

City of Missoula



**Fiscal Year 2024
Budget in Brief**

Property Tax Environment & Budgeting

Missoula is a community that cares about people and place. Our fiscal year 2024 budget reflects our values as a community with targeted investments in the things we care about. We aim for a balance between delivering our core services and innovating for the future. We categorize our budget priorities under our strategic plan's four pillars:

- Community safety, health, and well-being
- Organizational excellence and resilience
- Economic health
- Community design

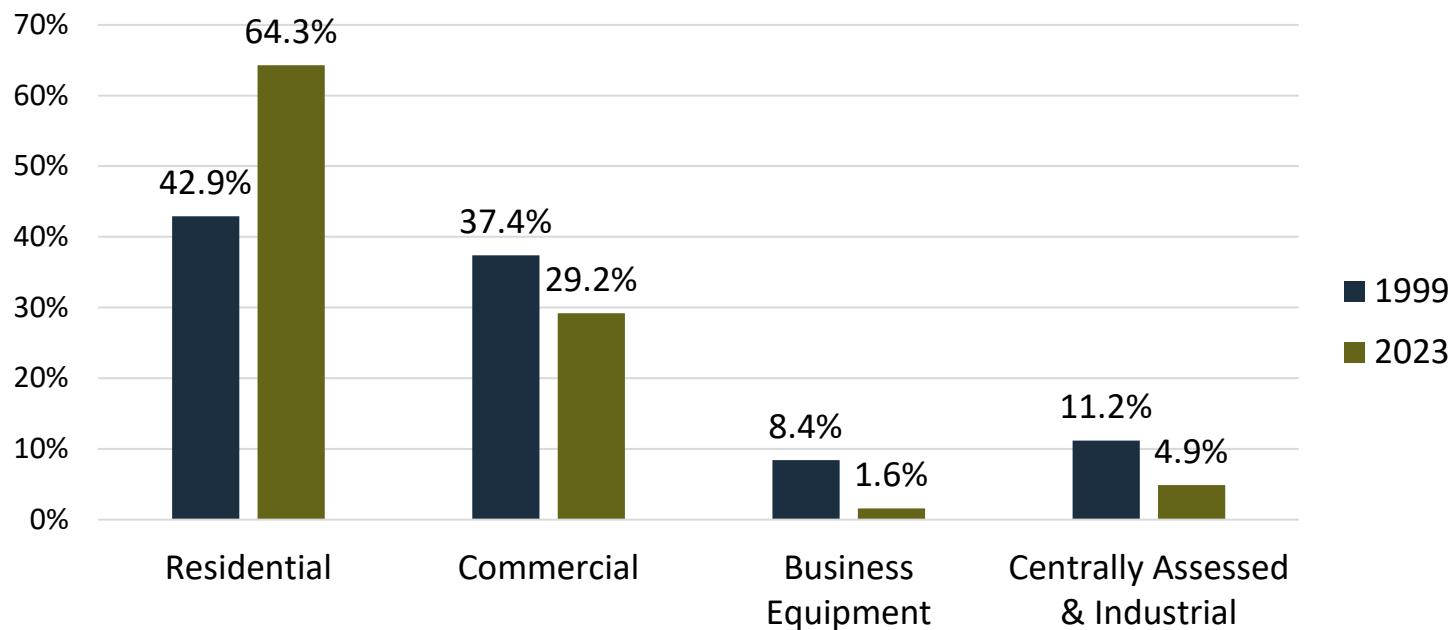


This budget is lean. Local government funding in Montana is becoming more and more challenging. Residential property owners and renters are paying a larger share of taxes than they did 20 years ago, while corporations and industry are paying less. We need thoughtful tax reform at the state level. Until then, cities and towns around the state are going to struggle to adequately fund local government.

This year, the City of Missoula met this challenge with creative solutions. We're using the last of our federal American Recovery Plan Act (ARPA) funding for one-time needs. The success of our urban renewal districts allows us to use Missoula Redevelopment Agency funding for infrastructure and return revenue to all taxing jurisdictions. We're also using our cash reserves to fund the important programs our community needs. This budget creates the best outcomes for the public we serve and for our staff, who work hard to deliver the core services residents need and want.

~Mayor Jordan Hess

Property Taxes – Who Pays



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



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

Every Three 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.

Spring

City department heads gather data and plan for upcoming budget needs. The Mayor reviews staff requests and chooses what to include in Mayor's Executive Budget.

Early and Mid-Summer

The Mayor presents the Mayor's Executive Budget to City Council. City Council hears in-depth department reports and budget requests from staff.

August

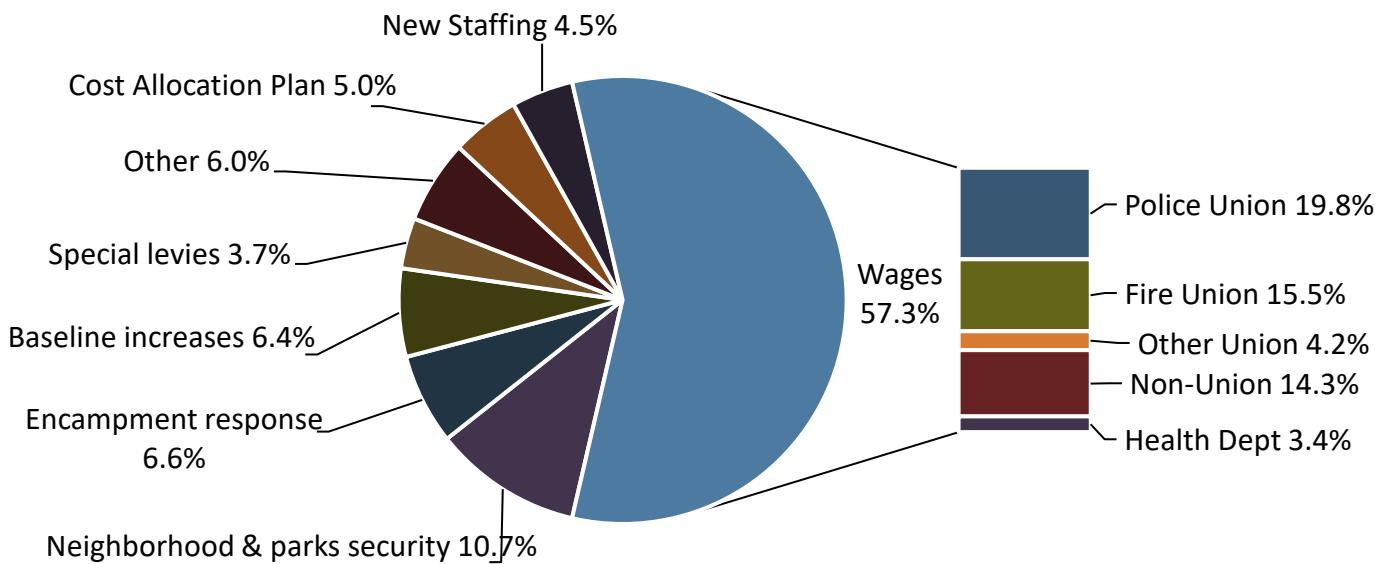
Montana Department of Revenue gives the City its revenue numbers for the next fiscal year. City Council considers budget items, makes amendments, and adopts the budget.

Ongoing

Staff present department and program priorities, achievements, and goals for City Council discussion at public meetings throughout the year.

Tax & Assessment Increases

For fiscal year 2024, the total increase in taxes and assessments is \$6.38 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.)



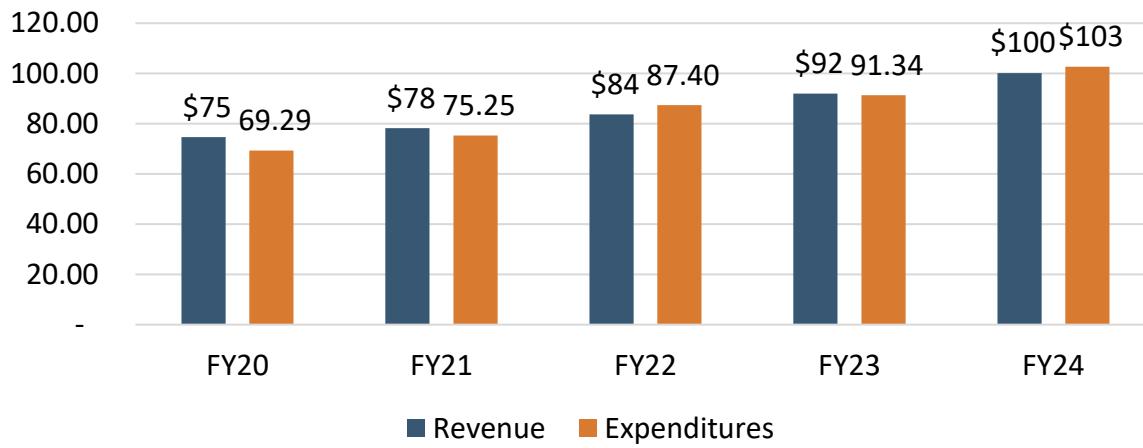
Wages	\$3,560,520	Employee recruitment and retention are essential for the City to operate effectively. Most staff will receive a 3.5% cost of living adjustment in fiscal year 2024.
Neighborhood & parks security	\$667,320	Funding for security needs surrounding shelters and encampments
Encampment response	\$407,377	Park and road district funding for urban camping cleanup operations
Baseline increases	\$396,105	Increases for existing services such as rent, utilities, and software licensing
Special levies	\$388,393	Levies that can only be used for a specific purpose: Conservation Lands stewardship, Permissive Medical Levy, and voted debt service
Cost Allocation Plan	\$308,431	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	\$278,230	Maintain level of service with a new position in IT, new civil attorney, and funding to continue an existing position in facilities previously funded with grant money
Other	\$373,797	Debt service, crime victim advocates, parks herbicide project, permit revenue loss, Federal Building expenses, and parks and road permit software licenses

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 (In Millions)

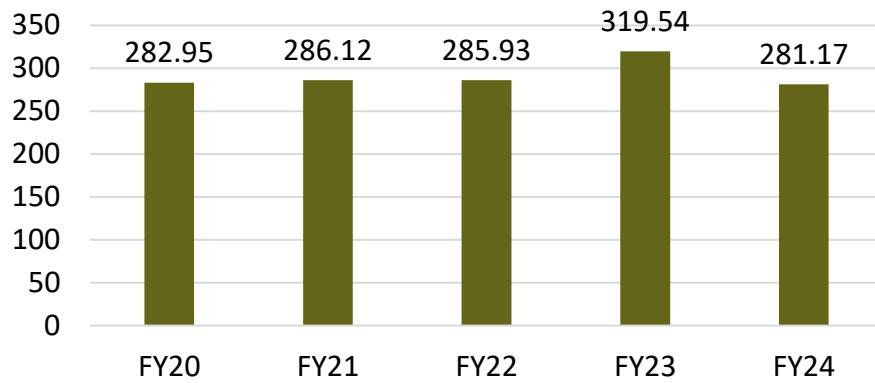


FY20 through FY23 are actual year-end numbers. FY24 is budgeted.

Mills & Mill Rates

The City levied fewer mills in FY24 than in previous years.

Mills Levied



Cost per \$100,000 in assessed home value

FY23	\$431.38
FY24	\$379.58

- The City determines how many mills it needs to levy to raise enough revenue to meet budget needs
- The value of a mill changes each year as property values in the City change
- When the value of a mill increases, the City can levy fewer mills and raise the same amount of revenue
- Property taxes will still go up for properties that have significant increases in value

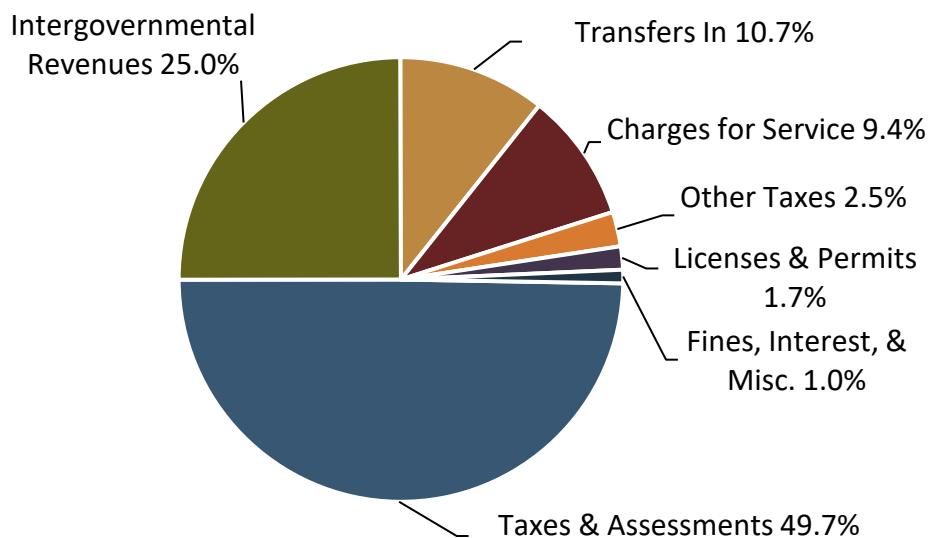
Tax- and Assessment-Supported Funds

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

Revenue \$100,171,009

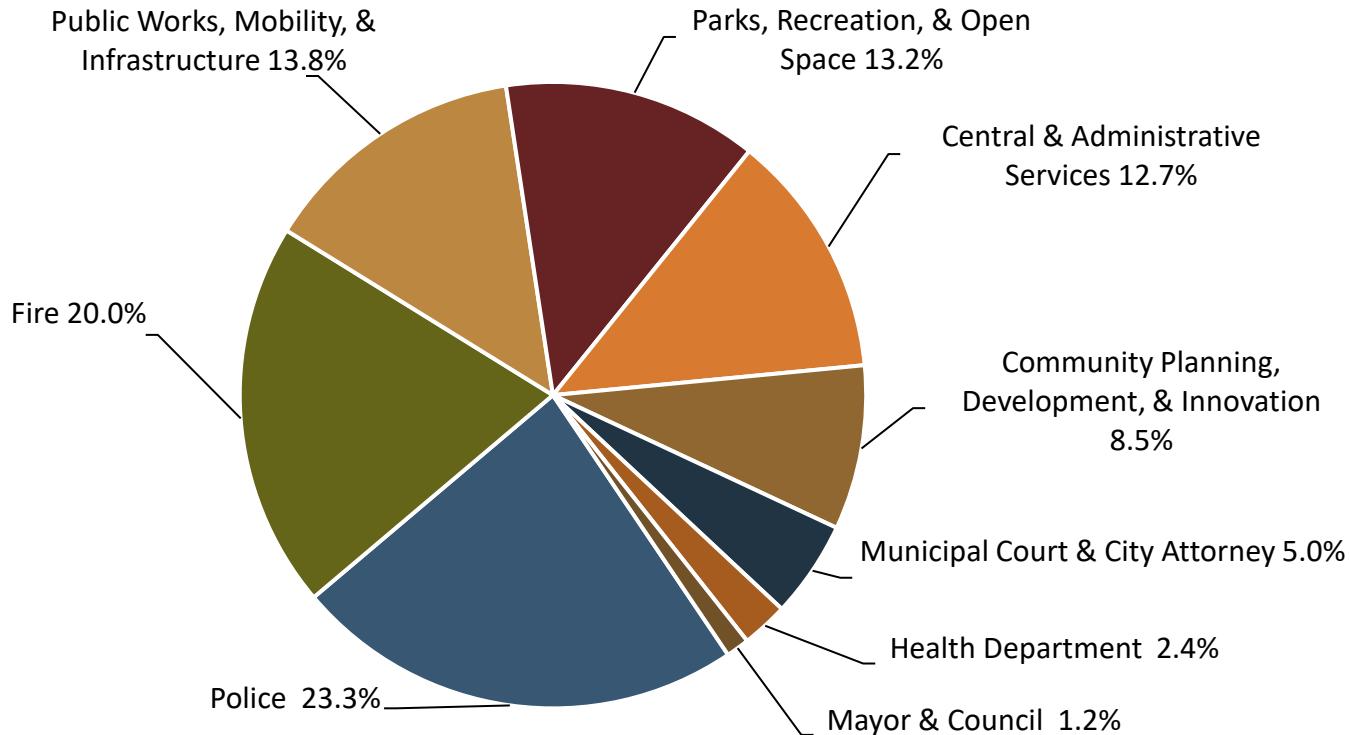
Where the money comes from

- 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 \$102,693,149

Where the money goes



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

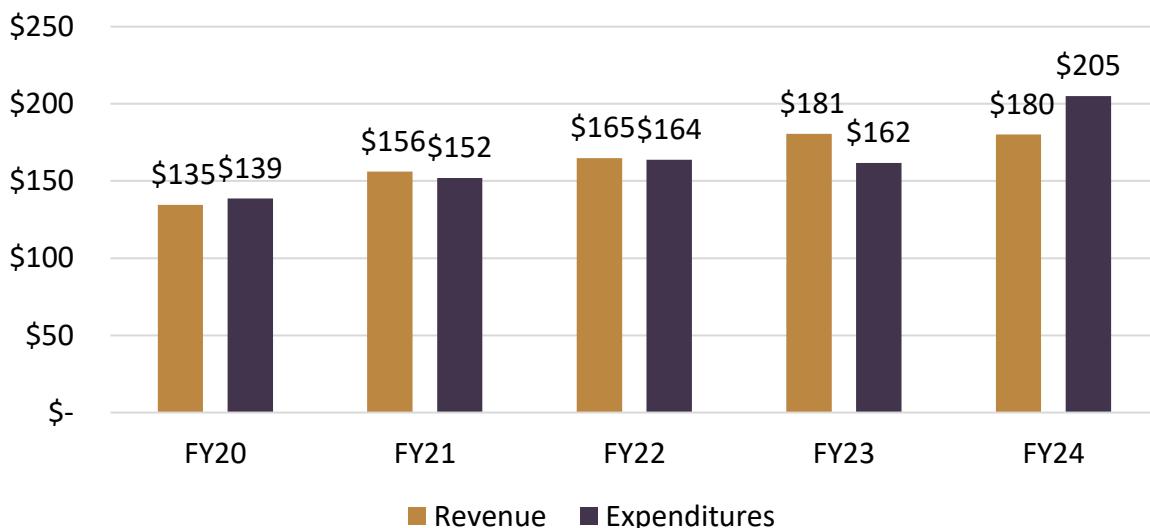
All Operating Funds

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)



FY20 through FY23 are actual year-end numbers. FY24 is budgeted.

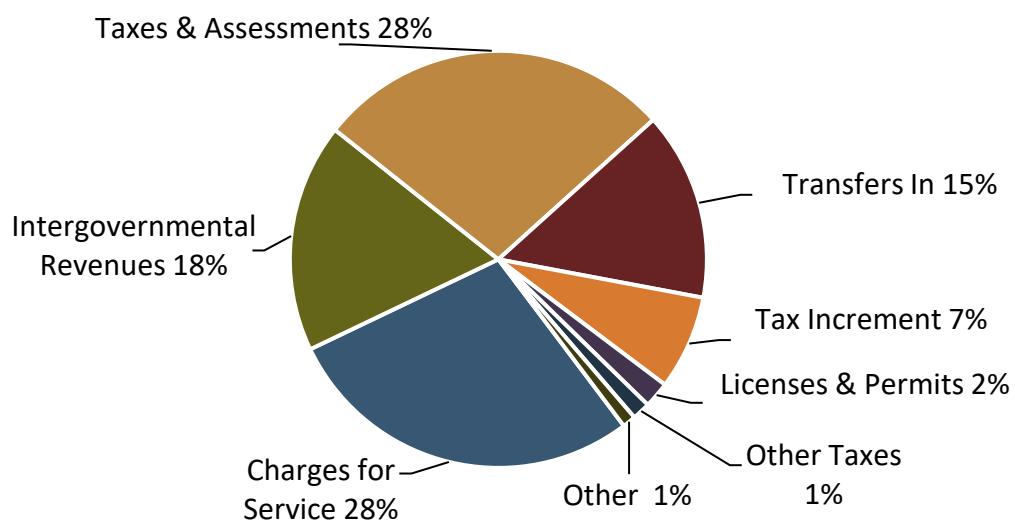


All Operating Funds

Revenue \$180,007,659

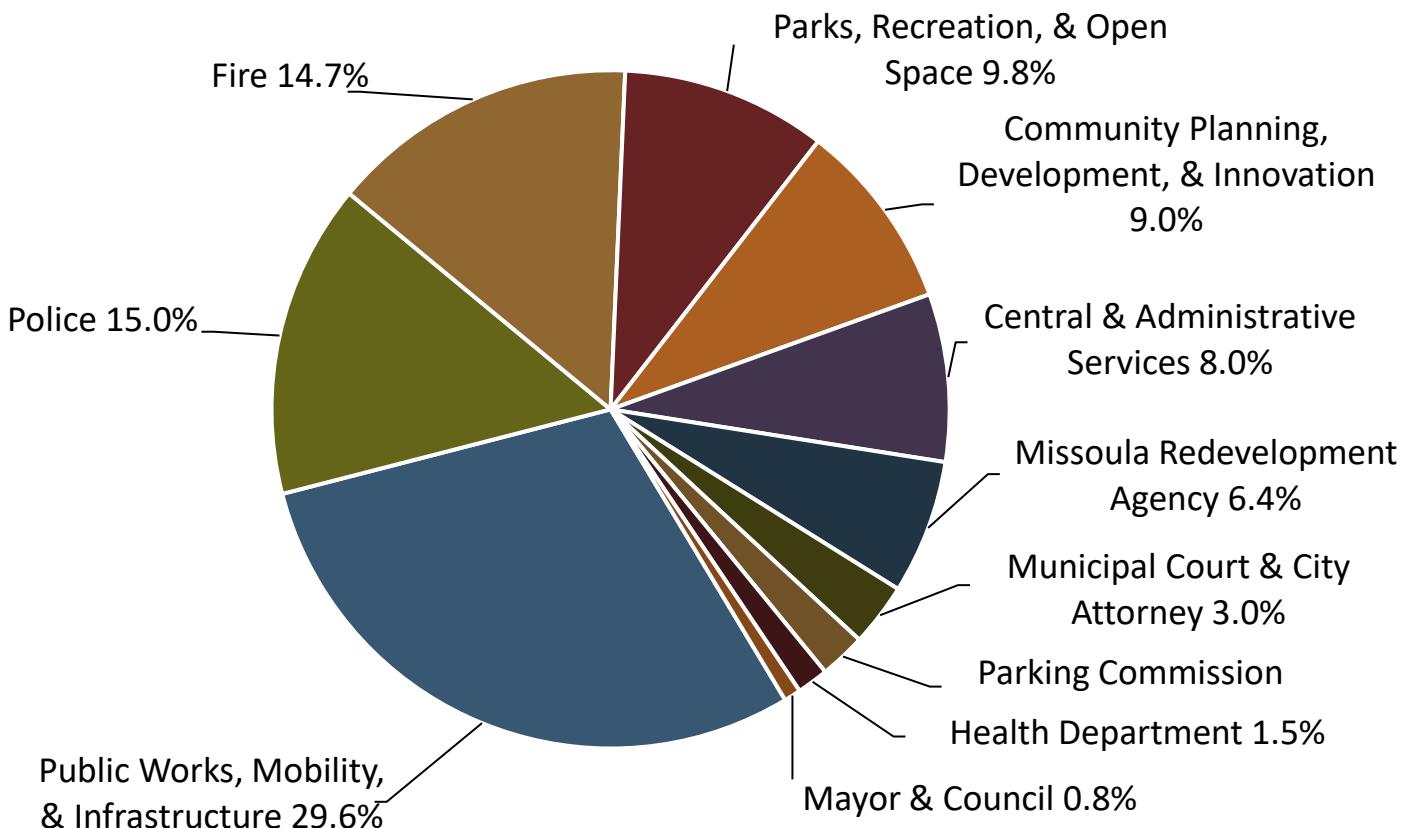
Where the money comes from

- 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 \$204,984,993

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 in 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
	Year-round emergency shelter	\$804,345		✓	
	Support for staff and public safety with security in neighborhoods, garbage hauling, and hazard pay for employees	\$1,124,272	✓		✓
	Crisis Intervention Team, based in the police department, funded at \$313,000 to maintain level of service			✓	
	Mobile Support Team funded to maintain service at \$1.3 million			✓	✓
	Attorney's Office funding formerly grant-funded crime victim advocate position and adding a new coordinator with additional grant funds \$172,839		✓	✓	✓

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

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
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Average 3.5 percent cost-of-living increase for most staff to retain employees and achieve greater efficiencies \$1,220,682

✓	✓	✓	✓
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Continuing funding to continue the work of our Justice, Equity, Diversity, and Inclusion program \$147,180

✓



Create efficiencies within Central Services with a new payroll system \$80,000

✓	✓
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Begin design and remediation of former federal courthouse in earnest \$500,000

✓	✓
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Professional services to support essential strategic reporting and communication improvements including key performance indicators, assessment of communication needs for City Council members, and acquisition and implementation of key system upgrades \$60,000

✓

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Funded Requests Highlights

Economic Health



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

Property Taxes	Grant	Reserves	Fees
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Anticipate nearly \$5 million deposit into Affordable Housing Trust Fund through the sale of the former Sleepy Inn site on West Broadway and the Riverfront Triangle in addition to general fund support



Continue work toward our goal of 100 percent clean electricity by 2030, taking advantage of contracts, partnerships, and grants whenever possible \$100,000



Contribute \$30,000 to the United Way's Child Care Advantage program to provide space and administrative resources to daycare providers in the community



Budgeting for a proactive lobbying strategy for work between sessions of the Montana State Legislature to advocate for desperately needed reforms \$42,000



Work with partners to develop a pipeline for clean energy and infrastructure workforce development in Missoula \$205,000

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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
 Fund \$303,432 for continuation of Missoula growth policy and code reform project and innovative engagement process		✓		
 Update Parks, Recreation, Open Space, and Trails plan to create more urban standards for parks, funded at \$415,000 and focusing on the City's lenses of climate, equity, and housing		✓	✓	
 Complete the first phase of the Mullan BUILD Grant area totaling \$2.9 million this fiscal year		✓		✓
 Evaluate our Urban Forestry program, including an innovative tree inventory \$25,000		✓		
 Invest \$5 million in sidewalks and greenways	✓	✓		✓
 Make improvements for all modes of transportation on South Avenue in partnership with Missoula County, leveraging \$9 million in federal funding with \$2 million in city funds		✓		✓

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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
	Missoula Redevelopment Agency investing \$7.7 million in public infrastructure such as sidewalks and water infrastructure	✓		
	Missoula Water investing \$10.2 million in infrastructure to reduce leakage and environmental impact	✓		✓
	Invest \$7.2 million in our wastewater utility's collection and treatment systems	✓		✓
	Repair and reopen the Northside Pedestrian Bridge for an additional \$2 million	✓	✓	
	Provide a match for a federal Transportation Alternatives grant to help reduce operations costs with deferred repairs to sidewalks, wells, irrigation systems, fences and pathways \$523,146	✓	✓	
	Focus grant-writing efforts on electrification, sustainability, and resilience, with an overall goal of reducing our climate impact 99,842	✓		

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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.