2013 SENATE POLITICAL SUBDIVISIONS

SB 2283

2013 SENATE STANDING COMMITTEE MINUTES

Senate Political Subdivisions Committee
Red River Room, State Capitol

SB 2283
February 1, 2013
18140

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A Bill for an Act to establish an infrastructure audit task force

Minutes: You may make reference to "attached testimony."

Chairman Andrist opened the hearing for SB 2283. All senators were present.

Senator Larson sponsor of this bill 2283. Basically it is an audit task force trying to have our political subs have what the spending is on and order of operation and priorities. This is what I've understood from it.

Chairman Andrist, I was trying to look for the fiscal note, but the fiscal note is pretty silent on what the cost is, apparently it is not possible for them to calculate.

Senator Larson replied that he was not aware or sure of the fiscal note either. I think what the bill's intent is to have a priority list if you will (Example cited 1:40-2:09) I think what is trying to attempt to do is maybe have a central area and order of priority of what we know needs to be done.

Senator Judy Lee responded the Department of Transportation does have a priority list for those projects that involve any kind of state funding but this dwells way down into small local political subdivisions. It's kind of a big deal.

Senator Larson replied it does kind of fine tune it and put a microscope on it. There will be an additional work load with it and accountability for it.

Robert Hale, Business man, Minot, See written testimony #1 (3:20-7:12)

Senator Judy Lee I think a lot of the political subdivisions already do that. In my area certainly my city and my county and my school district all pay attention to what the infrastructure needs are. The Department of Transportation has a state wide priorities program and so I have some questions about that. A much more important thing to which I would like you to respond in this is an unfunded mandate for political subdivisions. The state is telling them they have to do it, but we're not going to pay for it. Tell me what you think about that.

Robert Hale responded (8:01-9:48) In this bill, it's not a mandate. It's requesting the political subdivisions to do it. It's a pay request to do it, but not a mandate to do it. I would think the political subdivisions as you pointed out, many of them to some degree especially; an example is the Department of Transportation, but that is only one of the many infrastructure areas we have. We have our schools, our water systems many of these entities do track some of the stuff, but we don't do it in a comprehensive way. Then when it comes to budgeting and the Legislative Body; we have our townships who does not have this information and it would be nice to have a format in which we could do it. Some guidance by the state by getting some model ways to approach this is going to give every entity whether its townships, cities, counties the opportunity to take a look and see and not have to reinvent the wheel. So when we're budgeting we can see the priorities we need to budget too. I think Senator Larson pointed out some of the things that are going on in Minot because of the major flooding two years ago. We still haven't got a handle on what it is we have out there and what we need to do, nor do we have any priorities set. So two years later we're still struggling just to figure out where we're going to focus, the revenue sources that we have to fix what we've got. This would provide that base line and we probably would be here again and respond to that.

Senator Judy Lee I am acutely familiar with dealing with floods beginning in 1997. I know how challenging it is to try and figure out what needs to be done. But you said that its not mandatory but I am just looking at this, and the first section says the governor shall appoint a task force, they will review audits, they must be composed of professionals in the fields. There is nothing in the fiscal not that talks about what it's going to cost to run this task force. The Task Force may direct all state agencies and are responsible for the construction and maintenance and may direct these counties at the same time, but if the task force directs these various political subdivisions to do these things, they have to pay them. Why would we establish this Task Force if they weren't going to actually direct them all to do it? Townships don't hardly have any money. I'm trying to figure out the logistics of how this can work. I don't think it's a bad thing to have the infrastructure audited, that's my business, but we're going down to the most grass roots level there is with townships and expecting them to even evaluate more than they already do (Examples cited). I am just questioning how, there isn't any way we shouldn't have a system and a cost of establishing this audit task force. We're asking some of these local political subdivisions to do something that is really they can't afford to do. I'm not saying it's not a noble idea I am just trying to figure out how the implementation can work.

Robert Hale responded I believe your right. It is going to take some effort to put this together and get it operational. We do this in our business and every other that I own. Right now, the states blessed with the resources to put this type of thing in place. You talk about all the problems that you're trying to prioritize. This would get this prioritization taken care of because the individual legislative body that have to fund for this would have information and be able to prioritize. I think that it's simply now is the time for the states to do this as it has the resources to do it and it appears that we need a long term growth of projection. As we're doing that, having this information available is a key piece of information we need to successfully to grow.

Chairman Andrist As one of the more conservative brethren here and I think you share a few of those points yourself. I am pretty wary of establishing new layers of government that I can't see really essential to good government. Did you prepare this because of the specific problem within your own community that you saw or is this a long held philosophy of yours?

Robert Hale Number one I didn't prepare it specifically because something that happened; this major has been the core of this legislative body over the past 15 years. I prepared it because when I moved to the state more than 20 years ago, and started working on doing development, I found that some of the basic information I needed to proceed with development in the political subdivisions I was working in didn't have it. That created difficulty to moving forward. It created difficulties in their decisions as to whether or not to provide some utility services that they provide; and I saw this as a tool. This is the same tool that I use in my business; they track it because it is good management. This is why I am proposing it. Yes in some ways we call it a layer of government but what it is, is actually a layer of knowledge necessary for the Legislative body to make reasonable decisions if they allocate the scarce resources they have and have to go to their constituents' and ask them for a funding source. Everything gets paid for with our tax money. This is fundamental good management in cities and every tax payer in the state will benefit from it.

Senator John Grabinger shared that he was a city councilman in Jamestown for 8 years. We not only have strategic plans, we have every budget, we ask our department heads to bring in 5 year plans and so essentially we're already doing this. I am wondering and I know the county works in a similar fashion. I am wondering why you think the state should come in and have any control or any say in what we're creating a task force to essentially oversee what these cities and counties are doing. I just don't know this is the place where we need a task force. Can you explain why you think we should step into that role?

Robert Hale replied that not every city, county or township has this. If they implement a model and adopt I,t then all cities will be the same (Tape didn't record from 16:31-18:21).

Chairman Andrist asked what if they fulfill the paper requirement if they are not inclined to want to do it.

Robert Hale replied I suppose that's the problem that we,re always confronted with. Are people going to do what they are requested to do? The old saying is you can lead a horse to water, but if you don't have any water to lead them too, they certainly will never take a drink. Again, what I am proposing here isn't attempting to get another layer of government and force people to do things. This is just fundamental good practice so I think Senator Grabinger pointed out in Jamestown there already doing much of this. I think that every political jurisdiction or subdivision in this state would equally benefit. But I can assure you not every political subdivision in this state is doing what is being done in Jamestown. It again would help the taxpayers to know and understand what their money is going too. Know and understand when the kinds of things that they are concerned about will be addressed and why those things would be a priority or not a priority. The people managing our resources would have that information to pass on to their constituents. The political subdivisions are unique because they affect every single person in the state of North Dakota.

Senator Judy Lee: Since there are going to be costs involved with this for any political subdivision that has to do it, I am assuming then that you support an increase in property taxes so they could cover the cost of doing this audit.

Robert Hale replied no I don't support an increase in property taxes. We have a state that currently has $5 Billion dollars in excess revenues. This is something that is a fundamental responsibility of government and the state of North Dakota as a state has resources that are phenomenal. They are going to be collecting over $2.1B dollars in sales taxes; they are collecting more than $1.4 B this biennium in income taxes. Those revenues are being collected by the state to provide certain basic government services, this being one of them. This would give us a uniform assessment of what this state has in terms of its infrastructure and a projection to what their needs are going to be based upon the local jurisdictions. There the ones that know what their needs are and they can best help assess those and then we can get those in black and white so we can proceed ahead. But no I don't believe this has to be funded with property taxes. All of us know that people in this state are upset with their property tax bills. The state has attempted to try to do something to alleviate it, but as everyone in this room knows how there has been state money poured into the schools, ostensibly to lower property taxes, property taxes are still continuing to go up and they haven't been lowered so the taxpayers aren't benefiting from that. Relative to this I believe this is a tool that is going to help get everyone that is responsible, every political subdivision for taking care of our basic infrastructure. That is an important thing and a necessary tool to effectively manage it. I would like to see the state consider it.

Senator Jim Dotzenrod The situation in Minot I'm sure is really a lot of unclarity about the future and how the money there is spent and what can be done. There are probably some people that are wondering why things aren't happening faster. As I look at what this bill purports to do and how wide and different the subdivisions are from each other, and that you will see communities prosper and go ahead, and you'll see the community down the road decline and go backwards. There seems to me a lot of it is local leadership and the priorities that are sent within that community. By and large I think our Legislature has sort of taking the attitude that we really respect local control. We want the priorities in that community and that township and county set by those people so that the money that there spending is directed in a way that they want. We don't go to Bismarck and we're not asking Bismarck to be involved in those decisions. This principle that we're going to respect the local control and we're going to defer to them in many ways that the local leadership in that community; and the boards that are there that are responsible to their taxpayers that these decisions about the next township or next county, next subdivision. That is the way we intentionally sort of designed this, we are not looking to Bismarck to set some sort of prototype or model that comes out of the capitol. We really like to see and we encourage those communities and those subdivisions to think about their future and what they want have and how they want to spend their money. I am having a hard time understanding given our history and how we have deferred so much to local leadership how we can take a plan like this and somehow make everyone fit into an inventory of resources and then how resources in the future are going to be dedicated to improving or changing or prioritizing within that subdivision. I am really having difficulty understanding how it becomes practical given the idea that we really respect local leaders and their priorities and the people that are paying the taxes in those subdivisions. This is sort of a top down way of trying to

organize an inventory of what's out there but I don't see that it's going to work very well within the structures and the way we asked our subdivisions to take responsibility for themselves. Maybe I don't understand the problem, maybe this bill is designed to get at something at I am not understanding, but in your explanation maybe it's something I missed. What is the problem? What is it or how would you define the problem that this bill is solving? (22:47- 26:22).

Robert Hale (26:25-28:05) This leaves local control completely in place. This doesn't require the state to tell people how to prioritize, it allows and it specifically calls for the local jurisdictions, political subdivisions and it gives them a tool so they do all the prioritization. It doesn't come from the state. The thing that comes from the state is the template they can do this in, that template may be designed to allow them to see exactly what they have and when there legislative body whether it's their City Council or County Commission or Township Board, they'll have this information to take a look at what their resources are so they can prioritize those effectively and efficiently. That doesn't exist right now. This allows a good and a measured and well planned long term way to prioritize the use of your resources. It doesn't require that nobody is going to tell them how to prioritize they can do that themselves. But they have the tool to work with as they manage and take care of their local responsibilities.

Murray Sagsveen, North Dakota League of Cities. I had not planned to testify on this. I had planned on just listening to testimony but after reading the bill and listening to the testimony I believe I have too. I have been in state and local government most of my professional life and I don't recall ever seeing a concept like this. The bill would establish a so called task force that would essentially be a dictatorial agency that could direct any state agency, any political subdivision, or any public utility to undertake an audit at its own cost to in effect substitute its judgment for state agencies or local governments, locally elected governments. It would direct state agencies to re-prioritize their plans in order to conduct an extensive audit and there's no limit on the power of this task force to direct governments at all levels. There is no fiscal note, there's no appropriation, and I've been involved in audits. Audits are expensive. They probably can't do it by themselves so they would have to hire a contractor to do the work. I think this kind of legislation is objectionable at so many levels that it should have do not pass.

Vice Chairman Ronald Sorvaag Senator Grabinger described Jamestown, I am from Fargo. We have detailed infrastructure plans all over at all levels of government. This is data ready. Now I know some of it falls apart because of a disaster. (Examples cited) Do most of the larger cities already have this at this time? I am guessing that they do and this would be really pushing an unfunded mandate at a lot of our smaller entities.

Murray Sagsveen replied after the 1997 flood in Grand Forks; the 2011 flood in Minot (examples cited 31:34-31:43) and I know they have plans. It takes a long time to reorganize to regroup and get things back in order. I worked with cities and subdivisions at all levels and I know they have plans and when these local governments have their plans a flood just throws those plans into disarray. It takes a long time to reorganize to regroup and get things back in order. I know from my experience in Grand Forks and Minot that everybody, all of the political subdivisions have to look at the damage that is done, look at the funds that are available and put their plans back together. But my experience with them is that

even though mistakes are sometimes made in retrospect, they do the best that they can with the information and resources that they have at the time. Then to have a another organization second guess all of that and tell them to rethink it just doesn't make sense to me.

Vice Chairman Ronald Sorvaag The flood is an example but the essence of my question is they already have a plan. That is what they base all of their decisions on, they are already doing it in most larger cities, irrelevant of the flood or not. The large communities I presume all have it already.

Murray Sagsveen replied yes, I believe they do. The plans are sophisticated depending on the level of the government. I've worked with townships and the township plan maybe one page plan about the roads that need to be repaired. I've worked with cities and state agencies that have sometimes very extensive planning efforts and have planning departments. They have extensive planning efforts that involve public input (Example cited 33:55). I think that most governmental agencies have extensive, as extensive a planning effort as they need for the level of the government they have.

Mark Johnson: Representing the counties of the state. We do what the state asks us to do and when to do it. I am absolutely convinced that I've never seen this piece of legislation at any time. When it was indicated that it's been around for 15 years I don't know is its come to your mind but this is really a classic solution looking for a problem. We do extensive planning in all jurisdictions but on the county level we work closely with our zoning committees that do planning, long range planning. The comment about what is going on out in your area in Crosby, with all the growth and development the legislature has wisely employed the Upper Great Plains Transportation Institute for four years now to do detailed analysis of all of the infrastructure in the oil patch. That has resulted in your confidence in funding projects and programs that you would not be able to fund without that kind of justification. We work closely with the Department of Transportation (DOT). All of the county's road programs are evaluated by the DOT and ultimately result in a collaborative effort between us and the State Highway Department. We work closely with the Disaster Emergency Services (DES) after 911, Homeland Security and all the security that we felt was necessary at least in the state of North Dakota was coordinated under planning and programs that were administered through the counties and with the Disaster Emergency Services division. The Health Department is another classic example. We have Health departments at the county level, regional health departments, and we work closely with the Health Department. If people want information from any local jurisdiction they can obtain it. Of course in some instances, if they want more detail it is really the responsibility of the private sector to hire additional expertise to come in and evaluate what the cities and the counties may have available. I ask that you not support this bill going forward.

Chairman Andrist so what you' re really saying Mark if I could sum it up is it you are not necessarily against the concept you're just saying the work it seeks to do is already being done? Mark Johnson replied absolutely! I really think that Senator Lee hit the nail on the head. This is an unnecessary, unfunded mandate and it tops over all the things that we are currently doing and then puts a board and a commission in place. It appears to mean that the Governor's office has got to find some funds somewhere that you probably won't provide the Governor's office before the end of the session. It creates some problems and I

think we're getting adequate information for the orderly development of this state and its political subdivisions.

Senator Judy Lee: What I heard you say was not that you supported the concept either. The idea of doing this, the whole concept of this was also not acceptable to you. Not just the fact that it already being done. Could you just clarify that for me?

Mark Johnson replied I think what I was trying to say is that we're doing the concept. It's in place in many instances and so I am not against the concept because we're currently doing this.

Senator Judy Lee: The concept of having another level of people telling you or other political subdivisions what to do. I know you support the concept of planning because lots of places are already doing it. But the concept of having these entities establish and direct political subdivisions to do it is the concept that I want you to comment on.

Mark Johnson replied I am absolutely convinced we don't need this concept to layer over the top of what we're currently doing.

Mike Ellingson Director of Facilities Management at NDSU. I am here on a neutral stance but with an amendment. I am here to share what NDSU is doing with respect to the bill. According to the North Dakota State Board of Higher Education Policy each campus which there are eleven of them, shall have a physical developed master plan that articulates long term goals and establishes strategies to achieve these goals. A Master Plan or update shall be completed at least every 2 years. In the plan, the infrastructure that is reviewed is parking lots, streets, sidewalks, tunnels, steam, water, and sanitary sewer, pretty much everything that is in the bill. In addition, we also assess our building conditions. In some cases, what we do is our staff will review the conditions (example cited 41:17). Another option we have is that we hire consultants like civil engineers to redo our water and sewer. They have the technology with the sewer cameras to give us what we can't see. Based on all of this, NDS does have a plan as do the other schools on the infrastructure that they have. Based on the methods for determining our conditions NDSU then determines a priority to address the needs. NDSU does have a good handle of the infrastructure as per guidance from the North Dakota University System office they have a neutral stance but recommend an amendment for Higher Education to be exempt.

Chairman Andrist closed the hearing for 2283.

Senator Judy Lee move a Do not pass
Senator Dotzenrod- 2nd

Committee Discussion (43:39-48-52)

Senator Grabinger stated that he has as much concern about infrastructure issues in the state as hopefully anybody. Based on where I come from in Stutsman County we have some serious issues with our county roads and so forth. I don't think this problem is due to negligence on the part of the County Commission not having a plan on what spells out the problems and so forth. It basically comes down to money and that is the only issue that I

can see. I think this is an additional burden on our political subdivisions throughout the state and our state agencies. It isn't necessary. We've got to have the trust in our local officials to do the best in their interest. I think this is just a unfunded mandate that isn't necessary in my opinion.

Chairman Andrist I try to look for the positive things in it and I guess my biggest problem with the bill is I really can't see it working effectively. I can understand a little bit after hearing the testimony on the concept. Everybody wants this, but in our tradition of letting local government have local control it seems to me if this task force decides there is too many ambulances out there, and they require every ambulance district to prepare an audit, what do they do this audit, does it have to come back to this state audit agency. Where is it going to lead? My sense is that most communities, small communities have to many ambulances and to many fire trucks but we love the people who do those volunteer services so we give them a lot of rope because we think we save money. I just can't see it really working effectively.

Vice Chairman Ronald Sorvaag I would agree with what you said and I think one of the testimonies in opposition was the clearest. We're putting a big top over something that is already done and it's really going to just drive to a bunch of unfunded mandates because there is going to be this giant audit that the state is looking at and all of a sudden saying you're not right and you need this and it will grow. But they will say you have to do it and you have to pay for it. Maybe on paper it looks right, but I just see a lot of problems that we don't need at this time.

Senator Jim Dotzenrod When you look across the state at the subdivisions there are some subdivisions I think that do spend some of their resources and really look at this and concentrate on it and understanding what they have in their inventory, the sewer system, the streets and how much money is it going to take to keep it current and where do we want to be 20 years from now. I think even in the poorest subdivisions, the less populated townships there is an awareness of what they have, this sense of knowing what have for inventory, knowing what it's worth and how much it will cost to keep it up, knowing what they want 10-20 years I think they have that. This is really what the tax payers are expecting from the boards and the boards know it is that there job. Maybe I don't comprehend that this is a problem. It does seem to me that these subdivisions are doing and are aware of their infrastructure. They are limited by the revenues they have to achieve what they like. (Example cited)

Role Call Vote 6 Yea 0 No 0 Absent
Carrier: Senator Ron Sorvaag

FISCAL NOTE
Requested by Legislative Council
01/21/2013

Bill/Resolution No.: SB 2283

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill establishes an infrastructure audit task force to oversee the completion of infrastructure audits by state agencies and political subdivisions. The task force would consist of nine to fifteen members appointed by the governor.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of the bill establishes an infrastructure audit task force to oversee the completion of infrastructure audits. The task force would review the audits, determine findings, and make recommendations to the governor and legislature. The bill does not provide for compensation to be paid to members of the task force. Section 2 allows the task force to direct each state agency, as well as all counties, cities, townships, and public utilities, to conduct a biennial audit of buildings and infrastructure. Section 3 provides that the audits must include: streets, roads, and highways; curb; gutter; sidewalk; water supply lines; power service lines; water storage facilities; power generating facilities; signs, including traffic signals; buildings and structures; parks; swimming pools; fresh water facilities, including dikes and dams; waste treatment facilities; schools and higher education facilities; and landfills. Each audit must address: value, replacement cost, useful life, condition, needed repairs, and the cost of needed repairs. In addition to the numerous state agencies and institutions of higher education, there are 53 counties, 357 cities, and over 1300 townships that would need to conduct audits pursuant to this bill. The bill lists schools among the items to be considered, but does not list school districts among the political subdivisions affected. If school districts are included, there are approximately 180 districts, many operating multiple school buildings.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

State agencies, political subdivisions, and public utilities would incur significant costs to comply with the requirements of this bill. Agencies, political subdivisions, and public utilities would need to contract for professional services in order to conduct the audits required by this bill. Due to significant differences in the size, complexity, and type of building and infrastructure assets owned, it is not possible to quantify the fiscal impact to the state, its political subdivisions, or public utilities.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name: Joe Morrissette
Agency: OMB
Telephone: 701-328-1024
Date Prepared: 01/24/2013

Date: 2-1-13
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2283

Senate Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: ☐ Do Pass ☑ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Judy Lee Seconded By Senator Dotzenrod

Senators	Yes	No	Senator	Yes	No
Chairman John Andrist	✓		Senator Jim Dotzenrod	✓	
Vice- Chairman Ronald Sorvaag	✓		Senator John Grabinger	✓	
Senator Judy Lee	✓				
Senator Howard Anderson, Jr.	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Sorvaag

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2283: Political Subdivisions Committee (Sen. Andrist, Chairman) recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2283 was placed on the Eleventh order on the calendar.

2013 TESTIMONY

SB 2283

SENATE BILL 2283
Infrastructure Audit

Mr. Chairman and Members of the Committee,

My name's Robert Hale. I am a businessman and live in Minot. In my business I develop real property, and build and operate retirement and assisted living facilities. In addition I am the owner of a software development company. One of the things I've learned as a businessman is the importance of tracking, managing and maintaining the capital assets that allow my businesses to compete prosper.

I believe the State and the political subdivisions of our great state would benefit significantly by formally tracking, managing and maintaining our capital assets - that is the **infra-structure** of the state. Doing so will fulfill a basic responsibility owed to the citizens of our state.

I am here to urge you to carefully consider Senator Larsen's Senate Bill 2283 and to give it a DO PASS recommendation as you send it to the full Senate.

This bill will, for the first time, set in motion a comprehensive statewide assessment of the infra-structure so vital to the well-being of our state. Assessing, tracking and knowing the infra-structure we have and projecting the infra-structure we will need as our state grows will help avoid the problems we are facing in the northwest section of our state.

The information this bill would generate will give every legislative body an accurate assessment of the value of the infrastructure they are responsible for and to know how much must be budgeted for its maintenance and upkeep. This is vital information in their budgeting and management process.

I've not found any other state that has a comprehensive infra-structure inventory program. Implementing the process SB 2283 would initiate for North Dakota will provide necessary information for planning and management of our public infrastructure – allowing us to be pro-active and cost effective in development and maintenance of our infrastructure. As important as this is it will also send a message to businesses and industry across the nation and internationally that North Dakota knows, understands and is serious about meeting government's role in providing an environment in North Dakota for business to locate.

I thank you for your time today and would be pleased to try to respond to any questions you may have.

Respectfully,

Robert L. Hale
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