



OFFICE OF THE MAYOR

435 RYMAN MISSOULA, MONTANA 59802-4297 (406) 552-6001

August 9, 2019
Mayor's Updated Budget Letter

Members of the Missoula City Council:

I'm writing today to convey the City of Missoula's final executive budget for Fiscal Year 2020.

Because of a dramatic increase in the City of Missoula's tax base and value, I'm recommending the council adopt the preliminary budget I proposed in June and that you've been reviewing by department, which funds essentials and improves on our service delivery in key areas, including police staffing, transportation maintenance improvements, parks maintenance and much more.

In addition to those preliminary recommendations, I've added a full-time administrative employee to the police department to help manage an increased caseload, replaced lost grant funding for our Internet Crimes Against Children program and I've funded two contracts for third parties to assist with our climate-change response and zero-waste initiatives. In addition, we're creating a risk-management-and-safety manager's position in the central services arena.

And we're proposing all of this while lowering our mill levies by 5.05%.

Here's how that breaks down:

Fund	Mills levied FY2019	Mills levied FY2020	Change in Mills	Change
General	187.24	185.20	2.04	-0.72%
Health Insurance	46.70	39.23	7.47	-2.64%
Road District 1	33.04	29.08	3.96	-1.40%
Park District 1	15.84	15.02	0.82	-0.29%
Non-voted levies Total	282.82	268.53	14.29	-5.05%

The city has two levies for voter approved initiatives. The levy for outstanding general obligation bonds is going down by 1.14 mills, or 13.87%. Also the newly approved Open Space operating levy will be 4 mills.

The bottom line is that new development and values allow us to do more while levying fewer mills.

Attached you'll find our list of new requests, many of which are still not funded, and my recommendations for this budget, which are consistent with the preliminary budget except where noted earlier in this letter.

In addition, you'll be reviewing our capital improvement program, which includes \$27.8 million in funding to support capital projects and equipment for all departments.

Since the recession, we've been active in encouraging high-quality development in the private sector and public realm. Our planning efforts, investments in infrastructure and commitment to services that enhance the livability of the City of Missoula, have paid off financially in the form of significant growth in our tax base.

And while we're reducing our mills this year, I still believe that new revenue, in the form of a tourist tax, makes sense for Missoula and Montana and I'll continue working with you, the Montana League of Cities and Towns, the Montana Infrastructure Coalition and any and all supporters to make such a local-option tourist tax a reality so Missoula residents' property-tax burden is reduced.

Sincerely,

A handwritten signature in black ink, appearing to read "John Engen". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

John Engen
Mayor

City of Missoula
Fiscal Year 2020
New Requests and Tax Scenarios

Request Description	Requested Amount	Mayor's Funded				
		Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
GENERAL FUND						
OPERATING						
City Council						
Council Audio/Visual Equipment Replacement	60,000	-	-	-	60,000	60,000
Mayor						
Strategic Planning Facilitation	2,000	-	2,000	2,000	-	2,000
Communications Intern	2,000	-	2,000	2,000	-	2,000
Human Resources						
Risk & Safety/Security Manager	126,642	-	68,428	68,428	-	68,428
City Clerk						
Postage Request	463	463	-	463	-	463
Elections	133,000	133,000	-	133,000	-	133,000
Information Technologies						
Contracted License & Utility Increases	75,030	75,030	-	75,030	-	75,030
Vehicle Maintenance, Travel & Training Baseline Request	10,845	-	-	-	-	-
Informaiton Technology (IT) Help Desk Position	54,147	-	-	-	-	-
Public Safety Geographic Information System (GIS) Analyst	64,726	-	64,726	64,726	-	64,726
Updated Vehicle Global Positioning System (GPS) Units	60,880	-	-	-	60,880	60,880
Municipal Court						
Utility, Subscriptions & Training Increases	23,603	23,603	-	23,603	-	23,603
Deputy Court Administrator	73,569	-	38,973	38,973	-	38,973
Finance/Treasurer						
Software & Contractual Baseline Increases	26,645	26,645	-	26,645	-	26,645
Cashiering System	39,000	-	-	-	-	-
Fixed Cost Allocation Study	25,000	-	-	-	25,000	25,000
Facility Maintenance						

City of Missoula
Fiscal Year 2020
New Requests and Tax Scenarios

Request Description	Requested Amount	Mayor's Funded				
		Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
Utility & Janitorial Contracted Increases	73,953	73,953	-	73,953	-	73,953
Roofing	75,000	-	-	-	75,000	75,000
Facilities Master Plan	100,000	-	-	-	100,000	100,000
Art Museum Climate Control Upgrade	38,226	-	-	-	38,226	38,226
Development Services						
Engineering						
Traffic Engineer	94,899	-	51,676	51,676	-	51,676
Planner II/ Flood Plain Administrator	64,393	-	-	-	64,393	64,393
Housing & Community Development						
Baseline Postage Increases	693	693	-	693	-	693
Grant Administrator I	57,127	-	14,282	14,282	14,282	28,564
Program Specialist (Energy Conservation)	52,434	-	52,434	52,434	-	52,434
Emergency Winter Shelter Support	50,000	-	50,000	50,000	-	50,000
Zero Waste Community-Based Organization Request	35,000	-	35,000	35,000	-	35,000
Climate Smart Community-Based Organization Request	30,000	-	30,000	30,000	-	30,000
Housing Grant	291,378	-	-	-	291,378	291,378
Missoula Aging Services Inflation Increase	55,913	-	55,913	55,913	-	55,913
Missoula Cultural Council Expansion	7,350	-	7,350	7,350	-	7,350
Library Safety Officer	9,000	-	-	-	-	-
Attorney						
Operating Supplies & Training Increases	8,000	8,000	-	8,000	-	8,000
Deputy City Attorney I	104,490	-	60,267	60,267	-	60,267
Prosecution Services	7,800	-	-	-	-	-
Relationship Violence Services	12,681	-	5,181	5,181	-	5,181
Police						
Contractual Software & Supplies Increases	22,705	22,705	-	22,705	-	22,705
New Officers - Annexation	495,901	-	174,110	174,110	140,788	314,898

**City of Missoula
Fiscal Year 2020
New Requests and Tax Scenarios**

Request Description	Requested Amount	Mayor's Funded				
		Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
Police Support Specialists/ Internet Crimes Against Children (ICAC) Investigator	183,875	-	108,473	108,473	-	108,473
Towing Abandoned Trailers & Recreational Vehicles	4,800	-	3,000	3,000	1,800	4,800
Communication Equipment Upgrades	115,000	-	-	-	115,000	115,000
Fire						
Contractual Subscriptions, Utilities & Supplies	31,303	31,303	-	31,303	-	31,303
Equipment Replacement	36,620	-	-	-	36,620	36,620
Assistant Mechanic	83,841	-	35,237	35,237	48,604	83,841
Overtime	66,192	-	66,192	66,192	-	66,192
No Smoke Exhaust Systems	52,434	-	-	-	52,434	52,434
Paramedic Program	56,000	-	56,000	56,000	-	56,000
Training	15,385	-	-	-	-	-
Facility Projects	10,000	-	-	-	10,000	10,000
Cold Storage	30,000	-	-	-	30,000	30,000
Additional Electronic Document Review Set-up	2,073	-	-	-	2,073	2,073
Fleet Maintenance						
New Fleet Technician	80,176	-	-	-	81,000	81,000
Fleet Maintenance Mechanic Assistant	50,436	-	-	-	-	-
Cemetery						
Utility & Postage Inflationary Increases	670	670	-	670	-	670
Non-Department						
Health Department Wage Increases	78,820	-	78,820	78,820	-	78,820
Non-Union Wage Increases	262,087	262,087	-	262,087	-	262,087
Union Wage Increases	534,315	534,315	-	534,315	-	534,315
Health Insurance Increases	205,227	-	-	-	205,227	205,227
TOTAL: GENERAL FUND - OPERATING		1,192,467	1,060,062	2,252,529	1,452,705	3,705,234

**City of Missoula
Fiscal Year 2020
New Requests and Tax Scenarios**

Request Description	Requested Amount	Mayor's Funded				
		Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
GENERAL FUND						
CAPITAL IMPROVEMENT PROJECTS (CIP) (NON-OPERATING) ^						
<i>^ Purchase price of equipment is shown. These will be financed. Operating budgets will be increased for debt service payments.</i>						
Administration						
Ongoing Core Equipment Replacement ^	2,978,150	-	-	-	2,978,150	2,978,150
Information Technology Core Equipment Replacement ^	404,575	-	-	-	404,575	404,575
Software Updates/Improvements ^	105,286	-	-	-	105,286	105,286
Development Services						
Sidewalk Installation & Replacement	410,000	-	-	-	410,000	410,000
Collector/Arterial Roadway Improvement	4,954,928	-	-	-	4,954,928	4,954,928
Roadway Improvements	188,750	-	-	-	188,750	188,750
TOTAL: GENERAL FUND - CIP (NON-OPERATING)		-	-	-	9,041,689	9,041,689
TOTAL: GENERAL FUND OPERATING & CIP (NON-OPERATING)		1,192,467	1,060,062	2,252,529	10,494,394	12,746,923
ROAD DISTRICT						
Public Works - Road District #1						
Utility Increases	5,313	5,313	-	5,313	-	5,313
Pavement Condition Analysis	75,000	-	75,000	75,000	-	75,000
Electronic Technician--Communications Shop	73,038	-	73,038	73,038	-	73,038
Seasonal Traffic Laborer & Painting Materials	122,796	-	47,796	47,796	75,000	122,796
Street Maintenance Laborers/ Operators & Materials	586,275	-	301,020	301,020	250,000	551,020
Street Light Maintenance	30,000	-	-	-	-	-
Traffic Signal Maintenance	20,000	-	20,000	20,000	-	20,000
Pickup Trucks for Residential Snow Plowing	150,270	-	13,770	13,770	136,500	150,270
Snow Removal Contractor	180,000	-	-	-	-	-
Professional Services Allocation	15,000	-	-	-	-	-
Public Works Business Finance Manager	107,620	-	26,905	26,905	80,715	107,620
Utility Personnel Allocation	27,966	-	27,966	27,966	-	27,966

**City of Missoula
Fiscal Year 2020
New Requests and Tax Scenarios**

Request Description	Requested Amount	Mayor's Funded				
		Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
Non-Union Wage Increases	16,082	16,082	-	16,082	-	16,082
Union Wage Increases	58,010	58,010	-	58,010	-	58,010
Health Insurance Increases	23,282	-	-	-	23,282	23,282
Development Services - Road District #1						
Updating Construction Assessment software	80,000	-	-	-	80,000	80,000
Sidewalk Construction Subsidy	230,000	-	-	-	-	-
Americans with Disabilities Act Sidewalk Ramp Assistance	80,000	-	-	-	-	-
TOTAL: ROAD DISTRICT		79,405	585,495	664,900	645,497	1,310,397
PARK DISTRICT - OPERATING						
Parks & Recreation						
Contractual software & Utility Increases	53,602	53,602	-	53,602	-	53,602
Recreation Program Growth	73,593	-	-	-	73,593	73,593
Increase Park District Contribution to Aquatics	78,000	-	50,000	50,000	-	50,000
Trails and Facilities - Unfunded & New	96,701	-	72,314	72,314	-	72,314
Underfunded Parks - Jeffrey & Montana Rail Link	100,173	-	39,818	39,818	17,350	57,168
Parks Asset Management Cyclical Maintenance	60,000	-	30,000	30,000	-	30,000
Annexation Related	51,508	-	4,868	4,868	-	4,868
Montana Department of Transportation Projects	97,014	-	3,000	3,000	28,000	31,000
Recreation Equipment	132,000	-	-	-	63,500	63,500
Operations Equipment	200,400	-	-	-	-	-
Northwestern Energy Pilot Program	120,000	-	-	-	-	-
Utility Personnel Allocation	10,868	-	10,868	10,868	-	10,868
Non-Union Wage Increases	54,484	54,484	-	54,484	-	54,484
Union Wage Increases	31,556	31,556	-	31,556	-	31,556
Health Insurance Increases	26,100	-	-	-	26,100	26,100
TOTAL: PARK DISTRICT (OPERATING)		139,642	210,868	350,510	208,543	559,053

**City of Missoula
Fiscal Year 2020
New Requests and Tax Scenarios**

Request Description	Requested Amount	Mayor's Funded				
		Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
PARK DISTRICT - CIP (NON-OPERATING)						
Parks & Recreation						
Park Asset Management *	1,367,495	-	-	-	1,367,495	1,367,495
Open Space & Conservation Land Management	2,896,355	-	-	-	2,896,355	2,896,355
Neighborhood Parks *	163,565	-	-	-	163,565	163,565
Community Parks	110,000	-	-	-	110,000	110,000
Trails	100,000	-	-	-	100,000	100,000
Urban Forestry, Greenways & Horticulture Projects	177,140	-	-	-	177,140	177,140
TOTAL: PARK DISTRICT - CIP (NON-OPERATING)		-	-	-	4,814,555	4,814,555
TOTAL: PARK DISTRICT - OPERATING & CIP (NON-OPERATING)		139,642	210,868	350,510	5,023,098	5,373,608
GENERAL FUND - SPECIAL & ENTERPRISE FUNDS						
Fort Missoula Regional Park (FMRP) - Recreation						
FMRP - Recreation Utility Increases	784	-	-	-	784	784
Non-Union Wage Increases	3,488	-	-	-	3,488	3,488
Health Insurance Increases	837	-	-	-	837	837
Fort Missoula Regional Park - Operations & Administration						
FMRP - Operations Utility Increases	6,663	-	-	-	6,663	6,663
Non-Union Salary Increases	254	-	-	-	254	254
Union Salary Increase	3,478	-	-	-	3,478	3,478
Health Insurance Increase	2,455	-	-	-	2,455	2,455
Fire All Hazards Fund						
All Hazards Fund	1,067,000	-	-	-	1,500,000	1,500,000
Niche Fund						
Niche Wall	37,000	-	-	-	37,000	37,000
Cemetery Capital Reserve Fund						

**City of Missoula
Fiscal Year 2020
New Requests and Tax Scenarios**

Request Description	Requested Amount	Mayor's Funded				
		Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
Snowblower	8,500	-	-	-	8,500	8,500
Street Repair & Chip Sealing	40,000	-	-	-	40,000	40,000
Cemetery Grant & Donation Fund						
Pet Memorial Wall & Ossuary	10,000	-	-	-	10,000	10,000
Permissive Medical Levy						
Medical Levy Increase	264,309	264,309	-	264,309	-	264,309
Planning						
Mullan Master Plan	50,000	-	-	-	50,000	50,000
Non-Union Wage Increases	2,079	-	-	-	2,079	2,079
Union Wage Increases	7,139	-	-	-	7,139	7,139
Health Insurance Increases	3,327	-	-	-	3,327	3,327
Building Inspection						
Contractual - Rent, Merchant Fees & Supplies	153,952	-	-	-	153,952	153,952
Thermal Imaging Camera	20,000	-	-	-	20,000	20,000
Electronic Document Review - Parks	3,265	-	-	-	3,265	3,265
Non-Union Wage Increases	9,869	-	-	-	9,869	9,869
Union Wage Increases	14,225	-	-	-	14,225	14,225
Health Insurance Increases	8,170	-	-	-	8,170	8,170
Transportation						
Adjust Baseline to Match Unified Planning Work Program	10,194	-	-	-	10,194	10,194
Updates to Transportation Studies	298,314	-	-	-	298,314	298,314
Non-Union Wage Increases	3,895	-	-	-	3,895	3,895
Union Wage Increases	8,312	-	-	-	8,312	8,312
Health Insurance Increases	5,001	-	-	-	5,001	5,001
Water Utility						
Utility Serviceperson	136,288	-	-	-	136,288	136,288

City of Missoula
Fiscal Year 2020
New Requests and Tax Scenarios

Request Description	Requested Amount	Mayor's Funded				
		Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
Non-Union Wage Increases	100,163	-	-	-	100,163	100,163
Health Insurance Increases	23,854	-	-	-	23,854	23,854
CIP - System Improvements	5,969,624	-	-	-	5,969,624	5,969,624
CIP - Core Operating Vehicles & Equipment	275,000	-	-	-	275,000	275,000
Wastewater (WW) Utility/ Compost						
Contractual Maintenance & Permitting Increases	117,330	-	-	-	117,330	117,330
Collection System Personnel & Vehicles	254,112	-	-	-	254,112	254,112
WW Plant Mechanic	86,647	-	-	-	86,647	86,647
Compost Marketing	50,000	-	-	-	50,000	50,000
Utility Personnel Allocation	350,392	-	-	-	350,392	350,392
Non-Union Wage Increases	13,297	-	-	-	13,297	13,297
Union Wage Increases	36,333	-	-	-	36,333	36,333
Health Insurance Increases	17,765	-	-	-	17,765	17,765
CIP - Collection System Improvements	3,416,640	-	-	-	3,416,640	3,416,640
CIP- Treatment Plant System Improvements	1,011,502	-	-	-	1,011,502	1,011,502
CIP - Garden City Compost Facility Improvements	80,000	-	-	-	80,000	80,000
CIP - Core Operating Vehicles & Equipment	610,000	-	-	-	610,000	610,000
Storm Water Utility						
Adjust Baseline to match maintenance activities	140,639	-	-	-	140,639	140,639
Asset Management Software	100,000	-	-	-	100,000	100,000
Mullan Rd Drainage Master Plan - Phase I	61,800	-	-	-	61,800	61,800
Linda Vista Drainage Assessment	65,564	-	-	-	65,564	65,564
Utility Personnel Allocation	143,658	-	-	-	143,658	143,658
Non-Union Wage Increases	4,162	-	-	-	4,162	4,162
Health Insurance Increases	1,667	-	-	-	1,667	1,667
CIP - Storm Water System Improvements *	814,800	-	-	-	814,800	814,800
CIP - Levee Maintenance *	150,000	-	-	-	150,000	150,000

**City of Missoula
Fiscal Year 2020
New Requests and Tax Scenarios**

Request Description	Requested Amount	Mayor's Funded				
		Required	Approved: Tax Funded	Subtotal Tax Funded	Non-Tax Funded	Total Funded
Aquatics						
Utility Increases Aquatics	8,305	-	-	-	8,305	8,305
Non-Union Wage Increases	17,117	-	-	-	17,117	17,117
Health Insurance Increases	2,294	-	-	-	2,294	2,294
CIP - Revenue Generation & Maintenance	12,000	-	-	-	12,000	12,000
Parking Commission						
Utility Baseline Adjustments	2,845	-	-	-	2,845	2,845
Administrative Assistant I	41,901	-	-	-	41,901	41,901
Non-Union Wage Increases	7,044	-	-	-	7,044	7,044
Union Wage Increases	7,814	-	-	-	7,814	7,814
Health Insurance Increases	6,668	-	-	-	6,668	6,668
CIP - Parking Garage Updates	25,000	-	-	-	25,000	25,000
CIP - Core Operating Vehicles & Equipment	50,000	-	-	-	50,000	50,000
Missoula Redevelopment Agency						
Non-Union Wage Increases	11,907	-	-	-	11,907	11,907
Health Insurance Increases	3,320	-	-	-	3,320	3,320
CIP - Urban Renewal District II & III Sidewalks - Missing Segments	702,000	-	-	-	702,000	702,000
CIP - Urban Renewal District Economic Improvements	200,750	-	-	-	200,750	200,750
TOTAL: GENERAL FUND - SPECIAL & ENTERPRISE FUNDS		264,309	-	264,309	17,341,403	17,605,712
TOTAL: FISCAL YEAR 2020 NEW REQUESTS AND TAX SCENARIOS		1,675,823	1,856,425	3,532,248	33,504,392	37,036,640

* denotes CIP purchases to be financed