

*Flathead County*  
***Board of Commissioners***  
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Brad Abell  
Randy L. Brodehl  
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MEMO

DATE: August 28, 2023  
TO: Flathead County Commissioners  
From: Pete Melnick, Flathead County Administrator  
RE: FY 2024 Flathead County Budget Message

Dear Commissioners:

The Fiscal Year 2024 Flathead County Budget has been compiled for your final consideration and approval.

The budget I am introducing today represents the culmination of months of hard work from our entire enterprise, especially Finance Director Amy Dexter, our entire award-winning Finance team, and the Elected Officials and Department heads from across county government.

Further, I would like to extend my deepest appreciation to the Flathead County Board of Commissioners for their dedication to realizing a Flathead County that truly mirrors the community we serve. During our Annual Budget Workshop in January 2023, your foresight regarding the upcoming challenges posed by the biannual property assessments carried out by The Montana Department of Revenue was remarkably accurate. Considering this, your directive to "hold the line" took on even greater significance for the FY24 budget cycle.

I am pleased to report that your principled guidance has been met with resolute action; ensuring that the county upholds its commitment to providing the highest quality services while mindful of fiscal responsibility. As a result, our excellent service delivery remains largely unchanged; and the county continues to deliver extraordinary value to its taxpayers.

**Budget Overview**

Let's begin with the bottom line.

Flathead County will administer and deliver county services throughout FY24 via a budget of \$115.8 million, a **2.11% reduction** from the FY23 budget of \$118.3 million.

The FY24 proposed tax levy stands at 103.34 mills, a notable decrease from the 143.86 mills of the previous year. In terms of the actual total property tax figures, FY24 records \$48.4 million, reflecting a rise from the \$45.5 million in FY23—amounting to an increase of \$2.8 million in absolute terms. It's important to note that almost half of this increase (\$1.4 million) is attributed

to newly added properties entering the tax roll. These new dwellings and neighbors not only contribute to the general welfare of Flathead County, they also ease the overall tax burden for all residents.

It's worth restating that you're currently not levying taxes up to the maximum limit permitted by the tax authority guidelines<sup>1</sup>. Impressively, for the fourth consecutive year, you've opted to ease the burden on Flathead County taxpayers by reducing their obligations and leaving 5.47 mills untaxed, resulting in an untouched sum of \$2.7 million<sup>2</sup>. Let's acknowledge the reality – there are very few governments that can confidently make such a statement.

Therefore, **assuming no change in taxable value**, a calculation of the impact to a taxpayer with a:

- \$100,000 market value property would have an approximate \$57.70 **decrease**, and a
- \$300,000 market value property would have an approximate \$164.11 **decrease**, and a
- \$600,000 market value property would have an approximate \$328.21 **decrease** in County taxes<sup>3</sup>.

I am happy to report that Flathead County continues to maintain adequate cash balances to fund ongoing operations and contingencies. Our cash reserve funds supported by property tax dollars are projected to total \$20.3 million at the end of FY24 or at about a 27.82% level (up to 33% cash reserves are allowed by law).

## Capital Investments

As we continue to address community needs, we also recognize the call for investments in key physical infrastructure that keep our county moving forward.

The expenditure budget includes investments into the Capital Improvement Program (CIP) totaling \$12.3 million compared to \$14 million last year. The CIP budget includes Culture and Recreation (\$896,950), General Government (\$1.2 million), Public Health (\$88,000), Public Safety (\$3.6 million), Public Works (\$4.2 million), Social and Economic Services (\$357,234), and Solid Waste (\$2 million).

The FY24 CIP does include some major investments that are worthy of highlighting:

- **ImagineIf:** \$250,000 towards the CIP for a future replacement to the Kalispell ImagineIf Branch.
- **Weed, Parks, and Recreation Department:** \$50,000 towards the CIP for a future replacement to Conrad Field (2<sup>nd</sup> year).
- **Flathead County Sheriff's Office:** \$2.5 million towards a future replacement of the Flathead County Detention Center.

Collectively, these investments will make our county and region stronger for years to come.

## Service Delivery

The dedication of our Flathead County department heads and elected officials to exceptional service delivery remains unwavering. With a shared commitment to the well-being and satisfaction of our residents, these committed public servants consistently strive to enhance the

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2 The value of a mill has significantly appreciated to \$498,268 (a 46% increase) from FY23.

3 This is a mathematical calculation that will vary from one taxpayer to another based on their actual taxable valuation set by the Department of Revenue.



quality of life for all who call Flathead County home. Through transparent communication, efficient resource allocation, and a proactive approach, our county leadership works collaboratively to address community needs, solve problems, and uphold the values that make our county a thriving and harmonious place to live.

I would like to highlight one of the impactful and meaningful service delivery upgrades you made this fiscal year, which is acknowledging that Public Safety stands as a foremost governmental priority. Therefore, building upon the strides achieved with previous investments in FY22 (preparing for the arrival of a 5th District Judge) and FY23 (7 FTE positions for the Sheriff's Office), you have made a substantial commitment to bolster the County Attorney's Office. This commitment includes:

- Appointing additional Deputy County Attorneys (2 FTE).
- Elevating the total compensation of Deputy County Attorneys by \$155,440 to help with recruitment and retention of talented attorneys.
- Instituting incentives for staff to pursue paralegal professionalism, thus amplifying the efficiency of our legal team's contributions.

I know you agree that these investments in the Flathead County Attorney's Office will make the **entire** county justice system even stronger.

### **Personnel**

We take pride in being one of the most efficiently staffed metro counties, where the contributions of each of our 557 employees hold significant weight in shaping the well-being of the entire county. In essence, every single member of our team is invaluable, and our dedication lies in attracting and maintaining top-tier talent. Therefore, I want to express my appreciation for your approval of a 4% cost of living adjustment (COLA) for our county staff, a provision included in this year's budget amounting to \$1.2 million.

Upon my arrival two years ago, the county was confronted with an alarming vacancy rate of over 12%, posing significant challenges in meeting our high standards of service delivery. It brings me immense pride to declare that through concerted efforts, most Department Heads and all Elected Officials have diligently addressed these vacancies within their respective domains. Our vacancy rate stands at a manageable 6% and we continue to work hard to attract and retain employees of high character.

Of note, I wish to wholeheartedly commend the Flathead County Sheriff's Office for their commitment to surmounting substantial staffing obstacles within the Deputy Sheriff and Detention Staff units. A short year ago, these essential departments grappled with a combined total of 15 unfilled positions. Today, I am delighted to announce that both departments have reached approved staffing levels. The integration of these new deputy sheriffs and detention officers boost the public safety efforts throughout our valley.

### **Outlook**

Commissioners, I foresee FY24 as a pivotal juncture in our county's history. Collaboratively, we are poised to address two major public infrastructure challenges: the need for effective septage disposal solutions and, if the public agrees, the expansion of our detention facility capacity. The

opportunity to tackle these issues directly fills me with enthusiasm. I extend my gratitude for your leadership and commend the unwavering commitment of our skilled team, upon whose dedication we will continue to rely on to navigate these opportunities to successful resolution.

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I recommend approval of the proposed FY 2024 Flathead County Budget as presented.

Respectfully submitted,



Pete Melnick,  
Flathead County Administrator

cc: Flathead County Elected Officials and Department Heads