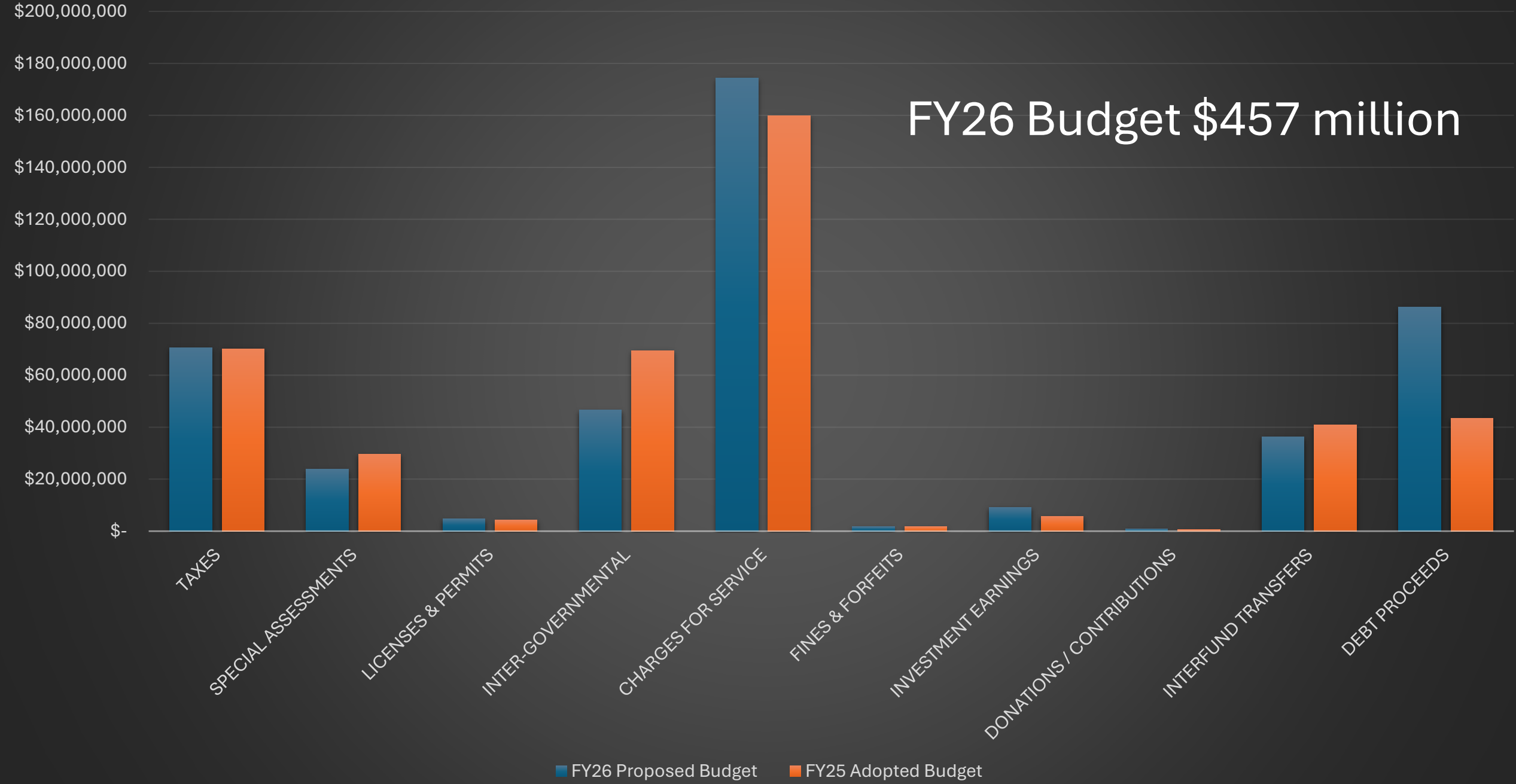


FY2026 Budget Wrap-up

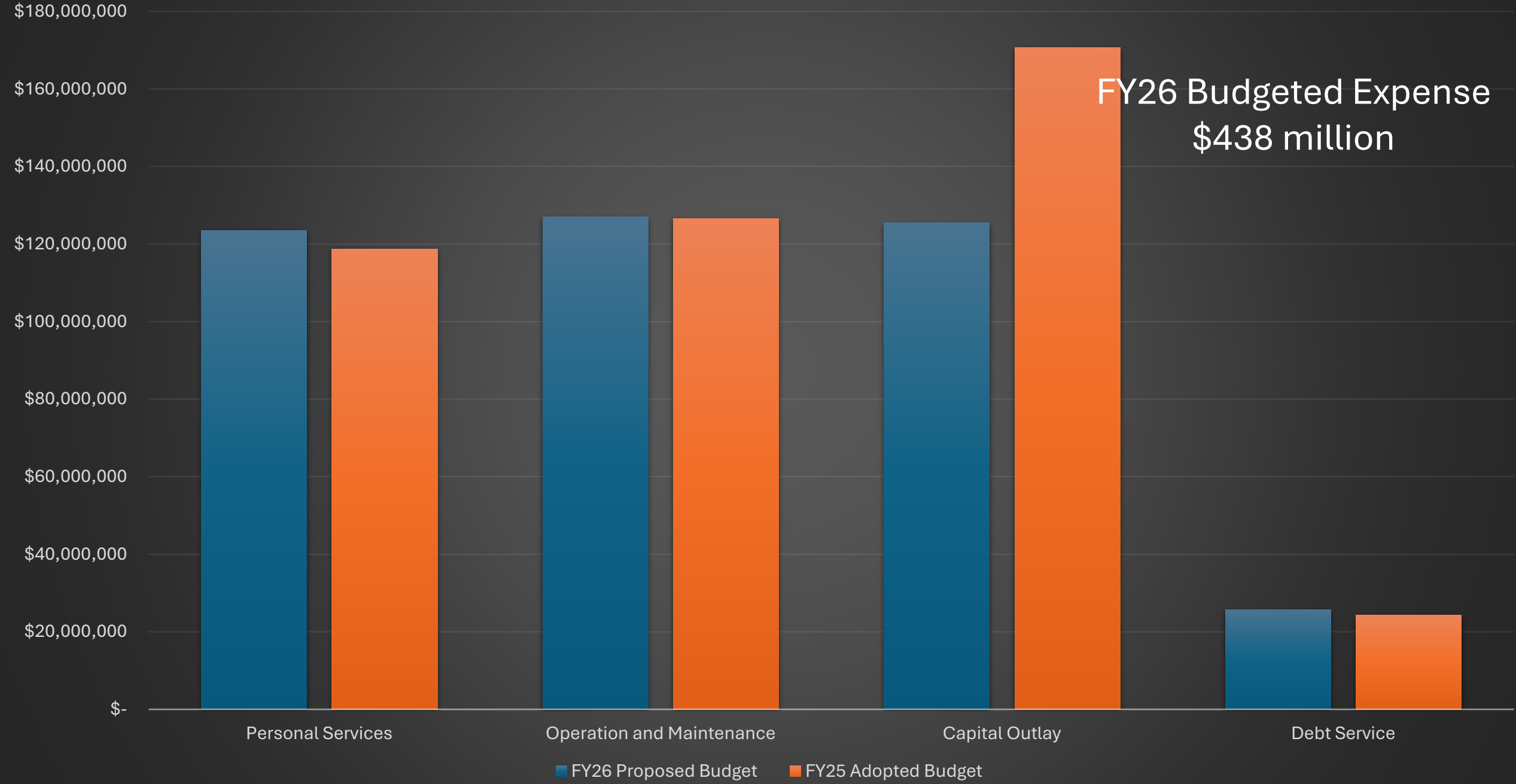
06-03-2025

Budgeted Revenue by Class

FY26 Budget \$457 million



Budgeted Expense by Class





Overall City Budget

	FY26 Proposed Budget	FY25 Adopted Budget
Revenues		
TAXES	\$ 70,629,199	\$ 70,156,849
SPECIAL ASSESSMENTS	23,795,253	29,721,512
LICENSES & PERMITS	4,753,445	4,252,576
INTER-GOVERNMENTAL	46,571,298	69,475,721
CHARGES FOR SERVICE	174,267,713	159,777,726
FINES & FORFEITS	1,700,400	1,725,046
INVESTMENT EARNINGS	9,234,760	5,677,060
DONATIONS / CONTRIBUTIONS	881,750	604,990
INTERFUND TRANSFERS	36,222,531	40,785,728
DEBT PROCEEDS	86,172,733	43,442,500
MISCELLANEOUS	<u>2,274,624</u>	<u>2,434,117</u>
Total Budgeted Revenues	\$ 456,503,706	\$ 428,053,825
Expenditures		
Personal Services	\$ 123,514,741	\$ 118,773,439
Operation and Maintenance	127,009,107	126,646,165
Capital Outlay	125,489,696	170,719,720
Debt Service	25,711,032	24,319,375
Transfers Out	<u>36,222,531</u>	<u>39,175,728</u>
Total Budgeted Expenses	\$ 437,947,107	\$ 479,634,427

Property Tax Mill Levy

- Median Home Estimated = \$350,000 (13.6% increase)
- 1 Mill = \$229,817 (16% decrease)
- 1 Mill cost the Median Home = \$2.66/year (36% decrease)
- Total Estimated Mills 247.23

Number of Mills

	FY2026	FY2025	Change
General	87.70	73.63	14.07
Public Safety	134.98	113.43	21.55
Library	5.93	4.98	0.95
Transit	11.84	9.95	1.89
GO Bonds	<u>6.78</u>	<u>5.38</u>	1.40
Total Mills	247.23	207.37	39.86

2025 Legislature Mill Requirement

Number of Mills		
	FY2026	FY2025
General	87.70	73.63
Public Safety	134.98	113.43
Library	5.93	4.98
Transit	11.84	9.95
GO Bonds	<u>6.78</u>	<u>5.38</u>
Total Mills	247.23	207.37

Number of Mills		
	FY2026	FY2025
General	74.00	73.63
Public Safety	114.00	113.43
Library	5.00	4.98
Transit	10.00	9.95
GO Bonds	6.78	5.38
Statutory Amount	<u>37.45</u>	<u>0.00</u>
Total Mills	247.23	207.37

Typical Residential Costs – City of Billings only

Median Home Property Taxes			
	FY26	FY25	Change
General	\$ 233.28	\$ 306.55	\$ (73.27)
Public Safety	359.05	472.25	(113.21)
Library	15.77	20.73	(4.96)
Transit	31.49	41.43	(9.93)
General Obligation	<u>18.03</u>	<u>22.40</u>	<u>(4.36)</u>
Median Home Property Tax	\$ 657.63	\$ 863.36	\$ (205.73)
Street Maintenance District	<u>216.25</u>	<u>216.25</u>	<u>-</u>
Total Special Assessments	216.25	216.25	-
Total Taxes and Assessments	873.88	1,079.61	(205.73)

Median Home Property Taxes			
	FY26	FY25	Change
General	\$ 196.84	\$ 306.55	\$ (109.71)
Public Safety	303.24	472.25	(169.01)
Library	13.30	20.73	(7.43)
Transit	26.60	41.43	(14.83)
General Obligation	18.03	22.40	(4.36)
Statutory Amount	<u>99.62</u>	<u>-</u>	<u>99.62</u>
Median Home Property Tax	\$ 657.63	\$ 863.36	\$ (205.73)
Street Maintenance District	<u>216.25</u>	<u>216.25</u>	<u>-</u>
Total Special Assessments	216.25	216.25	-
Total Taxes and Assessments	873.88	1,079.61	(205.73)

General Fund/Public Safety Fund Detail

Expenses by Department (GFPS)	FY26 Proposed Budget	FY26 Proportion	FY25 Adopted Budget	FY25 Proportion	\$ Change	% Change
City Administration	2,463,201	2.9%	2,574,672	3.0%	-111,471	-4.3%
Finance	1,972,519	2.3%	2,182,499	2.5%	-209,980	-9.6%
Fire Department	29,075,540	34.0%	28,126,460	32.4%	949,080	3.4%
Human Resources	1,129,513	1.3%	1,130,791	1.3%	-1,278	-0.1%
Legal	3,351,051	3.9%	3,383,409	3.9%	-32,358	-1.0%
Mayor & Council	469,213	0.5%	396,897	0.5%	72,316	18.2%
Municipal Court	2,232,552	2.6%	2,159,094	2.5%	73,458	3.4%
Non-Departmental	2,052,098	2.4%	1,574,893	1.8%	477,205	30.3%
Transfer to Library	1,392,818	1.6%	1,392,818	1.6%	0	0.0%
Transfer to PRPL	7,027,866	8.2%	7,506,100	8.7%	-478,234	-6.4%
Code Enforcement	1,229,951	1.4%	1,200,866	1.4%	29,085	2.4%
Police	33,169,009	38.8%	35,068,039	40.4%	-1,899,030	-5.4%
Total	\$ 85,565,331	100.0%	\$ 86,696,538	100.0%	-1,131,207	-1.3%

Recommended Changes to Proposed FY26 Budget

New Employee Proposed for FY26

Fund	Department/Division	# of Positions	Position
Public Safety	Police	1	DUI Officer
Public Safety	Police	1	Patrol (Court Officer)
Public Works	Storm	5	Equip Operator
Public Works	Solid Waste	1	Equip Operator (yard waste)
Public Works/IT	Admin	1	IT Specialists
Total FTE Currently in the FY26 budget		9	
Not Budgeted in Proposed Budget			
Public Works/Fleet	Public Works	1	Mechanic
Building	Building	1	Project Coordinator



Staff Recommended Changes

- Remove \$20 million from South TIF fund
 - Project will begin in FY25
 - Project will be budgeted in FY25, through a budget amendment
- Both Revenue (bond sale) and Expense (capital) would be reduced equally



Staff Recommended Changes

- Police Programs
 - Remove duplicated Grant Revenue and Expense
 - \$170,000

Future Budgetary Challenges

Upcoming Budgetary Challenges



New property tax formula

Projected reduction in tax revenue in FY27

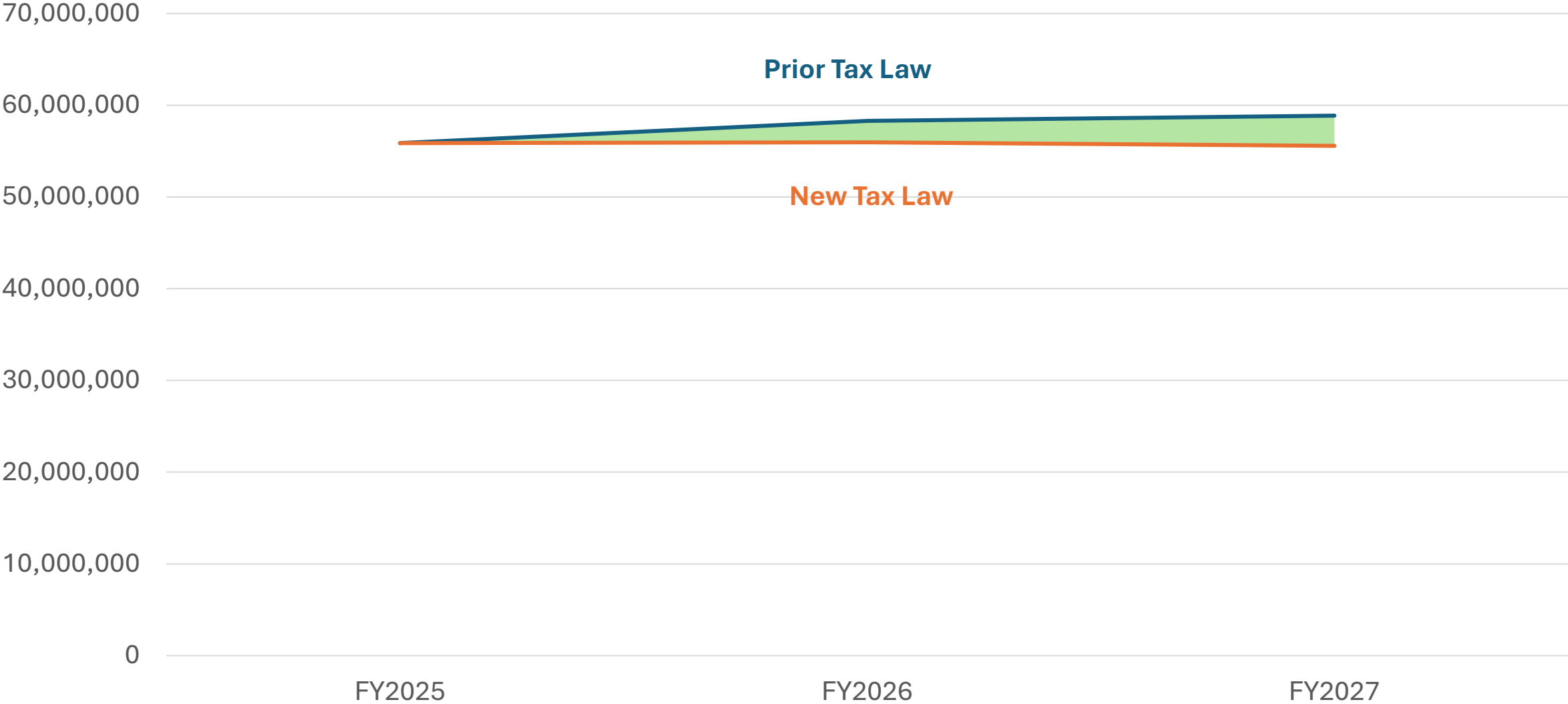


Mill Levy Discussion

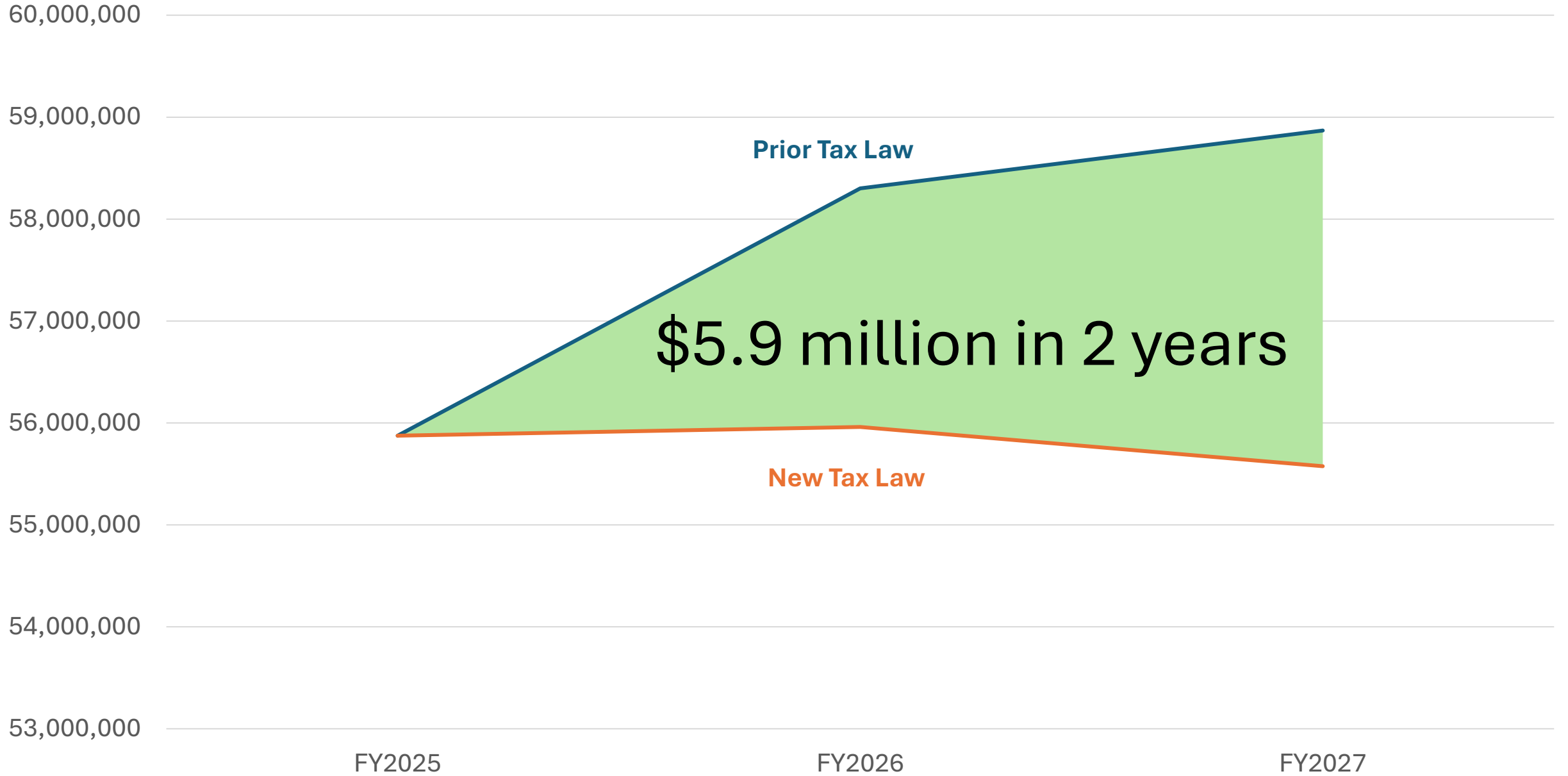
Council should begin discussions in late 2025

Consider options for primary ballot in 2026

Property Tax Impacts



Property Tax Impacts



Timeline & Discussion Items & Where to find more info

- FY26 Proposed Budget available online www.billingsmt.gov/finance
- Budget Work Sessions
 - May 19 & 20, June 2 & 3
 - Preliminary Budget Adoption June 23
 - Final Budget Adoption August 25
- Council Amendment Process