

# 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 % Inc (dec) By Fund	Total Mill % Inc (dec)	Dollars	Mills	Mill Change from '23	Mills % Inc (dec) By Fund	Total 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)%	(10.15)%
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)%	(2.96)%
<b>Subtotal Property Taxes</b>	<b>230.25</b>	<b>1,482,103</b>	<b>7.17</b>	<b>(40.56)</b>	<b>(17.61)%</b>	<b>(13.11)%</b>	<b>39,238,051</b>	<b>189.69</b>	<b>(40.56)</b>	<b>(17.62)%</b>	<b>(13.11)%</b>
Road District #1	38.68	732,944	3.23	3.03	7.83 %	0.98 %	9,472,533	41.71	3.03	7.83 %	0.98 %
Park District #1	40.48	796,530	3.51	(1.49)	(3.68)%	(0.48)%	8,875,760	39.08	(1.40)	(3.46)%	(0.45)%
<b>Subtotal District Assessments</b>	<b>79.16</b>	<b>1,529,474</b>	<b>6.74</b>	<b>1.54</b>	<b>1.95 %</b>	<b>0.50 %</b>	<b>18,348,293</b>	<b>80.79</b>	<b>1.63</b>	<b>2.06 %</b>	<b>0.53 %</b>
<b>Total Mill Levies &amp; District Assessments</b>	<b>309.41</b>	<b>3,011,577</b>	<b>13.91</b>	<b>(39.02)</b>	<b>-12.61%</b>	<b>-12.61%</b>	<b>57,586,345</b>	<b>270.48</b>	<b>(38.93)</b>	<b>-12.58%</b>	<b>-12.58%</b>
<b>Voted Levies</b>											
Voted G.O. Bond debt (all)	6.13	—	—	(1.28)	(20.88)%	(12.64)%	1,003,874	4.85	(1.28)	(20.88)%	(12.64)%
Conservation Lands Maint Levy	4.00	—	—	—	— %	— %	827,430	4.00	—	— %	— %
<b>Total Voted Levies</b>	<b>10.13</b>	<b>—</b>	<b>—</b>	<b>(1.28)</b>	<b>(12.64)%</b>	<b>(12.64)%</b>	<b>1,831,304</b>	<b>8.85</b>	<b>(1.28)</b>	<b>(12.64)%</b>	<b>(12.64)%</b>
<b>Total All Assessments and Levies</b>	<b>319.54</b>	<b>3,011,577</b>	<b>13.91</b>	<b>(40.30)</b>	<b>(12.61)%</b>	<b>(12.61)%</b>	<b>59,417,649</b>	<b>279.33</b>	<b>(40.21)</b>	<b>(12.58)%</b>	<b>(12.58)%</b>



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%)
<b>Total increase in revenue for City services</b>	<b>\$6,382,760</b>	<b>12%</b>

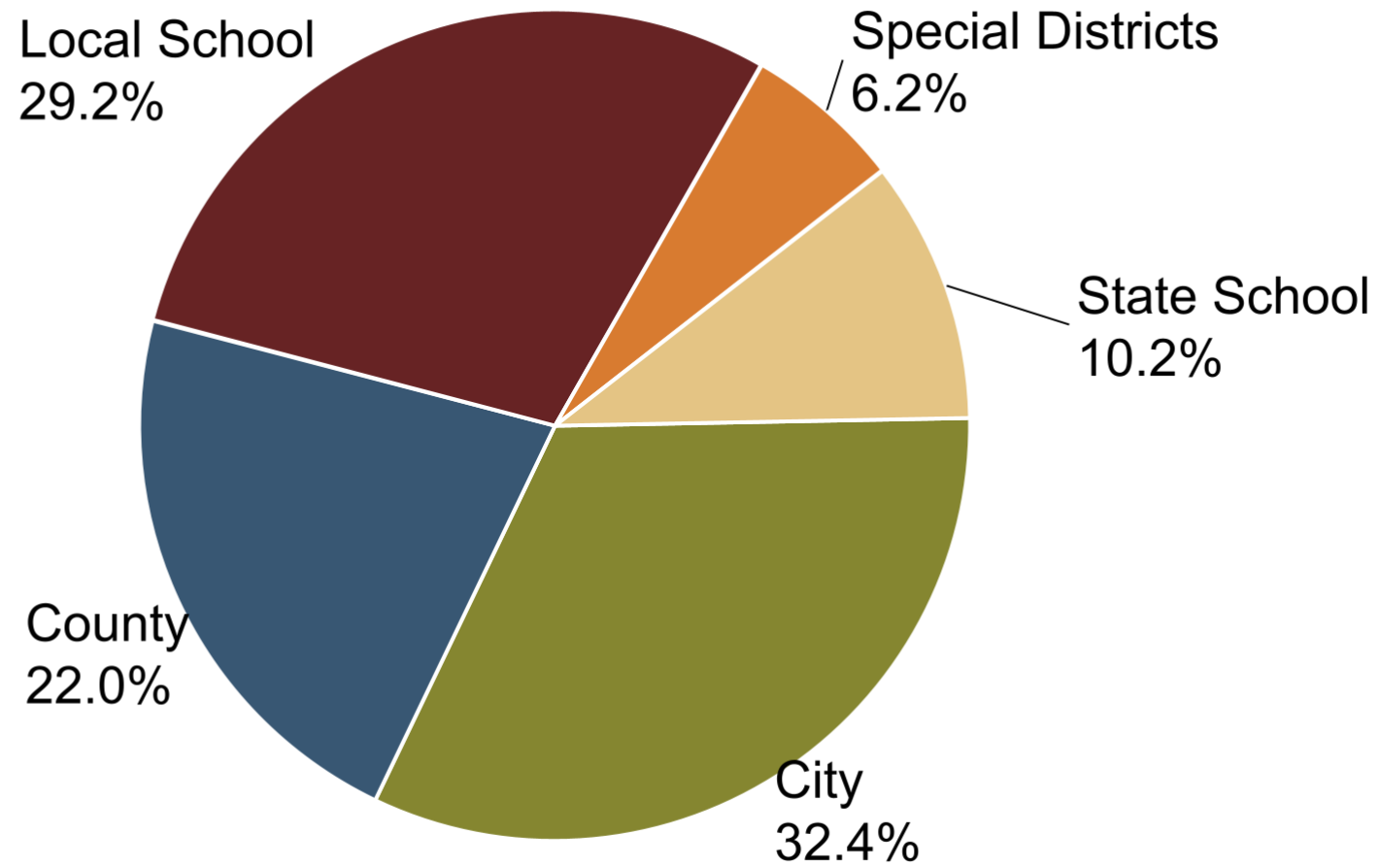
**Total budget for all tax-supported funds: \$102 million**

**9.78% median tax increase inclusive of reappraisal**



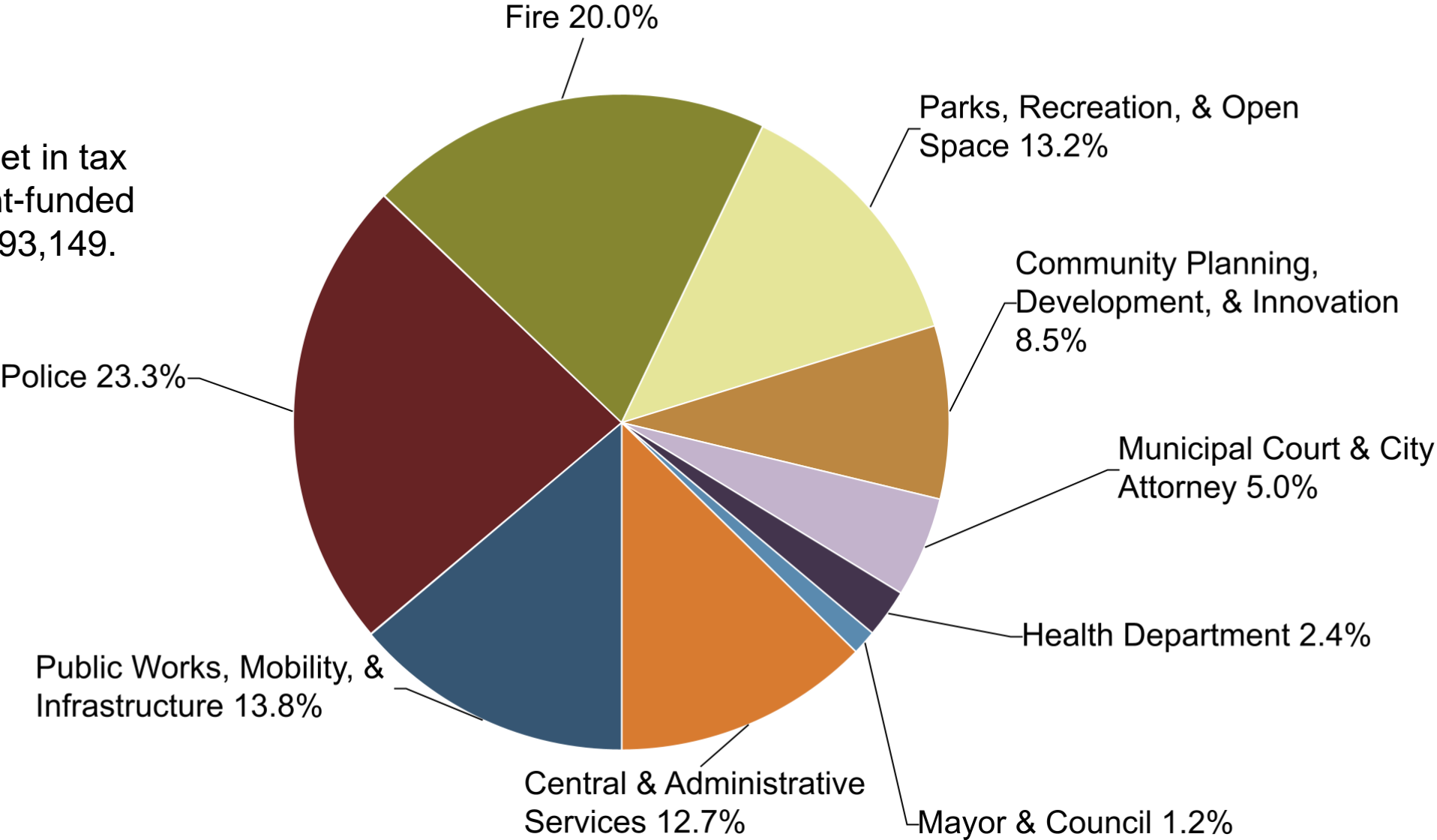
# Tax Distributions

## Tax Distribution FY23



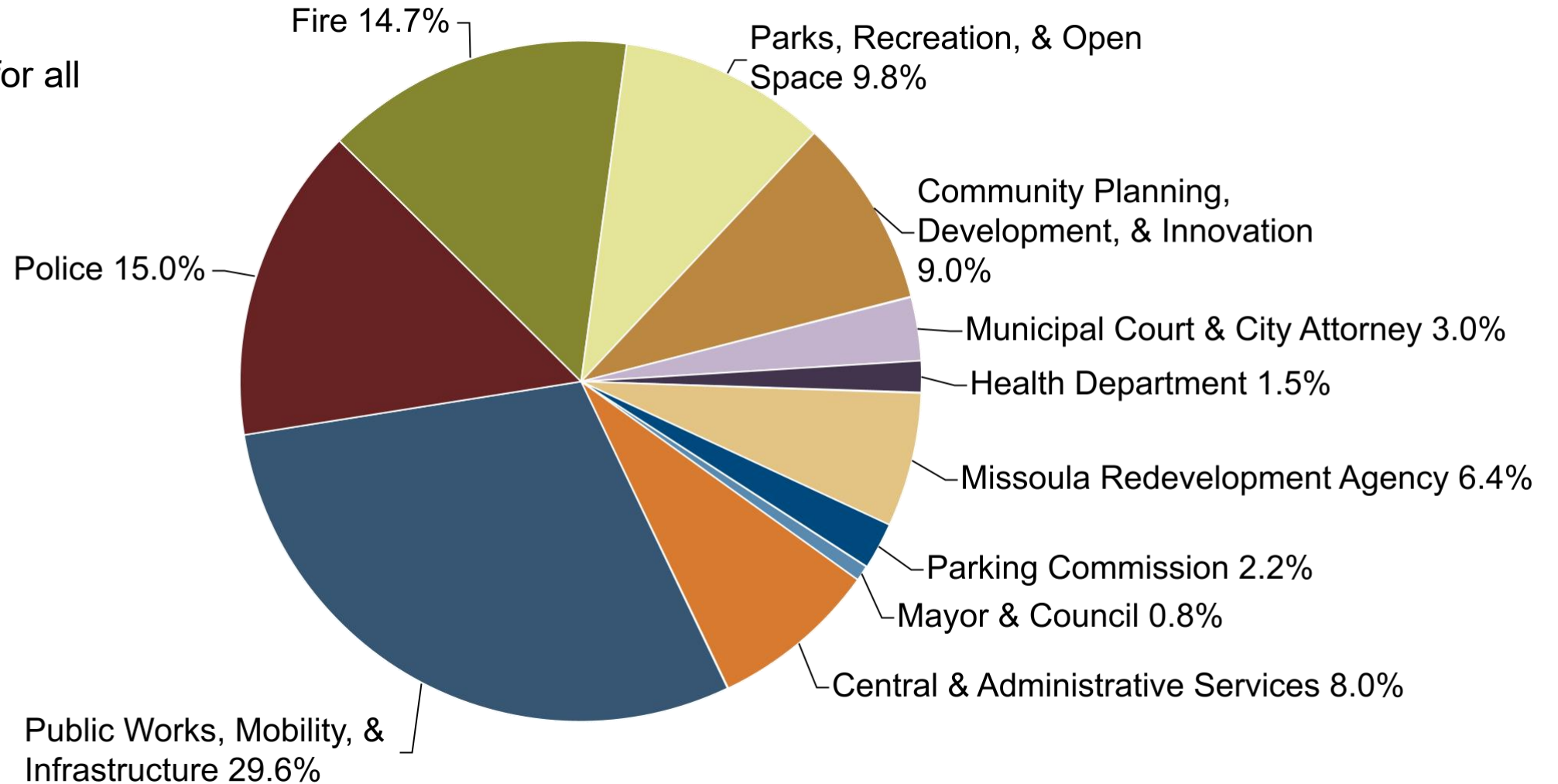
# City Budget - Taxes & Assessments

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



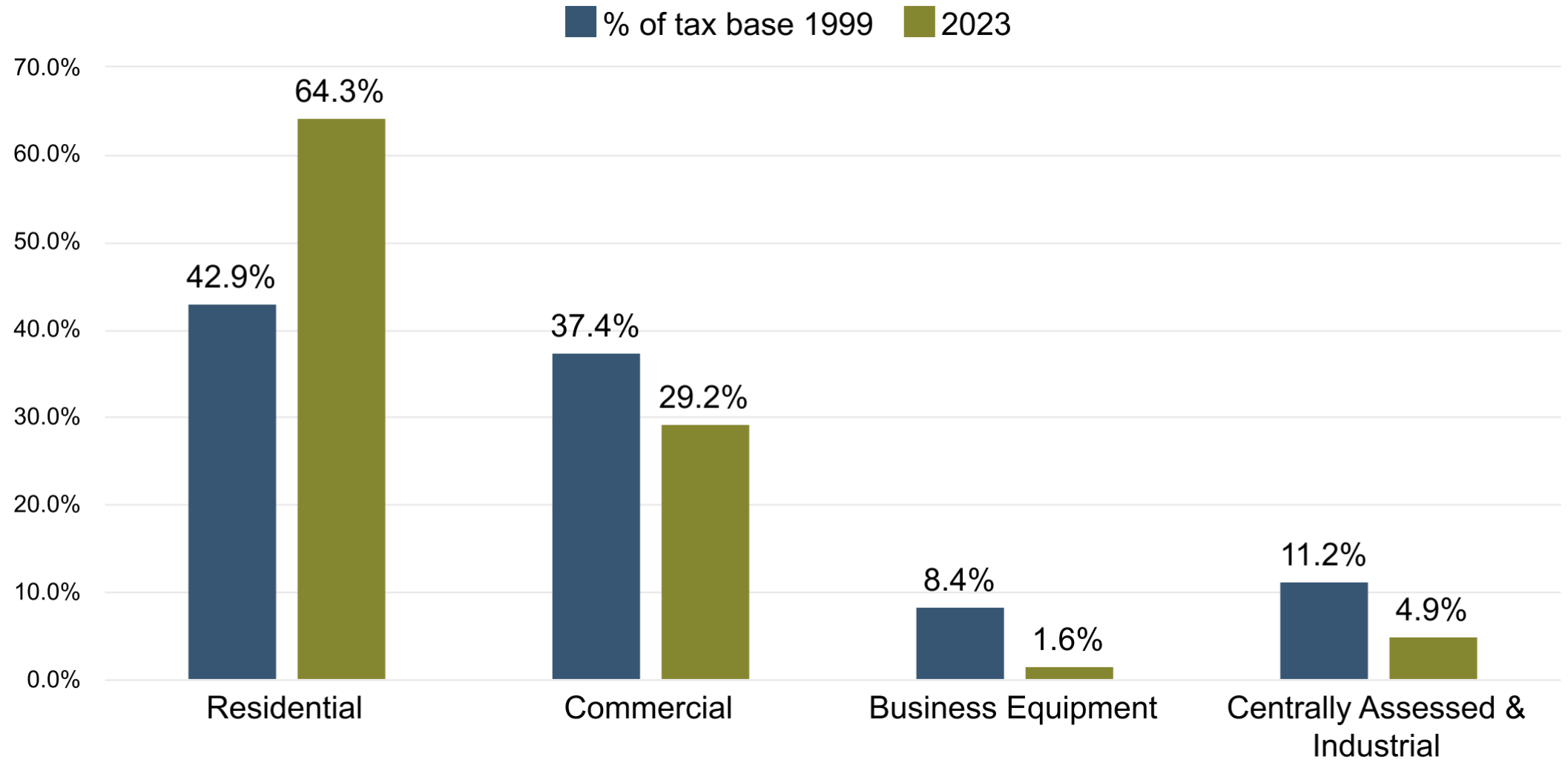
## City Budget - All Operating Funds

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



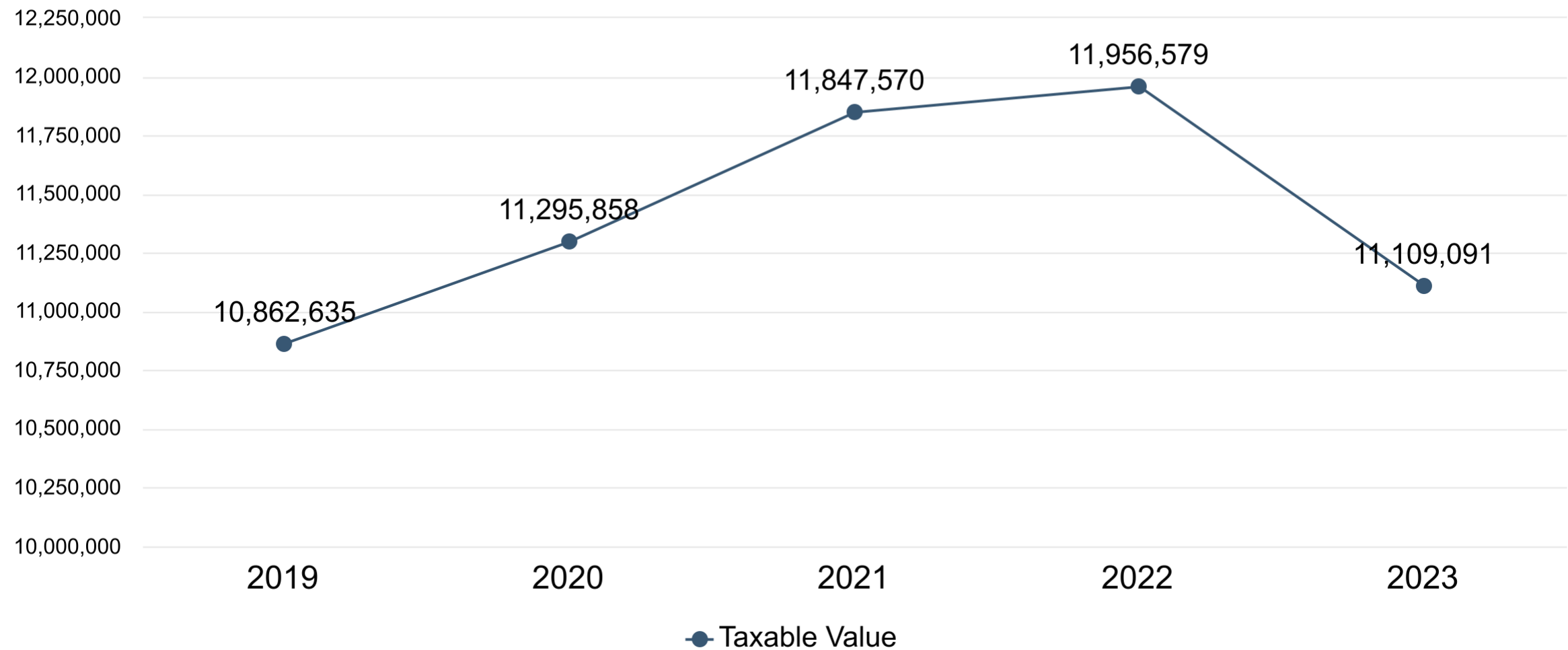
# Property Tax Trends

## Property Taxes - Who Pays



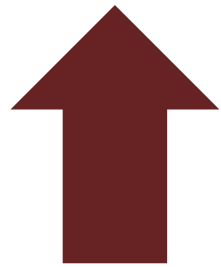
# Property Tax Trends

## Centrally Assessed



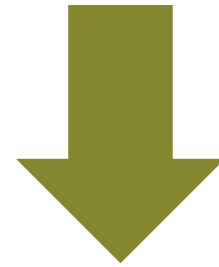
## Property Tax Trends

Change in taxable value from 2022 to 2023



**35%**

**Residential**



**7%**

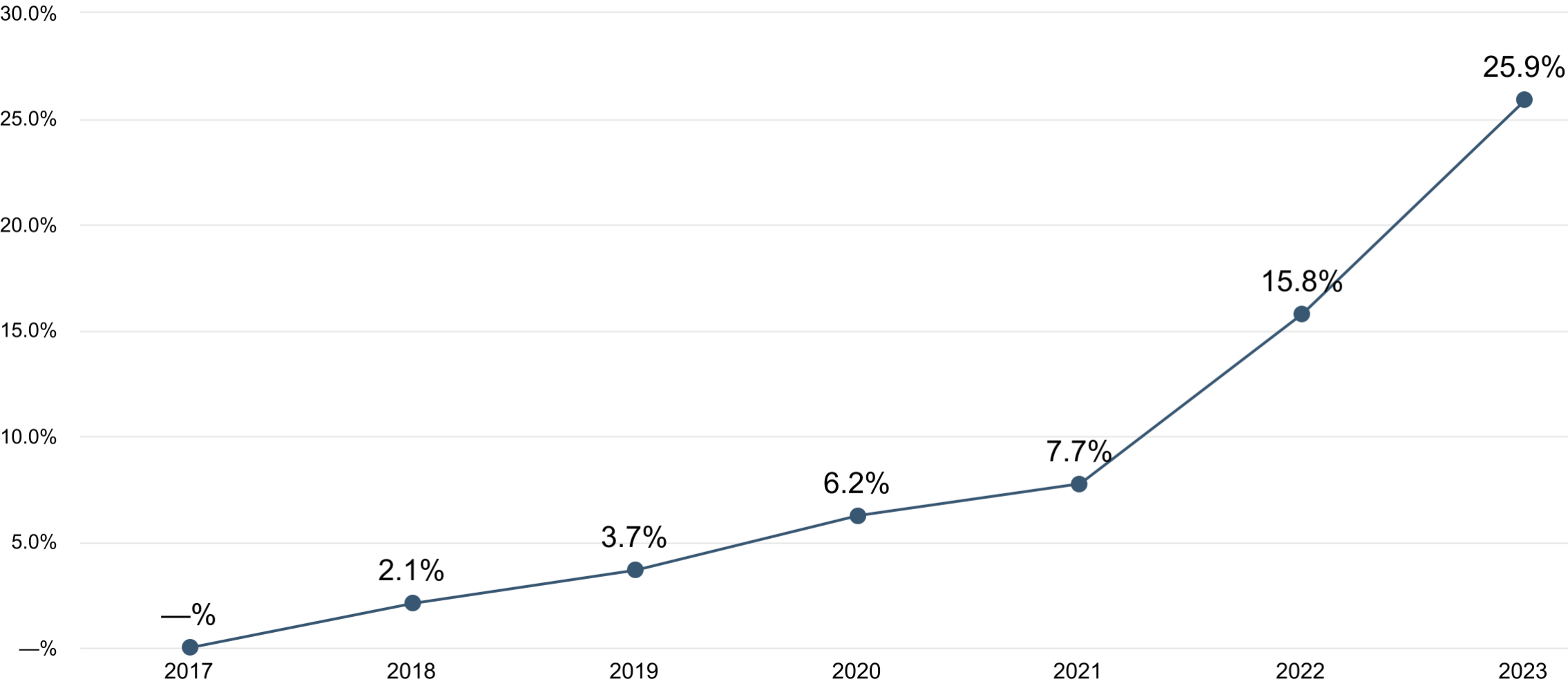
**Centrally  
Assessed**



# **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

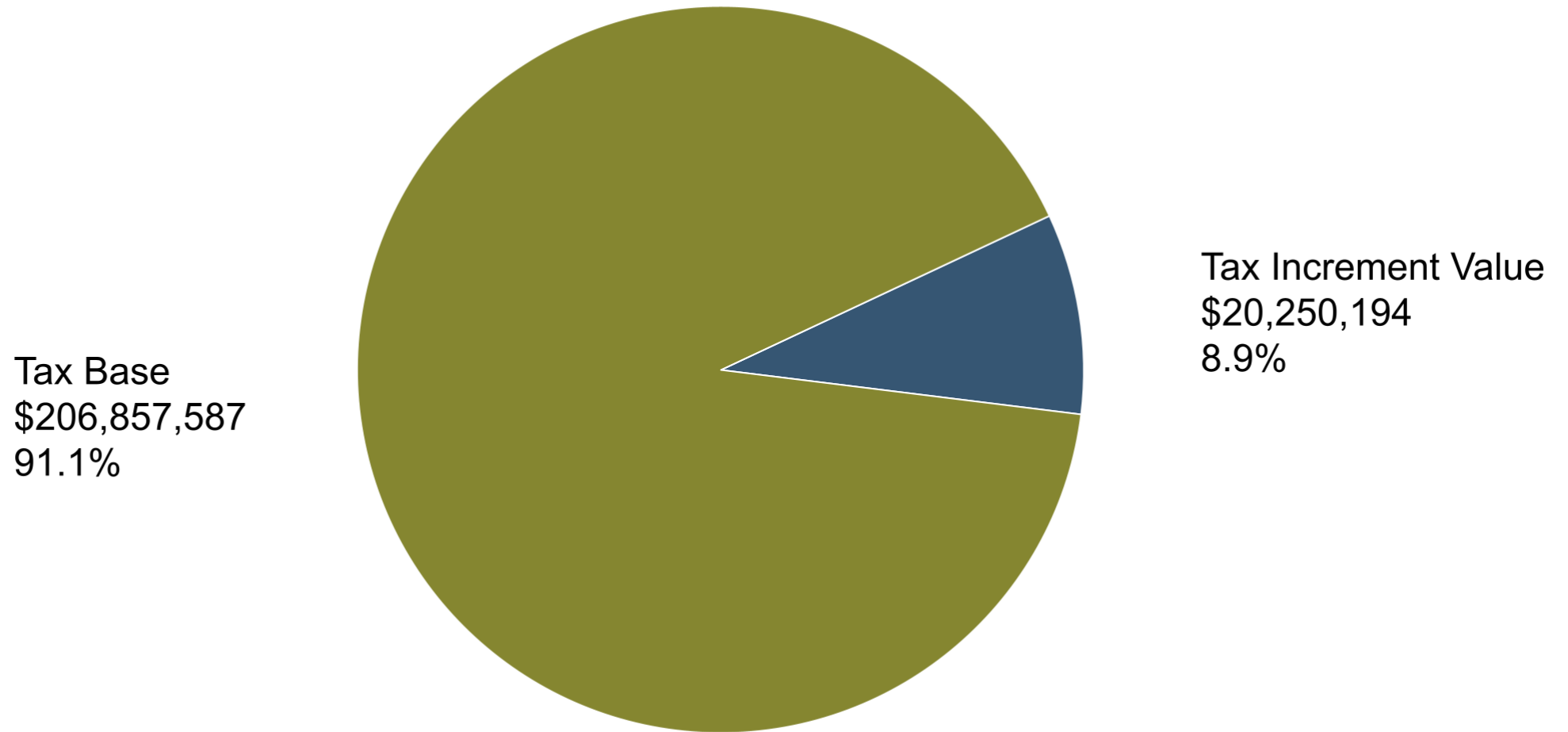
 **13.7%**  
since 2020



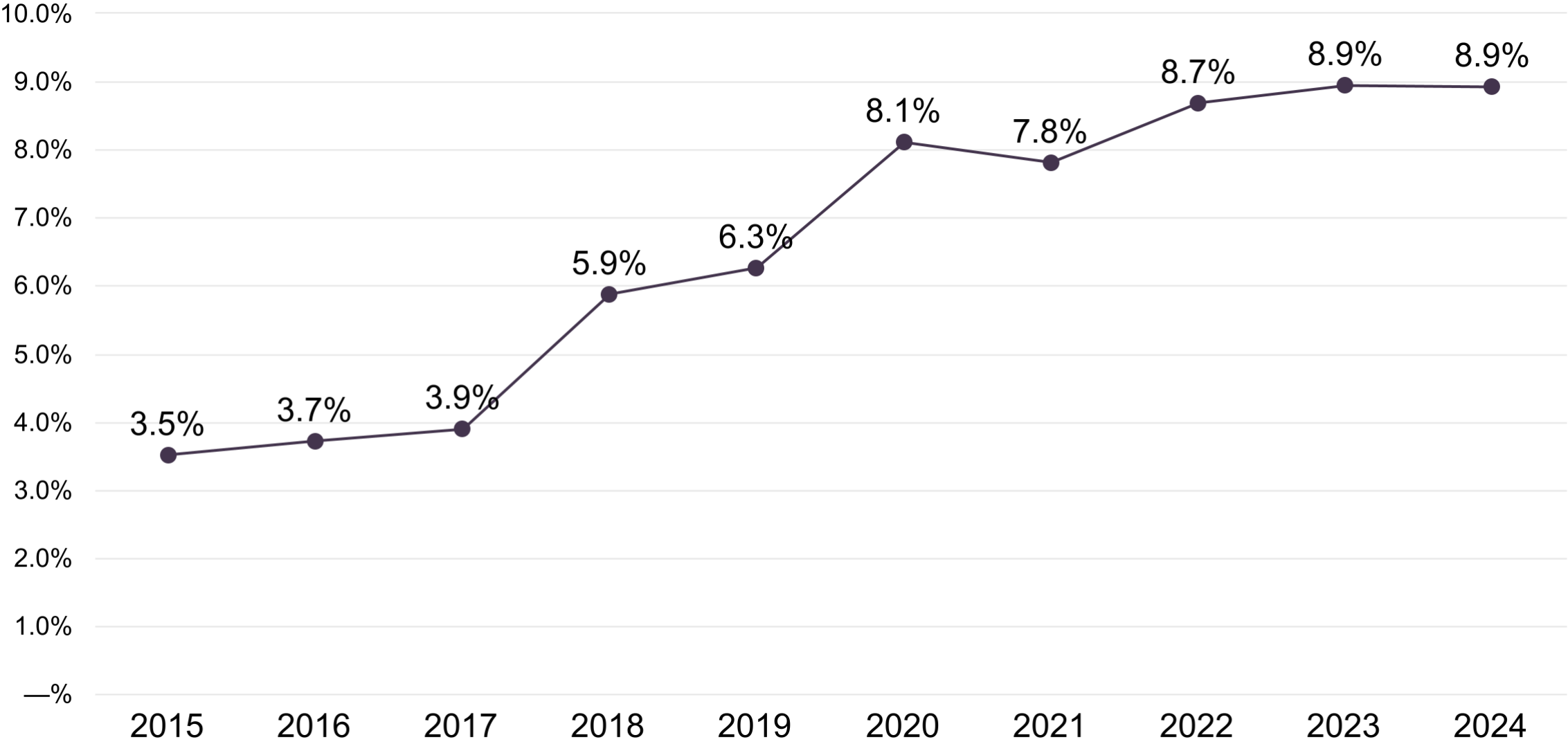
Average Cost of Living  
Adjustment in Western  
Region  
(Department of Labor)

# **Urban Renewal Districts & Tax Increment Financing**

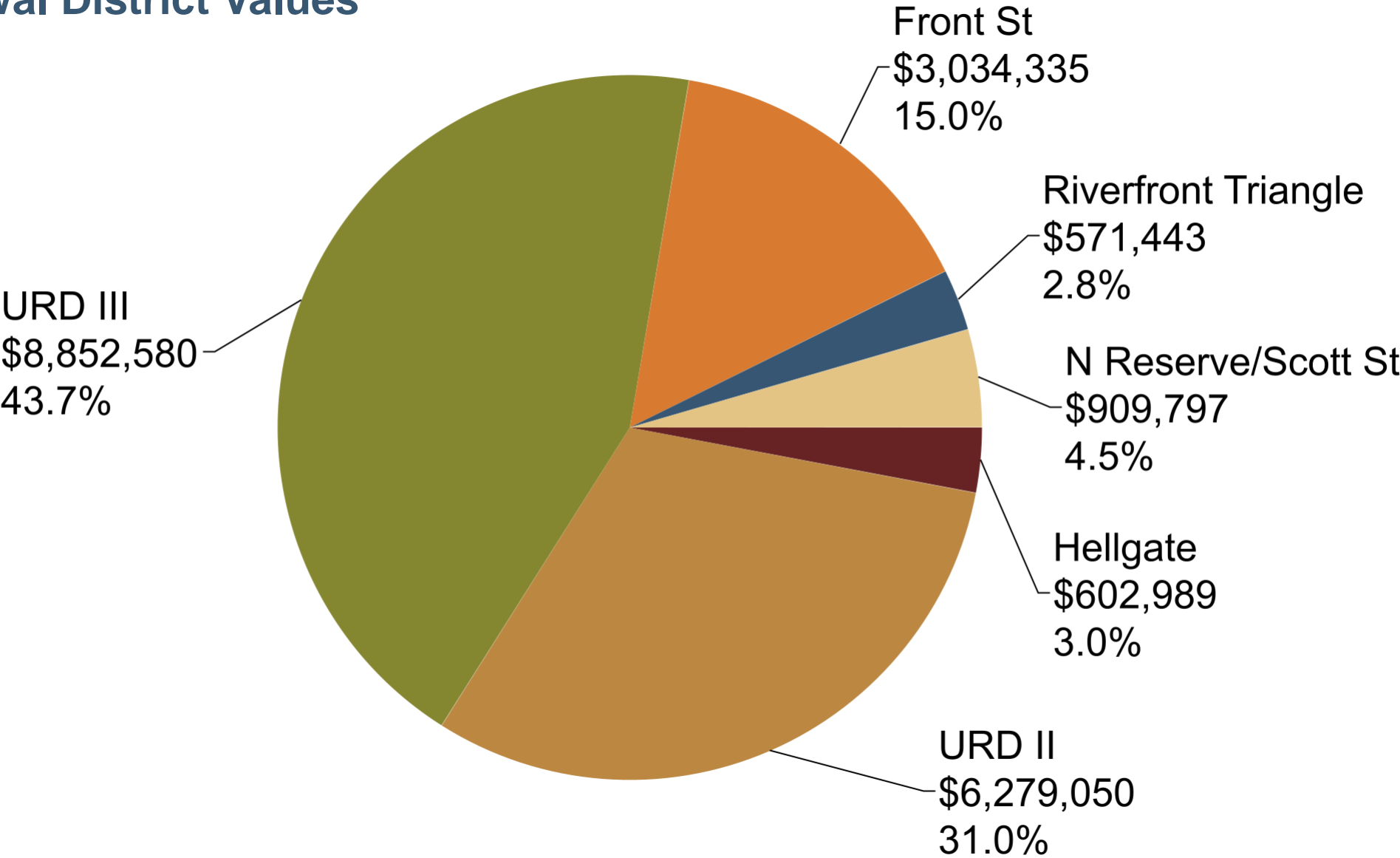
## Tax Increment Financing and Tax Base



# TIF Districts as Percentage of Total Taxable Value

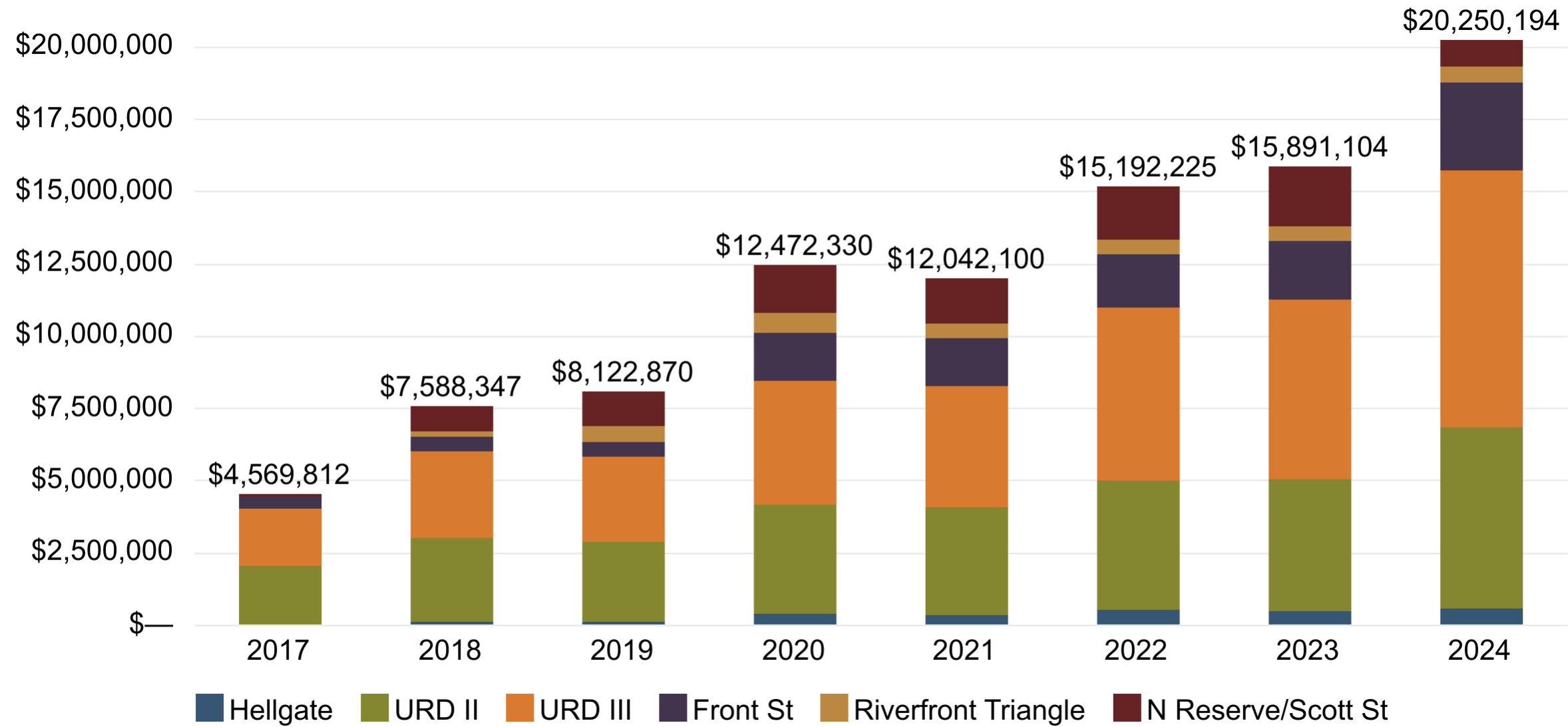


# Urban Renewal District Values

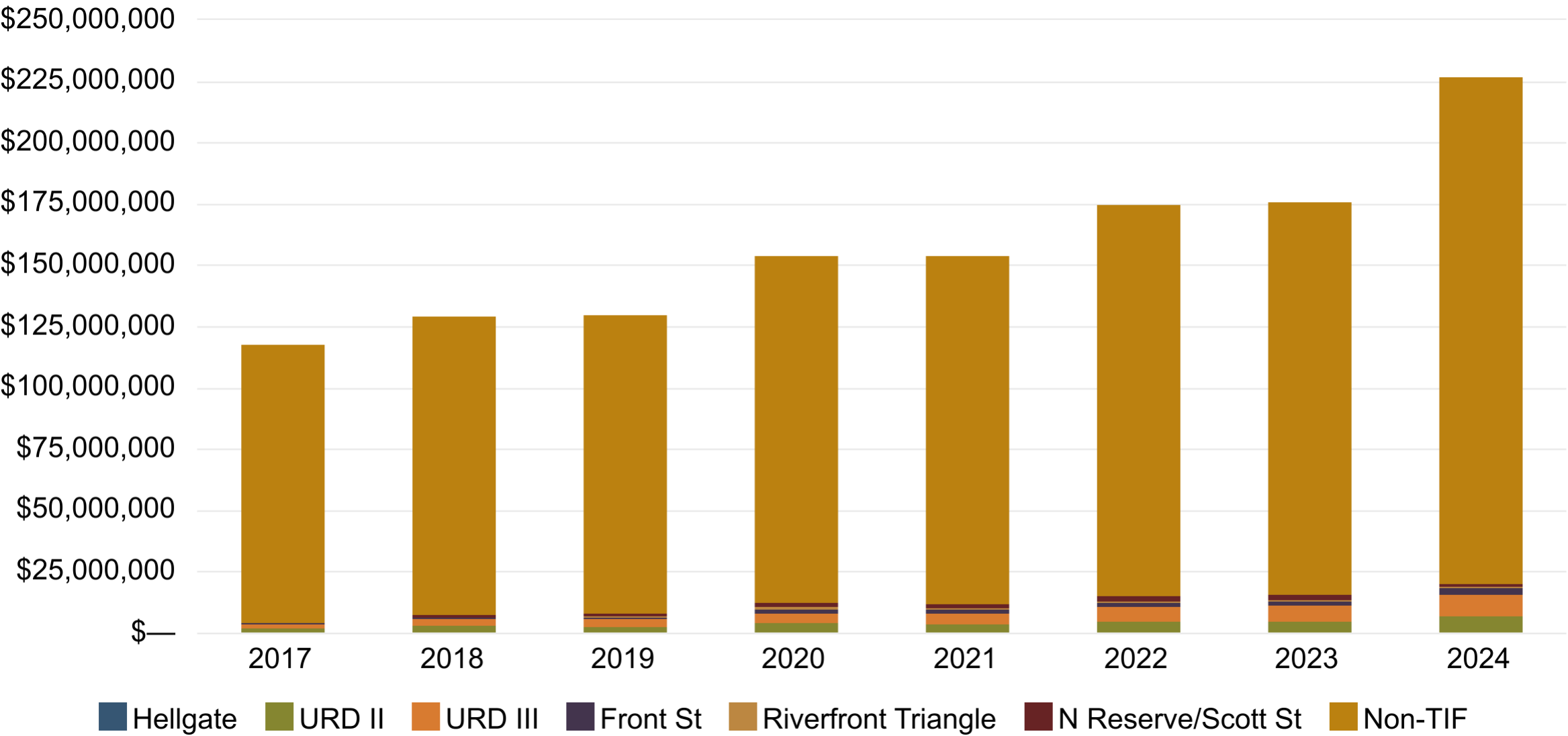




# Tax Increment District Trends

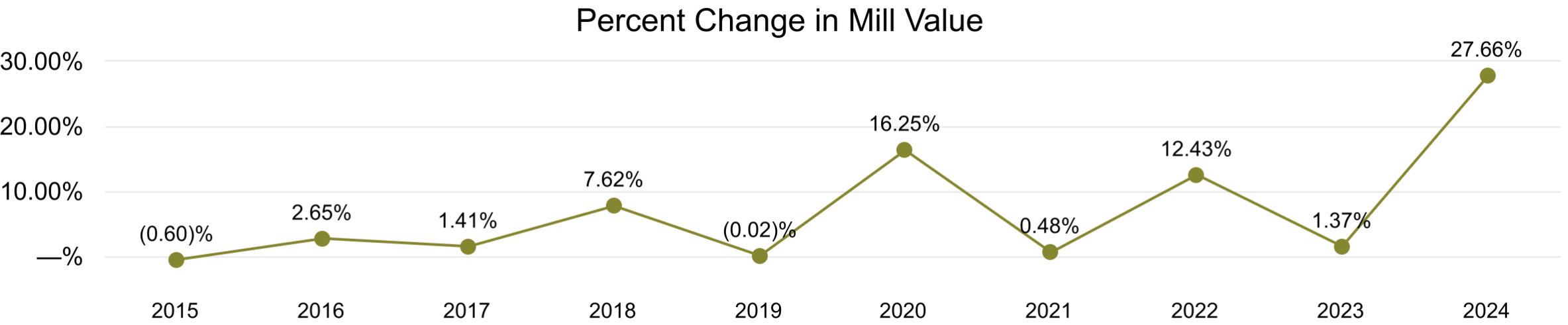
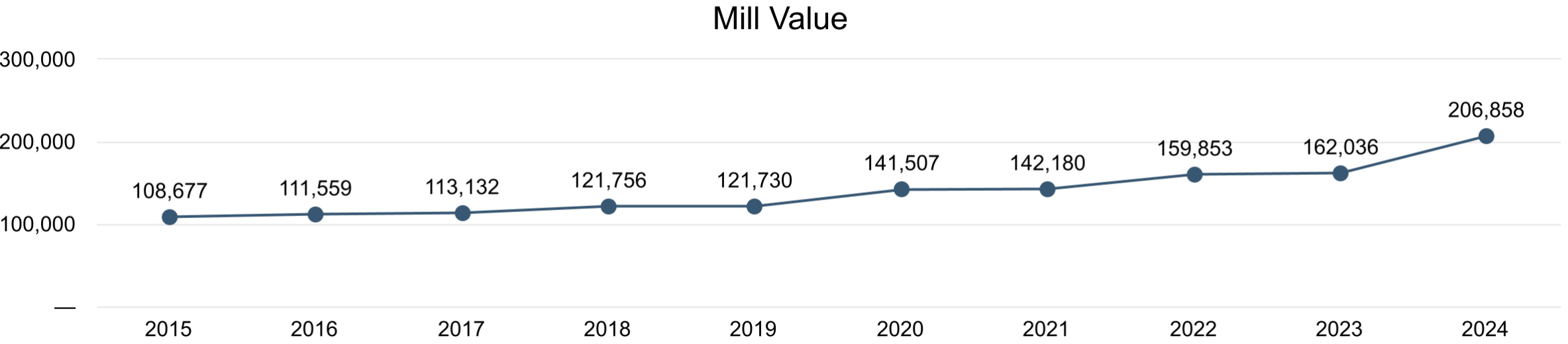


# Tax Increment District Trends

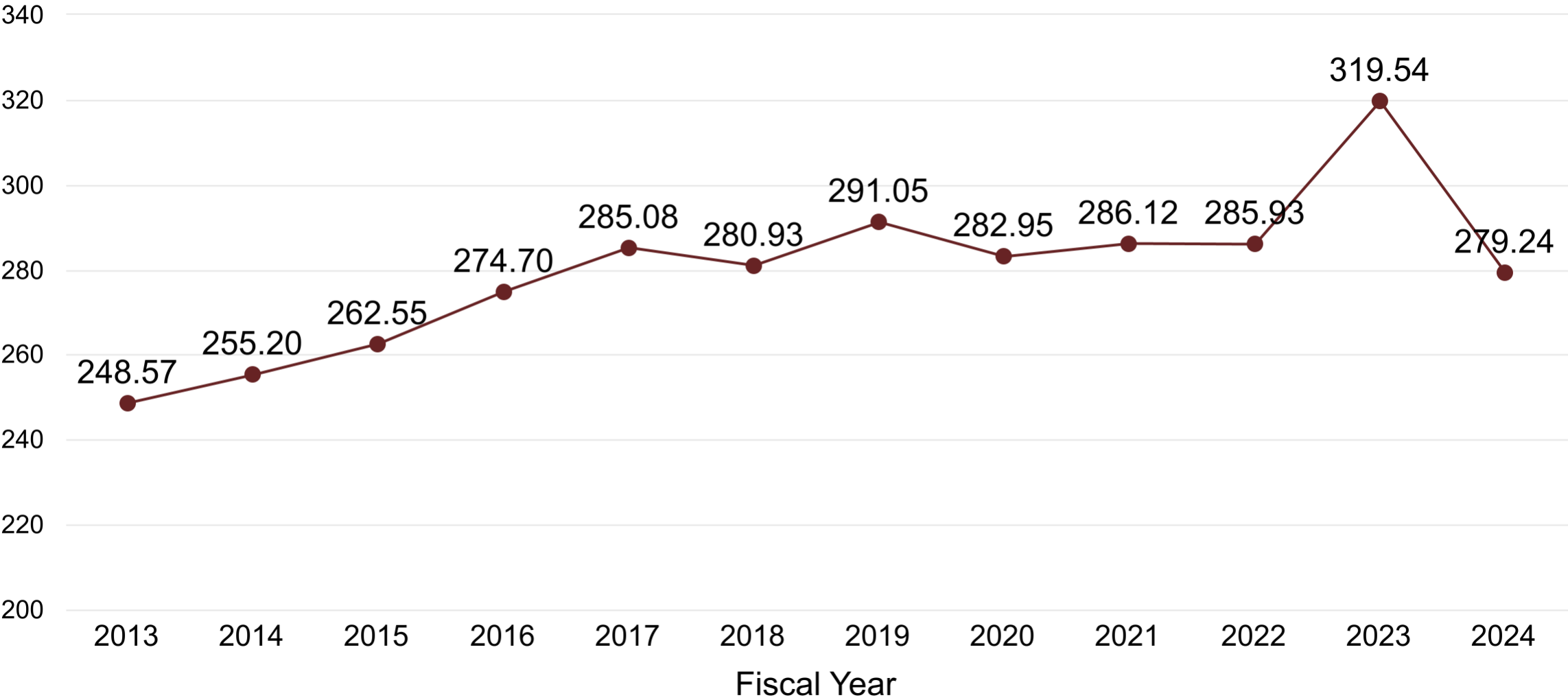


# **Taxable Value & Mill Trends**

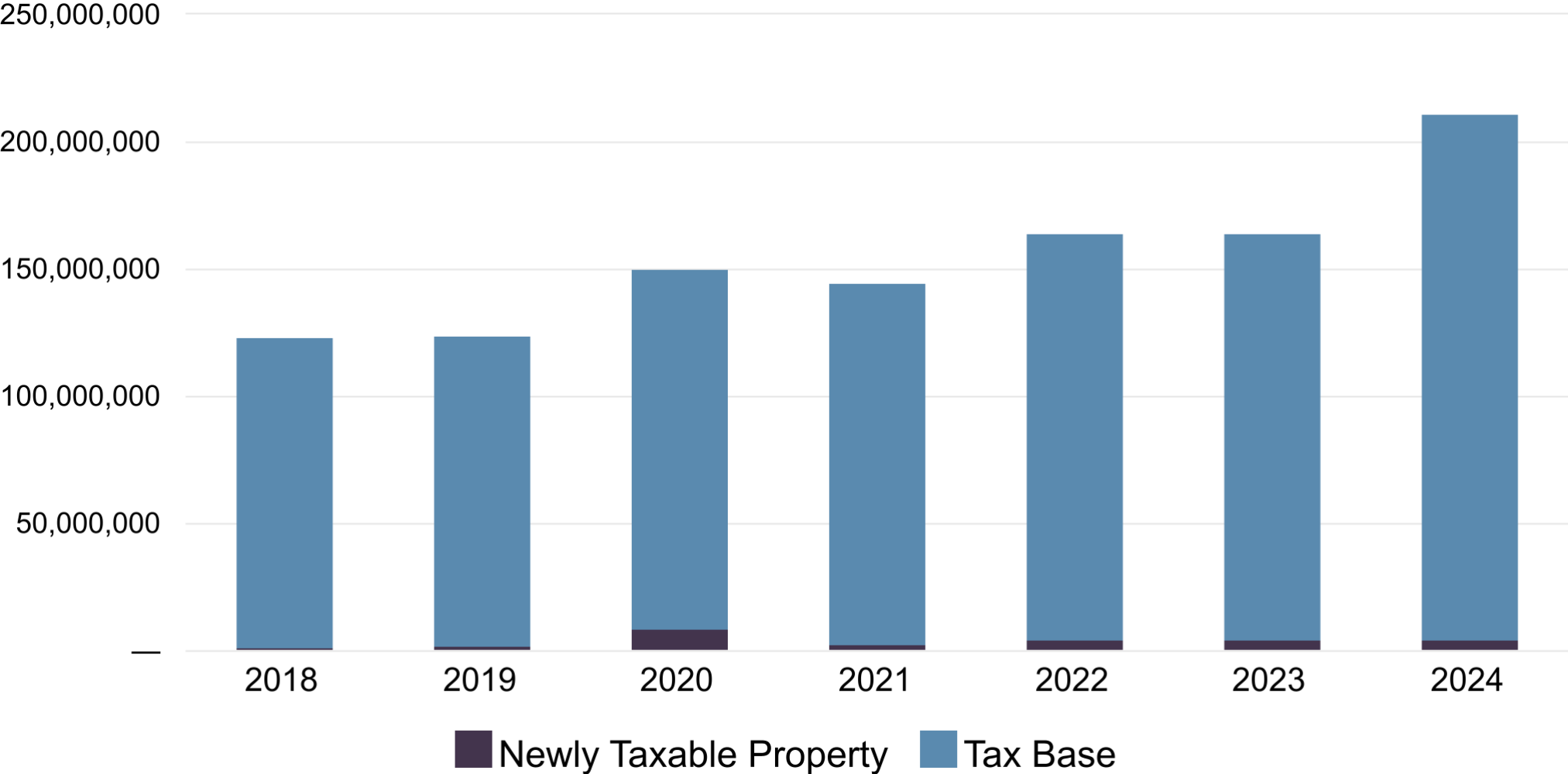
# Mill Value



# Mills and Assessments



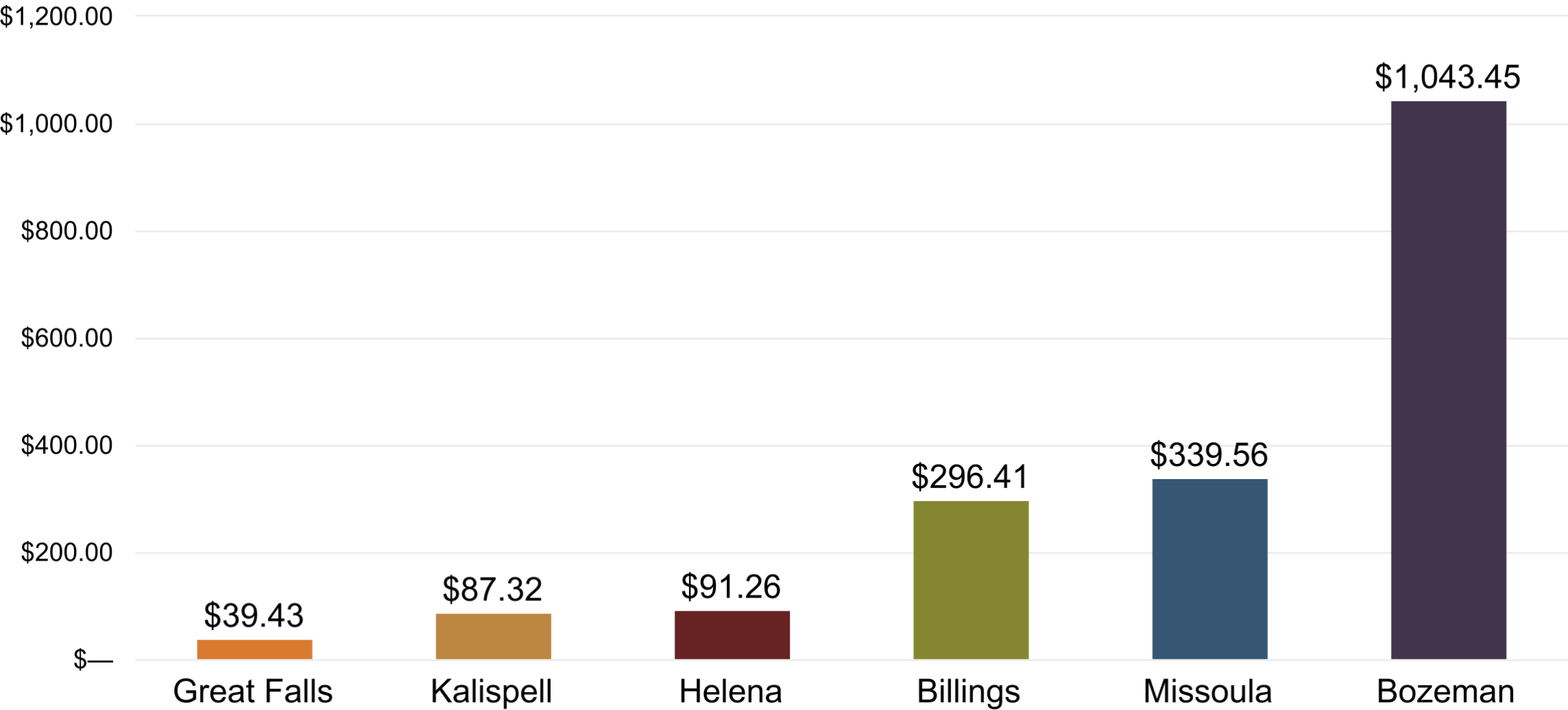
# Newly Taxable Property and Existing Tax Base



# Peer City Comparisons

# Peer City Comparisons

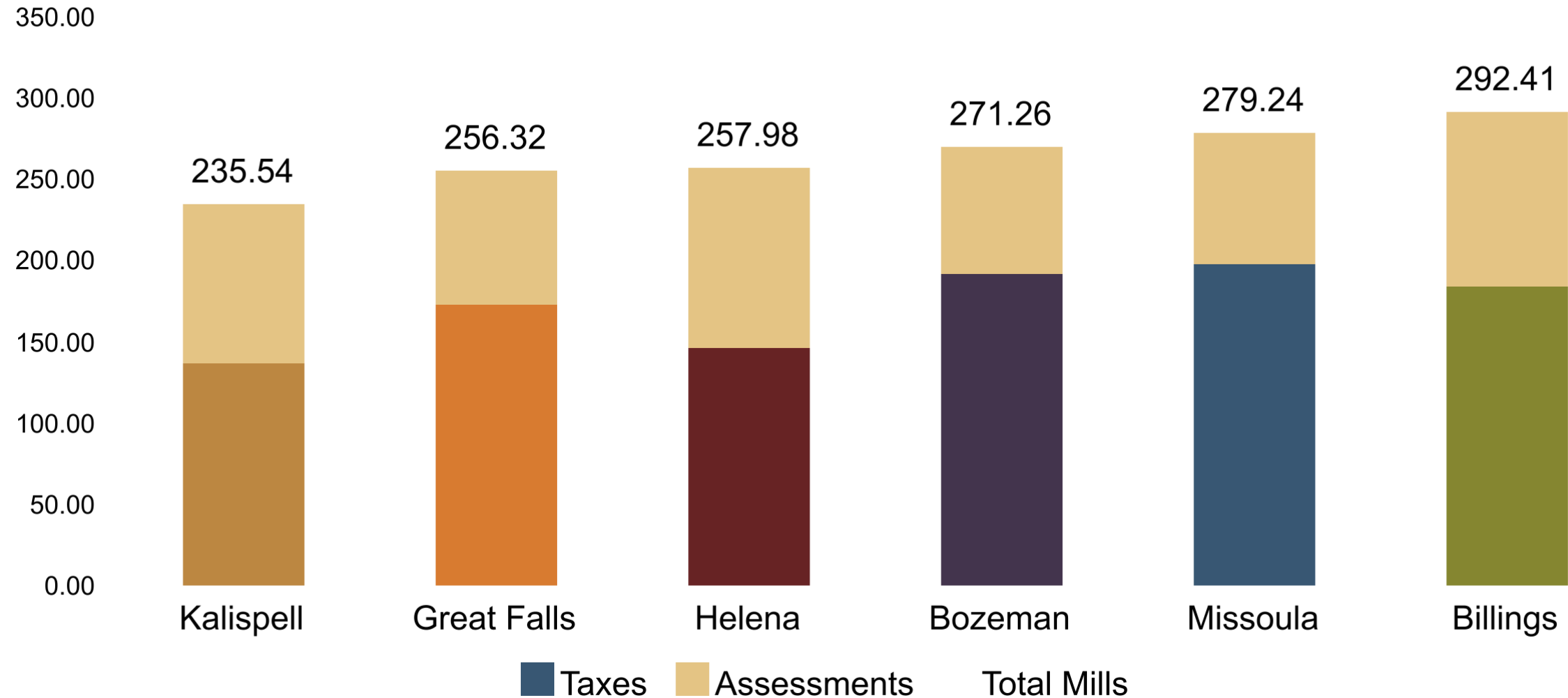
## FY24 Preliminary Debt Per Capita





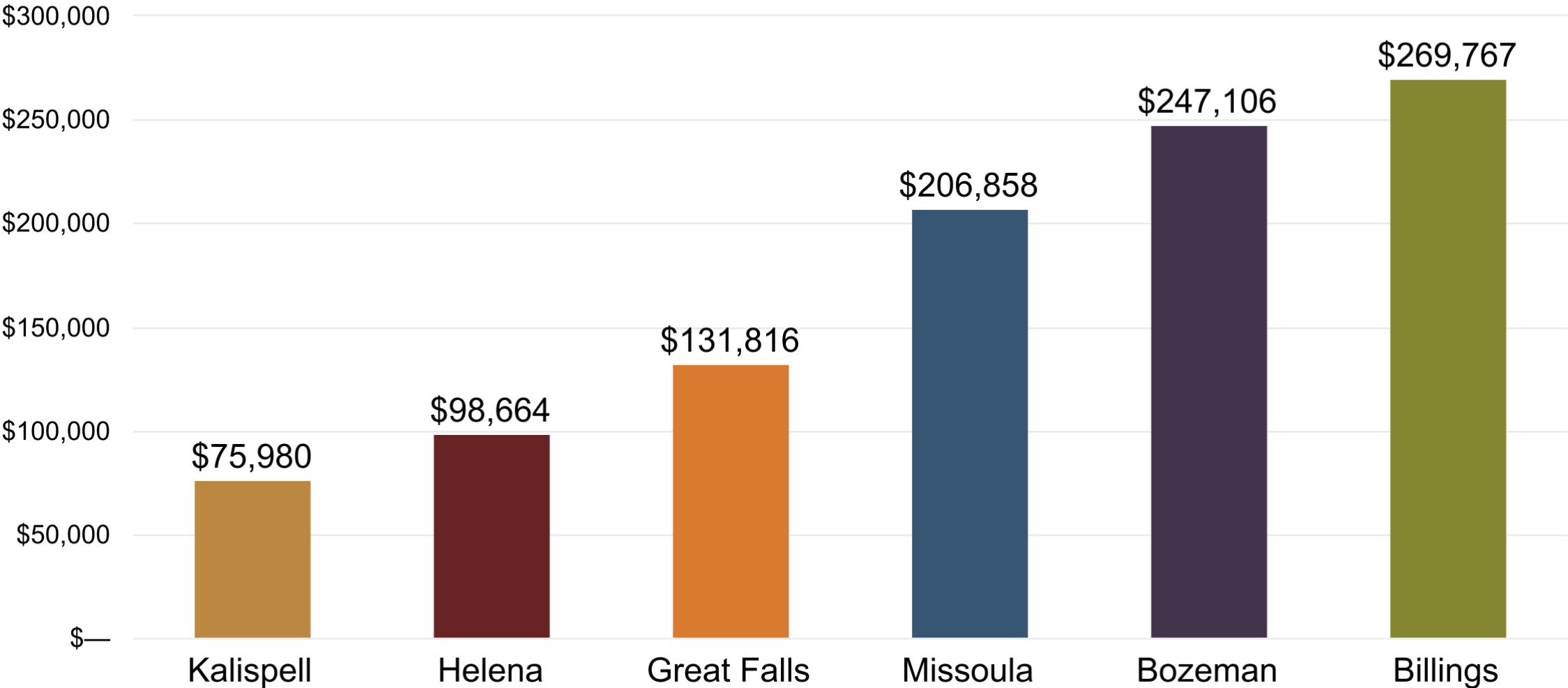
# Peer City Comparisons

## FY24 Preliminary Taxes and Assessments (Converted to Mills)



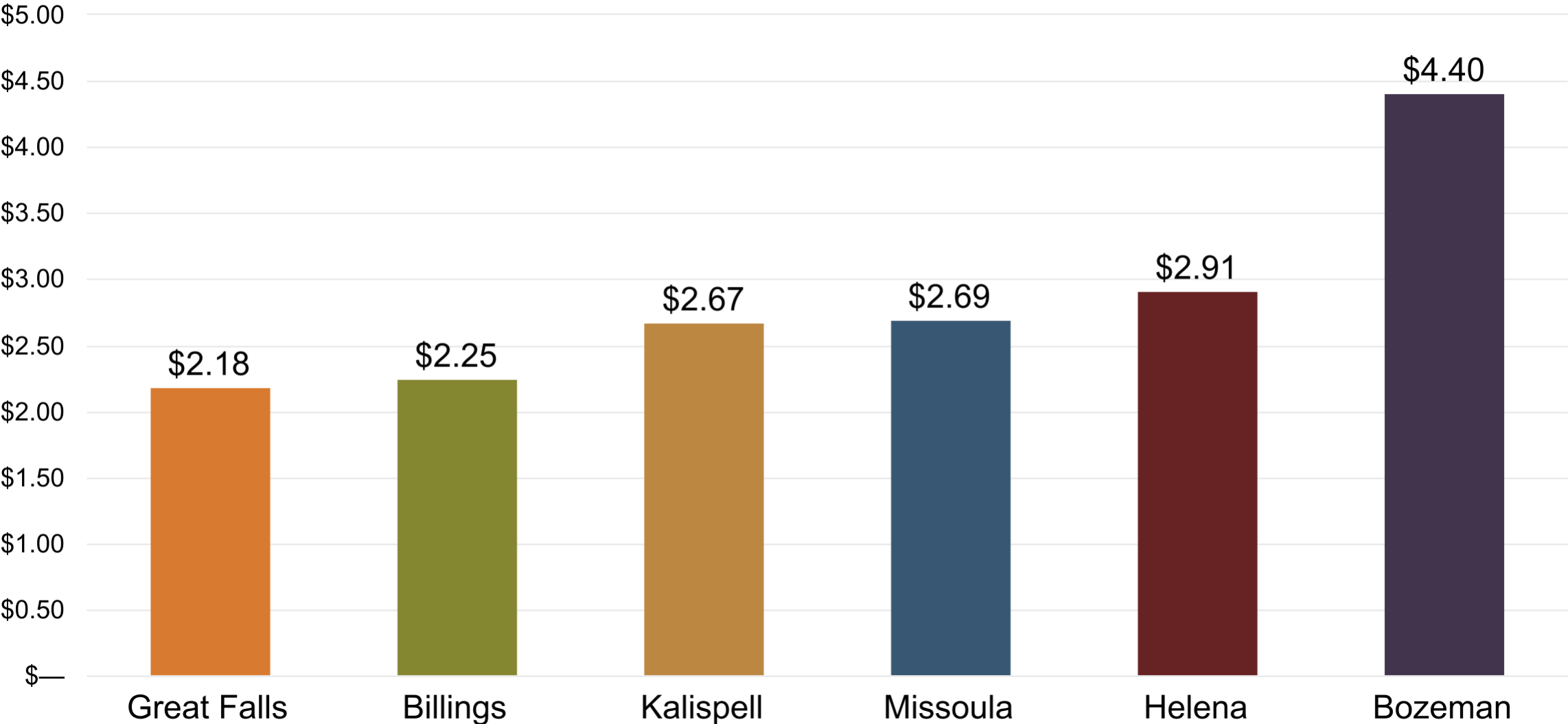
# Peer City Comparisons

FY24 Mill Value



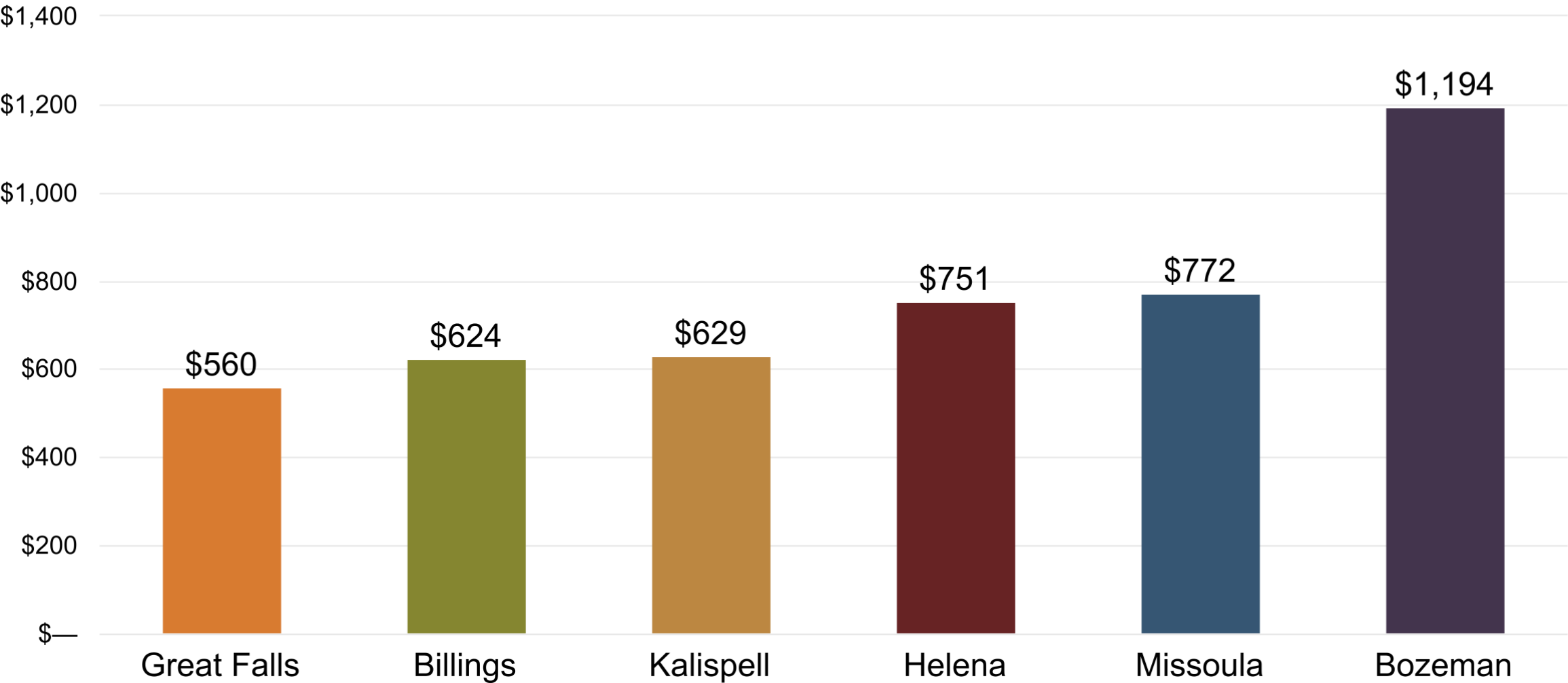
# Peer City Comparisons

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*