

**JOURNAL OF COMMISSION WORK SESSION
December 6, 2022**

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Kelly presiding

CALL TO ORDER: 5:30 PM

CITY COMMISSION MEMBERS PRESENT: Bob Kelly, Susan Wolff, Joe McKenney, Eric Hinebauch and Rick Tryon.

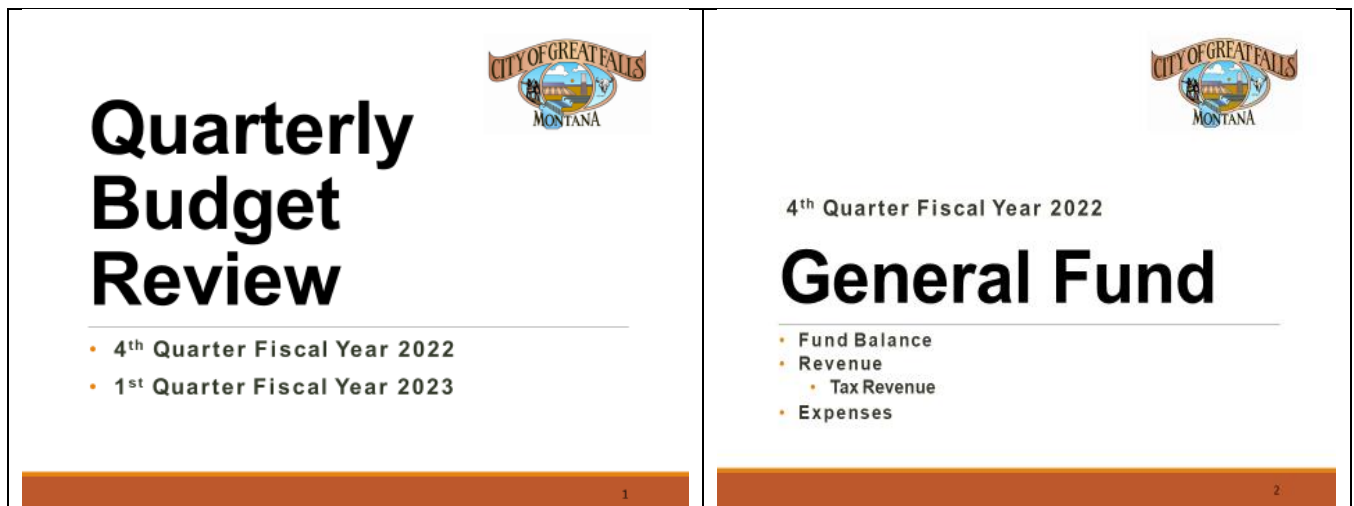
STAFF PRESENT: City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Attorney David Dennis; Finance Director Melissa Kinzler, Deputy Finance Director Kirsten Myre, Grant Administrator Tom Hazen and ARPA Project Manager Sylvia Tarman; Planning and Community Development Director Craig Raymond; Municipal Court Judge Steve Bolstad and Court Supervisor Morgan Medvec; Fire Chief Jeremy Jones; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

PUBLIC COMMENT

None.

1. QUARTERTLY BUDGET REVIEW

Finance Director Melissa Kinzler and Deputy Finance Director Kirsten Myre reviewed and discussed the following PowerPoint:



JOURNAL OF COMMISSION WORK SESSION

December 6, 2022

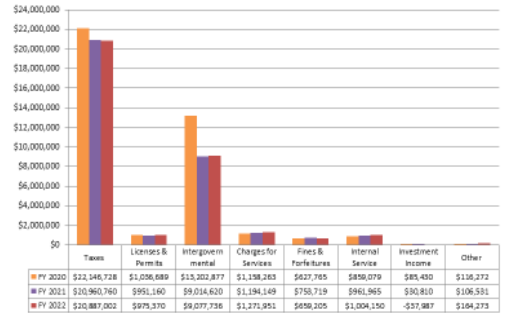
General Fund Three Year Comparison as of 6/30/22



	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Revenue Totals	\$34,001,701	\$33,973,714	\$39,233,103
Expenditure Totals	\$35,302,147	\$34,526,215	\$32,631,836
Revenue Over (Under) Expenditures	(\$1,300,446)	(\$552,501)	\$6,601,267
Beginning Fund Balance, 7/1	\$13,041,527	\$13,594,028	\$6,992,761
Net Change	(\$1,300,446)	(\$552,501)	\$6,601,267
Ending Fund Balance, 6/30	\$11,741,081	\$13,041,527	\$13,594,028
Unreserved Balance	\$7,156,251	\$8,456,897	\$9,009,198
CARES Act Reserved Balance	\$4,584,830	\$4,584,830	\$4,584,830
Fund Balance Total	\$11,741,081	\$13,041,527	\$13,594,028
Unreserved % (22% Policy)	20.27%	24.49%	27.61%
CARES Act %	12.99%	13.28%	14.05%
Fund Balance % Total	33.26%	37.77%	41.66%

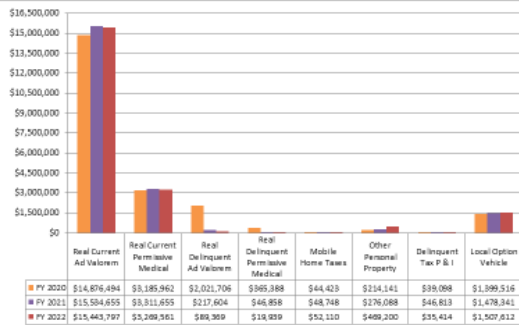
3

General Fund Three Year Revenue Comparison as of 6/30/22



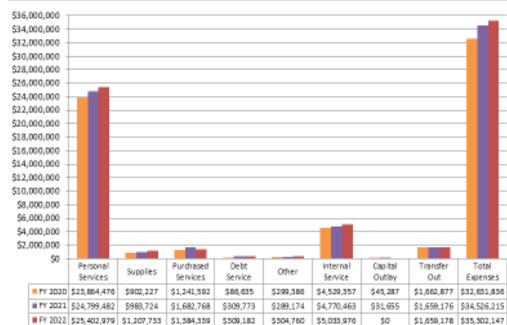
4

General Fund Three Year Tax Revenue Comparison as of 6/30/22



5

General Fund Three Year Expense Comparison as of 6/30/22



6

4th Quarter Fiscal Year 2022



Funds Needing Attention

- Golf Courses
- Recreation
- Multi-Sports
- Civic Center Events
- Parking
- Planning & Community Development

7

Golf Courses Fund Three Year Comparison as of 6/30/22



	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Revenue Totals	\$1,706,472	\$1,663,807	\$1,252,471
Expenditure Totals	\$1,313,221	\$1,443,004	\$1,199,137
Revenue Over (Under) Expenditures	\$393,251	\$220,803	\$53,334
Beginning Fund Balance, 7/1	(\$924,054)	(\$1,332,212)	(\$1,385,546)
Net Change	\$393,251	\$220,803	\$53,334
Fund Balance Adj. for Fixed Assets	\$0	\$187,355	\$0
Ending Fund Balance, 6/30	(\$530,803)	(\$924,054)	(\$1,332,212)

8

JOURNAL OF COMMISSION WORK SESSION
December 6, 2022

Recreation Fund
Three Year Comparison
as of 6/30/22



	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Revenue - Operating	\$325,503	\$276,188	\$273,125
Revenue - General Fund Support	\$39,206	\$39,206	\$39,206
Revenue - COVID Recovery	\$226,153	\$0	\$0
Revenue Totals	\$590,862	\$315,394	\$312,331
Expenditure Totals	\$452,222	\$403,157	\$479,547
Revenue Over (Under) Expenditures	\$138,640	(\$87,763)	(\$167,217)
Beginning Fund Balance, 7/1	(\$118,835)	(\$31,072)	\$136,145
Net Change	\$138,640	(\$87,763)	(\$167,217)
Ending Fund Balance, 6/30	\$19,805	(\$118,835)	(\$31,072)

9

Multi-Sports Fund
Three Year Comparison
as of 6/30/22



	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Revenue - Operating	\$65,606	\$64,832	\$73,101
Revenue - COVID Recovery	\$65,000	\$0	\$0
Revenue Totals	\$150,606	\$64,832	\$73,101
Expenditure Totals	\$115,307	\$77,672	\$81,432
Revenue Over (Under) Expenditures	\$35,299	(\$12,840)	(\$8,331)
Beginning Fund Balance, 7/1	(\$4,210)	\$8,630	\$16,961
Net Change	\$35,299	(\$12,840)	(\$8,331)
Ending Fund Balance, 6/30	\$31,089	(\$4,210)	\$8,630

10

Civic Center Events Fund
Three Year Comparison
as of 6/30/22



	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Revenue - Operating	\$249,424	\$42,958	\$172,982
Revenue - General Fund Support	\$265,913	\$265,913	\$265,913
Revenue - COVID Recovery	\$520,106	\$0	\$0
Revenue Totals	\$1,035,443	\$308,871	\$438,895
Expenditure Totals	\$569,258	\$478,953	\$513,587
Revenue Over (Under) Expenditures	\$466,185	(\$170,082)	(\$74,692)
Beginning Fund Balance, 7/1	(\$65,915)	\$104,167	\$178,859
Net Change	\$466,185	(\$170,082)	(\$74,692)
Ending Fund Balance, 6/30	\$400,270	(\$65,915)	\$104,167

11

Parking Fund
Three Year Comparison
as of 6/30/22



	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Revenue - Operating	\$632,695	\$302,529	\$606,257
Revenue - COVID Recovery	\$265,361	\$0	\$0
Revenue Totals	\$898,056	\$302,529	\$606,257
Expenditure Totals	\$722,698	\$824,612	\$581,783
Revenue Over (Under) Expenditures	\$175,359	(\$522,083)	\$24,475
Beginning Fund Balance, 7/1	(\$72,444)	\$449,639	\$425,164
Net Change	\$175,359	(\$522,083)	\$24,475
Ending Fund Balance, 6/30	\$102,915	(\$72,444)	\$449,639

12

Planning & Comm. Dev. Fund
Three Year Comparison
as of 6/30/22



	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Revenue - Operating	\$787,161	\$745,703	\$807,239
Revenue - General Fund Support	\$271,932	\$271,932	\$271,932
Revenue Totals	\$1,059,093	\$1,017,635	\$1,079,171
Expenditure Totals	\$1,322,370	\$1,191,970	\$1,073,513
Revenue Over (Under) Expenditures	(\$263,277)	(\$174,335)	\$5,657
Beginning Fund Balance, 7/1	\$50,813	\$225,147	\$219,490
Net Change	(\$263,277)	(\$174,335)	\$5,657
Ending Fund Balance, 6/30	(\$212,464)	\$50,813	\$225,147

13

1st Quarter Fiscal Year 2023

General Fund

- Fund Balance
- Cash Flow
- Revenue
 - Tax Revenue
- Expenses

14

JOURNAL OF COMMISSION WORK SESSION

December 6, 2022

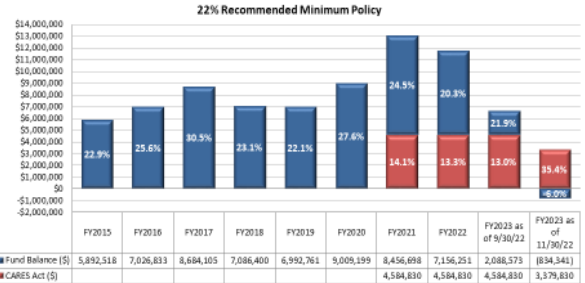
General Fund Three Year Comparison as of 9/30/22



	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Revenue Totals	\$3,280,405	\$3,219,640	\$3,213,547
Expenditure Totals	\$9,553,083	\$8,923,385	\$8,568,161
Revenue Over (Under) Expenditures	(\$6,272,678)	(\$5,703,745)	(\$5,354,615)
Beginning Fund Balance, 7/1	\$11,741,081	\$13,041,527	\$13,594,028
Net Change	(\$6,272,678)	(\$5,703,745)	(\$5,354,615)
Ending Fund Balance, 9/30	\$5,468,403	\$7,337,782	\$8,239,413

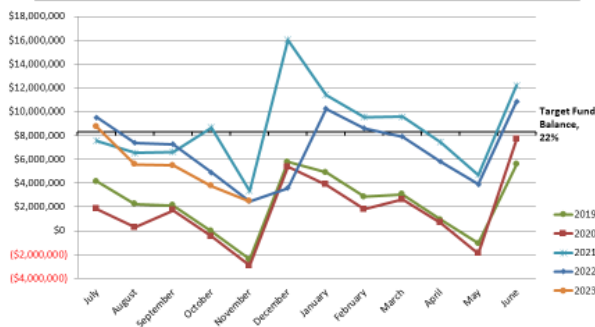
15

General Fund Unreserved Fund Balance



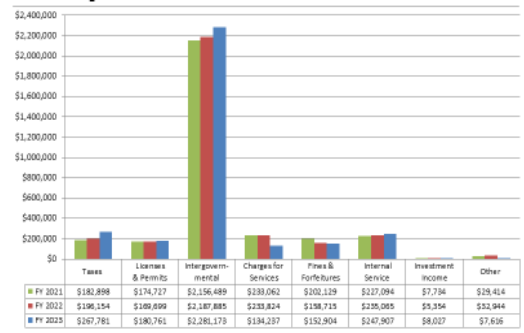
16

General Fund Monthly Cash Flow by Fiscal Year



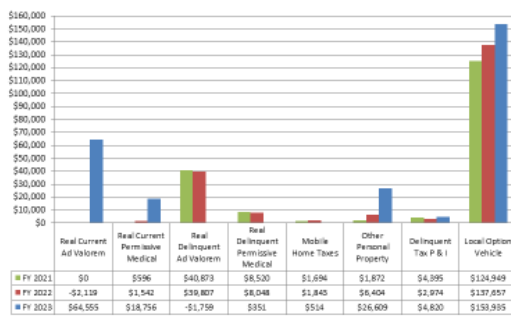
17

General Fund Three Year Revenue Comparison as of 9/30/22



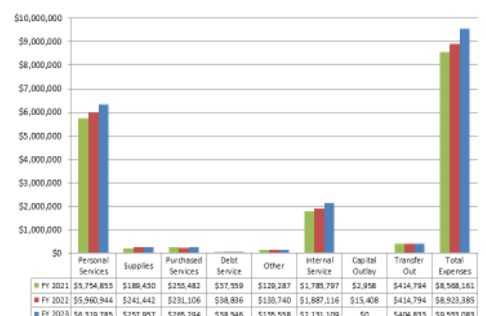
18

General Fund Three Year Tax Revenue Comparison as of 9/30/22



19

General Fund Three Year Expense Comparison as of 9/30/22



20

JOURNAL OF COMMISSION WORK SESSION
December 6, 2022



1st Quarter Fiscal Year 2023

Funds Needing Attention

- Golf Courses
- Recreation
- Multi-Sports
- Civic Center Events
- Parking
- Planning & Community Development

21



Golf Courses Fund Three Year Comparison as of 9/30/22

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Revenue Totals	\$374,411	\$264,000	\$170,000
Expenditure Totals	\$5,799	\$1,677	\$15,786
Revenue Over (Under) Expenditures	\$368,612	\$262,323	\$154,214
Beginning Fund Balance, 7/1	(\$530,803)	(\$924,054)	(\$1,332,212)
Net Change	\$368,612	\$262,323	\$154,214
Ending Fund Balance, 9/30	(\$162,191)	(\$661,731)	(\$1,177,998)

22



Recreation Fund Three Year Comparison as of 9/30/22

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Revenue - Operating	\$27,789	\$17,599	\$28,175
Revenue - General Fund Support	\$9,802	\$9,802	\$9,801
Revenue - COVID Recovery	\$35,000	\$0	\$0
Revenue Totals	\$72,591	\$27,401	\$37,977
Expenditure Totals	\$196,610	\$157,437	\$135,141
Revenue Over (Under) Expenditures	(\$124,019)	(\$130,037)	(\$97,164)
Beginning Fund Balance, 7/1	\$19,804	(\$118,835)	(\$31,072)
Net Change	(\$124,019)	(\$130,037)	(\$97,164)
Ending Fund Balance, 9/30	(\$104,214)	(\$248,872)	(\$128,236)

23



Multi-Sports Fund Three Year Comparison as of 9/30/22

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Revenue - Operating	\$12,843	\$14,617	\$7,441
Revenue - COVID Recovery	\$8,625	\$0	\$0
Revenue Totals	\$21,468	\$14,617	\$7,441
Expenditure Totals	\$30,811	\$30,273	\$14,899
Revenue Over (Under) Expenditures	(\$9,343)	(\$15,657)	(\$7,458)
Beginning Fund Balance, 7/1	\$31,089	(\$4,213)	\$8,630
Net Change	(\$9,343)	(\$15,657)	(\$7,458)
Ending Fund Balance, 9/30	\$21,746	(\$19,870)	\$1,172

24



Civic Center Events Fund Three Year Comparison as of 9/30/22

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Revenue - Operating	\$34,593	\$42,376	\$3,049
Revenue - General Fund Support	\$66,478	\$66,478	\$66,478
Revenue Totals	\$101,072	\$108,854	\$69,528
Expenditure Totals	\$141,699	\$131,168	\$122,917
Revenue Over (Under) Expenditures	(\$40,627)	(\$22,314)	(\$53,389)
Beginning Fund Balance, 7/1	\$400,270	(\$65,915)	\$104,167
Net Change	(\$40,627)	(\$22,314)	(\$53,389)
Ending Fund Balance, 9/30	\$359,643	(\$88,229)	\$50,778

25



Parking Fund Three Year Comparison as of 9/30/22

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Revenue Totals	\$174,739	\$153,691	\$56,703
Expenditure Totals	\$109,221	\$66,357	\$101,001
Revenue Over (Under) Expenditures	\$65,517	\$87,335	(\$44,298)
Beginning Fund Balance, 7/1	\$102,914	(\$72,445)	\$449,639
Net Change	\$65,517	\$87,335	(\$44,298)
Ending Fund Balance, 9/30	\$168,431	\$14,890	\$405,341

26

JOURNAL OF COMMISSION WORK SESSION
December 6, 2022

Planning & Comm. Dev. Fund			
Three Year Comparison			
as of 9/30/22			
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Revenue - Operating	\$102,891	\$57,874	\$60,139
Revenue - General Fund Support	\$94,233	\$67,983	\$67,983
Revenue - COVID Recovery	\$74,375	\$0	\$0
Revenue Totals	\$271,299	\$125,857	\$128,122
Expenditure Totals	\$312,809	\$286,862	\$257,684
Revenue Over (Under) Expenditures	(\$41,510)	(\$161,005)	(\$129,562)
Beginning Fund Balance, 7/1	(\$212,464)	\$50,813	\$225,147
Net Change	(\$41,510)	(\$161,005)	(\$129,562)
Ending Fund Balance, 9/30	(\$253,974)	(\$110,192)	\$95,585

Deputy Finance Director Myre explained that a 1st Quarter fund balance covering the as of 09/30/2022 and the 4th Quarter fund balance as of 6/30/2022 handouts were included in the agenda packet.

Mayor Kelly received clarification that the change in the investment income from the general fund three-year revenue comparison as of June 30, 2022 was attributed to the interest rates.

Commissioner McKenney received clarification that the HB 124 entitlement share is the major source of the Intergovernmental General Fund Three Year Revenue Comparison as of June 30, 2022.

Commissioner Tryon received clarification that a 20 percent tax for marijuana would stay with the state and not be distributed in the intergovernmental tax.

City Manager Greg Doyon explained that the multi-sports fund has not been supported through a direct general fund allocation and has always been a struggle. It has always been a challenge having the many different users of the facility contribute with the maintenance and upkeep of the building.

Mayor Kelly suggested that Director Kinzler start using first “Q” instead of Fiscal Year (FY) for future quarterly report charts.

Director Kinzler commented that there is approximately \$3.3 million in CARES Act funds.

Commissioner Hinebauch inquired what would happen if there were no CARES Act money.

Manager Doyon responded that communities typically borrow from itself at a small interest rate to offset a negative amount or have a tax anticipation note until tax revenues are received.

Director Kinzler further responded that the FY2024 budget could potentially begin with a \$2 million deficit and that is why the City needs to keep the CARES balance to offset that shortage until there is more revenue in the general fund.

Commissioner Hinebauch received clarification that either newly taxable property, the inflationary factor

JOURNAL OF COMMISSION WORK SESSION
December 6, 2022

or permissive medical levy could be used help build the fund balance.

Commissioner Wolff received clarification that the significant decrease of charges for services for FY 2023 was due to timing issues with regard to charges for services that have not been billed yet.

Commissioner Hinebauch inquired if there would be increased revenues for the parking fund if investments were made to the parking garages.

Planning and Community Development Director Craig Raymond responded not initially; however, it could increase revenues in the long-term.

Commissioner Wolff inquired about development being subsidized by the general fund.

Director Raymond responded that if his department charged the actual cost of doing business, its fees would be much higher. He added that he is not aware of any community in Montana that is charging the actual cost of doing business.

Commissioner Tryon commented that if the City continues to subsidize some of these funds, it leaves less money in the general fund for Court, Police and Fire.

Finance Director Kinzler explained that in order to comply with and receive the Government Finance Officers Association (GFOA) Budget Award, the City would have to make some changes in its budget process, including long range financial planning and performance measures.

City Manager Doyon added that there would need to be more upfront Commission involvement with regard to setting some of those budget policies.

2. CRIME TASK FORCE UPDATES/SAFETY LEVY DISCUSSION

City Manager Greg Doyon commented that the “Good” Option is where the City should have been 10 years ago, “Better” is where the City needs to be today and “Best” would set the City up for long-term success to meet the needs in the community.

Manager Doyon suggested that the Commission determine an amount in between the “Good” and “Better” option because the “Best” option might not be affordable to the community. He explained that the goal for tonight is to allow the Department Heads to hear directly from the Commission about any questions it may have so that the departments could start identifying unintended consequences related to space needs, expenses related to the budget or other scenarios. City staff would determine a framework for the public safety levy after the Commission makes its recommendation.

Mayor Kelly requested that the Department Heads consider the timing of the requests because the process of operational needs and capital equipment expenditures would be reoccurring revenue.

Commissioner Moe inquired about hiring a firm to poll the community about whether it would support a levy and if the City is selling its community short by what it thinks, they are willing to pay.

JOURNAL OF COMMISSION WORK SESSION
December 6, 2022

Municipal Court Judge Steve Bolstad explained that the needs of the court are going to depend on the number of police officers, prosecutors and support staff. He discussed Good, Better, Best scenarios for Municipal Court.

Mayor Kelly reported that the Commission toured the Municipal Court facilities recently and agreed that the facilities are not sustainable with the current rate of court staff. There would not be an opportunity to put additional employees into such a crowded and inadequate space. He commented that capital expenditure with a bond, Tax Increment Financing (TIF) funding or utilizing other available space, would need to be considered with regard to the levy. Mayor Kelly concluded that the current requests from Municipal Court are personnel, equipment and training and if court receives that, it would be difficult knowing where to put everybody.

Judge Bolstad responded that the requests were made with the intent that there would be two courts through ARPA. Municipal Court has been hanging on for a long time and maintaining what it can do; however, it is not functional.

Commissioner Tryon commented that the facilities in Municipal Court look like a third world country, the Court staff deserves more and the request is reasonable.

Commissioner McKenney explained that Judge Bolstad is in a very difficult situation being in an elected position. The citizens of the community are expecting him to do a job; however, Judge Bolstad does not have the ability on his own accord to decide how many full-time employees he could have or what equipment to purchase. The Commission decides all of that and sometimes it loses site of how much Judge Bolstad relies on the Commission to provide him with what he needs to maintain a functional court. It is the Commission's responsibility to provide Judge Bolstad with the tools he needs to be successful.

Commissioner Wolff commented that after taking the tour, she noticed there was no bulletproof glass and is concerned about the safety of Court staff. The City needs to be aware of what it is asking its employees to do when they come to work every day. She expressed appreciation to the Court staff for what they currently do; however, they need more.

Commissioner Tryon requested that City Manager Doyon provide the Commission with a spreadsheet that includes accomplished and unaccomplished Crime Task Force recommendations.

Commissioner Wolff requested that a list of accomplished Crime Task Force recommendations be available to the community.

City Manager Doyon provided a Good, Better, Best (not inflated) as of 12/5/2022 handout that included Fire, Police, Legal and Municipal Court. He explained that his goal is to provide the Commission with information that it needs to make a well informed decision and to assist the Commission formulate a proposal by mid to late January. He suggested having a special work session for a safety levy followup from the Fire, Police and Legal Departments.

**JOURNAL OF COMMISSION WORK SESSION
December 6, 2022**

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that a topic for the December 20, 2022 work session will be a Library Mill update.

ADJOURN

There being no further discussion, Mayor Kelly adjourned the informal work session of December 6, 2022 at 6:50 p.m.