 Dental Insurance Fund	303,980	326,984	164,048	358,431	381,892	140,587		
Total Internal Service Funds	4,439,411	4,714,103	1,667,507	4,965,007	5,078,456	1,554,058	-	-
Total "County" Mill Levy							62.67	62.67
Other County Agencies								
231 Weed Control Fund	464,846	465,230	229,918	420,653	483,612	166,959	1.80	1.80
232 Vector Control Fund	950,704	946,777	190,200	1,088,048	1,075,047	203,201	1.00	1.00
233 County Park Fund	32,903	38,564	62,726	48,400	54,480	56,646	0.35	0.35
Southeast Cass WRD	8,473,030	18,396,192	8,163,596	7,068,985	9,784,135	5,448,446	4.00	4.00
Rush River WRD	344,885	608,830	1,138,001	697,700	1,201,470	634,231	4.00	4.00
Maple River WRD	569,995	1,361,606	2,063,436	1,634,465	1,142,775	2,555,126	4.00	4.00
North Cass WRD	508,740	636,190	1,027,292	1,097,270	1,167,800	956,762	4.00	4.00
Red River Joint WRD	2,185,160	3,658,551	5,932,607	2,305,905	2,305,905	5,932,607	2.00	2.00
Total Other County Agencies	13,530,263	26,111,940	18,807,776	14,361,426	17,215,224	15,953,978	21.15	21.15
Total All County Funds	87,948,725	101,688,316	35,165,339	81,224,350	88,300,207	28,089,482	83.82	83.82
Maximum County Mill Rate on any Property							71.82	71.82

CASS COUNTY GOVERNMENT

2015 BUDGET

ZERO MILL INCREASE CALCULATION

Cass County Government

	<u>2013</u>	<u>2014</u>
a Taxable Value	\$ 548,947,150	\$ 587,768,760
b Minus New Growth		(18,464,085)
c Taxable Value excl. New Growth		<u>\$ 569,304,675</u>
d 2013 Mill Levy	<u>71.82</u>	
e Zero Increase Number of Mills (f / c / 1000)		<u>69.25</u>
f Tax	<u>\$ 39,425,384</u>	<u>\$ 39,425,384</u>
g Proposed Mill Levy		<u><u>71.82</u></u>
h Percentage Increase Exceeding "Zero Increase number of Mills"		<u><u>3.71%</u></u>

CASS COUNTY GENERAL FUND

County General Fund Budget Summary Fund Number 101

	Two Year's Ago Actuals	Last Year's Actuals	2014 Adjusted Budget	Y-T-D Actual	2014 Projection	2015 Department Request	2015 Commission Budget
Revenues	26,616,604	25,357,562	27,685,751	20,568,509	27,019,667	27,345,190	28,897,106
Expenditures	24,350,852	25,160,346	28,739,338	16,361,951	28,733,102	30,933,012	30,049,330
Revenues Over (Under) Expenditures	2,265,752	197,216	(1,053,587)	4,206,558	(1,713,435)	(3,587,822)	(1,152,224)
Beginning Balance	6,506,714	8,772,466	8,969,682	8,969,682	8,969,682	7,256,247	7,256,247
Ending Balance	8,772,466	8,969,682	7,916,095	13,176,240	7,256,247.0	3,668,425	6,104,023
					25.25%	11.86%	20.31%

CASS COUNTY HUMAN SERVICE FUND

Human Service Fund Budget Summary Fund Number 201

	Two Year's Ago Actuals	Last Year's Actuals	2014 Adjusted Budget	Y-T-D Actual	2014 Projection	2015 Departmental Request	2015 Commission Budget
Revenues	11,861,391	13,340,319	13,961,145	11,872,312	13,968,620	14,055,538	14,055,538
Expenditures	12,207,748	13,125,257	14,132,517	8,044,606	14,123,377	14,861,711	14,617,767
Revenues Over (Under) Expenditures	(346,357)	215,062	(171,372)	3,827,706	(154,757)	(806,173)	(562,229)
Revenue Adjustment (1%)							
Expenditure Adjustment (1%)							
Beginning Balance	2,272,141	1,925,784	2,140,846	2,140,846	2,140,846	1,986,089	1,986,089
Ending Balance	1,925,784	2,140,846	1,969,474	5,968,552	1,986,089	1,179,916	1,423,860
					14.06%	7.94%	9.74%

CASS COUNTY HIGHWAY FUND

County Road and Bridge Fund
Budget Summary
Fund Number 211

	Two Year's Ago Actuals	Last Year's Actuals	2014 Adjusted Budget	Y-T-D Actual	2014 Projection	2015 Departmental Request	2015 Commission Budget
Revenues	15,314,448	19,808,206	19,568,005	15,197,986	19,494,642	12,750,120	12,750,120
Expenditures	20,991,422	18,094,493	21,786,036	10,625,485	21,764,046	13,897,711	13,887,211
Revenues Over (Under) Expenditures	(5,676,974)	1,713,713	(2,218,031)	4,572,501	(2,269,404)	(1,147,591)	(1,137,091)
Transfer In/Out							
Beginning Balance	7,470,177	1,793,203	3,506,916	3,506,916	3,506,916	1,237,512	1,237,512
Ending Balance	1,793,203	3,506,916	1,288,885	8,079,418	1,237,512	89,921	100,421
						0.65%	0.72%

CASS COUNTY OPEN GOVERNMENT

- Cass County Financial Data Portal
- In an effort to provide the community with access to Cass County financial data, the County produces and distributes the County budget electronically via the County's website. Online you can find copies of the County's current and previous years' budgets, annual audited financial statements, and more - all within the Financial and Property Tax Documents.
- But sometimes, there's nothing quite like being able to manipulate the data by yourself by viewing charts and graphs or downloading the information into an excel spreadsheet. The County has engaged [OpenGov.com](https://www.opengov.com) to assist with providing the public with just that opportunity. Users can view financial data based on the current budget or up to the current month. The users can manipulate the data and drill down to finite details or scale up to the big picture. Users can also download the data as an excel spreadsheet.

CASS COUNTY OPEN GOVERNMENT



[Cass County Financial Data Reporting Portal](#)

CASS COUNTY BUDGET SUMMARY

Cass County Government Budget/Levy Summary 2015

	2014			2015		2015 Projected Fund Balance	2013 Mill Levy	2014 Mill Levy
	Adjusted Budget	Projected Expenditures	Projected Fund Balance	Board Revenues	Approved Budget			
101 General Fund	28,739,338	28,733,102	7,256,247	28,897,106	30,049,330	6,104,023	27.34	28.80
Special Revenue Funds								
201 Human Services	14,132,517	14,123,377	1,986,089	14,055,538	14,617,767	1,423,860	19.50	18.71
211 Road and Bridge	21,786,036	21,764,046	1,237,512	12,750,120	13,887,211	100,421	10.25	9.83
219 Parenting Workshop	20,000	20,000	29,794	15,530	20,000	25,324		
221 Sheriff Asset Forfeiture	59,100	156,600	72,003	100,200	56,110	116,093		
222 Senior Citizens Fund	947,596	947,596	103,399	1,046,618	1,023,421	126,596	1.00	1.00
224 911 Service Fund	356,013	358,263	420	364,000	364,355	65		
225 Asset Forfeiture (States Atty)	3,000	2,000	213,188	15,300	44,350	184,138		
226 JAIBG Fund (Sheriff)	10,000	10,000	65,401	-	-	65,401		
229 Emergency/ Flood Mitigation Fund	1,200,000	1,877,260	1,534,379	1,673,285	3,174,000	33,664	3.00	2.88
220 24/7 Sobriety Program	40,000	180,608	63,866	200,150	214,252	49,764		
235 Jail Commissary Fund (Sheriff)	130,548	130,548	275,938	160,600	138,116	298,422		
236 Hazardous Plan/Response Fund (EM)	6,000	-	37,590	6,000	6,000	37,590		
237 Valley Water Rescue Fund (Sheriff)	34,290	34,290	8,272	42,706	43,500	7,478		
238 NDRIN Fund (Recorder)	1,286,000	1,286,000	1,397,182	1,442,000	1,300,000	1,539,182		
239 Document Preservation (Recorder)	206,346	217,916	235,975	125,000	56,956	304,019		
241 Swat Vehicle Replacement	-	-	7,805	2,355	-	10,160		
Total Special Revenue Funds	40,217,446	41,108,504	7,268,814	31,999,402	34,946,038	4,322,178	33.75	32.42
Total General and Special Revenue Funds Mill Levy							61.09	61.22
Debt Service Fund (Special Assessment)								
303 Greyhawk Estates Sub	32,994	32,994	45,753	27,761	31,957	41,557		
306 Holmen's 3rd Subdivision	8,352	8,352	2,370	5,769	8,352	(213)		
318 Grandberg/Amber Plains Subdivision	35,638	35,638	11,866	32,311	34,625	9,552		
Courthouse Debt Service	945,283	943,683	105,007	935,568	936,225	104,350	1.58	1.45
Total Debt Service Funds	1,022,267	1,020,667	164,996	1,001,409	1,011,159	155,246	1.58	1.45

CASS COUNTY BUDGET SUMMARY

Cass County Government Budget/Levy Summary 2015

	2014			2015		2015 Projected Fund Balance	2013 Mill Levy	2014 Mill Levy
	Adjusted Budget	Projected Expenditures	Projected Fund Balance	Board Revenues	Approved Budget			
Internal Service Funds								
501 Health Insurance Fund	3,914,731	4,146,503	1,343,260	4,384,376	4,472,375	1,255,261		
502 Telephone Service Fund	193,700	205,427	102,936	190,100	189,000	104,036		
504 Motor Pool Service Fund	27,000	35,189	57,263	32,100	35,189	54,174		
505 Dental Insurance Fund	303,980	326,984	164,048	358,431	381,892	140,587		
Total Internal Service Funds	4,439,411	4,714,103	1,667,507	4,965,007	5,078,456	1,554,058	-	-
Total "County" Mill Levy							62.67	62.67
Other County Agencies								
231 Weed Control Fund	464,846	465,230	229,918	420,653	483,612	166,959	1.80	1.80
232 Vector Control Fund	950,704	946,777	190,200	1,088,048	1,075,047	203,201	1.00	1.00
233 County Park Fund	32,903	38,564	62,726	48,400	54,480	56,646	0.35	0.35
Southeast Cass WRD	8,473,030	18,396,192	8,163,596	7,068,985	9,784,135	5,448,446	4.00	4.00
Rush River WRD	344,885	608,830	1,138,001	697,700	1,201,470	634,231	4.00	4.00
Maple River WRD	569,995	1,361,606	2,063,436	1,634,465	1,142,775	2,555,126	4.00	4.00
North Cass WRD	508,740	636,190	1,027,292	1,097,270	1,167,800	956,762	4.00	4.00
Red River Joint WRD	2,185,160	3,658,551	5,932,607	2,305,905	2,305,905	5,932,607	2.00	2.00
Total Other County Agencies	13,530,263	26,111,940	18,807,776	14,361,426	17,215,224	15,953,978	21.15	21.15
Total All County Funds	87,948,725	101,688,316	35,165,339	81,224,350	88,300,207	28,089,482	83.82	83.82
Maximum County Mill Rate on any Property							71.82	71.82