

CITY OF GREAT FALLS, MONTANA
A G E N D A R E P O R T

AGENDA # 10
DATE June 21, 2005

Item	<u>Set Annual Budget Hearings on:</u> <u>Resolution 9494 - Intent to Increase Property Tax</u> <u>Resolution 9495 - Annual Budget Resolution</u>
Initiated By	<u>Statutory Budget Requirements</u>
Action Requested	<u>Set the Annual Budget Hearings</u>
Prepared By	<u>Melissa Kinzler, Budget Officer</u>
Reviewed & Approved By	<u>Cheryl Patton, Assistant City Manager</u>

RECOMMENDATIONS

Staff Recommends the City Commission set the public budget hearings on Resolutions 9494 and 9495 for July 5, 2005, and provide for notices for:

1. the Public Hearing on the Intent to Increase Property Tax Revenue, and
2. the Public Hearing on the Preliminary Budget.

MOTIONS

I move the City Commission set the Public Hearings for Resolutions 9494 and 9495 for 7:00 PM, July 5, 2005.

SYNOPSIS

Prior to adoption of the City's annual budget the City is required to hold two public hearings on:

1. it's intent to budget an increase in revenue from property taxation, and
2. the proposed annual budget.

The City is developing its annual budget.

- The City started the annual budget process with a series of public work sessions.
- The budget is developed in accordance with City Commission direction.
- The proposed budget was presented by the City Manager on June 21, 2005 at the City Commission Work Session.
- The annual public hearings on the budget are proposed for July 5, 2005.
- The setting of the tax levies is scheduled for July 19, 2005 or when the Montana Department of Revenue has certified taxable values for the City of Great Falls.

BACKGROUND

ATTACHED are:

1. Proposed Display Notice - Intent to Increase Property Taxes
2. Proposed Legal Notice - Budget Hearing
3. Resolution 9494 - Proposed Intent to Increase Property Tax
4. Resolution 9495 - Proposed Annual Budget Resolution

Property Tax Levy Increases

MCA 15-10-203, requires the City to hold a public hearing before passing a resolution stating its intent to increase property tax revenues. MCA 15-10-420, authorizes a property tax levy increase of "one-half of the average rate of inflation for the prior 3 years". The Consumer Price Index showed a 2.50% average increase. Therefore the City is allowed and is proposing a 1.25% property tax levy increase.

MCA 15-10-420 and 2-9-212(2a), also allow property tax levy increases for premium contributions for group benefits. The City is proposing an additional 3.25% property tax levy increase for health insurance premiums.

The total proposed allowable property tax levy increase is 4.50%.

Notices of Hearings

MCA 7-1-4127, requires notice of budget hearing.