

City of Missoula



Fiscal Year 2025 Budget in Brief

Mayor's Introduction

This budget reflects hours of diligent work to deliver essential services that our residents deserve and strives to innovate for the future through our strategic goals.

Simply put, I have inherited a budget deficit. I knew this while I was running for mayor, and I am committed to addressing this. This FY25 budget sets the stage for the coming years. A major priority of mine is to implement new budgeting practices in this inflationary environment to keep people's property taxes as low as possible. This is an unenviable position yet a challenge I am up to tackling.

To start, I changed the timing of this executive budget to closer to the end of the process. It allowed me to hear feedback from the public and Council members as we heard various department presentations and received other information. Council members were encouraged to submit their priorities as department presentations were made. I am hopeful this resulted in a more collaborative process.

In the spring, my directive was for our departments to provide a comprehensive program inventory for all their operating budget activities. My instructions emphasized this budget cycle would be the last to use our remaining American Rescue Plan Act (ARPA) funds and asked for reinforced focus on establishing a baseline budget that reflects the diligent work and strategic planning undertaken by the City. This program inventory gives me, the Council and the public the "what and the why" for each of the City's programs.

Departments were charged with analyzing budgets to hold costs down, knowing we have unavoidable increases, and I challenged my team to find ways to meet crucial needs while managing a budget that persistently has greater expenses than available revenues. I am pleased that all required, contractual items are included in this budget.

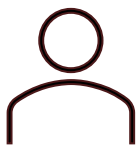
This budget is lean, as intended, and it reflects our values as a community by investing strategically in programs and projects that make a difference in people's lives.

~Mayor Andrea Davis



Visit www.ci.missoula.mt.us/taxes for more information about property tax appraisals and how taxes are calculated.

Budget Process



Mayor

Presents annual budget for City Council consideration and directs staff on ongoing program evaluation and budget needs



City Council

Reviews the budget, makes amendments, and adopts a final budget



Missoula Residents

Learn about the budget and comment on priorities online, in person, over the phone or via email with elected representatives or staff

Ongoing

The Mayor and City department heads evaluate current spending, gather program data, and plan for upcoming budget needs. Staff present department and program priorities, achievements, and goals for City Council discussion at public meetings throughout the year.

Every Two Years

Mayor, City Council, and key staff review and update the strategic plan. The plan sets the City's goals and priorities and guides later budget decisions.

Early and Mid-Summer

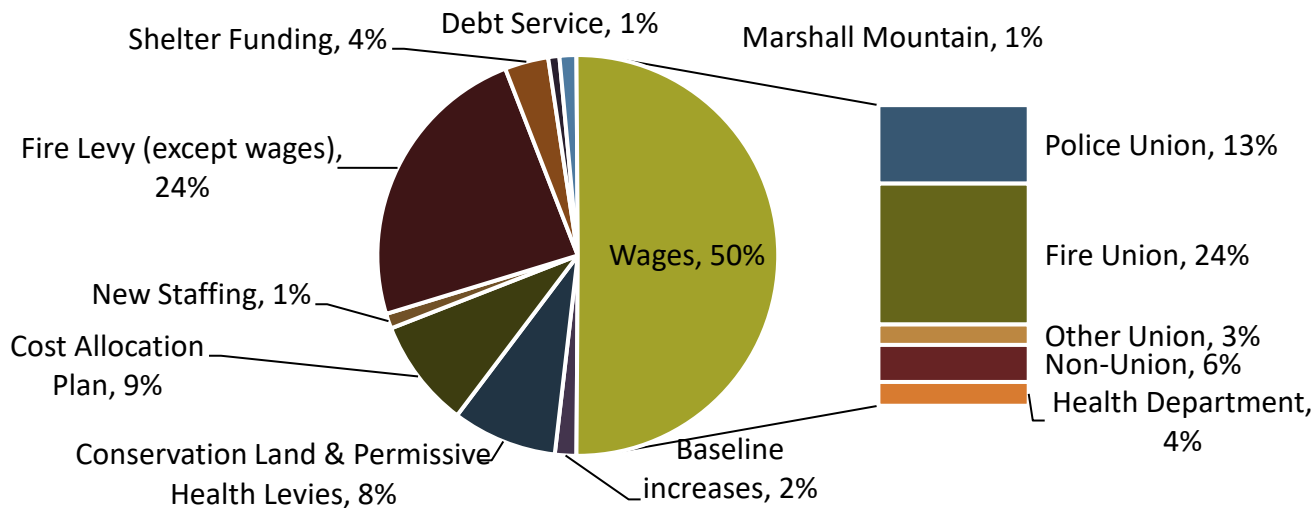
City departments present in-depth department reports and budget requests to the City Council Budget and Finance Committee. The public can review documents online and participate in budget meetings, via Engage Missoula, or various other contact options.

August

The Mayor reviews staff requests, chooses what to include in Mayor's Executive Budget, and presents the budget to the City Council. Montana Department of Revenue gives the City its revenue numbers for the next fiscal year. City Council considers budget items, makes amendments, and adopts the budget.

Tax & Assessment Increases

For fiscal year 2025, the total increase in taxes and assessments is \$11.2 million. This chart shows how that increase is allocated. *(Note: some of these projects also receive partial funding from fees, grants, or other non-tax sources. The amount of funding from non-tax sources is **not** included on this page.)*

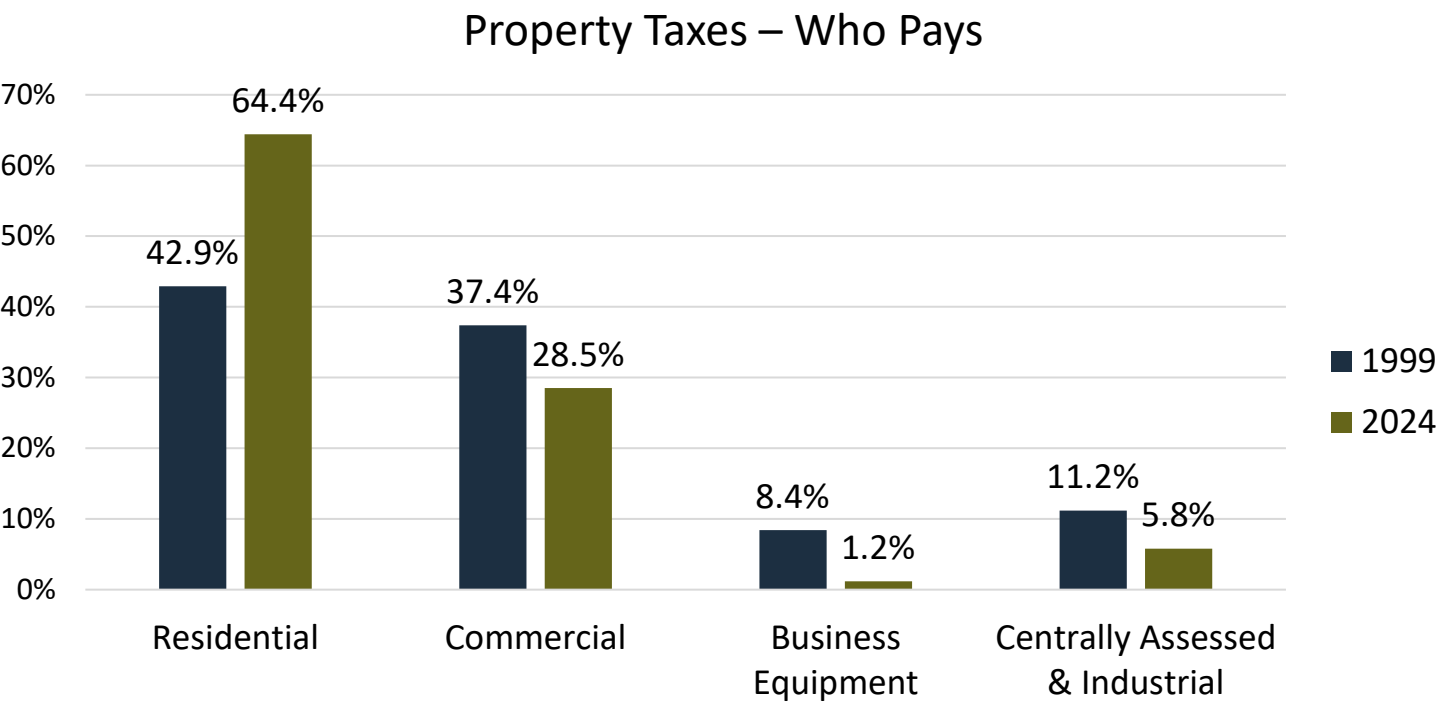
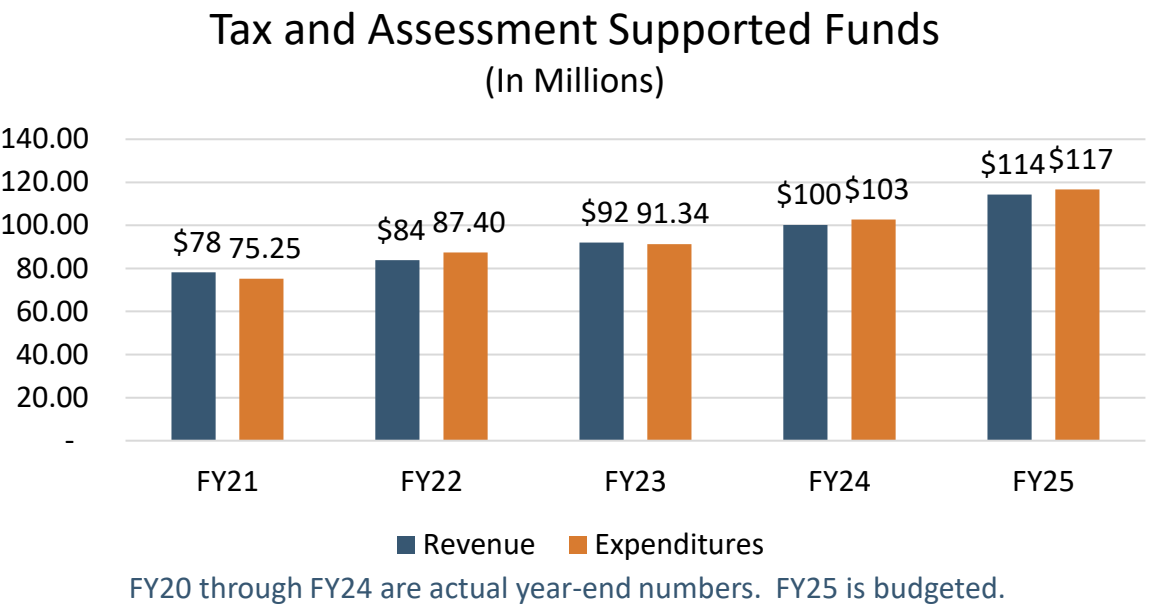


Cuts	(\$1,098,0983)	Budget savings from austerity measures and reduction in voted debt service mills
Wages	\$5,322,846	Employee recruitment and retention are essential for the City to operate effectively. Most staff will receive a 3% cost of living adjustment in fiscal year 2025.
Health Department	\$456,255	Baseline adjustments for Health Department personnel and operations to maintain existing levels of service and Foster Child Health Program
Baseline Increases	\$88,117	Mandatory increases to maintain existing services such as rent, utilities, and software licensing.
Shelter Funding	\$414,009	Additional support for emergency shelter on Johnson Street
Special Levies	\$992,737	Levies that can only be used for a specific purpose: Conservation Lands stewardship and Permissive Medical Levy
Cost Allocation Plan	\$1,031,756	Funding from road and park districts to pay their share of costs for centralized City administrative functions such as IT and human resources
New Staffing	\$142,880	Attorney Victim Witness Coordinator and Legal Support Specialist to maintain level of service
Fire Levy Funded	\$2,797,455	Items budgeted from the voter-approved fire levy, not including firefighter wages above
Shelter Funding	\$414,009	Funding for the Emergency Shelter program
Marshall Mountain	\$160,000	The City's portion of ongoing maintenance for Marshall Mountain
Other	\$455,088	Debt service

Tax- and Assessment-Supported Funds

Taxes & Assessments

- The City of Missoula **general fund**, the **road district**, and the **park district** all appear on property tax bills.
- The road and park districts are technically considered **assessments**, not property taxes.
- This report combines **taxes and assessments** for simplicity.



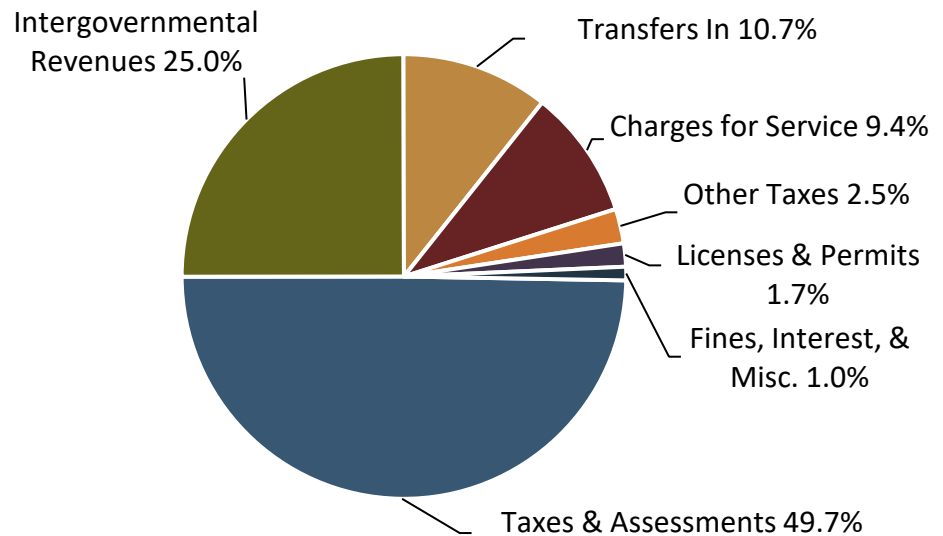
Tax- and Assessment-Supported Funds

This includes the City’s general fund, road district, and park district. These are the funds that show up on property tax bills.

Revenue \$114,285,557

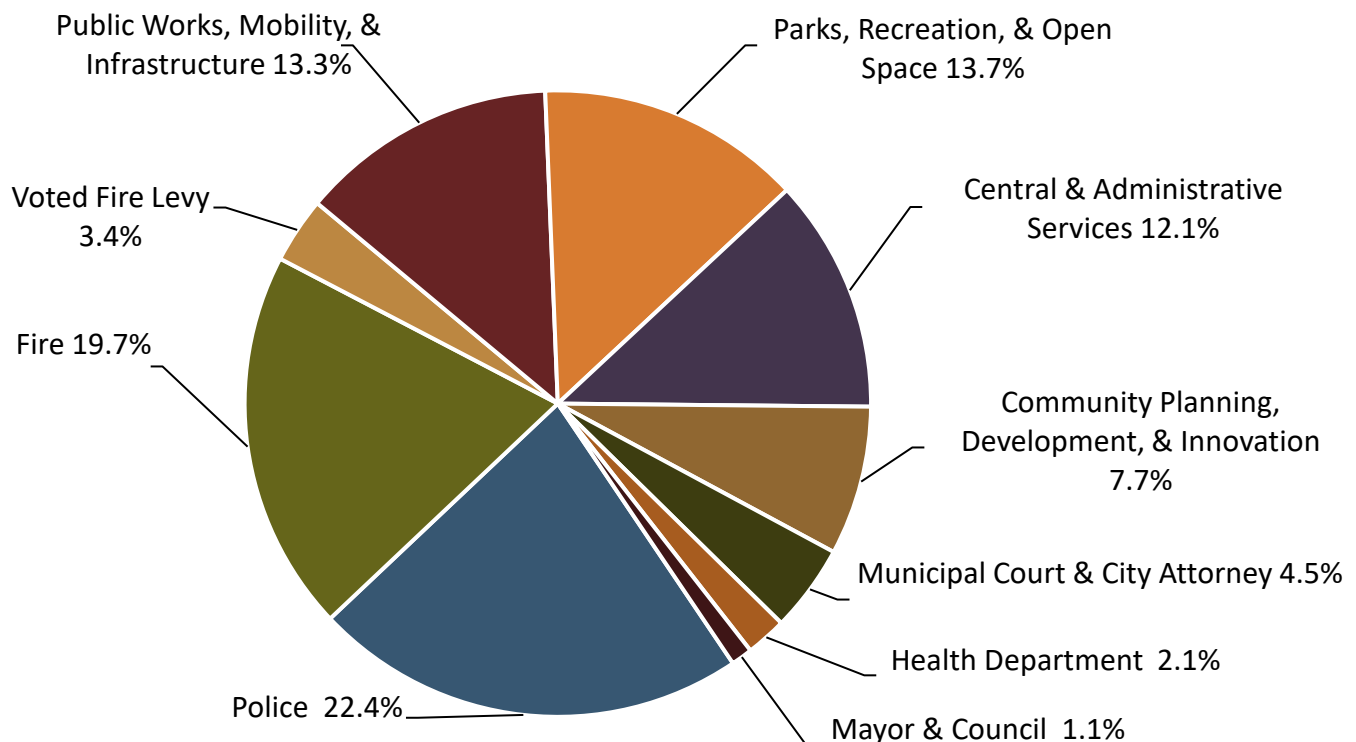
Where the money comes from

- Intergovernmental revenues – State entitlement share, state and federal grant funding, & Missoula Redevelopment Agency remittance
- Transfers in – includes revenue from other funds such as gas tax and Cost Allocation Plan



Expenditures \$117,379,676

Where the money goes

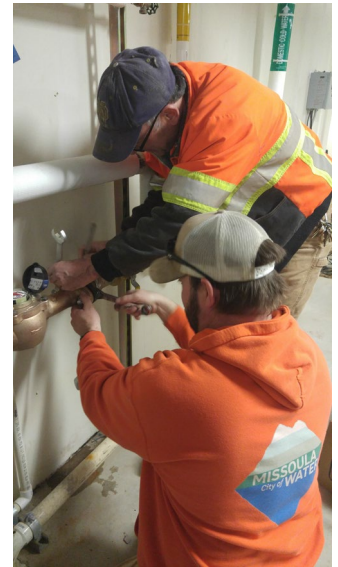


Cash reserves were used to make up the difference between revenue and expenditures.

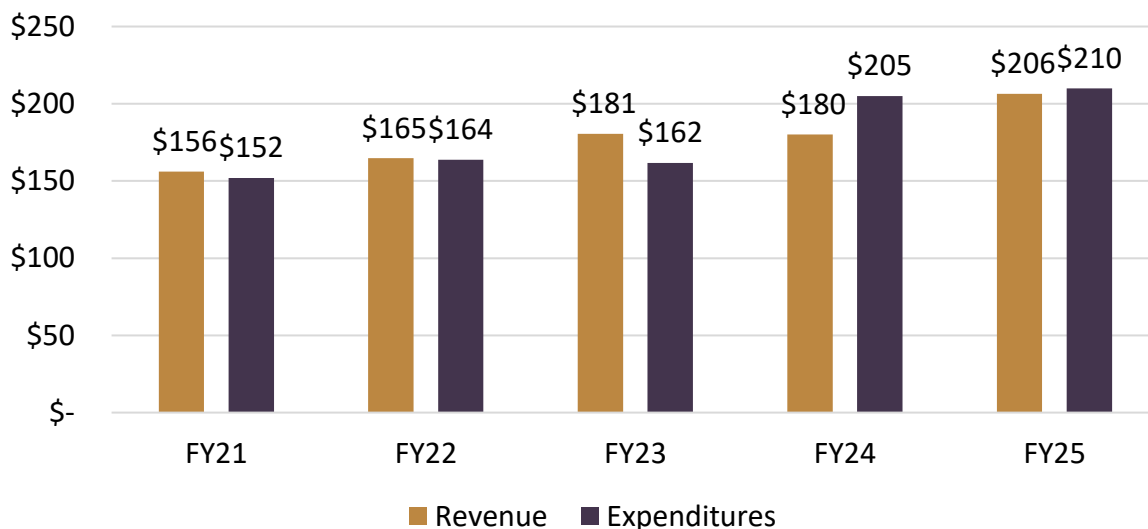
All Operating Funds

All Operating Funds

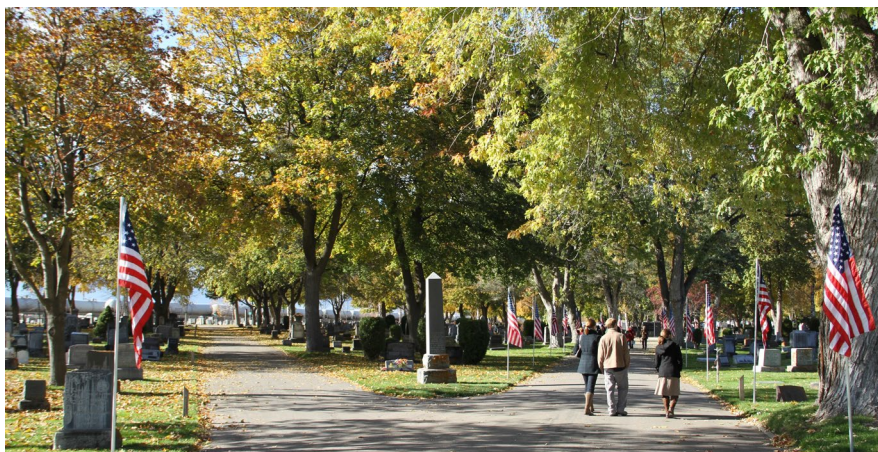
- Operating funds include all tax- and assessment-funded activities in the previous section
- It includes special revenue and enterprise funds such as the Missoula Redevelopment Agency, Parking Commission, Aquatics etc.
- Stormwater, water, and wastewater utilities are also included here. Those funds are based on fees for service and are not included in tax bills.
- CAP is the City's Cost Allocation Plan in which other funds, such as utilities, pay their share of costs for centralized City administrative functions such as IT and human resources.
- Operating funds do not include capital projects such as infrastructure.



All Operating Funds (In Millions)



FY21 through FY24 are actual year-end numbers. FY25 is budgeted.

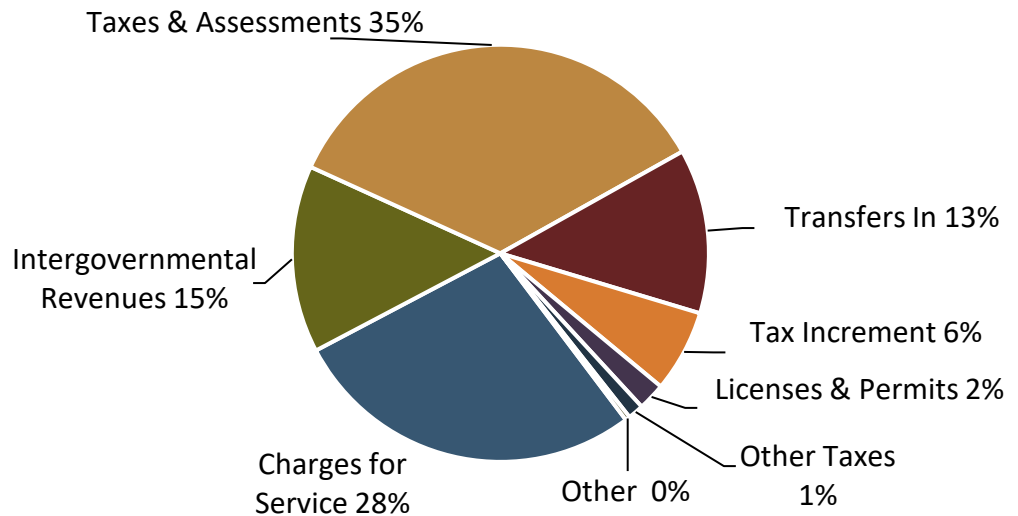


All Operating Funds

Revenue \$206,242,687

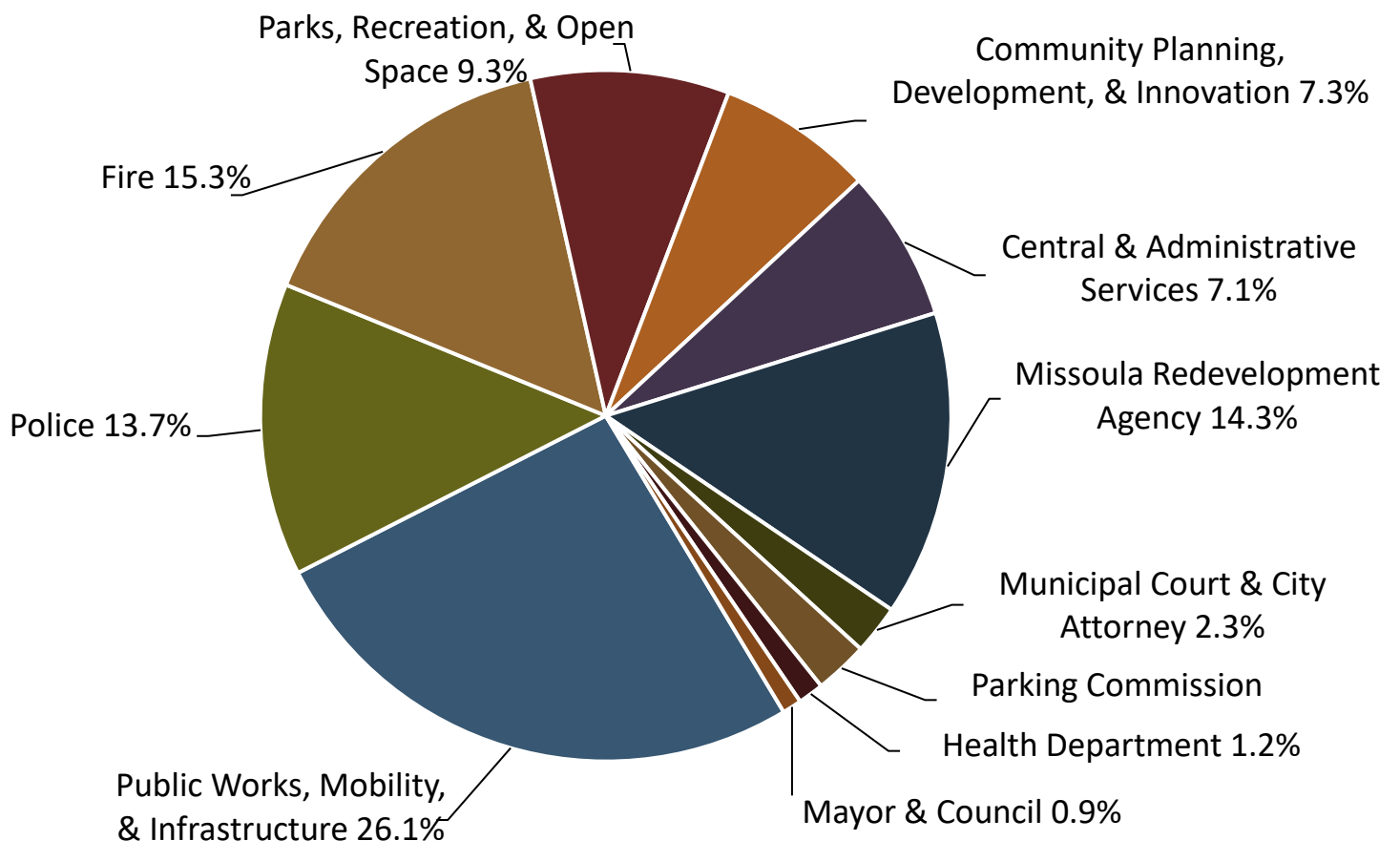
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- Transfers in – includes revenue from other funds such as gas tax and Cost Allocation Plan



Expenditures \$209,908,000

Where the money goes




Cash reserves were used to make up the difference between revenue and expenditures.

Funded Requests Highlights

Community Safety, Health & Well-being



The City of Missoula focuses its efforts on public safety, health and well-being by ensuring that our core levels of service are maintained, our programs are innovative and efficient and outcomes are clear and measurable.

		Property Taxes	Grant	Cash Reserves	Fees/ CAP
	Implement Master Fire Plan with 20 new firefighters, find location for station 6, and fund Mobile Support Team \$4.2 million	✓	✓		
	Ensure police officer wages are competitive, continue to fund Crisis Intervention Team, and purchase vehicle for critical incidents	✓			
	Continue to support Houseless Operations Specialist and Built for Zero Specialist	✓	✓		
	Continue funding Johnson Street Emergency Shelter and begin master planning for redevelopment of the parcel.	✓	✓		
	Focus on inclusion of City services for all people and a full-time position shifting to Community Experience and Culture in the Parks Department	✓		✓	
	Provide for a Victim Witness Coordinator and legal support specialist for the Prosecuting Attorney's Office.	✓	✓		

Property taxes in this context includes road and park district assessments. Grant funding includes federal grants, including American Recovery Plan Act, state grants, and private grants. CAP is the City's Cost Allocation Plan in which other funds, such as utilities, pay their share of costs for centralized City administrative functions such as IT and human resources.

Funded Requests Highlights

Economic Health



The City of Missoula fosters an environment that creates partnerships that result in increased economic vitality for the community.



Optimize housing and job creation opportunities with Missoula Redevelopment Agency’s strategic land acquisition of 10 acres for an estimated \$6 million, known as Southgate Crossing.

Property Taxes	Grant	Cash Reserves	Fees/ CAP
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✓



MRA funding of \$9.8 million to pay for earthwork and infrastructure and related contingencies to reach goals of construction of 89 new for-sale homes, 225 market-rate apartments and an estimated 35,000 square feet of commercial space on the Scott Street parcel.

✓



Budgeting for a proactive lobbying strategy for work between sessions of the Montana State Legislature to advocate for needed reforms \$73,800

✓

✓





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Funded Requests Highlights

Organizational Excellence and Resilience



The City of Missoula fosters an inclusive, transparent and nimble organization that provides support and training for its employees and works collaboratively to provide high-quality, responsive and innovative services efficiently and effectively.

		Property Taxes	Grants	Reserves	Fees/ CAP
	Digital Communications Initiative to enhance the City's online presence leveraging algorithms, content strategy and audience targeting to communicate government initiatives \$35,000	✓			✓
	Acquire and implement key system upgrades, including human resources and payroll (41,209), finance and asset management (\$100,000).	✓			✓
	Provide 3% cost of living adjustment for non-union employees as well as increases that are part of existing union contracts to retain our talented staff \$474,654	✓		✓	✓
	Provide critical staff transition support in Parks and Public Works to allow for additional capacity ahead of planned retirements and ensure institutional knowledge is preserved			✓	
	Continue rehabilitation of the John Engen Local Government Building rehab project supported by significant grant and non-tax revenues \$1.8 million	✓	✓		







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Funded Requests Highlights

Community Design and Livability



The City of Missoula will create policy and support development that promotes economically and environmentally responsible growth that prioritizes equitable, responsive and adaptive outcomes that prioritize people and place.

		Property Taxes	Grant	Reserves	Fees/ CAP
	Continued funding for Community Engagement Specialist for code reform project for high level of engagement with the public	✓	✓		
	Increase capacity of our Urban Forestry team by one full-time-employee to inspect and maintain our vital tree canopy	✓			
	Complete infrastructure in the Sxwtpqyen area totaling \$3.4 million		✓		
	Sidewalk and greenway programs for \$5.9 million including an Alternative Materials Sidewalk Pilot Project at \$65,000	✓			
	Missoula Redevelopment Agency will continue investing in water and sidewalk infrastructure in URD II and III for \$2.2 million and URD II and III Bitterroot Trail and MRL Bridge Project for \$6 million	✓		✓	
	Roadway and lighting improvements including the Orange/Craig Traffic Signal, Scott Street Phase 1, Downtown SAM and Lower Miller Creek Road Reconstruction \$8.5 million	✓	✓	✓	





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Funded Requests Highlights

Community Design and Livability



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		Property Taxes	Grant	Reserves	Fees/ CAP
	Missoula Water investing \$23 million in infrastructure to reduce leakage and install solar at pumping stations				✓
	Garden City Compost phase 2 to protect water quality and install an innovative air filtration system that will reduce odors \$8.4 million				✓
	Stormwater Utility investments totaling \$3.6 million including \$283,885 for Missoula Library living roof.		✓		✓
	Missoula Parking Commission to rebuild the Bank Street Parking Structure, adding additional parking for downtown and public art				✓
	Parks Department projects including Caras Park and Clark Fork River restoration, White Pine Park relocation, Northside Pedestrian Bridge completion \$12 million	✓	✓		
	Continue Rattlesnake project to decommission wilderness dams and provide additional stream flows for Rattlesnake Creek.				✓

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Additional Resources



Learn more about the budget and other City projects and share your thoughts at www.EngageMissoula.com.

Participate in City Council meetings (including budget meetings) in person or online at www.ci.missoula.mt.us/meetings.



Detailed and technical budget documents are available on the City's website at www.ci.missoula.mt.us/budget.



Call 406-552-6110 to reach staff if you can't access web resources.