Official Proceedings of the Stutsman County Commission Special Meeting – August 5, 2022

At 10:00 a.m., Chairman Klose called the special meeting of the Stutsman County Commission to order. Joan Morris, Steven Cichos, Dennis Ova and Mark Klose answered the roll call. Ramone Gumke was absent.

The first item on the agenda was the sheriff's building discussion or bid approval. Chad Kaiser, Sheriff stated the offer to Ringhdahl's was declined and there was no counteroffer. The bids for the building expire today. The building will be used for more than just storage of vehicles. The building is designed as a multi-use, so it can be used for training or maintenance. Other options such as purchasing a building that is for sale have not worked, so he is hoping for a motion to approve the lowest bid. Klose expressed concerns about the location of the building and getting there in the winter. Kaiser does not believe that will be an issue. A motion to approve the lowest bid was made by Ova. Motion died for lack of a second.

Morris stated because money for a new building is very rare so she would like to see it spent on a building that employees can enjoy and will be used more often and would like to find a way to build something that will get more use and have an older building used for storage.

The next item on the agenda was the 2023 Preliminary Budget discussion. The American Rescue Plan funds ("ARPA fund") can be used for the box culvert at the reservoir but not to pave the campground. Emergency grade raises were done in 2019 for the Cleveland project. The event happened in 2019 so they may not qualify for payment through the ARPA fund. Costs must be incurred on or after March 3, 2021. Alonge will research the language since the costs were incurred after that date, but the damage was before. If ARPA funds cannot be used, Klose would like to take the funding for the grade raises from Prairie Dog funds.

A motion was made to fund the box culvert out of the Road and Bridge ARPA Fund and use the ARPA Fund to pay for the emergency grade raises subject to approval by the DOT by Morris, seconded by Cichos. Roll call vote: Ova, Morris, Cichos and Klose voted aye. Motion carried.

Morris presented information regarding the library. The library has requested an additional $60,000 over last year's funds. Morris gave an overview of the use of the Stutsman County Library. Morris does not feel comfortable giving them the extra $60,000 they requested. There has been an increase in visitors to the library due to a free lunch program offered by NDSU Extension. The meals are being served out of the library instead of the Extension building.

Bob Boyer, Pastor of the Presbyterian Church across the street from Alfred Dickey Library, is in favor of not giving extra funds to the County Library. He attended board meetings in July and requested that the board members convince him why it should be open. Boyer stated no one could tell him why there was a need for it to be open. Morris does not want to shut down the book mobile, just the building.

Barry Hazer from west of Buchanan spoke about the library. The book mobile is very important for the rural children in Stutsman County, but he does not feel there is a need for the library to receive extra funding. Mr. Hazer also complimented the road department on a job well done out on the country roads.

Justin Six recently bought a house in the County and sat at the County library for a few days from 12:00-5:00 when they were open and observed that several visitors were only there to get the food from Extension. He is also against increasing the budget for the Stutsman County Library.

Morris made a motion to decrease the funding back to the funding amount that they received last year, seconded by Cichos. Roll call vote: Morris, Cichos, Klose, Ova voted aye. Motion carried.

Alonge requested clarification as to whether the Commission wanted to reduce the mill rate to last year's rate, or to reduce the requested dollar amount by $60,000. After some discussion, the preliminary mill rate for the library will remain the same as last year at 2.05 mills. With the changes in the value of a mill, this will result in an increase of about $4,400 over last year.

Klose spoke about the emergency fund and having a 4 mill increase. With the emergency grade raises being paid out of other funds he asked how the levy is affected. Alonge stated that at the beginning of the year the fund balance was $1,242,743. There has been some engineering paid from the fund. The max fund balance is about $1,361,000. Klose is not looking to increase as they are trying to reduce mills in the budget at this time. Alonge reminded the Commission there are three roads this year that are going to need emergency repairs done to them. Morris questioned whether Prairie Dog funding could be used on those projects. Alonge indicated the funds can be used because they are coming from the state and they can be used to match federal funds. The emergency fund is limited to 4 mills and the fund balance cannot exceed the value of ten mills. Klose suggests taking the 4 mills out of the emergency fund because the emergency repairs will be paid out of other funds. Alonge stated that by removing those will bring the total mill levy to 77.88, which is 3.94 mills over last year. Last year the general fund was bought down by about 3.26 mills with CARES money.

Klose brought up the fact that in the beginning they budgeted for a 4.5% increase in health insurance, but the actual increase is about 17%. Alonge stated that there must be a 12-month notice given to NDPHIT if the County wishes to withdraw from the Trust and go back to NDPERS for health insurance. Shannon Davis, Human Resource Director, stated that there are other plan options that the County could go with, which would reduce the 17% increase. The deductible would stay the same for the employees, but the maximum out of pocket would increase. Currently the out of pocket is about $1,500 for single or $3,500 for a family and those could increase to $8,500 for single to $12,000 for family. Davis has a meeting on Monday to go over these plans in more detail with a representative from NDPHIT. NDPERS rates have only increased 3% since the County withdrew. The NDPERS rates for the next biennium will be released in September so there would be over one year to notify NDPHIT if the County decided to withdraw. A decision on the terms of the current health plan must be made by August 26 of this year. Klose suggested leaving the increase of 16.86% in the budget for now, because the final budget cannot be increased after approval of the preliminary budget. Cichos mentioned last year there was a 0% increase in the health insurance premium. The County did pay a deposit to NDPHIT in the amount of $174,000, which is something that Davis will also be looking into. There is another plan that employees could participate in that would be a supplemental insurance where the employee could put in their own amount that would go toward their out-of-pocket expense. Davis will be looking into this option as well. Morris stated that the total amount of the increase at 17% would be about $300,000 and that is included in the presented

budget. Morris stated that for a single person the County's expense is about $10,000 per employee, and about $21,500 per employee for a family plan. The employees currently pay at a rate of 5% for a single plan and 15% for a family plan. The current decision was made to leave the insurance as is with the 17% increase, as they can always reduce it later, but cannot increase it.

Cichos brought up the job development fund that used to be a 4 mill levy but is now at 3.07. He recommends trying to decrease a mill there. The ending balance for 2021 was $884,000. Their request is for 4 mills, but last year it was 3.07 which was a small increase over the previous year. Klose indicated he feels comfortable leaving the levy at 3.07 mills.

Cichos stated that a letter was sent out stating some entities could up their budgets by 2 percent so that could be another area of reduction. Alonge stated that not all entities requested the 2 percent increase. The preliminary budget has to be finalized by Wednesday, August 10th. Whatever decision is made today is what the taxpayers will receive on their estimated notice. Cichos stated that in fairness to the employees they need to address what was going on and they can't leave everyone wondering.

Morris stated that if you keep the jobs incentive fund at what it is the dollar amount would be about $418,000 and if they got the 2% increase requested from 2021 it would only be at $412,000. Keeping at 3.07 mills would actually be a little bit more than the 2% increase that they requested because of the increase in the value of a mill. Alonge stated that leaving JSDC at the 3.07 would be an increase of $14,205 and a 2% increase would be an increase of $8,075.

There was discussion regarding removing the 2% increase, as well as the proposed increases to the Weed levy, Central Valley Health and JSDC. The Weed Board is calculated based on grants that they are entitled to and there is a match requirement of 3 mills. The Weed Board has a current fund balance of $457,000.

The 2% was requested by Central Valley Health, the Historical Society, the Library, Water, Soil and JSDC. The Water request was above what they requested last year as the request got entered in wrong last year so theirs is probably a little more than 2%. Cichos stated to leave them in there for the time being to give Alonge time to calculate. Morris recommended dropping JSDC to 3.07 mills, a savings of about $127,000.

Klose stated that the salary increase would be the next big thing to discuss. Alonge stated there have been several studies with several surrounding counties. There are a few counties that are doing a grade increase of about 1.5 grades for every employee, not steps.

Morris stated that for every 1% increase it is a $76,000 increase, but she is including the taxes and retirement in that as well. Right now 10.6% is included in the preliminary budget, so right around $715,000, before the $300,000 increase for the health insurance.

Davis stated that the employees are also going to see an increase in their portion of health insurance, FICA and retirement. The health insurance could possibly double. NDDOT pays 100% of the family health insurance premium and they are doing a 12% increase, 10% COLA and a 2% step. DOCR is currently proposing large increases and they are a direct competitor for the County as far as employees. She stated that the County has really good employees right now and the focus of the County should be the retention

of those employees. The County has several open positions and are getting no applicants. Counting the benefit package as an increase to the employees runs the risk of some employees not even seeing an increase in their wages next year. Several other counties are doing sign on bonuses, retention bonuses and other bonuses along the way. A shift supervisor at McDonald's makes roughly $27 per hour. Businesses are shutting down, but the County can't shut down, we need our employees. Employees are getting burnt out and picking up extra slack.

Klose stated that they have always tried to be fair with the employees and with the taxpayers and that he thinks they have done that for the last several years. He stated that the decision did not have to be made today but that they cannot increase the final budget.

Sheriff Kaiser addressed the commission stating the budget last year was bought down with COVID money which was a one-time fund. Ag land values have stayed the same. As a taxpayer he would rather see a small increase each year than a huge increase in just one year. People on fixed income would prefer a small increase over a large increase as well.

Klose stated that the value of the mill went up. Morris stated it went up 3.5%.

Morris has a hard time looking at a 10.6% increase and a 17% increase in health insurance. She is concerned about the Stutsman County taxpayers. Stutsman County employees are the largest portion of the budget.

Davis stated that County employees are struggling and something needs to be done to help them out. Many other counties have substantially higher pay scales than Stutsman County and they are still doing large increases, so 10% is not going above and beyond. She also stated that she is a taxpayer as well as an employee of the County so that County employees feel it from both ends. She stated that the County could do another salary survey, but they would not like the results of that because Stutsman County is behind in a lot of areas. Giving the increase will keep the County up with fair market value compared with other sectors in the state of North Dakota.

Cichos would like to make a decision today but does not think they are ready because of the health insurance decision.

Davis feels that if they are going to make a cut on something it should be the health insurance, and possibly going with a different plan that has a lesser increase and give a more accurate idea of what it will look like. Cichos stated he does not like that idea, it is a step back.

Klose stated that if nothing was done today that is what will be in the budget, and can only go down, but it cannot go up.

Morris questioned what the city had for an increase. Davis stated that the City gave a 6.5% increase; 4% COLA and 2.5% step. The City is 0.5% higher in steps than the County.

Morris questioned whether a step or COLA was better for the employee. Davis stated that the step is longevity and a merit based on years of service. A COLA will benefit everyone. There are several people

maxed out on steps that could only receive an increase if there is a COLA. Morris then stated that COLA was better for employees. Davis stated it is important not to compare the two.

Jim Wentland, Road Superintendent, has a couple employees maxed out on steps and have been for many years and it leaves a sour taste in their mouth when they no longer get step increases. He asked that a 0.5% increase be given for those that are maxed out steps. It is hard as a department head to compare with private sectors when they pay so much more than the County.

Cichos stated that he has also had the same conversation with employees that are maxed out steps. Davis said there are 10 or 11 employees maxed out. Some other counties will do a 0.5% increase so that if a step is approved those maxed out employees still get an increase. Many other counties also have 30 steps where Stutsman County has only 15. Klose stated the personnel committee could visit about that as well. Davis stated that private sectors can give people raises anytime they want to reward their employees for doing a good job, but the County cannot do this. She also stated that there are performance reviews for employees to qualify for the step raise if one is approved.

Andrew Kirking, Emergency Manager, spoke that his best piece of equipment he has is his staff and if the County should invest in anything it should be their employees. He stated that the employees of Stutsman County provide a fine service to the people of Stutsman County.

Klose stated that if it is left in it cannot be raised but it can be lowered. He would like to leave it in for the time being.

A motion was made by Ova to approve the preliminary budget with the changes that were made today, seconded by Morris. Roll call vote: Cichos, Klose, Ova and Morris voted aye. Motion carried.

At 12:11 p.m. a motion to adjourn was made by Morris, seconded by Cichos. Motion carried.

At 12:11 p.m., the Special Stutsman County Commission meeting adjourned.

ATTEST:

Jessica Alonge Auditor/COO	Mark T. Klose Commission Chairman