



FY 2023 BUDGET

BUDGET SUMMARY

BUDGET & FINANCE COMMITTEE

AUGUST 10, 2022

- 1. Budget Documents**
- 2. Budget Resolutions**
- 3. Budget Changes**
- 4. ARPA**
- 5. Community Investment Program**
- 6. Mill calculation and tax bill impacts**

BUDGET SUMMARY

BUDGET & FINANCE COMMITTEE

AUGUST 10, 2022

Documents are updated throughout the budget presentation process. Documents will be uploaded to the website as changes are made. These are located here: <https://www.ci.missoula.mt.us/2914/FY2023-Preliminary-Budget>

Home › Departments › Financial Services › Budget › FY2023 Preliminary Budget

FY2023 Preliminary Budget



The links below will take you to the department presentations and budget detail documentation presented to the Missoula City Council [Budget and Finance Committee](#) during the fiscal year 2023 budget process. You can visit [EngageMissoula](#) for summarized budget info and public comment options. To be notified of all things Budget, subscribe to the email distribution list via this link: [Notify Me](#).

Overview/Informational Documents

- [City of Missoula Strategic Plan 2020-2023](#): Outlines the principles and goals the City will priority in budgeting through the fiscal year 2023.
- [Mayor's Strategic Priorities - Fiscal Year 2022](#): Specific action items related to our goals for fiscal year 2022 and an indicator of the status of each.
- [Mayor's Strategic Priorities - Fiscal Year 2023](#): Specific action items related to our goals for fiscal year 2023.
- [Key Priorities 2022 & 2023 Presentation](#): Summary of the action items for 2022 and 2023 grouped by topic.

What makes up the budget?

Baseline changes

CITY OF MISSOULA					
Changes to Baseline Budgets - major					
Department	FY 2021	FY 2022	FY 2022	FY 2023	
	Adopted & Amended	Adopted & Amended	Carry-forwards (One Times)	Proposed	Diff
GENERAL FUND					
City Council					
100	Personnel Services	369,182	399,261	—	412,290
200	Supplies	1,300	1,300	—	1,300
300	Purchased Services	16,805	16,805	—	16,805
	Subtotal	387,287	417,366	—	430,395
Mayor					
100	Personnel Services	598,736	624,417	—	641,217
200	Supplies	2,732	2,732	—	2,732
300	Purchased Services	82,629	148,629	100,000	48,629
900	Capital Outlay	11,000	—	—	—
	Subtotal	695,097	775,778	100,000	692,578
Human Resources					
100	Personnel Services	750,519	—	—	—
200	Supplies	1,850	—	—	—
300	Purchased Services	107,465	—	—	—
900	Capital Outlay	—	—	—	—
	Subtotal	859,834	—	—	—

CITY OF MISSOULA, MONTANA FY 2023 New Requests & Tax Scenarios			New Requests				
Request Description	Requested Amount	Rating	Mayor's Funded				
			Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
General Fund							
City Council							
1	Big Sky Rail Passenger Authority Contribution	6,000 Replacement	—	6,000	6,000	—	6,000
2	Montana Human Rights Navigation Project	106,454 New Program	—	—	—	—	—
Mayor							
1	2023 Legislative Session Lobbying & Tracking	41,000 New Program	—	—	—	41,000	41,000
Human Resources							
1	Contracted Security Services	104,623 Required	104,623	—	104,623	—	104,623
2	Ongoing Funding for NeoGov applicant tracking system	15,460 Required	15,460	—	15,460	—	15,460
3	Baseline increase for disaster preparedness/continuity of business and EAP contract increase	11,800 Required	11,800	—	11,800	—	11,800
4	Professional Development	20,000 Expand Level of Service	—	—	—	—	—
City Clerk							

Community Investment Program

CITY OF MISSOULA						Mayors Budget		FY 2023 Funded Amount	TOTAL		
CAPITAL IMPROVEMENT PLAN FY 2023 - FY 2027						Approved	Funded		TOTAL	FY 2023	FY 2027
	Department	Rating	Funded Prior Year								
Core Operating Vehicles & Equipment											
	Core Operating Vehicles & Equipment	Other	Replacement	—	—	—	—	20,839,496	4,363,050	4,400,000	
	Proposed Debt Service			—	—	—	—	5,839,588	89,537	5,000,000	
Administrative											
	Case Management Database Procurement	Attorney	Required	Y	Y	Y	—	143,800	143,800	—	
	IT Ongoing Equipment replacement	Information Technologies	Required	Y	Y	Y	—	625,500	625,500	—	
	Financial Management & Reporting Software	Finance/Treasurer	Required	Y	Y	Y	—	950,000	950,000	—	
	Reroof Missoula City Shops	Facility Maintenance	Replacement	N	N	N	—	900,000	900,000	—	
	Courtroom #3 Addition to City Hall	Facility Maintenance	Urgent	N	Y	Y	—	290,406	290,406	—	
	Federal Building Rehabilitation	Administration	Expansion	TB	Y	Y	—	16,348,620	348,620	6,000,000	

Budget Documents

Overview of Budgeted Resources Projected Changes in Fund & Working Capital Balances All Funds (aka City Budget All Funds)

OVERVIEW OF BUDGETED RESOURCES												
PROJECTED CHANGES IN FUND AND WORKING CAPITAL BALANCES												
DETAIL OF ALL FUNDS												
Fiscal Year 2022 - 2023												
Fund #	Fund Name	Audited Beginning Fund Balance July 1, 2021	Projected Revenues FY 2022	Projected Expenditures FY 2022	Projected Beginning Balances July 1, 2022	FY 2023						Projected Ending Balances June 30, 2023
						Taxes or Assessment	Non-Tax	Transfers In	Transfers Out	Budgeted Expenditures	Committed Expenditure Savings	
GENERAL FUND												
1000	General Fund	7,653,831	67,978,381	(70,763,581)	4,868,631	29,716,086	33,391,230	6,115,281	2,949,215	68,427,974	(1,331,906)	4,045,945
1211	Park Acquisition and Development Fund	603,304	234,000	—	837,304	—	150,000	—	—	250,000	—	737,304
1212	Park Enterprise Fund	543,028	50,000	(20,000)	573,028	—	24,000	—	—	332,360	—	264,668
1216	Parks Recreation Trails Forestry Land Memorial	767,308	100,000	(55,000)	812,308	—	287,000	10,000	—	937,826	—	171,482
1217	Parks City Life Gym	19,760	5,000	—	24,760	—	—	—	—	—	—	24,760
1219	Fort Missoula Regional Park - Recreation	181,877	493,941	(274,419)	650,729	—	310,119	21,566	25,000	406,191	—	551,223
1221	Fort Missoula Regional Park - Maintenance	843,512	679,537	(182,271)	1,340,778	—	307,807	391,954	—	690,695	—	1,349,844
1225	All Hazards Fund	824,647	1,500,000	(1,000,000)	1,324,647	—	4,000,000	—	121,543	3,474,714	—	1,728,390
1241	Cemetery Niche Wall & Memorials Fund	52,461	—	(52,461)	—	—	—	—	—	—	—	—
1242	Cemetery Capital Reserve Fund	283,516	122,461	(100,000)	305,977	—	50,375	—	—	187,500	—	168,852

Budget Appropriations Resolution source document

Budget Resolutions

Appropriations Resolution

A resolution fixing the annual appropriations and the Capital Improvement Program for the City of Missoula as set forth in the Fiscal Year 2023 Budget and Capital Improvement Program, including workplans & budgets for:

- The Tourism Business Improvement District (TBID)
- The Business Improvement District (BID)
- The Park District #1 & The Road District #1

Fee Increases

Increasing fees:

1. Business Licensing
2. Fire inspection, plan checking, pyrotechnic display and police and special event fees
3. Wastewater industrial interceptor variance permit

Tax Levies & Assessments

1. General and special taxes for municipal and administrative purposes
2. A resolution levying taxes on the lots, pieces and parcels of land located in the Downtown Business Improvement District A resolution levying annual assessments on the hotels located in the Tourism Business Improvement District of the City of Missoula
3. Road and Park District assessments
4. Other assessments: street lighting, street maintenance, sidewalk assessments, and snow and weed removal

Mayor's Executive Budget Updates

- \$8,000 to the Finance budget for an increase in our audit contract and software licensing.
- \$12,000 for short term rental monitoring software
- Increased the contribution to the Affordable Housing Trust Fund to \$250,000
- \$75,000 100% Clean Energy Statewide Advocacy and Coalition Building
- \$130,000 Increase police fleet
- \$156,594 increase funding for the Crisis Intervention Team
- \$969,000 fully fund the Mobile Support Team request
- \$37,500 UM Women's Development Center Contribution. W.E.L.L. Women's Business Center at the University of Montana. Headquartered in Missoula, the Center supports women entrepreneurs by providing free business coaching, training programs, courses, and an online community/membership.
- \$40,000 Engineering Plans Examiner & Inspector
- \$65,000 snow removal equipment
- \$6,500 pick-up Sander – Streets Dept.
- \$180,000 loader mounted snow blower
- \$100,000 increase to the water loan fund
- \$33,000 increase for equipment and staff training in the wastewater utility

Please see funding sources outlined in the New Requests document

What is ARPA?

- ARPA is an acronym for the American Rescue Plan Act.
- The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

<u>Type</u>	<u>Amount (\$ billions)</u>
• ¹ States & District of Columbia	\$195.3
• Counties	\$65.1
• ² Metropolitan Cites	\$45.6
• Tribal Governments	\$20.0
• Territories	\$4.5
• Non-entitlement Units of Local Government	\$19.5

¹⁻²: Funding pools the City of Missoula is eligible for

How much ARPA funding do we get?

\$14,192,996 Direct Allocation

- Directly from Treasury

\$2,910,000

- Water & Sewer - Competitive Grants Round 1 - awarded

\$10,107,938

- Water & Sewer Minimum Allocations

\$4,030,000

- Water & Sewer - Competitive Grants Round 2 – awarded

\$1,323,209 HOME/HUD ARPA

New in 2022: \$10M revenue loss provision

When Treasury released their ARPA Final Rule on 1/6/22, they clarified and expanded guidelines to include the option for recipients to use up to 10 million of their ARPA direct allocation for “the provision of government services.”

In effect, Treasury is letting units of local government decide how best to balance their response to the negative economic impacts of the pandemic with utilizing once in a lifetime funding for strategic investments to strengthen operations.

FY 23 ARPA Funded requests

Request	Requested	ARPA Funded
<u>Mayor</u>		
2023 Legislative Session Lobbying & Tracking	41,000	41,000
<u>Central Services</u>		
Professional Development and Certification	9,000	4,500
Modernize technology to improve collaboration and results driven project management	280,000	280,000
<u>Facility Maintenance</u>		
Continue additional staffing for building maintenance	63,997	63,997
<u>Community Planning, Development, & Innovation</u>		
Comprehensive Code Reform	546,568	546,568
Houseless Initiatives Staffing Capacity	94,925	94,925
Affordable Housing Trust Fund FY23 Allocation	850,000	250,000
FY23 Operation Shelter Projects	964,506	964,506
100% Clean Energy Statewide Advocacy and Coalition Building	100,000	75,000
<u>Attorney</u>		
Victim Witness Coordinator	61,439	61,439
<u>Police</u>		
Officer Wellness - Subscription & Treatment	50,000	25,000
Crisis Intervention Team (CIT) Program	156,594	156,594
<u>Fire</u>		
Mobile Support Team (MST) Program	542,400	542,400
<u>Non-Department</u>		
UM Women's Business Development Center Contribution	37,500	37,500
Revenue Loss	2,369,815	2,369,815
<u>City-County Health Department</u>		
City portion of COVID-19 impact	579,032	579,032
<u>Parks & Recreation</u>		
American Rescue Plan Act Funded: City Wide Diversity Equity, Inclusion Program Specialist II	94,069	94,069
American Rescue Plan Act funded: JEDI Supplies and Purchased Services	100,000	100,000
Total ARPA Funded Requests	\$ 6,940,845	\$ 6,286,345

@ \$907K of ARPA remaining



FY 2023- 2027

**COMMUNITY
INVESTMENT
PROGRAM**

Community Investment Program (CIP)

formerly Capital Improvement Program

CIPs, defined by the Montana Legislature, allows a municipality to set aside funds from its general all-purpose levy for replacement and acquisition of **property, plant or equipment costing in excess of \$5,000 with a life expectancy of five years or more.**

The list of CIP projects is updated on an annual basis as new needs become known and priorities change.

The City of Missoula prepares a Community Investment Program (CIP) document separate and apart from the Annual Operating Budget.

Unlike the Annual Operating Budget, the CIP is a multi-year community investment plan that **forecasts, but does not obligate, future spending** for all anticipated capital projects.

Multi-year CIP projects must be submitted each fiscal year for funding approval.

Montana Code Annotated 2021

TITLE 7. LOCAL GOVERNMENT

CHAPTER 6. FINANCIAL ADMINISTRATION AND TAXATION

Part 6. Local Government Accounting

Capital Improvement Funds

Now known as the “**Community Investment Program (CIP)** “

7-6-616. Capital improvement funds.

- (1) A county, municipal, or special district governing body may establish a capital improvement fund for the replacement, improvement, and acquisition of property, facilities, or equipment that **costs in excess of \$5,000 and that has a life expectancy of 5 years or more.**
- (2) A capital improvement plan for the fund must be **formally adopted** by the county, municipal, or special district governing body.
- (3) The capital improvement fund **may receive money from any source, including funds that have been allocated in any year but have not been expended or encumbered by the end of the fiscal year.**
- (4) Money in the capital improvement fund must be invested as provided by law, and interest and income from the investment of the capital improvement fund must be credited to the fund.

CITY OF MISSOULA				Mayors Budget		FY 2023 Funded Amount	TOTAL PRO		
CAPITAL IMPROVEMENT PLAN			Funded Prior Year	Approved	Funded		TOTAL	FY 2023	FY 2024
FY 2023 - FY 2027		Department	Rating					Y1	Y2
Core Operating Vehicles & Equipment									
Core Operating Vehicles & Equipment	Other	Replacement	▼	Y ▼	Y ▼	4,363,050	20,839,496	4,363,050	4,455,500
Proposed Debt Service			▼	Y ▼	Y ▼	89,537	5,839,588	89,537	502,674
Administrative									
Case Management Database Procurement	Attorney	Required	Y▼	Y ▼	Y ▼	143,800	143,800	143,800	—
IT Ongoing Equipment replacement	Information Technologies	Required	Y▼	Y ▼	Y ▼	625,500	625,500	625,500	—
Financial Management & Reporting Software	Finance/Treasurer	Required	Y▼	Y ▼	Y ▼	950,000	950,000	950,000	—
Reroof Missoula City Shops	Facility Maintenance	Replacement	N▼	N ▼	N ▼	—	900,000	900,000	—
Courtroom #3 Addition to City Hall	Facility Maintenance	Urgent	Y▼	Y ▼	Y ▼	290,406	290,406	290,406	—
Federal Building Rehabilitation	Administration	Expansion	TBD	Y ▼	Y ▼	348,620	16,348,620	348,620	6,000,000
Public Safety									
Police									
Missoula Police Department Facility	Police	Urgent	Y▼	Y ▼	Y ▼	101,500	11,501,500	101,500	11,400,000

Core Equipment Replacement List

	Equipment Description	Replace Year	Replace Cost
Admin			
800	Toyota Prius	2023	40,000
	Total Admin FY2023		40,000
PW Engineering			
505	Jeep Liberty	2023	40,000
	Total PW Engineering FY2023		40,000
Fleet Maintenance			
777	Cat - Olympian	2023	90,000
VM001	Plazma Cutter	2023	7,500
	Total Fleet Maintenance FY2023		97,500
Police			
4	Buick Lacrosse	2023	40,000
7	Chevrolet G30 Van	2023	45,000
19	Ford Taurus	2023	40,000
31	Dodge Journey	2023	40,000
91	Dodge Charger All Whl Drive	2023	50,000
92	Dodge Charger All Whl Drive	2023	50,000
93	Dodge Charger All Whl Drive	2023	50,000
94	Dodge Charger All Whl Drive	2023	50,000
95	Dodge Charger All Whl Drive	2023	50,000
96	Dodge Charger All Whl Drive	2023	50,000
97	Dodge Charger All Whl Drive	2023	50,000
8033	Chevrolet Impala	2023	40,000
8040	Ford F150 Crew Cab	2023	50,000
0	Police Ongoing Equip Replacement	2023	36,450
0	Mobile Radios & Equipment	2023	35,000
	Total Police FY2023		676,450
Fire			
4947	Chev K3500 Ambulance	2023	250,000
9021	Ladder Truck	2023	1,400,000
RWC1	Rescue Water Craft	2023	20,000
RWC2	Rescue Water Craft	2023	20,000
0	Communication Hand Held And Mobile Radios	2023	35,000
0	Thermal Imagers (6 Yrs.)	2023	40,000
	Total Fire FY2023		1,765,000

Core Equipment Replacement List

	Equipment Description	Replace Year	Replace Cost
Public Works			
	110 F350 Flat Bed / Lift Gate	2023	55,000
	112 Johnston 650	2023	33,550
	113 Johnston 650	2023	33,550
	140 Sterling Tandem Axle	2023	210,000
	592 Isuzu Npr	2023	120,000
P167	Schmidt	2023	30,000
	Sanders	2023	16,000
	Asphalt Wackier	2023	5,000
	Deicer Units	2023	10,000
	Total Public Works FY2023		513,100
Parks			
	209 Gmc Sierra Pickup	2023	45,000
	210 Chevy Silverado Hybrid	2023	45,000
	239 Kubota 3680	2023	50,000
	265 Chevrolet ¾ Ton Pickup	2023	50,000
	Total Parks FY2023		190,000
Wastewater			
	321 IH Aquatec	2023	550,000
	374 CMC Pump	2023	25,000
	381 Comc 3" Pump	2023	8,000
	385 Landa Pressure Wash	2023	25,000
	392 Sullair 210H Compressor	2023	20,000
NV6	Nashua Trailer	2023	10,000
	Total Wastewater FY2023		638,000
Cemetery			
	605 Kubota	2023	45,000
	Total Cemetery FY2023		45,000
CPDI			
	404 Jeep Patriot	2023	40,000
	408 Ford Escape	2023	40,000
	502 Ford Escape	2023	40,000
	509 Chevrolet Impala	2023	40,000
	517 Chevrolet Impala	2023	40,000
	Total CPDI FY2023		200,000
Water			
	452 Chevy 2500	2023	45,000
	456 Ford Extcab 150	2023	45,000
	458 Chevy 1500	2023	45,000
	0 Field Equipment	2023	23,000
	Total Water FY2023		158,000

How does CIP relate to operating budget?

Annual Operating Budget

Budget approval is for **one year**

Day to day costs required to provide regular City services.

Ex. Payroll, supplies, power, rent, debt payments, etc.

Includes recurring and preventative maintenance as well as **debt service payments** for assets acquired through CIP.

Each fund and each department has an operating budget

Community Investment Program

Multi-year planning document. 5 or more years shown.

Program expenditures must be in excess of \$5,000 with a useful life expectancy of 5 years or more.

Budget approval is for one year only – **must request spending approval each year.**

Funded largely by **financing and non-tax sources.**

Mill Levy's & Assessments

CITY OF MISSOULA MILL LEVY COMPUTATION FY 2023											
	Prior Yr	Baseline					Funded				
				Mill	Tax %	Total			Mill	Tax %	Total
	FY22			Change	Inc (dec)	Tax %	Add'l	Add'l	Change	Inc (dec)	Tax %
	Final	Dollars	Mills	from '22	By Fund	Inc (dec)	Dollars	Mills	from '21	By Fund	Inc (dec)
General Fund - All Purpose Levy	181.72	25,719,893	158.73	(22.99)	(12.65)%	(8.33)%	3,996,193	24.66	1.67	0.92 %	0.61 %
Health Ins Levy (outside cap)	42.30	7,397,097	45.65	3.35	7.92 %	1.21 %	195,141	1.20	4.55	10.76 %	1.65 %
Subtotal Property Taxes	224.02	33,116,989	204.38	(19.64)	(8.77)%	(0.88)%	4,191,334	25.86	6.22	2.78 %	2.25 %
Road District #1	32.74	6,602,790	37.11	4.37	13.35 %	1.58 %	223,172	1.25	5.62	17.17 %	2.04 %
Park District #1	19.09	6,917,074	38.88	19.79	103.67 %	7.17 %	285,754	1.61	21.40	112.10 %	7.76 %
Subtotal District Assessments	51.83	13,519,865	75.99	24.16	46.61 %	8.76 %	508,926	2.86	27.02	52.13 %	9.80 %
Total Mill Levies & District Assessments	275.85	46,636,854	280.37	4.52	1.64 %	1.64 %	4,700,260	28.72	33.24	12.05 %	12.05 %
Voted Levies											
Voted G.O. Bond debt (all)	6.22	992,556	6.13	(0.09)	(1.45)%	(0.88)%	—	—	(0.09)	(1.45)%	(0.88)%
Conservation Lands Maint Levy	4.00	648,145	4.00	—	— %	— %	—	—	—	— %	— %
Total Voted Levies	10.22	1,640,701	10.13	(0.09)	(0.88)%	(0.88)%	—	—	(0.09)	(0.88)%	(0.88)%
Total All Assessments and Levies	286.07	48,277,555	290.50	4.43	1.55 %	1.55 %	4,700,260	28.72	33.15	11.59 %	11.59 %

319.22

FY23 Marijuana tax revenues are \$350,000. General tax levies have been reduced by this amount.

Mill Levy's & Assessments

City Taxes = \$430.95
for every \$100,000 of assessed value

Change in City Taxes = \$44.75
increase for every \$100,000 of assessed value

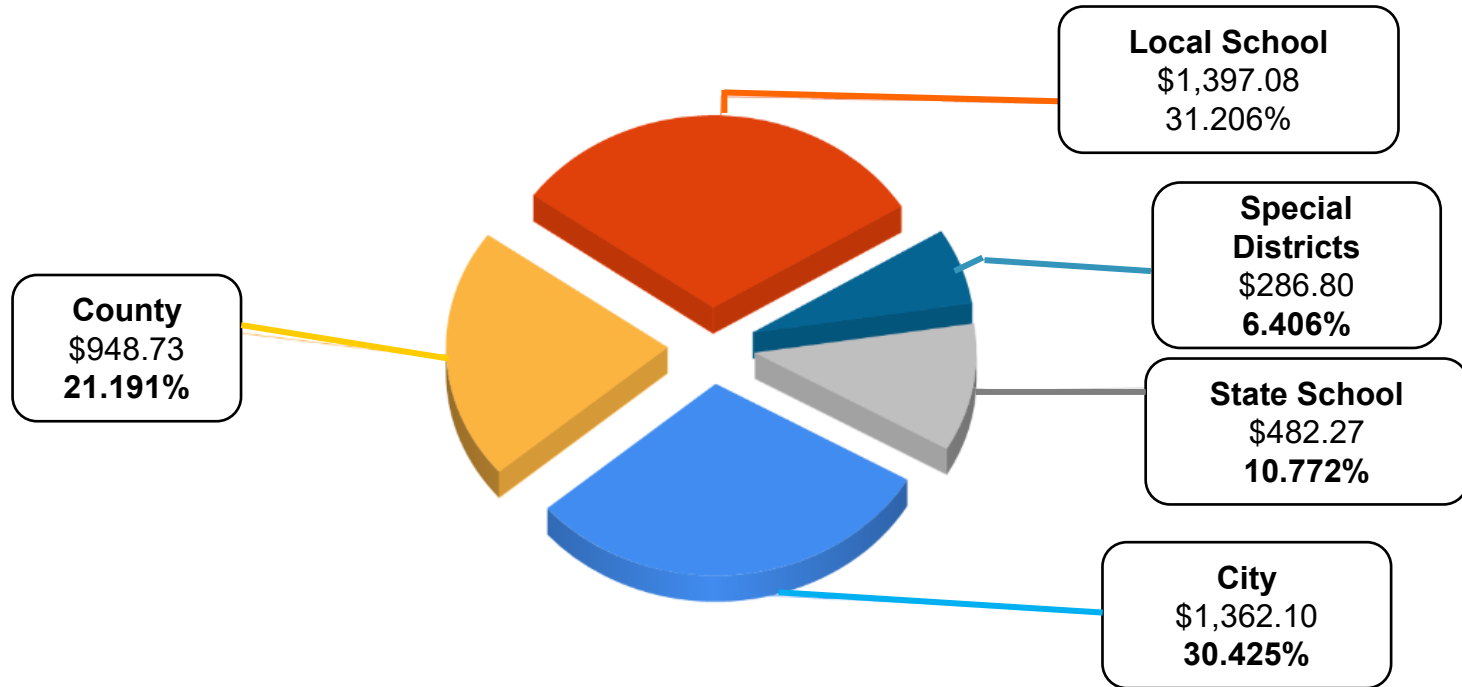


Mill Levy's & Assessments

2021 Value:

Market: \$348,469
Taxable: \$4,705

Tax Year: 2021, Parcel Number:
Total Tax Collection: \$4,476.98
DISTRIBUTION SUMMARY



NEXT STEPS

Monday August 15, 2022

City Council Meeting: Public Hearings open

- Annual Appropriations
- Permissive Medical Levy
- Fee Increases
- Budget and workplans for:
 - Road District
 - Park District
 - Business Improvement District
 - Tourism Business Improvement District

Wednesday August 17, 2022

Budget & Finance Committee

- Council deliberations

Monday August 22, 2022

City Council Meeting: Public Hearings Final Consideration



FY 2023 BUDGET

END