

JOURNAL OF COMMISSION WORK SESSION
July 2, 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 and Deputy City Manager Chuck Anderson; City Attorney David Dennis; Finance Director Melissa Kinzler and Deputy Finance Director Kirsten Wavra; and, Deputy City Clerk Darcy Dea.

PUBLIC COMMENT

Ben Forsyth, City resident, expressed concern that the City Commission and legislature is not doing its job by allowing recreational marijuana in the City of Great Falls. Mr. Forsyth discussed a Montana DPHHS system that tracks the number of hospitalizations due to marijuana use.

Mike Winters, City resident, discussed the protocol for the POW/MIA flag display. He requested that it be displayed according to protocol and the Canadian flag be returned. Mr. Winters commented that not flying the Canadian flag would be a poor choice of public relations and Canadian visitors utilize the community, which aides in the economy.

1. COMMISSION DISCUSSION ON CIVIC CENTER OUTDOOR FLAGS

Commissioner Wilson discussed the protocol that covers regulations about displaying the American and POW/MIA flags. She expressed support of displaying the POW/MIA flag on a single pole and removing the Canadian flag.

After further discussion, a majority of the Commission agreed to display the POW/MIA flag below the American flag and return the Canadian flag.

2. FISCAL YEAR 2025 BUDGET

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

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FISCAL YEAR 2025 BUDGET

CITY OF GREAT FALLS
MONTANA

July 2, 2024 Work Session

General Fund Recap

Fiscal Year	Fund Balance (\$)	CARES Act (\$)
FY2020	9,000,109	4,584,830
FY2021	8,456,698	4,584,830
FY2022	7,156,251	4,584,830
FY2023	7,156,251	3,523,137
FY2024 Projected	10,356,456	-
FY2025 Proposed	9,912,051	-

Total Revenue Budget	\$ 40,370,294
Total Expense Budget	\$ 40,814,699
Use of Fund Balance in FY2025	\$ 444,405
FY2025 Ending Fund Balance	\$ 9,912,051
Target Fund Balance	\$ 8,979,234
	22%

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 *Protected: Approx. \$1,093,591	\$ 400,000 *Amount not known until August	-
Inflationary Factor	\$ 641,691 *Used carry-over bills from prior 2 years	\$ 446,080	\$ 562,520	\$ 5.76 per \$100,000 Taxable Market Value
Permissive Medical Levy	\$ 247,551	\$ 353,043	\$ 317,544	\$ 3.25 per \$100,000 Taxable Market Value
Marijuana Tax	-	-	\$ 220,000	-
Entitlement Share	\$ 294,004	\$ 311,446	\$ 319,522	-
Total Revenue Increases	\$ 1,535,549	\$ 2,620,782	\$ 1,819,586	-

City-Wide Revenues

Revenues	FY2024 Adopted	FY2025 Proposed	Increase (Decrease)	% Change
Taxes	\$ 30,171,096	\$ 33,256,786	\$ 3,085,690	10.23%
Licenses and Permits	\$ 2,434,108	\$ 2,609,058	\$ 174,950	7.19%
Intergovernmental	\$ 26,585,268	\$ 15,615,611	\$ (10,969,657)	-41.26%
Charges for Services	\$ 53,524,601	\$ 59,530,726	\$ 6,006,125	11.22%
Fines and Forfeitures	\$ 758,500	\$ 758,500	\$ -	0.00%
Internal Service	\$ 17,406,667	\$ 18,673,334	\$ 1,266,667	7.28%
Special Assessments	\$ 9,487,697	\$ 10,116,996	\$ 629,299	6.63%
Investment Income	\$ 28,150	\$ 42,550	\$ 14,400	51.15%
Other	\$ 643,282	\$ 1,474,933	\$ 831,651	129.28%
Transfer In	\$ 1,786,950	\$ 2,043,151	\$ 256,201	14.34%
Issuance of Debt	\$ 1,500,000	\$ -	\$ (1,500,000)	-100.00%
Total Revenue	\$ 144,326,319	\$ 144,121,645	\$ (204,674)	-0.14%

City-Wide Revenues

Category	Amount (\$)	Percentage
Charges for Services	\$59,530,726	41%
Taxes	\$33,256,786	23%
Intergovernmental	\$15,615,611	11%
Charges for Services	\$5,953,072	4%
Internal Service	\$18,673,334	13%
Special Assessments	\$10,116,996	7%
Transfer In	\$2,043,151	1%
Other	\$1,474,933	1%
Investment Income	\$42,550	0%

Proposed Assessment and Utility Rate Adjustments

	FY2025 Adjustment	Previous Adjustment
Assessment - Boulevard District	6%	2024: 6%
Assessment - Portage Meadows	5%	2024: 5%
Assessment - Street Maintenance	10%	2024: 10%
Assessment - Street Lighting Districts	6.7%	2024: 14%
Utility - Water	Spring 2025: 10%	Spring 2024: 15%
Utility - Sewer	Spring 2025: 15%	Spring 2024: 10%
Utility - Storm Drain	Spring 2025: 10%	Spring 2024: 15%
Utility - Sanitation	Spring 2025: 5%	Spring 2024: 5%

All proposed adjustments require separate Commission action

City-Wide Expenses

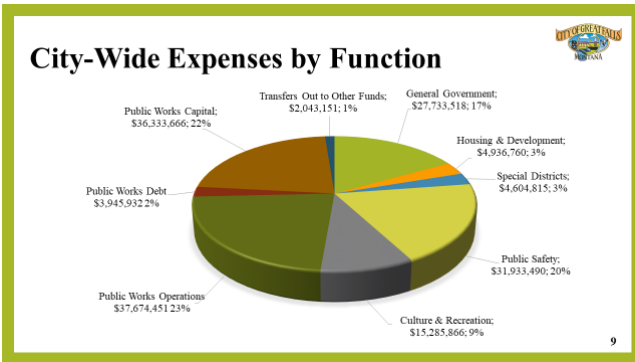
Expenses	FY2024 Adopted	FY2025 Proposed	Increase (Decrease)	% Change
Personal Services	\$53,911,310	\$57,832,385	\$ 3,921,075	7.27%
Supplies	\$7,151,060	\$8,059,618	\$ 908,558	12.71%
Purchased Services	\$32,230,860	\$34,174,360	\$ 1,943,500	6.03%
Debt Services	\$6,044,925	\$5,804,290	\$ (240,635)	-3.98%
Contributions & Other	\$3,565,133	\$2,022,776	\$ (1,542,357)	-43.26%
Other	\$20,450	\$45,450	\$ 25,000	122.25%
Internal Service	\$16,199,136	\$17,273,092	\$ 1,073,956	6.63%
Capital Outlay	\$41,542,893	\$37,236,527	\$ (4,306,366)	-10.37%
Transfer Out	\$1,786,950	\$2,043,151	\$ 256,201	14.34%
Total Expenses	\$ 162,452,717	\$ 164,491,649	\$ 2,038,932	1.26%

City-Wide Expenses by Category

Category	Amount (\$)	Percentage
Personal Services	\$57,832,385	35%
Capital Outlay	\$37,236,527	23%
Purchased Services	\$34,174,360	21%
Debt Services	\$5,804,290	4%
Transfer Out	\$2,043,151	1%
Supplies	\$8,059,618	5%
Internal Service	\$17,273,092	10%
Contributions & Other	\$2,022,776	1%
Other	\$45,450	0%

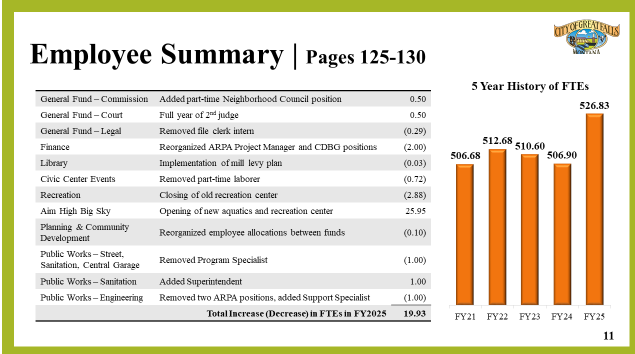
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Capital Outlay | Pages 131-135

Major Capital Outlay	Budget
Sewer Lift Station 1 Construction	\$7,800,000
Water Main Replacements	\$3,750,000
Street Reconstruction 4 th Ave N from 9 th to 14 th St N	\$2,350,000
33 rd St Water Storage Tank Repair	\$2,000,000
South Great Falls Storm Drain Improvement Middle Basin	\$1,900,000
BarSAA Projects (East Fiesta Street Reconstruction & Giant Springs Bank Stabilization)	\$1,600,000
Central Ave & 3 rd St Phase 2 Storm Drain Construction	\$1,000,000
3 Sanitation Trucks	\$1,299,240
Street Department Milling Machine	\$592,390
12 Vehicles for Police	\$563,760
Park Maintenance District Projects	\$433,220



- ### Fund Review | Fund Detail Worksheet
- 57 budgeted funds with fund balance targets
 - Meets Requirements
 - Does not Meet Requirements

ARPA Update

Original ARPA Balance	\$19,472,737	
Committed Funds	Current Project Cost	Notes
Completed Projects	\$3,137,618.63	
Community Grants	\$2,884,557.00	
Animal Shelter Cattery	\$35,600.00	
Court Remodel	\$3,159,188.56	Adding in \$200,000 contingency to cover current courtroom remodel into meeting space, and additional unforeseen remodel issues for Missouri Room
Fire Station Infrastructure	\$3,060,717.68	
PD Evidence Building & Front Entry Area	\$4,283,597.50	Adding in \$250,000 additional contingency for unforeseen construction expenses
Civic Center HVAC	\$1,412,638.22	
Civic Center Transformer/Boiler	\$1,407,300.00	
Total	\$19,381,217.59	
ARPA Balance as of 6/14/24*	\$91,519.41	

*Current project costs reflect work that is currently under contract with no modifications. Court and PD Evidence Building are still using budget estimates.

CARES Update

Original CARES Balance	\$10,159,163
CARES Usage	Amount
Replenish Funds Impacted by Covid FY2022	\$1,141,151
Balance General Fund Budget FY2023	\$1,205,000
Replenish Planning Fund FY2023	\$297,500
Replenish Recreation Fund FY2023	\$140,000
Replenish Multi-Sports Fund FY2023	\$34,500
GFDA Revolving Loan Fund Contribution	\$1,400,000
Balance General Fund Budget FY2024	\$998,064
Growth Plan Policy Update	\$300,000
General Fund Undesignated Fund Balance	\$2,381,766
Total	\$7,897,981
Remaining CARES Balance as of 6/18/24	\$2,261,182

- ### Upcoming Budget Process
- **June 18th**
 - Work Session - presentation of General Fund
 - **July 2nd – Commission Action**
 - Work Session – full budget presentation
 - Commission sets public hearing for July 16th
 - **Additional budget work sessions?**
 - **July 16th – Commission Action**
 - Public Hearing and Adopt or Continue Budget
 - **August 20th – Commission Action**
 - Adopt Annual Tax Levy

Finance Director Kinzler provided and discussed Internal Service Charges, FY2025 General Fund Support for Operations, Fund Detail Worksheet, Capital Improvement Plan – Administrative Draft, FY 2025

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Proposed Budget, General Fund Expenditures by Department and Non Performing Fund Action Plan handouts.

Finance Director Kinzler explained that 98% of the permissive medical levy increase was attributed to health insurance costs for the Fire and Police Departments.

City Manager Greg Doyon mentioned that the City is attempting to maintain the minimum service level taking into consideration the additional cost increases from inflation. City staff is taking a cautious and strategic approach this year because they do not want to put the City in a worse position next fiscal year.

Commissioner Tryon received clarification if the City did not take the permissive medical Levy, the Administration Group and Park & Rec would be the departments considered for reductions. He commented that the public needs to be aware of the impact to public safety, if the City does not take the permissive medical levy. He further received clarification that the inflationary increase reduces the reserve fund.

City Manager Doyon commented that if the City did not take the permissive medical levy, the affected departments would need an opportunity to explain what the operational impact would be.

Commissioner Tryon expressed concern about how the City would manage the cost going forward with regard to the 25.95 new full time employees for the Aim High Big Sky Recreation Facility.

Finance Director Kinzler responded, as noted in the non performing action plan handout, there would be monthly meetings with the Finance Department, City Manager and Park and Recreation to monitor and address any revenue shortfalls, as well as a mid-year review in January of the financial plan for the AHBS Facility.

City Manager Doyon added that having a combined facility is going to require different management. How well the facility does will depend on how the community utilizes it. If it does well, City staff could continue to build programs that will generate revenue and enough funding to support it.

Commissioner McKenney received clarification that tax protest are from generally from a large industrial facility. He expressed concern that local government never has a surplus, while state government has a \$2.5 billion surplus.

Commissioner Wolff expressed appreciation to City staff for their efforts with regard to the understanding of the public budgeting process.

It was the consensus of the Commission that it would not be necessary to have follow up discussion about the 2025 proposed budget at the July 16, 2024 work session.

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DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that a growth policy update would be a topic for the July 16, 2024 work session. A development audit report presentation/geo-tech update would be a topic for the August 6, 2024 work session.

Commissioner McKenney requested a joint work session of the City Commission, Cascade County Board of Commissioners, and local/regional legislators prior to Labor Day.

Commissioner Tryon reiterated that public comment should be on agenda items or any matter that is within the jurisdiction of the City Commission.

ADJOURN

There being no further discussion, Mayor Reeves adjourned the informal work session of July 2, 2024 at 6:48 p.m.