

JOURNAL OF COMMISSION WORK SESSION
July 3, 2012

City Commission Work Session

Mayor Winters presiding

CALL TO ORDER: 5:30 p.m.

ROLL CALL: City Commissioners present: Michael J. Winters, Bill Bronson, Fred Burow, Mary Jolley, and Robert Jones.

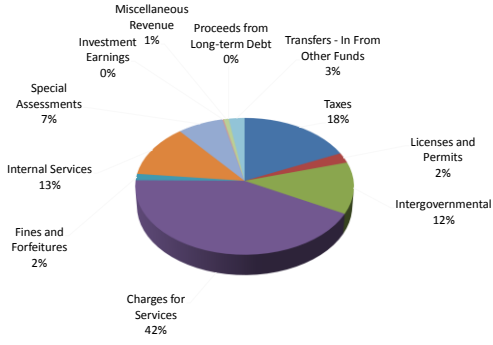
STAFF PRESENT: City Manager; Deputy City Manager; Assistant Attorney; Directors of Fiscal Services, Library, Planning and Community Development, and Public Works; Deputy Park and Recreation; Executive Director of the Housing Authority; Fiscal Services Administrative Assistant; Fire Chief; Police Chief; and the City Clerk Administrative Secretary.

1. BUDGET WORK SESSION

City Manager Greg Doyon provided handouts of General Fund Contributions for Operations and a Summary of FY 13 Department and Manager Recommended increases. He also provided a handout of the FY 13 City Manager Fund Summary. Mr. Doyon and Fiscal Services Director Melissa Kinzler reviewed and discussed the following PowerPoint slides:

<p style="text-align: center;">City Manager Approach for FY 2013 Budget</p> <p>Commission Priorities (Visited on June 19, 2012)</p> <p>➤ <i>Some monetary; some policy related</i></p> <ol style="list-style-type: none"> 1. Long Term Investment in Infrastructure to Attract Economic Development 2. Promote a Positive Community Image 3. Total Commitment to Supporting MAFB/MANG 4. Commitment to Public Safety 5. Prepare for Oil and Gas Impact 6. CIP Planning 7. ECP <p style="text-align: right;">2</p>	<p style="text-align: center;">City Manager Approach for FY 2013 Budget</p> <ul style="list-style-type: none"> • City Manager Priorities <ul style="list-style-type: none"> – Continue to limit/reduce General Fund subsidies <ul style="list-style-type: none"> • Continue to move enterprise funds toward self sustainment • Determine goals for reserve balances • Determine amount community wants to subsidize through general taxation (P&R) – Service/cost effectiveness – Public Safety – Department need, Community support /indicators – Limit program expansion <ul style="list-style-type: none"> • Unless it can be sustained <p style="text-align: right;">3</p>
<p style="text-align: center;">Budget Overview for Fiscal Year 2013</p> <ul style="list-style-type: none"> • The City has 54 separate funds with their own revenues and expenditures. • Total Proposed Budget is \$94,711,933 <ul style="list-style-type: none"> – General Fund \$25,793,390 – All Other Funds \$68,918,543 <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>General Fund \$25,793,390 27%</p> </div> <div style="text-align: center;"> <p>All Other Funds \$68,918,543 73%</p> </div> </div> <p style="text-align: right;">4</p>	<p style="text-align: center;">Citywide Revenue by Fund</p> <p style="text-align: right;">5</p>

Citywide Revenue



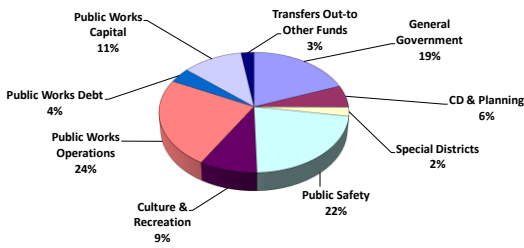
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Citywide Revenue

Revenue Source	FY 2011 Actual	FY 2012 Amended	FY 2013 Proposed	% change
Taxes	\$15,196,868	\$15,028,195	\$16,387,695	9.0%
Licenses and Permits	\$1,819,776	\$1,932,698	\$2,181,543	12.9%
Intergovernmental	\$13,262,890	\$12,542,567	\$11,031,503	-12.0%
Charges for Services	\$43,705,412	\$44,029,747	\$38,329,690	-12.9%
Fines and Forfeitures	\$1,440,068	\$1,436,800	\$1,368,000	-4.8%
Internal Services	\$10,415,616	\$10,555,871	\$11,261,586	6.7%
Special Assessments	\$6,170,036	\$6,438,552	\$6,638,115	3.1%
Investment Earnings	\$299,072	\$231,770	\$174,320	-24.8%
Miscellaneous Revenue	\$1,931,028	\$1,562,407	\$733,529	-53.1%
Proceeds from Debt	\$738,003	\$0	\$0	
Transfers - In	\$3,303,624	\$2,283,466	\$2,295,669	0.5%
Total	\$98,282,393	\$96,042,073	\$90,401,650	-5.9%

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Citywide Expenses



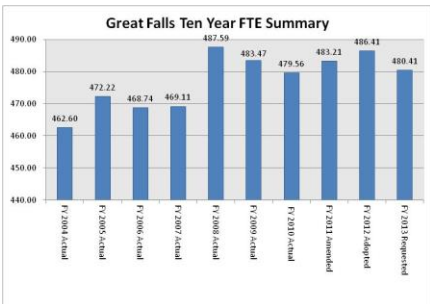
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Citywide Expenses

Expense Type	FY 2011 Actual	FY 2012 Amended	FY 2013 Proposed	% change
Personal Services	\$32,748,324	\$34,859,697	\$36,184,809	3.8%
Supplies & Materials	\$4,227,889	\$4,814,597	\$5,225,708	8.5%
Purchased Services	\$22,643,719	\$24,264,049	\$14,920,349	-38.5%
Other Costs	\$9,789,423	\$9,598,097	\$9,774,077	1.8%
Debt Service - Interest	\$1,711,739	\$1,465,454	\$1,129,372	-22.9%
Internal Service	\$9,607,763	\$9,727,838	\$10,169,132	4.5%
Debt Service - Principal	\$3,791,853	\$3,922,737	\$3,981,676	1.5%
Capital Outlay	\$10,739,704	\$30,782,981	\$11,031,141	-64.2%
Transfers - Out	\$3,303,623	\$2,283,466	\$2,295,669	0.5%
Total	\$98,564,037	\$121,718,916	\$94,711,933	-22.2%

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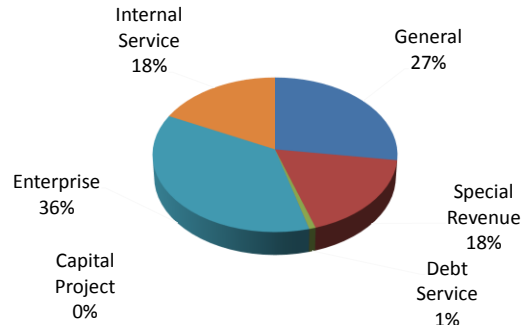
Full-Time Employee History



- FTE Comments**
1. Animal Shelter FTE spikes in '08
 2. COPS grant officers in '12
 3. FTE count has not changed dramatically

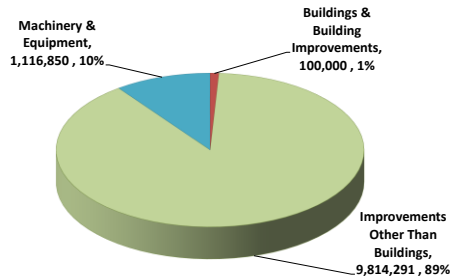
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Expenses by Fund



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Capital Expenditures by Category



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Total Proposed FY 2013 Revenue Over (Under) Expenses

Proposed Total Revenue	\$90,401,650
Proposed Total Expenses	<u>\$94,711,933</u>
Proposed Total Revenues Over (Under) Expenses	(\$4,310,283)

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Fund Review

City Manager Fund Summary

Please refer to handout

Stable, At-Risk & Requires Monitoring

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General Fund Revenues

- Projected base increase in tax revenue \$665,000
 - \$365,000 in newly taxable property (historical average)
 - \$300,000 additional newly taxable property from FY 2012 (not previously included in budget)
 - Includes annexed properties receiving services during DOR taxable valuation review.

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Proposed Budget Highlights General Fund

Recommending using the inflationary factor and a portion of permissive medical levy

- Inflation allowance (not previously utilized)
 - Fiscal Year 2011 – 1.142% inflation allowance: \$128,775
 - Fiscal Year 2012 - .72% inflation allowance: \$ 85,345
 - Fiscal Year 2013 – 1.2% inflation allowance: \$153,704

Total Revenue from inflation allowances: **\$367,824**
- Permissive Medical Levy (less than half of permitted) **\$179,416**
- Commission Action/ Public Hearing required for both.

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Public Safety

	<u>Requested FY 2013</u>	<u>Personal Service % of Budget</u>
Fire		
Total Fire Budget	\$7,063,763	
Personal Services	\$5,875,909	83%
Police		
Total Police Budget	\$10,889,259	
Personal Services	\$8,750,005	80%
Total Personal Services	\$14,625,914	
Total General Fund Budget	\$25,793,390	70%
Projected FY13 Total General Fund Taxes	\$14,756,240	
<i>Difference</i>	\$130,326	

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General Fund Revenues

Revenue Source	FY 2011 Actual	FY 2012 Amended	FY 2013 Proposed	% change
Taxes	\$13,527,761	\$13,386,737	\$14,756,240	10.2%
Licenses and Permits	\$850,636	\$893,124	\$895,524	0.3%
Intergovernmental	\$6,927,427	\$6,895,564	\$6,789,264	-1.5%
Charges for Services	\$1,339,975	\$1,265,138	\$1,231,247	-2.7%
Fines and Forfeitures	\$1,395,443	\$1,327,500	\$1,257,500	-5.3%
Internal Services	\$949,922	\$870,051	\$904,145	3.9%
Investment Earnings	\$21,017	\$25,000	\$18,000	-28.0%
Miscellaneous Revenue	\$22,963	\$30,650	\$13,450	-56.1%
	\$25,035,144	\$24,693,764	\$25,865,370	4.7%

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General Fund Expenses

Expenditures	FY 2011 Actual	FY 2012 Amended	FY 2013 Proposed	% change
Personal Services	\$16,354,502	\$17,354,004	\$18,061,076	4.1%
Supplies & Materials	\$875,580	\$847,496	\$826,358	-2.5%
Purchased Services	\$944,303	\$1,180,607	\$1,082,995	-8.3%
Other Costs	\$385,303	\$332,650	\$330,775	-0.6%
Debt Service - Interest	\$7,035	\$7,094	\$6,449	-9.1%
Internal Service	\$3,180,636	\$3,321,614	\$3,510,961	5.7%
Debt Service - Principal	\$0	\$29,427	\$29,535	0.4%
Capital Outlay	\$107,028	\$36,938	\$0	-100.0%
Transfers - Out	\$1,989,714	\$1,908,935	\$1,945,241	1.9%
	\$23,844,101	\$25,018,765	\$25,793,390	3.1%

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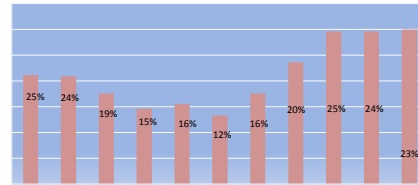
Summary of Department Requests

Department Requested – Manager
Recommended

Please refer to the handout.

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General Fund Undesignated Fund Balance



Projected Fund Balance End FY13 is \$5,992,001

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Options

- Proposed budget leaves a balance of \$71,980 which could be used to reduce the amount of inflationary factor used.
 - A decrease of the taxable market value by \$2.52 a year would reduce impact from \$12.84 to \$10.32
- Some funds requesting General Fund (GF) subsidy have undesignated fund balances (UFB) which could be used to offset General Fund requests.
 - Engineering – UFB \$381,139
 - Public Works Administration – UFB \$327,939 (Internal Service Charge)
 - Public Works does not receive a GF subsidy
 - Reduce or eliminate GF subsidies for unstable funds including Pools and Civic Center Events
 - Recreation Center – UFB \$236,696

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Recap of City Manager Recommendations

- Utilize inflationary factor (\$367,824)
- Full Use of Inflationary Factor leaves \$71,980 for undesignated Commission priorities.
- Utilize a portion of Permissive Medical Levy (Utilize only \$179,416 of the total permissible of \$366,793)
- Street Lighting Assessment increase of 10%
- No Increases in Assessments
 - Boulevard
 - Street Maintenance
 - Portage Meadows

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<h2>2013 City Commission Goals</h2> <p>Goal 1: Long Term investment in infrastructure to attract economic developments</p> <p>Utilities</p> <ul style="list-style-type: none"> Water and Sewer rates have been structured to address capital needs and permit requirements and fund unscheduled development. Rate review with utilities will occur again in early calendar year 2013 <p>Parks and Recreation</p> <ul style="list-style-type: none"> P&R are not funding for capital needs. Using Park Trust for many purchases. <ul style="list-style-type: none"> Playground equipment Evaluate non-resident fees as appropriate Little support for adjusting user rates Evaluate park land that will not be developed for possible sale. <ul style="list-style-type: none"> Use proceeds for capital projects/maintenance Rivers Edge Trail received a Grant to develop a Maintenance plan. <p style="text-align: right;">24</p>	<h2>2013 City Commission Goals</h2> <p>Goal 1 (cont.): Long Term investment in infrastructure to attract economic developments.</p> <p>Fire Department</p> <ul style="list-style-type: none"> Renewal for the Fire Districts covers service costs for GFFR response No plans for additional stations <ul style="list-style-type: none"> Budget includes some allocations for maintenance Focus on personal protection and safety equipment Fire trucks are not part of the ERS <ul style="list-style-type: none"> General Obligation debt will be required to fund <p>Development and Downtown Revitalization</p> <ul style="list-style-type: none"> Use of TIF were appropriate including the Downtown, West Bank, Great Bear, and potentially Agri-Tech Parks. <ul style="list-style-type: none"> Support Ag Tech Park and Great Bear. EDA grant and Big Sky grants Prior utility infrastructure allocation of \$170k and staff time Partial GFDA funding request allocated. <p style="text-align: right;">25</p>
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<h2>2013 City Commission Goals</h2> <p>Goal 2: Promote a positive image in the community.</p> <ul style="list-style-type: none"> Fire Exchange and Police Citizens Academy <ul style="list-style-type: none"> Funding will cover two Fire Exchanges Parks and Recreation marketing Continue to improve communication with P&CD/Engineering and GFDA Meet the mayor radio show Internal service training <p>Goal 3: Total Commitment to supporting MAFB/MANG.</p> <ul style="list-style-type: none"> Joint Land Use study complete and will be reviewed with the City's overall growth management plan. Address potential development and base encroachment issues directly and honestly. <p style="text-align: right;">26</p>	<h2>2013 City Commission Goals</h2> <p>Goal 4: Commitment to Public Safety.</p> <ul style="list-style-type: none"> COPS Grant – Additional Officers funded for FY13 Safer Grant – Additional Fire Fighters (Pending) Police Department - facility is being reviewed - multiple options being explored including Flight Service Center Fire Station – Future location being explored to maintain response posture. <p>Goal 5: Prepare for the Impact of Oil & Gas Development.</p> <ul style="list-style-type: none"> Hazmat calls increases expected (statewide team). <ul style="list-style-type: none"> Reimbursement is 100% if dispatched by Governor Planning and CD currently working on the Growth Development policy and will present suggestions to the Planning Board and City Commission. Police Department monitoring calls to determine links between oil/gas development and call volume. <p style="text-align: right;">27</p>
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<h2>2013 City Commission Goals</h2> <p>Goal 6: Capital improvement Planning.</p> <ul style="list-style-type: none"> Equipment Revolving Schedule is meeting a majority of vehicle needs. <ul style="list-style-type: none"> Departments not fully funded include Golf, Fire, Forestry, Police, and Sanitation. <ul style="list-style-type: none"> New golf course mowers scheduled for replacement FY13 One sanitation truck scheduled for replacement FY13 Deferring detective car replacement and ACO truck Future capital needs: <ul style="list-style-type: none"> Police Department space concerns, new location New Fire Station Civic Center Façade Records Storage within the Civic Center Street Replacement not fully funded. <p style="text-align: right;">28</p>	<h2>2013 City Commission Goals</h2> <p>Goal 7: ECP</p> <ul style="list-style-type: none"> City's court action stayed during bankruptcy Customer notices being sent regarding termination Strengthen city's fund balance position <p style="text-align: right;">29</p>
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Next Steps

- July 3rd
 - Scheduling – Budget Hearing
 - Scheduling – Increase Property Tax Hearing (if taken)
 - Proposed Budget will be available online at www.greatfallsmt.net
- July 10th & 12th
 - Additional Budget Work Sessions Scheduled (if needed)
 - 1-3 p.m. in Gibson Room
- July 17th
 - Budget Hearing
 - Increase Property Tax Hearing (if taken)
- August 21st
 - Mill Levy

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ADJOURN

There being no further discussion, Mayor Winters adjourned the informal work session of July 3, 2012, at 6:43 p.m.