

January 23, 2024

The Lincoln County Budget Committee convened on January 23, 2024, at the Lincoln County Courthouse in Room 108, 512 California Ave, Libby, Montana.

10:00 AM Attendees included: Jim Hammons, Bob Denning (Denning, Downey and Associates CPA's P.C.), Jenn McCully, Wendy Drake, Chanel Geer, Bryan Alkire, Alaena Woody, Jesse Haag, Jerry Regh, Joe Nagle, Jenn McCully, Alyssa Ramirez, Jennifer Brown, Darren Short, Sedaris Carlberg, Brent Faulkner, Corrina Brown, Josh Letcher and Marcia Boris.

Commissioner Hammons initiated the meeting by addressing the declining budget and suggested the county may not be imposing sufficient taxes, especially in the road fund. He then introduced County Auditor Bob Denning to discuss the county's current financial situation.

Bob pointed out that despite having more federal forest lands than any other county in the United States, Lincoln County currently lacks a lumber mill. In past years, the forest reserve contributed 25-30 million to the road fund, which had a budget of 6 million. This surplus resulted in banking road fund money with 12+% interest rates. All this led the county to lower mill levies. The legislation implemented I-105 which froze county mill levies at this artificial low rate. Bob stated to run basic services, about 120 mills are needed, yet Lincoln County is at 97. Bob illustrated that Lincoln County is the sole Montana county without road fund mills and presented two charts, showing that in 2014, there were 15 million in road funds, decreasing to 7 million by the end of 2023. He advised given this trajectory; the road fund is projected to run out in 2-3 years. Bob acknowledged that recent budget numbers were skewed by COVID funds and highlighted Lincoln County has virtually no debt. Bob's graph depicted Lincoln County as at least 20 mills lower than counties in comparison.

The discussion covered topics such as the absence of hydroelectric revenue, the pros and cons of impact fees, and the challenges of accommodating the rapid growth in the county. It was emphasized that increased growth places more demand on public safety services. The 2023 legislation calculation restricted county budget growth to a net of \$245,000. The need to exert pressure on the legislature for timber harvest was stressed. A suggestion to enlist a PR firm to provide targeted information to the public about the financial necessity of a county road tax. The conversation concluded with an acknowledgment of the importance of conveying this information to county residents, emphasizing the risks to emergency services resulting from insufficient funding.

10:59 AM Adjourned

Josh Letcher, Chairman

ATTEST: _____
Corrina Brown, Clerk of the Board