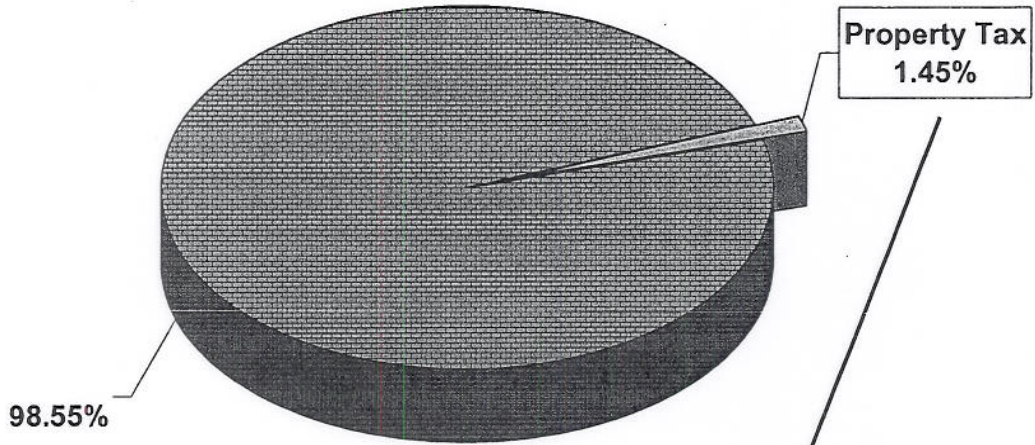
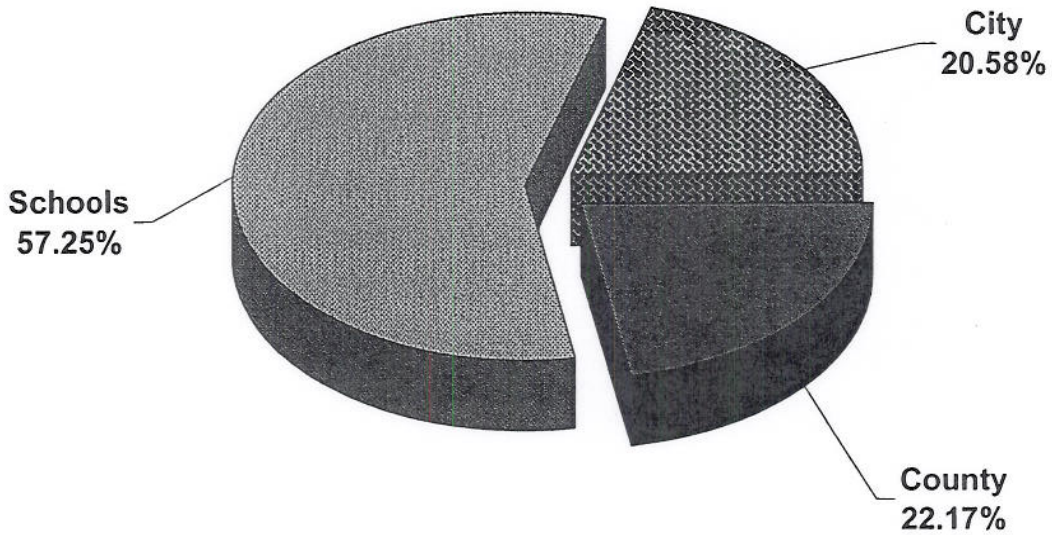


**2008 Property Tax - How Much of Market Value?  
(\$1,436 on a market value of \$100,000)**



**FY 2009 - Where Your Property Taxes Were Used**



## Tax Levy

### The Bottom Line

Although there has been much publicity about property tax law changes, the City portion of property tax bills remains virtually the same from year to year. The City portion of property tax levies was less than 1% (0.30%) of current market value for residential property in FY 2009.

### Tax Freeze

Local governments were under a tax *rate* freeze from 1987 through 1998. Starting in 1999, there is a tax *revenue* freeze.

- ◆ Taxes are limited to the prior year tax revenue,
- ◆ plus – tax base growth for new construction and improvements,
- ◆ plus – one-half of the average Consumer Price Index for the prior 3 years.

The tax rate may be adjusted to maintain the base tax revenue.

### What is a Mill?

A mill is the traditional unit for expressing property tax rates. It is:

- ✓ 1/10 of a percent (10 mills = 1%)
- ✓ one-thousandth (1/1000) of a dollar
- ✓ \$1 tax per \$1,000 of taxable valuation

### Property Valuation for Taxation

The State Legislature has set a multi-step formula for property tax computations. Each year Lewis & Clark County sends Assessment Notices to all property owners. The notice provides four key items for tax computations:

1. Current Market Value

The value determined by the State Department of Revenue as the current fair value of the property if it was to be sold in today's market.

2. Taxable Exemption

The percent set by the State Legislature as that portion of Current Market Value which will be exempt from taxation.

3. Taxable Rate (Percentage)

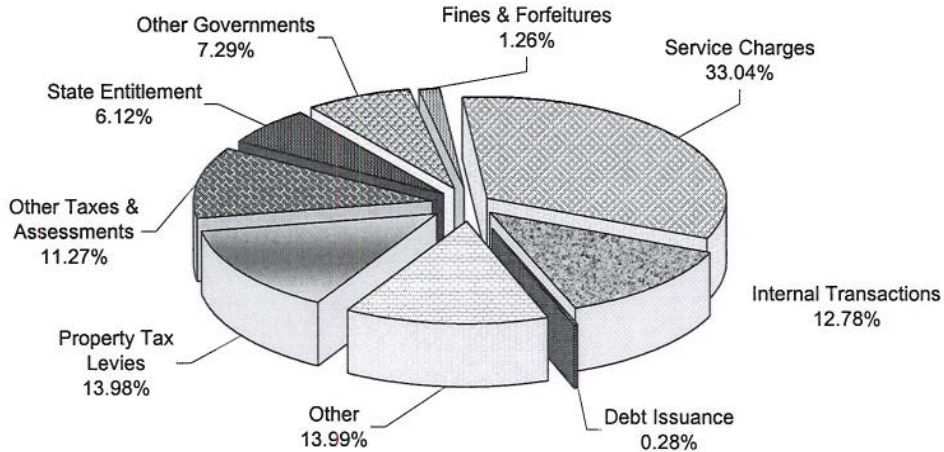
The percent set by the State Legislature as that portion of Current Market Value, less the exemption, which will be taxable.

4. Current Taxable

Current Market Value, less the exemption, times the Taxable Rate. This is still NOT the amount you multiply times the mill levies. You must divide the Current Taxable by 1,000 to determine the Taxable Value per mill on a piece of property.

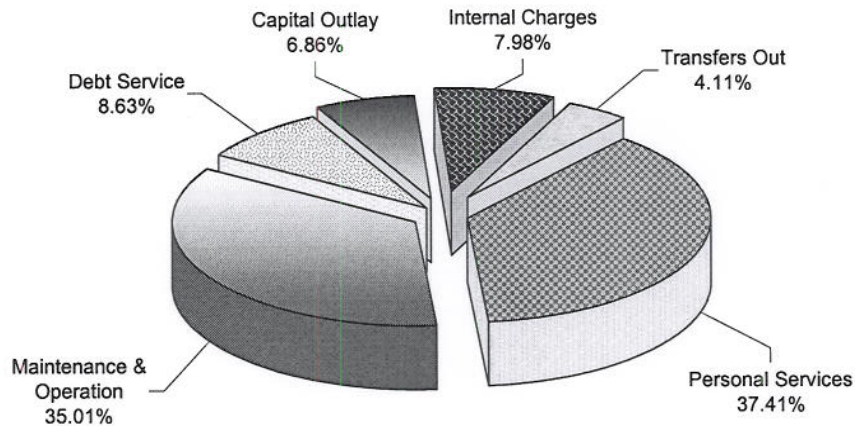
| All Funds Combined                        |                   |                   |                    |                     |                   |                        |
|---|-------------------|-------------------|--------------------|---------------------|-------------------|------------------------|
| Fund: 001                                 | FY 2007 Actual    | FY 2008 Actual    | FY 2009 Budget     |                     |                   | Adopted FY 2010 Budget |
|   |                   |                   | Original           | Amended             | Actual            |                        |
| <b>Revenues</b>                           |                   |                   |                    |                     |                   |                        |
| Taxes                                     | 6,744,992         | 6,094,948         | 8,482,907          | 8,482,907           | 9,322,615         | 8,986,760              |
| Special Assessments                       | 4,028,631         | 3,960,728         | 4,444,375          | 4,487,576           | 5,223,225         | 4,656,887              |
| <b>Taxes &amp; Assessments</b>            | <b>10,773,623</b> | <b>10,055,676</b> | <b>12,927,282</b>  | <b>12,970,483</b>   | <b>14,545,840</b> | <b>13,643,647</b>      |
| License & Permits                         | 1,518,446         | 1,325,613         | 1,437,900          | 1,437,900           | 1,615,303         | 1,290,298              |
| Intergovernmental Revenues                | 6,856,509         | 8,616,403         | 6,210,456          | 9,734,739           | 8,046,412         | 7,241,712              |
| Charges For Services                      | 17,058,760        | 17,356,195        | 17,608,137         | 17,737,788          | 17,568,617        | 17,851,990             |
| Intra-City Revenues                       | 795,780           | 882,614           | 1,078,916          | 1,078,916           | 875,458           | 1,027,053              |
| Fines & Forfeitures                       | 809,144           | 765,262           | 796,650            | 796,650             | 648,697           | 682,650                |
| Investment Earnings                       | 1,323,233         | 1,116,636         | 970,026            | 970,026             | 537,307           | 439,169                |
| Other Financing Sources / (Uses)          | 3,257,317         | 4,620,505         | 4,297,865          | 4,786,447           | 4,286,544         | 4,805,359              |
| <b>Other Operating Revenues</b>           | <b>31,619,189</b> | <b>34,683,228</b> | <b>32,399,950</b>  | <b>36,542,466</b>   | <b>33,578,338</b> | <b>33,338,231</b>      |
| Internal Service Revenues                 | 3,702,863         | 4,202,887         | 4,318,969          | 4,318,969           | 4,318,969         | 4,558,914              |
| Interfund Transfers In                    | 1,855,495         | 2,143,992         | 1,964,418          | 2,498,447           | 2,463,499         | 2,346,093              |
| <b>Internal Transactions</b>              | <b>5,558,358</b>  | <b>6,346,879</b>  | <b>6,283,387</b>   | <b>6,817,416</b>    | <b>6,782,468</b>  | <b>6,905,007</b>       |
| Long-Term Debt                            | 754,586           | 10,571,297        | 122,145            | 13,056,816          | 13,111,642        | 150,000                |
| <b>Total Revenues</b>                     | <b>48,705,756</b> | <b>61,657,080</b> | <b>51,732,764</b>  | <b>69,387,181</b>   | <b>68,018,288</b> | <b>54,036,885</b>      |
| <b>Expenditures</b>                       |                   |                   |                    |                     |                   |                        |
| <b>Personal Services</b>                  | <b>17,445,925</b> | <b>18,359,327</b> | <b>20,400,288</b>  | <b>20,684,394</b>   | <b>19,787,769</b> | <b>21,363,167</b>      |
| Supplies & Materials                      | 2,631,989         | 2,950,887         | 3,608,779          | 3,746,390           | 3,195,104         | 3,528,883              |
| Purchased Services                        | 9,384,938         | 8,933,391         | 9,283,707          | 11,040,463          | 8,831,859         | 9,295,638              |
| Intra-City Charges                        | 794,953           | 883,982           | 1,078,916          | 1,051,803           | 874,582           | 1,027,053              |
| Fixed Costs & Subsidies                   | 3,587,675         | 4,387,316         | 4,652,798          | 4,603,374           | 4,095,308         | 6,136,758              |
| <b>Maintenance &amp; Operating</b>        | <b>16,399,555</b> | <b>17,155,576</b> | <b>18,624,200</b>  | <b>20,442,030</b>   | <b>16,996,853</b> | <b>19,988,332</b>      |
| Internal Charges                          | 3,451,674         | 3,791,531         | 4,318,969          | 4,030,301           | 4,029,669         | 4,558,914              |
| Interfund Transfers Out                   | 1,855,495         | 2,143,992         | 1,964,418          | 2,498,447           | 2,463,499         | 2,346,093              |
| <b>Internal Transactions</b>              | <b>5,307,169</b>  | <b>5,935,523</b>  | <b>6,283,387</b>   | <b>6,528,748</b>    | <b>6,493,168</b>  | <b>6,905,007</b>       |
| Debt Service                              | 3,825,184         | 4,043,725         | 4,584,830          | 7,953,787           | 7,686,315         | 4,927,347              |
| Capital Outlay                            | 6,038,892         | 10,305,261        | 5,274,131          | 30,205,265          | 12,572,376        | 3,916,855              |
| <b>Debt &amp; Capital</b>                 | <b>9,864,076</b>  | <b>14,348,986</b> | <b>9,858,961</b>   | <b>38,159,052</b>   | <b>20,258,691</b> | <b>8,844,202</b>       |
| <b>Total Expenditures</b>                 | <b>49,016,725</b> | <b>55,799,412</b> | <b>55,166,836</b>  | <b>85,814,224</b>   | <b>63,536,481</b> | <b>57,100,708</b>      |
| <b>Revenues Over (Under) Expenditures</b> | <b>(310,969)</b>  | <b>5,857,668</b>  | <b>(3,434,072)</b> | <b>(16,427,043)</b> | <b>4,481,807</b>  | <b>(3,063,823)</b>     |
| <b>Beginning Cash Balance - July 1</b>    | <b>29,169,409</b> | <b>28,858,440</b> | <b>34,716,108</b>  | <b>34,716,108</b>   | <b>34,716,108</b> | <b>39,197,915</b>      |
| Net Loans Made / Repaid & Adjustments     | -                 | -                 | -                  | -                   | -                 | -                      |
| <b>Ending Cash Balance - June 30</b>      | <b>28,858,440</b> | <b>34,716,108</b> | <b>31,282,036</b>  | <b>18,289,065</b>   | <b>39,197,915</b> | <b>36,134,092</b>      |
| <b>Unreserved Balance</b>                 | <b>(13,076)</b>   | <b>(17,918)</b>   | <b>(941,182)</b>   | <b>(740,253)</b>    | <b>5,795,066</b>  | <b>5,296,059</b>       |
| <b>Reserved</b>                           | <b>28,871,516</b> | <b>34,734,026</b> | <b>32,223,218</b>  | <b>19,029,318</b>   | <b>33,402,849</b> | <b>30,838,033</b>      |
| <b>Ending Cash Balance - June 30</b>      | <b>28,858,440</b> | <b>34,716,108</b> | <b>31,282,036</b>  | <b>18,289,065</b>   | <b>39,197,915</b> | <b>36,134,092</b>      |

### WHERE THE MONEY COMES FROM - FY 2010



|                               | FY 2008<br>Actual    | FY 2009<br>Actual    | FY 2010<br>Budget    | Budget<br>Increase (Decr) |
|-------------------------------|----------------------|----------------------|----------------------|---------------------------|
| Property Tax Levies           | \$ 6,343,509         | \$ 7,303,676         | \$ 7,555,060         | \$ 251,384                |
| Other Taxes & Assessments     | 3,712,167            | 7,242,164            | 6,088,587            | (1,153,577)               |
| State Entitlement             | na                   | 3,147,983            | 3,305,000            | 157,017                   |
| Other Governments             | 8,616,403            | 4,898,429            | 3,936,712            | (961,717)                 |
| Fines & Forfeitures           | 765,262              | 648,697              | 682,650              | 33,953                    |
| Service Charges               | 17,356,195           | 17,568,617           | 17,851,990           | 283,373                   |
| Internal Transactions         | 6,346,879            | 6,782,468            | 6,905,007            | 122,539                   |
| Debt Issuance                 | 10,571,297           | 13,111,642           | 150,000              | (12,961,642)              |
| Other                         | 7,945,368            | 7,314,612            | 7,561,879            | 247,267                   |
| <b>Total City Revenues</b>    | <b>\$ 61,657,080</b> | <b>\$ 68,018,288</b> | <b>\$ 54,036,885</b> | <b>\$ (13,981,403)</b>    |
| Net Decrease in City Reserves | \$ -                 | \$ -                 | \$ (3,063,823)       |                           |

### WHERE THE MONEY GOES - FY 2010



|                                | FY 2008<br>Actual    | FY 2009<br>Actual    | FY 2010<br>Budget    | Budget<br>Increase (Decr) |
|--------------------------------|----------------------|----------------------|----------------------|---------------------------|
| Personal Services              | \$ 18,359,327        | \$ 19,787,769        | \$ 21,363,167        | \$ 1,575,398              |
| Maintenance & Operation        | 17,155,576           | 16,996,853           | 19,988,332           | 2,991,479                 |
| Debt Service                   | 4,043,725            | 7,686,315            | 4,927,347            | (2,758,968)               |
| Capital Outlay                 | 10,305,261           | 12,572,376           | 3,916,855            | (8,655,521)               |
| Internal Charges               | 3,791,531            | 4,029,669            | 4,558,914            | 529,245                   |
| Transfers Out                  | 2,143,992            | 2,463,499            | 2,346,093            | (117,406)                 |
| <b>Total City Expenditures</b> | <b>\$ 55,799,412</b> | <b>\$ 63,536,481</b> | <b>\$ 57,100,708</b> | <b>\$ (6,435,773)</b>     |
| Net Increase in City Reserves  | \$ 5,857,668         | \$ 4,481,807         | \$ -                 |                           |