



# Municipal Budgeting: **Powering City Priorities**

*The budget isn't just a document. It's a plan of action that empowers local government to deliver services, fund priorities, and remain accountable to the public.*

**Budget & Finance  
Committee May 21, 2025**

# The Budget Process

**February - June**

**1**

Department planning & Administrative review.

Departments review current spending and plan for future needs. Staff assemble operating budgets, new requests and the capital improvement program. The administration reviews and refines submissions.

**April - May**

**2**

**Mid-year Updates**

Departments present "mid-year" reviews of the current year's budget performance and discuss strategic priorities at Budget & Finance Committee.

**June - July**

**3**

**Presentations & Executive Budget Preparation**

City departments present their budgets and new requests to the Budget & Finance Committee.  
The Mayor prepares the Executive Budget.

# Budget Approval

1

## **August**

The Mayor presents the Executive Budget in accordance with the City charter. The City Council then deliberates on the budget.

2

## **First Monday in August**

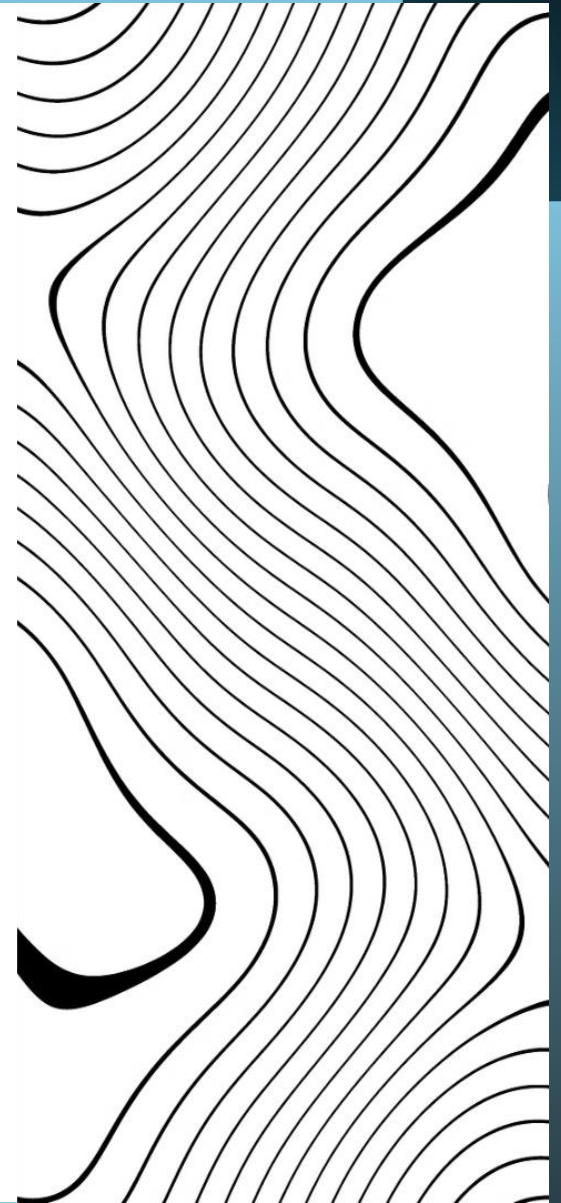
The Department of Revenue releases the Taxable Value figures, allowing municipalities to set their tax levies.

City Council opens the public hearing on the budget and related items.

3

## **End of August**

The City Council may amend the budget and approves the budget resolutions during the final public hearing.



# Legal & Regulatory Framework

Montana Code Annotated

(§7-6-4000) Local Government Budget Act

GAAP Compliance

Follows GASB standards for transparent, comparable reporting.

GAAP = Generally Accepted Accounting Principles

GASB = Governmental Accounting Standards Board

IRS Code & Bond Covenants

Compliance ensures sound fiscal management and tax-exempt financing eligibility.

# Fund Accounting

## Following the Money

The City organizes finances using **fund accounting**, a system that separates money into self-balancing accounts based on legal or functional restrictions.



*Think of funds as labeled buckets.  
Each one exists for a specific purpose and must  
be used accordingly.*

# Types of Funds

## Governmental Funds

These funds finance most government functions.

**General Fund**  
**Special Revenue Funds**  
**Debt Service Funds**  
**Capital Project Funds.**

## Proprietary Funds

Enterprise Funds for business-like activities **Utility funds**

Internal Service Funds for interdepartmental services.  
**Health benefits fund**

## Component Units

Legally distinct but financially accountable to the City.

**Missoula Redevelopment Agency**  
**Missoula Parking Commission**  
**Business Improvement District**  
**Tourism Business Improvement District.**

## Fiduciary Funds

These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governments.

# Municipal Revenue Sources



## General Property Taxes

The amount of property tax revenue depends on the taxable value of property within the municipal jurisdiction and the annual mill levy set by the government.



## Non-Tax Revenues

Sources include licenses, permits, intergovernmental transfers, charges for services, fines, investments, debt proceeds, and transfers from other funds.



# Program Inventories

- Introduced as part of FY 2025 budget development.
- Supplements line-item budgets with insight into current City activities.
- Each fund is comprised of one or more program activity codes.
- Budget process focuses on changes to the base; program inventories provide more information about ongoing programs, including those that are not changing.







# Why program inventories?

- Adds Transparency to process by providing additional information about each program.
- Strengthens connection between budget and the City's strategic goals.
- First step towards a more formal priority budgeting process.

# Program Inventories in FY26 Budget Process

Information on program activities available to assist with prioritization and decision making.

## Articulates key attributes

- Budget
- Staffing
- Strategic objectives
- Mandated programs
- Risk assessment
- Reliance Interests
- Metrics and Performance Indicators

# Accessing program inventory data collection

Click Here

| POLICE DEPARTMENT BUDGET              |                                  |                                      | Administration, budget, payroll, grants, Office of Professional Standards |                     | Inter-departmental (bi-weekly, weapon qualifications, etc.)and external training and travel expenses. |                     |
|---------------------------------------|----------------------------------|--------------------------------------|---|---------------------|---|---------------------|
| FUND: General Fund                    |                                  |                                      |   |                     |   |                     |
| ACCOUNTING CODE: 1000.290             |                                  |                                      |   |                     |   |                     |
| As of 01/19/2024 - 56% of Year        |                                  |                                      |   |                     |   |                     |
|                                       | ACTIVITY NAME:<br>ACTIVITY CODE: |                                      | Administration<br>420110  |                     | Personnel Training<br>420130  |                     |
|                                       | Grand Total<br>Baseline          | Grand Total<br>Baseline &<br>Changes | Baseline  | Proposed<br>Changes | Baseline  | Proposed<br>Changes |
| PERSONAL SERVICES                     |                                  |                                      |   |                     |   |                     |
| 110 Salaries and Wages                | 12,915,498                       | 12,915,498                           | 1,323,061   |                     | 85,511  |                     |
| 115 Salaries/Health Insurance Benefit | 1,805,722                        | 1,805,722                            | 118,408   |                     | 14,801  |                     |
| 120 Overtime/Termination              | 543,729                          | 543,729                              | 107,834   |                     | 1,705   |                     |
| 130 Other Contributions               | 130,080                          | 130,080                              | 10,746  |                     | 1,968   |                     |
| 133 Education Compensation            | 66,359                           | 66,359                               | 7,276   |                     | 800   |                     |
| 140 Employer Contributions            | 2,853,519                        | 2,853,519                            | 351,726   |                     | 16,558  |                     |
| 141 State Retirement Contributions    | 3,683,320                        | 3,683,320                            | 317,477   |                     | 27,603  |                     |
| TOTAL PERSONAL SERVICES               | 21,998,227                       | 21,998,227                           | 2,236,528   | —                   | 148,946   | —                   |
| SUPPLIES                              |                                  |                                      |   |                     |   |                     |
| 220 Operating Supplies                | 208,632                          | 208,632                              | 57,268  |                     | 49,775  |                     |
| 230 Repair/Maintenance                | 65,485                           | 65,485                               | 900   | 64,585              | —   |                     |
| 231 Gasoline                          | 378,830                          | 378,830                              | 10,678  | 368,152             | —   |                     |
| TOTAL SUPPLIES                        | 652,947                          | 652,947                              | 68,846  | 432,737             | 49,775  | —                   |
| PURCHASED SERVICES                    |                                  |                                      |   |                     |   |                     |
| 310 Communications                    | 38,054                           | 38,054                               | 7,196   |                     | —   |                     |
| 320 Printing & Duplicating            | 7,500                            | 7,500                                | 7,500   |                     | —   |                     |
| 330 Publicity,Subscriptions,Dues      | 16,563                           | 16,563                               | 16,563  |                     | —   |                     |

## City of Missoula

### Inventory of Programs

Fiscal Year 2024

Department:

Program Title:

Requested Title Change:  (optional)

#### Program Description:

The Administrative Division manages our Communications & Records Unit, Office of Professional Standards, Reserve Officers. This division retains and disseminates records, conducts recruitment, hiring, training and promotion processes and provides council and court security.

Is there more than one program within this activity code? If so, please list them here:

#### Budgetary Data:

General Ledger Account:

Cost Recovery %

#### Program Summary Budget:

|           |           |
|-----------|-----------|
| Personnel | 2,261,311 |
| O&M       | 474,993   |
| Debt      | —         |
| Grant     | 4,000     |
| Transfers | 6,000     |
| Capital   | —         |
| Total     | 2,746,304 |

#### Associated Revenues:

| Revenue Description:  | Fund | Account |         |
|-----------------------|------|---------|---------|
| Catering permits      | 1000 | 342017  | 6,000   |
| Outside Hire Overtime | 1000 | 342015  | 110,000 |
| Alarm Permits         | 1000 | 355000  | 17,500  |
| Alarm Penalties       | 1000 | 323019  | 6,500   |
| Compliance Checks     | 1000 | 342012  | 3,000   |
| Promotions            | 1000 | 365001  | 3,500   |
| State MPORS Cont.     | 1000 | 336021  | 323,851 |
|                       |      |         | —       |
|                       |      |         | —       |

#### Staffing Information:

(Your FY24 Payroll Template may be a helpful resource.)

|      |       |
|------|-------|
|      | FY24  |
| FTEs | 12.00 |

#### Basic Program Attributes:

|  |   |
|--|---|
| Mandate:   | Is there a third party requirement to provide this program (ie state or federal law, city charter)? |
|  | <input type="text" value="Yes"/> Required by State Law  |
| Please describe the mandate in more detail:  |   |
| <input type="text" value="MCA 7-32-4101 - Police department authorized and required. There shall be in every city and town of this state a police department which shall be organized, managed, and controlled as provided in this act."/> |   |

# **Municipal Budgeting**

End