



Fiscal Year 2021 Year-End Budget Amendments

CITY COUNCIL MEETING

PUBLIC HEARING

JANUARY 24, 2022



MRA Fiscal Year 2021 Year-End Budget Amendments

- **Amending a Budget**
 - ✓ State law allows cities to amend their budgets
 - ✓ Public hearing and notice requirements
 - ✓ Approved via resolution
- **MRA funding sources**
 - ✓ tax increment financing, State reimbursements, grants
- **City and MRA Fiscal Year (FY) is July 1 – June 30**
- **Budget Process Timeline**
- **Year-End Amendments required for Audit compliance**



Amending the Budget

Montana Code Annotated (MCA)

“The governing body may amend the budget during the fiscal year by conducting public hearings at regularly scheduled meetings.”



Amending the Budget

Public Hearing & Notice Requirements

MCA 7-6-4021 - Notice of amended budget.

(1) The governing body shall cause a notice of a public hearing on the amended budget to be published.

- Publication must be in a newspaper
- The notice must be published twice, with at least 6 days separating each publication.

These requirements are carried out by the City Clerk's office for all City Council action.



Amending the Budget

Budget Amendments are approved by City Council by Resolution after a public hearing.

- The amended budget constitutes the final budget and is used during the audit process.**



MRA Funding Explained

- MRA is not a taxing jurisdiction and does not levy mills or taxes. It is not funded by the General Fund of the City.
- MRA's Urban Renewal Districts are funded through a **tax increment financing provision** authorized by State Urban Renewal Law [7-15-4282](#).

Tax increment revenue is calculated by:

Incremental Taxable Value of Properties x Mill Levies =
Tax Increment Revenue

- Tax increment revenue is used by each urban renewal district to fund **eligible components** ([MCA 7-15-4288](#)) of urban renewal projects that are reviewed by staff and approved by the MRA Board of Commissioners. Acquisition of property and issuance of debt require City Council approval.



Budget Process Timeline

Feb-Mar	Internal budget process begins with City departments
Apr	City council and administration meet and develop strategic framework
May-Jun	Proposed budget is referred to City Council's Budget Committee of the Whole
Jul	Fiscal Year begins July 1
Jun-Aug	City departments present their budgets and new requests to the Budget Committee of the Whole
Aug	MT Dept of Revenue releases taxable values of property City Council approves budget resolutions during public hearing
Sep-Oct	Final mill levies are set by other taxing jurisdictions
June	Fiscal Year ends June 30
Dec 31st	Annual independent Audit completed for MRA



MRA Fiscal Year 2021 Year-End Budget Amendments

- **This is the procedural step to close out fiscal year 2021 (July 1, 2020-June 30, 2021) as required by law.**
- **Budget Amendments Recognize:**
 - ✓ Project timing – carryover funds
 - ✓ Revenues identified during the year
 - ✓ Expenditures approved during the year
 - ✓ Bond issues approved by City Council (funded solely by tax increment)

MRA Fiscal Year 2021 – Audited Income Statement

MISSOULA REDEVELOPMENT AGENCY

(A Component Unit of the City of Missoula)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS For the Year Ended June 30, 2021

	Urban Renewal District I	Urban Renewal District II	Urban Renewal District III	Front Street District	Riverfront Triangle District	N. Reserve Scott Street District	Hellgate District	Major Debt Service	Total
REVENUES									
Tax increment property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$339,303	\$10,326,956	\$10,666,259
State contribution - PERS	-	-	475	-	-	-	-	-	475
Grant revenue	-	-	156	-	-	-	-	-	156
State entitlement funds (HB124)	-	-	-	-	-	-	-	255,260	255,260
Personal property reimbursement (SB372 and SB96)	-	-	-	-	-	-	-	528,472	528,472
Miscellaneous	-	1,929	-	-	-	-	-	2,792	4,721
Total revenues	-	1,929	631	-	-	-	339,303	11,113,480	11,455,343
EXPENDITURES									
Housing and community development	-	1,275,032	2,859,927	2,564,613	5,650	320,970	113,861	-	7,140,053
Capital outlay	-	230,281	631,520	-	-	6,380,540	-	-	7,242,341
Debt service expense - interest	-	-	-	-	-	-	-	1,925,647	1,925,647
Debt service expense - principal	-	-	-	-	-	-	-	2,031,634	2,031,634
Miscellaneous	44	-	-	-	-	-	-	-	44
Total expenditures	44	1,505,313	3,491,447	2,564,613	5,650	6,701,510	113,861	3,957,281	18,339,719
Excess (deficiency) of revenues over expenditures	(44)	(1,503,384)	(3,490,816)	(2,564,613)	(5,650)	(6,701,510)	225,442	7,156,199	(6,884,376)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	2,993,920	3,879,694	708,350	372,209	595,707	-	3,551,087	12,100,967
Transfers out	-	(381,905)	(77,900)	-	(200,000)	(285,484)	(44,988)	(11,110,690)	(12,100,967)
Issuance of long-term debt	-	-	-	1,886,105	-	6,604,000	-	-	8,490,105
Total other financing sources (uses)	-	2,612,015	3,801,794	2,594,455	172,209	6,914,223	(44,988)	(7,559,603)	8,490,105
Net change in fund balances	(44)	1,108,631	310,978	29,842	166,559	212,713	180,454	(403,404)	1,605,729
FUND BALANCES									
Beginning of year	44	2,218,789	3,724,045	647,780	291,126	1,141,830	451,976	1,981,136	10,456,726
End of year	\$ -	\$3,327,420	\$4,035,023	\$ 677,622	\$457,685	\$ 1,354,543	\$632,430	\$ 1,577,732	\$12,062,455



Amending the Budget

Motions

- **MRA Fiscal Year 2021 Year-End Budget Amendments**

Adopt a resolution amending the annual appropriations for the City of Missoula, Montana as set forth in the fiscal year 2021 budget that amends the total Missoula Redevelopment Agency (MRA) budget including increasing revenues by \$2,103,763 and increasing expenditures by \$2,183,338 in order to recognize appropriate revenue based on final valuations and mill levies, anticipated grants and bond proceeds, and administrative and project related revenue and expenditures during the fiscal year and incorporate on-going construction projects and bond issues with related debt service that were carried forward from fiscal year 2020.