

**HOME RULE CHARTER COMMISSION  
MEETING MINUTES  
AUGUST 9<sup>TH</sup>, 2023**

**3:00 PM**

Commissioner Munson called the meeting of the Home Rule Charter Commission to order. Roll call of the members; Commissioner Munson, Commissioner Schwab, Emergency Manager Mary Senger, Representative Pat Heinert, Dustin Gawrylow, Kay LaCoe present, State's Attorney Julie Lawyer absent. Auditor Mark Splonskowski and Deputy Finance Director Justin Schulz were also present.

Motion by Mary Senger to delegate the role of Board Chairman to Commissioner Munson, 2<sup>nd</sup> by Commissioner Schwab. All members present voted "AYE". Motion carried. Motion by Mary Senger to delegate the role of Vice Chairman to Pat Heinert, 2<sup>nd</sup> by Chair Munson. All members present voted "AYE". Motion carried.

There was an open discussion/brainstorming session on the items to be covered by the amount levied. Ms. Senger asked if there were still additional needs for the Detention Center or the Burleigh County Sheriff since it was originally set up for them. Chair Munson stated that there is always a need but whether it's for the Sheriff's Department, the States Attorney's Office, or the Detention Center, it is still reducing our mills and the property taxes that are being sent out to the community.

Morton County initially had to pay for a share of the building and Mr. Schulz stated that they pay 29.5% (higher than previous years) for operational costs which went into effect Jan. 1<sup>st</sup>, 2023 for a two year period. Morton County's ownership percentage is 15%. Mr. Schulz stated that the overall budget for the Detention Center is about \$11.5 million. Chair Munson stated that roughly 30% gets billed back to the City of Bismarck and there's a percentage that gets billed back to the City of Mandan, but then the rest of that cost is covered by property taxes. Morton County pays 29.5% of the \$11.5 million minus about \$2.1 million for what we are billing other entities for.

Mr. Heinert stated that the priority should be to take the jail off our property tax rolls. He expressed a desire to see figures as to why we charge the City of Bismarck less than other entities. He believes a good continuation would be if the city paid a percentage of that ½ cent then their own tax rolls would go down. He wondered if we could look at a reduction in what we charge the City of Bismarck per inmate and if this was feasible. Auditor Splonskowski added that if that were done, the income side would drop plus the rates are determined by the Detention Board and not the County Board so we would have to talk to them. It was determined that we need to see what this would look like and if it could possibly be done. Ms. Senger added that what we are basically trying to create then is an enterprise fund to which Mr. Heinert agreed. Chair Munson stated that roughly 30% gets billed back to the City of Bismarck and there's a percentage that gets billed back to the City of Mandan, but then the rest of that cost is covered by property taxes.

Commissioner Schwab stated that he believes the ½ percent is a band-aid and that we need to go to 1% because otherwise we will go back to raising mill levies. He would like to see us buy back at least 10 mills. A ½ percent puts the County Commission in a bind when we run short again and the people won't stand for another increase.

Chair Munson stated he liked the idea of a 10-year Sunset clause as had been done when the Detention Center bond was placed on the ballot. Mr. Gawrylow stated that if we are swapping revenue sources for the jail or the Sheriff, etc. it must be permanent, and that we need to make sure that the money we are replacing property tax revenue with is going to keep up with the cost of that line item. He stated that money left over will go to taking care of certain costs sooner rather than later to account for inflation. He also stated that we need to make sure this is not discretionary and not a slush fund. He believes that the County shouldn't have a Sunset Clause if we are replacing a revenue source. Mr. Gawrylow suggested that once the first ½ cent is finished paying the bonds, have that ½ cent be one question such as do you want to use this revenue for the jail operating costs going forward with the contingency of designating where what's leftover is going to go. Then if you wanted to do a full 1 cent, you make the second ½ cent a question and then have that dedicated for where overflow is going. We need to determine how much property tax revenue is going into these functions now and make sure that in our estimates we are allotting for growth so that the cost doesn't outstrip the revenue for 20-30 years. Sales tax revenue needs to keep up with inflation costs so we should give ourselves a \$2 million cushion to be safe.

Commissioner Schwab was concerned that too many line items would be confusing. It must be easy to understand. He suggested that if we get too much money, then buy down mills.

Mr. Schulz stated that the proposed 2024 levy amount after the preliminary budget is:

- All County Government - \$31,498,018 million
- Reserve for General Fund - \$13,500 million which is 38% of the 2024 General Fund Allocation Budget
- Goal: 25-75% - Mr. Schulz suggests 40-50% is standard and will be asking the Commission their wishes. The City of Bismarck went from 60% down to 40%.

Mr. Schulz stated that we are allowed to take the capital improvement fund up to 10 mills. One mill = \$668,000 for the county. One mill = \$502,000 for the city.

Auditor Splonskowski will gather data regarding information on the Detention Center, what kind of money they do need and if they are breaking even or otherwise. He will reach out to Sheriff Leben to get the jail financials and discuss reducing the city rate based on this being passed, plus the possibly of setting a ½ cent measure on the ballot and potentially an additional ½ cent.

Chair Munson reiterated that this is a brainstorming session, and we need to gather data and come back to the next meeting with a plan. He stated that he really likes the idea of a two-ballot measure with two ½ cent sales tax measures. After further discussion, it was concluded that a Sunset clause would not be a good idea.

Mr. Gawrylow clarified that we should have one question redirecting the current ½ cent to the Detention Center operations with provisions for contingency with any overflows going to buy down property taxes, and then have the second one be open ended giving the county commission the power to utilize the sales tax to replace dollar for dollar Law Enforcement expenses with the goal of eliminating those line items from the property tax rolls entirely. He added that it's important to communicate that this is permanent, long term property tax relief and that we are restructuring the revenue stream.

Ms. Senger emphasized that education is the big component with how this is communicated whether we use a pie chart or use dollar amounts showing what we would be paying with this tax vs. one without.

Mr. Gawrylow suggested we need to clean up how we have presented the budget in the past and have a strategy for that. This ballot measure needs to eliminate the need for having another meeting such as this for 20-30 years. It will also dictate what the County Commission does going forward.

Chair Munson stated the Chamber is on board with educating the public if we have good, defined language on how to get it done and what we want to use it for. Mr. Schulz shared that \$6.8 million is the revenue that we collect for the Detention Center.

Commissioner Schwab showed concern that if we had a two ballot measure the public would go for one and not the other. He said this needs to be a simple measure. Mr. Heinert then added that Morton County had two measures and they both passed.

Auditor Splonskowski stated that currently we are at \$6.8 million for the Detention Center budgeting in the portion covered by property taxes and wondered if he and Mr. Schulz should research what departments would be good fits for the other \$4 million. It was agreed that the sales tax should remain dedicated to Sheriff, Detention Center, and Law Enforcement. Mr. Schulz shared that the county spent \$7.9 million for Burleigh County Sheriff for 2023 and \$10.9 million for the share we pay on the Detention Center for 2023. The preliminary budget for 2024 for Burleigh County Sheriff is \$8.6 million. The majority of the Sheriff budget is levied.

Ms. Senger suggested we say for the first ½ percent is used for the Detention Center and for the second ½ percent, is used for Public Safety (Sheriff's Department & State's Attorney). Mr. Heinert stated that if the county doesn't use it, the remainder would go into tax relief for the following year and said that we should add that as a disclaimer. He mentioned he had been asking people what they think about taking the jail off the property tax rolls and the overwhelming response has been yes. Mr. Gawrylow shared that we should have voters decide if they want these things funded by property taxes or move it over to sales tax in a way that is sustainable. Money leftover is extra relief beyond the reform.

Commissioner Schwab shared concerns of recent trends with inflation and if we would have enough monies dedicated to last only 5-10 years instead of 20-30 years. Mr. Schulz shared that the committee would have to decide where the buffer is as far as planning for future disaster. He also added that the county can put extra funding towards property tax buy down. He suggested identifying a percentage of what we want to identify and identifying a percentage of what is not identified.

Mrs. LaCoe added that the next meeting should focus on writing policy first. Then we can answer the other questions we have been talking about. Commissioner Schwab recommended keeping it simple in communicating this to the people. He suggested that people would be willing to pay more in sales tax than in property tax.

Mr. Heinert requested that Auditor Splonskowski find out what the daily rates are for the jail.

Mr. Schulz recommended that any requests or information go through Auditor Splonskowski and he will support him with whatever information he needs to streamline that process.

Chair Munson concluded with the next meeting date being Wednesday, August 23<sup>rd</sup> at 3pm in the Tom Baker room if it is available. Auditor Splonskowski will check on availability. Another reminder: the Primary Election is June 11<sup>th</sup>, 2024. Mr. Gawrylow recommended we have one meeting that is widely publicized before it goes to the Commission.

Meeting adjourned.

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Mark Splonskowski Auditor/Treasurer

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Wayne Munson Chairman