

Missoula County Final Budget Presentation

AUGUST 29, 2019

The Budget Process

The preliminary budget was presented at a public hearing on July 25, 2019.

To clearly demonstrate just how much more money will be required to sustain current operations, the preliminary budget was built on last year's revenue and didn't include an estimated increase in property tax revenue.

The County received the certified values from the DOR on Aug. 5, 2019, and the final budget reflects the updated property tax revenue numbers.

Today we will present the highlights of the final FY 2020 budget. The final budget will be adopted at 10 a.m. on Sept. 3, 2019, during the Board of County Commissioners' administrative public meeting.

Department of Revenue Certified Values

- **Certified County-wide mill value increased 10.44% to \$245,836**
- **Certified County-only mill value increased 4.4% to \$105,321 (levied only outside the city limits)**
- **Certified Open Space mill values increased 10.35% to \$241,949**

Newly Taxable Value

- In FY 2019, the newly taxable property portion of the county-wide mill was \$5.9 million. In FY 2020, newly taxable property county-wide was only \$5.6 million, a difference of \$300,000, or a 5.1% decrease.
- In FY 2019, newly taxable property portion of the county-only mill was \$1.6 million. In FY 2020, newly taxable property county-only was only \$500,000, a difference of \$1.1 million, or a 70% decrease.
- In contrast, the City of Missoula's newly taxable property increased by 334.9% from FY 2019 to FY 2020, to approximately \$8.3 million
- The reappraisal of existing residential, commercial, centrally assessed property, the lower amount of newly taxable property and the URD growth in Missoula County combined to minimize the increase in the County's mill value by 10.44%, compared to the City of Missoula's mill value increase of 18.6%.

Final Budget

TOTAL BUDGET INCREASE: 6.4%

Personnel Increase: 5.26%

Operations Increase: 6.26%

Property tax revenue increase: \$3,867,853 (8%)

Voter -approved debt service decrease: \$1,503,256

Proposed Budget Increases for FY 2020

Personnel increases of note for the FY 2020 budget include:

- **One additional sheriff's deputy to provide courtroom security**
- **One additional captain position at the Detention Center**
- **Four temporary clerks for Treasurer/Motor Vehicle to initiate a pilot program for online vehicle titles**
- **Promotion of a chief civil deputy in the County Attorney's Office**
- **One additional building inspector at Public Works**
- **One additional road and bridge maintenance worker at Public Works**

Proposed Budget Increases for FY 2020

Other increases of note include:

- **Public Works:**
 - Equipment including skid steer post pounder, pothole patcher, equipment trailer, road grader attachment
 - Pavement Management System
 - Moccasin Lane bridge replacement
- **Historical Museum:**
 - Parking lot paving
 - Curb and gutter improvements
- **Technology:**
 - Public information and citizen request management system
 - Employee application and applicant tracking software
 - Justice of the Peace court of record implementation and mobile court technology
 - Network server and storage replacement

Proposed Budget Increases for FY 2020

Other increases of note include:

- **Elections:**
 - Elections center property acquisition and new equipment
- **Community and Planning Services department:**
 - Climate Change Resiliency Plan implementation and 100% Clean Electricity transition
 - Joint Master Planning with the City of Missoula for the Mullan Road Area
 - Review and implementation of the Swan Valley-Condon Comprehensive Plan
 - Large format plotter printer

FY 2020 Budget Summary

While the county is levying fewer mills overall, due to paying off two voter-approved bonds, the property tax dollars required to fund county operations have increased. There has been a combination of reductions in other revenue sources and increased costs to maintain services that have contributed to this growth in revenue requirements.

To contain costs, the county used savings from last year's budget above the required reserve requirement to fund one-time costs as much as possible. The sustainment approach to budgeting will reduce the amount of savings in the coming years as department budgets will be prepared with greater accuracy.

There is an 8% property tax revenue increase proposed in the final budget.

FY 2020 Budget Summary

Last year, a property taxpayer with a home with an appraised value of \$250,000 paid an additional \$13.88 for essential county services. This year, that property taxpayer will pay \$13.64 less.

But because property values in Missoula County experienced an average 12% increase, the typical property taxpayer will not see a decrease in county property taxes:

	FY 2019	FY 2020	FY 2020 (12% increase)
Home Value	\$250,000	\$250,000	\$280,000
County Property Taxes	\$795.29	\$789.46	\$884.20

FY 2020 Permissive Medical Levy Final Budget

The permissive medical levy allows property tax revenue be used to pay the employer costs of providing group benefits to Missoula County employees.

Missoula County has increased the levy over the fiscal years to more accurately reflect the costs of providing those benefits.

The levy will increase again this year by 32% – \$978,444 – to bring the revenue in line with the actual costs of providing benefits to the nearly 850 full-time Missoula County employees.

FY 2020 Retirement Systems

The final budget does not include an increase in taxes for the Public Employee Retirement System or the Sheriff's Retirement System.

FY 2020 Rural Special Improvement District (RSID) Final Budget

The RSID budget is approved each year at the same time as the County budget.

Assessments will not be increased for any of the districts this year. Any improvements will be funded through savings from the prior year's budget or through the RSID revolving loan fund.

Sunset West RSID received a notice in the mail this year that their assessments will be increasing for the water tank epoxy project. Costs for that project will be covered by the revolving loan fund and assessments will not change from last year.

Recommended Action for Sept. 3, 2019

Adoption of the FY 2020 County Budget, the FY 2020 RSID Budget and the Permissive Medical Levy increase.

QUESTIONS?

