



Budget Update

Property Tax Mill

One thousandth of the total property tax valuation of a taxing jurisdiction. The mill is used to allocate the costs of providing government services in proportion to the taxable value of property owned by the taxpayer. Thus, if the total taxable valuation of a city is \$2,000,000, a one mill levy would yield \$2,000 in property tax revenue ($\$2,000,000 \div 1,000$). By the same token, if a residence has a taxable value of \$5,000, a one mill levy on the property would yield \$5.00 in property tax revenue. If the mill levy required to balance the city/town budget is 100 mills, the municipal property tax on that same residence would be $100 \times \$5.00$, or \$500.00, which would be added to the county, school and state mill levies.

General Fund- Property Taxes (FY18-19)

- 2018 Taxable Valuation: \$7,078,483.00
 - $\$7,078,483.00 / 1,000 = \$7,078.48$
- 2018 Mill Value: \$7,078.48
- General Fund Mill Levy 97.32
- General Fund Property Tax Revenue: \$688,877.67
 - $\$7,078.48 \times 97.32 = \$688,877.67$
- Fire Department (28 Mills): **(\$199,198.00)**
- Airport (1 Mill): **(\$7,079.00)**

The City has never increased mills. The City has run solely off of increases from taxable valuation.

Remaining Tax Revenue to Balance Budget = \$489,679.67

General Fund

Where else does the money come from?

- Property Tax Levies
- Other Taxes & Assessments
- Resort Tax Property Relief
- State Entitlements
 - Revenue Sharing
- Investment Earnings
- Rents/Leases
- Fines & Forfeitures
 - Court Fines/Parking Tickets
- Licenses & Permits
 - Business Licenses

Total General Fund Budget = \$1,953,204.00

Valuation by City and Property Taxes Levied by City Governments

County	City	TY 2017 (FY 2018)			TY 2018 (FY 2019)		
		Taxable Value	Mill Levy	Estimated Taxes	Taxable Value	Mill Levy	Estimated Taxes
Beaverhead	Dillon	5,276,620	165.60	873,817	5,279,301	210.48	1,111,165
Beaverhead	Lima	252,504	167.93	42,404	243,952	178.78	43,613
Big Horn	Hardin	4,816,300	163.64	788,125	4,847,557	166.52	807,206
Big Horn	Lodge Grass	126,496	107.34	13,578	136,594	107.34	14,662
Blaine	Chinook	1,487,757	254.31	378,350	1,488,570	265.92	395,836
Blaine	Harlem	606,487	722.85	438,397	589,650	753.51	444,307
Broadwater	Townsend	1,906,096	87.37	166,544	1,932,275	85.19	164,601
Carbon	Bearcreek	136,875	96.00	13,140	136,742	96.00	13,127
Carbon	Bridger	735,897	235.17	173,061	734,242	241.72	177,480
Carbon	Fromberg	332,135	172.83	57,403	333,852	172.83	57,700
Carbon	Joliet	553,856	150.21	83,196	553,698	154.78	85,703
Carbon	Red Lodge	6,975,486	128.20	894,256	7,078,483	113.54	803,714
Carter	Ekalaka	406,686	265.73	108,067	410,981	265.75	109,217
Cascade	Belt	475,827	186.50	88,744	478,206	189.13	90,445
Cascade	Cascade	802,736	136.89	109,886	800,891	140.56	112,571

Fergus	Denton	247,724	290.09	71,861	233,042	313.42	73,039
Fergus	Grass Range	88,835	134.34	11,934	89,873	138.71	12,467
Fergus	Lewistown	6,606,041	239.48	1,582,022	6,651,856	242.75	1,614,705
Fergus	Moore	342,094	161.45	55,231	345,565	206.80	71,463
Fergus	Winifred	230,703	87.14	20,104	223,102	93.26	20,807
Flathead	Columbia Falls	7,234,265	198.05	1,432,763	7,260,026	208.74	1,515,465
Flathead	Kalispell	42,359,404	182.23	7,719,194	43,808,232	182.74	8,005,673
Flathead	Whitefish	34,976,412	69.91	2,445,321	36,280,067	66.95	2,428,836
Gallatin	Belgrade	11,807,725	229.59	2,710,993	12,541,373	232.37	2,914,213
Gallatin	Bozeman	106,225,288	185.55	19,710,229	109,713,783	189.19	20,756,767
Gallatin	Manhattan	3,197,093	126.09	403,108	3,474,493	125.59	436,366
Gallatin	Three Forks	2,281,690	165.11	376,736	2,358,315	164.78	388,609
Gallatin	West Yellowstone	5,935,260	88.86	527,398	5,908,843	90.47	534,580
Garfield	Jordan	297,982	158.07	47,102	311,837	159.23	49,653

Sheridan	Plentywood	2,282,871	196.52	448,635	2,281,080	201.07	458,653
Sheridan	Westby	360,892	520.17	187,724	408,075	558.87	228,059
Silver Bow	Walkerville	488,592	77.57	37,902	487,399	80.18	39,081
Stillwater	Columbus	7,180,547	181.27	1,301,594	7,323,447	189.18	1,385,426
Sweet Grass	Big Timber	3,658,536	139.00	508,537	3,805,073	140.99	536,467
Teton	Choteau	2,059,881	95.35	196,418	2,030,181	99.00	200,990
Teton	Dutton	289,767	272.50	78,962	280,934	281.09	78,967

RESORT TAX

- Resort Tax is a tax of 3% collected by the businesses within the City's limits on qualifying purchases.
- This special tax is used towards property tax relief for City residents and also generates funds to use towards Maintenance and Capital Improvements throughout the City.
- Voted in by the people, tax collections started in January 1998

RESORT TAX

Where does the money go?

5%

Back to Businesses

- The business of Red Lodge keep 5% to help alleviate the duty of collecting.
- Puts money back into our local economy through our local businesses.

15%

Tax Reduction

- 15% is transferred to the General Fund and City residents see this through a reduction of mills on their property taxes.
- This tax has allowed the City to lower mill levies for the residents, rather than increase them.

1%

Administration

- 1% is transferred to the General Fund to offset the expenses of administering the tax. This expense include the printing of forms provided for the businesses to remit taxes and the costs for receiving and accounting for the tax.

79%

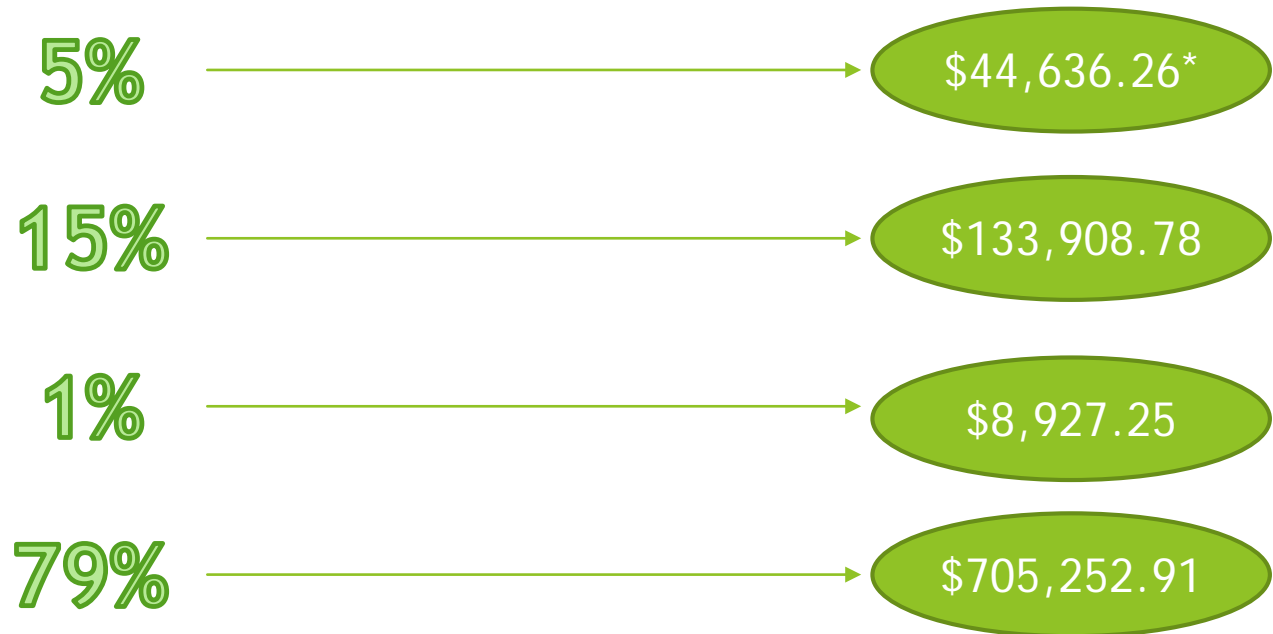
Capital Improvements

- The remaining amount is used towards Capital Improvements to streets, alleys, roads, municipal water system, municipal sewer system, emergency services, and parks and recreational facilities.

RESORT TAX

Know the numbers

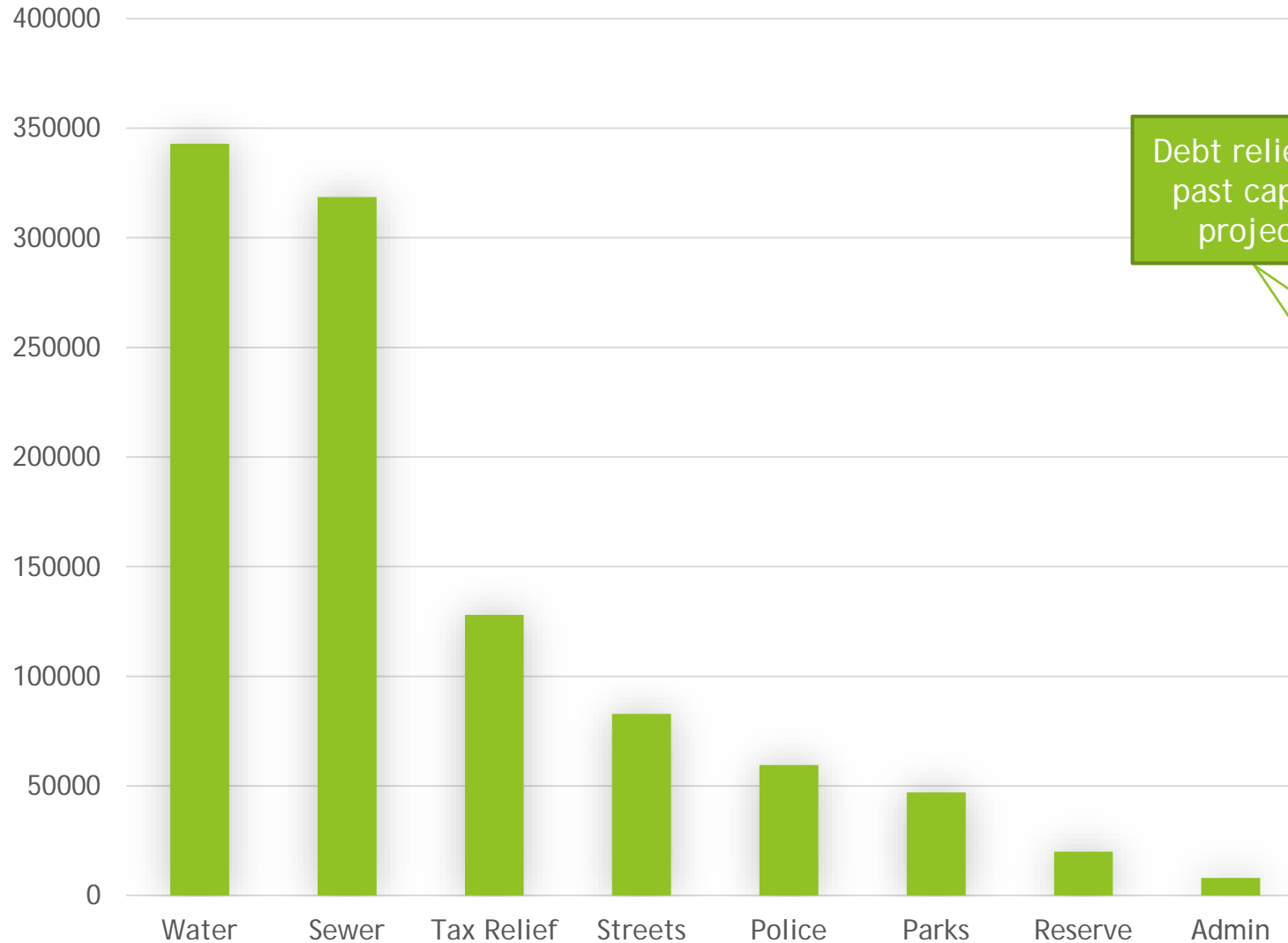
FY 2018-2019	
Budget	Collected YTD (May 2019)
\$801,000.00	\$848,746.92



*Not included in the net amount collected. 5% is reduced directly from the gross taxable and kept by the reporting agency.

RESORT TAX

2018-2019 Budget

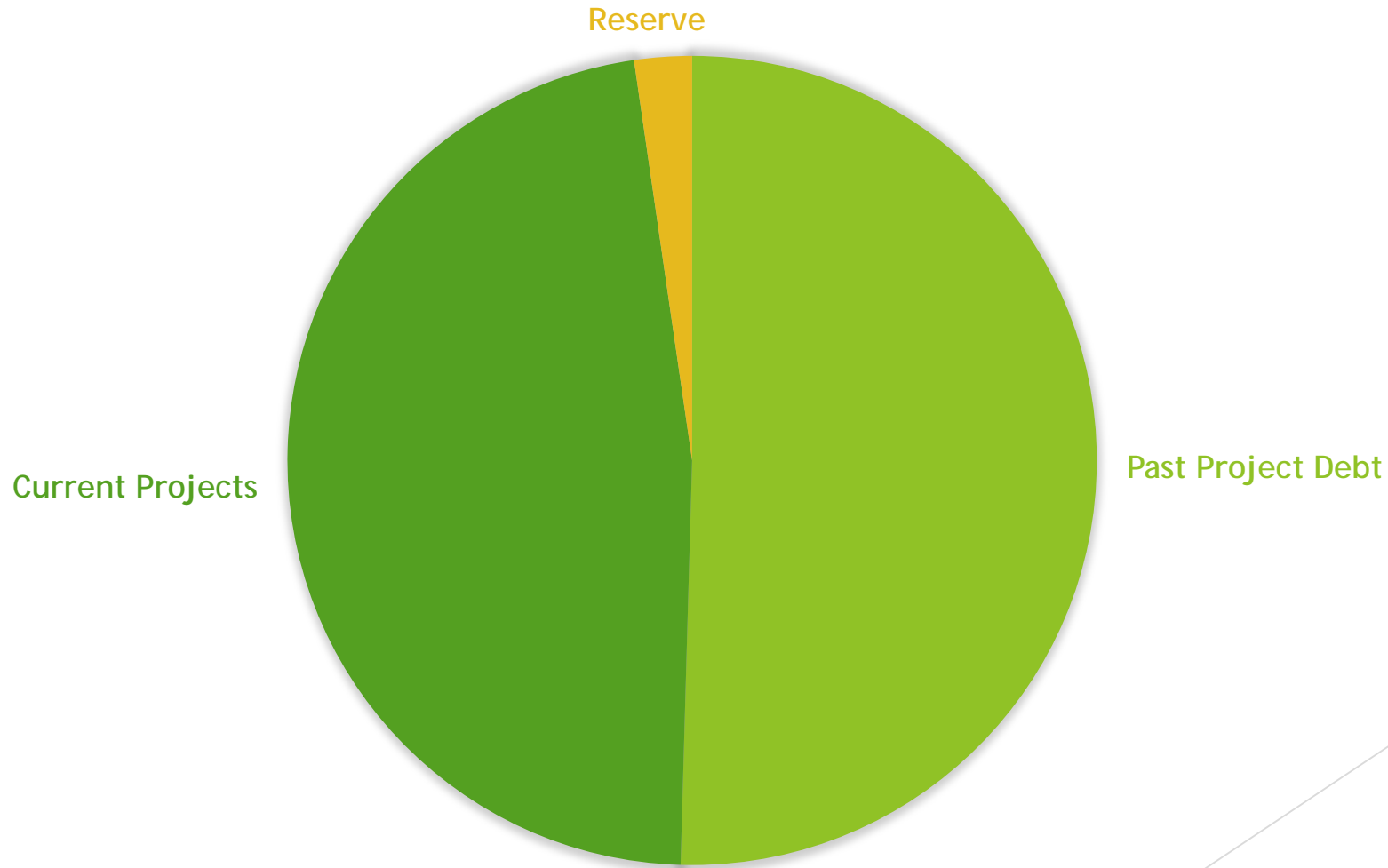


Debt relief for past capital projects

Fund	2018-2019 Request
Streets	
Plow Trucks Lease	\$ 72,800.00
Wayfinding Plan	\$ 5,000.00
White Ave Street Project	\$ 5,000.00
Total	\$ 82,800.00
Parks	
Future Pool Improvements	\$ 47,000.00
Total	\$ 47,000.00
Police	
MDT's/In-car Computers	\$ 5,000.00
Sheriff IMC	\$ 6,500.00
Vehicle Lease (3 yrs) *	\$ 48,000.00
Total	\$ 59,500.00
Water	
Transfer to Water	\$ 100,000.00
HAGGIN AVENUE PROJECT	\$ 242,964.00
Total	\$ 342,964.00
Sewer	
Transfer to Sewer	\$ 150,000.00
Jetter Truck Lease	\$ 68,567.00
Forcemain, Phase 2	\$ 100,000.00
Total	\$ 318,567.00
Transfers	
Transfer to General- Tax Relief	\$ 120,000.00
Transfer to General	\$ 8,000.00
Total	\$ 128,000.00
Reserve	\$ 20,000.00
Grand Total	\$ 998,831.00

RESORT TAX

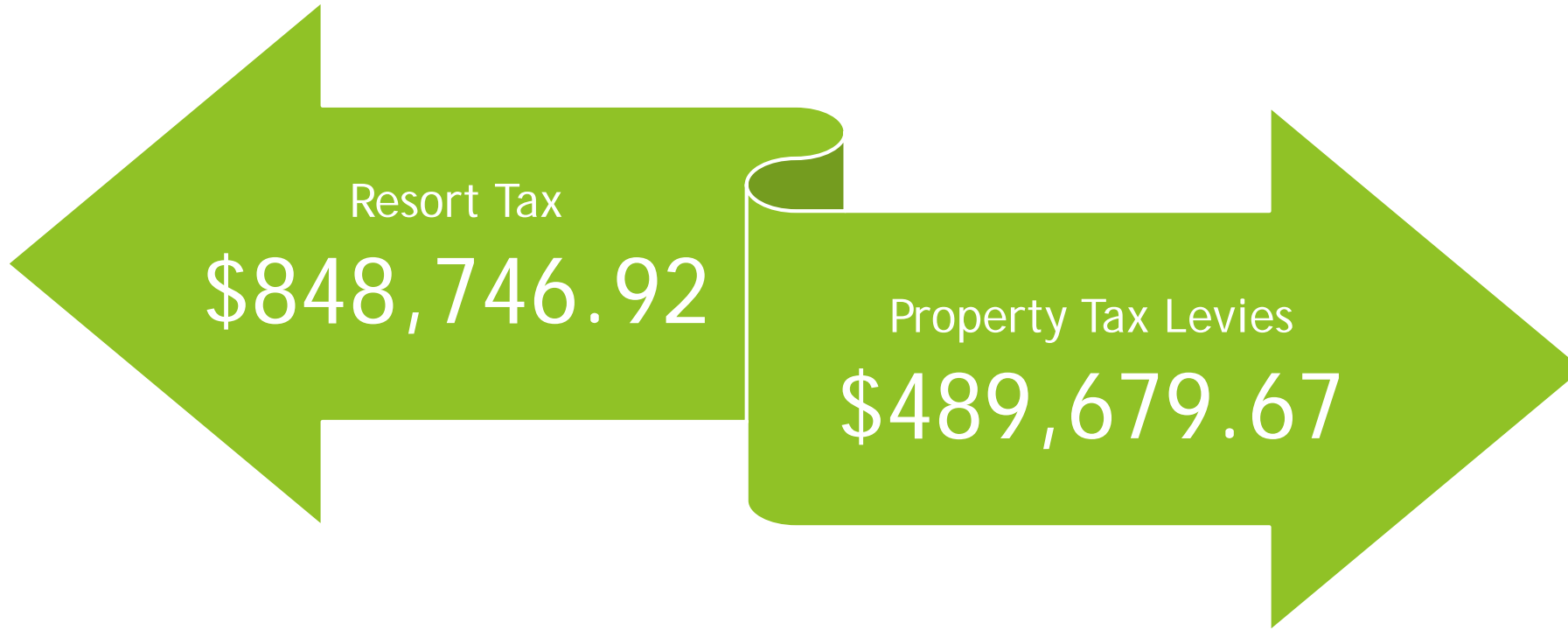
Capital Projects



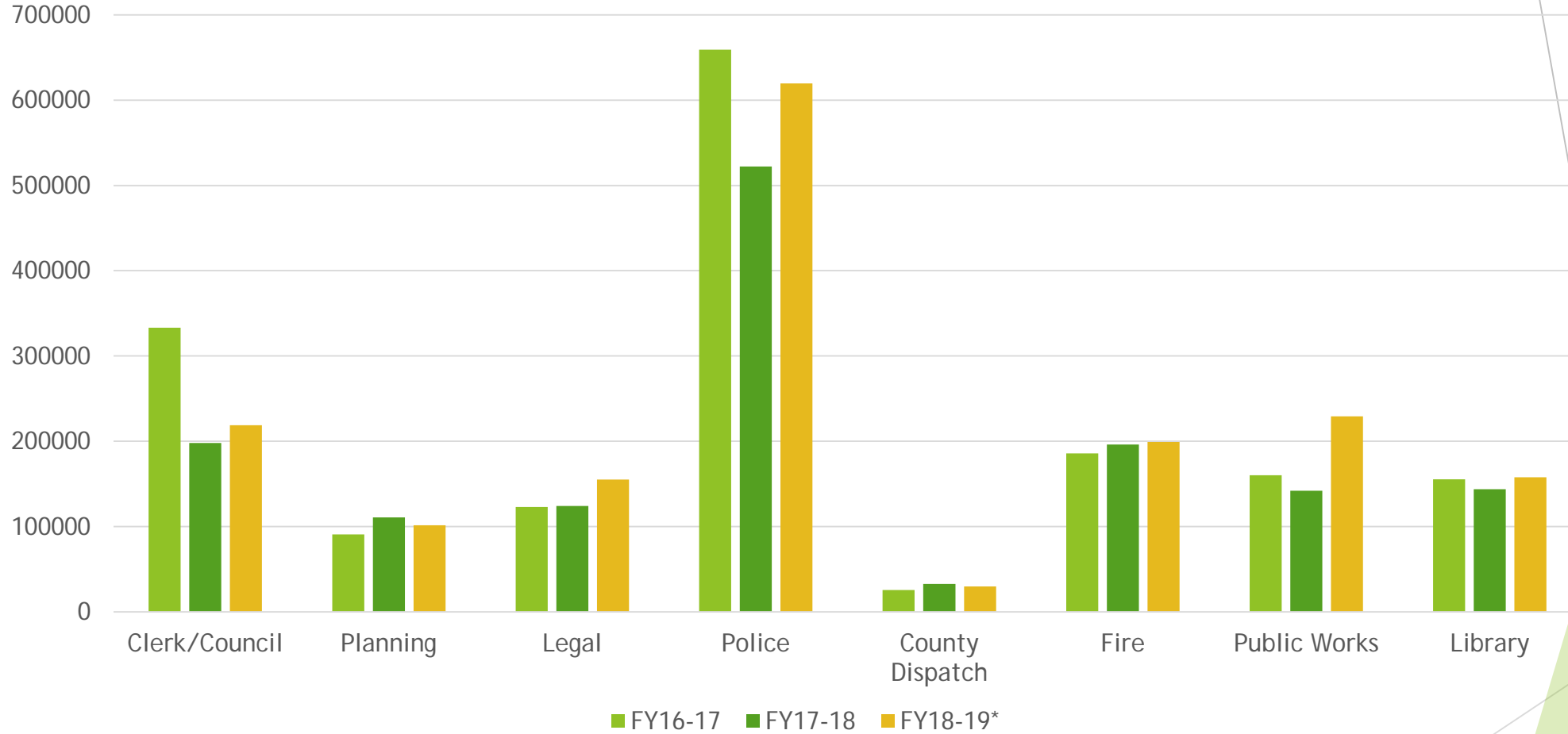
RESORT TAX

Project	Loan Amount	Interest %	Monthly Payment	Annual Cost	Pay-off Year
Water Treatment Rebuild	\$3,702,697.49	4.125%	\$17,399.00	\$208,788.00	2049
12" Water Main Down HWY 212 to Hospital	\$543,933.08	4.375%	\$7,191.00	\$86,292.00	2024
Water Rehab on Grant, Adams, & McGillen	\$976,270.26	4.5%	\$5,877.00	\$70,524.00	2038
Water Rehab on Broadway	\$648,549.77	2.0%	\$4,925.58	\$59,106.96	2034
Sewer Pond Rebuild	\$1,878,817.24	4.5%	\$10,409.00	\$124,908.00	2042
Sewer Pond Rebuild	\$1,245,220.56	3.25%	\$6,045.00	\$72,540.00	2042
Sewer Lift Station & Forced Main Rehab	\$940,777.00	2.5%	\$4,925.58	\$59,106.96	2037
Sewer Jetter Truck Lease				\$68,567.00	FY19-20
Streets Plow Truck Leases				\$72,800.00	FY19-20
Police Vehicle Lease				\$48,000.00	FY 20-21
TOTAL			\$56,772.16	\$870,632.92	
Past Capital Debt Relief from Resort Tax for FY 2018-2019				\$439,367.00	

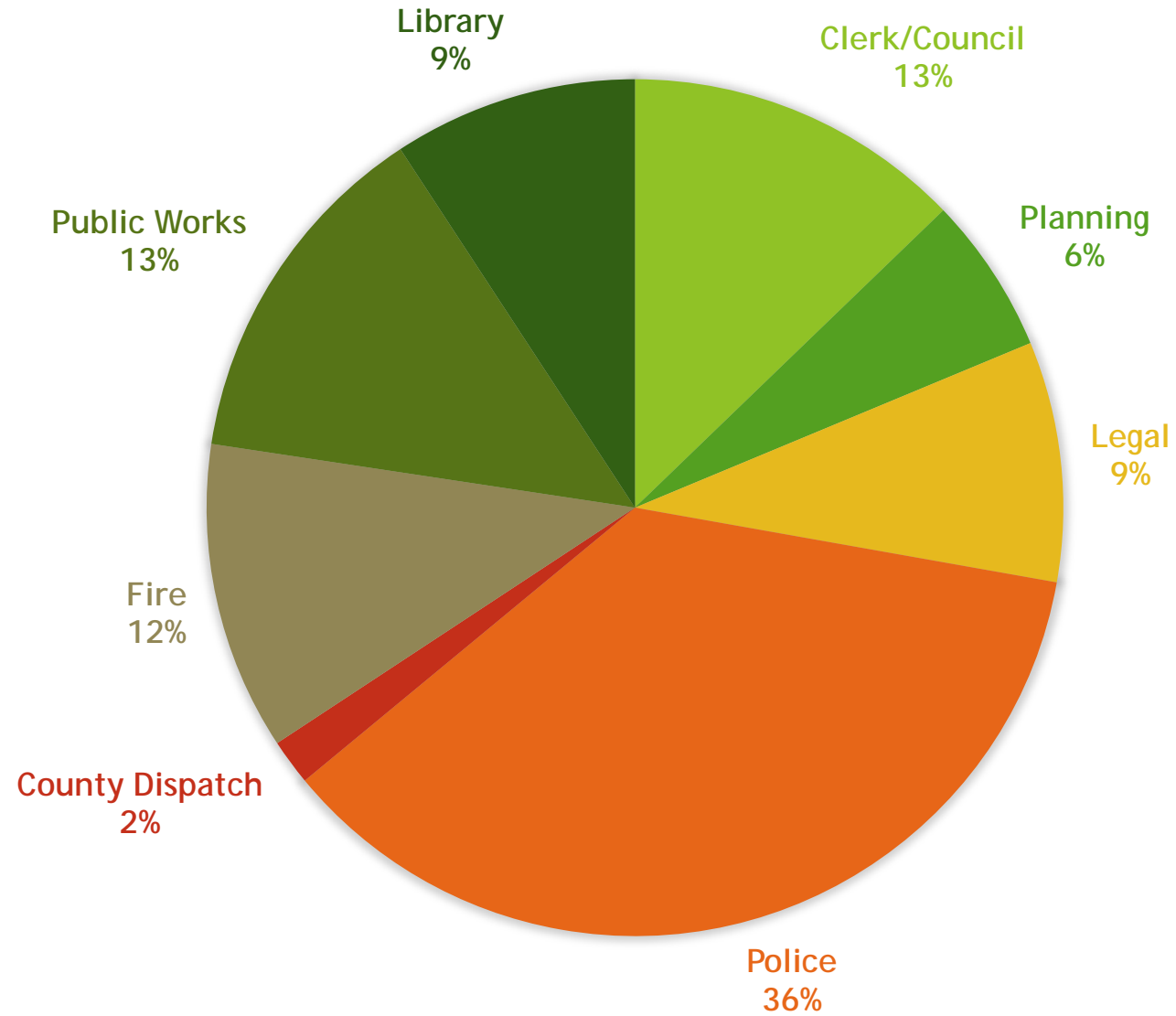
PROPERTY TAX VS. RESORT TAX REVENUE



General Fund Budget



General Fund Budget



Columbus, MT

- ▶ Population 1990
- ▶ Received \$243,348.00 from the Stillwater Mine in FY17-18
- ▶ 5 Officers and 1 Chief
- ▶ PD Budget \$664,445.00

West Yellowstone, MT

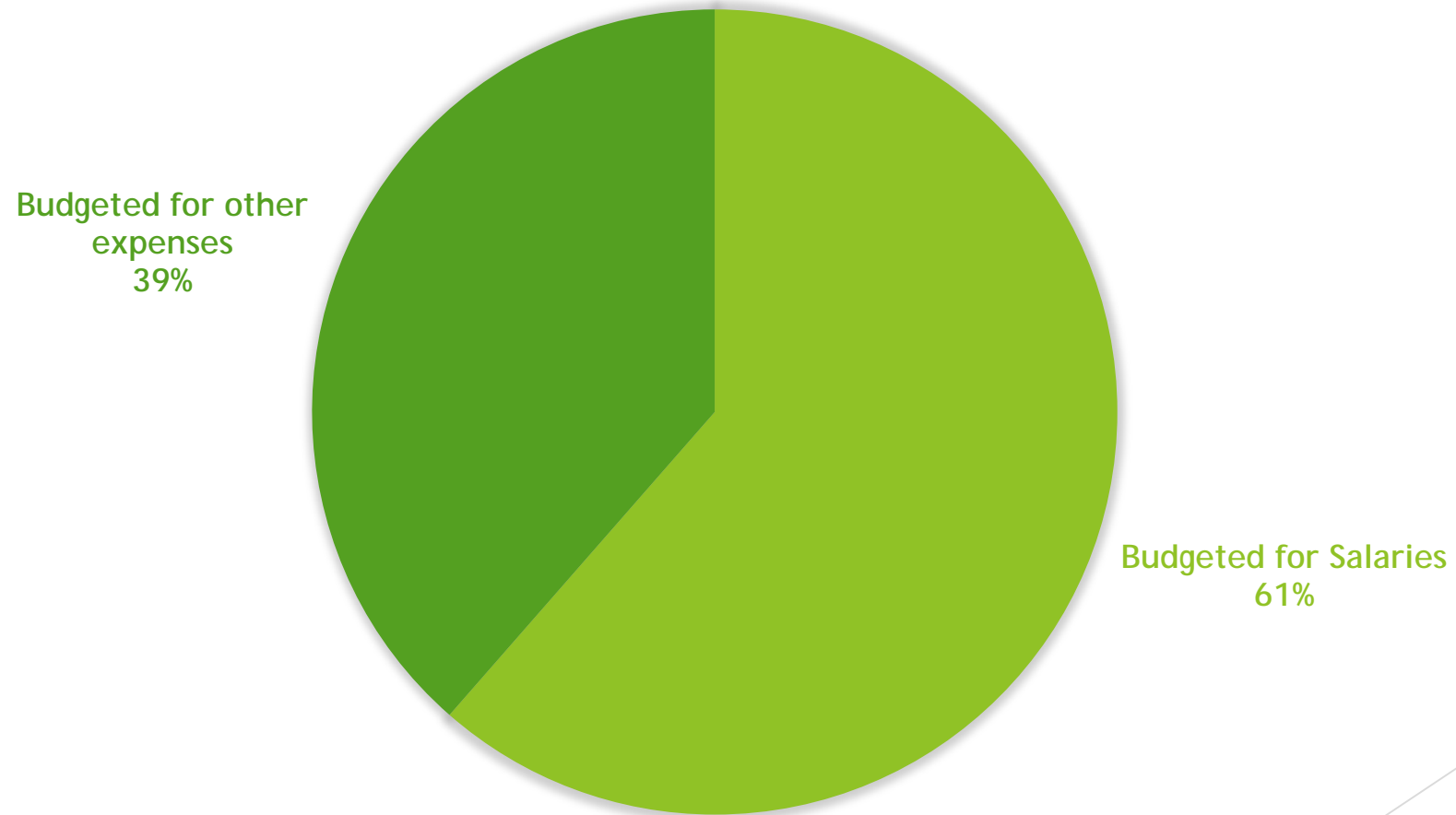
- ▶ Population 1300
- ▶ Received \$4,097,493 from Resort Tax in FY17-18
- ▶ 5 Officers and 1 Chief
- ▶ PD Budget \$581,742.00

Red Lodge, MT

- ▶ Population 2286
- ▶ Received \$877,448.00 from Resort Tax in FY17-18
- ▶ 7 Officers and 1 Chief
- ▶ PD Budget \$619,570.00

General Fund

Where does the money go?



What are we doing to help

- ▶ Refinance current loans to get better interest rates
 - ▶ Save \$ over life of loan
- ▶ Reinvest money to increase interest revenue
 - ▶ Interest rates on STIP have increase, reinvest there instead of CDs
- ▶ Jetter Truck last lease payment FY19-20
 - ▶ \$68,567.00 freed up in Resort Tax
- ▶ Plow Trucks last lease payment FY19-20
 - ▶ \$72,800.00 freed up in Resort Tax
- ▶ Cemetery Board Creation
 - ▶ Saves about \$20,000 of the General Fund Budget
- ▶ Looking at the creation of special districts
 - ▶ Street Maintenance District & Lighting District
- ▶ Putting money aside for debt pay-off

Maintenance Districts (MADs)

- ▶ What are Maintenance Assessment Districts (MADs)?
 - ▶ Legal mechanisms by which property owners within a specified district can vote to assess themselves for the purpose of financing special benefit services, including maintenance of streets and street lighting. These special benefit services are provided at a level over and above the standard City general benefit level.
- ▶ What kinds of special benefits do MADs fund?
 - ▶ MADs usually fund maintenance services and, in limited circumstances, construction and installation of capital improvement projects. MADs are typically used to provide funding for higher levels of maintenance services. A MAD can be used to provide funding for construction and installation on a limited basis.

Benefits provided by maintenance districts

- ▶ The method of apportioning the assessment is based upon the relative special benefit derived by the properties in each Maintenance District over and above the general benefit conferred on real property located in each Maintenance District or to the public at large. Assessed parcels within each Maintenance District receive special benefit from the maintenance and operation of the improvements. Particular and distinct benefit provided to parcels within each Maintenance District includes:
 - ▶ Improving the livability, appearance, and desirability for properties within the boundaries of each Maintenance District.
 - ▶ Ensuring that improvements do not reach a state of deterioration or disrepair so as to be materially detrimental to properties within each Maintenance District.
 - ▶ The proper maintenance of the landscaping, ornamental structures, and appurtenant facilities also reduces property related crimes (especially vandalism) against properties within each Maintenance District.
 - ▶ Providing beautification, shade, and overall enhancement to the properties within each Maintenance District

Lighting District

- ▶ Parcels benefiting from street and/or alley lights are assessed for the installation, utility cost, and maintenance of the individual districts.
- ▶ Street lighting in Billings is provided through neighborhood street lighting districts to increase nighttime safety and security. These districts are created under state law and are officially call Special Improvement Light Maintenance Districts (SILMDs) A SILMD can be created through petition with signature of over 50% of property owners in an area requesting lights or a district can be initiated by the City as long as fewer than 50% of the property owners file written protest.

Street Maintenance District

- ▶ Every parcel within the city limits is assessed for street maintenance by square footage. Every property, including undeveloped parcels, benefits from access provided by public roadways. Street Maintenance includes but is not limited to, sprinkling, graveling, oiling, chip sealing, seal coating, overlaying, treating, general cleaning, sweeping, flushing, snow and ice removal, and leaf and debris removal.

Transparency

- ▶ Section 8. Right to Participation. The public has the right to expect governmental agencies to afford such reasonable opportunity for citizen participation in the operation of the agencies prior to the final decision as may be provided by law.
 - ▶ Join in on Council Working Sessions and Council Meetings. This is the public's opportunity to participate and have their opinions and voices heard.
 - ▶ Reach out to your council member representative to have your opinion and voice heard one-on-one.
- ▶ Section 9. Right to Know. No person shall be deprived of the right to examine documents or to observe the deliberations of all public bodies or agencies of state government and its subdivisions except in cases in which the demand of individual privacy clearly exceeds the merits of public disclosure.
 - ▶ Documents are available on the City's website.
 - ▶ Notices/Updates on Facebook & Google Email List
 - ▶ Meetings are streamed on YouTube
 - ▶ Public is always welcome at City Hall

Do you have ideas on how we could be more transparent? Please let us know, we would love the public's opinions or ideas!