



OFFICE OF THE MAYOR

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August 16, 2021

Members of the Missoula City Council, this letter conveys my final executive budget for the City of Missoula's Fiscal Year 2022, a budget crafted to ensure the essential services our residents and visitors deserve are delivered effectively and that reflects our strategic plan and goals and the values of the majority of our community as expressed in our resident survey and through my daily conversations and interactions with residents, elected officials and our staff.

Fiscal Year 2021 presented unique budgeting opportunities as a function of the CARES Act, which provided financial help to local governments, along with other assistance to governments, NGOs, businesses and individuals. Last year, we used CARES to support pandemic response and public safety efforts, as well as new programs intent on tempering the broader effects of the pandemic, particularly on the most vulnerable among us. Because of CARES Act funding, we were able to maintain a high level of service and expand programs to meet changing community needs, some pandemic-related, some not. In addition, that funding allowed us to keep our tax levies flat.

Fiscal Year 2022 presents similar, unique opportunities, and this budget takes advantage of those opportunities. When Congress passed President Biden's American Rescue Plan Act, I drafted guiding principles for the \$14.2 million the City of Missoula will receive over two years from the act, to wit:

- City government must be sustainable and prepared for new emergencies to ensure the community thrives in the wake of the coronavirus pandemic. We will use resources appropriately to balance the City's budget through Fiscal Year 2022 and Fiscal Year 2023.
- People come first in every investment we make, whether in sustaining local government; maintaining, improving or building new infrastructure to serve residents and visitors; supporting middle-class and low-income residents; providing assistance to small business; and addressing the pressing challenges of a post-pandemic environment.
- We will clearly communicate our reasons for spending ARPA funds and be exceptional stewards of these resources, ensuring that we account for expenditures in a thorough, understandable, accurate and timely manner.
- We will seek opportunities to combine existing resources and programs to stretch ARPA dollars.

Based on those principles, the FY22 budget keeps our levies flat for the third year in a row, invests in maintaining and enhancing essential services, addresses critical community challenges in housing inventory and affordability through significant investment, strategically and holistically expands programs that prevent and ease homelessness, supports residents experiencing behavioral health crises, shores up our rainy-day fund, stockpiles essential personal protective equipment, supports business and commercial development through regulatory reform and investment in the Missoula Economic Partnership and more. In addition, ARPA resources allocated through the State of Montana will support maintenance and expansion of our utilities and, while we don't know numbers yet, potentially other projects identified in our Community Investment Plan.

We'll work collaboratively with Missoula County on many of these issues and make joint investments where practical.

We received our certified taxable values from the Montana Department of Revenue earlier this month, and the news was good. Our tax base grew at pre-recession levels, and new growth in and outside of urban renewal districts was robust. This growth allows us to accomplish the goals we'd hoped for in the preliminary budget and with a couple of additions in the Police Department and Parks and Recreation.

As a reminder, our mission, as memorialized in our strategic plan, is that the City of Missoula is committed to fostering an organization of employees charged with providing high quality, accessible, responsive and innovative services efficiently and effectively.

To that end, our strategic goals for FY22 are highlighted here, along with our proposed investment in achieving those goals:

Organizational Excellence

- Build a comprehensive plan to address systemic racism and inequality that may be embedded within City policies, procedures and systems.
 - \$150,000 of one-time funding allocated to services to address City government policies and procedures and to provide support the local equity cohort created as a result of the City's involvement in the National League of Cities of Opportunities Cohort
 - Make permanent the position supporting the City's equity efforts that started through the UM Master of Public Administration Baucus Fellowship
- Implement new technology to improve collaboration, communication and project management
 - \$343,000 to invest the City's collaboration, communication and project management systems that supports a robust virtual environment and includes a new FTE software administrator
- Modernize our communications approach.
 - \$100,000 of one-time funding to support the modernization of our communications approach and provide funding to support the communication of specific City initiatives
- Plan for the City government's capacity and infrastructure needs through a facilities master plan
 - \$650,000 to support the planning and design for the City's acquisition and transition to the historic federal courthouse
 - \$102,000 for planning and design for the administration and patrol functions of the Police Department

Access to Quality Housing

- The City of Missoula is committed to ensuring that every person, regardless of economic status, has access to quality housing that is safe and affordable.
 - Purchase land and partner with the private sector on innovative new development models
 - \$500,000 to support the redevelopment at Scott Street, West Broadway, and Johnson Street City-owned sites
 - Adopt a program to incentivize the creation of affordable homes
 - \$2.7 million of additional one-time funding to support the Affordable Housing Trust Fund through the sale of City-owned land and ARPA funding
- Innovate and align the City's regulatory codes to better support our housing goals.
 - \$850,000 over the next two fiscal years to overhaul the City's regulatory code and align it with the City's housing, transportation and green infrastructure goals

Invest in Community Safety and Wellness

- Working in partnership with the community, the City of Missoula will provide a high level of public safety and wellness that reflects a thriving community in which to live, work and play.
- Support policing practices that result in the best service to our community and that prioritize professionalism, accountability and efficiency.
 - \$3,000,000 to upgrade the system that our first responders rely on to communicate, which keeps them and our residents safe

- Invest in community services that support working families and provide a place for connection, including the expansion of our child care programs and community centers.
- \$74,000 to continue the Base Camp child care program out of the former library building
- \$78,000 in ARPA funding to support access for all to summer and after-school programs
- \$112,000 in impact fee funding for planning for a Community Center at McCormick Park
- Invest in programs to serve our most vulnerable residents, including the creation of a homeless navigation center and the expansion of our Mobile Crisis Team.
 - \$1.1 million in ARPA and other funding to expand the Mobile Support Team program in partnership with Missoula County
 - \$3.5 million to establish veterans and other supportive housing with our partners at the Poverello Center and Missoula County using ARPA, other federal grants and TIF funding
 - \$311,000 Support for Emergency Winter Shelter
 - \$238,000 operating support for the Poverello Center

Invest in our Built and Natural Environment

- The City of Missoula will invest in projects that lead to equitable, responsive and adaptive growth, reflect our community values, and improve our natural environment.
 - Invest over \$18.9 million in infrastructure in the Mullan Road area through the successful implementation of the BUILD grant
 - Complete the Rattlesnake Dam Restoration project
 - Create a Waterworks Hill Trailhead and invest in other universal access trail improvements
 - Invest over \$15 million in utility projects with the help of federal ARPA dollars
 - Implement the neighborhood traffic management program and prioritize investments in safety, accessibility and alternative modes of transportation.
 - Convert seasonal positions to full-time in Parks to better maintain facilities

I'll also emphasize that these goals and investments are not exclusive of all of the day-to-day work and initiatives the City of Missoula is already engaged in, nor do they account for the fact that we may face unexpected opportunities and challenges that may require us to adapt or change these priorities during the year.

I also look forward to hearing from residents about our stewardship of these collective resources.

Thank you for your service and consideration in reviewing this document with the care.

Sincerely,



John Engen
Mayor