

# **FISCAL YEAR 2008 BUDGET HEARING**

## **FINAL HEARING**

**WEDNESDAY, AUGUST 15, 2007 – 2:30 P.M.**

**ROOM 201 – COURTHOUSE ANNEX**

The Final Hearing on the Fiscal Year 2008 Budget was called to order at 2:30 p.m. by Chairman Barbara Evans. Also present were Commissioner Jean Curtiss, Commissioner Bill Carey, Chief Administrative Officer Ann Mary Dussault, Chief Financial Officer Dale Bickell, and County Attorney Fred VanValkenburg.

Dale Bickell provided an update to the presentations made at the Preliminary Budget Hearings on July 25, 2007. There is also summary information for the County budget, including a comparison to 2007, and what the mill levies are expected to be for this fiscal year.

### **FY 2008 Budget Hearing, Financial Services, Missoula County**

#### **FY2008 Issues & Challenges:**

##### 1. Office of Planning and Grants

- The FY08 budget includes a fee increase adopted by the BCC that is expected to generate an additional \$243,000.
- The OPG interlocal agreement specifies that the County and City contributions to the Current Planning section be allocated on a pro rata basis, based on level of service for each jurisdiction, net of excess planning cash.
- Due to unforeseen circumstances under the interlocal, the County and City contributions were higher than anticipated by approximately \$200,000 for each jurisdiction.

##### 2. Building Codes Division:

- FY07 was the first full year of operations for the County's Building Codes Program. With some history established, a 5% fee increase may be proposed in order to add an additional inspector and establish a cash reserve in accordance with budget policy. It should be noted that the County does not allocate any overhead expenses to the Building Codes Program.

##### 3. Public Safety:

- Missoula County is working with the Montana Department of Corrections to establish a formula to calculate the reimbursement rate for housing state inmates at the Missoula County Detention Facility. This formula will calculate the reimbursement based on the actual costs incurred, including overhead. In anticipation of the new rate, the FY08 budget includes:

--\$574,000 in one-time revenues in the Detention budget to reimburse the FY07 state inmate costs.

--Approximately 30% increase in the per diem rate totaling approximately \$650,000.

--Approximately \$335,000 in levy authority in the public safety fund that may be available for other purposes.

#### 4. Milltown Development Projects:

- FY08 budget includes \$2.3 million in grant funded expenditures for projects related to the removal of the Milltown Dam, most of which is earmarked for bridge costs.

5. Property Taxes – Growth in property tax revenue was larger than originally anticipated, fueled by strong new construction numbers. Property tax revenue increased 6.5% in the Countywide levies and 7.4% in the unincorporated areas.

#### Budget Parameters:

Prior to each budget, the Board of County Commissioners sets Budget Parameters to guide the budget process. The following parameters have been adopted by the Board for FY 08:

- Cash Reserves – General Fund reserves are set at 12% of total revenues, Public Safety Fund reserves at 8%, CBO fund reserves (which are all pass-through) at 3%, and all other special funds at 5%.
- Salary Increase – in an effort to enhance salaries at the lowest levels of the pay scale and to try compress the scale, the BCC adopted a three prong parameter:
  - Salary Increase – applies to all permanent employees, subject to collective bargaining
  - \$0.57/hr increase
  - 2% increase in base
  - \$750 lump sum payment (non-base building), pro rata for part-time employees

This parameter establishes a 7% salary increase (5% base building) for the average salary (approximately \$40k).

- Property Taxes – Additional tax revenues from the inflationary allowance (1.535%) and the reduction in personal property tax reimbursements allowed in MCA 15-10-420 are included in the final budget.
- Permissive Medical Levy – Tax revenues from a permissive medical levy was provided for by the 2001 and 2003 legislatures. The levy is based on the increase in health insurance costs (net of benefit reductions) of tax-funded employees. For FY08, this levy will decrease due to the expected decrease in insurance premiums.

#### Budget Enhancements:

The BCC has given preliminary approval to the following significant enhancement requests:

- County Attorney: 1 FTE Attorney (50% civil, 50% criminal)- \$60,721; place 3 permanent workstations in courtrooms - \$4,800
- Public Works:
  - Building Code Division: 1 FTE Combination Inspector (\$50, 381) – funded through permit fees
  - Bridge: LaValle Creek Bridge TSEP project - \$258,662; Finley Creek TSEP project - \$291,682
  - Road: Match for Grant Creek Restoration Project - \$100,000; Roman Creek Rd Pat CTEP project - \$175,988; Public works equipment replacement - \$618,000; Robotic survey station - \$33,000
  - Surveyor: GPS Survey Receiver - \$21,500; seasonal Survey Technician - \$12,158
- Clerk of District Court: 2 FTE District Court Clerks - \$79,402

- Clerk & Recorder/Treasurer:
  - Elections: Elections operations - \$248,607 (\$105,000 recouped in fees)
  - Records Management: Microfiche duplicator - \$10,000
  - Treasurer: Increase in postage costs - \$20,000
- Extension: .5 FTE Bookkeeper - \$19,991
- Historical Museum: .5 FTE Education Curator - \$16,625
- Western Montana Fair: Paving & patching - \$20,000; Fire protection - \$12,975; Plumbing services - \$11,000
- Financial Administration/BCC: Decay Ordinance Supplement - \$10,000; Impact Fee Study - \$41,350; 1 FTE Special Assistant (Criminal Justice Study) - \$147,748; Fire Season/Fair contingency - \$200,000; PERS retirement payment - \$61,079
- Information Services: 1 FTE Support Specialist - \$40,225
- Financial Services: Audit related expenses - \$21,626; Motor pool request - \$111,000; Copier pool request - \$26,885; Print shop equipment - \$70,000
- Facilities Management: Operating expenses - \$34,137; Courthouse Renovations (3rd Floor) - \$346,553; 1 FTE Senior Bldg Operator (\$45,502)
- Human Resources: Broad-banding study/salary survey - \$25,000
- Library: 2.7 FTE library staff - \$89,330
- Missoula Correctional Services: FY08 contract -\$68,708
- Office of Emergency Services/9-1-1: Ellis Mountain communication site - \$90,000; telephone service - \$28,000; Emergency notification software - \$57,000
- Office of Planning and Grants: 1 FTE Planner III - \$50,495; .5 FTE Planner (permit review) - \$23,702; Urban fringe planning contract - \$25,000; Current planning excess contract hours - \$29,500
- Rural Initiatives: .5 FTE Planner (regulation development) - \$28,804; Seeley Lake Community Council administrative support - \$10,000
- Sheriff: 1 FTE Detective - \$59,189; Counselor contract - \$20,000; Boilers - \$32,000; Shooting range - \$30,000; MCN maintenance \$28,600

BOTTOM LINE:

- The FY2008 budget as presented, including the enhancements that have been approved by the Board of County Commissioners, would result in a net tax revenue increase of approximately \$1,262,269 including 2.57-mill increase countywide. This would represent an estimated \$7.89 per year on a home assessed at \$100,000. In the areas outside the city limits, the net property tax revenue increase totals \$179,210, including a 1.18 mill increase. This would represent an estimated \$3.15 per year on a home assessed at \$100,000.

Chairman Evans opened the public hearing. The following people were in support of:

| <b>Name</b>        | <b>In Support of</b>   |
|--------------------|------------------------|
| Fred VanValkenburg | County Attorney Office |

There being no further comments, the public hearing was closed.

There being no further business to come before the Board, the Commissioners were in recess at 2:52 p.m.