

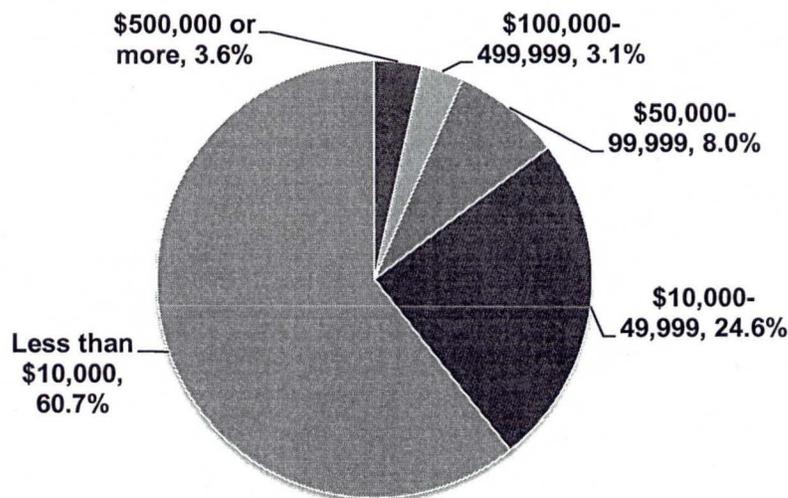


**Testimony of Ron Merritt
North Dakota Recreation & Park Association
Advisory Commission on Intergovernmental Relations
Wednesday, November 20, 2013**

Chairman Heller and Members of the Commission, my name is Ron Merritt, and I am a board member of the North Dakota Recreation & Park Association (NDRPA) and director of the Minot Park District.

Thank you for inviting NDRPA to provide information to your committee today. As a starting point, we would like to share some information about park district levies. According to the North Dakota Tax Department, there were 224 entities that utilized that general fund levy for city park districts in 2012. Most park districts are small, with 85 percent levying less than \$50,000 for their general fund. Only 7 percent levied more than \$100,000. In addition, park districts are capped in how many mills they can levy for the general fund at their taxable year 2000 level.

2012 City Park District General Fund Levy



Generally, park district budget categories include personnel, supplies/operations, utilities, insurance, and capital equipment and improvements. Employee salaries and benefits, including health insurance, are a significant inflationary factor, particularly with the competitive job market in North Dakota. Park districts rely on a significant number of part-time employees (for example, 70 percent of employees for the largest 12 park districts are part-time, and less than 20 of the 224 park districts have full-time year-round staff). Like many government agencies and private businesses, park districts struggle with offering competitive wages in an economy with low unemployment. Other factors include rising utility and fuel rates and increasing costs of construction. As communities grow across our state, park districts are experiencing rising demand for parks and recreation opportunities. High construction costs are challenging park districts to meet increasing needs, even with fundraising that is undertaken by local user groups to support new parks and facilities.

Revenue streams for park districts can be split into three main categories: local property tax revenue; non-tax revenue, including user fees, sponsorships, and donations; and other revenue, such as grants and state aid. For the 11 park districts that responded to NDRPA's survey, the average property tax revenue was 46 percent of budget. Non-tax revenue (user fees) and other revenue averaged 54 percent of budget.

Thank you for allowing NDRPA to provide this information. I will try and answer any questions.