

**JOURNAL OF CITY COMMISSION WORK SESSION**  
**July 21, 2020**

City Commission Work Session  
Civic Center, Commission Chambers Room 206

Mayor Kelly presiding

**CALL TO ORDER:** 5:30 p.m.

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

**STAFF PRESENT:** City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Attorney Sara Sexe; Finance Director Melissa Kinzler; Animal Shelter Manager Lynn Formell; and, Deputy City Clerk Darcy Dea.

Due to the COVID-19 health concerns, the format of the City Commission meeting may be modified to accommodate Commission member attendance in person, via a remote location/virtual meeting method, or to appear telephonically. In order to honor the Right of Participation and the Right to Know (Article II, Sections 8 and 9 of the Montana Constitution), modifications have also been made for public participation. Public participation is welcome in the following ways:

- Attend in person. Refrain from attending in person if you are not feeling well. The City will require social distancing at the meeting, and may limit the number of persons in the meeting room according to applicable health guidelines.
- Provide public comments via email. Comments may be sent via email before 5:00 PM on Tuesday, July 21, 2020, to: [commission@greatfallsmt.net](mailto:commission@greatfallsmt.net). Include the agenda item or agenda item number in the subject line, and include the name and address of the commenter. Written communication received by that time will be shared with the City Commission and appropriate City staff for consideration during the agenda item and will be so noted in the official record of the meeting.
- Call-in. The public may call in during the public comment period at [406-761-4786](tel:406-761-4786). All callers will be in a queued system and are asked to remain on hold and be patient. Calls will be taken in the order in which they are received. Callers will be restricted to customary time limits. We ask for your patience in the event there are technical difficulties.
- The agenda packet material is available on the City's website: <https://greatfallsmt.net/meetings>. The Public may view and listen to the meeting on government access channel City-190, cable channel 190; or online at <https://greatfallsmt.net/livestream>. Public comment will be taken during the meeting as indicated on the agenda with an asterisk.

**PUBLIC COMMENT**

None.

## **1. ANIMAL SHELTER REQUEST FOR PROPOSAL REVIEW**

Libbey Winderl, Animal Foundation of Great Falls Board of Trustees President, provided and discussed the attached PowerPoint handout covering frequently asked questions, clarification, option #1, current and projected stats of the Great Falls Animal Shelter (GFAS) (with MCAAC neighboring independently), GFAS intake verses budget, projected stats of the GFAS (without MCAAC help), cost to care for animals, option #2, 258 capacity based on quality of care standards, proposed services, independent study for proposal, proposed figure, future figure, staffing, conclusion and contact information.

Ms. Winderl explained that the Animal Foundation has a good understanding of the operations of the GFAS from the information it has received from them. She further explained that she had a family loss prior to the Commission meeting, which delayed the committee from meeting with regard to preparing a presentation.

Commissioner Moe commented that when contentious matters come before the Commission, it is important to have advance notice with regard to what is being presented. She added that the Commission will give the proposal serious consideration; however, staff will need time to review the presentation in order to provide a thoughtful response.

Referring to the flow chart on page 16 of the handout, Commissioner Tryon expressed support with regard to the endowment growing, significant reduction/cost savings to the City, animal lovers united and taxpayers happy; however, he expressed concern with regard to the numbers in the MCAAC presentation will be refuted by City staff. Commissioner Tryon expressed support with regard to an independent study that focuses on the numbers and that doesn't take sides.

Commissioner Robinson pointed out that although he requested this topic as a Commission Initiative, he will be recusing himself from the discussion tonight.

Commissioner Houck expressed concern with regard to the length of time before seeing any cost savings to the City if the MCAAC and GFAS merged. She further expressed concern with regard to the cost to the City of an independent study.

Mayor Kelly commented that he wished this proposal from the MCAAC would have been presented from the start of the Animal Shelter Request for Proposal. He commented that the proposal is a great idea if the City can save \$300,000 and the City would be willing to pay for an independent study. However, City staff needs an opportunity to review the numbers on the proposal, follow up with the MCAAC with regard to its projections and possibly make a counter offer. Mayor Kelly commented that if the MCAAC has the ability to substantially reduce the price, as well as maintain City obligated services, then he would like to explore Option #2.

Commissioner Houck inquired if the MCAAC has considered a proposal where it would donate its facility to the City.

Ms. Winderl responded that Commissioner Moe's draft proposal from the initial study wasn't considered because of the benefits provided to the City employees. She explained that if the

MCAAC were to reorganize it would still be the Animal Foundation and that only adoption services would be removed which would leave no building to donate to the City.

Manager Doyon received consensus of the Commission in favor of exploring Option #2 of the MCAAC's proposal and verify the numbers in Option #1. He requested that the Commission consider the expectations on service delivery and cost elements over time.

## **2. UPDATED FINANCIAL POLICIES AND PROPOSED CHANGES TO CITY CODE, TITLE 3 – REVENUE AND FINANCE**

Finance Director Melissa Kinzler reviewed and discussed the attached PowerPoint presentation covering why update the Financial Policy, proposed changes including the following: increase Fixed Asset threshold from \$5,000 to \$25,000; replace \$5,000 Report to \$25,000 Report, or no Report; internal approval process; internal documentation requirement; personal property; petty cash reimbursement and additional policies/tools added.

Finance Director Kinzler expressed appreciation to Finance Staff Accountant Brenda Keller, Deputy City Manager Chuck Anderson and City departments for their efforts with regard to updating the Financial Policies.

Commissioner Robinson received clarification that the bidding process for personal property remains the same.

Mayor Kelly expressed support with regard to changing the \$5,000 Report to \$25,000 and he added that the report is beneficial by showing what businesses are doing business with the City. He requested that Finance Director Kinzler provide the Commission with an example of a check register.

Commissioner Tryon received clarification that Billings, Bozeman, Missoula and Townsend were communities looked at with regard to comparing purchasing policies.

City Attorney Sara Sexe explained that updating Title 3 Code changes correlates with the proposed changes in the Finance and Purchasing policies. She expressed appreciation to Finance Staff Accountant Brenda Keller for her efforts with regard to updating the Financial Policies.

Commissioner Robinson concurred with Mayor Kelly's comment about changing the \$5,000 Report to \$25,000 and it being beneficial to the Commission.

Finance Director Kinzler received consensus of the Commission in favor of raising the \$5,000 Report to \$25,000, as well as all other proposed changes.

## **DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS**

City Manager Greg Doyon reported that the August 4<sup>th</sup> work session will consist of a Civic Center Façade financing overview and required amendments to the Urban Renewal Plan for the Downtown Tax Increment Financing District. An Annual Litigation update will be added to an upcoming work session or Executive Session.

Commissioner Moe requested that a proposed Non Discrimination Ordinance (NDO) be added to a three-hour special work session topic list in early September. She proposed that public comment come after the NDO proposal so that the Commission has public comment prior to any subsequent Commission meeting with regard to a proposed NDO.

Commissioner Tryon expressed opposition with regard to allowing special interest groups a three-hour special work session and he commented that it is not a good precedent for the Commission to set.

Mayor Kelly responded that other communities have had Commission meetings last up to 12 hours with regard to a NDO topic.

After additional discussion, it was the consensus of the Commission to add a proposed NDO to an upcoming special work session.

Commissioner Houck reported that Neighborhood Council members requested having crime statistic reports at an upcoming work session.

### ADJOURN

There being no further discussion, Mayor Kelly adjourned the informal work session of July 21, 2020 at 6:56 p.m.

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# City of Great Falls Financial Policy Update

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## Why update the Financial Policy?

- ▶ Last update was December, 2004
- ▶ Many Departments had questions about old policies
- ▶ Purchasing is de-centralized; each Department completes own purchases
- ▶ Looked at changing policies to be more efficient for Departments while maintaining internal controls
- ▶ The City Financial software will be changing July, 2020, updating the policy before implementation will create a smooth transition
- ▶ Formed City-wide Purchasing Policy Committee
  - ▶ One or more representative from each Department
    - ▶ Legal City Clerks Office   Park & Rec   Police   Fire
    - Human Resources   Planning & Community Development   Public Works
- ▶ Met once a week from August 2018 to February 2019
- ▶ Met with individuals on specific items after February 2019

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## Proposed Change - Fixed Asset Threshold

- ▶ **Proposing:** Increase Fixed Asset threshold from \$5,000 to \$25,000
  - ▶ Threshold is based on reporting level for Annual Audit and City Comprehensive Annual Financial Report
  - ▶ Reconciliation and tracking of fixed assets will improve with a higher threshold
  - ▶ Will not affect the controls in place for monitoring and tracking items owned by the City
  - ▶ The Government Financial Officers Association (GFOA) recommends the **minimum** level be \$5,000 for assets; most governments have a higher threshold
  - ▶ Consulted with City's financial auditors about increased threshold and they support the recommendation of staff

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## Proposed Change - Change \$5,000 Report to \$25,000 Report or No Report

- ▶ **Proposing:** Replace \$5,000 Report with \$25,000 Report
  - ▶ Each City Commission meeting the Finance Department prepares a \$5,000 Report – Invoices and Claims in Excess of \$5,000
  - ▶ The \$5,000 Report is a manual labor intensive process for the Finance Department
  - ▶ Currently 89.7% of invoices and claims are listed on the \$5,000 Report. If moved to \$25,000, 81.2% would be represented
- OR**
- ▶ **Proposing:** No \$5,000 or \$25,000 Report
  - ▶ Check register (with all checks) will still be attached to each City Commission Meeting under Supporting Documents
  - ▶ Check register also available under the Finance Department website

## Proposed Change - Internal Approval Process

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- ▶ **Proposing:** City Manager's office approves purchases over \$25,000 through Purchase Order process – Purchase Order not required until \$25,000
- ▶ Current policy: City Manager's office approves purchases over \$5,000 through Purchase Order process
- ▶ All purchases over \$5,000 need a purchase order approval plus an invoice approval once item received
- ▶ Raising the limit to \$25,000 will streamline the purchasing process for all Departments by an estimated time of 20 hours a week in total
- ▶ All purchases will still have Department Admin approval, Department Head approval, Accounts Payable approval, and Finance Director approval
  - ▶ Purchases over \$25,000 will add City Manager's office approval

## Proposed Change - Internal Documentation Requirement

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- ▶ **Proposing:** Purchases requiring quotes:
  - ▶ Purchases up to \$25,000 are suggested to get two written or oral quotes
  - ▶ Purchases from \$25,000 to \$80,000 shall solicit a minimum of two written quotes
- ▶ Current policy: Purchases requiring quotes:
  - ▶ Purchases from \$0 to \$4,999 quotes required will be set by department
  - ▶ Purchases from to \$5,000 to \$80,000 require three written quotes
  - ▶ If more than one quote cannot be obtained, detail explanation required
- ▶ Purchase of \$80,000 and over must follow Montana Code Annotated
- ▶ Internal policy more restrictive than state statute

## Proposed Change - Personal Property

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- ▶ **Proposing:** The City Commission may sell, trade or lease any personal property, scrap, surplus, etc. by negotiation without advertising for bids, for any period of time, unless the value thereof, either singularly or in the aggregate, exceeds ~~ten thousand dollars~~ \$25,000 whereupon such sale, trade or lease must be made to the highest bidder
- ▶ ~~Where any single item of personal property exceeds a reasonable estimated value of one thousand dollars, the same must be declared surplus property by the City Commission prior to sale.~~ Where any single item of personal property exceeds a reasonable estimated value of \$25,000 and staff recommends the sale or other disposition of the property, an agenda report must be provided to the City Commission to declare the item to be surplus property subject to sale, and for the Commission to approve or disapprove the sale
- ▶ Any single item of personal property that does not exceed a reasonable estimated value of ~~one thousand dollars~~ \$25,000 may be declared surplus property at the discretion of the Department

## Proposed Change - Personal Property

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- ▶ Advantages
  - ▶ Time savings for staff
    - ▶ Agenda reports will not be needed as often
  - ▶ New assets and disposals will be the same dollar value
    - ▶ Currently process has different dollar values for each process and is cumbersome
  - ▶ Consistency for approval process

## Proposed Change - Petty Cash Reimbursement

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- ▶ **Proposing:** Raise the limit of Petty Cash reimbursement amount to \$100
  - ▶ It is more efficient to use Petty Cash for small transactions than it is to issue an Accounts Payable check
- ▶ Current policy: Petty Cash reimbursements cannot exceed \$35

## Additional Policies / Tools Added

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- ▶ Additional Forms
  - ▶ Quotes
  - ▶ Request for Sole Source
  - ▶ New or disposed of machinery and equipment form
- ▶ Flow chart for Purchasing, Services, and Architectural, Engineering and Land-Surveying Services
- ▶ Purchasing Matrix
- ▶ Annual Small Works Roster
- ▶ Added IT purchasing policy
  - ▶ Technology purchases must be reviewed by IT Manager prior to purchase
- ▶ Added Central Garage section
  - ▶ Purchases reviewed by Central Garage Fleet Manager
  - ▶ Approved by City Manager
- ▶ Created electronic Intent to Create forms and process
- ▶ Worked with Engineering to update Architectural, Engineering, and Land Surveying Policy

## Title 3 Code Changes

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- ▶ Review of proposed changes.

## Next Steps

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- ▶ City Commissioner suggestions/comments on changes at work session
- ▶ Bring Financial Policies to City Commission meeting for approval
- ▶ Bring Title 3 Ordinance changes to City Commission for adoption