



PROPERTY TAX LIMITATION OUTLOOK

Cass County, North Dakota

February 3, 2025





Taxing Districts

Mill Levy & Valuation History

Revenues

County Priorities

Workforce Management

Outlook of a 3% Tax Limitation

Impact on County Services

Un-funded State Services



SCHOOLS:

Approximately 50%
property taxes



**CITY, TOWNSHIPS,
AND AMBULANCE:**

19% to 37%



CASS COUNTY:

15% to 24%
(Higher in Rural)



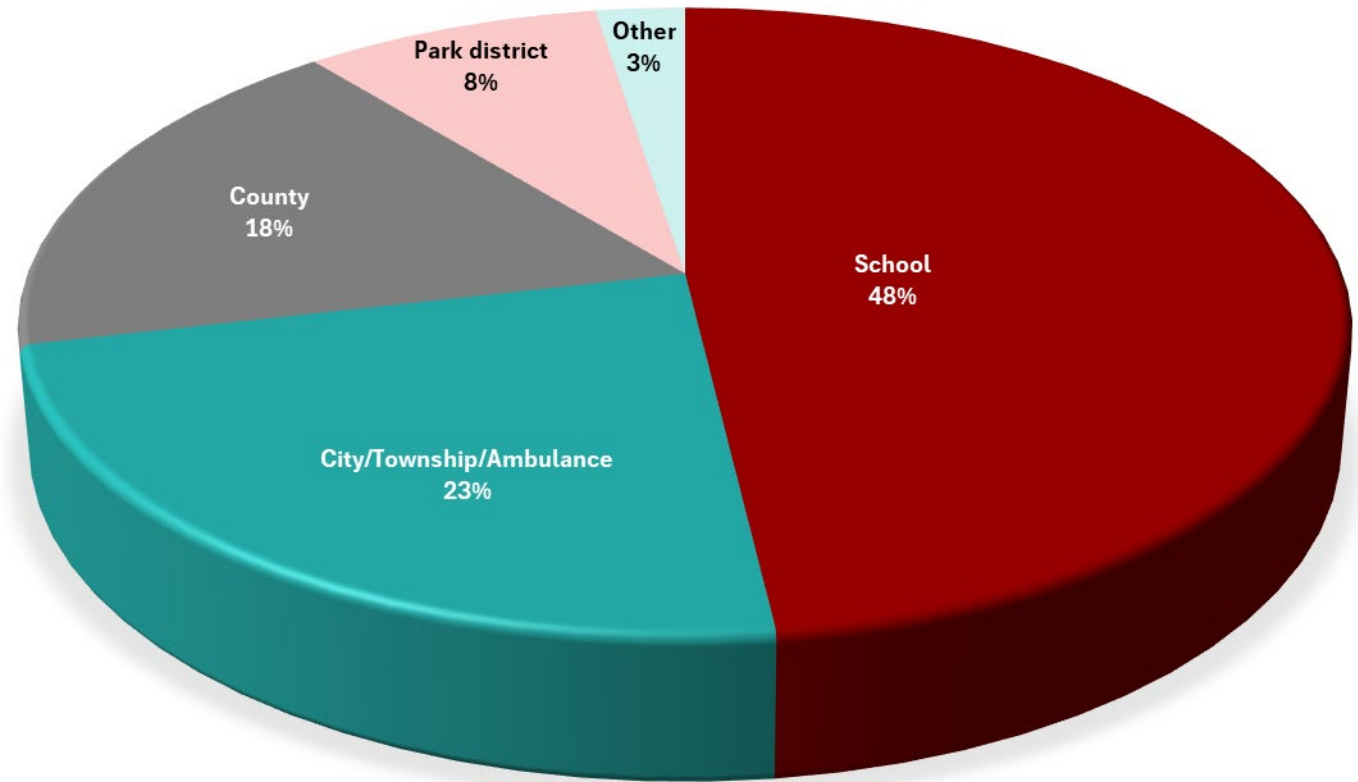
PARKS:

On Urban homes;
between 7% and 13%



OTHER TAXING DISTRICTS:

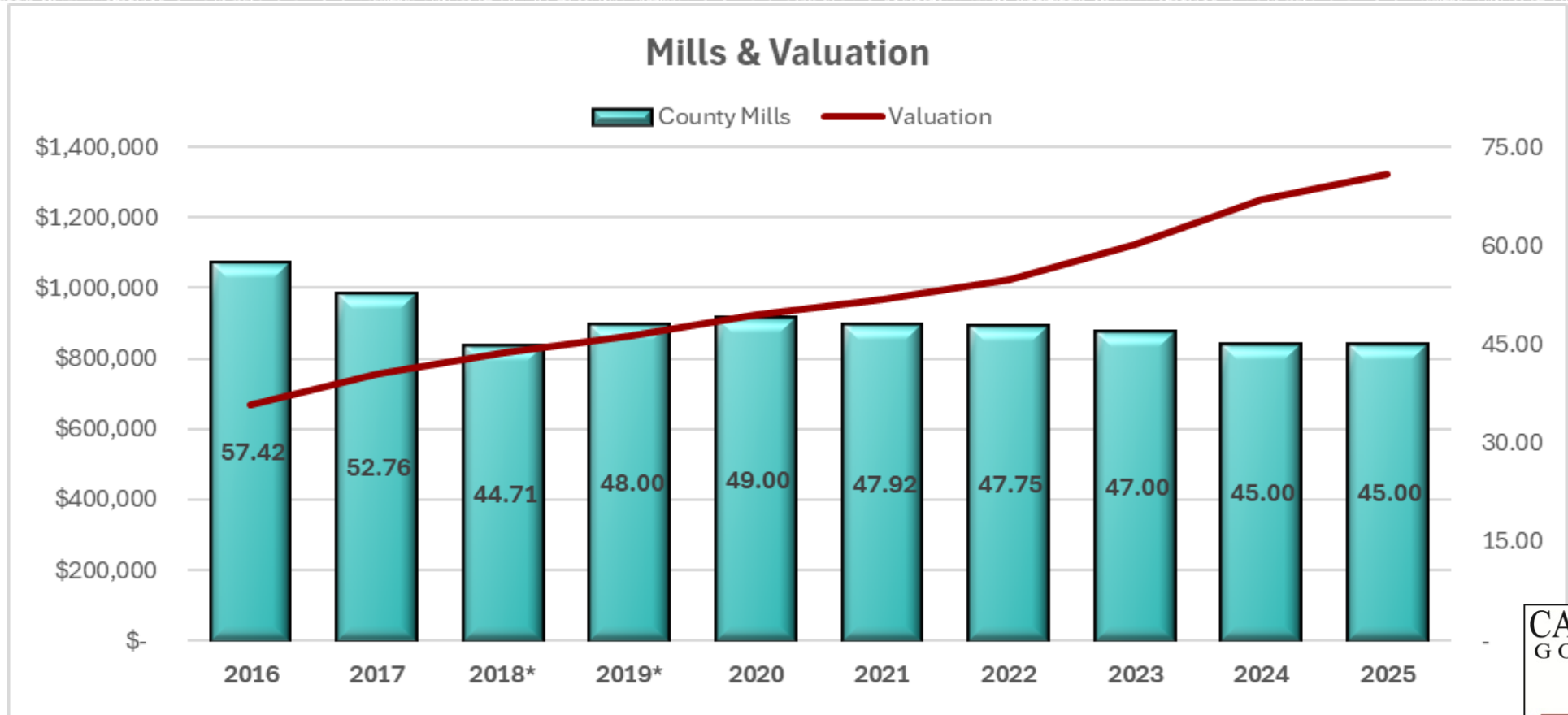
From under 2% in urban centers to
4.5% for rural properties



TAXING DISTRICTS AS A PERCENTAGE

MILL LEVY & VALUATION

- 75 mill maximum
- 2024 value of a mill: \$1.32 million (increase of 5.6% or \$70k)
- Inverse Relationship



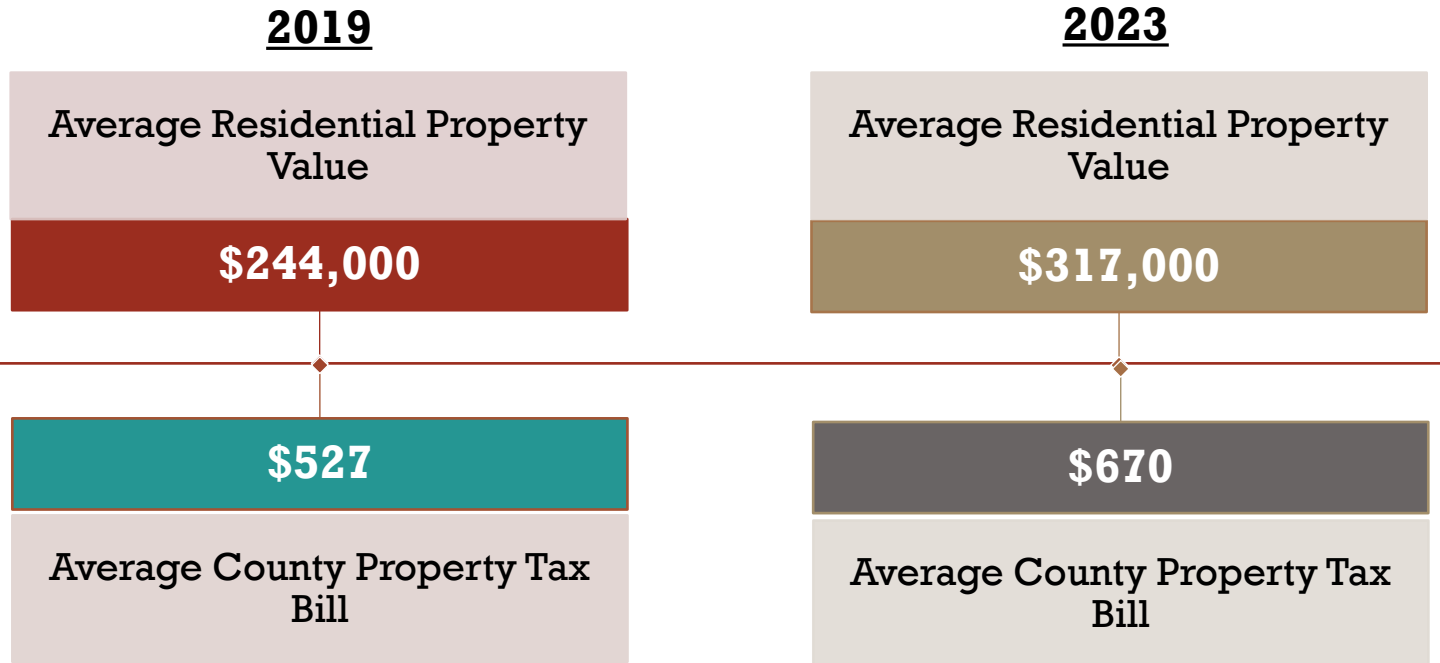
*HSZ Established – Eliminate 10 Mills

*Building Fund Increase to 5 Mills



RESIDENTIAL PROPERTIES

- Average five-year property valuation increase of \$73,000
- Resulting property tax increased \$143 over five years
- Tax Bill = Market Value x 50% = Assessed Value x 9% = Taxable Value x Mill Levy/1,000



2019

160 Acres South
Casselton Farmland

\$219,000

\$526

Average County Property
Tax Bill

2023

160 Acres South
Casselton Farmland

\$229,800

\$540

Average County Property
Tax Bill

- 160 Acres of Ag land located in South Casselton
- Average five-year valuation increase of \$10,800
- Resulting property tax increased \$14 over five years
- Tax Bill = Market Value x 50% = Assessed Value x 10% = Taxable Value x Mill Levy/1,000

AGRICULTURAL PROPERTIES

REVENUE SOURCES

Property Tax: (\$57.1 million)

budgeted revenue is almost exclusively property taxes.

Other Revenues: (\$0.2 million)

Minimal and often limited by state mandate.

- Variable interest revenue;
- Subdivisions;
- Marriage Licenses;
- Recording documents; etc.

Intergovernmental & Grant Funding:

- State Aid;
- Prairie Dog;
- Legacy Fund;
- NDDOT;
- Courtroom Remodel Fund
- Department of Justice;
- Department of Energy;
- CISA; etc.

Charges for Services:

Revenue to offset expenses to the county; zero net effect

- Special Elections;
- School Officers;
- Event Sheriff Services; etc.



2025 BUDGET: JAIL EXPANSION



A major jail pod expansion that adds 192 beds to the current county jail facility (348 beds) is scheduled to open in the Spring of 2025.



The county fully funded this \$32 million capital project in cash by utilizing ARPA and CARES funding rather than burdening the taxpayers in the county.



2024 valuation growth in addition to a healthy general fund balance allowed Cass County to absorb the inaugural year (\$3 million) of the expansion without resorting to increasing mill levies.

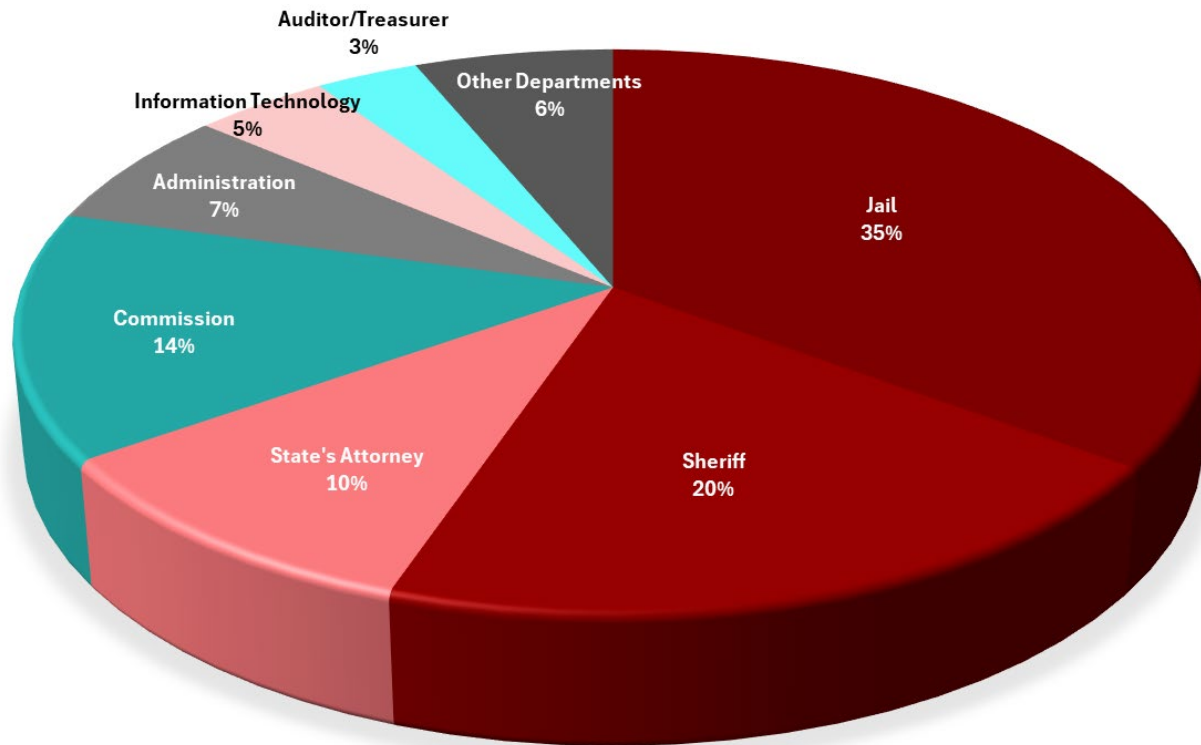


Ongoing jail operating costs are anticipated to total approximately \$4.7 million per annum and encompass 29 new FTE's and general jail operating expense increases.

COUNTY PRIORITIES

- Public Safety (Sheriff, Jail, & State's Attorney)
- 66% of the county budget (\$39 million)

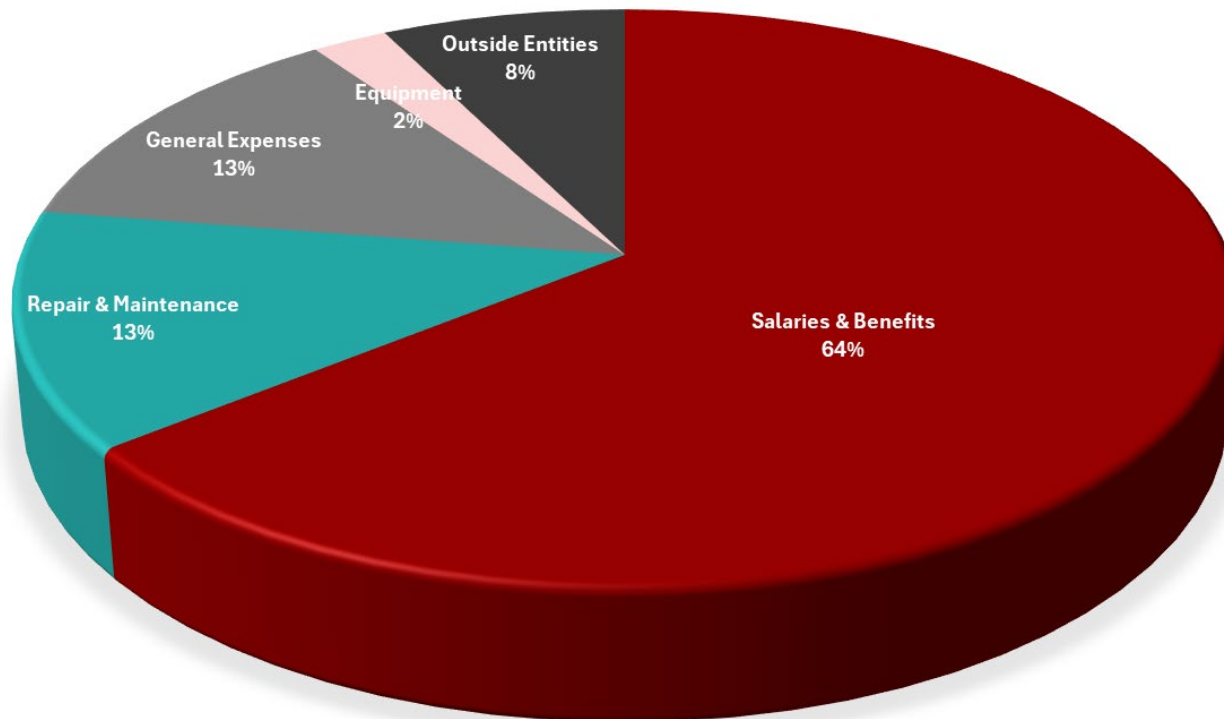
EXPENSES BY DEPARTMENT



| General Fund | Expenses By Department |
|------------------------|------------------------|
| Jail | \$ 20,874,000 |
| Sheriff | \$ 11,908,000 |
| State's Attorney | \$ 5,941,000 |
| Commission | \$ 8,388,000 |
| Administration | \$ 4,054,000 |
| Information Technology | \$ 2,531,000 |
| Auditor/Treasurer | \$ 1,931,000 |
| Other Departments | \$ 3,711,000 |
| Total | \$ 59,338,000 |

2025 BUDGET: INCREASING DEMAND ON PUBLIC SERVICES

EXPENSES BY TYPE



- One of the fastest growing counties in North Dakota
- Most populous county at almost 200,000 residents
- 64% of the county budget is dedicated to Salaries & Benefits
- Employs almost 400 staff (Excluding Human Service Zone)
- Past 8 years, growth for county services has required the addition of approximately 8 FTEs annually
- Majority of new FTEs are added to the jail or the sheriff's operations



**WORKFORCE
CHALLENGES
STEP INCREASES**

Annual Performance Based Step Increase

Salaries are reviewed every 3 years to keep the county in line with the labor market

25 different job classes

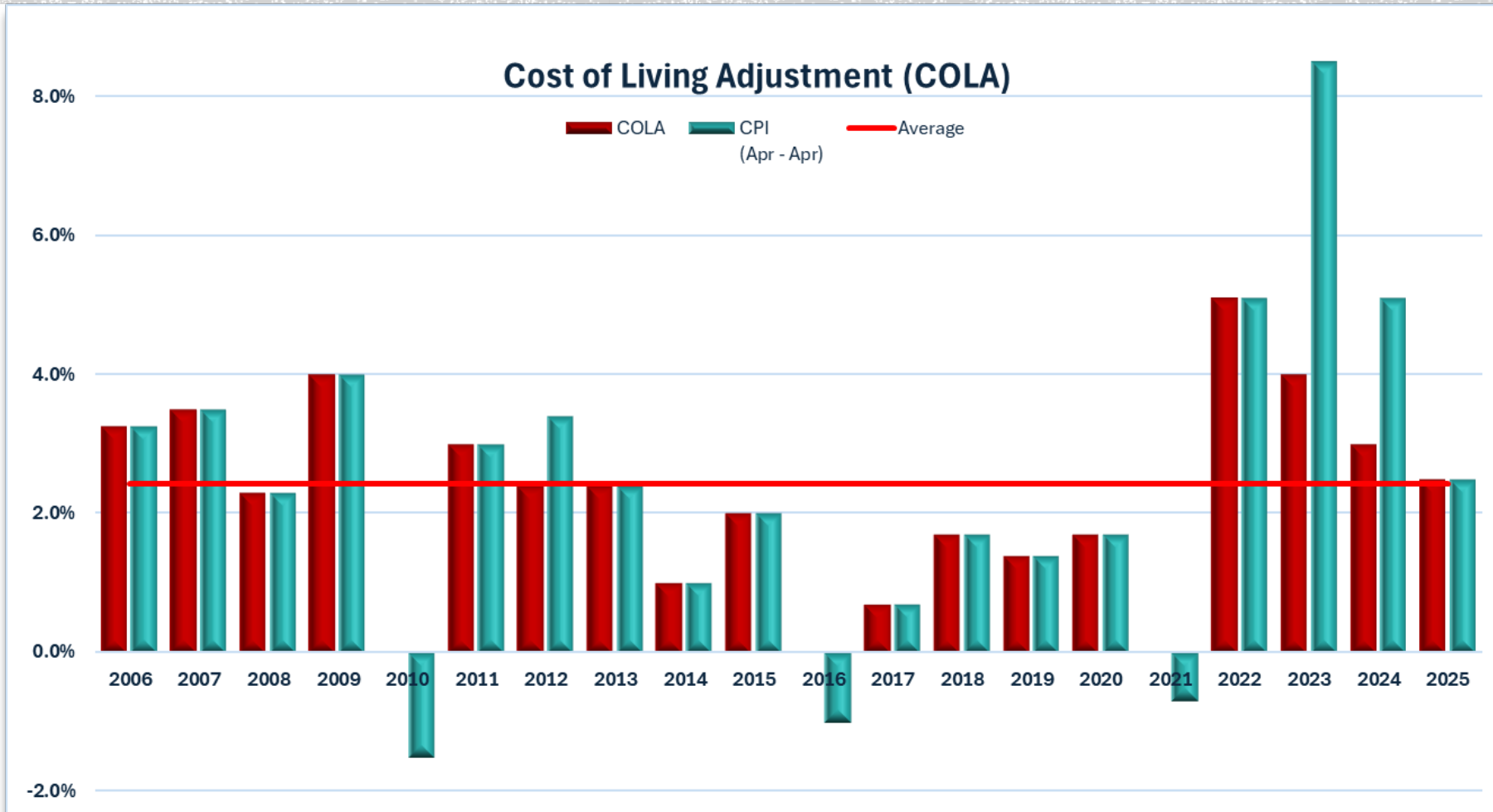
12 Steps in each job class

2025 Budget step increase totaled \$2.6 mm

3.2% average annual rate of STEP increase

WORKFORCE CHALLENGES

(COST OF LIVING ADJUSTMENTS)



- April to April Consumer Price Index (CPI)
- 20-year CPI average is 2.4%
- Market Study is completed every 3 years to realign salaries to the market

INCREASING EXPENSES

Construction Costs have been averaging 7% a year since 2005

Equipment has been increasing between 5% to 10%

Microsoft Renewal has increased by 17%

Computer Equipment increasing by 12% a year

Subscriptions & Licenses increasing by 5% to 11%

Fleet Vehicle costs have increased by over 20%-31% since 2021.

Insurance costs have increased over 20%

Salaries increase by 5.4%

FINANCIAL OUTLOOK: GENERAL FUND

| | 2025 Budget | 2026 Forecast | 2027 Forecast | 2028 Forecast | 2029 Forecast | 2030 Forecast Notes | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|---|
| General Fund (101) | 29.00 | 3% | 3% | 3% | 3% | 3% | |
| Revenue | | | | | | | |
| Property Tax | 35,906,000 | 38,325,000 | 40,977,000 | 43,889,000 | 47,090,000 | 50,614,000 | 3% \$ value cap (does not include new growth) |
| New Taxable Valuation | 1,302,000 | 1,459,000 | 1,634,000 | 1,830,000 | 2,049,000 | 2,295,000 | 12% new taxable valuation growth |
| Licenses, permits, and fees | 85,000 | 91,000 | 97,000 | 104,000 | 111,000 | 119,000 | 7% Average |
| Intergovernmental | 8,218,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | Gov't Grants dependent on specific project(s) |
| Charges for Services | 5,093,000 | 5,245,000 | 5,403,000 | 5,565,000 | 5,732,000 | 5,904,000 | 3% growth |
| Miscellaneous revenues | 2,853,000 | 2,952,000 | 3,056,000 | 3,163,000 | 3,273,000 | 3,388,000 | 3.5% Growth |
| Total Revenues | 53,458,000 | 57,073,000 | 60,167,000 | 63,551,000 | 67,256,000 | 71,320,000 | Average Annual increase of 6% |
| Expenses | | | | | | | |
| Salaries | 26,370,000 | 27,794,000 | 29,295,000 | 30,877,000 | 32,544,000 | 34,302,000 | Average COLA 2.2% & Average Step 3.2% |
| Benefits | 11,749,000 | 10,562,000 | 11,132,000 | 11,733,000 | 12,367,000 | 13,035,000 | 38% of Salaries |
| Utilities | 1,211,000 | 1,284,000 | 1,361,000 | 1,443,000 | 1,529,000 | 1,621,000 | 6% Average Historical growth |
| Repair & Maintenance | 6,658,000 | 7,390,000 | 8,203,000 | 9,105,000 | 10,107,000 | 11,218,000 | 11% Average Historical growth |
| General Expenses | 7,499,000 | 7,724,000 | 7,956,000 | 8,195,000 | 8,441,000 | 8,694,000 | 3% but Fluctuates Heavily 32% to -18% |
| Equipment | 1,379,000 | 1,420,000 | 1,463,000 | 1,507,000 | 1,552,000 | 1,598,000 | 3% but Fluctuates Heavily 40% to -11% |
| Publishing | 46,000 | 62,000 | 48,000 | 64,000 | 50,000 | 66,000 | 3% Fluctuates Based on Election Cycle |
| Sponsorship | 4,425,000 | 4,558,000 | 4,694,000 | 4,835,000 | 4,980,000 | 5,130,000 | |
| Total Expenses | 59,337,000 | 60,794,000 | 64,153,000 | 67,758,000 | 71,570,000 | 75,663,000 | Average Annual increase of 6% |
| Excess (deficiency) of revenues over (under) expenditures | (5,880,000) | (3,721,000) | (3,986,000) | (4,208,000) | (4,314,000) | (4,343,000) | |

IMPACT ON COUNTY SERVICES

Infrastructure
(Roads &
Bridges)

Repair &
Maintenance

Staffing Levels
(Jail, Sheriff,
State's Attorney,
Road & Bridge)

Equipment &
Response
Vehicles

Cybersecurity

Training

Internal
Services

UN-FUNDED STATE SERVICES



Courtrooms



Human Service Zone (B&G, Attorneys, Insurance, and IT Services)



Primary & General Elections



Bi-Annual Legislative Un-Funded Initiatives

QUESTIONS