



Chairman Headland, members of the House Finance and Taxation Committee, thank you for the opportunity to testify in support of Senate Bill 2323. My name is Shawn Wenko, and I am the City Administrator for the City of Williston.

I was born and raised in Williston and, like many others at the time, left in the mid-1990s due to limited opportunities in our community. However, I was fortunate to return in 2008, drawn back by the opportunities created by the oil and gas industry—opportunities that have transformed Williston and the region in ways we could scarcely imagine back then. Since returning, I have had the privilege of serving the City of Williston for 17 years, most of that time as the Director of Economic Development before assuming the role of City Administrator in 2022.

My tenure has given me a front-row seat to the challenges and opportunities that rapid growth has brought to Williston. From the initial frenzy of activity during the early days of the oil boom to the more measured, sustainable growth we are seeing today, the city has faced an ongoing challenge: how to keep up with growth and ensure long-term stability for our community. Growth, both past and present, has consistently outpaced our revenue growth due to the immense needs in public safety, infrastructure, capital improvements, and overall public demand.

When I became City Administrator, I inherited many of the same budgeting challenges as my predecessor. Balancing the budget has always been about balancing the current needs against available revenue. Little if anything is left for proactive improvement. As the chart I have provided demonstrates, we rely heavily on gross production tax (GPT) revenue, which we estimate at approximately \$30 million annually. However, this revenue is not enough to meet the demands placed on the city. Debt obligations and the need to transfer funds to shore up our general fund—especially for public safety—have placed significant strain on our GPT fund. In fact, for 2025, we are projecting a \$19 million deficit in our GPT fund balance.

This deficit reflects the realities of addressing the impacts of past and future growth. Let me outline some of our major long-term debt obligations:

- **\$125 million** pledged for a new wastewater treatment facility to meet the demands of a growing population and regulatory requirements.
- **\$128 million** invested in the construction of the XWA Airport, a critical piece of infrastructure for the region.
- **\$30 million** for a new and expanded public works and engineering facility.
- Ongoing annual transfers of up to **\$9 million** to offset the rising costs of public safety services needed to serve our growing community.

While growth has brought tremendous opportunities, it has also brought tremendous costs, and unintended consequences of strained infrastructure hindering long-term development, and creating an unsustainable economic model.

The city's capital improvements plan currently has more than \$90 million in projects that need to be completed within the city of Williston. Many of these projects have been deferred due to debt payment obligations to support the rapid growth of the oil boom.

These obligations underscore how growth has driven significant infrastructure and public safety needs that far exceed our current revenue streams.

In response to these challenges, we have taken significant steps to address our revenue shortfalls and improve fiscal stability:

- We worked with our finance department to identify investment opportunities in high-yield accounts, generating an additional **\$5.3 million** in revenue.
- We increased water and sewer rates by 20% in 2021, with an automatic 3% annual increase.
- We increased landfill rates and implemented a 5% annual property tax levy increase.
- We refinanced revenue bonds for the airport and public safety, achieving **\$3.5 million** in savings.
- We implemented hiring freezes for non-essential personnel and deferred capital improvement projects, which allowed us to turn a projected \$11 million deficit in 2023 into a surplus and bring in a balanced budget for 2024.

While these efforts have helped stabilize our finances, they have come at a cost. Deferring capital improvement and infrastructure projects is not sustainable in the long term. In 2025, despite cutting nearly \$20 million from preliminary budget estimates, we still face a \$6 million shortfall due to infrastructure costs that simply could not be deferred another year.

Through all of this, we have strived to be responsible stewards of the community's resources. This is reflected in the recent improvement of our community's credit rating, which increased from A+ Negative to A+ Stable. However, the demands of keeping pace with the industry and growth in Western North Dakota remain immense. Our ability to fund necessary infrastructure and maintain our current debt obligations continues to outstrip our revenue capacity.

I urge you to support Senate Bill 2323. This bill represents an opportunity to provide communities like Williston with the tools and resources needed to address the unique challenges of growth and ensure a sustainable future for the oil and gas industry.

Thank you for your time and consideration. I am happy to stand for any questions.



Shawn Wenko
City Administrator