

**HOME RULE CHARTER COMMISSION
MEETING MINUTES
AUGUST 23RD, 2023**

3:00 PM

Chair 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 as well as guest Brenda Nagel, President & CEO of the Bismarck Mandan Chamber of Commerce.

Motion by Commissioner Schwab, 2nd by Rep. Heinert to approve the Aug. 9th, 2023 minutes. All members present voted "AYE". Motion carried.

Auditor Splonskowski provided the requested information from the August 9th meeting regarding the 2024 Burleigh/Morton County Detention Center budget analysis with line items obtained from Sheriff Leben. The impact to counties based on budget requests minus projected income for Burleigh County is \$6,807,326 and Morton County is \$2,848,456. Auditor Splonskowski also provided the rates for the Detention Center which are as follows: Current Rates for Bismarck/Mandan - \$66, All other entities - \$75. Rates as of 01-01-2024 for Bismarck/Mandan - \$75, US Marshal/Bureau of Prisons - \$115 (rate has not been approved by BMDC Board yet), and All other entities to include state and contract counties - \$100. County Deputy Finance Director Justin Schulz submitted sales tax data which will be updated monthly. Burleigh County Sales Tax Collections for 2016 were \$9,169,491.16 and \$10,876,345.54 for 2022. Thus far Burleigh County has collected \$4,260,375.30 for 2023.

Chair Munson then began a discussion and review of how we would utilize the tax and whether it should be a ½ cent, one cent, or two, ½ cent measures with separate descriptions for each measure. He explained that the committee needed to find line items in our budget that would be paid for with this tax. It was discussed previously that the tax could cover all the Detention Center budget, all the Sheriff's Department budget and the State's Attorney budget. Rep. Heinert talked about establishing goals first and he proposed a three-part goal: 1. Funds collected from the ½ cent sales tax must be used to replace property taxes collected from Burleigh County property owners for Detention Center operations. 2. Funds collected from the ½ cent sales tax must be used to replace \$502,000 which is equivalent to 1 mil in 2003 for the City of Bismarck for inmate fees associated with housing. 3. Any monies remaining from the ½ cent sales tax collected will be utilized to reduce Burleigh County property taxes for the purpose of criminal justice operations. This would give approximately \$3.5 million left over to go into "criminal justice operations" which would have to be a county commission decision. Mr. Gawrylow stated that he changed his mind on having a split question on the ballot but suggested having one question be on the June ballot and the second question being on the November ballot. He provided a handout/flow chart for the members detailing this. Chair Munson then asked County Deputy Finance Director Justin Schulz if he could find out the State's Attorney's 2024 budget as well as the Sheriff's 2024 budget. Mr. Schulz stated that the State's Attorney's budget is just short of \$1 million, and the Sheriff's is between \$8-8.1 million covered by the levy. Chair Munson stated that Burleigh County Commission has used up too much of their reserves and so

another option would be to fill that bucket back up again. Mr. Schulz stated that the current Burleigh County policy says to have a 25% minimum and a 75% maximum but there is no real target number in between. Ms. Senger then suggested the idea of having percentages instead of dollar amounts such as 50% Detention Center operations, 25% Public Safety (Sheriff's Department and State's Attorney), and 25% reserves in capital improvement projects. That way as sales taxes and expenses are increasing, we aren't tied to a certain amount but rather a percentage. Mr. Gawrylow disagreed and felt it should be more of a line-item basis because a percentage basis gets backfilled as they are funded by both sales tax and property tax. Kay LaCoe believed percentages are much easier to talk about than dollar amounts and is concerned about how to sell all of this. She reminded everyone that the ½ cent sales tax sunsets the end of 2024 and then it will be gone. She felt Mr. Gawrylow is on the right track with option two. Chair Munson believed preferred the term "Property Tax Reform" rather than "Property Tax Relief". Commissioner Schwab stated that the Home Rule Charter Commission should not dictate to future commissions where money should be spent because things are going to change. He recommended keeping it simple, buying the mill levies back, and getting projects done that the county has. He believed the split option is a bad one because we don't know if the second one will pass. Mr. Gawrylow agreed but didn't recommend using the term "buy down" as it has connotations of meaning that it will go back up again, and we'd be replicating what the state legislature has done. Mr. Schulz stated that we need to define if we are budgeting this in 2025 or 2026 because from a cash flow standpoint, replacing property tax (which is normally collected the first three months of the year) and sales tax (which is collected out over 12 months) would be safer to implement in the 2026 budget, rather than the 2025 one. Chair Munson stated that this will have a one-year delay in the actual property tax statements. Mr. Schulz added it would be collected in 2025 and budgeted in 2026. Mrs. LaCoe stated that we need to get back to the question of what we want to do with the funds so that we know what to ask for and whether the commission could decide on a ½ cent or a full cent. Rep. Heinert then asked what the major projects in the county are right now to which Chair Munson replied that he is not in favor of major projects because we would have to list them out for 20 years or until that project is taken care of. Rep. Heinert emphasized that his proposal is for the first ½ cent and is a one mil buy down for the City of Bismarck. That number wouldn't change and that is why he listed it as a dollar amount. The number for the jail would change because jail costs will go up. But the remaining numbers can go towards offsetting criminal justice needs based on the commission table and that should be good for over 10 years to which we would then have to bring it back to the people. He added that if we can go to the public and tell them we will take the Detention Center off the tax rolls, we will have a good chance of a yes vote. Rep. Heinert believed we need to identify some major projects. Commissioner Schwab suggested possible project ideas such as Hwy 10 to Sterling which is \$400,000 per mile, or the 66th St. Bridge Project which we lost because the DOT declined to help the county with that. Mr. Gawrylow stated that if there is less discretion, people will be more inclined to vote for it because they know what it is actually doing. Chair Munson stated that he supported a one cent sales tax dedicated to Public Safety which would be \$20 million and then we can eliminate those line items from the budget. Mrs. LaCoe mentioned that she is opposed to dedicating money to special projects because some of the projects listed impact the majority of the tax payers the least. Commissioner Schwab stated that he didn't support Burleigh County buying down city mills because it isn't fair to the people. Ms. Senger asked if we could maintain taking Public Safety totally off the books and making them an enterprise fund, and recommended we talk about purpose and intent and not projects. Chair Munson stated that the commission needs to decide how to spend the money and then pick the direction. Mr. Gawrylow suggested having a question presented to the members

asking if they preferred a percentage allocation or a line-item replacement and go from there. Chair Munson suggested backfilling the reserves to use for major projects. Mr. Schulz recommended that we just leave this at mil reduction and leave reserves out of the equation as the county already budgets to replenish reserves to whatever the minimum policy is. Mr. Schulz also shared an idea that Auditor Splonskowski had regarding a bucket system similar to what the state has where you have sales tax fill the Detention Center bucket first, Sheriff's Department second, State's Attorney third, and then discretionary to where you're not identifying that they are gone forever, but it's contingent on taxes raised stating where it is spent first, second, third, etc. and trickle it that way. Chair Munson asked if Mr. Schulz and Auditor Splonskowski would draft something for the next meeting showing the bucket system and include it in the next agenda packet. Chair Munson also set the date of the next meeting for Wednesday, Sept. 6th, 2023 at 3pm in the Tom Baker Room. Rep. Heinert asked Ms. Senger if it would be possible to get a printout of the time frames and tentative date projections as to when the Home Rule Charter Commission is due to have things to the County Commission for the ballot. Ms. Senger stated she sent that request to State's Attorney Julie Lawyer.

Meeting adjourned.

Mark Splonskowski, Auditor/Treasurer

Wayne Munson, Chairman