



**Journal of Commission Work Session
2 Park Drive South, Great Falls, MT
Civic Center Gibson Room 212
November 7, 2018**

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

CITY COMMISSION MEMBERS PRESENT: Bill Bronson, Mary Sheehy Moe and Owen Robinson. Commissioner Tracy Houck arrived at 5:39 p.m. Mayor Bob Kelly was excused.

STAFF PRESENT: City Manager Greg Doyon and Deputy City Manager Chuck Anderson; Finance Director Melissa Kinzler; Park and Recreation Director Steve Herrig; Assistant City Attorney Joe Cik; and Deputy City Clerk Darcy Dea.

2. Public Comment.

None

3. Quarterly Budget Review (FY 2018 4th Quarter and FY 2019 1st Quarter) - Melissa Kinzler.

Finance Director Melissa Kinzler provided a handout titled Quarterly Budget Review - 4th Quarter Fiscal Year 2018 and 1st Quarter Fiscal Year 2019. She reviewed and discussed the attached PowerPoint presentation that included: General Fund cash flow, General Fund unreserved fund balance three year comparison, General Fund three year revenue comparison, General Fund three year tax revenue comparison and General Fund three year expense comparison.

Director Kinzler further reviewed highlighted funds that included three year comparisons for the golf courses, golf courses cash flow, swimming pools, Civic Center events and the parking fund.

4. Natatorium Update - Steve Herrig.

Park and Recreation Director Steve Herrig provided and discussed a handout that included Aquatic Facility information from different areas of the state.

Director Herrig reviewed and discussed the attached PowerPoint presentation that included: lessons learned, what's working, and the next steps. Director Herrig explained that a feasibility study would determine the viability of the Aquatic Facility project, and the study would be sent out of state for an objective view.

Commissioner Houck received clarification that once money has been received from the Park Maintenance District, it could possibly be utilized to help fund a new facility.

Commissioner Moe expressed concern with regard to the interim plan with Montana School for the Deaf & Blind (MSDB), as well as the size of the MSDB's pool for lap swimming.

Mayor Pro Tempore Bronson inquired if Director Herrig required direction from the Commission.

Director Herrig responded that the Park and Recreation Department will continue its work with MSDB, and relocate the pool chair lift to the MSDB.

Manager Doyon commented that after January of 2019, the City could explore applying for Community Development Block Grant (CDBG) funding.

5. Golf RFP Proposal Review - Steve Herrig.

Park and Recreation Director Steve Herrig reviewed and discussed the attached PowerPoint presentation that included: CourseCo and Great Falls Voyagers responses to the Request For Proposals (RFP).

Manager Doyon recommended CourseCo due to its depth of experience, knowledge, and resources with managing public golf courses.

Commissioner Moe received clarification that a clause found in the proposed Great Falls Baseball Club Agreement is not equivalent to language in the CourseCo Agreement. Commissioner Moe further received clarification that the equipment would remain property of the City because of the Capital Replacement Plan.

The Commission expressed its support with regard to staff's recommendation of CourseCo.

6. Discussion of Potential Upcoming Work Session Topics.

Manager Doyon reported that topics for the November 20th work session will consist of an update from Neighborhood Council #2, as well as updates on the Children's Museum Lease and EMS Contract. There will be updates on development review and parking in December.

No one requested that any items be added to the work session topic list.

Commissioner Moe announced that she would be absent for the November 20th work session and meeting, and commented that she would communicate her concerns with regard to the Children's Museum prior to the meeting.

7. Adjourn.

There being no further discussion, Mayor Pro Tempore Bronson adjourned the informal work session of November 7, 2018 at 6:40 p.m.



Quarterly Budget Review

4th Quarter Fiscal Year 2018

1st Quarter Fiscal Year 2019

1



General Fund

Fund Balance

Cash Flow

Revenue

- Tax Revenue

Expenses

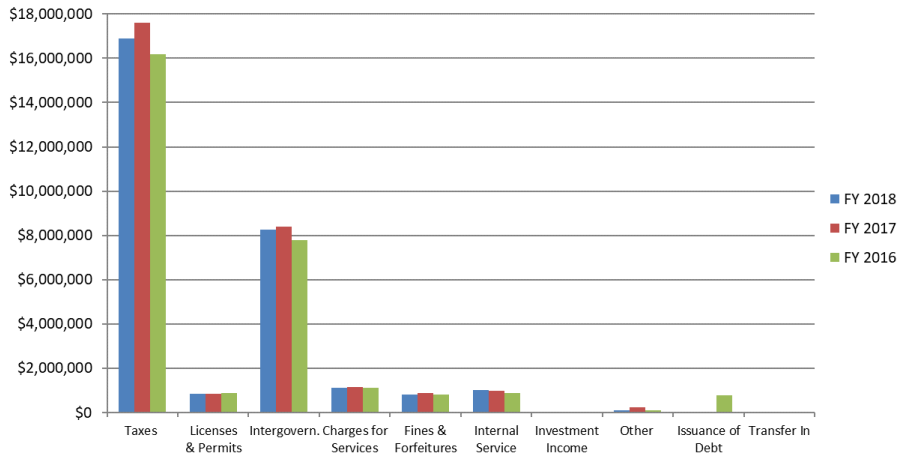
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General Fund Three Year Comparison as of 6/30/xx

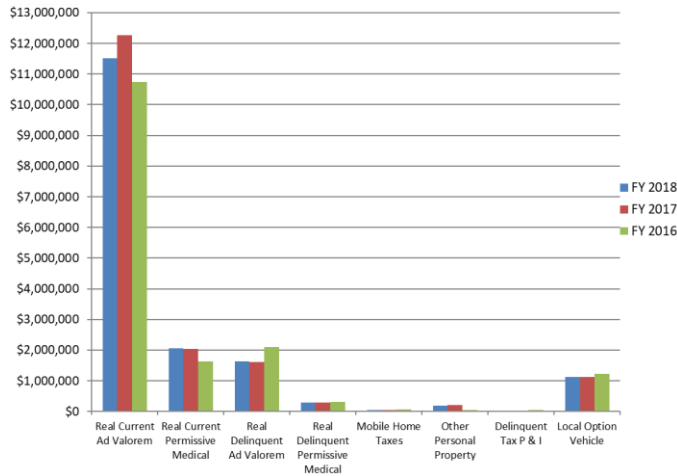


| | Fiscal Year 2018 | Fiscal Year 2017 | Fiscal Year 2016 |
|------------------------------------|---------------------|---------------------|---------------------|
| Beginning Fund Balance, 7/1 | \$8,684,105 | \$7,026,833 | \$5,892,518 |
| Plus: Total YTD Revenues | \$29,145,194 | \$30,132,812 | \$28,621,449 |
| Minus: Total YTD Expenses | \$30,742,900 | \$28,475,540 | \$27,487,134 |
| Ending Fund Balance, 6/30 | <u>\$7,086,399</u> | <u>\$8,684,105</u> | <u>\$7,026,833</u> |
| Ending Fund Balance % (22% policy) | 23.05% | 30.50% | 25.56% |

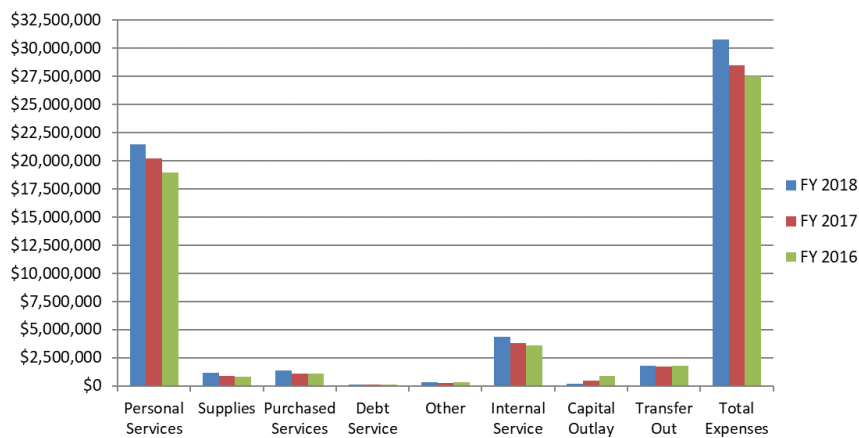
General Fund Three Year Revenue Comparison as of 6/30/xx



General Fund Three Year Tax Revenue Comparison as of 6/30/xx



General Fund Three Year Expense Comparison as of 6/30/xx



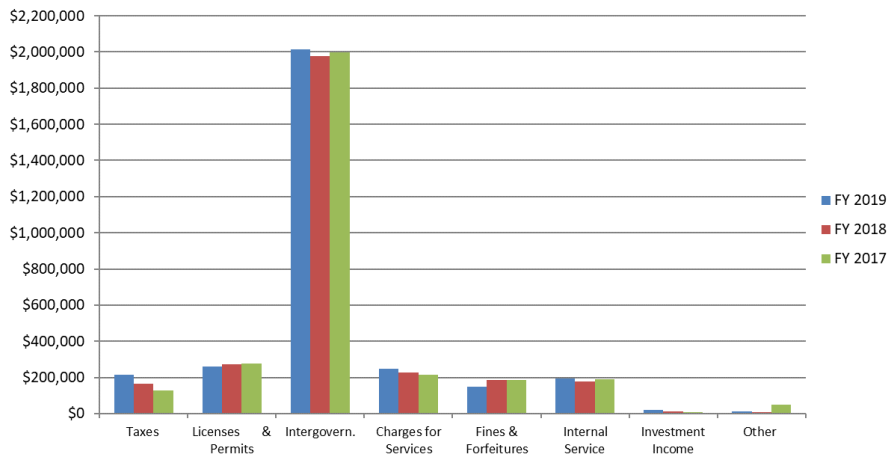
General Fund Three Year Comparison as of 9/30/xx



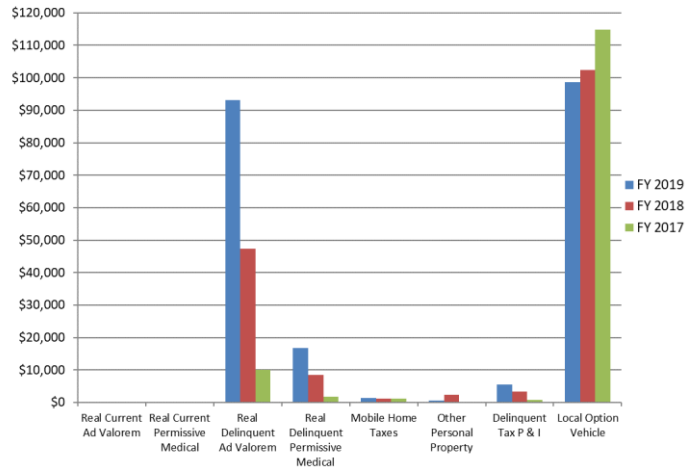
| | Fiscal Year 2019 | Fiscal Year 2018 | Fiscal Year 2017 |
|----------------------------------|---------------------|---------------------|---------------------|
| Beginning Fund Balance, 7/1 | \$7,086,399 | \$8,684,105 | \$7,026,833 |
| Plus: Total YTD Revenues | \$3,109,542 | \$3,027,214 | \$3,045,442 |
| Minus: Total YTD Expenses | \$8,232,103 | \$8,324,814 | \$7,309,157 |
| Ending Fund Balance, 9/30 | <u>\$1,963,839</u> | <u>\$3,386,505</u> | <u>\$2,763,118</u> |

FB: 6.16% of expenses; \$7,011,074 would be 22%; total budgeted expenses \$31,868,518

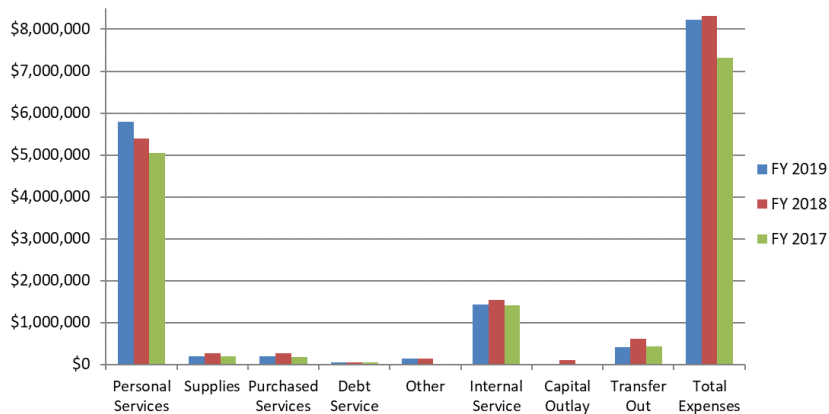
General Fund Three Year Revenue Comparison as of 9/30/xx



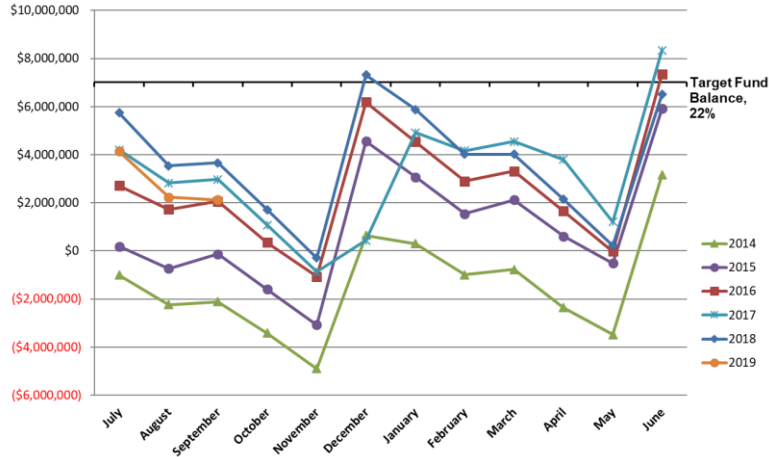
General Fund Three Year Tax Revenue Comparison as of 9/30/xx



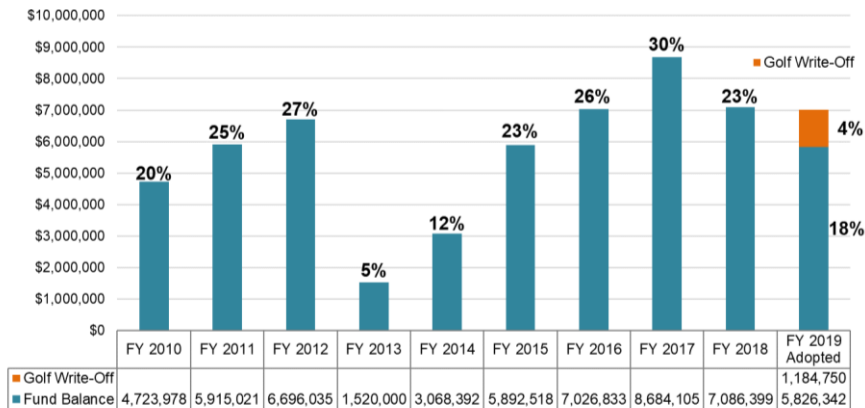
General Fund Three Year Expense Comparison as of 9/30/xx



General Fund Monthly Cash Flow by Fiscal Year



General Fund Unreserved Fund Balance





Highlighted Funds

- Golf Courses
- Swimming Pools
- Parking
- Civic Center Events

Golf Courses Fund Three Year Comparison as of 6/30/xx



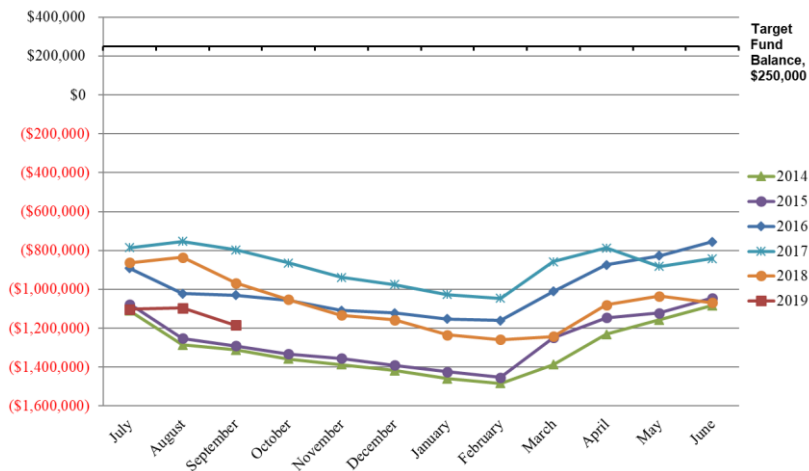
| | Fiscal Year 2018 | Fiscal Year 2017 | Fiscal Year 2016 |
|---|----------------------|---------------------|---------------------|
| Beginning Fund Balance, 7/1 | (\$948,090) | (\$873,603) | (\$862,628) |
| Plus: Total YTD Operating Revenues | \$1,004,957 | \$1,128,832 | \$1,241,854 |
| Plus: Total YTD Transfers In | | | \$100,000 |
| Plus: Total YTD Revenues | <u>\$1,004,957</u> | <u>\$1,128,832</u> | <u>\$1,341,854</u> |
| Minus: Total YTD Expenses | \$1,251,029 | \$1,203,319 | \$1,352,829 |
| Ending Fund Balance, 6/30 | <u>(\$1,194,162)</u> | <u>(\$948,090)</u> | <u>(\$873,603)</u> |

Golf Courses Fund Three Year Comparison as of 9/30/xx



| | Fiscal Year 2019 | Fiscal Year 2018 | Fiscal Year 2017 |
|---|----------------------|----------------------|---------------------|
| Beginning Fund Balance, 7/1 | (\$1,194,162) | (\$948,090) | (\$848,200) |
| Plus: Total YTD Operating Revenues | \$333,024 | \$395,533 | \$389,209 |
| Minus: Total YTD Expenses | \$383,744 | \$453,436 | \$348,491 |
| Ending Fund Balance, 9/30 | <u>(\$1,244,882)</u> | <u>(\$1,005,993)</u> | <u>(\$807,482)</u> |

Golf Courses Fund Monthly Cash Flow by Fiscal Year



Swimming Pools Fund Three Year Comparison as of 6/30/xx



| | Fiscal Year 2018 | Fiscal Year 2017 | Fiscal Year 2016 |
|---|---------------------|---------------------|---------------------|
| Beginning Fund Balance, 7/1 | \$133,382 | \$117,523 | \$133,158 |
| Plus: Total YTD Operating Revenues | \$584,287 | \$520,738 | \$455,215 |
| Plus: Total YTD Transfers In | \$267,861 | \$267,861 | \$381,389 |
| Plus: Total YTD Revenues | \$852,148 | \$788,599 | \$836,604 |
| Minus: Total YTD Expenses | \$831,564 | \$772,741 | \$852,239 |
| Ending Fund Balance, 6/30 | \$153,967 | \$133,382 | \$117,523 |

Swimming Pools Fund Three Year Comparison as of 9/30/xx



| | Fiscal Year 2019 | Fiscal Year 2018 | Fiscal Year 2017 |
|---|---------------------|---------------------|---------------------|
| Beginning Fund Balance, 7/1 | \$153,966 | \$133,382 | \$117,523 |
| Plus: Total YTD Operating Revenues | \$320,782 | \$376,371 | \$321,968 |
| Plus: Total YTD Transfers In | \$66,966 | \$66,966 | \$66,966 |
| Plus: Total YTD Revenues | \$387,748 | \$443,337 | \$388,934 |
| Minus: Total YTD Expenses | \$358,314 | \$361,461 | \$325,506 |
| Ending Fund Balance, 9/30 | \$183,400 | \$215,258 | \$180,951 |

Parking Fund Three Year Comparison as of 6/30/xx



| | Fiscal Year 2018 | Fiscal Year 2017 | Fiscal Year 2016 |
|----------------------------------|---------------------|---------------------|---------------------|
| Beginning Fund Balance, 7/1 | \$410,692 | \$414,365 | \$360,143 |
| Plus: Total YTD Revenues | \$555,396 | \$558,900 | \$563,047 |
| Minus: Total YTD Expenses | \$587,126 | \$562,573 | \$508,825 |
| Ending Fund Balance, 6/30 | <u>\$378,962</u> | <u>\$410,692</u> | <u>\$414,365</u> |

Parking Fund Three Year Comparison as of 9/30/xx



| | Fiscal Year 2019 | Fiscal Year 2018 | Fiscal Year 2017 |
|----------------------------------|---------------------|---------------------|---------------------|
| Beginning Fund Balance, 7/1 | \$378,962 | \$410,692 | \$414,365 |
| Plus: Total YTD Revenues | \$138,952 | \$131,150 | \$141,900 |
| Minus: Total YTD Expenses | \$74,163 | \$115,169 | \$111,940 |
| Ending Fund Balance, 9/30 | <u>\$443,751</u> | <u>\$426,673</u> | <u>\$444,325</u> |

Civic Center Events Fund Three Year Comparison as of 6/30/xx



| | Fiscal Year 2018 | Fiscal Year 2017 | Fiscal Year 2016 |
|---|---------------------|---------------------|---------------------|
| Beginning Fund Balance, 7/1 | \$110,747 | \$129,143 | \$96,267 |
| Plus: Total YTD Operating Revenues | \$321,071 | \$303,999 | \$352,189 |
| Plus: Total YTD Transfers In | \$223,742 | \$223,742 | \$187,761 |
| Plus: Total YTD Revenues | \$544,813 | \$527,741 | \$539,950 |
| Minus: Total YTD Expenses | \$560,486 | \$546,137 | \$507,074 |
| Ending Fund Balance, 6/30 | \$95,073 | \$110,747 | \$129,143 |

Civic Center Events Fund Three Year Comparison as of 9/30/xx



| | Fiscal Year 2019 | Fiscal Year 2018 | Fiscal Year 2017 |
|---|---------------------|---------------------|---------------------|
| Beginning Fund Balance, 7/1 | \$95,073 | \$110,747 | \$129,143 |
| Plus: Total YTD Operating Revenues | \$36,383 | \$28,743 | \$35,980 |
| Plus: Total YTD Transfers In | \$66,478 | \$55,935 | \$55,935 |
| Plus: Total YTD Revenues | \$102,861 | \$84,678 | \$91,915 |
| Minus: Total YTD Expenses | \$146,697 | \$132,426 | \$130,769 |
| Ending Fund Balance, 9/30 | \$51,237 | \$62,999 | \$90,289 |

GREAT FALLS NATATORIUM DISCUSSION

City Commission Work Session
November 7, 2018

▶ Lessons learned

- ▶ Design
- ▶ Maintenance
- ▶ Cost savings
- ▶ Amenities

NATATORIUM DISCUSSION

▶ What's working

- ▶ Programming
- ▶ Design
- ▶ Amenities

NATATORIUM DISCUSSION

▶ Next Steps

- ▶ Closing of current facility
- ▶ Immediate partnerships
- ▶ Long term partnerships
- ▶ Feasibility study


NATATORIUM DISCUSSION



Great Falls Golf RFP Discussion

City Commission Work Session
November 7, 2018

Golf RFP Discussion

- ▶ **Great Falls Baseball Club - Great Falls, Montana**
 - ▶ In the GF community for 49 years
 - ▶ Strong community ties
 - ▶ Have a current lease with the City for Centene Stadium
- 

Golf RFP Discussion

▶ Great Falls Baseball Club

- ▶ Familiarity with the community
- ▶ Lack of golf experience
- ▶ Strong marketing
- ▶ Strong F&B operations
- ▶ Capital replacement
- ▶ Low financial return to the City
- ▶ Accepting some of the financial risk
- ▶ Golf maintenance knowledge
- ▶ Staffing model seems low
- ▶ Low wages
- ▶ No Pro on staff
- ▶ If not chosen, willing to work with successful entity

Golf RFP Discussion

▶ CourseCo - Petaluma, California

- ▶ 30 years of golf course management
- ▶ 33 courses, 22 are public agency clients

Golf RFP Discussion

▶ CourseCo

- ▶ Experience with municipal/public courses
- ▶ Lack of familiarity of GF community
- ▶ Robust corporate structure
- ▶ Management fee
- ▶ Capital replacement
- ▶ Staffing model seems appropriate
- ▶ Extensive knowledge about course operations and maintenance
- ▶ Emphasis on lessons & community programs
- ▶ Employee retention rates
- ▶ Develop 5yr CIP within first 6 months
- ▶ Good F&B background
- ▶ Ability to leverage contacts within industry to help achieve capital & equipment needs

Golf RFP Discussion

▶ Financial Risks

- ▶ GF Baseball Club Pro Forma Shows
 - ▶ City - \$5,403
 - ▶ GF Baseball Club - \$148,633
- ▶ CourseCo Proforma Shows
 - ▶ City - \$123,306
 - ▶ CourseCo - \$104,000

Golf RFP Discussion

- ▶ Timing is important to make the transition effective.
- ▶ The recommendation from staff is based on keeping two courses open.
- ▶ Does the Commission want to hear from the proponents, understanding it would need to be a special meeting done quickly?
- ▶ Staff recommends proceeding with lease/management discussion with CourseCo based on their Public Golf Course experience, knowledge, and depth of their organization.