

**SPECIAL MEETING OF CASS COUNTY BOARD OF COMMISSIONERS
MEETING IN BUDGET SESSION
AUGUST 15, 2016**

1. MEETING CALLED TO ORDER

Chairwoman Mary Scherling called the meeting to order at 8:16 AM on Monday, August 15, 2016, with all members present as follows: Ken Pawluk, Arland Rasmussen, Rick Steen, Chad M. Peterson and Mary Scherling. Also present were County Auditor Michael Montplaisir; County Administrator Keith Berndt; and Accountants Mary Matheson and Sarah Heinle.

2. BUDGET OVERVIEW

Mr. Montplaisir provided an overview of the 2017 preliminary budget. The budget was also prepared based on the “zero number of mills increase” included in state law. The legislature enacted this formula to keep property taxes down and to control mill levies. Last year the county levied 66.12 total mills, and in order to meet the “zero number of mills” formula, the county would need to cut 4.91 mills to reduce the total mill levy to 61.21 for next year. He provided suggestions on options to cut the needed number of mills: decrease the General Fund mill levy to lower the reserves to 9%; decrease the Social Service Fund mill levy to lower the reserves to 9%; and eliminate the Emergency/Flood Mitigation Fund levy.

The budget includes 7.2 new positions—one in the Tax Director of Equalization budget and the remainder in the Social Services budget. Mr. Montplaisir said overall salaries were figured using a .7% COLA salary scale adjustment and normal step increases. Health insurance premiums and dental insurance rates are budgeted to remain the same for 2017. The health insurance plan will remain the same, however, other health plans with different deductibles are being reviewed for the future.

3. COUNTY ADMINISTRATOR

Keith Berndt, County Administrator, discussed his 2017 budget which includes Administrator Operations, Buildings and Grounds, Courthouse, Jail, and Annex Operations, and Risk Management. The proposed budget increased by .3% compared to last year. He outlined discretionary spending and capital items which include: \$278,000 for new furniture in the State’s Attorney and Veterans Service offices; \$20,000 for minor space renovation for new furniture and better security in State’s Attorney spaces; \$40,000 for two bathroom finish and fixture upgrades; \$59,000 for security system upgrades to replace outdated hardware at Courthouse and Jail; \$88,000 for 2nd floor remodeling of Social Services space at the Annex; \$52,000 to replace two large water heaters at the Jail; and \$25,000 to replace bearings on air handlers at the Jail.

Mr. Pawluk said Social Services is requesting several staff and asked if space will be available for new employees. Mr. Berndt said the Social Services legal team will soon be moving into offices at the Courthouse, which will free up some space at the Annex. Mr. Peterson asked if funds are included in the budget to conduct a comprehensive space plan for the Courthouse, Annex and Jail expansion. Mr. Berndt said dollars have been included in the Commission budget for space studies.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the County Administrator. On roll call vote, the motion carried unanimously.

4. INFORMATION TECHNOLOGY

Terry Schmaltz, Information Technology (IT) Director, was present to review the 2017 budget. He said 56% of the budget is for salaries and benefits and 33% is for shared services with other departments. The budget includes \$40,000 for website development; \$25,000 for tax system

programming; \$12,500 for Laserfiche programming; \$24,000 for network storage hardware maintenance; \$80,272 for network storage upgrade; \$14,500 for server room UPS maintenance and battery replacements; and \$7,200 for network service data lines.

Mr. Schmaltz said the 2016 budget also included funds to update the county website, and the project will take eight to ten months to complete, extending some of the costs into 2017. He said the commission will consider a contract for website design services at its regular board meeting scheduled later today, August 15th.

MOTION, passed

Mr. Rasmussen moved and Mr. Steen seconded to approve the 2017 preliminary budget for Information Technology as presented. On roll call vote, the motion carried unanimously.

5. EMERGENCY MANAGEMENT

Jim Prochniak, Emergency Manager, was present to review the 2017 budget. He said their budget request is \$11,751 less than last year due to the retirement of the former Emergency Manager which resulted in a 4% reduction in salary and benefits.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for Emergency Management as presented. Discussion: Commissioners discussed the lease of office space for Emergency Management at the Fargo Public Safety Building. Mr. Prochniak said the partnership with Fargo Emergency Management works well at this location. The county and city share an assistant and cover offices for one another. On roll call vote, the motion carried unanimously.

6. TAX DIRECTOR

Mike Montplaisir discussed the 2017 budget request, which includes an additional assessor position. Recent legislation increased education requirements for local assessors and many of them have chosen not to remain in their positions, which resulted in the need for another assessor. The budget includes funds to contract with Vanguard Appraisals to conduct reassessments in the Cities of Reiles Acres and Casselton.

The Tax Director of Equalization position is vacant after the retirement of Frank Klein. The board will consider the appointment of a new director at its regular board meeting later today, August 15th. Mr. Montplaisir said the budget could be approved with the stipulation that the salary and benefits for the position may need to be adjusted. Mr. Pawluk wants to defer action until after the board has determined the salary.

7. BREAK

The Commission took a break at 10:00 AM and reconvened at 10:18 AM.

8. METROPOLITAN COUNCIL OF GOVERNMENTS

Bill Christian, Executive Director of the Metropolitan Council of Governments (MetroCOG), was present. He said the request is \$19,081.98 for 2017 dues and assessments. He briefly discussed transportation studies and upcoming projects. Mr. Montplaisir said the dues are included in the General Fund budget and study costs are included in the Highway Department budget.

Mr. Peterson asked about finding a cost effective solution for their office space. Their conference room is not large enough to accommodate a good majority of its meetings. Mr. Christian said the lease for their office space expires in one year. The MetroCOG Policy Board will discuss this item at its meeting next month. Mr. Peterson said he is willing to help Mr. Christian find new office space.

MOTION, passed

Mr. Steen moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Metropolitan Council of Governments in the amount of \$19,081.98. On roll call vote, the motion carried unanimously.

9. RECORDER

Jewel Spies, County Recorder, was present to review the 2017 budget, which is based on actual figures from the first six months of 2016. She said electronic recording of documents has increased and comprises 33% of the daily recordings. The budget includes a project to digitize the tract indices, grantor/grantee books, and reception books, which will be funded through the Document Preservation Fund. The project will begin in 2017 and continue into 2018. She said once the books have been digitized, they will be sent to the historical archives for safe keeping.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Recorder's Office as presented. On roll call vote, the motion carried unanimously.

10. DOCUMENT PRESERVATION FUND

Revenues for the Document Preservation Fund are generated through a \$3.00 fee per document collected by the County Recorder when documents are filed. The fund may be used to enhance and maintain permanent records and keep technology updated, including computers, software and digital document storage.

MOTION, passed

Mr. Steen moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Document Preservation Fund as presented, and to restrict the revenue to remain in this fund to use for enhancing and maintaining permanent records. On roll call vote, the motion carried unanimously.

11. NDRIN FUND

All 53 counties are full members of the North Dakota Recorders Information Network (NDRIN), a fund that is self-supporting through dollars generated from subscriber and copy fees. Mrs. Spies said the fee is \$25 per month and there are around 2,500 subscribers per month.

MOTION, passed

Mr. Pawluk moved and Mr. Steen seconded to approve the 2017 preliminary budget for the NDRIN Fund as presented, and to restrict the revenue to remain in this fund to use to operate on-line subscription services. On roll call vote, the motion carried unanimously.

12. FIRST LINK

Cindy Miller, Director of First Link, was present. Their organization is requesting \$5,000 for 2017, which is the same as last year. First Link assists the county with volunteer coordination during emergencies, and also provides 24 hour call services to the community. First Link is the only call center in the state connected to the National Suicide Prevention Lifeline.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for First Link as presented. On roll call vote, the motion carried unanimously.

13. AUDITOR

Mr. Montplaisir presented the 2017 preliminary budget for the Auditor's Office, which consists of operations, election, and cemetery fund. The request is consistent from previous years with the main increase attributed to employee salaries and benefits.

The budget includes \$12,500 to replace the copier in the Auditor's Office. This equipment was included in the 2016 budget, but was cut when budget reductions were made in April. The machine is nine years old and parts are difficult to find when repairs are needed.

MOTION, passed

Mr. Pawluk moved and Mr. Steen seconded to approve the 2017 preliminary budget for the Auditor's Office as presented. On roll call vote, the motion carried unanimously.

Mr. Montplaisir said the election equipment is aged and needs to be replaced. He said legislation for 2017 includes a proposal to fund replacement of election equipment statewide. He said the cost would be around \$1 million and if the bill does not pass, costs would be paid through the General Fund in a non-election year.

14. WATER RESOURCES DISTRICTS

Carol Harbeke Lewis, Secretary-Treasurer for the Cass County Water Resource Districts, was present to discuss the 2017 budgets for the four water resource boards. Southeast Cass Water Resource District is asking for a reduction from 3.50 mills to 3.40 mills plus 2 mills for the Red River Joint Water Resource District.

MOTION, passed

Mr. Pawluk moved and Mr. Rasmussen seconded to approve the 2017 preliminary budget for the Southeast Cass Water Resource District at 3.40 mills and the Red River Joint Water Resource District at 2.00 mills. On roll call vote, the motion carried unanimously.

Ms. Lewis said the Maple River Water Resource District is asking for 4.00 mills plus 2 mills for the Red River Joint Water Resource District. Mr. Pawluk asked about the \$10 million ending balance. There was discussion about a possible payment on bonds for the Upper Maple River dam project not being accounted for in the budget. Mr. Peterson suggested approval be delayed until Ms. Lewis and Ms. Matheson review the information because something appears to be missing.

MOTION, failed

Mr. Pawluk moved and Mr. Steen seconded to approve the 2017 preliminary budget for the Maple River Water Resource District at 4.00 mills and the Red River Joint Water Resource District at 2.00 mills. On roll call vote, the motion failed with Mr. Pawluk and Mr. Steen voting "Yes"; Mr. Peterson, Mr. Rasmussen and Mrs. Scherling voting "No."

MOTION, passed

Mr. Peterson moved and Mr. Rasmussen seconded to table action on the Maple River Water Resource District budget until information is clarified regarding the significant ending balance. Motion carried.

Ms. Lewis said the North Cass Water Resource District is asking for 4.00 mills plus 2.00 mills for the Red River Joint Water Resource District.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the North Cass Water Resource District at 4.00 mills and the Red River Joint Water Resource District at 2.00 mills. On roll call vote, the motion carried unanimously.

Ms. Lewis said the Rush River Water Resource District is asking for 4.00 mills plus 2.00 mills for the Red River Joint Water Resource District.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Rush River Water Resource District at 4.00 mills and the Red River Joint Water Resource District at 2.00 mills. On roll call vote, the motion carried unanimously.

15. CASS COUNTY HISTORICAL SOCIETY

Brenda Warren, Executive Director of the Cass County Historical Society, and Beth Mohan, Treasurer, were present. Last year the commission approved a budget of \$89,522. The Historical Society is requesting \$139,522 for 2017. She said the reason for the \$50,000 increase is due to significant repairs needed to many of the buildings at Bonanzaville.

Mr. Pawluk realizes the important work done by the Historical Society but cannot support a \$50,000 increase at this time.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Cass County Historical Society in the amount of \$93,000. Discussion: Mr. Steen asked if any other historical preservation is being done in the county besides the work at Bonanzaville. Ms. Warren said the Cass County Historical Society is the only organization that handles the preservation of historical artifacts. Mr. Steen said the buildings are in disrepair, and he supports the request. Mr. Pawluk asked about possible revenue opportunities such as selling duplicate pieces of artifacts. Mr. Peterson asked about the history behind funding the Historical Society. Mr. Montplaisir said traditionally counties fund a ¼ mill for this service. Mrs. Scherling said \$50,000 is a substantial increase considering the other budgets the county still needs to consider. On roll call vote, the motion carried with Mr. Pawluk, Mr. Peterson and Mrs. Scherling voting “Yes”; Mr. Steen and Mr. Rasmussen voting “No”.

16. COMMISSION

Mr. Montplaisir discussed changes with the 911 Fund. He said Cass County collects the fee for the entire county and pays North Dakota subdivisions for expenses associated with the Red River Regional Dispatch Center. Revenues have not caught up with the North Dakota share of the operations budget so \$546,000 was budgeted to be transferred from the General Fund to the 911 Fund. The dispatch center is replacing the radio console next year at a cost of \$243,000 and while some funds have been set aside, part of the cost is included in the transfer.

The Commission budget includes \$125,000 for architect/redesign fees to study the former Juvenile Detention space at the Annex and vacant office space at the Courthouse; and \$100,000 to study an expansion at the Cass County Jail. Mr. Berndt said the costs also include possible remodeling expenses associated with the study findings.

Mr. Peterson said the funds will be used for master space planning work at the Courthouse, Annex and Jail. Mr. Steen thinks \$125,000 for architect fees is a significant amount considering it is not known what offices are going into the vacant spaces.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Commission Operations budget. Discussion: The operations budget does not include the \$225,000 line item for space studies. Mr. Steen wants additional information on previous architect fees before approval of that cost. On roll call vote, the motion carried unanimously.

17. RECESS FOR LUNCH

The Commission recessed for lunch at 11:50 AM.

18. RECONVENE

The meeting reconvened at 1:00 PM for further budget review with all commissioners present.

19. RED RIVER VALLEY FAIR ASSOCIATION

Bryan Schulz, General Manager of the Red River Valley Fair (RRVF) Association, was present. The request for 2017 is \$115,000, compared to \$95,000 approved last year. The dollars are used for premiums, trophies, ribbons, and judge expenses for 4-H as well as annual insurance expenses.

Mr. Peterson said he is comfortable with a 2-4% increase from the previous year's budget.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Red River Valley Fair Association in the amount of \$98,000. On roll call vote, the motion carried with Mrs. Scherling, Mr. Pawluk, Mr. Peterson, and Mr. Steen voting "Yes"; Mr. Rasmussen voting "No".

20. TREASURER

Charlotte Sandvik, Cass County Treasurer, was present to review the 2017 budget. She said there are minimal changes compared to last year.

Mr. Peterson asked how often Ms. Sandvik looks at banks to compare services. Ms. Sandvik said three years ago she received bids from various banks and Wells Fargo provided the most favorable terms. Many banks are not willing or able to pledge the required assets, which is over \$100 million, to service the county's banking needs.

MOTION, passed

Mr. Rasmussen moved and Mr. Steen seconded to approve the 2017 preliminary budget for the Treasurer's Office as presented. On roll call vote, the motion carried unanimously.

21. FARGO CASS PUBLIC HEALTH

Ruth Roman, Director of Public Health, was present to provide a summary of the 2017 preliminary budget for Fargo Cass Public Health (FCPH), which is \$741,822. The only increases are due to salary and benefit changes.

Mr. Rasmussen said he would like to make the commissioners aware that the City of West Fargo has cut all funding to FCPH. Ms. Roman said two years ago West Fargo came to the realization that they were not legally obligated to contribute funds. Despite the loss of funding, FCPH could not justify requesting additional funds from the county as rural services do not represent a large percentage of overall services provided by the department. Services in West Fargo have continued, and some of the lost funding is recouped through fees and services provided.

MOTION, passed

Mr. Peterson moved and Mr. Rasmussen seconded to approve the 2017 preliminary budget for Fargo Cass Public Health in the amount of \$741,822. On roll call vote, the motion carried unanimously.

Ms. Roman discussed the Fargo Cass Public Health Jail budget for nursing services in the amount of \$505,634. There are no new staffing requests.

Mr. Steen asked why there is such a large increase in the fringe benefits line item. Ms. Roman said fringe benefits vary widely for each employee depending on the level of benefits they choose and may vary anywhere from 20-38%, which must be accounted for in the budget.

Mrs. Scherling asked if the jail is adequately staffed with nurses. Ms. Roman said no, but resources are tight so they continue to work with jail administration to manage services. The department is beginning to feel the effects of the nursing shortage, which may drive nursing salaries in the future.

MOTION, passed

Mr. Rasmussen moved and Mr. Pawluk seconded to approve the 2017 preliminary budget for Fargo Cass Public Health Jail services as presented.

Discussion: Mr. Peterson said he is reluctant to approve the budget increase due to the immense benefit package, but there is no alternative to the high salary and benefit increases. On roll call vote, the motion carried unanimously.

22. VALLEY WATER RESCUE

Valley Water Rescue President Pete Fendt was present to discuss the proposed budget for their organization. They are requesting \$42,631 for 2017, which is unchanged from the adjusted budget request last year. The Valley Water Rescue budget is included in the Sheriff's budget. Cass County, Clay County, Moorhead, West Fargo, and Fargo all pay a percentage of the budget. Cass County's percentage is 8.9%.

MOTION, passed

Mr. Rasmussen moved and Mr. Steen seconded to approve the 2017 preliminary budget for Valley Water Rescue as presented, and to commit the revenue to remain in the fund to use for Valley Water Rescue operations. On roll call vote, the motion carried unanimously.

23. SHERIFF'S DEPARTMENT

Sheriff Paul Laney, Chief Deputy Rick Majerus, Captain Michele Harmon, Captain Mitch Burris, Captain Andy Frobig, Lieutenant Amanda Henrickson, and other Sheriff staff were present.

Sheriff Laney outlined a few of the major line items in the 2017 budget, which include a four year Valley Vet contract in the amount of \$22,182; increases in several categories due to bringing line item budgets back to regular budget levels after cuts were made previously this year; an increase in major repairs as the department intends to keep vehicles longer than in previous years; and a 17% increase in field equipment and radios, which will be compatible with new system requirements.

Sheriff Laney said the jail budget includes a line item for a full body scanner at a cost of \$175,000, which will be similar to the body scanners found in airports. The intent will be to scan every person that comes into the jail, which will allow the work release program and church visits to be resumed.

Mr. Rasmussen asked what the life expectancy of the scanner will be as a plan should be put into place in order to replace or repair it as needed. Sheriff Laney said perhaps funds from the Asset Forfeiture or Commissary Funds can be used for this purpose. Funds from the Asset Forfeiture Fund have strict rules dictating their use but Sheriff Laney can research the matter. Mr. Montplaisir said the State's Attorney Office has a large Asset Forfeiture Fund that may also be tapped with the approval of the State's Attorney.

Mrs. Scherling asked who will operate the scanner and what legal ramifications might arise. Sheriff Laney said employees would be trained on the use of the machine. Similar machines are used in federal facilities, so most potential legal challenges have already been addressed.

Mr. Pawluk said perhaps as an alternative, half of the funding for the body scanner could be left in the budget this year, and Sheriff Laney could try to secure the other half through the Asset Forfeiture Fund or another method. If the full amount is not obtained, the other half of the funding can be granted next year.

Sheriff Laney said the line item on the submitted budget for the West Central Regional Juvenile Center contract reflects eight beds. Cass County held nine beds last year, which were underutilized. Mr. Peterson, Mr. Berndt, and Sheriff Laney previously came to a consensus that dropping the bed count by one bed would better represent the true utilization of Cass County. However, after speaking with representatives from Clay County, Sheriff Laney would now like to request that one more bed be added to the contract, to bring the total back to nine beds. The purpose of this action would be to continue the important partnership Cass and Clay Counties have begun by sharing the funding burden. The juvenile program in Clay County far surpasses the former program in Cass County as Minnesota state law requires a much higher investment in programs for juveniles.

Mrs. Scherling asked if other counties have agreed to increase their bed counts for the facility. Mr. Peterson said they have not, but he believes the conversation was unsettling for other counties and will perhaps motivate them to increase bed counts in subsequent years.

Mr. Pawluk said he recognizes the importance of fostering a positive relationship with Clay County concerning the juvenile center, but he does not want to overfund Cass County's share. Sheriff Laney said he agrees with Mr. Pawluk but believes that in the long term more will be gained than lost by continuing with the higher bed count, and he will continue to monitor the utilization numbers.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Sheriff's Department with the removal of half of the cost of the full body scanner in the amount of \$87,500, and the addition of one more bed for the West Central Regional Juvenile Center contract in the amount of \$79,500. Discussion: Mr. Peterson said he feels the body scanner will provide a service to the inmates to support their sobriety and allow the work release program to resume; it will also protect staff members. Mr. Steen said he is not in favor of spending close to \$80,000 on an extra bed in the detention budget to foster a partnership that would remain intact without it; the funds could be used elsewhere in the county. On roll call vote, the motion carried with Mr. Pawluk, Mrs. Scherling, and Mr. Peterson voting "Yes"; Mr. Steen and Mr. Rasmussen voting "No".

24. MISCELLANEOUS COUNTY FUNDS

Sheriff Asset Forfeiture Fund

The Sheriff Asset Forfeiture is funded through grants and asset forfeitures. Mr. Steen asked if the funding for the body scanner for the jail can be approved from this fund at this time. Ms. Harmon said the entirety of the balance does not belong to the department and as court cases are closed only the percentage that is due the department will remain.

MOTION, passed

Mr. Rasmussen moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Sheriff Asset Forfeiture Fund in the amount of \$164,186. On roll call vote, the motion carried unanimously.

JAIGB Fund

MOTION, passed

Mr. Pawluk moved and Mr. Steen seconded to approve the 2017 preliminary budget for the JAIGB Fund as presented. On roll call vote, the motion carried unanimously.

Jail Commissary Fund

Sheriff Laney said the Jail Commissary is funded by telephone commissions and commissary sales to inmates, and it is used solely for the benefit of the inmates.

Mr. Pawluk said a high balance is carried in this fund from year to year.

Mr. Frobig said following the FCC ruling mandating lower phone rates for incarcerated individuals, he has made a conscious effort not to spend proceeds from commissary phone revenues as the funds will no longer be replenished. The funds will most likely be spent on new mattresses for the inmates next year.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the Jail Commissary Fund as presented. On roll call vote, the motion carried unanimously.

24/7 Sobriety Program Fund***MOTION, passed***

Mr. Rasmussen moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the 24/7 Sobriety Program Fund as presented. On roll call vote, the motion carried unanimously.

911 Fund

Mr. Montplaisir said the 2017 budget request for the 911 Fund is \$3,446,728.

Sheriff Laney serves on the Red River Regional Dispatch Center (RRRDC) Board of Authority. Sheriff Laney said this year there are a lot of expenses, including equipment upgrades that must be done.

Mr. Rasmussen asked if the RRRDC hires for continued population growth. Sheriff Laney said yes; hiring is based on a growth plan for the area.

Mr. Pawluk asked why the budget operates on a \$150,000 deficit. Mr. Montplaisir said the deficit is due to state law limiting the fee charged to residents for each operating phone line at \$1.50 per line.

MOTION, passed

Mr. Pawluk moved and Mr. Peterson seconded to approve the 2017 preliminary budget for the 911 Fund as presented. On roll call vote, the motion carried unanimously.

25. RECESS

The commission recessed for the day at 3:10 PM until Tuesday, August 16, 2016, beginning at 8:15 AM.

ATTEST:

APPROVED:

Michael Montplaisir – Auditor
Cass County, North Dakota

Mary Scherling, Chairwoman
Cass County Board of Commissioners