

City Budget FY2025



City Council
August 5, 2024

Budget Process

Spring/Summer - Department budget presentations in committee. Public comment taken in meetings, via email, and on Engage Missoula. Strategic plan update.

Monday, August 5 - Presentation of Mayor's executive budget. Begins the budget review and adoption phase of our budget process.

Wednesday, August 7 - Committee budget presentation and first opportunity to consider Council amendments.

Monday, August 12 – Hearing will remain open. We'll provide any updates reflecting decisions in committee or changes to the official numbers we receive from the State Department of Revenue.

Next Wednesday, August 14 – Second committee session to review budget and consider amendments.

Monday, August 19 – Final changes or updates to budget are presented. Public comment hearing closes. Council will vote to adopt the City's budget.

Community Engagement

How to comment:

- Public comment periods at all public meetings - in-person or virtual
- Project summary and comment tools on Engage Missoula
<https://www.engagemissoula.com/fy25budget>
- Detailed budget documents at www.ci.missoula.mt.us/budget
- All comment options available on www.ci.missoula.mt.us/comment
 - Call or email City Council
 - Email Mayor Davis
 - Submit written comments

Budget Preparation

Mayor Davis set guidelines for department directors

- Last budget cycle for federal American Rescue Plan Act (ARPA) funds
- Project changes in spending
- Find opportunities to save money on services and supplies
 - Change to work comp provider
 - Scaling back new requests
 - Cutting services in some areas
- Review previous year's ending balances
- Meet our most crucial needs

Program inventories

- Detailed budget and strategic information about each City program
- Adds transparency
- Examine and review all activities of the budget
- Aligns budget with strategic goals

Mayor Davis's Budget

Inflation and priorities still outpace new revenue and a persistent structural imbalance will require ongoing service level evaluation and assessment of new revenue tools.

Strategies to fill general fund budget gap:

- One-time savings
 - MRA remittance \$1.3 million
 - Funding positions with last of ARPA funds
 - Emergency levy - additional 2 mills of funding for houseless emergencies
- Ongoing savings
 - Workers' compensation new provider - \$700,000 savings
 - Austerity measures in the general fund

Additional strategies for the future

- Begin planning for FY26 and beyond starting this fall
- Plan for 2025 legislative session for local government revenue reform
- Assess Community Based Organization funding

Mayor's Funded Priorities

- Implementation of Master Fire Plan - voter-approved mill levy - \$4.2 million
 - Add 20 new firefighters
 - Permanent support of Mobile Support Team
 - Begin planning Station 6
- Digital communications initiative - \$35,000
 - Leverage data and strategy to meet people where they are and communicate more effectively across multiple social media platforms
- Crisis camping ordinance implementation
 - New programs to implement vehicle permits and toilets, garbage service, and needle disposal - \$350,000
 - Continue encampment cleanup and staffing from - \$360,000
- Johnson Street emergency shelter - \$1.8 million

Mayor's Funded Priorities

- Southgate Crossing land acquisition - \$6 million
- Community Experience and Culture position - \$122,644
- Ravara and Scott Street project - affordable housing and infrastructure - \$9.8 million
- Lobbying strategy to align with policy priorities such as tax reform, houselessness, Medicaid expansion, and tax increment financing \$73,800
- Additional urban forest resources - \$146,145
- Police officers' market wage adjustments
- Continue and expand Crisis Intervention Team - \$497,613

Community Investment Program Highlights

These are large assets that have a useful life of at least five years. They can be infrastructure projects, City buildings, and vehicles and large equipment.

- John Engen Local Government Building Rehabilitation - \$1.8 million
- Animal Control Shelter Expansion - no funding in FY25, anticipated \$142,766 for FY26
- BUILD grant continuation - George Elmer Drive, Mary Jane Boulevard, England Boulevard - \$3.4 million
- Street projects funded FY25
 - Orange/Cregg traffic signal - \$800,000
 - Scott St. phase I - \$786,000
 - Lower Miller Creed Road (Linda Vista to Jack Drive) - \$1.7 million
- Missoula Redevelopment Agency water & sidewalk in URD II and URD III - \$2.2 million
- Alternative sidewalk materials pilot program - \$65,000

Community Investment Program Highlights

- Utilities
 - Rattlesnake dam decommissioning - McKinley Lake dam and 9 other wilderness dams in conjunction with Trout Unlimited - \$100,000
 - Improvements to compost facility to capture runoff and add air treatment - \$8 million
 - Library living roof stormwater project - \$284,000
 - Solar -
 - Adding 8-10 water pumphouse solar arrays - \$1.75 million
 - Adding second wastewater solar array to generate about 700,000 kwh per year - \$2 million
- Bank Street Parking structure reconstruction - \$1.5 million
- Caras Park and Clark Fork River restoration projects - \$2.3 million
- White Pine Park relocation and development for this budget year is \$2.6 million.

Property Tax Impact of Mayor's Budget as Presented

Estimated tax increase 5.96%, including general fund, road district, and park district

Voter approved fire levy (June) 11.08%

Total tax increase for a home with an assessed* value at \$450,000 is \$307 per year
(Including general fund, road district, park district, and fire levy)

*Note that market value and **assessed** value are not the same. In the current appraisal cycle, the Department of Revenue shows that the median **assessed** home value in Missoula County was \$413,200. The Missoula Organization of Realtors shows the current median home price of \$560,000.

Questions?