



Cascade County Fiscal Year 2021-2022 Annual Operating Budget and Capital Improvements Plan

The Fiscal Year (FY) 2021/22 Cascade County budget contains approximately \$74.66 million of expenditures across all funds. This reflects a 1.6% increase over the FY 2020/21 amended budget. Transfers between funds total \$9 million, an increase of 1.1% and includes \$385,500 in ARPA support to the Health Department to cover continuing COVID extraordinary expenses.

The FY21 Amended budget reflects an overall increase of over \$7.4 million from the initial adopted budget, due to the influx of COVID reimbursement funds. Changes in various categories reflect the impact of COVID from last year to this year. Public Works and Expo Park show increases in overall activity while Public Safety and the Courts/JDC show decreases as the COVID support from the State ended last June. The table below reflects these changes.

Current year capital funding includes continued investment in the Adult Detention Center with \$1.8 million to replace the roof, \$1.5 million to “buy-out” the State’s Department of Correction interest in the facility, and \$259,000 to completed the boiler replacement. Continued work on deferred maintenance totaling \$300,000 in Expo Park projects is also included. Other capital investments include Public Works projects and equipment totaling \$948,500, and various vehicles and equipment totaling \$465,309 for the Sheriff’s Office. A detailed listing of all appropriated Capital Outlay items are on pages 10 and 11.

FY 2022 Preliminary Budget (Matched to System)

	FY 2020 Amended	FY 2021 Amended	FY 2022 Preliminary	% change
General Government	\$15,180,384	\$16,551,125	\$17,695,641	6.9%
Public Works	\$9,966,692	\$10,082,976	\$11,124,920	10.3%
Public Safety	\$15,893,606	\$22,337,769	\$18,177,430	-18.6%
District Court/JDC	\$3,149,400	\$3,786,315	\$3,137,174	-17.1%
Health Department	\$3,852,575	\$4,507,436	\$4,271,881	-5.2%
Aging Services	\$2,336,505	\$2,504,326	\$2,465,348	-1.6%
Expo Park	\$5,247,121	\$4,743,847	\$5,564,617	17.3%
Capital Outlay	\$4,116,452	\$4,175,424	\$7,256,486	73.8%
Extension Service	\$228,152	\$232,714	\$241,655	3.8%
Library, Museum, Mental Health,	\$670,188	\$675,524	\$674,795	-0.1%
Water & Solid Waste	\$1,330,333	\$1,328,945	\$1,350,056	1.6%
Special Districts & Programs	\$995,034	\$1,620,250	\$1,762,584	8.8%
Internal Service	\$965,790	\$919,726	\$937,505	1.9%
Total Expenditures	\$63,932,232	\$73,466,377	\$74,660,092	1.6%

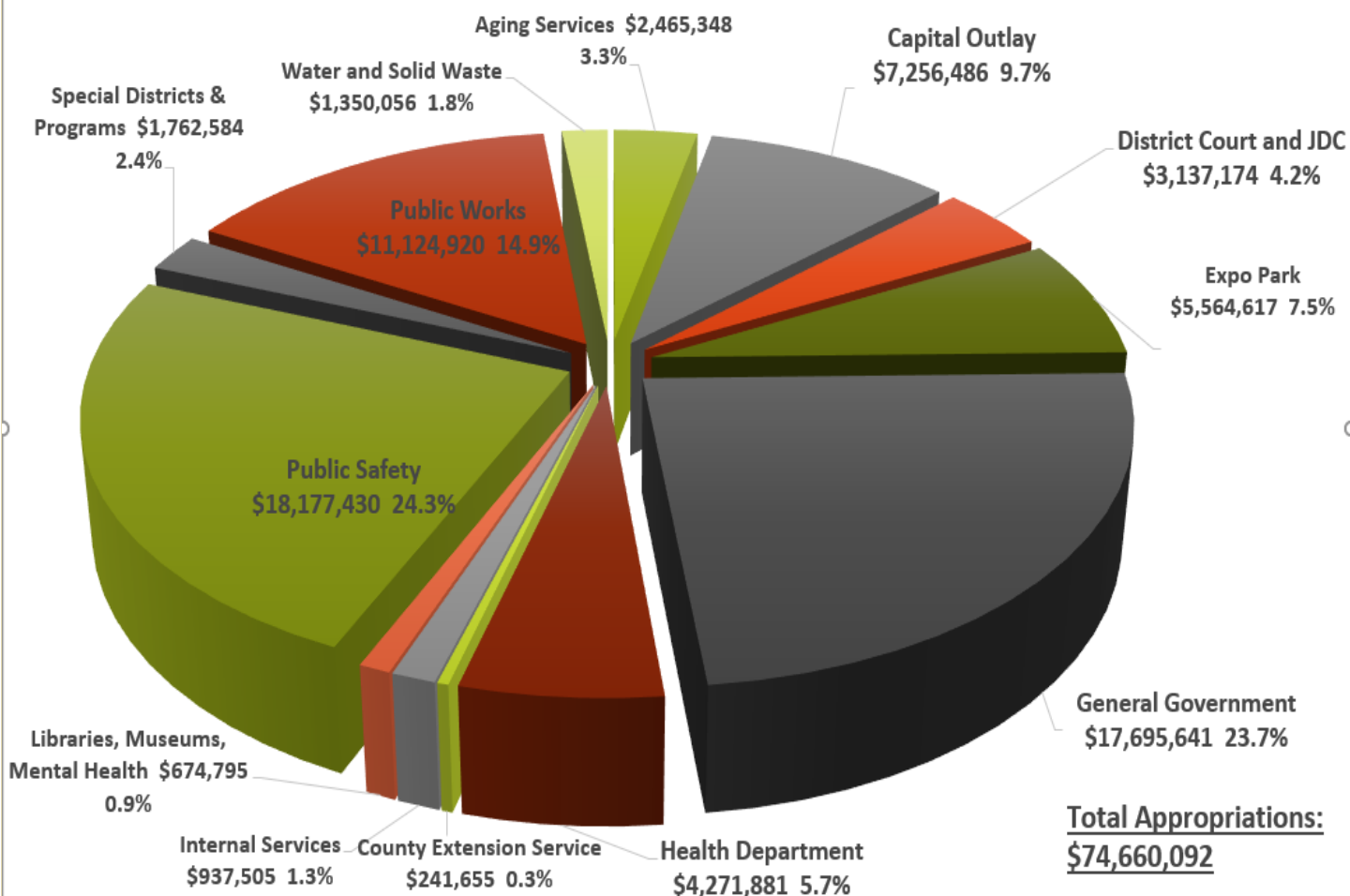
Cascade County Expenditures by Service

Cascade County provides a variety of services to its residents such as Public Health, Public Safety, Aging Services, and Roads. County operations are broken down as follows:

- General Government– Includes County Commission, Clerk/Recorder, Elections, Treasurer-Vehicle Registration, Superintendent of Schools, the County Attorney, Justice Court, the Public Administrator, Veteran/Indigent Burial, the Planning Department and GIS. This category also contains central services critical to County operations such as Human Resources, Budget, Accounting, Information Technology and Risk Management.
- Public Safety– Includes the Sheriff’s Department, Adult Detention Center, and Disaster and Emergency Services.
- District Courts and JDC– Includes the District Court and Juvenile Detention Center.
- Public Works– All road and bridge maintenance, construction, and engineering which also includes maintenance for military corridors throughout the County. Public Works also includes facilities maintenance for all County buildings. The department also administers most of the County’s capital improvement and equipment programs.
- City/County Health Department- Administers all health programs in the county including grant programs and the Women and Infant Child (WIC), Maternal Child Health (MCH) program, and Healthy Montana Families (HMF) programs. This department is the center of information and coordination for the COVID-19 pandemic. The County’s environmental health sanitarians are part of the department.
- Montana ExpoPark– Manages the fairgrounds and organizes and operates the annual Montana State Fair and all events and facility rentals on the property throughout the year. The 2021 Montana State Fair came back better than expected from last year’s cancellation . Considerable deferred maintenance activities have been planned to continue the work that was started during last year’s “shut down”.
- Aging Services– Operates a wide range of aging programs throughout the County including senior transportation, meals on wheels, congregate meals and many other services. The department also provides support for five senior centers throughout the County.
- Water and Solid Waste Enterprises– The County provides eight solid waste sites throughout the County and three coin-operated water dispensing facilities.
- Libraries, Parks and Museums– The County contributes tax funding to the City/County library as well as funding to the Belt Library and Wedsworth Library in Cascade. The County also provides tax funding to support operations of the Paris Gibson Square and the History Museum.
- County Extension– Provides a full range of agricultural services in the Community, partially funded and managed by Montana State University. Operates the Cascade County 4-H program.
- Special Assessment Districts– The County manages several property-owner approved special assessment districts throughout the county including road improvements and maintenance and street lighting.
- Capital Outlay– The County continues to evaluate and plan for investment in infrastructure and equipment to maintain quality service in the county. Focus on increasing Capital Reserves continues to be a high priority while facing the challenges keeping costs to county taxpayers affordable.

The largest expense is Public Safety with just over \$18 million or 24.3%. This includes the operation of the Sheriff’s office as well as the Adult Detention Center, which houses local, state and federal inmates. The County receives revenue for housing State and Federal inmates through negotiated contracts, but is no longer a regional prison. General Government is next at \$17,695,641 or 23.7% of all County expenditures and includes the appropriations for the services described on page 2, plus liability insurance costs. Public Works is third with \$11.125 million or 14.9% of all County expenditures. Capital Outlay encompasses several services within the County totaling \$7.256 million or 9.7% of the budget. The Montana Expo Park contains \$5.565 million of annual expenditures or 7.5% of the total budget. The Health Department’s \$4.27 million in annual expenditures makes up 5.7% of the total budget and includes numerous grant-funded programs. District Court and Juvenile Detention Center account for just over \$3 million or 4.2% of the total budget, and Aging Services accounts for \$2.465 million or 3.3% of the total budget. Special districts and programs make up \$1.76 or 2.4% of the budget. Water and Solid Waste operations total \$1.35 million or 1.8% of the budget. Internal service funds including the county Print Shop and Fleet accounts for \$937,505 or 1.3% of the total budget, with the remaining programs making up the balance. Transfers between funds are contained in several of these service areas and total \$9,089,147 of the total \$74,660,092 in appropriations. The following chart breaks down all County expenses by Service for FY 2021:

FY 2022 Expenditures By Service



Cascade County Expenditures by Category:

Cascade County's Services are further broken down by category. For budgeting purposes, a summary of those services are used to measure and compare the County's operations. The following is a brief explanation of each category, as described in the State of Montana's Budgetary Accounting and Reporting System (BARS) Manual:

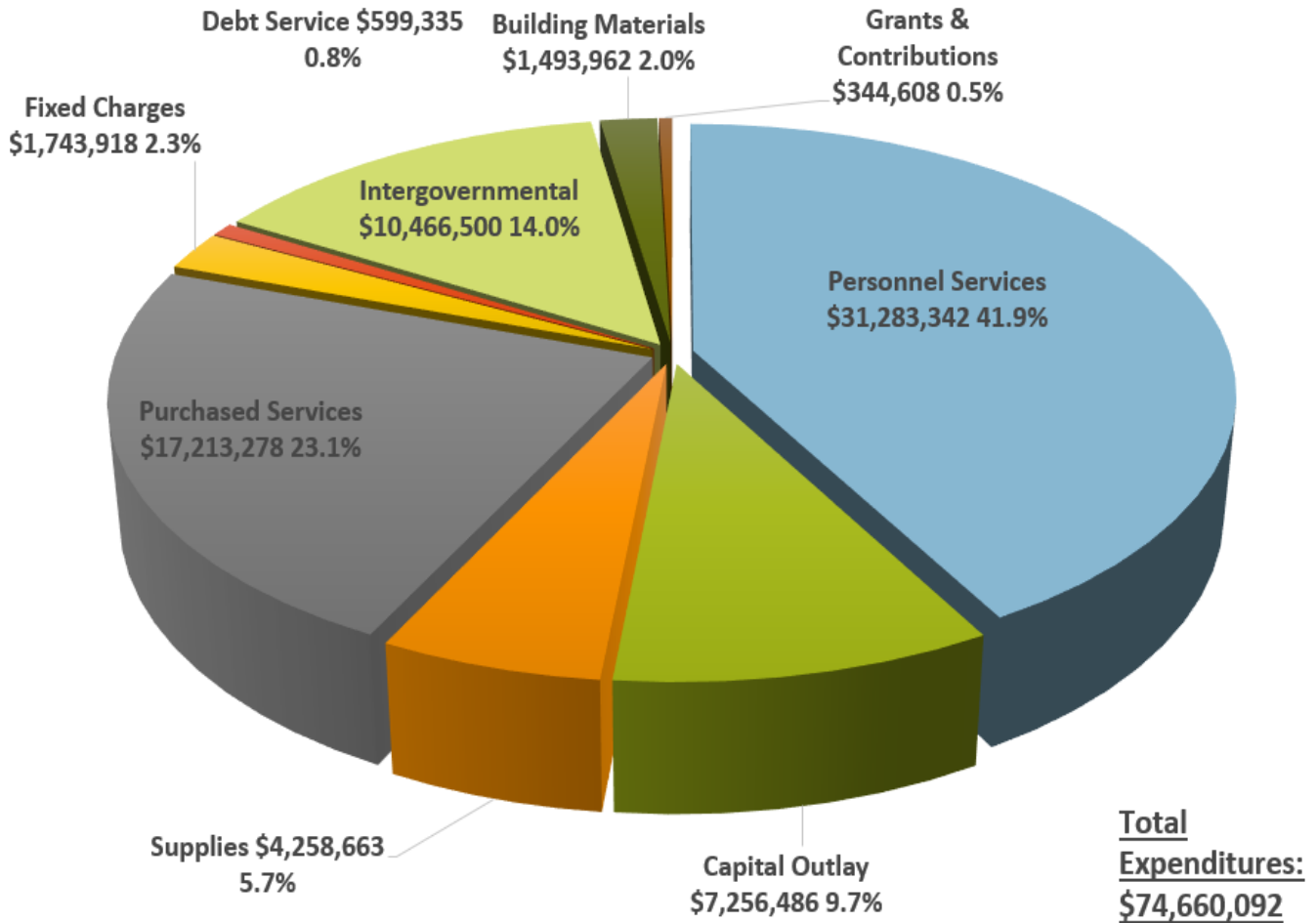
- Personnel Services– Expenditures for services rendered by officers and employees of the governmental unit, including related benefits and employer's contributions.
- Supplies– Expenditures for articles and commodities which are purchased for consumption or resale and are materially altered when used.
- Purchased Services– Expenditures for services other than Personnel Services which are required by the governmental unit in the administration of its assigned functions or which are legally or orally obligatory on the government unit.
- Building Materials– Expenditures for all materials related to building or road construction.
- Fixed Charges– Expenditures for charges that are mainly fixed from period to period and cannot be classified under another category, such as insurance, fees, rent, etc.
- Debt Service– Expenditures for the repayment of debt or for related charges.
- Grants, Contributions, Indemnities & Other– Expenditures for payments made to institutions or civic organizations.
- Other– Expenditures for charges for services not classified under the previous categories.
- Capital Outlay– Expenditures for the acquisition of right to, or addition to, fixed assets, including cost incidental hereto such as legal, appraisal and brokerage fees, land preparation and demolishing buildings, fixtures, and delivery costs.

Each of the Service areas in the County are comprised of some combination of the above categories. Since the main function of County Government is to provide for the health, safety, and welfare of county residents, each county is unique how to provide those services to citizens in the most efficient and cost effective manner. Cascade County is continually researching the most effective way to provide essential services in an area comprising 2,659 square miles. In order to do so, it takes personnel, supplies, and physical assets to serve the public. Over the last four years, Cascade County has been committed to investing in the public assets of the county to preserve, maintain, and improve services to the citizens.

Personnel services comprises \$31.28 million, or 41.9% of the total operating budget of the County. Purchased services is \$17.2 million, or 23.1% of the budget. Intergovernmental, fixed charges and debt service expenditures combined total \$12.8 million, or around 17.1% of the total budget. Capital Outlay has increased to 9.7% of the budget or \$7.245 million. The CARES Act funding provided the opportunity to build up reserves to fund a majority of the one-time capital expenditures, such as the roof replacement for the Adult Detention Center. Supplies comprise \$4.259 million or 5.7%. Smaller categories include building materials and outside entity grants and contributions for the remaining \$1.84 million or 2.5%.

The following chart demonstrates the county-wide allocation of these categories:

FY 2022 Appropriations By Category



The following table shows the number and allocations of employees budgeted to provide county services. Several new positions have been created to allow certain departments the flexibility to provide services to deal with the pandemic:

Cascade County Total Budgeted Employees

Department	Total Employees	Department	Total Employees
Aging Services	26	Health Department	61
Clerk & Recorder	20	Human Resources	5
Commissioners' Office	7	Information Technology	10
County Attorney	33	Juvenile Detention	26
County Extension	2	Library	2
Courts	25	Planning	7
Disaster & Emergency Services	2	Public Works	70
Expo Park	14	Sheriff/ADC	155
G.I.S.	1	Treasurer/Supt of Schools	19
Total		485	

Includes permanent part-time positions

Cascade County Revenues:

Cascade County Revenues are grouped in the following categories:

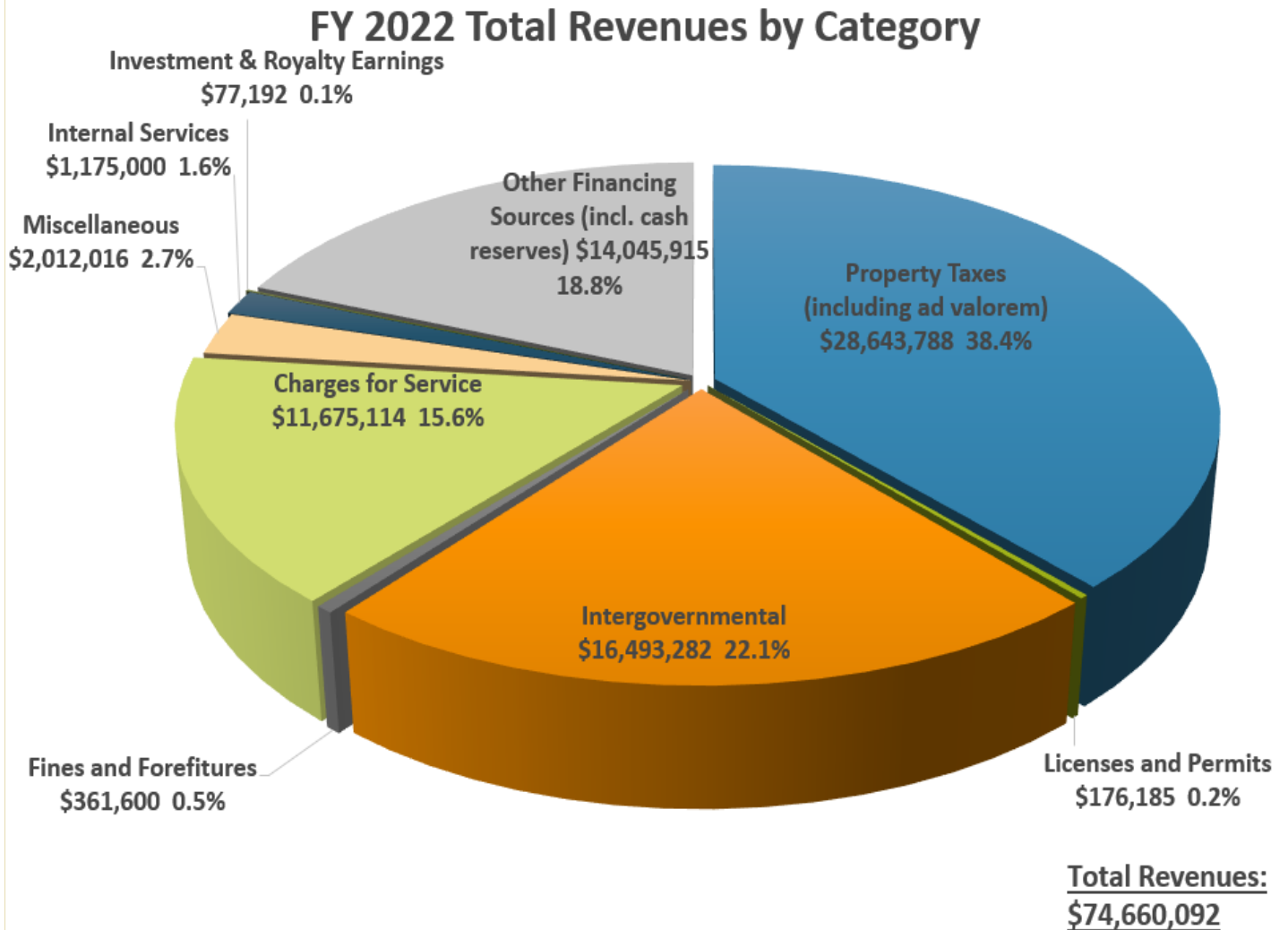
- Property Taxes– Includes all real and personal property taxes that the County receives annually, including penalties and interest and vehicle registration fees.
- Charges for Service– Includes all other fees that the County collects including Health Department visits, state and federal inmate reimbursement at the Adult Detention Center, reimbursements for youth care at the Juvenile Detention Center, and charges collected for Expo Park events.
- Intergovernmental– Includes all government revenues outside Cascade County including state and federal grants and reimbursements (excluding the Adult Detention Center charges for services).
- Fines and Forfeitures– Includes all County Court and Sheriff department fines and property seizures.
- Licenses and Permits– Includes all fees collected by the County for building permits, health/sanitation licenses, alcohol licenses and all other permitting.
- Internal Services– Includes revenues for internal service funds: Fleet and County Printer.
- Miscellaneous– Includes donations, contributions and other revenues.
- Other Financing Sources– Includes interfund transfers, loan proceeds, and appropriated cash reserves from previous years.
- Investment and Royalty Earnings– All revenue generated by County investments, including interest payments on internal interfund loans.

The following table compares the FY 2022 budgeted revenues with the FY 2021 amended budget:

Cascade County Total Revenues

	FY 2021 Amended Budget	FY 2022 Proposed Budget	% change
Property Taxes (incl. Ad Valorem)	\$28,072,860	\$28,643,788	2.0%
Licenses and Permits	\$168,235	\$176,185	4.7%
Intergovernmental	\$14,873,359	\$16,493,282	10.9%
Fines and Forfeitures	\$365,600	\$361,600	-1.1%
Charges for Service	\$10,972,156	\$11,675,114	6.4%
Miscellaneous	\$2,056,714	\$2,012,016	-2.2%
Internal Services	\$1,150,000	\$1,175,000	2.2%
Investment & Royalty Earnings	\$225,255	\$77,192	-65.7%
Other Financing Sources (incl. cash resrvs)	\$15,582,198	\$14,045,915	-9.9%
Total Revenues	\$73,466,377	\$74,660,092	1.6%

The following chart breaks down the County revenues by Category:



Property taxes account for \$28.643 million or 38.4% of all County revenues. Intergovernmental support counts for nearly \$16.5 million or 22.1% of total revenues. Other financing sources including transfers in and cash reserves account for \$14.046 million or 18.8% of the total budget. Charges for service make up \$11.675 million or 15.6% of total revenues. Miscellaneous revenues total \$2.012 million or 2.7% of total revenues. The remaining revenues consist of Internal service revenue, Fines & Forfeitures, Licenses & Permits, and Investment & Royalty making up the remaining \$1.79 million or 2.4% of the budget.

Since a large portion of the County revenues are generated by taxes and since taxes are capped by I-105, the County faces many challenges to ensure continuation of services. Steady growth in Cascade County allows for steady but modest increases in tax revenue and allows for the increases to be spread over an ever increasing number of taxpayers.

Intergovernmental revenue nearly doubled from last year, mainly due to the second half of ARPA funding in the amount of \$7.9 million expected in May of 2022. There may be other grant opportunities to support the on-going COVID extraordinary expenses, but those amounts are unknown and therefore, not budgeted at this time.

FY 2021/22 Mill Levies

In 1986 the citizens of Montana passed the “Montana Limitation of Property Taxes Initiative, CI-105” which limited the increase of property taxes to 1/2 of the average rate of inflation for the prior three years. Although the legislature has exempted many of the state’s jurisdictions from the requirements of I-105, counties remain under this limitation. As a result, the number of non-permissive mills that the county can levy each year is limited to however many mills are required to raise the same amount of money as was assessed the prior year adjusted by the inflation factor (1/2 of the average rate of inflation for the prior three years). This year the inflation factor calculates to .93%.

Cascade County experienced a 4.15% increase in taxable value according to the 2021 Certified Taxable Valuation Information sent by the Montana Department of Revenue on 8/2/2021. However, this equates to a modest 2.5% overall increase in tax revenues: \$189,009 is attributable to the inflation factor with the remaining increase due to newly taxable property. The value of 1 mill increased by 3.5% but the number of mills authorized to be levied is 1.96 mills fewer than last year in the County-wide taxing jurisdiction.

The following table is the Commission recommended countywide mill levies and corresponding tax revenues for FY 2021/22 compared to the previous year:

Cascade County Countywide Mill Levies

Mill Category	FY 2021 Total Mills	FY 2021 Tax Revenue	FY 2022 Proposed Mills	FY 2022 Proposed Tax Revenue	Difference FY 2022 over 2021
General	38.50	\$6,509,465	37.22	\$6,557,319	\$47,854
Bridge/Countywide Road	13.00	\$2,198,024	13.50	\$2,378,393	\$180,369
Weed	1.60	\$270,523	1.60	\$281,884	\$11,361
State Fair	10.00	\$1,690,770	6.50	\$1,145,152	-\$545,618
District Court	3.00	\$507,231	3.50	\$616,620	\$109,389
Comprehensive Insurance	1.50	\$253,616	2.00	\$352,355	\$98,739
Mosquito	2.00	\$338,154	1.80	\$317,119	-\$21,035
Emergency Medical Services	0.50	\$84,539	0.65	\$114,515	\$29,976
Mental Health	0.20	\$33,815	0.35	\$61,662	\$27,847
Senior Citizens	0.75	\$126,808	0.90	\$158,560	\$31,752
County Extension	1.00	\$169,077	1.24	\$218,460	\$49,383
Public Safety	46.21	\$7,813,048	46.90	\$8,262,715	\$449,667
Senior Transportation	0.40	\$67,631	0.34	\$59,900	-\$7,731
Museums	1.60	\$270,523	1.80	\$317,119	\$46,596
MAX MILLS per I105	120.26	\$20,333,224	118.30	\$20,841,773	\$508,549
PERMISSIVE NON-VOTED MILLS					
Permissive Health Insurance	9.95	\$1,682,316	9.30	\$1,639,311	-\$43,005
Sheriff Retirement Syst 3%	1.11	\$187,675	1.17	\$206,127	\$18,452
Total Countywide Mill Levies	131.32	\$22,203,215	128.77	\$22,687,211	\$483,996

The value of one mill is equal to a formula based on the total taxable value of all properties in the County excluding Newly Taxable properties, as well as properties contained in Tax Increment Finance districts. It is the role of the Cascade County commission to set the mill levies for the County to fund essential County operations in compliance with state statutes. In FY 2020/21, the Cascade County Commission decided to levy the maximum amount of mills permitted by state law, and will do the same for 2021/22 fiscal year, in order to accommodate the capital projects and build up reserves.

Overall for this tax year, the total number of countywide mills levied by Cascade County went down 2.55 mills, which includes a decrease in total Permissive non-voted mills of .59 mills. This demonstrates that when taxable values increase, the number of mills decreases to generate the same amount of tax revenue, as designed by the intent of I-105.

The following chart reflects the “rural” mill levies, which are only levied on properties outside the city limits of Great Falls. In addition, the Road mills are not levied on properties within the city limits of Belt, Great Falls, Neihart and Cascade:

Cascade County Rural Mill Levies

Mill Category	FY 2021 Total Mills	FY 2021 Tax Revenue	FY 2022 Proposed Mills	FY 2022 Proposed Tax Revenue	Difference FY 2022 over 2021
Road	28.55	\$1,973,233	28.68	\$2,024,411	\$51,178
Library	3.70	\$262,256	3.30	\$239,433	-\$22,823
Road Materials	4.20	\$297,696	3.80	\$275,711	-\$21,985
Planning	3.20	\$226,816	3.20	\$232,178	\$5,362
Health	6.88	\$487,656	7.73	\$560,854	\$73,198
Total Rural Mill Levies	46.53	\$3,247,657	46.71	\$3,332,587	\$84,930
MAX MILLS per I105	46.53		46.71		

The Commission decided to levy the maximum amount of mills for the rural levies in order to maintain the same level of services and to fund reserves. This results in an increase of .18 mills since the value of each mill remained virtually the same (.48% increase for Road and .66% increase for the other rural mills. This also demonstrates the intent of I-105.

Last year, county residents were assessed 177.85 mills for county services. This year, the total mills for county services are 175.48. A change in the total mills does not necessarily correlate with a change in your tax bill. If a property experienced a change in taxable value from last year, it will have an impact on an individual’s tax bill.

For example, a homeowner within the City of Great Falls who pays the County-wide mill levy whose market (assessed) value is \$212,700 would see an annual county tax decrease of \$7.31 (1.94%). Similarly, a homeowner in unincorporated Cascade County who pays both County-wide and Rural mills, whose property valuation is \$161,300 would see a property tax decrease of \$5.16 (1.33%). Taxing jurisdictions are layered, so an individual’s tax situation depends on where their property is located within the County.

FY 2021/22 Capital Improvement Plan

The Cascade County Commission continues to evaluate Capital Projects. Not all Capital Projects recommended by Cascade County staff made it to the final budget due to funding constraints. The Commission determined that the first priority for Capital projects was to invest in a new roof at the Adult Detention Center (ADC) and to “buy-out” the State Department of Corrections’ investment in the ADC in order to better utilize the facility as part of the overall settlement reached with the DOC. The facility is no longer a “regional prison”, but is now considered a “county adult detention center” (aka jail). Additional work at the ADC is the replacement of boilers, and the installation of a dental office. Work continues at Expo Park with maintenance projects that were identified, but not completed during last year’s “shut-down”.

Aging Services is looking to buy-out the building lease from MDOT at the Benefis Court location for an estimated \$810,000. This project will be funded from existing cash reserves. Improvements to Black Eagle Road are also planned with a paving project funded by TIFD monies that have accrued over the last 15 years.

The following tables reflect Commission-approved Capital Projects, Heavy Equipment and Other Capital Outlay for FY 2021/22:

Major Projects FY 2021/22	
Project	Total
ADC Roof replacement	\$1,811,360
ADC buy-out of DOC interest - settlement	\$1,500,000
Aging Services - Possible buy-out of MDOT bldg. lease	\$810,000
Black Eagle Road - paving project	\$300,000
Misc. Expo Park projects	\$300,000
ADC Boiler replacement - balance of project	\$258,958
ADC contingency	\$120,000
Aging Services - equipment for Kitchen/other	\$112,776
New phone systems - Treasurer, DES, Expo park	\$101,000
Armington Bridge replacement - begin engineering	\$100,000
ADC Dental Office equipment installation	\$69,000
Justice Court/Maintenance Room relocation	\$50,000
Repeater Tower - DES	\$44,344
Network Storage area replacement - IT	\$35,000
Hot water heater replacement - CCHD	\$16,800
JDC roof snow guards installation	\$12,000
Total Projects	\$5,641,238

Heavy Equipment Purchases FY 2021/22

Item	Total
Motor Graders - 3	\$279,000
Wheel Loader	\$250,000
HotBox Asphalt Trailer	\$75,000
Zero-turn Mowers - 2	\$26,549
Two-post 16,000 lb. Vehicle Lift	\$18,000
Total Heavy Equipment	\$648,549

Fleet Purchases FY 2021/22

Item	Total
Pickups - various sizes for various departments - 8	\$303,000
Sheriffs' vehicles - 7	\$379,000
John Deere Gators - 4	\$40,000
6X6 Side-by-side ATV - Weed	\$17,000
Total Fleet	\$739,000

Other Capital Purchases FY 2021/22

Item	Total
Night vision goggles - CCSO	\$86,309
Replace HVAC units at Executive Plaza building	\$57,390
H-Pod locks at ADC	\$50,000
Radios - CCSO	\$14,000
Expo Park - Food warmers	\$10,000
Lift gate for Elections van	\$10,000
Total Other	\$227,699

TOTAL ALL CAPITAL OUTLAY **\$7,256,486**

Summary of Capital Outlay by Service FY 2021/22

Department	Total
General Government	\$76,000
Public Works	\$1,469,390
Sheriff Office/Adult Detention Center	\$4,288,627
Expo Park	\$390,000
Juvenile Detention Center	\$18,549
Health Department	\$16,800
Aging Services	\$922,776
DES	\$74,344

TOTAL ALL CAPITAL OUTLAY **\$7,256,486**

Questions and/or comments are welcomed and encouraged, especially during the Public Hearing period of August 31st through September 7th. Please contact Mary K. Embleton, Budget Officer/Grants Coordinator at membleton@cascadecountymt.gov or call 406-454-6731, or contact the Cascade County Commissioners at commission@cascadecountymt.gov or call 406-454-6810 for more information.



CASCADE COUNTY

Board of County Commissioners

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September 3, 2021

TO: Citizens of Cascade County

RE: Commission comments of FY2022 Budget

Each year's budget preparation presents some unique challenges to the Commission and the staff that assists us in the process. This year was a more complex balancing act than we normally have due to the increase costs and revenues due to Covid.

As is usually the case, the requests for additional funding far exceeded the normally available revenues but the injection of the Federal ARPA funds led many to believe that there was a great deal more money available than in regular years for all purposes. The ARPA money, however, comes with strict guidance that makes it unavailable for most normal county operating expenses.

It is important to realize that the ARPA funds are a one-time revenue source that must be expended by the end of 2024. Using it to pay any expenses that will continue past 2024 would be like running up bills in your household that come due in the future with no way to pay them. As stewards of your money, this is not something that the Commission should do, nor are we willing to do.

This budget is designed to address the day to day needs of county operations, continue to catch up on some deferred maintenance issues as well as make necessary and appropriate investments in Cascade County's infrastructure and employees. Overall, this budget is a 1.6% increase in expenditures over the amended budget from last year (FY 21). We do not know how long the increased spending associated with Covid will last nor how long additional Federal funding will continue to flow but it remains our goal to provide the necessary services to our taxpayers as efficiently as possible with as little impact on local taxpayers as possible. To that end, the Commission has crafted a budget designed to hold the county portion of your property taxes to as close as possible to last year's amount. If the taxable value of your property remained the same or decreased, your county taxes will see a decrease. If on the other hand the taxable value set by the State Appraiser went up, you may see an increase in the Cascade County portion of your property tax bill.

It remains our privilege to serve you as members of the Cascade County Commission and look forward to your questions and comments regarding the proposed budget.

Best wishes,


Joe Briggs
Chairman


Jim Larson
Commissioner


Don Ryan
Commissioner