

**JOURNAL OF SPECIAL COMMISSION WORK SESSION**  
**June 28, 2017**

City Commission Special Work Session  
Civic Center, Gibson Room 212

Mayor Kelly presiding

**CITY COMMISSION MEMBERS PRESENT:** Bob Kelly, Bill Bronson, Fred Burow and Bob Jones. Commissioner Tracy Houck arrived at 12:44 p.m.

**\*\* *Action Minutes of the Great Falls City Commission. Please refer to the audio/video recording of this meeting for additional detail.* \*\***

1. **LUNCH:** 12:00 p.m.
2. **BUDGET PRESENTATION FOR FISCAL YEAR 2018:** 12:30 p.m.

City Manager Greg Doyon commented that, after his budget transmittal to the Commission today, it becomes the Commission's budget. The budget is the Commission's greatest policy statement.

City staff introductions: Chuck Anderson, Deputy City Manager; Melissa Kinzler, Fiscal Services Director; Dave Bowen, Police Chief; Craig Raymond, Director of Planning and Community Development; Kevin Hager, Executive Director of the Housing Authority; Patty Rearden, Interim Park and Recreation Director; Jim Rearden, Public Works Director; Kathy Mora, Library Director; Steve Hester, Fire Chief; Sara Sexe, City Attorney; Gaye McInerney, Human Resources Manager; Korri Shupe, Fiscal Services Budget Technician; Lynn Formell, Animal Shelter Operations Manager; and, Lisa Kunz, City Clerk.

Manager Doyon reported that before the Commission is the Fiscal Year 2018 proposed budget, and supporting documents: General Fund Increases with Newly Taxable Property, Inflation and Entitlement Payments; 2017 Legislative Impacts Summary; FY 18 Capital Improvement Plan – Administrative Summary; General Fund Contributions for Operations; City of Great Falls Fund Summary; and, Fiscal Year 2018 Department Requested/Manager Recommended budget.

Manager Doyon commented that this transmittal today is part of an ongoing budget process. The budget is constantly monitored, and there is established quarterly Commission reviews. He reviewed the attached PowerPoint presentation that included discussion on the budget process, Commission priorities, City Manager approach for FY 2018 budget/City Manager priorities, legislative impacts, last year versus this year's peak ahead, budget highlights, fund review, projected revenues, general fund undesignated fund balance, proposed user fee adjustments, capital planning, capital improvement completed in 2016-2017, proposed capital improvements for 2018, budget overview for FY 2018, citywide revenue by fund, expenses by fund, capital expenses by category, general fund revenues, general fund new tax revenue, public safety, and general fund expenses.

Mayor Kelly called for a recess at 1:58 p.m., and reconvened the meeting at 2:06 p.m.

Manager Doyon reviewed department requests versus his recommendations. He commented that

the Fire Department requested one full time fire inspector that he didn't recommend. One full time Safety Inspection Certificate (SIC) Supervisor was added and already funded by SIC fees.

Fire Chief Steve Hester explained his request of having an officer working with the fire marshal permanently and firmly staged in the Fire Marshal's Office. With regard to the fire inspector position requested but not recommended Chief Hester commented that the operation's staff is very busy. There isn't a lot of time to perform thorough inspections at places such as public assembly facilities, schools and daycares. An extra inspector is requested to relieve some of the pressure of the operation's staff to take care of those important inspections. The business inspections are important but not as critical, and an extra fire inspector would take some of the pressure off of the operation staff. It adds to the public safety factor in our community.

Commissioner Jones commented that there were previous discussions about the possible need of another fire station. Subsequent discussions were, rather than another fire station, adding an engine company operating out of Fire Station 1. He concluded that it makes sense to him if personnel can be freed up by an engine company going out on inspections and hiring another individual for back up.

Manager Doyon requested that Chief Hester run the numbers on the SIC's and add in the cost to fund one new position. He was being cautious on the general fund use. The position may be able to be funded through SIC's if the Commission wanted to fund that position and was willing to make an adjustment on that expense.

In response to Commissioner Burow's inquiry regarding annual firefighter physicals, Manager Doyon and Chief Hester explained that the occupational physical is far more extensive than a regular wellness check up or physical. It is a preventative measure to try to catch occupational disease at stage 1 due to the hazardous work and chemistry involved that might be missed in a regular check up. It would save money in the long run to catch disease early on.

With regard to inspections, Commissioner Houck would like to see the numbers to fund another position to provide thorough inspections and ensuring safety.

Manager Doyon continued that the Police Department requested six new officer positions that were not recommended. He discussed being able to sustain the costs in future fiscal years if the positions were funded. The Police Chief is advocating for proactive rather than reactive. Some of the new Marsy's Law requirements will cut into response times and will be monitored. The strategy is to try to do everything that we can to put these positions into play with the budget as resources become available without asking for a levy. A public safety levy will probably be required in order to sustain that level of employment in the Fire and Police Departments.

The Library requested two part time library specialists that were not recommended. Manager Doyon commented that the fund balance in the Library is entirely adequate to support those positions this year. That is a discussion the Library Board will need to have with Library Director Kathy Mora.

Commissioner Houck inquired about departments obtaining grants to fund some of the requests.

Manager Doyon responded that the Commission has been supportive of grant requests in the past

that are ratified at the Commission level. The budget is then adjusted to reflect that revenue.

Commissioner Bronson requested explanation of the requested \$20,000 for a parking study.

Planning and Community Development Director Craig Raymond commented that the Commission charged the Parking Advisory Board and City staff with an extensive review of the overall program. The study is an interim measure to understand how the City should be budgeting for the maintenance of these facilities.

Commissioner Bronson would like to see a lack of quorum discussion with the Parking Advisory Commission as was with the Planning Advisory Board.

In response to Manager Doyon's inquiry, it was the consensus of the Commission not to support the parking fund with the general fund.

In terms of funding a full time Historic Preservation Officer position, Commissioner Bronson suggested the City and County enter into a formal Memorandum of Understanding.

Commissioner Burow inquired what the energy audit entailed. Director Raymond explained that the audit covers the Civic Center, parking garages, Public Works, Fire Department and Police Department for lighting and other potential energy saving measures and looking for efficiencies that could be obtained and methods of financing to have those improvements made.

An initial priority of Commission discussions was fully staffing the Planning and Community Development Department. Director Raymond reported that two positions are being recruited, as well as a custodial position for the Civic Center.

In conclusion, Manager Doyon noted that there were about \$5.2 million worth of requests and he is recommending about \$2.1 million.

Commissioner Burow stepped out of the meeting at 3:20 p.m., and returned at 3:32 p.m.

Manager Doyon recapped that the overall proposed budget is an 8.4% decrease; a 23.1% decrease from the FY 17 amended budget. The budget addresses operational and some capital needs. The impact is \$5.06 per \$100,000 taxable value.

Manager Doyon discussed next steps. He asked the Commission if they had any areas they wanted the department heads to go back and look at.

At the budget hearing, Commissioner Houck requested a slide that shows the impact of \$5.06, but also the net of \$1.09.

Mayor Kelly called for a recess at 3:21 p.m., and reconvened the meeting at 3:31 p.m.

Manager Doyon referred to the Capital Improvement Plan Administrative Summary and noted that the reality is he has never seen a fully funded capital improvement plan. However, it is monitored to watch what items are being deferred so that it doesn't come back and cost the community more to remedy a situation later.

The scheduling of the budget and property tax hearings is tentatively set for July 5<sup>th</sup>. The hearings will be held July 18<sup>th</sup>, and the mill levy hearing will be scheduled for August 15<sup>th</sup>.

Manager Doyon requested that the Commission make aware any items they want addressed at the next budget work session.

Commissioner Jones requested the previously discussed Fire Department information.

Commissioner Houck inquired how the Commission would handle the budget if Marsy's Law does or does not go into effect, and how the budget would get amended if the proposed Park District doesn't pass.

Director Kinzler responded that the proposed Park Maintenance District is only in one fund. If it doesn't get adopted it is out of the budget. If it passes the Commission would conduct a hearing to set the assessments.

With regard to Marsy's Law, Manager Doyon responded that there would be items to pull back on; however, he would recommend keeping the coordinator position.

Commissioner Houck inquired if there were any grants that could help offset the cost of the fingerprinting machine.

Chief Bowen responded that the only grants out there are the Department of Homeland Security grants for radios.

Commissioner Bronson inquired if there were any outside entity requests for special allocations from the general fund; specifically, from Great Falls Development Authority.

Manager Doyon response was in the negative. He added that the money in the economic development fund will be associated with a lease arrangement with the Airport to maintain occupancy at the 911 Dispatch Center in terms of construction of a road. Money will also be needed to renovate the Civic Center and Children's Museum for future office space.

Mayor Kelly commented that the budget should be lean, show that the City is efficient, and the increases asked for are warranted and effective. He noted that people can recognize the value of the cost of living in Great Falls with the services provided and the delivery of that service compared to any other first class Montana city. The relative value that Great Falls' residents enjoy is significant.

### **3. PUBLIC COMMENT**

There were no comments from member of the public.

### **ADJOURN**

There being no further discussion, Mayor Kelly adjourned the informal special work session of June 28, 2017, at 3:47 p.m.



## City Manager's FY 2017/2018 Budget Transmittal

*Presented on June 28, 2017*



## Budget Process

- Quarterly Commission/Staff Budget Reviews
- Ongoing Fund Review
- Revenue/Fee Reviews
- Internal Service Review and Adjustments
- Capital Planning – Equipment/Facility
- Operating Budgets
  - Baseline Budget
    - Commission priorities
    - Adjustments based on need, priority, and prior deferrals
- Development of Commission Priorities



## Commission Priorities

*January 24 and April 17, 2017 Planning Sessions*

- Implement the Park Master Plan
- Chart a course on the Civic Center Façade/Roof
- Maintain Focus on Public Safety
- Evaluate engagement with Boards and Commissions
- Appoint a FT Historic Preservation Officer
- Monitor Golf Fund and explore options
- Improve Animal Shelter



## City Manager Approach for FY 2018 Budget

### City Manager Priorities

- Fund Stabilization and Performance
- Tackling Deferred operational/capital needs
  - Capital Planning/Maintenance
    - Administrative Plan Revised
- Service/Cost Effectiveness
  - Establishing and maintaining sustainable services
  - Parks and Recreation Director Recruitment
- Collective Bargaining
  - Recruitment, retention, wages, benefits
  - Impact on exempt employees



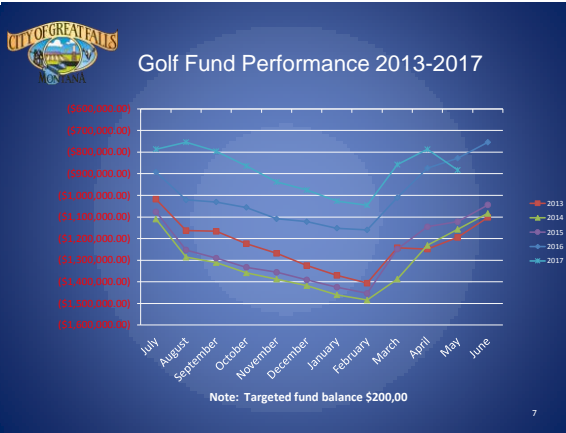
## City Manager Approach for FY 2018 Budget

### Specific Impacts/Budget Areas of Concern

- State Legislation
- Stabilizing Library Funding
- Legal and Court Operations
- Park District
- Labor Negotiations
- Golf Fund Debt

Golf Deficit Summary (1991-2017)

	July	August	September	October	November	December	January	February	March	April	May	June
1991	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
1992	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
1993	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
1994	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
1995	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
1996	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
1997	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
1998	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
1999	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2001	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2002	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
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2016	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2017	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2018	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2019	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2020	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2021	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2022	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2023	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2024	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2025	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2026	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2027	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2028	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2029	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
2030	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000



## Legislative Impacts

*What Happens in Helena doesn't stay in Helena*

- Legislative decisions have significant impact on local government operations and decision making
- Legislative attack on Tax Increment Financing (TIF), local control and revenues
- Bills of Interest: HB 2,6,7,11,133, 194, 245,261, 294,370, 473,565,600, 648 and SB 189.
- School Permissive Levy (SB307)

*Refer to handout*

## Last Year's Peek Ahead FY17/18

- IT – Architecture, Retention, Security
- Office Space
- New Public Safety software implementation
- 911 Center Interlocal Agreement
- Civic Center Façade (\$6 to \$8 million)
- Capital Planning
- Staffing: Municipal Court, Prosecution and Special Victims Caseload
- Staffing: Public Safety
- Radios

## Peek Ahead FY 19/20

- Office Space
  - Legal, Court (recommending Children's Museum - 5years out)
- New Public Safety software implementation
  - Pending - 911 Center Interlocal Agreement
- Civic Center Façade
  - \$6 to \$8 million
  - Budget includes funding for Preliminary Engineering /bidding
  - Requires a public vote to bond improvements
- Capital Planning – Equipment and Deferred Facilities
- Public Safety
  - Staffing Pressure (Municipal Court, Prosecution, Fire, Police)
  - Facilities
- Park District Outcome
- Golf Fund

## FY 18 Budget Highlights

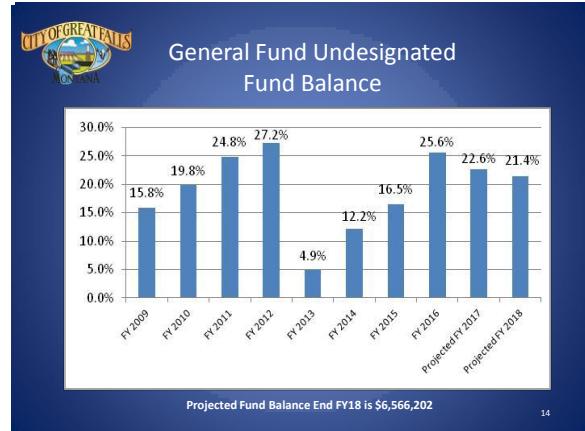
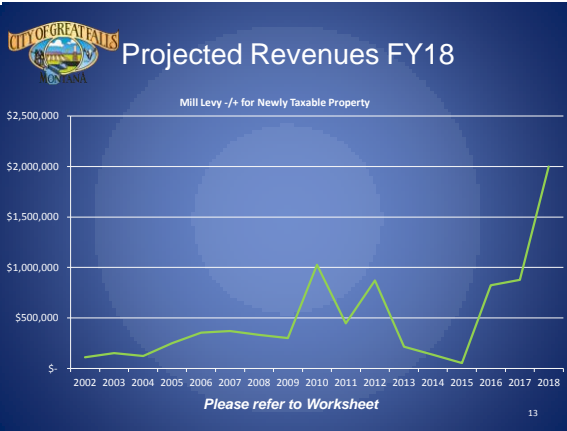
- Revenues
- Healthy Fund Balance (21%)
  - Golf
  - Fund Health (3 funds categorized as "At-Risk")
- Capital Improvements – Building Reserves, Facility and Equipment
- Operational Improvements
- Personnel
  - Proposed personnel
  - Collective Bargaining
  - Wage Adjustments
  - Benefits

## Fund Review

City Manager Fund Summary

Please refer to handout

**Stable, Requires Monitoring, & At-Risk**



**Proposed User Fee Adjustments**

Department	Division	Amount
Public Works	Water	10% increase
Public Works	Sewer	3% increase
Public Works	Storm Drain	10% increase
Public Works	Sanitation	5% increase residential
Park & Recreation	Swimming	.50 Neighborhood Pools
Park & Recreation	Golf	various

- The City of Great Falls has the *lowest* combined utility rates of any Class 1 city in Montana.
- Rate adjustments are necessary to maintain each system, complete capital projects, and in recent years, necessary to meet federal/state regulatory requirements for permits.

**Capital Planning**

*Capital Expenses are those expenditures/or equipment, infrastructure, or facilities, that have a useful life longer than one year and initially costs at least \$5,000.*

- Capital items are either funded by bonds, reserves, or one time expense.
- Some improvement on facilities, some programmed into the budget.
- When work is deferred it may cost more in the long run.

Ranking

- Criteria (Work in Progress)
- Commission/Committee Adoption

- 
- Capital Improvement Completed 2016**
- Crematory/Roof – \$40,000 (CRF)
  - Fire Stations #1&4 – Generator s \$25,000 (2 more needed)
  - SCBA – \$32,500 (City match and Grant \$302,114)
  - Engine 33 and # 2 – Replacement \$425,000
  - Information Technology Generator – \$72,000
  - Library Roof – \$11,000 (CRF)
  - Fly System - (\$5,382; Event Funds)
  - Stage Floor - (\$11,270 Event Funds)

- 
- Capital Improvement Completed 2017**
- Ambulance/Squad Response – (\$180,000) - Completed
  - Fire Facility Improvements – (\$50,000) – In progress
  - Natural Resource (\$45,000) - ERS
  - Civic Center Parking (\$40,000 crack sealing)
  - Civic Center Facility
    - IT Server Room A/C (\$25,000) – need additional funding
    - P&CD A/C (\$45,000)
    - Back-Up Server (\$30,000) – complete
  - P&R Irrigation (\$50,000 CRF)
  - Fire Station #3 Generator – (\$25,000) In progress
  - Replaced Fire Engine #6 (\$411,000)



## Capital Improvements Proposed 2018

- Civic Center Façade Architectural Services (\$281,638; need \$488,060)
- Animal Shelter – Incinerator (\$85,000)
- IT – Air Conditioning IT Room ( balance of \$20,000 needed)
- Police
  - Various capital improvements at Police Department (\$110,772)
  - Finger print scanner (\$11,000)
  - Replacement of detective cars (\$50,000)
- Fire
  - New Fire Truck (purchased FY 2017 - \$411,000)
  - Training center lights (\$10,000)
- Various Public Works Projects: Water, Sewer, Storm and Street

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## Budget Overview for Fiscal Year 2018

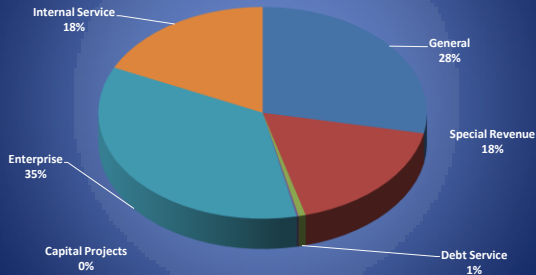
- The City has 58 separate funds
  - Each fund has its own unique revenue source and purpose
- Total Proposed Budget is \$116,026,696 (FY 17 \$126,738,143)
  - General Fund \$30,725,975 (FY 17 \$28,542,493)
  - All Other Funds \$85,300,721 (FY 17 \$98,195,650)



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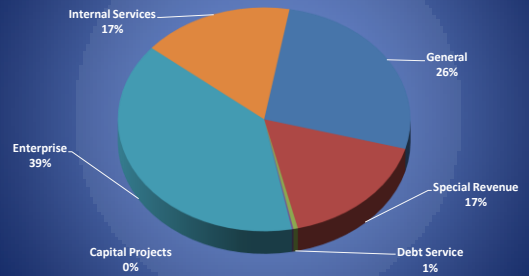
## Citywide Revenue by Fund



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## Expenses by Fund



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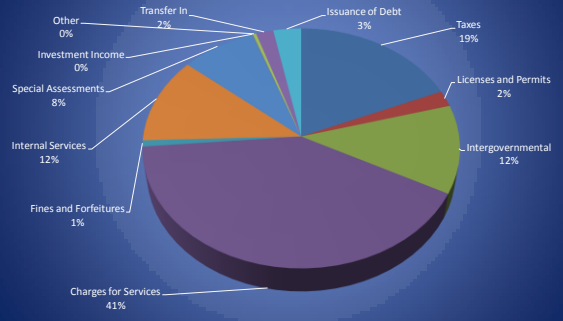
## Citywide Revenue

Revenue Sources	FY 2016 Actual	FY 2017 Amended	FY 2018 Proposed	% change
Taxes	\$ 18,224,876	\$ 18,496,761	\$ 20,304,961	9.78%
Licenses and Permits	\$ 2,575,767	\$ 2,260,853	\$ 2,341,933	3.59%
Intergovernmental	\$ 13,365,617	\$ 15,220,544	\$ 12,982,181	-14.71%
Charges for Services	\$ 42,482,723	\$ 43,326,270	\$ 44,832,993	3.48%
Fines and Forfeitures	\$ 905,051	\$ 983,400	\$ 921,900	-6.25%
Internal Services	\$ 11,006,724	\$ 11,770,034	\$ 12,706,135	7.95%
Special Assessments	\$ 7,343,435	\$ 6,872,333	\$ 9,186,398	33.67%
Investment Income	\$ 256,105	\$ 19,250	\$ 36,345	88.81%
Other	\$ 1,720,924	\$ 1,086,693	\$ 400,338	-63.16%
Transfer In	\$ 2,315,449	\$ 2,071,558	\$ 2,139,514	3.28%
Issuance of Debt	\$ 3,339,270	\$ 34,737,214	\$ 3,400,000	-90.21%
Sale of Assets	\$ 515,212	\$ 69,554	-	NA
	\$104,051,153	\$136,914,464	\$ 109,252,698	-20.20%

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## Citywide Revenue



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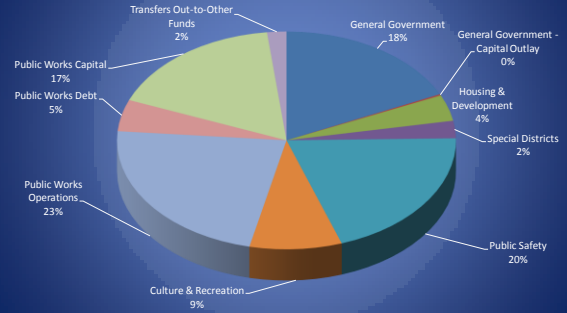
## Citywide Expenses

Expense Type	FY 2016 Actual	FY 2017 Amended	FY 2018 Proposed	% change
Personal Services	\$36,905,646	\$40,506,947	\$42,242,564	4.28%
Supplies	\$4,899,251	\$5,842,174	\$5,937,479	1.63%
Purchased Services	\$18,135,153	\$24,794,382	\$24,638,096	-0.63%
Debt Services	\$5,815,004	\$7,560,058	\$6,588,963	-12.85%
Contributions & Other	\$1,837,296	\$2,300,611	\$1,518,929	-33.98%
Other	\$791,147	\$373,707	\$311,138	-16.74%
Internal Services	\$10,025,218	\$10,806,303	\$11,591,526	7.27%
Capital Outlay	\$16,684,397	\$56,747,144	\$21,058,487	-62.89%
Transfer Out	\$2,315,449	\$2,092,530	\$2,139,514	2.25%
	\$97,408,561	\$151,023,856	\$116,026,696	-23.17%

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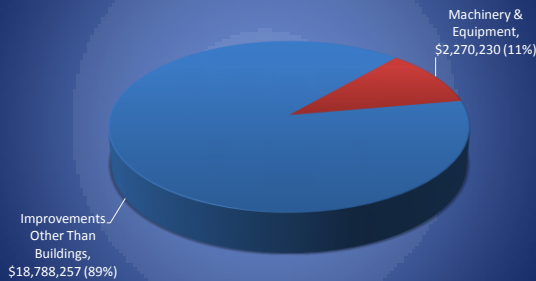
## Citywide Expenses



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## Capital Expenses by Category



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## General Fund Revenues

Revenue Sources	FY 2016 Actual	FY 2017 Amended	FY 2018 Proposed	% change
Taxes	\$ 16,171,756	\$ 16,544,485	\$ 18,683,278	12.93%
Licenses and Permits	\$ 876,743	\$ 879,664	\$ 879,664	0.00%
Intergovernmental	\$ 7,797,655	\$ 8,408,339	\$ 8,112,232	-3.52%
Charges for Services	\$ 1,129,046	\$ 1,054,745	\$ 1,114,150	5.63%
Fines and Forfeitures	\$ 828,763	\$ 881,000	\$ 820,000	-6.92%
Internal Services	\$ 882,664	\$ 971,765	\$ 944,503	-2.81%
Investment Income	\$ 35,099	\$ 15,000	\$ 25,000	NA
Other	\$ 102,864	\$ 251,018	\$ 147,148	-41.38%
Issuance of Debt	\$ 796,859	\$ -	\$ -	NA
Transfer In	\$ -	\$ -	\$ -	NA
	\$ 28,621,449	\$ 29,006,016	\$ 30,725,975	5.93%

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## General Fund New Tax Revenue

Projected base increase in tax revenue	\$2,000,000
Inflation allowance (.59%)	\$88,793
Permissive Medical Levy (1.66%)	<u>\$250,000</u>
<b>Total</b>	<b>\$2,338,793</b>

Commission Action/ Public Hearing required for both.

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## Public Safety

Requested FY 2018	
Total General Fund Fire and Police Budget	\$21,197,306
Projected FY 18 Total General Fund Taxes	<u>\$18,683,278</u>
<b>Difference</b>	<b>(\$2,514,028)</b>

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## General Fund Expenses

Expense Type	FY 2016 Actual	FY 2017 Amended	FY 2018 Proposed	% change
Personal Services	\$18,937,895	\$20,372,777	\$21,482,934	5.45%
Supplies	\$810,986	\$967,504	\$1,000,943	3.46%
Purchased Services	\$1,112,736	\$1,447,497	\$1,351,389	-6.64%
Debt Services	\$80,164	\$199,506	\$159,910	-19.85%
Contributions & Other	\$250,000	\$250,000	\$250,000	0.00%
Other	\$48,189	\$25,499	\$300,638	1079.02%
Internal Services	\$3,576,592	\$3,773,612	\$4,387,321	16.26%
Capital Outlay	\$857,787	\$468,780	\$25,000	-94.67%
Transfer Out	\$1,812,785	\$1,696,578	\$1,767,480	4.18%
	\$27,487,134	\$29,201,753	\$30,725,615	5.22%

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## Summary of Department Requests

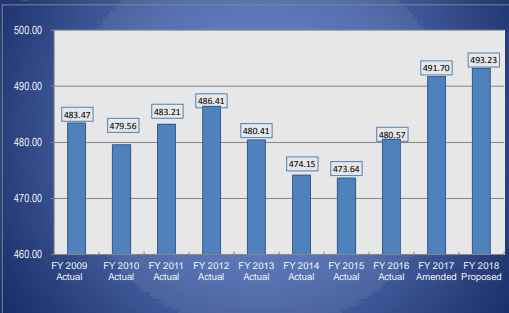
Department Requested – Manager Recommended

*Please refer to the handout.*

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## Ten Year FTE History



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## Total Proposed FY 2018 Revenue Over (Under) Expenses

Proposed Total Revenue	\$109,252,698
Proposed Total Expenses	<u>\$116,026,696</u>
Proposed Total Revenues Over (Under) Expenses	(\$6,773,998)

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## City's Bond Rating

- Moody's upgraded City's General Obligation Limited Tax (GOLT) rating from A1 to Aa3
- Moody's annual comment on the General Obligation included no comment
  - That's a good thing...

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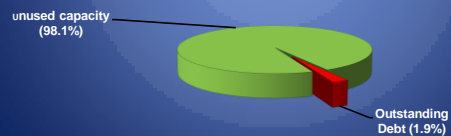


## Voted and Non Voted Debt Capacity

Unused General Obligation Debt Capacity: \$131,291,188

Non Voted Capacity:

Maximum amount of principal of debt issuance:	\$2,764,306
Annual debt service capacity:	\$281,929



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## Debt Service

### Non-Voted General Obligation Debt

Debt	As of 6/30/2018	Retires
Engineering Building Addition	\$9,887	8/15/2019
Street Lighting Districts	\$63,122	8/15/2030
Electric Note Refund	\$540,000	7/1/2022
Fire Truck Intercap Loan	<b>\$578,498</b>	2/15/20126
	<u>\$1,191,507</u>	

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## Other Debt

Debt	As of 6/30/2018	Retires
SID 1301 - Medical Tech Park	\$85,000	8/1/2022
Soccer GO Bonds	\$910,000	7/1/2024
West Bank Tax Increment Bonds	\$2,215,000	7/1/2034
Swimming Pool GO Bonds	\$0	6/28/2017
	<u>\$3,210,000</u>	

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## City Manager Budget Recap

- Overall proposed budget is **8.4% decrease**
  - 23.1% decrease from FY 2017 amended budget
  - Major difference \$28.6 million dollars for the Water Treatment Plant
  - Without the \$28.6 million Water Treatment Plant, Budget decrease is **5.19%** from FY 2017 to FY 2018
- Budget addresses **operational and some capital needs**
  - Contends with Legislative changes
  - Places resources toward known, identified needs
  - **\$5.06 impact per \$100,000 taxable value**
- Major Allocation to Civic Center Façade/Roof Project
- Reduced Personnel Request
- Additional support for equipment and training

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## Next Steps

- July 5<sup>th</sup>
  - Scheduling – Budget Hearing
  - Scheduling – Increase Property Tax Hearing (if taken)
  - Proposed Budget will be available online at [www.greatfallsmt.net](http://www.greatfallsmt.net)
- July 18<sup>st</sup>
  - Budget Hearing
  - Increase Property Tax Hearing (if taken)
- August 15<sup>th</sup>
  - Mill Levy Hearing

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