

## BUDGET MESSAGE 2017 – 2018

The value of a county wide mill increased from \$15,957 to \$16,389. The County's aggregate, adjusted-for-inflation (floated) mills, allowed a total of 154.76 mills compared to 155.60 mills levied in FY2016-17. All 154.76 mills were levied as well as an increased number of mills (12.048) sufficient to fund the Permissive Health Insurance Levy due to an increase in premiums and the Permissive Sheriff's Retirement Fund levy (1.168 mills) due to an increase in employer contributions authorized by the 2017 Montana State Legislature.

The County is not able to carry a reserve of 33% in all funds. In September of 2016 all taxing jurisdictions in Montana were advised of the settlement of a protested tax lawsuit between Northwestern Energy and the State of Montana Department of Revenue. The settlement favored Northwestern Energy and negatively impacted the governments. Pondera County had set its budget and certified the mills prior to the settlement and we elected to not repeat the process which would result in our tax bills and collections being later than in a normal tax cycle. This decision resulted in the County having to more deeply spend into its 2016-17 reserves which has carried over to the lower-than-anticipated cash balance at the end of FY2017. We anticipate recovery from this situation and improved reserves at the end of FY2018.

Over the past several years, Pondera County voters approved requests for additional mills to be levied to fund specific needs. These voted levies account for the following additional mill levies:

County Library Fund	16.87 mills
Pondera Regional Port Authority	4.00 mills
Hospital/Nursing Home Capital Improvement Fund	11.30 mills
Rural Fire District Capital Improvement Fund	1.61 mills
Pondera County Cemetery District #1	3.20 mills

Cost of Living Adjustment and Wage Increase: The County Compensation Board (established per Section 7-4-2503(4), MCA) conducted a public hearing in June of 2017 and recommended an increase of 1.85% of \$.40 per hour increase for elected officials. The Board of County Commissioners budgeted a 1.85% Cost of Living Adjustment and wage increase (1.3% cost of living adjustment plus .55% wage increase) for elected officials which equates to \$.40 per hour. The Clerk and Recorder requested and was granted an additional \$2,000 for Elections Administration, allowed within Montana law. All hourly permanent full-time and part time county employees received a \$.40 per hour increase, and all deputy elected officials received and increase to 86% of the elected official salary, effective August 26, 2017.

Economic Development: Pondera County will again be a paying member (\$2,000) of Sweetgrass Development, Inc., the five county Certified Regional Development Corporation for North Central Montana. The annual dues to Sweetgrass Development, Inc. will be paid from the revenue received for economic development from the City of Conrad for payment in lieu of taxes at Blue Sky Villa.

The remaining Blue Sky PILT payment will be available for economic development activities, including, but not limited to, the Pondera Regional Port Authority via a small loan; this helps maintain a local business revolving loan fund and promotes Pondera County business' retention and growth. The loan can be forgiven at the end of the year upon the Port Authority presenting a report of the proper use of the funds. With the increased value of the mill in the County, the Port Authority will realize higher revenue from their voter-approved 4 mills.



Transit: Pondera County continues to participate in the Northern Transit Interlocal cooperative with the Cities of Conrad, Shelby, and Cut Bank and the Counties of Toole and Glacier to provide transportation East and West across Highway 2, ultimately between Havre and Kalispell, and North and South along I15 between Great Falls and the Canadian Border. Pondera County has pledged \$5,000 to this project for this fiscal year to cover the costs of the coordination plan as well as \$15,000 paid to the Interlocal cooperative and reimbursed to the County as operating costs. Ridership from Pondera County has increased and we continue to encourage ridership of the transit bus system Pondera County bus.

Pondera Medical Center: The County owns the buildings leased to Pondera Medical Center (PMC) for acute, clinical and extended care facilities. The County levies operating mills for the PMC for ambulance and medical center equipment. The voters approved a levy for capital improvements at the facility and the first levy was during tax year 2015. The budget includes funding for the final payment of the InterCap Loan for the facility which is due in August of 2017.

Road and Bridge Departments: The Road and Bridge Departments' capital improvement budget includes appropriations for one pickup, as well as replacement of two bridges. Bids will be solicited for a 5 cu. yard wheel loader. We will also continue an infrastructure project to resurface approximately 43 miles of paved county roads, at the rate of approximately 8 miles per year, started in FY2014. These roads have not been resurfaced for over twenty years. The cost per mile is approximately \$50,000. The road department has experienced much success with re-milling old pavement and will continue this practice. Fuel costs remain somewhat stable but have been budgeted slightly higher to accommodate rise and fall in prices and the effects of hurricanes in Texas and Florida which are predicted to increase costs of refining crude oil. The cost of road repairs necessitated by a snow storm in April of 2016 will be seen in 2017 as the repair and rebuilding of these roads will be completed in September. FEMA has reimbursed the County from Federal Emergency Management Administration (FEMA) in the amount of \$300,000.

The 2017 Montana Legislative Session increased the Montana Gas Tax by 4.5 cents per gallon for gas and 1.5 cents per gallon for diesel. The increased funding from this source will be available to the Counties and other governments in Montana for projects within the criteria of the legislation. We have not budgeted these additional dollars that will become available during this fiscal year as not enough information has been provided by the State of Montana. We will follow this process closely to avail ourselves of the much-needed additional funding source for big projects.

Noxious Weed Department: The Noxious Weed Department budget includes MDOT contract revenue and expenditures. The Weed District Capital Improvement Fund has appropriations for a pickup and two spray trucks. In addition, approximately \$68,000 in funding is available through Special County and Department of Transportation Grants (State of Montana) for expenses, including capital purchases. Fuel costs remain somewhat stable but have been budgeted slightly higher to accommodate rise and fall in prices and the effects of hurricanes in Texas and Florida which are predicted to increase costs of refining crude oil. Though we budget for four seasonal workers in this Department, finding and retaining workers is difficult.

Public Safety: Updates have been made to the 9-1-1 call-taking center equipment and/or software which will be funded through the 9-1-1 distribution from telephone providers. We have included the costs of a mass communications system for emergency notices to the public in



our budget using the RAVE system. It is anticipated this system will be fully functional during this fiscal year. Appropriations have been made in the Capital Improvement Fund for one deputy vehicle and upgrading the former ambulance for use as a crime scene vehicle. In addition, we plan to upgrade the dispatch center and install new jail doors and mechanics in the next few years and hope to save enough in the capital improvement fund so we can pay those costs without borrowing money.


Courthouse Improvements: We entered into a loan agreement with the State of Montana Board of Investments (InterCap) to fund the heating and ventilation system in Fiscal Year 2016-17. The project will be completed in September or October of FY2018. We replaced and/or upgraded all parts of the system, except the boiler. The boiler itself is approximately 17 years old and has an estimated life of 30 years. We intend to set-aside funds each year in order to replace the boiler and ventilation system annually in order to grow the Capital Improvement Fund to what is needed to upgrade or replace parts of the system as needed. Our goal is to build the capital improvement fund to allow for phased replacement of the system and other capital improvements such as the roof.

Airports: After discussion with the engineers for the Conrad Airport and representatives of the FAA, we were advised that we needed to move forward with our Conrad Airport or risk the loss of FAA grants to keep our status as an operating airport. Medical flights in and out of Conrad would be adversely affected due to runway deterioration. Loss of this funding would eventually result in the total loss of our only paved runway airport in the County. As a result, Pondera County is currently seeing the final work on a very large airport rehabilitation project started in FY2017. In addition to the cyclical rehabilitation of the paved runways at the Conrad Airport, we have included construction of a 6-bay hangar to generate revenue at the airport, as well as taxiway construction upgrades. Also included in the project were the upgrading and/or replacement of the Precision Approach Path Indicator (PAPI) and directional beacon, providing up-to-date and critical safety measures for pilots using the Conrad Airport. We had one additional, though unexpected, improvement that had to be included in the project. Trees on private property within the flight path had to be removed and/or replaced. We were able to work with the property owners to satisfactorily complete this aspect of the project. The total cost of the Conrad Airport project is \$1,250,493.34. The FAA share is \$1,125,444.00 with the County share amounting to \$125,049.34. Funding sources for the County's share will be from a grant and a loan from the Montana Aeronautics Division and a low-interest loan from the Pondera Regional Port Authority.

Fuel System upgrades at the Conrad Airport are on hold for the immediate future. There are no funds available from the Federal Aviation Administration for a fuel system.

PONDERA COUNTY COMMISSIONERS  
PONDERA COUNTY, MONTANA

  
Janice Hoppes, Commissioner

  
Thomas A. Kuka, Commissioner

  
Dale J. Seifert, Commissioner

**PONDERA COUNTY, MONTANA**  
**RESOLUTION #9 – 2017/18**  
**APPROVING FINAL BUDGET FOR PONDERA COUNTY**  
**FOR FISCAL YEAR 2017/18**

WHEREAS, pursuant to Sections 7-6-4021, 7-6-4024 and 7-6-4030, MCA, the Board of County Commissioners of Pondera County, Montana, has held a public hearing and passed resolutions as applicable on the proposed budget of Pondera County for fiscal year 2017/18 as required by law; and

WHEREAS, Sections 7-6-4034 through 7-6-4036, MCA, provide for the fixing of various tax levies to raise funds sufficient to meet said expenditures authorized in the budget; and

WHEREAS, amendments to the final budget may be made throughout the fiscal year as provided in 7-6-4031; and

WHEREAS the Department of Revenue has provided the County with the certified value of a mill in each taxing jurisdiction in the County, as \$16,389.956 countywide and \$13,004.250 rural; and

NOW, THEREFORE, BE IT RESOLVED that the final county budget as set out below be, and the same is, hereby adopted as the final budget for fiscal year 2017/18 and that warrants be issued in accordance with laws appertaining thereto.

**COUNTYWIDE**

Assessed Valuation: 768,108,021  
 Tax Valuation: 16,389,956  
 1 Mill Yields: 16,389.956

FUND NO.	FUND NAME	BUDGETED EXPENDITURES	MILL LEVY	VOTED MILL LEVY
1000	GENERAL	1,823,852	57.24	
2130	BRIDGE	426,996	19.25	
2140	WEED	152,479	4.65	
2160	COUNTY FAIR	4,400	0.2	
2190	COMP INSURANCE	275,511	12.50	
2230	AMBULANCE	29,060	0.5	
2235	COUNTY HOSPITAL	804,500	4.4	
2280	SENIOR CITIZENS	30,000	1.52	
2290	EXTENSION	123,663	6.5	
2300	PUBLIC SAFETY	1,228,643	28	
2370	RETIREMENT	260,585	11.65	
2371	GROUP HEALTH	365,250	8.35	
	<b>TOTALS</b>	<b>5,524,939</b>	<b>154.76</b>	



**COUNTYWIDE VOTED LEVIES**

Assessed Valuation: 768,108,021  
 Tax Valuation: 16,389,956  
 1 Mill Yields: 16,389.956

FUND NO.	FUND NAME	BUDGETED EXPENDITURES	MILL LEVY	VOTED MILL LEVY
2220	COUNTY LIBRARIES (VOTED LEVY)	278,660		16.87
2372	PERMISSIVE MEDICAL	197,616		12.048
2373	PERMISSIVE SHERIFF RETIREMENT	19,143		1.168
4016	HOSPITAL CAPITAL IMPROVEMENT	533,193		11.3
7380	PORT AUTHORITY	72,460		4.00
	<b>TOTALS</b>	<b>1,101,072</b>		<b>45.39</b>

BRADY WATER & SEWER DISTRICT DEBT SERVICE			VOTED MILL LEVY
Assessed Valuation:			
1 Mill Yields:			141.723
7360	BRADY WATER DEBT SERVICE	15,144	141.723

**RURAL**

Assessed Valuation: 570,156,458  
 Tax Valuation: 13,004,250  
 1 Mill Yields: 13,004.250

FUND NO.	FUND NAME	BUDGETED EXPENDITURES	MILL LEVY	VOTED MILL LEVY
2110	ROAD	1,028,919	37.78	
7200	RURAL FIRE (REGULAR LEVY)	170,600	6.73	
7200	RURAL FIRE (VOTED LEVY)	20,894		1.61
	<b>TOTAL</b>	<b>1,220,413</b>	<b>44.51</b>	<b>1.61</b>

**SPECIAL DISTRICTS**

CEMETERY DISTRICT #1 (VALIER)			
Assessed Valuation:		233,126,081	
Tax Valuation:		4,773,749	
1 Mill Yields:		4,773.749	
7203	CEMETERY DISTR #1 (REGULAR LEVY)	26,924	4.08
	CEMETERY DISTR #1 (VOTED LEVY)	15,276	3.2
	<b>TOTAL</b>	<b>42,200</b>	<b>7.28</b>

CEMETERY DISTRICT #2 (CONRAD)			
Assessed Valuation:		534,981,940	
Tax Valuation:		11,616,207	
1 Mill Yields:		11,616.207	

7201	CEMETERY DISTRICT #2	152,860	7.42
------	----------------------	---------	------

CONSERVATION DISTRICT Assessed Valuation: Tax Valuation: 8,317,727 1 Mill Yields: 8,317.727			
7206	SOIL CONSERV (REGULAR LEVY)	126,601	2.65
7206	SOIL CONSERV (PERMISSIVE LEVY)	1,830	.22
	<b>TOTAL</b>	<b>128,431</b>	<b>2.87</b>

### NON-LEVIED FUNDS

FUND NO.	FUND NAME	BUDGETED EXPENDITURES
2150	PREDATORY ANIMAL	12,356
2170	COUNTY AIRPORTS	1,313,499
2260	EMERGENCY DISASTER	323,653
2390	DRUG FORFEITURE	17,983
2393	RECORDS PRESERVATION	37,498
2401	BRADY LIGHTS	5,500
2800	ALCOHOL REHABILITATION	10,440
2811	DUI PREVENTION	13,892
2820	GAS APPORTIONMENT TAX	214,782
2830	JUNK VEHICLE	11,092
2840	NOXIOUS WEED	67,695
2850	911 EMERGENCY	278,312
2859	COUNTY LAND INFORMATION	16,425
2860	LAND USE PLANNING	40,637
2866	NORTHERN TRANSIT INTERLOCAL	37,747
2894	STATE ALLOCATED FED ROYALTY	20,307
2897	OIL & GAS ACCELERATED	9,001
2900	PILT	314,795
2902	FOREST RESERVE, TITLE III	44,042
2917	VICTIM & WITNESS ADV	1,098
2929	FEMA PRE-DISASTER MITIGATION PLAN	21,195
2943	CDBG - GROWTH PLAN	3,000
2958	EP (DES )GRANTS	89,349
2961	PERFORMANCE MANAGEMENT GRANT	8,571
2963	ORAL HEALTH GRANT	19,426
2971	WOMEN/INFANTS/CHILD	50,040
2973	MATERNAL/CHILD HEALTH	6,756
2976	IMMUNIZATION ACTION	5,480
2978	TOBACCO USE PREV GRANT	42,308
2979	NAPA GRANT	8,311
2980	HEALTH CARE FOUNDATON GRANT	6,824
4009	PUBLIC SAFETY CAPITAL IMPROVEMENT	288,354
4010	JUNK VEHICLE CAPITAL IMPROVEMENT	1,159

4011	AMBULANCE CAPITAL IMPROVEMENT	86,214
4012	GEN FUND CAPITAL IMPROVEMENT	419,400
4013	ROAD/BRIDGE CAPITAL IMPROVEMENT	721,729
4014	WEED DISTRICT CAPITAL IMPROVEMENT	53,299
7202	CONRAD TV	46,336
7208	RURAL FIRE DIST CAPITAL IMPROVEMENT	74,443
8010	CEMETERY PERPETUAL CARE	3,895
	<b>TOTAL</b>	<b>4,746,843</b>

LEVIED FUNDS	\$ 8,185,059
NON-LEVIED FUNDS	4,746,843
<b>GRAND TOTAL</b>	<b>\$12,931,902</b>

BE IT FURTHER RESOLVED that the final budget may be amended throughout the fiscal year as provided in 7-6-4031, MCA.

Adopted this 6<sup>th</sup> day of September, 2017 as moved by Commissioner Seifert, seconded by Commissioner Kuka, and passed on a 3-0 vote of the board. Effective July 1, 2016.

PONDERA COUNTY COMMISSIONERS  
Pondera County, Montana

*Janice Hoppes*  
\_\_\_\_\_  
Janice Hoppes, Chairman

*Dale J. Seifert*  
\_\_\_\_\_  
Dale J. Seifert, Member

ATTEST:

*Kody L. Farkell*  
\_\_\_\_\_  
Kody L. Farkell, Clerk & Recorder

*Thomas A. Kuka*  
\_\_\_\_\_  
Thomas A. Kuka, Member

