

**JOURNAL OF COMMISSION WORK SESSION**  
**June 18, 2024**

City Commission Work Session  
Civic Center, Gibson Room 212

Mayor Reeves presiding

**CALL TO ORDER: 5:30 PM**

**CITY COMMISSION MEMBERS PRESENT:** Cory Reeves, Joe McKenney, Rick Tryon, Shannon Wilson and Susan Wolff.

**STAFF PRESENT:** City Manager Greg Doyon; City Attorney David Dennis and Deputy City Attorney Rachel Taylor; Finance Director Melissa Kinzler; Planning and Community Development Director Brock Cherry; and, City Clerk Lisa Kunz.

**PUBLIC COMMENT**

**Ben Forsyth**, City resident, commented that he has been challenging the City Commission about what he perceives as the City breaking laws by allowing recreational marijuana in the City of Great Falls. He provided a 12/2022 Montana DPHHS handout on Cannabis (Marijuana) Use in Montana, and discussed the statistics referenced therein. He suggested the Commission reduce the types of marijuana sold currently in Great Falls to a level of potency that is not harmful.

**Wes Ross**, City resident, commented that there is a loophole in the system with regard to utility, cargo type trailers, specifically race car trailers being parked in residential areas. They block residential parking and make it a challenging area for kids to play. Recreational Vehicles have 48 hours until they have to be moved and cargo, utility trailers have five days. Mr. Ross suggested exploring solutions to prevent this and shared photos with City Attorney David Dennis.

**Charlie Mesler**, City resident, provided a handout pertaining to a land swap proposal and a \$41,000 refund check he was issued for overcharged water and sewer fees. Mr. Mesler mentioned that he pays over \$100,000 a year in property taxes and is invested in the community. He is blown away that the Commission decided not to move forward with his land swap proposal, that offices would need to be moved, and that the proposal was not viable.

**1. GROWTH POLICY UPDATE**

Planning and Community Development Director Brock Cherry reviewed and discussed the following PowerPoint slides:

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**City Commission**  
**Growth Policy Update**  
June 18, 2024  
*Planning & Community Development Department*

**We are on track:**

- Consultant Selected
- Steering Committee Approved
- City Staff - Kick-off meeting with Consultant on 6/17
- Long Range & Transportation Planner began work on 6/10
- First Steering Committee end of June / early July



**Next Steps:**

- Process of presenting/updating Neighborhood Councils
- First Steering Committee end of June / early July
- Select Growth Policy Logo / Branding
- Draft Public Engagement Plan
  - Strategies including – surveys, social media, presentations, pop-ups, etc.
- GO TO THE PEOPLE!



**Growth Policy Branding Examples**



Commissioner Wolff received clarification that City Departments are stakeholders and would have an opportunity to provide input with regard to the Growth Policy.

With regard to the “We are here” slide, Commissioner Tryon received clarification that between November 2024 and November 2025, there would be public engagement, input and revisions with regard to the Growth Policy.

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### 2. 2025 PROPOSED BUDGET DISCUSSION

City Manager Greg Doyon explained that the budget cycle is ongoing, some Commission goals are directly related to the City Budget, others are not, it is normal for the budget to change after being adopted, and rare for departments to receive everything requested. Although the City Commission can amend the budget, with the state wide property tax cap, slower community growth rate and taxable values, there is little opportunity for additional discretionary funding.

City Manager Doyon and Finance Director Melissa Kinzler reviewed and discussed the following PowerPoint slides:

# FISCAL YEAR 2025 BUDGET GENERAL FUND

June 18, 2024 Work Session

### Commission Goals & Priorities

February 2024

- Public Safety
- Housing
  - Encourage/facilitate infill development; consider options and best practices
  - Continue to explore options (grant writing/legislature) to facilitate affordable housing and full spectrum of housing
  - Discuss camping ordinance and low barrier options with Continuum of Care group (two-four year plan)
- Economic Development
  - Streamlining zoning and permitting
  - Attracting primary sector businesses
- Discussing ties between economic development to infrastructure and public safety
- Growth Plan

### City Manager Goals and Priorities

March 2024-2025

- Public Safety Puzzle
- Commit and complete ARPA Projects
- Attempt to address the City's ongoing budget deficit
- Employee recruitment and retention
- Update and extend CourseCo Management Agreement
- Continue to onboard New IT Director and P&CD Director
- Offer Supervisor Training
- Prepare Great Falls for Sentinel
- Continue to address city funds that are not performing
- Professional Development

### FY2025 Budget Environment

National Trends: Labor market, inflation, supply chain, general economic conditions

Unknowns: Tax protests, 2025 Legislative Session, Public Safety/Library Management Agreement discussions

City: Commission/Manager goals, Property tax growth/values, TIF, operational/capital needs, PSAC, library discussions

### FY2025 General Fund Drivers

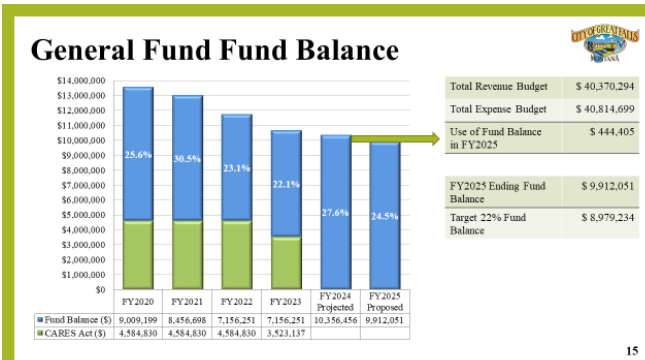
Tax Protest	Approximately \$1,100,000 uncollected in FY2024 anticipated to continue for FY2025. Settlement percentage is unpredictable.
Personnel	Collective Bargaining Agreements increase wages 3-6% in FY2025. Approximately \$700,000 for the General Fund. Health Insurance rates increased 12%. Totals \$323,535 for the General Fund and \$848,900 for all funds. Permissive medical levy increase, if taken, will cover the General Fund increase. Workers Compensation rates decreased approximately 43%. \$235,760 General Fund savings, \$359,317 total savings for all funds.
COPS Grant	3 officer positions fully covered by General Fund in FY2025, no additional grant funding after 1 <sup>st</sup> three years. Total of 3 positions is \$366,708.
General Fund Subsidies	\$134,000 returned to Civic Center Events and additional \$122,406 to P&R for operations of Aim High Big Sky.
Electricity	Rates decrease 17% on November 1, 2024. \$63,661 General Fund savings, \$216,333 total savings. Aim High Big Sky expected to be additional \$220,000 in electricity costs.
2 <sup>nd</sup> Municipal Judge	Full year of 2 <sup>nd</sup> full-time judge is an increase of \$83,400 versus half year.

### Other General Fund Highlights

Above & Beyond request for legal - \$40,000 for prosecution software	Added back in license revenue for beer/wine and liquor licenses - \$72,000	Above & Beyond approval for part-time Neighborhood Council Coordinator - \$28,550
EMS Contract Response Time Standard - increased \$30,000 revenue	No capital outlay budgeted for the General Fund	Above & Beyond approval for Police recruiting and training - \$32,136
Additional \$81,530 to fund the Equipment Revolving Schedule for police cars - inflation increases and supply chain delays	No funding for the public safety levy education, and two elections were reduced to one	\$50,000 in contingency for insurance weeds and hazard removal

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### General Fund Revenue Increases

General Fund Revenue Segment	FY2023 Increases	FY2024 Increases	FY2025 Available Increases	Approximate Household Impact
Newly Taxable Property	\$ 352,303	\$ 1,510,213 <small>Protested: Approx. \$1,093,591</small>	\$ 400,000 <small>Amount not known until August</small>	-
Inflationary Factor	\$ 641,691 <small>Used carry-over mills from prior 2 years</small>	\$ 446,080	\$ 562,520	\$5.76 per \$100,000 Taxable Value
Permissive Medical Levy	\$ 247,551	\$ 353,043	\$ 317,544	\$3.25 per \$100,000 Taxable Value
Marijuana Tax	-	-	\$ 220,000	-
Entitlement Share	\$ 294,004	\$ 311,446	\$ 319,522	-
<b>Total Revenue Increases</b>	<b>\$ 1,535,549</b>	<b>\$ 2,620,782</b>	<b>\$ 1,819,586</b>	-

### FY2025 Detail General Fund Revenue

Revenues	FY2024 Adopted	FY2025 Proposed	Increase (Decrease)	% Change
Taxes	\$ 24,182,096	\$ 26,018,186	\$ 1,836,090	7.59%
Licenses and Permits	\$ 916,500	\$ 929,200	\$ 12,700	1.39%
Intergovernmental	\$ 9,730,562	\$ 10,116,751	\$ 386,189	3.97%
Charges for Services	\$ 1,149,262	\$ 1,221,048	\$ 71,786	6.25%
Fines and Forfeitures	\$ 680,000	\$ 680,000	\$ -	0.00%
Internal Service	\$ 1,102,343	\$ 1,174,859	\$ 72,516	6.58%
Investment Income	\$ 20,000	\$ 20,000	\$ -	0.00%
Other	\$ 192,674	\$ 210,250	\$ 17,576	9.12%
<b>Total Revenue</b>	<b>\$ 37,973,437</b>	<b>\$ 40,370,294</b>	<b>\$ 2,396,857</b>	<b>6.31%</b>

### FY2025 Detail General Fund Expenses

Expenses	FY2024 Adopted	FY2025 Proposed	Increase (Decrease)	% Change
Administration	\$ 3,931,924	\$ 4,226,361	\$ 294,437	7.49%
Court	\$ 1,155,948	\$ 1,241,264	\$ 85,316	7.38%
Legal	\$ 1,489,101	\$ 1,624,481	\$ 135,380	9.09%
Police	\$ 17,012,509	\$ 17,612,949	\$ 600,440	3.53%
Fire	\$ 11,113,055	\$ 11,575,536	\$ 462,501	4.16%
Park & Recreation	\$ 3,328,708	\$ 3,337,631	\$ 8,923	0.27%
Transfer Out	\$ 940,276	\$ 1,196,477	\$ 256,201	27.25%
<b>Total Expense</b>	<b>\$ 38,971,501</b>	<b>\$ 40,814,699</b>	<b>\$ 1,843,198</b>	<b>4.73%</b>

### Public Safety Shortfall without Entitlement Share Revenue

Police Department Budget	\$ 17,612,949
Fire Department Budget	\$ 11,575,536
<b>Total Police &amp; Fire Budgets</b>	<b>\$ 29,188,485</b>
Less Tax Revenue	(\$ 26,018,186)
<b>Public Safety Shortfall</b>	<b>\$ 3,170,299</b>

- ### Upcoming Budget Process
- **Today**
    - Presentation of General Fund
  - **July 2<sup>nd</sup> – Commission Action**
    - Work Session – full budget presentation
    - Commission sets public hearing for July 16<sup>th</sup>
  - **Additional budget work sessions?**
  - **July 16<sup>th</sup> – Commission Action**
    - Public Hearing and Adopt or Continue Budget
  - **August 20<sup>th</sup> – Commission Action**
    - Adopt Annual Tax Levy

City Manager Doyon explained that items related to the City Budget include the following:

- **Public Safety**
  - The FY25 budget has the following proposals to address public safety needs:
- **Housing**
  - Encourage/facilitate infill development; consider options and best practices
  - Continue to explore options (grant writing/legislature) to facilitate affordable housing and full spectrum of housing
  - Economic Development – audit underway, community feedback, soils/infrastructure costs and infrastructure
- **Growth Plan**
  - Commission appointed members to a Growth Policy Steering Committee
- **Managing the Public Safety Puzzle**

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- Public Safety remains a concern; the Public Safety Advisory Committee (PSAC) will provide recommendations to the City Commission in September 2024
- Attempt to address the City's ongoing budget deficit
  - Uncertainty with pending tax appeal and ongoing revenue shortfall coming out of pandemic; everything costs more
- External that affect the general fund
  - Pending large-scale tax protest
  - Employee benefit adjustments including retirement and health insurance
  - Electric supply costs
  - Workers Compensation
- Internal that affect the general fund
  - Commission ratified Collective Bargaining Agreements
  - City's obligation under COPS Grant
  - Two fulltime Municipal Court Judges
  - Additional court space
  - Construction and operations of Scheels Aim High Big Sky
  - Meeting undesignated fund balance policy
- Largest change to the budget is by dollar amount, not by percentage
- Police \$600,000 - \$434,000 of this is personnel expenses
- Fire \$462,000 - significant amount of this is personnel increases - decreases in other areas such as electricity
- Administration \$294,437 due to hazard removal, Police Equipment Revolving Schedule (ERS) and Montana League of Cities and Towns (MLCT) dues doubled this year
- Transfer Out \$256,201 to support Events and Park and Recreation Aim High Big Sky
- Legal \$135,000 - \$40,000 was for prosecution software and personnel costs
- Court \$85,000 - adding a full-time second judge for a full year
- Park and Recreation – miscellaneous internal service and wages for personnel
- Total increase to General Fund Expense budget - \$1.8 million

With regard to the “Other General Fund Highlights” slide, Mayor Reeves inquired about the \$72,000 added back in the license revenue for beer/wine and liquor licenses.

Finance Director Kinzler responded that with the new legislation in 2023, the City believed it would lose the beer/wine revenue so it was not included in the FY 2024 budget; however, we were able to keep that revenue and it was added back in.

Finance Director Kinzler provided and discussed General Fund Revenue Increases, General Fund, FY2025 Above & Beyond Requests and General Fund Expenditures by Department handouts.

Commissioner Tryon inquired about the process of earmarking marijuana tax for public safety.

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Finance Director Kinzler responded that the Commission could direct City staff to earmark marijuana tax for public safety; however, the \$220,000 would not be enough to cover the three officers in the COPS Grant.

City Manager Doyon added that the marijuana tax would not generate enough revenue to cover public safety.

Commissioner Tryon responded that \$200,000 going towards public safety would be better than nothing.

Commissioner Wolff inquired about receiving protested taxes in the middle of the budget year, and was informed a budget amendment could be done if revenue from the protested taxes were received during the budget year.

City Manager Doyon commented that he will be pursuing having a feasibility study done for Events. The usage in the Civic Center is going to change and will have an impact on the budget and revenue generated from Events.

**DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS**

City Manager Greg Doyon reported that the 2025 proposed budget discussion will be continued at the July 2, 2024 work session. A development audit report/geo-tech and the 2025 proposed budget discussion will be topics for the July 16, 2024 work session.

**ADJOURN**

There being no further discussion, Mayor Reeves adjourned the informal work session of June 18, 2024 at 6:42 p.m.