



**Journal of Commission Work Session  
2 Park Drive South, Great Falls, MT  
Civic Center Gibson Room 212  
July 3, 2018**

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**1. Call to Order - 5:30 p.m.**

**CITY COMMISSION MEMBERS PRESENT:** Bob Kelly, Bill Bronson, Mary Sheehy Moe, Owen Robinson. and Tracy Houck.

**STAFF PRESENT:** City Manager Greg Doyon and Deputy City Manager Chuck Anderson; Finance Director Melissa Kinzler and Budget Analyst Kirsten Myre; City Attorney Sara Sexe; Library Director Kathy Mora; Planning and Community Development Director Craig Raymond; Park and Recreation Director Steve Herrig and Deputy Director Patty Rearden; Human Resources Director Gaye McInerney; Municipal Court Judge Steve Bolstad; and, City Clerk Lisa Kunz.

**2. Public Comment.**

None.

**3. Presentation of Proposed 2019 Budget - Greg Doyon / Melissa Kinzler.**

City Manager Greg Doyon reported that he will recap the key elements of the June 27th special budget work session discussion, staff is also available to answer questions, and that another budget work session has been scheduled for July 11, 2018 for additional follow-up. The goal is to provide the Commission with the information it needs to make an informed decision.

Documents made available for the Commission and the public were the proposed budget, general fund contribution worksheet, fund detail worksheet, department requested manager recommended summary, administrative draft of the capital improvement plan, taxable valuation history, and internal service charges.

Manager Doyon commented that he took all of the discussions that the Commission had with regard to policy areas of concern and budget, and lumped them into three primary areas of focus for the FY19 Budget: Infrastructure, Operations and Community.

Manager Doyon reviewed and discussed his PowerPoint presentation that included: Commission priorities; City Manager's approach for FY19 budget; working towards financial stability, that included preparing to request new general obligation debt for the Civic Center façade, a slow closure of the Natatorium, Request for Proposals for golf course management, and to address deferred capital maintenance; FY19 budget highlights; capital improvements; fund review; general

fund unreserved fund balance; city-wide budget overview, that included the total proposed budget of \$117,926,186, and the general fund portion being \$31,868,518, which equates to a 1.64% increase from last year's adopted budget

Finance Director Melissa Kinzler reviewed and discussed PowerPoint slides that included: city-wide revenue by source, proposed rate and fee adjustments, proposed assessment adjustments, city-wide expenses by source, general fund revenue, general fund tax and entitlement revenue, and general fund expenses.

Manager Doyon concluded the PowerPoint presentation with a slide depicting the FTE counts that are referenced in the proposed budget on pages 11-16.

Mayor Kelly commented that the June 27th three hour presentation was excellent, this session was a good recap, and that he was disappointed more members of the public didn't attend. He urged people to attend the special budget work session scheduled for July 11th, the public hearing on the budget on July 17th, and to review the prior recordings on the budget meetings.

Commissioner Robinson inquired about the permissive medical levy. Finance Director Kinzler clarified how the amount is calculated pursuant to the State's spreadsheet that takes into account the base year and number of FTE's.

Commissioner Robinson expressed concern about closure of the Natatorium because that pool is used year-round by people with health or weight issues. He inquired if other alternatives have been considered to "limp it along" or replace the facility.

Manager Doyon explained that this Commission is not the first Commission to have this conversation. When he came here 10 years ago, he was told the recommendation was closure 10 years prior to that time. There has been ongoing maintenance concerns at the facility because of the heaving and other things, such as the façade and the roof, that are creating public safety issues. The building is going to continue to move because of the natural spring under it. Manager Doyon commented his vision would be to be thoughtful about the money the City has to use today, recognize that the Natatorium has had a good, long life, and that staff will do the best it can during the slow closure period to research resources for the people that utilize the Natatorium, and not have to continue to worry annually about its maintenance.

Commissioner Moe agreed that Natatorium maintenance is throwing good money after bad. She is interested in exploring the relationships with the City-County Health Department or the School District on this and other matters that pertain to health issues for low income people for a Plan B.

Mayor Kelly noted that many other communities have been forced to close pools to the public. The City needs to take safety measures on this building now, and can explore partnerships with the High School and the Peak or other creative ways to seek sponsorship and support.

Park and Recreation Director Steve Herrig added that he has already started

conversations with staff about getting creative to figure out a solution. He will continue to have those conversations and will exhaust all resources.

Commissioner Houck inquired what the per user fee was at the Natatorium. Director Herrig responded he would try to get those numbers. Commissioner Houck added that, when exploring options, to also reach out to the Deaf and Blind School and Malmstrom Air Force Base that have pools as well.

Mayor Kelly asked Director Herrig to provide the history of capital expenditures on the Natatorium that he felt would be critical in the explanation of why the City is thinking of abandoning the facility, as well as a brief history of other major cities in the state with regard to pools or their alternatives.

Commissioner Moe commented that the other costs are personnel costs. Once those are gone it's hard to get back in the budget. As part of Plan B, she suggested a fund be managed with certain criteria with the City-County Health Department that would allow people to get a voucher of some kind to use in any particular venue.

Commissioner Robinson summarized that at the last meeting Chief Hester and Chief Bowen discussed the same type of problem, trying to look out for the public and not having the funds that they feel they need. He doesn't disagree with what was proposed, but is saying there are things that may help towards Plan B in the future.

With regard to the fire stations, Commissioner Moe inquired if, rather than dealing with the rather complex issue now at the current sites, would it be better long term to build again.

Manager Doyon responded that the reality is the City is not in a financial position to build a new station. He thinks the City needs to maintain what it has. The challenging part of the budget proposal is he doesn't know the full extent of the work that is going to be required to repair the sewer lines. Two other stations may be in the same position.

Fire Chief Steve Hester provided an overview of issues discovered during bathroom and kitchen remodels at Fire Stations 1, 2 and 4. Fire Station 3 was built the same way and probably will have the same issues. A structural engineer will need to determine the stability of the truck floor where the engines are parked.

Commissioner Houck suggested researching remediation grants to help with the contamination that might lower the costs.

Commissioner Bronson inquired if the Library was going to use its reserves in order to replace the boiler/HVAC and was responded to affirmatively.

Library Director Kathy Mora reported that the Library Foundation is hesitant to pay for capital improvements. An ad hoc committee was formed and will report back to the Library Board in September. There is money in reserves to cover costs, but right now they are relying on the figures from the McKinstry

report.

Commissioner Houck expressed frustration about struggling with the same budget issues the past nine years. She would like to know by April whether or not the golf course is going to be closed before considering the next budget.

Mayor Kelly commented that, moving forward, he would like to see the history of maintenance applied to the Civic Center as that will be a challenge to be addressed. With regard to the golf courses, Mayor Kelly applauded staff for having already started exploring the last possibility of survival of two golf courses, that professionals have advised the City has at least one municipal course too many, so that by the time budget discussions begin next spring, that issue will have been decided or will be on the table for certain action.

It was the consensus of the Commission to schedule another budget work session for July 11, 2018.

**4. Discussion of Potential Upcoming Work Session Topics.**

City Manager Doyon reported that the July 17th work session topics include an update from Neighborhood Council 7, and a Public Works cost of service/utility rate review.

**5. Adjourn.**

There being no further discussion, Mayor Kelly adjourned the informal work session of July 3, 2018, at 6:39 p.m.



# City Manager's Proposed Budget Recap

Fiscal Year 2019  
Presented on July 3, 2018

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## Commission Priorities

### FY19

#### Infrastructure

- Civic Center Façade
- Civic Center Office Space
- ADA accessible public facilities
- Health and Safety infrastructure

#### Operations

- Right resource Police and Fire
- Resolve Golf Course Debt
- Affordable access to culture and recreation

#### Community

- Committed to our downtown
- The health of our community - mental, drug use, abuse, crime
- Economic diversification and growth;
- Better engagement with Neighborhood Councils

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## City Manager's Approach for FY19 Budget

1. Continue to monitor city-wide financial stabilization and performance
2. Tackle deferred operational/capital needs
3. Service/cost effectiveness
4. Work toward budget flexibility

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## Working Towards Financially Stability

1. Prepare to request new general obligation debt (Civic Center Façade)
2. Slow closure of the Natatorium
3. Request proposals for golf course management
4. Address deferred capital maintenance

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## FY19 Budget Highlights

- Total Revenues up 3.64%
- Total Expenses up 1.64%
- Undesignated Fund Balance (22%)
- Facility Capital Improvements
- Minimal Improvements
  - Police and Fire
  - Court
- Personnel

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## Capital Improvements

### Proposed in FY19

- Library Boiler and Basement HVAC (\$450,000)
- Fire Stations 1 and 4 Sewer Lines (\$230,000)
- Animal Shelter Cattery/Addition (\$374,370)
- Public Works Complex Roof Repairs (\$200,000)
- Public Works Complex Building Repairs (\$200,000)
- Various Park Maintenance District Projects (\$1,500,000) – see later slide
- Various Public Works Projects
  - Water, Sewer, Storm Drain, and Street

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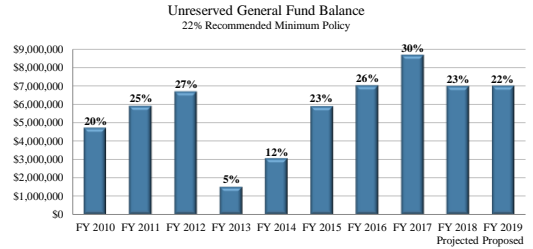
# Fund Review

Reference: Fund Detail Worksheet

- **Stable**
  - 48 out of 55 funds
- **Requires Monitoring**
  - HIDTA Special Revenue
  - Swimming Pools
  - Health and Benefits
  - Engineering
- **At-Risk**
  - Golf Courses
  - Parking
  - Civic Center Events



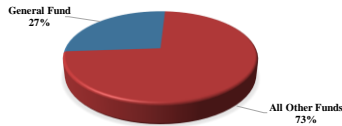
# General Fund Unreserved Fund Balance



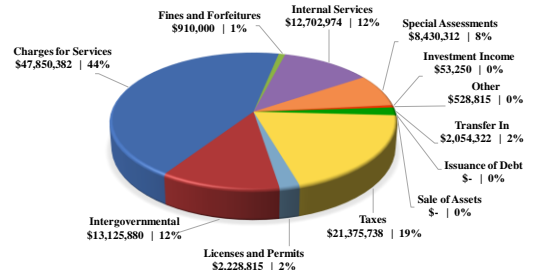
# City-Wide Budget Overview

Reference: Budget Book Page 23

	FY19 Proposed	FY18 Adopted
Total Proposed Budget	\$117,926,186	\$116,026,696
General Fund	\$31,868,518	\$30,725,975
All Other Funds	\$86,057,668	\$85,300,721



# City-Wide Revenue by Source



# Proposed Rate and Fee Adjustments

Department	Division	FY19 Adjustment	Prior Year Adjustment
Planning & CD	Permits	- 5%	0%
Public Works	Water	5% *	10%
Public Works	Sewer	2% *	3%
Public Works	Storm Drain	10%	10%
Public Works	Sanitation - Commercial	5%	0%
Public Works	Sanitation - Residential	0%	5%

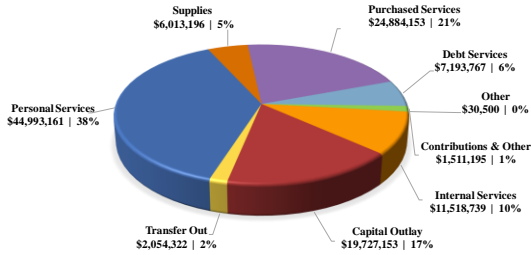
\*Results from 2018 Water and Sewer Rate Study



# Proposed Assessment Adjustments

Department	Division	FY19 Adjustment	Prior Year Adjustment
Park & Recreation	Natural Resources – Boulevard	3%	7%
Park & Recreation	Portage Meadows	7%	0%
Public Works	Street	0%	0%

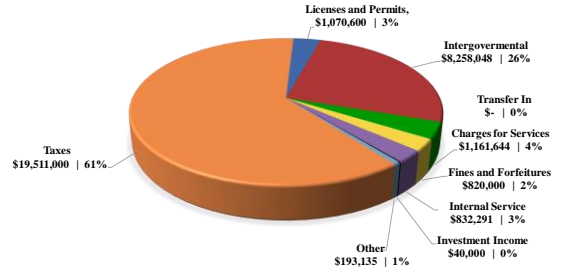
# City-Wide Expenses by Source



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# General Fund Revenue

Reference: Budget Book Pages 26-28



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# General Fund Tax & Entitlement Revenue

Reference: General Fund Revenue Detail



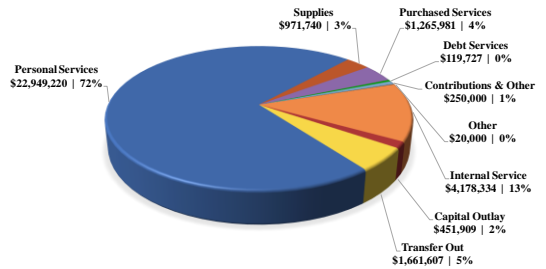
Revenue Segment	FY2019 Proposed Increase	17-Year Average
Newly Taxable Property	\$400,000 est.	\$404,896
Inflationary Factor	\$127,254 *	\$110,397
Permissive Medical Levy	\$300,000 *	\$162,609
Entitlement Share	\$145,815	\$176,042
<b>Total Revenue Increase</b>	<b>\$973,069</b>	<b>\$853,944</b>

\*Taxpayer Impact on House with \$100,000 Market Value  
 Inflationary Factor (0.82% increase) = \$1.84  
 Permissive Health Mill (1.92% increase) = \$4.30  
 Total Impact = \$6.14

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# General Fund Expenses

Reference: Budget Book Pages 29-39



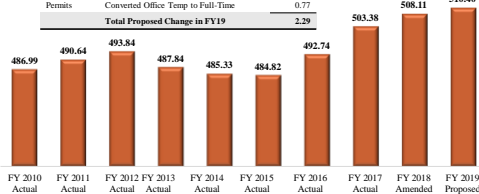
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# FTE Counts

Reference: Budget Book Pages 11-16



Fire	Removed Emergency Manager	-1.00
Legal	Added Part-Time Intern	0.29
Court	Converted Part-Time Clerk to Full-Time	0.50
Rec Center	Added Hours for DeMolay Café	0.73
CDBG	Added Loan Specialist	1.00
Permits	Converted Office Temp to Full-Time	0.77
<b>Total Proposed Change in FY19</b>		<b>2.29</b>



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# Next Steps

- July 3<sup>rd</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)
- Commission can meet as needed during the week of July 9-13<sup>th</sup>
  - Tentatively scheduled for July 11<sup>th</sup>, 2-5 PM
- July 17<sup>th</sup>
  - Budget Hearing
  - Increase Property Tax Hearing (if taken)
- August 21<sup>st</sup>
  - Mill Levy Hearing

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