

2011 HOUSE POLITICAL SUBDIVISIONS

HB 1342

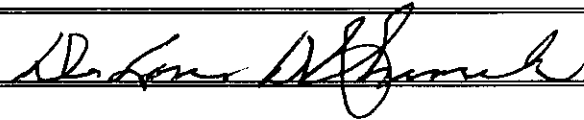
2011 HOUSE STANDING COMMITTEE MINUTES

House Political Subdivisions Committee Prairie Room, State Capitol

HB 1342
February 10, 2011
Job #14394

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to adoption and referral of preliminary budgets of cities, counties, school districts, and park districts, and to provide an effective date.

Minutes:

Testimony #1, 2, 3 Handouts 4, 5, 6, 7, 8, 9

Chairman Johnson: Opened the hearing on HB 1342.

Rep. Bellow: (See testimony #1).

Rep. Klemin: The statement you made that this would change the preliminary budget from a resolution to an ordinance. I am not finding that in this bill.

Rep. Bellow: I had legislative council draft this bill. If it becomes referable it is then an ordinance. That is why the language is drafted this way.

Rep. Zaiser: Do you think allowing budgets to be referred could cause a problem in that the vocal minority maybe perhaps a very few within a particular subdivision. They may be able to sway many people because they wouldn't be quite as engaged; therefore cause a lot of work for the local political subdivision when it might be just a few people that are wanting to have that budget referred.

Rep. Bellow: If the referral went forward it would take a certain percentage of voters to sign the referral. It is not going to be an easy process to do this. My hope was just get the local people more involved in the budget process.

Rep. Zaiser: I think that is a good idea, but in signing petitions most people that I see they don't even pay any attention to what it is about. They just sign it.

Rep. Bellow: When I have taken petitions around the people that I have asked to sign they want to know what they are signing.

Rep. Hatelstad: If the people approve the preliminary budget and then let's say an event takes place between that time and the final budget does this provide for an adjustment of that preliminary budget or are you stuck with it?

Rep. Bellow: If the preliminary budget is approved it is my understanding that that is the amount the local political subs has to work with no matter what and that is in current law right now. When they approve their preliminary budget the bottom line is what they can tax for or spend currently.

Rep. Hatelstad: I thought they had until October to make some adjustments?

Rep. Bellow: My understanding is that the bottom line on the preliminary budget is what they levy for taxes. They can move items within the budget.

Rep. Kretschmar: Assuming the preliminary budget is published or finalized by the 20th of April would there be a limit as to how long people have to get the signers on the petition or could they just keep going?

Rep. Devlin: I am troubled by that. Every board I have ever covered provides information and notices out to their people that their preliminary budget is available. Some of them publish the complete thing in the paper and they make their final decision in October. I can't imagine that they aren't engaged in the process. I can't believe this bill can possibly work for a school district. They wouldn't have that information by April. They wouldn't know what the legislature was going to do with their salary things until the end of April and I would guess in most districts it is 50-60 or 70% of their budget is salaries. How could they do this by April 20th?

Rep. Bellow: We do a two year budget here and we do very well budgeting with unknown factors in the state government. The April 20th is not a hard and fast date.

Rep. Devlin: I would question the argument the state uses two year old budgets. There is a little difference between the state of ND who has a billion dollars worth of oil money that can pay for anything they want than local taxpayers that don't have that opportunity.

Rep. Bellow: We have always had two years.

Rep. Klemin: Subsection 4 on page 2 of this bill says if this preliminary budget is not disapproved then the final budget cannot exceed the amount in the preliminary budget. Is this a stand alone provision or does this apply only in the case where there was a referral?

Rep. Bellow: No it cannot. When the local political subs when they approval a preliminary budget the bottom line is their budgetary amount.

Chairman Johnson: Have you ever served on an election county school board, city commission?

Rep. Bellow: No I have not.

Chairman Johnson: Have you ever attended a budget hearing meeting when they have been doing their budget hearings which are required by law?

Rep. Bellow: Yes I have.

Chairman Johnson: You talking about in your testimony of changing it to an ordinance. I think the city have ordinances. I think the city has ordinances and resolutions. I don't think school districts operate with ordinances and resolutions.

Rep. Bellow: currently the local political subs budgets are considered resolutions and that is why they cannot be referred. If this bill passes they will become ordinances and then they can't be referred and that is the whole purpose of this bill is to change it from resolution to ordinance. I know there is heartache on the dates and stuff, but they are not carved in stone.

Opposition:

Jerry Hjelmstad, ND League of Cities: (See testimony #2).

Rep. Shirley Meyer: I thought Rep. Bellow stated in current law a preliminary budget can't be increased to a final budget. Is that true.

Jerry Hjelmstad: Under current law once that preliminary budget is established by September 10th those appropriate of funds cannot be increased for the final budget which is due by October 7th so the budget hearing is held between that time. The amounts can be changed within the budget but the total amount for each fund cannot be increased from the preliminary budget.

Rep. Kretschmar: How long does it take in time to get a special election set up?

Jerry Hjelmstad: For that special election you have to allow a 40 day upfront for preparation of absentee ballot etc. so if this referral came in and wasn't in right away it would be impossible to get that direction set up before the budget had to be submitted to the county auditor.

Rep. Kretschmar: I think you have to publish twice in the weekly paper announcing the election and the time and where you go to vote.

Jerry Hjelmstad: The actual notice of the election itself would not be that long of a timeframe, but it is the preparation ahead of time and the absentee ballot preparation.

Rep. Hatelstad: What happens if you submit your preliminary budget and then a major event happens where you are obviously going to have to spend some money other than what you had appropriated? Is there a way you can change your budget?

Jerry Hjelmstad: Currently you are pretty much locked in. There may be some emergency provisions that would apply. At least here you are in a much shorter timeframe, just from September to October and that preliminary budget being established rather than back in April where there would more than likely be an event that could occur.

Chairman Johnson: When does the city do negotiations with its employees?

Jerry Hjelmstad: That would vary from city to city. The larger cities begin their preparation of their annual budget much earlier time.

Rep. Klemin: Is there any way now the electorate can refer or vote on the budget of a political subdivision at all?

Jerry Hjelmstad: No; they have an opportunity to make comments on it at the budget hearing.

Rep. Klemin: If their comments are disregarded and the political subdivision adopts the budget regardless of comments received is that final and there is not remedy for anyone to protest it further?

Jerry Hjelmstad: Once that budget is sent to the county auditor that would be the final budget. The local electors are answerable to the voters and if they think they are being ignored at the next election they could be voted out.

Chairman Johnson: In current law are there limitations set on what a city can increase in their budgets or are there individual regulations for a home rule charter city?

Jerry Hjelmstad: Currently all cities there is a budget limitation that would affect all cities. Section 57-15-01.1 of the code basically limits cities to the amount they levy in their base year plus any new growth that may have occurred in their city. The exception of course is those who have a home rule charter they have a budget limitation that has been approved by the local voters under their home rule charter. That is less than 1/3 of the cities in the state.

John Cameron, City Administrator in Valley City: We are also in opposition to this bill. There is a system already in place where budgets are public. They are publicized twice and we have public hearings. January through March most of these are typically working on closing out your prior year and preparing for your annual audit. Adding this into the process would be a problem for most small city employees. To prepare that budget by April 20th we would be using basically prior year information. By having the situation as it is now when we prepare our budget in late summer we are using six or seven of months of actual data from the current fiscal year to help in projecting our budget for the following year. In March or April most of the cities in ND are preparing for floods or fighting floods and would have this burden at this critical time is also a problem. Elected officials act on the best interest of the people and these budgets are based on historical data projections, testimony of all parties etc. To allow 10% of previous electors to toss that decision based on an emotion would not be good for the process which is working now.

John Olson, appearing on behalf of the city of Fargo: (Handed out testimony from Kent Costin #3).

Terry Traynor, Association of Counties: (Handout # 4 & 5). The counties are opposed to this largely because it is unworkable change to the budgeting process. I passed out the most recent preliminary budget of Burleigh County that is published in September. The

counties have a requirement to publish this now in September and then take written and oral comments at the public hearing on this and ultimately they adopt the final budget prior to October 10th. Once they publish this preliminary budget it cannot increase this. They can decrease it and they can also move it around but basically the amount that goes on the property tax cannot be increased beyond what they have published. If with a year like this where the legislature would provide additional funds for snow removal or flooding or something like that the counties can have a public hearing and amend their budget to accept additional revenues like that state can do with their budget section. Obviously they cannot chance what they have levied because they have already sent the tax statements out. When you take a look at this and say you are going to refer to this what are you referring the portion that goes on taxes or all of it. The current process does allow the citizens to look and comment. Referral is the election of county commissioners when they are elected. This bill also doesn't repeal the current requirements in law. April 20th would not give you time to put it on the primary election in a primary election year. The ballots would already be printed most likely or close to it. If the referral took any amount of time at all you couldn't do it then so then you would have to call a special election. In the City of Bismarck you could have a referral of the city budget, park budget, referral of the school budget and the county budget that may come in on different petitions at different times and you might have multiply elections. I will pass out information which is just the costs of primary and general elections. Those are just the direct costs; not the staff costs that the counties and cities incur when they run these elections.

Rep. Shirley Meyer: After you submit a preliminary budget those numbers can't increase. Between this September 10th and October 7th; then you can switch mills?

Terry Traynor: Yes that is the way I understand the process works.

Bev Neilson, School Boards Association: We are required by law to collectively bargain with our professional staff. That rarely has occurred by April. Until those negotiations are substantially complete our budget isn't really complete. That maybe one of the biggest reasons why something like this wouldn't work for us. We can make adjustments up until October 10th. I have no idea what this ballot would look like because a budget of a school can be very thick so I am not sure what it is that is going to show up on the ballot. It is good to have the public involved in the hearing process in our open meetings and at our budget meetings and all of those things so they hear the rational for each of the budget items, but to just put a number on a ballot is not a good idea. (See testimony #6).

Rep. Hatelstad: You are not limited in your preliminary budget like the cities and counties are. You can still make adjustments?

Bev Neilson: I believe so. I know we have made adjustments to our levy because we only get estimates and we don't get those until September. Maybe I am recollecting changing things in the budget and not the final number.

Chairman Johnson: When you had your budget preparation times in Fargo. Other than facility and staff did you have many citizens that came and sat in on the budget preparation?

Bev Neilson: No and we publish the meetings and everybody know we are in the budget process. We rarely got anyone to the meetings.

Ron Bieri, Minot Park Board Commissioner: This bill is a solution for a problem that doesn't exist. Like many boards and commissions and councils we have some standing committee to help us divide up the work. We have a monthly board meeting. Those are all public meetings and the first thing on the agenda for each of those meetings is what we call personal appearances. Anybody can come and say whatever they want to say to us. There are probably 60 or 70 opportunities for people to come to a public meeting to talk to us. There are ample opportunities for people to contact us and give us input on the budget and how we spend that money. Many individuals and groups take advantage of that. More often is the situation where a group of people came to us to request us to make more cross country trails available and groom them better for us. All communities are different but clearly park districts are different from school districts and counties from cities. We all have different responsibilities to our constituents. That is what of the problems with this bill. If there is a referral election and the budget is not approved the solution then is a one size fits all solution which means usually that it doesn't fit anyone. Local governments work hard to develop budgets that will meet local needs and desires. The solution should come from the people at the local level and their local governments working to resolve that disagreement.

Doug Johnson, Executive Director of ND Council of Educational Leaders: I am here in opposition to HB 1342. I don't have a lot more to add. On the budgeting procedures what generally happens is school districts will begin that process probably in December of that school year and work on that and probably close to finalization in June and work on that on July, but they do not know how many dollars will be generated until they get the report of evaluations that come in from the county auditor and that usually does not happen until sometime in late August or early September. The schools are limited to no more than a 12% increase. The school districts are obligated to pay for those teachers they have their contracted. Most school districts have contracts set up for two years. The only way they could take a decrease is to go through a reduction in force and there are very specific ways this is done. Seventy percent of running a school is in salaries.

Additional handouts #7, 8 & 9.

Hearing closed.

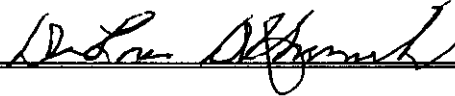
2011 HOUSE STANDING COMMITTEE MINUTES

House Political Subdivisions Committee Prairie Room, State Capitol

HB 1342
February 11, 2011
Job # 14421

☐ Conference Committee

Committee Clerk Signature



Minutes:

Chairman Johnson: reopened the hearing on HB 1342

Do Not Pass Motion Made By Rep. Klemin: Seconded by Rep. Beadle

Discussion:

Rep. Klemin: It appears this bill is completely unworkable. The timing doesn't work according to all the testimony we heard. Anyone who wants to look at the budget can do that and there are public hearings where they can go and comment on it. There isn't any way for someone to refer to budget but maybe that is the way it should be because you do have to get the tax statements out and pay for governments.

Chairman Johnson: I asked my husband who is the mayor of Dickinson and has been for ten years and he has worked on several city budgets. I asked him when you have your budget hearings they also are televised. In all those years that he has been doing budget he has had one person come to a budget hearing. The opportunity is there. They could love to have people come and be involved and take part in the budget process. My concern having done that for years. If all you do is say is this number ok and this is what it was last year and you vote up or down; unless people understand what goes into a budget and what the programs are and what you are trying to do and what's important to the district it is pretty easy to say no.

Rep. Klemin: There are a lot of people who put a lot into these budget and they get paid good salaries to do so. If you could just vote up or down and then go back to the coffee shops you are not going get anybody to do this stuff.

Rep. Koppelman: People are concerned about their property taxes and that is what funds most of this local government that we are dealing with so often in this committee. When things are hot the place is over flowing and that is maybe half of one percent of the time and then there is nothing going on. However, when you deal with the issue of property tax that is an issue they understand. People think we levy property taxes and we don't. We shouldn't dismiss where some of the frustration of this bill is coming from and the fact that people are really concerned about the cost of government. This is not the solution.

Rep. Zaiser: One of the reasons people complain about property tax issue the most is because people write a check where as in income tax it is taken out of your check and generally you get money back. I think we do impact property taxes by the fact we keep income tax so low that in many respects we push some of the responsibility onto the local political subdivision. The property tax cut was primarily oil money that caused that.

Vote: 14 Yes 0 No 0 Absent Carrier: Rep. Kretschmar:

Hearing closed.

Date: 2-15-11
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1342

House 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 Rep. L. Klemin Seconded By Rep. Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Nancy Johnson	✓		Rep. Kilichowski	✓	
Vice Chairman Hatelstad	✓		Rep. Shirley Meyer	✓	
Rep. Beadle	✓		Rep. Mock	✓	
Rep. Devlin	✓		Rep. Zaiser	✓	
Rep. Heilman	✓				
Rep. Klemin	✓				
Rep. Koppelman	✓				
Rep. Kretschmar	✓				
Rep. Maragos	✓				
Rep. Pietsch	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Kretschmar

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

REPORT OF STANDING COMMITTEE

HB 1342: Political Subdivisions Committee (Rep. N. Johnson, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1342 was placed on the Eleventh order on the calendar.

2011 TESTIMONY

HB 1342

#1

House Political Subdivisions Committee

Testimony on HB 1342

Referral of Preliminary Budgets for Cities, Counties, School Districts, and Park Districts

Madame Chairman, and members of the House Political Subs Committee, my name is Representative Larry Bellew from District 38 in Minot. Thank you for allowing me to introduce HB 1342 and to support it.

This is a very simple bill. This bill would create a new section in chapter 57-15 of the NDCC. It would allow the citizens of a political sub-division to refer the preliminary budget of a city, county, school district, or park district.

Currently, there is no statutory authority under existing law for referral of budget and tax levy actions of political subdivisions. Currently, political subdivision budgets and tax levies are considered "resolutions". Because the budget tax levies are "resolutions", they are not referable. Only ordinances can be referred.

If this bill is passed, political subdivision budgets will become ordinances. It is my hope this bill will generate public interest in their local budgeting processes and get the local taxpaying citizens more involved in that process. This bill will also allow voters more direct control, through the referral process, governing increases in property taxes.

Members of this committee, our state agencies prepare their budgets with data older than two years and they do very well. I believe that it is possible for political subs to prepare a very good budget if this bill is passed.

Madame Chairman, let us here remember that this bill about the people getting involved in the budgetary process and making local budgets ordinances instead of "resolutions".

Madame Chairman and members of this committee, as far as I know, all legislative actions are referable, including budget bills. Thank you for your positive consideration of this bill and for your time.

To: House Political Subdivisions Committee
From: Jerry Hjelmstad, North Dakota League of Cities
Date: February 10, 2011
Re: House Bill 1342

HB 1342: City preliminary budget adopted by April 20
40-40-04: City preliminary budget adopted by September 10

HB 1342 provides less time for accurate revenue and expenditure estimates.

HB 1342: Notice of preliminary budget to be published twice by April 30th. Preliminary budget subject to referral by petition signed by 10% of voters.
40-40-06: Notice of preliminary budget combined with notice of budget hearing.
40-40-08: By October 7, city governing body holds hearing at which all budget items may be discussed.

*Under HB 1342, the referral is based on what?
There is no deadline for submitting a referral petition.
Election costs may be incurred due to small % of voters.
Current process allows for complete review of budget.*

HB 1342: If voters disapprove the preliminary budget, the governing body may not exceed the amount levied in the prior year plus any new taxable property.
40-40-08: Final appropriation of any fund may not exceed amount requested in preliminary budget.

*Preliminary budget already serves as a maximum budget.
Other budget limitations already apply to cities.*

Local elected officials are answerable to the voters.

We ask for a "do not pass" on HB 1342.

House Political Subdivisions Committee
Honorable Chair Nancy Johnson
Legislative Testimony on HB 1342 by the City of Fargo

Honorable Chairman Johnson and members of the Political Subdivision Committee, my name is Kent Costin and I am the Director of Finance from the City of Fargo. Thank you for the opportunity to provide testimony on this bill.

The impact of this bill presents a unique set of challenges for political subdivisions. Presently, State Laws require the development of the preliminary budget by September 10th of each year. During that time City officials are responsible to construct and present a preliminary budget, publish the notice of hearing and related budget data, conduct the public budget hearing and ultimately the final budget by October 7th. Our process has been to release the preliminary budget in August to allow more time for discussion and review of the budget recommendations. This process allows approximately two months for review and discussion of the proposed budget before it is finalized. This seems like an adequate amount of time for interested parties to weigh in on the recommended budget strategies.

This bill will weaken the budget development process because of the timeframe called for in the bill. Moving the preliminary budget process up to April is troublesome because City officials do not have the most current data to work with in developing their budget for the upcoming year. Another factor that may not be widely understood is that annual financial audits and comprehensive annual financial reports are generally not released until June or July, so we would have to recommend a budget without knowing the amount of final fund balance. You cannot construct an accurate budget without having the data necessary to produce our operating budgets.

The last two budget cycles have been especially difficult because of national economic conditions and changes in our revenue streams. Simply put, some of our revenue streams have been dragged down with the national economic news in spite of the fact that the overall health of the statewide economy is strong. The accuracy and soundness of selected budget assumptions are strengthened as you move closer to the actual fiscal year. Moving the budget development calendar out another four months may not seem like a big issue in concept, but it does impair the accuracy and weakens the overall process.

The other key issue for many cities both large and small is the same employees that work on financial reporting are often the same employees who work on the annual budgeting. The shifting of the calendar establishes an overlap of work that would have to be completed in an accelerated time frame which would impact governmental staffing levels in support of the Finance functions. Departmental personnel are also an integral part of the process and we would question their ability to focus on budgeting during times when they are consumed with snow removal and flood protection for our cities. Mother Nature already has a hold on spring for many communities and we do not feel that is the best interest of our citizens to change the existing process.

If citizens are unhappy with budget strategies that are being adopted by their City officials then they should exercise their democratic right to vote others into these positions of trust and leadership.

We urge a DO NOT PASS vote on this bill due to the disruption and cost of compliance caused by overlapping two key financial processes into the same time period, and the potential decay of the integrity inherent in the current budget process.

PRELIMINARY BUDGET OF BURLEIGH COUNTY

NORTH DAKOTA

CALENDAR YEAR BEGINNING JANUARY 1, 2011

TO THE HONORABLE BOARD OF COUNTY COMMISSIONERS OF BURLEIGH COUNTY, NORTH DAKOTA

I, Kevin J. Glatt, County Auditor/Treasurer, do hereby respectfully submit to the Board of County Commissioners, the Preliminary Budget for the twelve month period beginning January 1, 2011 and ending December 31, 2011. This budget was studied and examined by the Board of County Commissioners and changes made as deemed necessary. Upon action made, seconded and carried, the budget was ordered published after the amended changes were made.

THE TAXPAYERS OF BURLEIGH COUNTY, NORTH DAKOTA

We, the Board of County Commissioners of Burleigh County, North Dakota, hereby give notice that we have examined into the several budget estimates filed by the several officers, institutions or undertakings, supported wholly or in part by Burleigh County, and from such examination in our opinion for the calendar year beginning January 1, 2011 the following amounts are necessary:

PRELIMINARY BUDGET

County Board	\$ 238,197
County Auditor/Treasurer/Tax Equalization	710,331
States Attorney	953,296
Juvenile Court	176,000
County Recorder	184,990
Courthouse, Buildings & Grounds	426,065
Utilities	84,200
Printing, Publishing and Supplies	28,000
Elections	30,000
Telephone and Postage	106,000
Examination Fee	10,250
Human Resources	812,955
County Sheriff	3,126,575
County Detention Center	2,141,642
Communication Center	367,425
Emergency Management	143,371
Ambulance Services	1,500
Public Administrator	24,000
Property Insurance	12,000
Police Youth Bureau	56,156
Public Health Nurse	107,626
County Planning	120,000
Health Board	3,000
Superintendent of Schools	78,371
Technology	40,780
Transfer Out	241,000
GENERAL FUND BUDGET	\$10,223,730

Appropriation for Victim/Witness Assistance	144,305	
Less: Resources	(144,305)	
Balance to be levied		- 0 -
Appropriation for Emergency Fund	1,017,000	
Less: Resources	(1,017,000)	
Balance to be levied		- 0 -
Appropriation for Veterans Service	195,118	
Plus: Delinquent Taxes & Interim Fund	57,864	
Less: Resources	(21,305)	
Balance to be levied (.67 Mill)		181,677
Appropriation for Provident Life Bldg.	490,276	
Less: Resources	(490,276)	
Balance to be levied		- 0 -
Appropriation for Social Security	1,240,000	
Plus: Delinquent Taxes & Interim Fund	228,699	
Less: Resources	(594,712)	
Balance to be levied (3.24 Mills)		973,987
Appropriation for Advertising	57,999	
Plus: Delinquent Taxes & Interim Fund	17,385	
Less: Resources	(12,676)	
Balance to be levied (.21 Mill)		57,708
Appropriation for County Agent	283,299	
Plus: Delinquent Taxes & Interim Fund	80,988	
Less: Resources	(161,028)	
Balance to be levied (.75 Mill)		203,259
Appropriation for Comprehensive Health Insurance	908,000	
Plus: Delinquent Taxes & Interim Fund	269,542	
Less: Resources	(326,696)	
Balance to be levied (3.16 Mills)		850,846
Appropriation for Weed Board	270,303	
Plus: Delinquent Taxes & Interim Fund	185,071	
Less: Resources	(285,624)	
Balance to be levied (2.50 Mills)		169,750
Appropriation for County Park	229,900	
Plus: Delinquent Taxes & Interim Fund	401,536	
Less: Resources	(569,776)	
Balance to be levied (1.00 Mill)		62,660
Appropriation for County Fair	646,000	
Less: Resources	(646,000)	
Balance to be levied		- 0 -
Appropriation for County Jail Maintenance and Construction	1,076,577	
Plus: Delinquent Taxes	6,735	
Less: Resources	(948,612)	
Balance to be levied (.50 Mill)		134,700
Appropriation for County Parks and Recreational Areas	213,096	
Plus: Delinquent Taxes	10,075	
Less: Resources	(21,571)	
Balance to be levied (1.00 Mill)		201,500
Appropriation for Cellular Phone Tax	662,500	
Less: Resources	(662,500)	
Balance to be levied		- 0 -
Appropriation for Parking	38,000	
Less: Resources	(38,000)	
Balance to be levied		- 0 -
Appropriation for Abandoned Cemeteries	3,000	
Less: Resources	(3,000)	
Balance to be levied		- 0 -
Appropriation for Preservation Fund	38,000	
Less: Resources	(38,000)	
Balance to be levied		- 0 -
Appropriation for Sheriff Drug Asset Forfeiture Fund	15,000	
Less: Resources	(15,000)	
Balance to be levied		- 0 -
Appropriation for States Attorney Forfeiture Fund	7,000	
Less: Resources	(7,000)	
Balance to be levied		- 0 -
Appropriation for Hazardous Chemicals	5,000	
Less: Resources	(5,000)	
Balance to be levied		- 0 -
Appropriation for Rural Special Assessments	750,950	
Less: Resources	(750,950)	
Balance to be levied		- 0 -
TOTAL LEVIES ALL FUNDS		\$15,188,349

A budget hearing will be held on the 23rd day of September, 2010 at 5:00 PM for all Citizens of Burleigh County. The meeting will be held in the Tom Baker Room at the City/County Office Building in Bismarck, North Dakota, for the purpose of discussion on the proposed budget.

The Preliminary Budget may be examined on weekdays at the Burleigh County Auditor/Treasurer's Office between 8:00 AM and 5:00 PM. All interested Citizens will have the opportunity to give written and oral comment. Physically challenged persons needing assistance or aid should contact the Auditor's Office before the meeting by calling 222-6715 between 8:00 AM and 5:00 PM.

Kevin J. Glatt
Burleigh County Auditor/Treasurer

878 - 605831

Appropriation for General Government	\$10,223,730	
Delinquent Taxes & Interim Fund	4,434,673	
Resources	(8,325,753)	
Balance to be levied (23.91 Mills)		\$6,332,650
Appropriation for Unorganized Townships	618,000	
Plus: Delinquent Taxes	18,225	
Less: Resources	(271,715)	
Balance to be levied		364,500
Appropriation for County Road & Bridge	13,190,751	
Plus: Delinquent Taxes & Interim Fund	121,172	
Less: Resources	(13,244,573)	
Balance to be levied (.25 Mill)		67,350
Appropriation for Highway Tax Distribution	4,920,000	
Less: Resources	(4,920,000)	
Balance to be levied		- 0 -
Appropriation for Special Road & Bridge (Unorganized Twps.)	327,000	
Less: Resources	(327,000)	
Balance to be levied		- 0 -
Appropriation for Social Welfare	6,203,245	
Plus: Delinquent Taxes & Interim Fund	1,769,935	
Less: Resources	(3,590,703)	
Balance to be levied (16.27 Mills)		4,382,475
Appropriation for County Poor	766,548	
Less: Resources	(766,548)	
Balance to be levied		- 0 -
Appropriation for Job Development	100,000	
Plus: Delinquent Taxes	4,715	
Less: Resources	(10,419)	
Balance to be levied (.35 Mill)		94,296
Appropriation for Library	239,209	
Delinquent Taxes	10,585	
Resources	(38,092)	
Balance to be levied (3.12 Mills)		211,702
Appropriation for Liability Insurance	164,000	
Plus: Delinquent Taxes & Interim Fund	46,223	
Less: Resources	(105,758)	
Balance to be levied (.39 Mill)		104,465
Appropriation for Special Assessments	20,000	
Plus: Delinquent Taxes & Interim Fund	7,311	
Less: Resources	(18,903)	
Balance to be levied (.17 Mill)		46,214
Appropriation for Senior Citizens	368,245	
Plus: Delinquent Taxes & Interim Fund	245,239	
Less: Resources	(344,084)	
Balance to be levied (1.00 Mill)		269,400
Appropriation for Sobriety 24/7 Program	12,000	
Less: Resources	(12,000)	
Balance to be levied		- 0 -
Appropriation for Water Resource District	1,339,538	
Delinquent Taxes & Interim Fund	301,310	
Less: Resources	(1,061,638)	
Balance to be levied (2.15 Mills)		579,210
Appropriation for Communication Center	1,356,000	
Less: Resources	(1,356,000)	
Balance to be levied		- 0 -

Year	Type	Precincts	Votes Cast	* Population	Eligible Voters	Absentee Voters	Counties Going Vote By Mail	Percent Turnout	Election Expense	Cost Per Vote
1998	P	700	99,157	641,000	474,896	4,315	NA	21	696,188	7.02
1998	G	702	217,584	640,883	475,860	18,263	NA	46	658,785	3.03
2000	P	693	94,306	633,666	473,574	5,102	NA	20	851,473	9.02
2000	G	696	292,249	633,666	473,574	37,632	NA	62	731,220	2.50
2002	P	663	128,519	642,200	481,351	8,194	NA	27	774,285	8.87
2002	G	666	237,224	642,200	481,351	34,816	NA	49	714,212	5.06
2004	P	604	92,209	633,837	487,010	6,019	NA	19	786,146	8.53
2004	G	607	316,049	633,837	487,010	51,116	NA	65	751,160	2.38
2006	P	565	111,325	634,366	495,411	8,702	NA	22	826,998	11.55
2006	G	567	220,479	634,366	495,411	34,073	NA	45	876,318	6.31
2008	P	528	102,886	639,715	496,906	14,846 ¹ 5,966 ²	22	20	1,036,309	17.92
2008	G	528	321,133	639,715	496,906	30,690 ¹ 46,534 ²	21	64	1,024,420	5.55
2010	P	505	102,066	646,844	502,873	20,831 ¹ 4,910 ²	25	20	1,018,814	9.98
2010	G	505	240,876	646,844	502,873	32,812 ¹ 32603 ²	25	47		

*Population estimates calculated by the North Dakota Census Data Center

¹ Mail ballots cast in vote-by-mail counties

² Absentee ballots cast in non-vote-by-mail counties

Summary of North Dakota Election Statistics 1980-Present

Statistics & Turnout

G = General Election..... P = Primary Election..... PP = Presidential Primary Election..... S = Special Election

Year	Type	Precincts	Votes Cast	* Population	Eligible Voters	Absentee Voters	Counties Going Vote By Mail	Percent Turnout	Election Expense	Cost Per Vote
1980	P	1,239	139,594	652,717	462,760	NA	NA	30	596,547	4.27
1980	G	1,235	314,525	652,717	462,760	NA	NA	68	752,387	2.39
1982	P	1,229	103,875	670,000	461,700	NA	NA	22	612,419	5.90
1982	G	1,232	272,876	675,000	461,700	NA	NA	64	598,335	2.19
1984	P	1,191	99,230	675,000	470,500	2,684	NA	21	612,329	6.17
1984	G	1,193	324,179	675,000	470,500	19,840	NA	69	667,936	2.06
1986	P	1,166	133,465	684,900	464,100	3,353	NA	29	642,904	4.82
1986	G	1,158	295,277	684,900	464,100	6,371	NA	64	631,640	2.14
1987	S	1,121	123,539	684,900	484,100	1,440	NA	26	359,159	2.91
1988	P	1,096	111,263	667,093	483,000	2,934	NA	23	645,948	5.81
1988	G	1,090	309,100	667,093	483,000	23,508	NA	64	676,336	2.19
1989	S	1,034	257,171	667,093	483,000	10,975	NA	53	517,696	2.01
1990	P	975	133,911	638,800	463,415	NA	NA	29	640,128	4.78
1990	G	991	240,301	638,800	463,415	NA	NA	52	678,340	2.82
1992	P	804	146,867	636,800	463,415	6,810	NA	32	717,090	4.88
1992	G	782	315,199	636,800	463,415	24,369	NA	68	752,128	2.39
1992	S	782	164,165	636,800	461,500	12,986	NA	35	393,988	2.40
1994	P	740	139,961	635,000	463,000	6,771	NA	30	675,862	4.83
1994	G	739	241,255	635,000	463,000	14,857	NA	52	633,877	2.63
1996	PP	53	72,530	641,000	473,000	NA	NA	15	202,716	2.79
1996	P	705	123,131	641,000	473,000	5,926	NA	26	951,580	7.73
1996	G	717	271,861	641,000	473,000	17,970	NA	57	685,452	2.52

Johnson, Nancy

#6

From: Nielson [dgnielson@bis.midco.net]
Sent: Thursday, February 10, 2011 7:09 AM
To: Johnson, Nancy
Subject: testimony on HB1342

Testimony House Political Subdivision Committee

HB 1342 February 10, 2010

Ben Auch Mott, ND Mott/Regent School Board Member

Chairwoman Johnson and members of the committee

I come before you today in opposition to HB 1342. I have been a school board member for seven years. This bill has a number of problems for local school districts. Most schools have at least 60% of their budget dedicated to professional staff salaries. Those salaries, as I am sure you are aware, must be negotiated with teachers. Those negotiations often don't even start until after April 20th for a number of reasons. One, teachers are concentrating on instructing students. Second, in session years, districts can't start the hard work of negotiations until the Session is over. Why must we wait--because new funding formulas may not have been passed. Once they get passed they need to be calculated by DPI. The 70% rule for teacher compensation has to be calculated. The TFFR rules have to be calculated. How do you start negotiations without these numbers? Then you have to negotiate the raises that teachers will get, how much their insurance benefits will be, and so on. This negotiation process takes at least until the end of May, at best, and can drag on much longer. All this time a proposed budget is being calculated and recalculated by the business manager, the superintendent and the board based on proposals from both negotiating parties. Then on the expense side of the budget you have to bid or negotiate contracts for bus transportation. This can't be done until the superintendent and the board has set bus routes-- which constitute 12% to 20% of a budget. This is rarely finished until the May board meeting,. Another consideration is fuel cost--both for heating and vehicles. Prices can change greatly from April 20th until July when a budget often gets approved as a working budget to pay the salaries of 12 month staff. Finally, taxable valuations are not firm until October when current ND Century Code states that budgets can no longer be amended. So as you can see budget work is so preliminary before April 20th that schools could not realistically be held to them.

The next issue is the publication of the budget. For example this year for my district we would have to approve a budget by April 15th to have a chance at getting two publications done by April 30th because our official newspaper only gets published once a week.

The budget process does not and cannot happen in a vacuum thanks to open meeting laws. A referral process already exists for government subdivisions. It is called the election process. When the public is unhappy with the budget that is approved they can force a recall election of board members that voted for the budget they do not like. I hope that I have made the point that this bill will not work and is not needed and urge all of you to vote against this bill. Thank you for your time.

Ben Auch

Johnson, Nancy

#1

From: Shirley Murray [smurray@state.nd.us]
At: Wednesday, February 09, 2011 5:18 PM
Johnson, Nancy; Hatlestad, Patrick; Beadle, Thomas R.; Heilman, Joe A.; Kilichowski, Robert J.; Klemin, Lawrence R.; Koppelman, Kim A.; Kretschmar, William E.; Maragos, Andrew G.; Meyer, Shirley J.; Mock, Corey R.; Pietsch, Vonnie A.; Zaiser, Steve L.; Devlin, Bill R.
Cc: Traynor, Terry O.; 'Aaron Birst'; County Auditors; Bellew, Larry D.; Delzer, Jeff W.; Weiler, Dave A.; Wrangham, Dwight R.
Subject: HB 1342 adoption and referral of preliminary budgets

HOUSE POLITICAL SUBDIVISIONS COMMITTEE

Prepared February 9, 2011 by

Shirley Murray, Sheridan County

Auditor

CONCERNING HOUSE BILL 1342

Chairman Johnson and members of the Committee, I am Shirley Murray, the Sheridan County Auditor. I am representing Sheridan County's opposition of HB 1342 for County, City, City Park, and School to publish preliminary budgets by April 20th and that the citizen's may refer the preliminary budgets.

First of all in subsection 1. on page 1, the County, City or Schools have no idea what the budgeted amounts would be by April 20th. This again would cause extra expenses for publication costs for each entity. Who will pay for this extra expense for the County, City, and Schools. The mills are being tapped out already?

Subsection 2 on page 1, being the preliminary budget is subject to referral, who is going to pay for the election costs to have a special election every other year when there is not a regular County Primary election year?

Subsection 3 on page 2, If the preliminary budget is subject to an election, the voters most likely will vote NO - not to

approve, because they don't want to pay for anything – they want services for free - so we all might as well close our doors and shut our motorgraders down and let everybody take care of their self in any way they can.

The NDCC has in place many opportunities for the public to attend equalization meetings and budget hearings already that no one shows up at. Why do we need to spend more money and get nothing out of it????

Please give HB 1342 a **Do NOT** Pass recommendation.

#8

TESTIMONY ON HOUSE BILL 1342
House Political Subdivisions Committee

Saroj Jerath, Finance Director
City of Grand Forks

February 10, 2011

Mr. Chairman and members of the House Political Subdivisions Committee, I am Grand Forks Finance Director Saroj Jerath and I want to thank you for this opportunity to provide testimony on House Bill 1342 on behalf of the City of Grand Forks and urge your recommendation of a DO NOT PASS.

House Bill 1342 essentially proposes to create a process for the adoption and referral of preliminary budgets for cities, counties, school districts and park districts. Technically and functionally, there are several concerns I would like to share with you.

The City of Grand Forks Fiscal Year is the calendar year (January 1 – December 31).

Therefore, we have a significant timing concern. We start our annual budget process in April in order to effectively complete the thorough and very public process of adopting the budget.

Our process includes working with city departments, city council members, compiling the Mayor's Budget (a preliminary-preliminary budget), presenting this at a public City Council meeting televised on our city television channel, publishing the budget and related discussion on the city's web site, adopting a preliminary budget based on these public discussions and finally adopting a final budget two to four weeks after the preliminary budget has been adopted. Based on the additional steps of this bill, we would have to start the process in at least November/December of prior year. For instance, for the 2012 budget year, we would have to start the process in November/December of 2010 to adopt the preliminary budget by April 20th of 2011.

(over)

A second timing concern is that the property valuations from our Assessor's office are available to us by April 1. However, these valuations need to be equalized and finalized by the City Board of Equalization and the County Board Equalization in June. It also needs to be finalized by the State Board of Equalization which meets in August and many times does not finish its work until well into September. All three of those boards have the authority to change individual assessments, but more importantly whole classes of property. Therefore, the assessment process really is not complete until late September. To have an estimate of valuation by mid April, would be just an estimate and therefore not the most reliable tool by which to base a budget. In addition to valuations, revenue projections for State Aid, Highway User's Tax Distribution, Tele-communication tax are not available from the North Dakota League of Cities until May.

Finally, our preliminary budget does contain a statement of the percentage and dollar amount of the increase or decrease in comparison to the previous year's budget and an estimate of the percentage and dollar amount of the increase or decrease in property taxes for an average property owner in the city. The City of Grand Forks does meet the publication and hearing requirements as stated in HB1342 and, as noted above, takes additional steps to ensure the budget process is open, accessible and available to the public. It is simply the question is the timing of the adoption of the preliminary budget which we oppose.

Thank you for the opportunity to provide this testimony and I urge your DO NOT PASS recommendation on HB1342.



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#9

NORTH DAKOTA

Bill No. HB1342

Hearing Committee: H-POLITICAL SUBDIVISIONS

Date: February 10, 2011

Honorable Chairman Johnson and Committee Members,

The City of Williston is opposed to House Bill No. 1342 for numerous reasons. First of all, HB1342 requires governing bodies to adopt and publish a preliminary budget five months before the final budget and eight months before the beginning of the new fiscal year. The current budget process for many cities begins in July, with an actual expense look-back period of the previous six months of the current year as well as all previous years. HB1342 would require preparing the budget for the upcoming year without any meaningful financial information from the current year. This assumes that the political subdivisions have budgets which should vary little from year to year. One has only to look at western North Dakota to see how quickly the needs of our citizens and the cost of providing for those needs can change.

Second, HB1342 provides that the preliminary budget is subject to referral. Each political subdivision has a governing body elected by its constituents. The members of that governing body are entrusted to act on behalf of those constituents, including making budget decisions. The members of the governing body are themselves subject to recall should the constituents find that their interests are not being represented as expected.

Third, HB1342 limits the political subdivision to budget amounts of the previous year if the voters do not approve the preliminary budget. This would nearly always result in a cut in existing services simply because of inflation.

Fourth, HB1342 limits the final budget to no more than the preliminary budget. This provision does not allow any flexibility to budget for items that may not have been a consideration in April, but are determined in August to be essential for that city, county, school district or park district.

The existing budget process already requires publication of the preliminary budget and a public hearing at which any citizen may provide comment. Throughout the budget process, elected officials carefully weigh benefits against costs, considering the effect on constituents not just in that budget year but in the future. We urge a "DO NOT PASS" recommendation on HB1342.

Sincerely,

E. Ward Koeser
President
Board of City Commissioners