

JOURNAL OF CITY COMMISSION SPECIAL WORK SESSION
June 22, 2021

City Commission Special Work Session
Civic Center Gibson Room 212

Mayor Kelly presiding

CALL TO ORDER: 4:00 PM

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

STAFF PRESENT: Deputy City Manager Chuck Anderson, City Attorney Sara Sexe, Finance Director Melissa Kinzler, Deputy Finance Director Kirsten Myre, Human Resources Director Gaye McInerney, Library Director Susie McIntyre, Park and Recreation Director Steve Herrig, Planning and Community Development Director Craig Raymond, Public Works Director Paul Skubinna, Fire Chief Jeremy Jones, Police Chief Jeff Newton, and City Clerk Lisa Kunz. City Manager Greg Doyon arrived at 4:09 pm.

Public participation is welcome as follows:

- Attend in person. Please refrain from attending in person if you are not feeling well.
- Provide public comments via email. Comments may be sent via email before 12:00 PM the day of the meeting to: 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; and, will be so noted in the official record of the meeting.
- Call-in. The public may call in during specific public comment periods at 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.
- 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 cable channel 190, or online at <https://greatfallsmt.net/livestream>.

PUBLIC COMMENT

None.

1. 2022 BUDGET PLANNING

Deputy City Manager Chuck Anderson reported that at yesterday's special work session staff walked the Commission through the proposed budget to highlight items from the handouts and officially transmitted the proposed FY 2022 budget to the City Commission.

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Yesterday's meeting concluded with the Commission wanting to review the information in more detail after explanations were provided, and to meet today for conversation, answer questions or take proposed recommendations and direction from the Commission.

Mayor Kelly asked the Commissioners if there were any specific questions they wanted addressed.

Commissioner Moe commented that she was in support of the budget as proposed. She referred to the "at risk" parking fund and commented that the biggest problem this enterprise faces is the City probably has one parking garage too many. With the opportunity provided with incoming funds for infrastructure, she suggested either razing one of them or modernizing both of them, or the garages will continue to be money pits for the City because people don't want to use them because they don't consider them safe.

Commissioner Moe further commented that yesterday she expressed her views about recreation and the value that it has on the community and the importance of regarding it as a community asset as opposed to an enterprise. She provided a handout of her post on Facebook titled "Seventeen . . . and Irvie" about childhood memories swimming and playing in parks.

Commissioner Moe provided a "Public Library Comparisons (2019 Data)" handout indicating that Great Falls is in the middle in terms of the size of the service area population that is served, but at the bottom in what she considers two crucial areas: the physical materials in circulation and how it plays out as a ratio per resident; and, Great Falls is second from the bottom on the list for residents per full time employee (FTE). She concluded that what you do in your libraries and parks when kids are young could save a lot of money in those other areas when they are not that young.

Commissioner Tryon referred to a constituent inquiry about how the increased costs to the City for fuel, supplies and labor would be handled if the Commission did not adopt the permissive medical levy or the inflationary factor.

Director Kinzler responded that revenue would not be going up in many of these funds. For example, those increased costs to the water, sewer and storm drain fund will have to be offset by deferring maintenance or other things in that budget. Public Works will be using money that could have been spent in other areas for those increased costs to keep the operation going. At some point, incremental rate increases will need to be implemented to cover some of those normal operating costs.

For departments that do not have additional revenue, they will have to consider only very essential things or find they have to cut other things they are spending money on, in some cases.

She explained that the Department of Revenue's property evaluations does not mean increased revenue to the City. When the valuation goes up, the City can only levy what was levied last year and the newly taxable property. The newly taxable property will be the only new revenue in the general fund. She estimates the levy to be \$16.4 million.

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Commissioner Tryon commented that the question was asked, “are we kicking the can down the road,” by this level funding/recovery budget. He is not saying to raise taxes, but suggested looking at cutting some costs now so that extraordinary adjustments are not implemented in FY 23/24.

Manager Doyon responded that the can is kicked down the road in any budget. What staff is trying to do in this budget is offer a little bit of tax relief for folks that were impacted by Covid over the last year and a half. There is always going to be those needs expressed in the capital improvement plan and our operational needs. The ones that float to the top are usually fire and police, but there are other needs. It is about trying to prioritize with the resources that we have and, quite frankly, he does not think the City would be able to go another year without taking the inflationary factor and the permissive medical levy. We work within the parameters of the statewide property tax cap, and within the limited growth values of the City.

Commissioner Robinson commented that yesterday’s presentation made it clear that staff was not proposing the inflationary factor and permissive medical levy in the budget. He inquired if it could be tripled next year and was informed no.

Commissioner Tryon inquired about where the debt service for the Aim High project and the Civic Center façade project were reflected in the proposed budget and was informed that the debt service fund for the Downtown Tax Increment District is on page 74, and the Park Maintenance fund is on page 54. The long-term debt schedule can be found on pages 137-138. GASB sets forth the in and out transaction requirements, and the bond covenants set forth how to account for that money.

In response to further questions about funds, Commissioner Tryon was informed that Park District 1 revenue goes into the Park Maintenance Fund; no other expenses can come out of that fund except for the direct service of the Park Maintenance District and was referred to page 54. The debt service for the pool is an expenditure from the Park District 1 fund that was adopted by ordinance and approved by bond council.

Commissioner Tryon inquired if the Park and Recreation funds listed as “at risk” were being subsidized from the general fund and was responded to in the affirmative. The general fund would have to subsidize those funds if the City does not look at rehabilitating those funds. The Park Maintenance District is completely separate and not co-mingled with the other Park and Rec funds.

Commissioner Tryon inquired if making cuts to departments should be considered rather than subsidizing the “at-risk” funds, and was informed that it comes down to the goals of the Commission as a whole.

Manager Doyon added that Covid was a unique factor. Covid affected the swimming pools, parking, multi-sports and Civic Center event revenues. He further added that we often have discussions about what's important, but we do not often have conversations about what is not important. That is a hard conversation to have with elected officials or appointed officials that are responsible for providing a certain amount of services. If the Commission were to have that conversation, what staff would look for from the Commission is some sort of consensus. It is an important conversation to have about what is important and what is not important, and what the Commission would be willing to offset as a need with a reduction somewhere else. Those are hard conversations during the course of the budget process.

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Commissioner Tryon concluded that he is in support of the budget as it is proposed, but he does have concerns going forward and at-risk funds are at the heart of it. He would like a couple of work sessions in December or January to see if adjustments or amendments need to be made.

Commissioner Tryon inquired the process of a budget amendment after the Crime Task Force makes its recommendations to the Commission and was informed the same public process as adopting the budget.

Manager Doyon noted that quarterly budget reviews are provided in the Commission's packets.

Commissioner Houck inquired the status of the additional funds for a judge several budgets ago.

Manager Doyon responded that it was his understanding that the judge was looking to appoint a person until changes in state law required there to be an election.

Commissioner Houck continued that is part of kicking things down the road. That's part of the law enforcement continuum. More officers result in more tickets and more prosecutions. More activity in municipal court makes it difficult or challenging for speedy trial issues and effective prosecution. She understands that the City needs to balance critical services, and public safety is a huge concern and yet it is not funded.

Mayor Kelly commented that this level funded budget would pass on tax relief to residents. Part two will be how to utilize those additional funds in a way that can solve some of the issues that are not currently being funded in this budget. Those discussions will come at a later point. He expressed appreciation for Manager Doyon's fiscal management. The City has been able to run effectively and provide efficient services without adding additional burden to the taxpayers by drawing on the City's reserves.

He asked for patience from people who are concerned about the lack of funding for critical areas that think need to be funded this year. There will be more public discussions about how best to utilize the CARES/ARP funding. This is an excellent budget and the City's in this position because of Manager Doyon's management, and fiscal responsibility of the staff. Going forward, the City will have great opportunities to make significant changes from this way forward.

Commissioner Robinson expressed his highest respect for Manager Doyon's leadership in proposing something that really worked for the golf courses. That debt is being reduced.

He agreed with Commissioner Houck's concerns about public safety and wished there was more money for the Police and Fire Departments. He also noted he and Manager Doyon disagree on the Animal Shelter, but understands that it has nothing to do with the budget and he will support this budget.

Manager Doyon commented that the next steps in the process are a July 6 follow-up budget work session, if needed; setting the public hearing at the July 6 meeting; and, conducting the public hearing on the proposed budget on July 20. The Commission will make a determination of whether or not to adopt the budget.

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By August 17, he hopes the City will have the information from the State regarding taxable values and will bring forth a resolution to adopt the mil levy for Commission consideration.

After receiving guidance on the CARES/ARP funds, we will be quickly moving into discussions with the Commission, laying out some initial recommendations and then seeing what priorities the Commission has and incorporating that into a plan and then moving forward with that.

ADJOURN

There being no further discussion, Mayor Kelly adjourned the informal special work session of June 21, 2021 at 4:58 p.m.