

Final Mayor's Budget Presentation



City Council

August 21, 2023

Fiscal Year 2024 Budget & Assessment Calendar

Date	Meeting	Item
6/28/2023	Budget & Finance Committee	Executive Budget presentation - Mayor Hess Document overview - staff
7/12/2023	Budget & Finance Committee	Budget Presentations - Fire Department (40 min) & Health Department
7/19/2023	Budget & Finance Committee	Budget Presentations - Central Services, Missoula Redevelopment Agency, Human Resources, & Community Planning Development and Innovation (3 hours) + Business Improvement District (15 mins)
7/26/2023	Budget & Finance Committee	Budget Presentations - Public Works & Mobility, Police Department and Municipal Court
8/2/2023	Budget & Finance Committee	Budget presentations - Parks & Recreation, Missoula Parking Commission, and the Attorney's office + Tourism Business Improvement District (30 mins). Houselessness & Urban Camping Initiatives (1.5 hours)
8/7/2023	N/A	Taxable Values due from State
8/7/2023	City Council	Open Public Hearing for FY24 Budget (staff presentation & public comment)
8/9/2023	Budget & Finance Committee	City Council Budget Deliberations, Additional Department Presentations TBD
8/14/2023	City Council	Conclude Public Hearing
8/16/2023	Budget & Finance Committee	City Council Budget Deliberations & Final Amendments
8/21/2023	City Council	Public Hearing Final Consideration and Budget Adoption

Changes to Executive Budget

Mayoral Amendments

- Electrification Policy Specialist – \$99,842 using EECBG Grant & Transportation PL Funds (does not affect property taxes)

Council Amendments

- Human Rights Project: Community Education & Outreach \$20,000 using fund balance (does not affect property taxes)
- Developed Parks & Trails Herbicide Free Pilot Program \$21,700 using Park District funding

How We Managed the Budget

- Moved Cemetery to Road District \$682,714
- Continue using American Recovery Plan Act (ARPA) for one-time needs \$2,968,741
- MRA contributing to public safety infrastructure at \$1.2 million, plus remittance netting approximately \$1.8 million (\$6.2 million net remittance)
- Marijuana excise tax as ongoing source of revenue \$350,000
- Opioid money supporting Mobile Support Team \$66,809
- Updated Cost Allocation Plan \$1,010,463
- Using cash reserves \$650,000

Residential Taxes

City taxes = \$377.10

for every \$100,000 of a home's assessed value.

Example: \$420,000 home

$\$377.10 \times 4.2 = \$1,583.82$ City tax



Look up your assessed value at <https://mtrevenue.gov/property>

Residential Taxes

SB 322 Requires additional disclosures in the budget.

The Fiscal Year 2024 budget will have the following annual cost on residential property:

Homes Valued at	Impact on Property Taxes
\$100,000.00	\$377.10
\$300,000.00	\$1,131.30
\$600,000.00	\$2,262.60

Mill Levy Computation

CITY OF MISSOULA MILL LEVY COMPUTATION FY 2024

	Prior Yr	Funded					Final				
		FY23 Final	Add'l Dollars	Add'l Mills	Mill Change from '23	Mill % By Fund	Total Mill % Inc (dec)	Dollars	Mills	Mill Change from '23	Mills % Inc (dec)
General Fund - All Purpose Levy		183.39	1,473,864	7.13	(31.40)	(17.12)%	(10.15)%	31,440,248	151.99	(31.40)	(17.12)%
Health Ins Levy (outside cap)		46.86	8,239	0.04	(9.16)	(19.55)%	(2.96)%	7,797,803	37.70	(9.16)	(19.55)%
Subtotal Property Taxes	230.25	1,482,103		7.17	(40.56)	(17.61)%	(13.11)%	39,238,051	189.69	(40.56)	(17.62)%
Road District #1		38.68	732,944	3.23	3.03	7.83 %	0.98 %	9,472,533	41.71	3.03	7.83 %
Park District #1		40.48	796,530	3.51	(1.49)	(3.68)%	(0.48)%	8,875,760	39.08	(1.40)	(3.46)%
Subtotal District Assessments	79.16	1,529,474		6.74	1.54	1.95 %	0.50 %	18,348,293	80.79	1.63	2.06 %
Total Mill Levies & District Assessments	309.41	3,011,577		13.91	(39.02)	-12.61%	-12.61%	57,586,345	270.48	(38.93)	-12.58%
Voted Levies											
Voted G.O. Bond debt (all)		6.13	—	—	(1.28)	(20.88)%	(12.64)%	1,003,874	4.85	(1.28)	(20.88)%
Conservation Lands Maint Levy		4.00	—	—	—	— %	— %	827,430	4.00	—	— %
Total Voted Levies	10.13				(1.28)	(12.64)%	(12.64)%	1,831,304	8.85	(1.28)	(12.64)%
Total All Assessments and Levies	319.54	3,011,577		13.91	(40.30)	(12.61)%	(12.61)%	59,417,649	279.33	(40.21)	(12.58)%



279.33 total mills

New Taxable Values

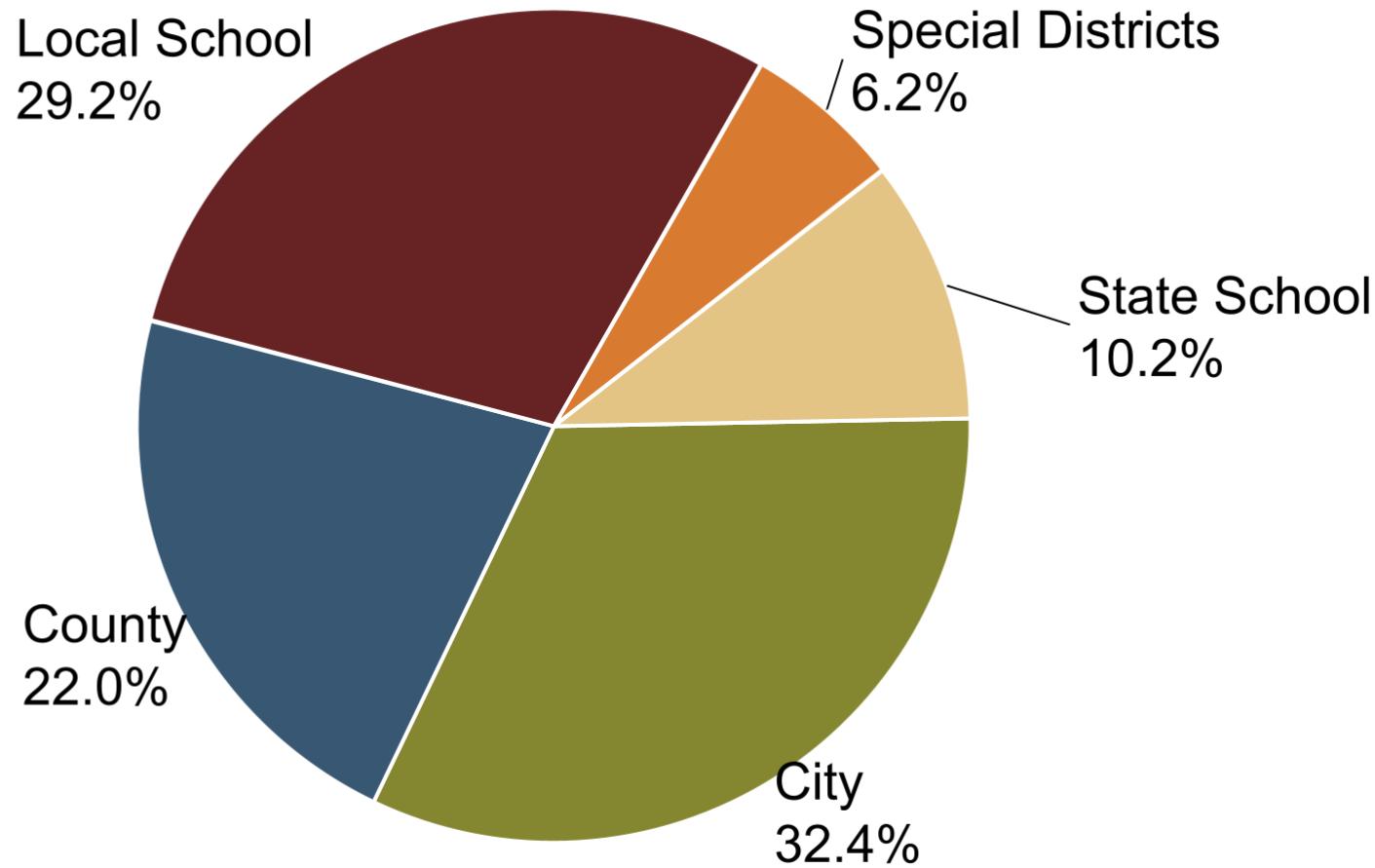
	Dollar Change	Percent Change
New tax base (construction, annexation, etc.)	\$1,193,164	2.2%
Valuation changes	\$11,678,406	22%
Decrease in mills levied	(\$6,489,580)	(12.2%)
Total increase in revenue for City services	\$6,382,760	12%

Total budget for all tax-supported funds: \$102 million

9.78% median tax increase inclusive of reappraisal

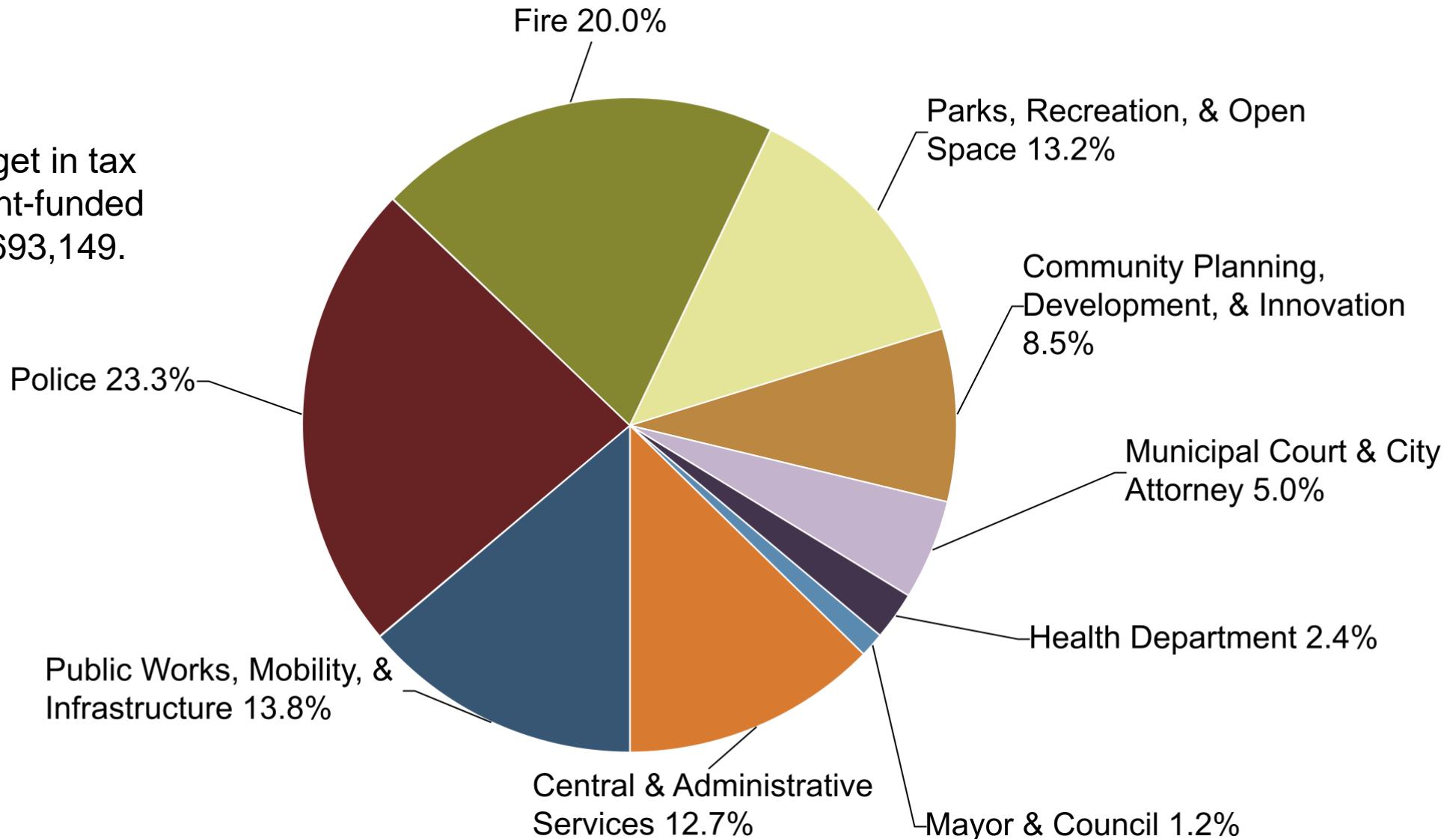
Tax Distributions

Tax Distribution FY23



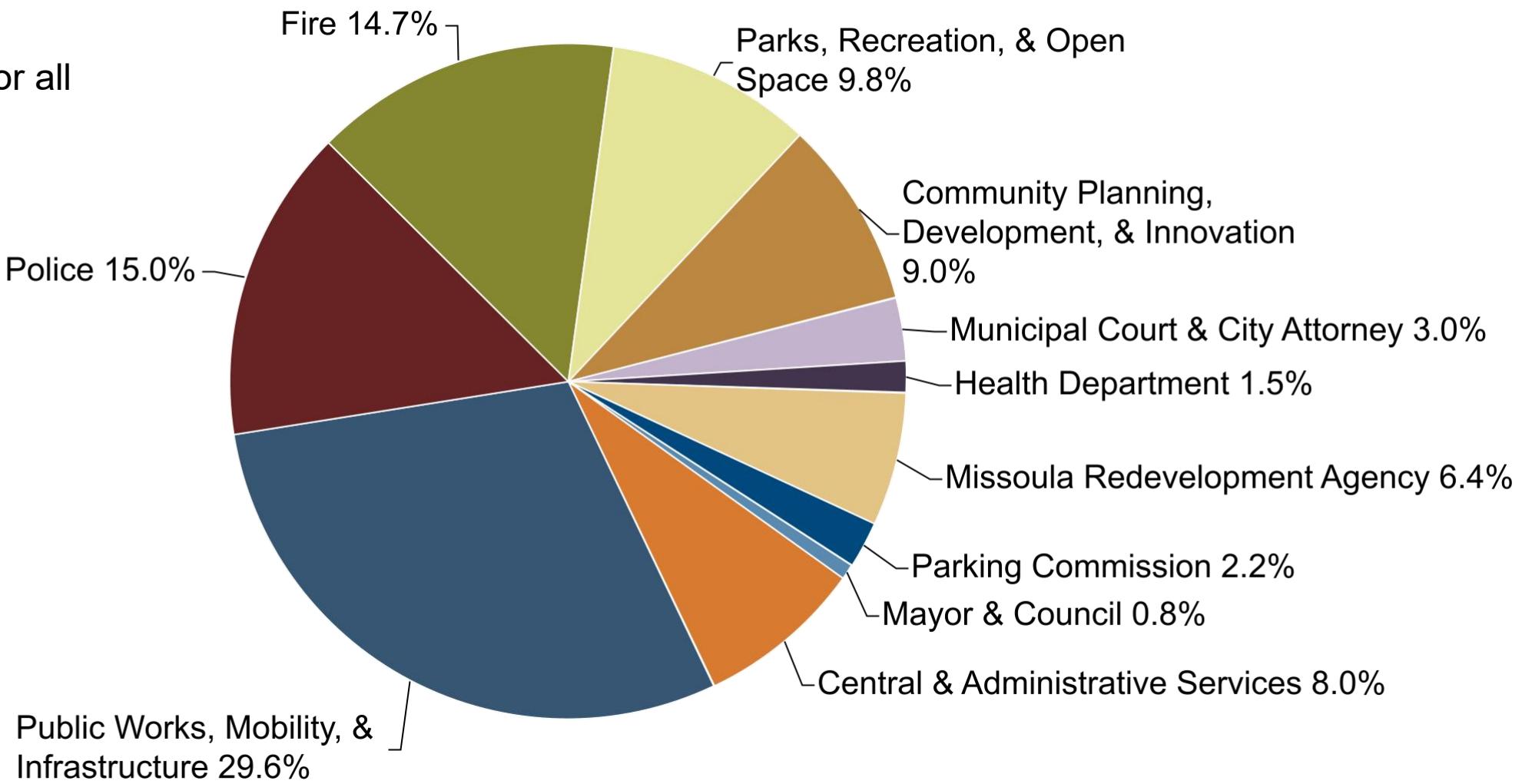
City Budget - Taxes & Assessments

The City's budget in tax and assessment-funded areas is \$102,693,149.



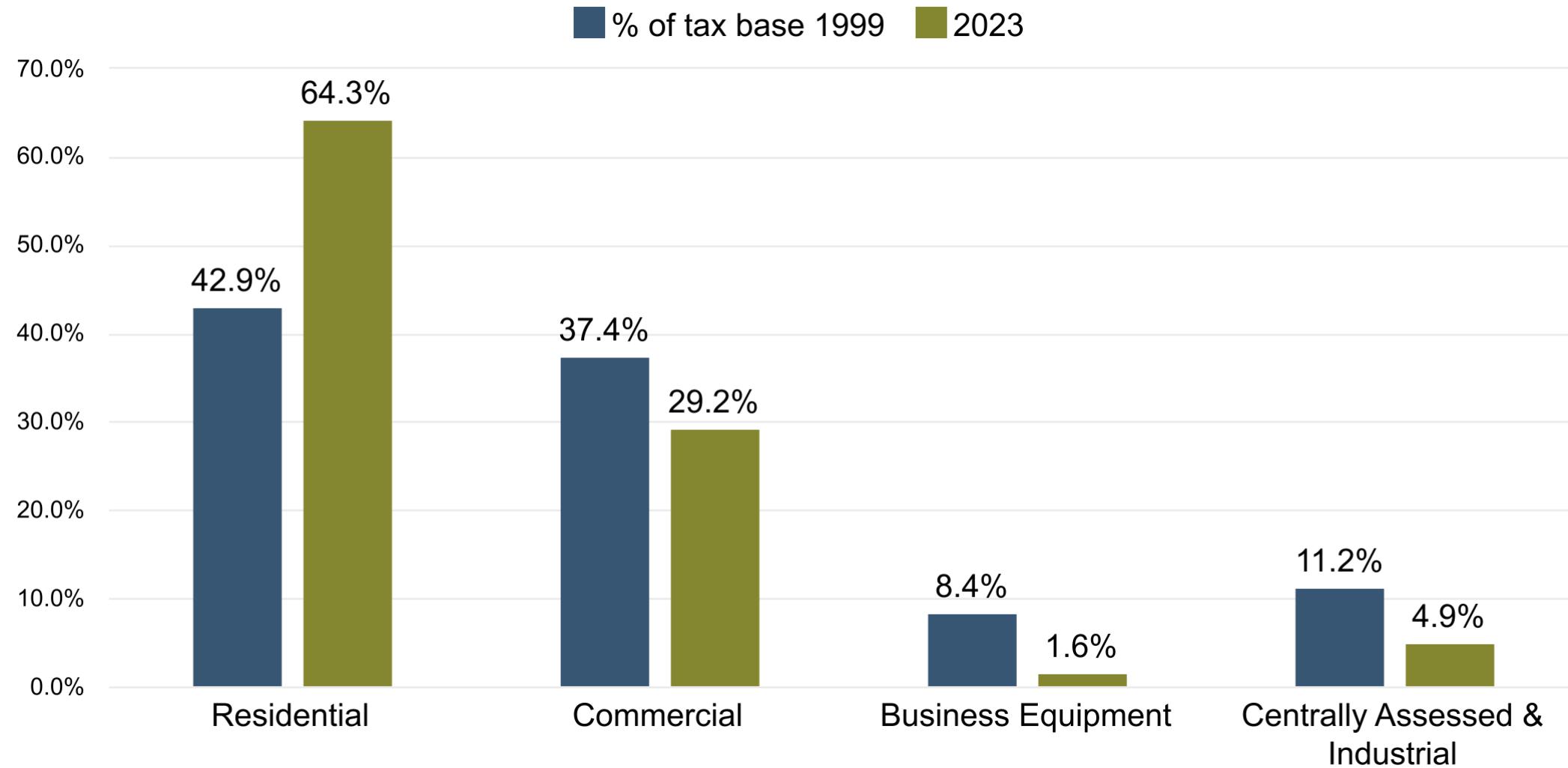
City Budget - All Operating Funds

The City's budget for all operating funds is \$163,163,861.



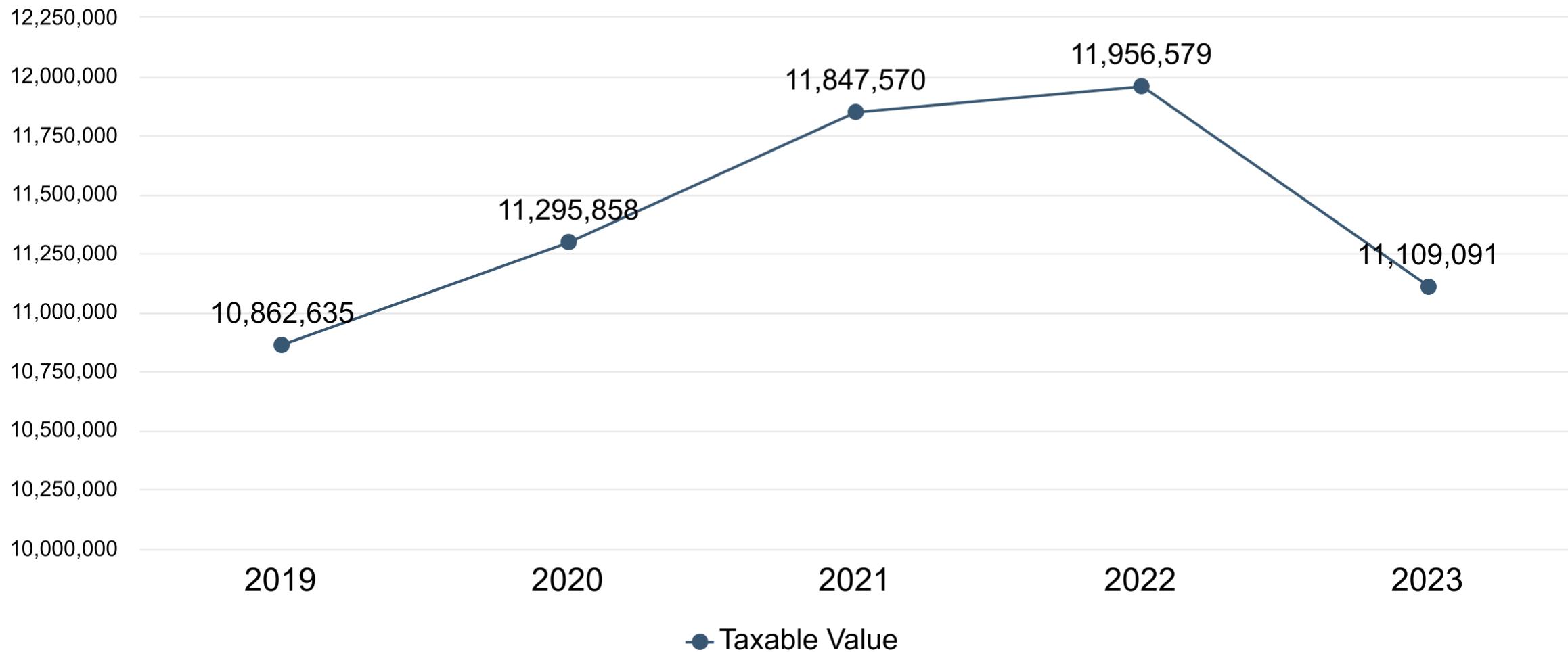
Property Tax Trends

Property Taxes - Who Pays



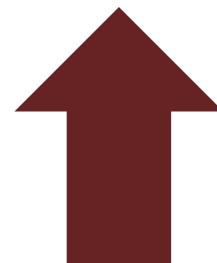
Property Tax Trends

Centrally Assessed



Property Tax Trends

Change in taxable value from 2022 to 2023



35%

Residential



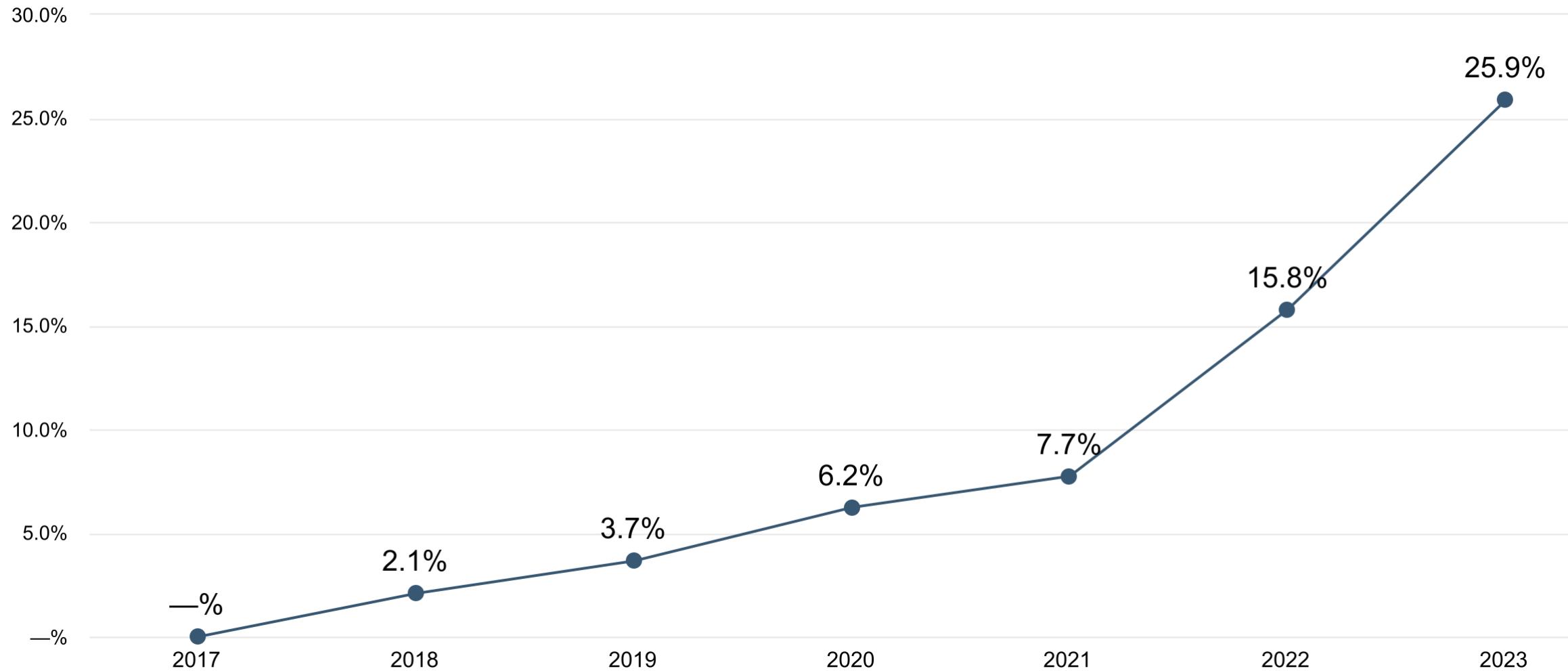
7%

**Centrally
Assessed**

Inflation Pressures

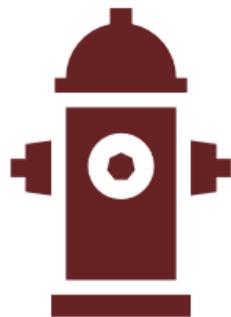
Inflation Rates

Consumer Price Index - Cumulative Inflation



Inflation

 **52%**
since 2017



Fire Department
Calls for Service

 **89%**
more in 2022 than
in 2019



Dwelling Units
Permitted

 **66%**
since 2021



Cost per Linear
Foot of Water
Main

Inflation

 **72%**
since 2017



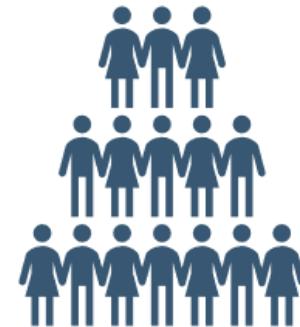
Emulsified
Asphalt

 **53%**
since 2020



Fire Truck

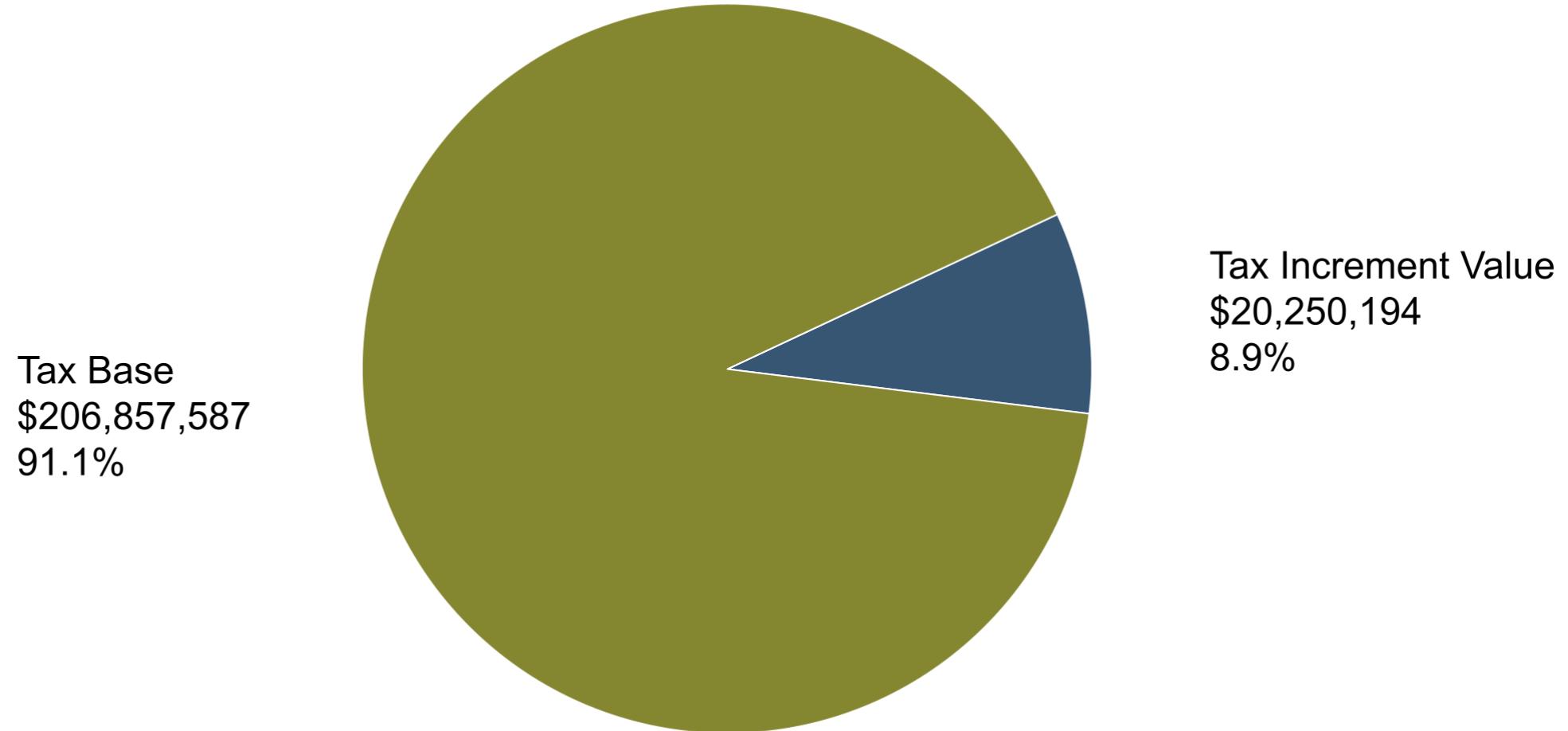
 **13.7%**
since 2020



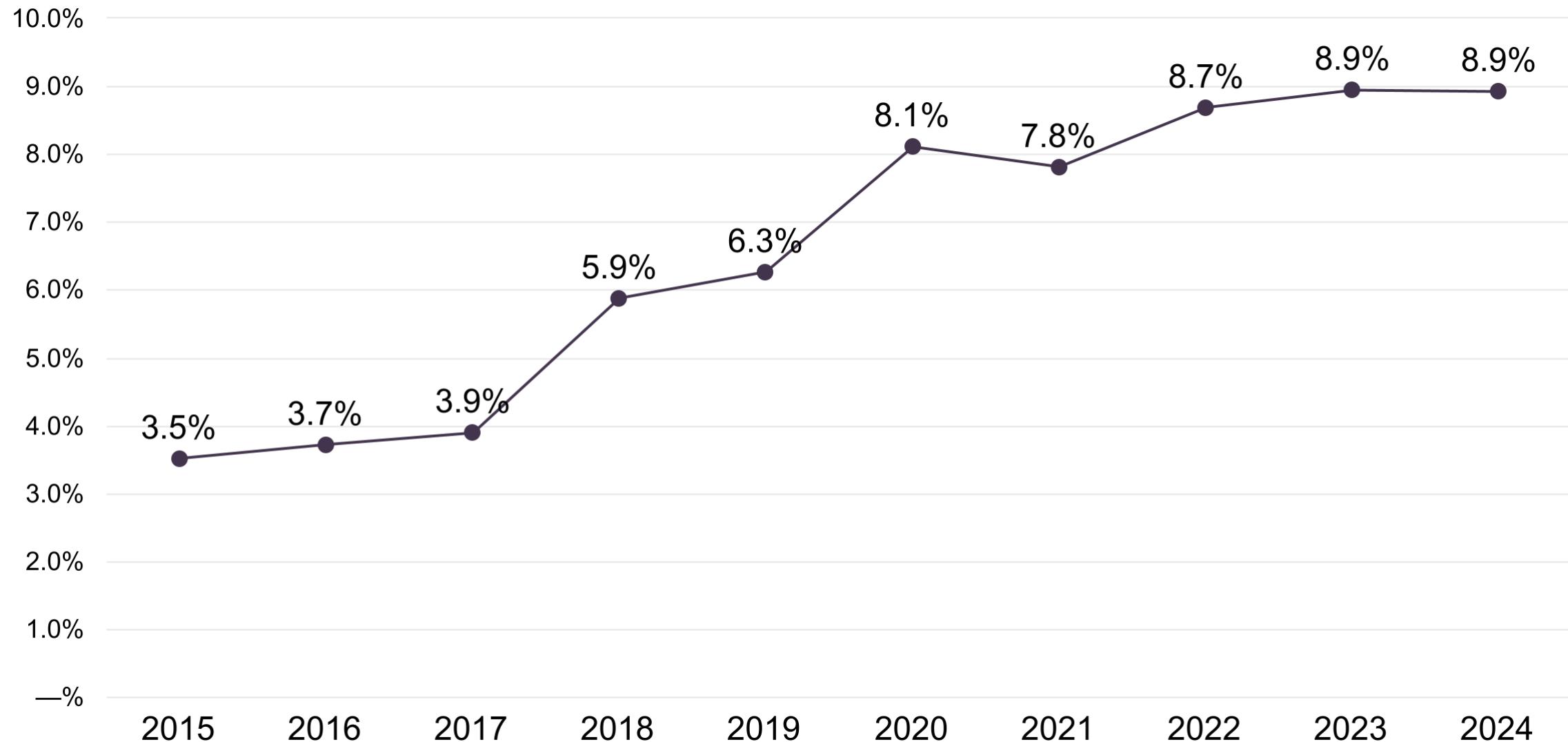
Average Cost of Living
Adjustment in Western
Region
(Department of Labor)

Urban Renewal Districts & Tax Increment Financing

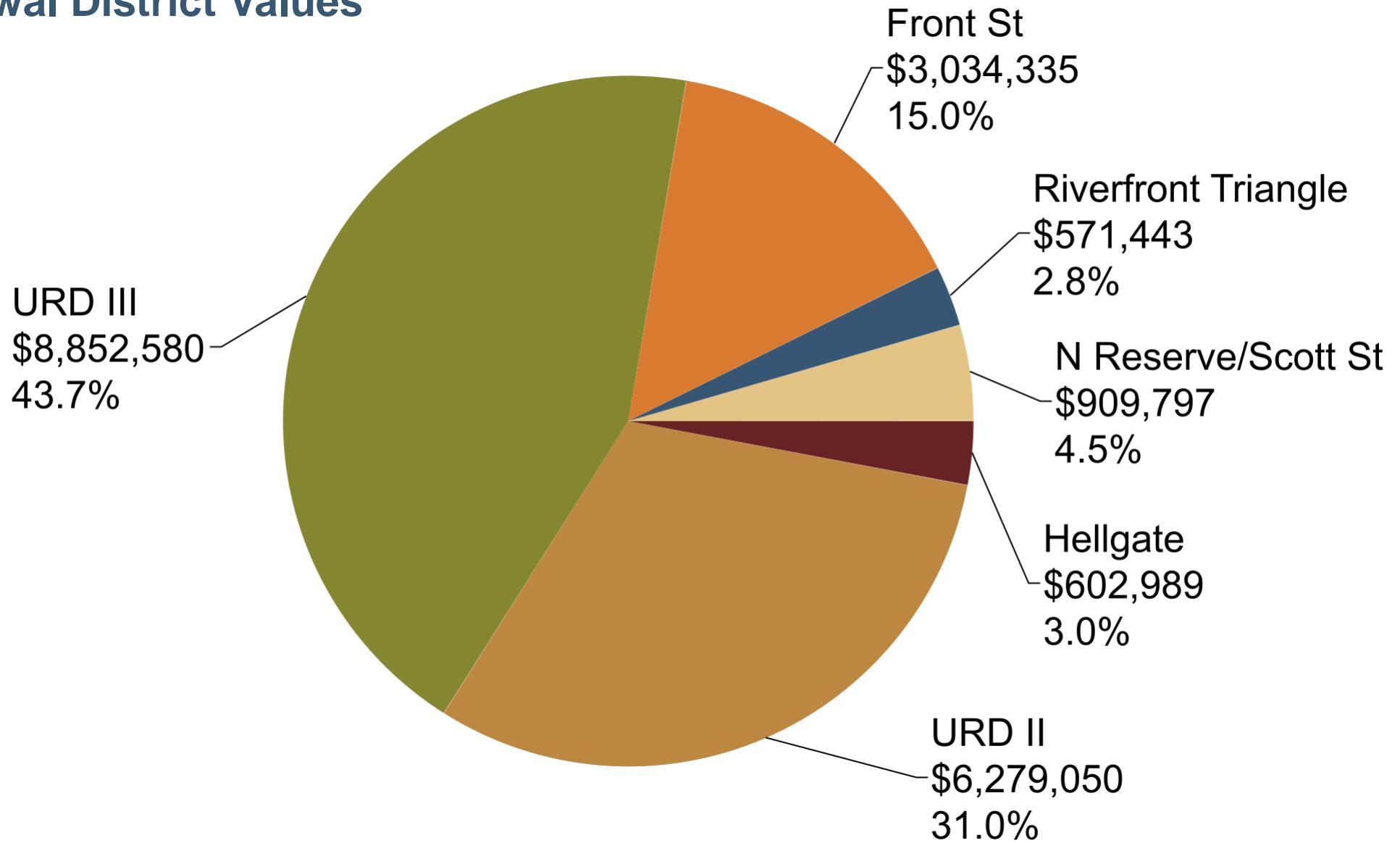
Tax Increment Financing and Tax Base



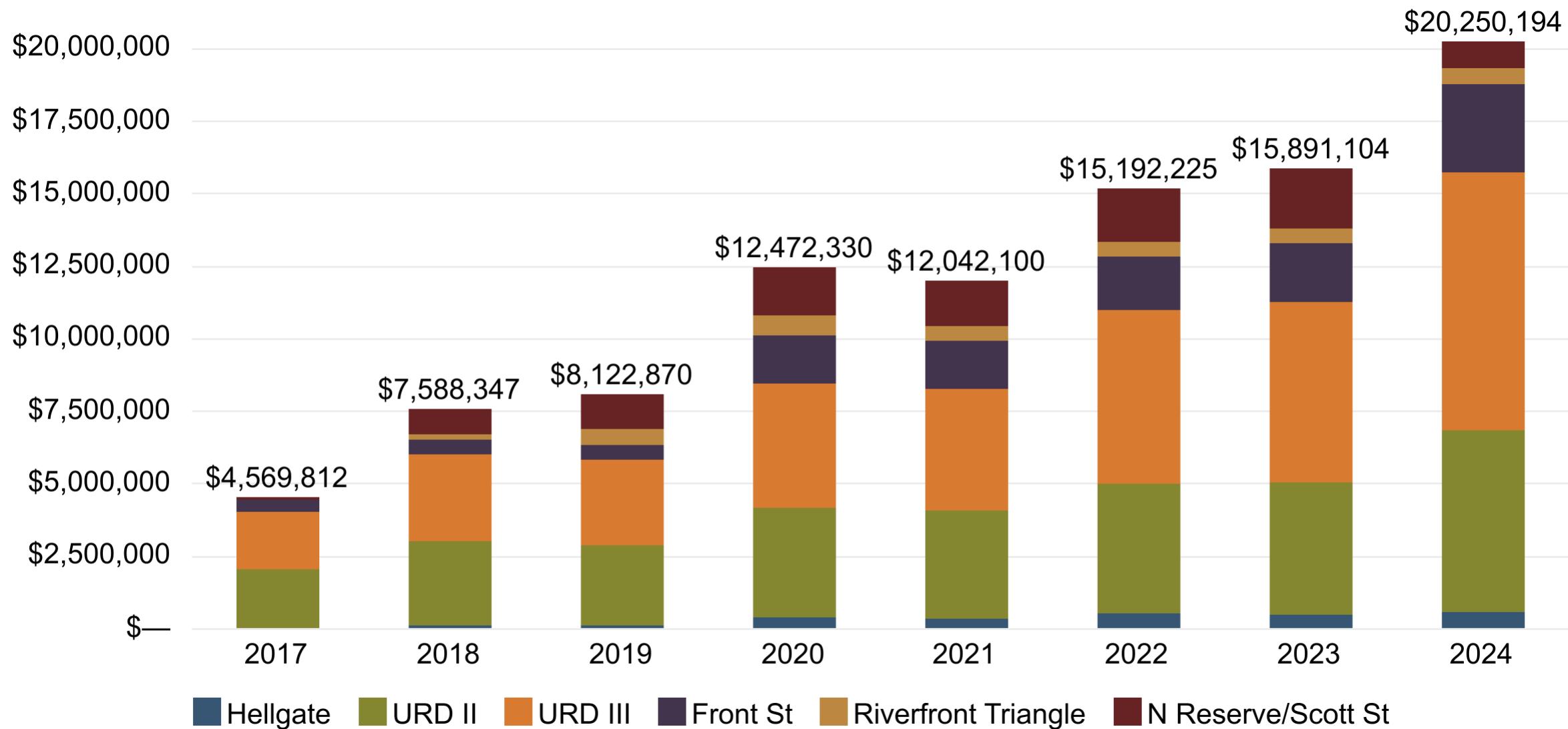
TIF Districts as Percentage of Total Taxable Value



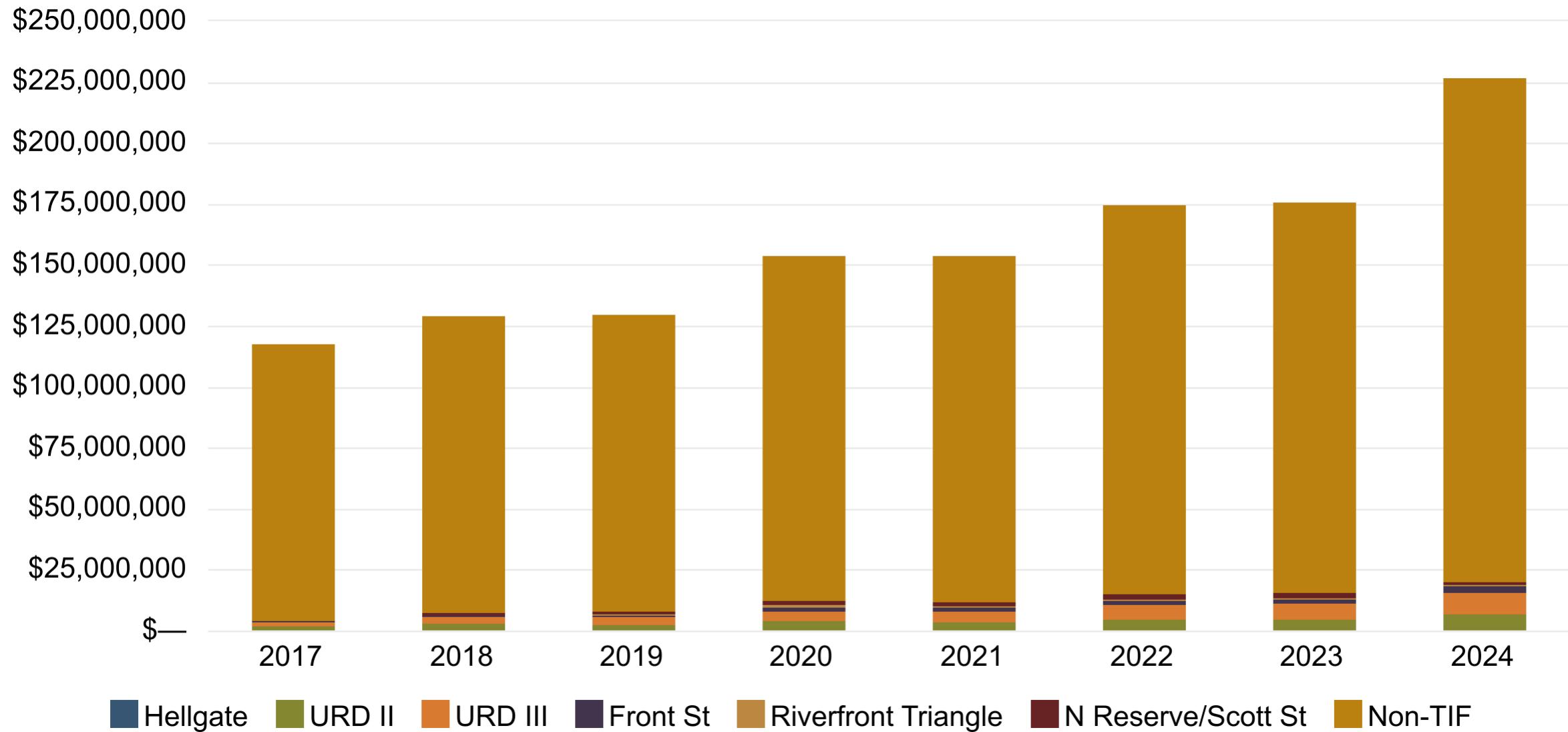
Urban Renewal District Values



Tax Increment District Trends

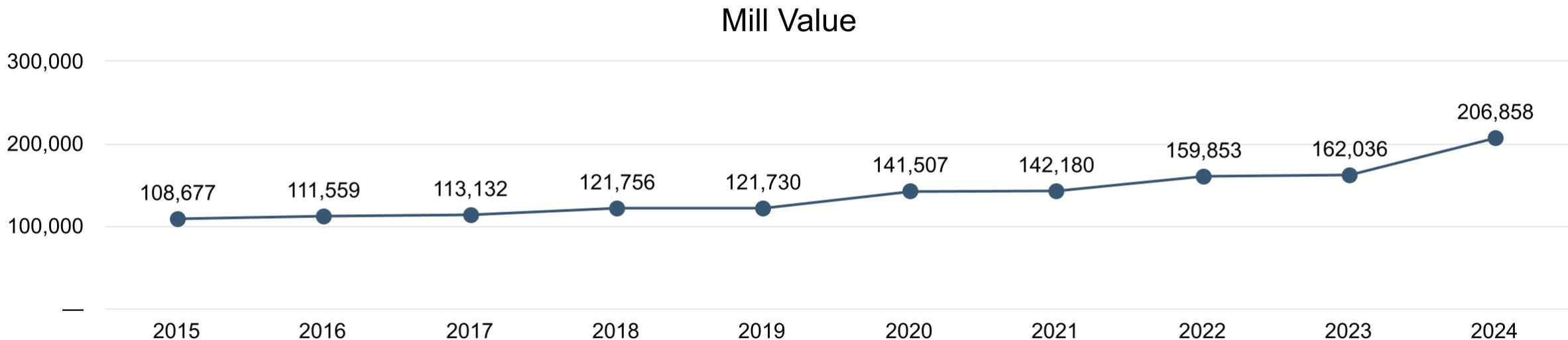


Tax Increment District Trends

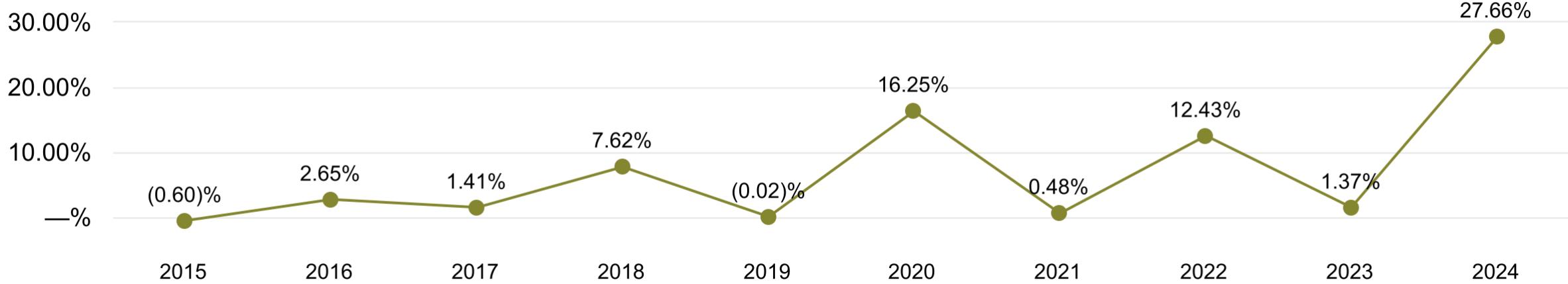


Taxable Value & Mill Trends

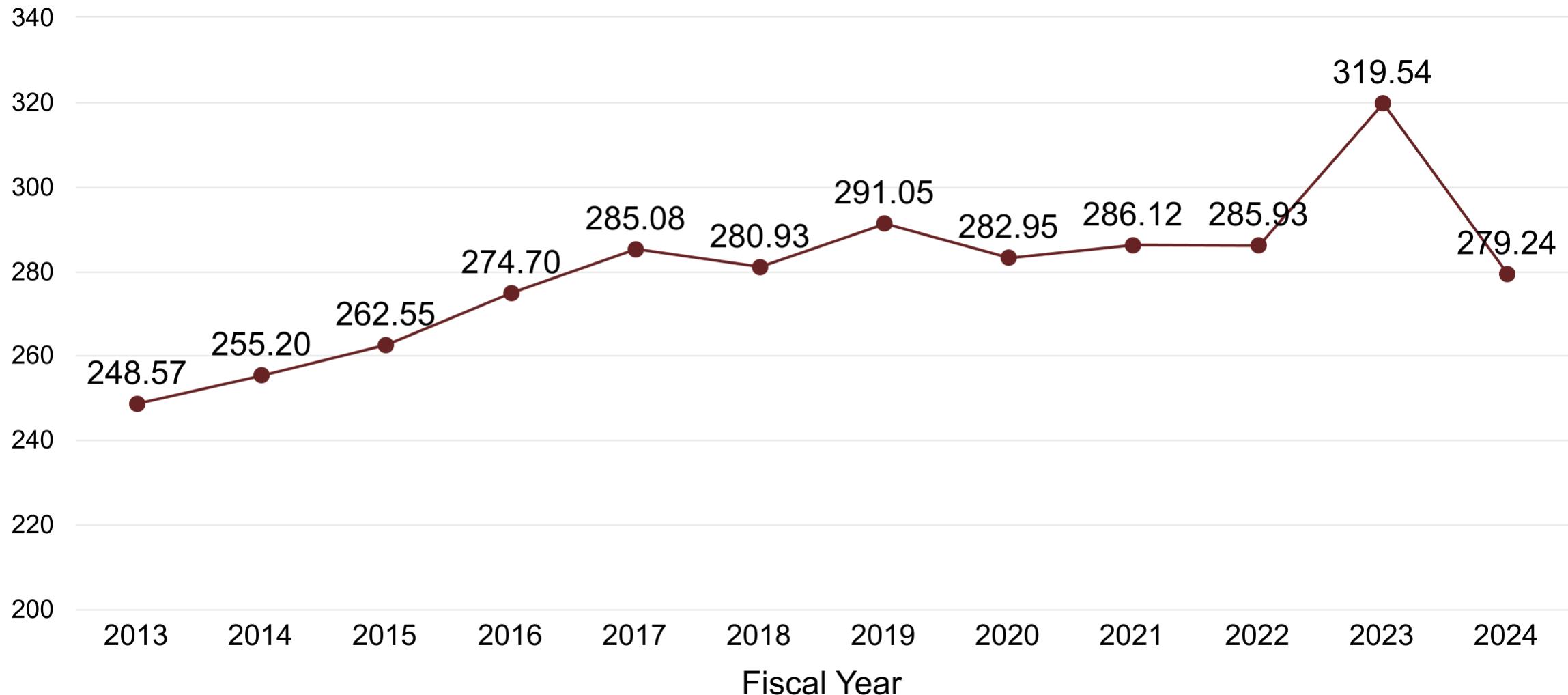
Mill Value



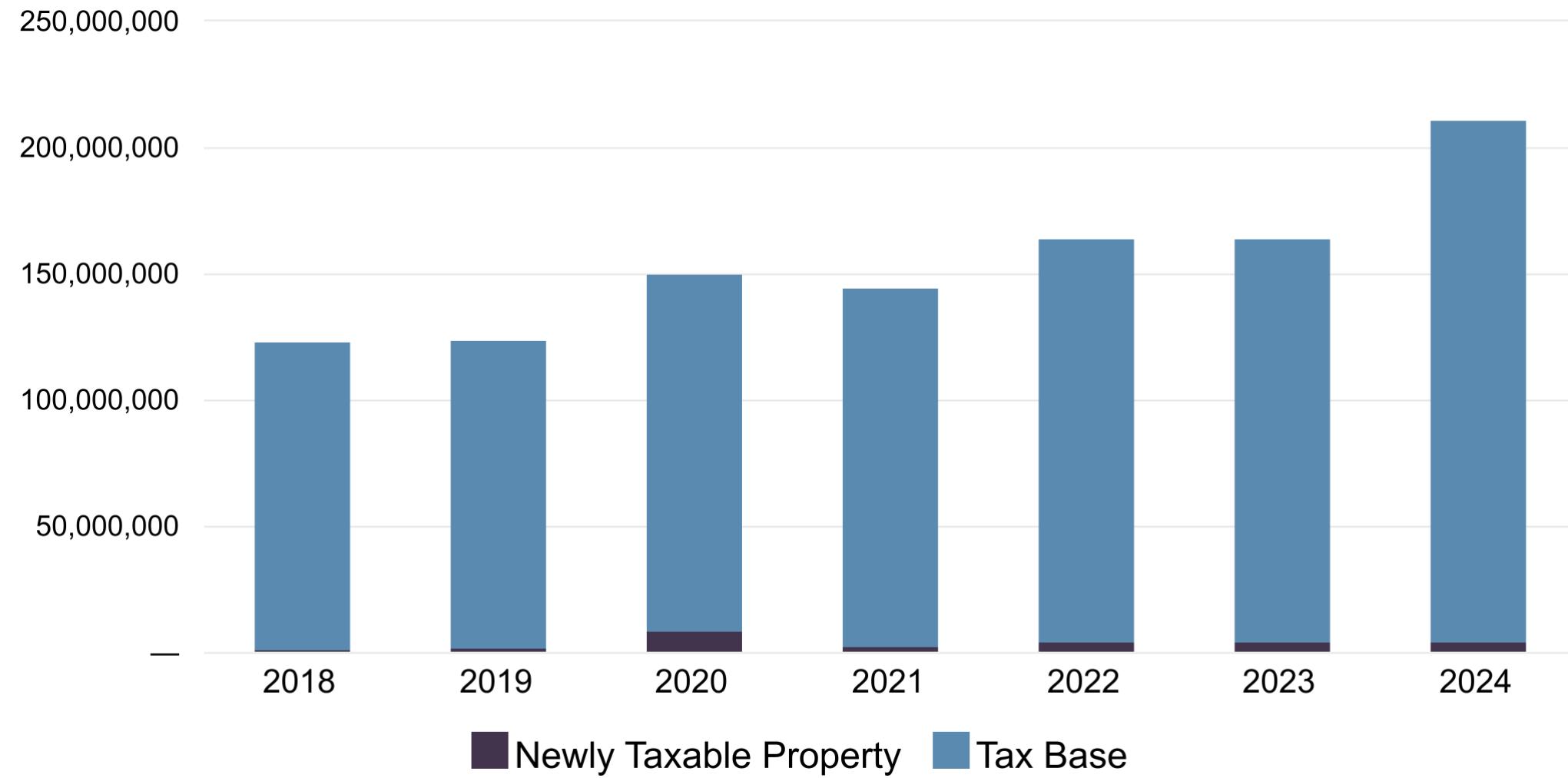
Percent Change in Mill Value



Mills and Assessments



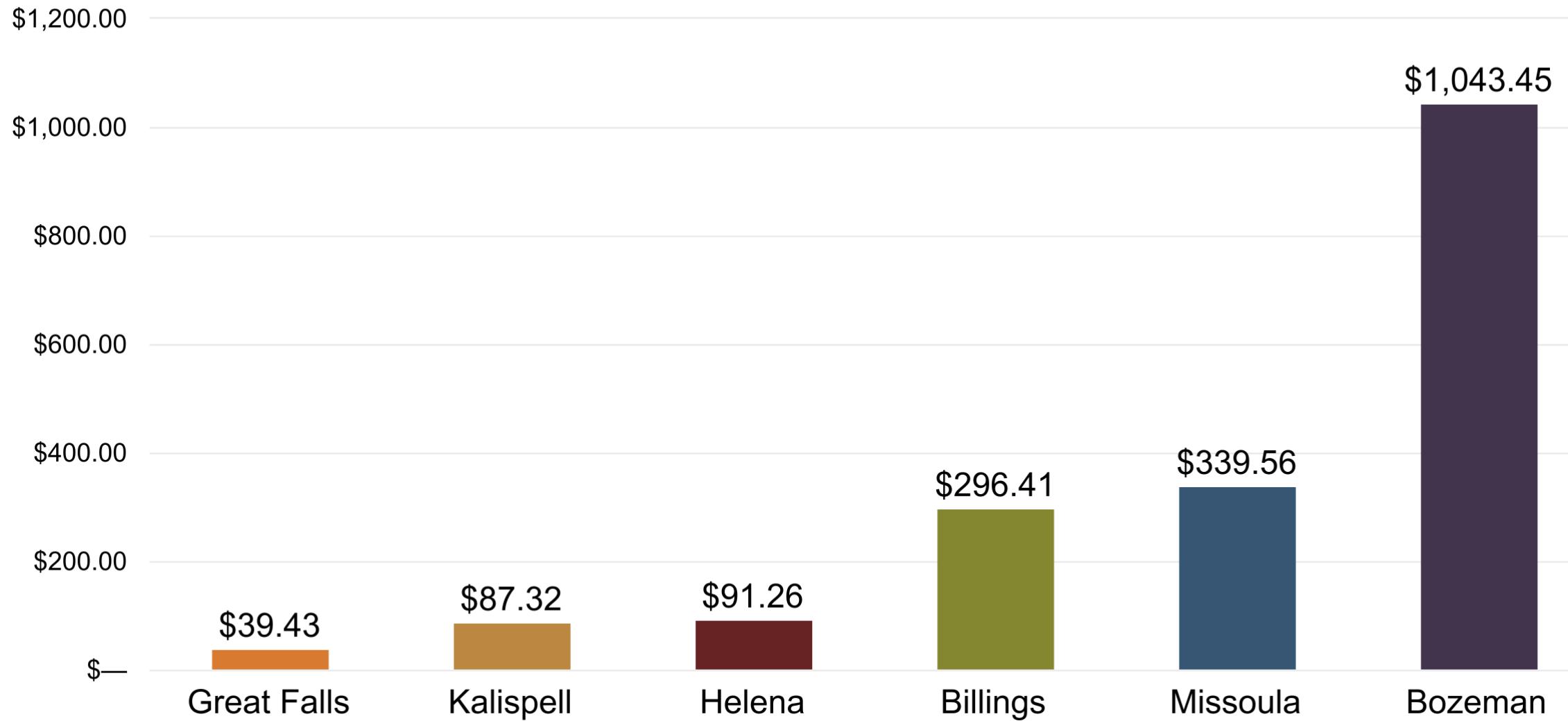
Newly Taxable Property and Existing Tax Base



Peer City Comparisons

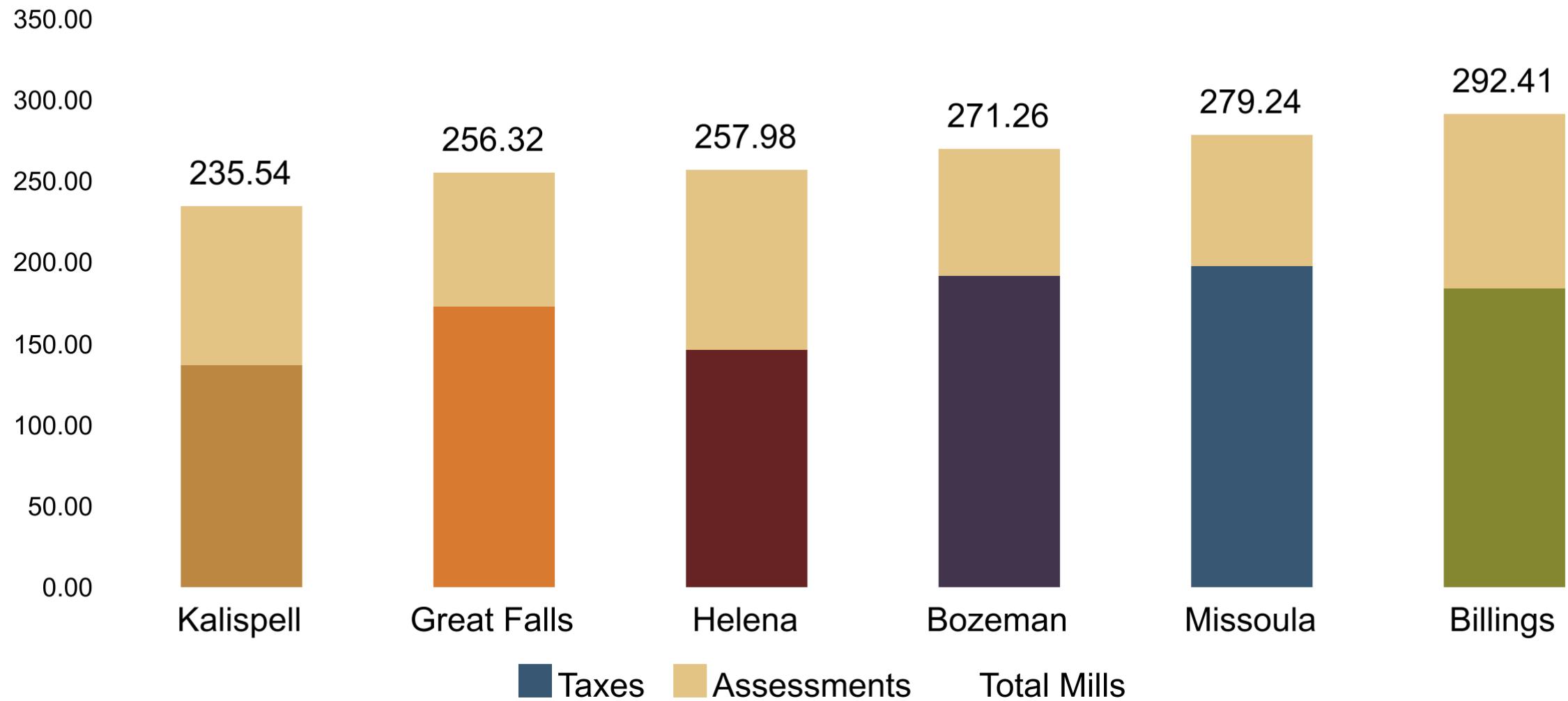
Peer City Comparisons

FY24 Preliminary Debt Per Capita



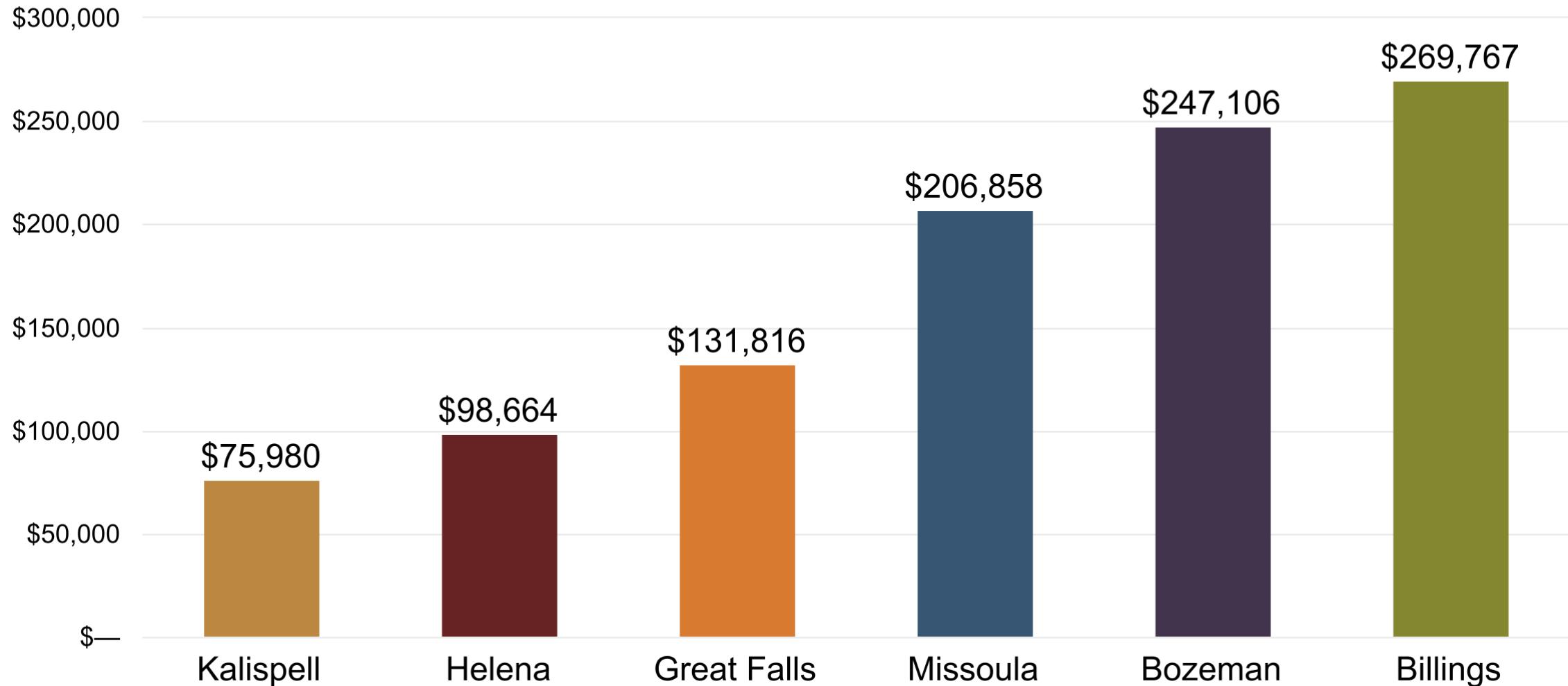
Peer City Comparisons

FY24 Preliminary Taxes and Assessments (Converted to Mills)



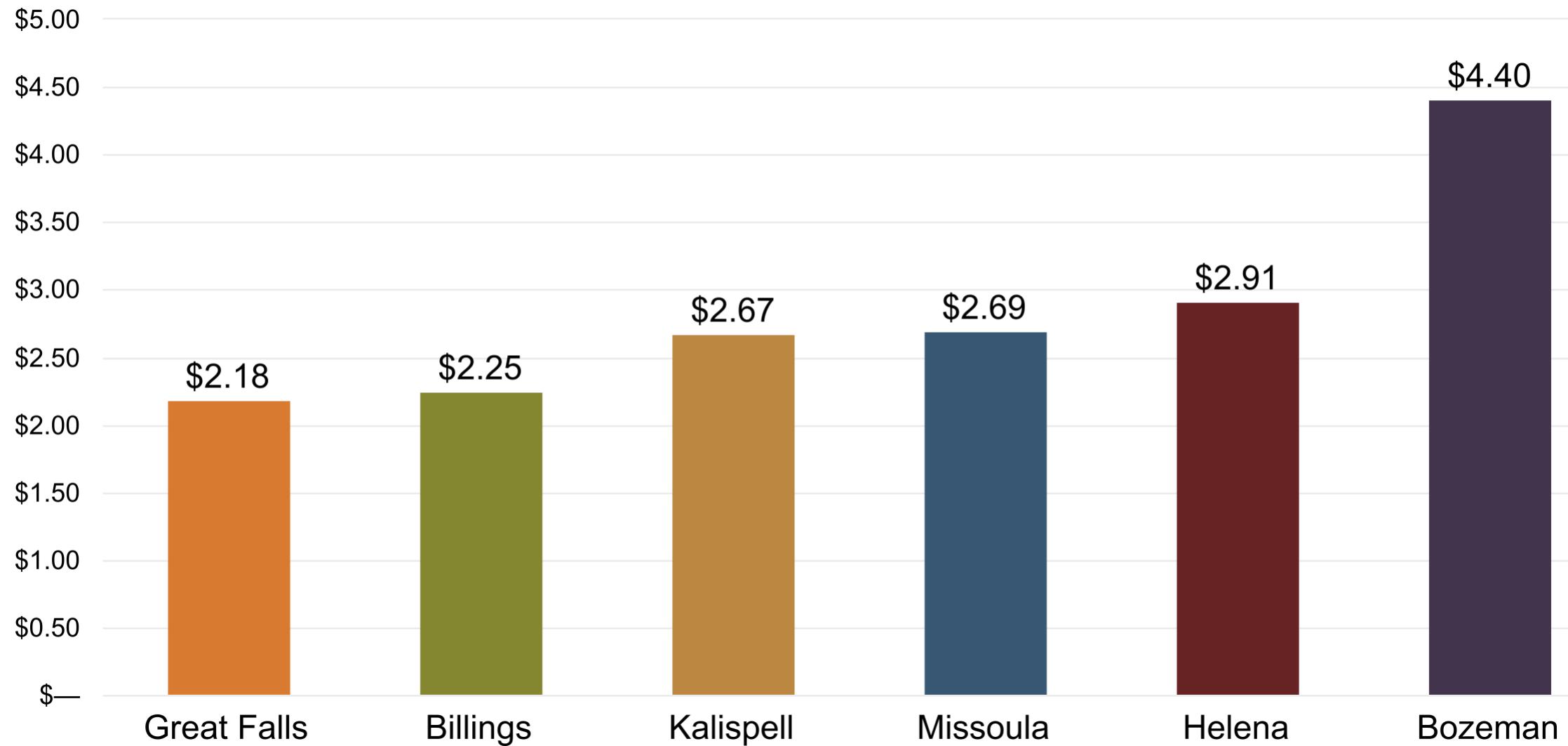
Peer City Comparisons

FY24 Mill Value



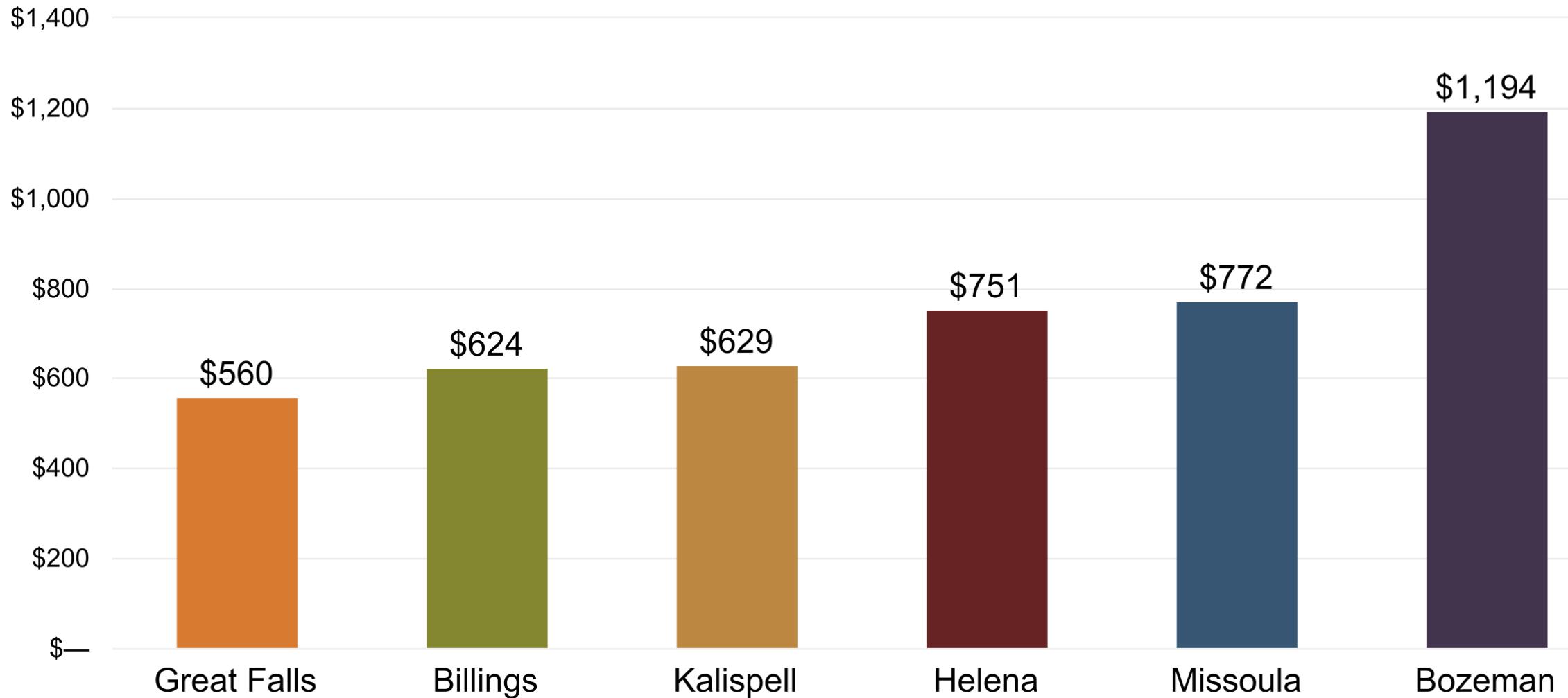
Peer City Comparisons

FY24 Mill Value Per Capita



Peer City Comparisons

FY24 Preliminary Revenue Per Capita



Budget Adoption Process

August 7 & 14, 2023

Budget Public Hearings

Montana State law requires noticed public hearings for these items:

- Annual Appropriations
- Permissive Medical Levy
- Fee increases
- Budgets and Work Plans:
 - Road District
 - Park District
 - Missoula Local Government Building Special District (aka Federal Building)
 - Tourism Business Improvement District
 - Downtown Business Improvement District

Final Consideration on August 21, 2023

Approval at Final Consideration
August 21, 2023

Resolutions to Approve

- A Resolution Fixing the Appropriations & the CIP including the budget and workplans for Road, Park, and Missoula local Government Building Special Districts and the Tourism Business Improvement District & Downtown Business Improvement Districts
- A Resolution Levying General and Special Taxes for municipal and Administrative Purposes.
- Resolutions increasing certain Fees

Resolutions levying taxes and assessments for BID, TBID, Road & Park district will be on the 8/28/2023 agenda