



Budget explainer Fiscal Year 2025

Fiscal year 2025 basic budget facts:

- Mayor Andrea Davis' budget, passed by the City Council on Aug. 19, calls for a City tax increase of 5.07 percent.
- This *includes* a one-time 2 mills enabled by a homelessness emergency declaration last year, which will be used to partially fund the Johnson Street Temporary Emergency Shelter. The tax will raise \$414,009 this year only.
- The Fire and Emergency Services Levy approved by voters in June raised City taxes 11 percent.
- This means the total City tax levied in FY25 will be \$448.21 per \$100,000 of state-assessed property value. Last year, it was \$379.58.
- City taxes make up 32 percent of a property's total tax bill.

General information:

- City leadership is well aware of the stresses caused by rising property taxes. They balance this with the need to provide the services that Missoula residents need and expect.
- Mayor Davis inherited a budget with ongoing challenges, largely because the City's primary revenue source, property taxes, is restricted by state law to increasing at only half the rate of inflation. Inflation at its full rate is reflected in everything the City must buy, from police cars and fire engines to asphalt to employee wages. This means that expenses outgrow revenue.

- This year's budget is intentionally lean. All departments evaluated their budgets carefully. Mayor Davis asked department leaders to dig deep and identify \$1 million in savings across the City. This practice will continue under Mayor Davis' leadership.
- The City's administration will continue to work with state government and the state Legislature on the property tax structure.

More about the 2 mills:

- Former Mayor Jordan Hess declared a sheltering emergency on June 9, 2023. That allows the City to make a 2-mill emergency levy this year only to cover sheltering expenses. It allowed the City to open the Johnson Street Temporary Emergency Shelter in September 2023 and to keep it open instead of closing seasonally in spring. The levy will raise \$414,009.
- This one-time levy is not to be confused with a countywide, permanent Crisis Services Levy on the ballot in 2022. It was defeated by voters. It would have raised funds for a wide variety of services, such as the Crime Victim Advocate Program, the Crisis Receiving Center, Crisis Intervention Program, Civil Commitment Mental Health Services, Jail Mental Health Team, Temporary Safe Outdoor Space, Mobile Support Team, Sheriff's Re-entry Program, Missoula County Pretrial Supervision Program, Emergency Winter Shelter and the Navigation Center.

City of Missoula
Office of the Mayor
Communications Office
(406) 552-6001