

JOURNAL OF COMMISSION WORK SESSION
July 2, 2013

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Winters presiding

CALL TO ORDER: 5:30 p.m.

ROLL CALL: City Commissioners present: Michael J. Winters, Bill Bronson, Fred Burow, Bob Jones and Bob Kelly.

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

1. CITY MANAGER BUDGET PRESENTATION

City Manager Greg Doyon reviewed and discussed a PowerPoint presentation on the City Manager's FY2014 Proposed Annual Budget. He reported that the proposed budget is available on the City's website. He provided supporting handouts including a Budget Worksheet and Adjusted Subsidy Amounts for 2014; General Fund Contributions for Operations; and City of Great Falls Fund Summary.




City Manager Approach for
FY 2014 Budget

Commission Goal Setting Workshop - April 2013

➤ *Some monetary; some policy focused*

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. Encourage and foster citizen participation
6. Improve the City's financial position
7. Attract and retain quality employees
8. Resolve Electric City Power

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City Manager Approach for
FY 2014 Budget

- Settlement Payment
 - Prevent Lay-offs and furloughs
 - Maintain status quo budget/services
- Limit/reduce General Fund subsidies
 - Continue to move funds toward self sustainment
 - Determine goals for reserve balances/capital improvements
 - Determine amount community wants to support through taxation
- Service/cost effectiveness
- Public Safety
- Department need, Community support /indicators
- Limit program expansion
 - Unless it is needed and can be sustained

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FY 2014 Budget Drivers

- ECP Settlement (CC Goal #8)
- Retirement Contributions (CC Goal #7)
- Retention of COPS Grant Officers (CC Goal #4)
- All Collective Bargaining Agreements (CC Goal #7)
- Revenues (tax receivables and newly taxable properties)
- General Fund - Minimum of 8% undesignated fund balance (CC Goals #1 & 6)

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ECP Settlement

First Payment made on June 14, 2013 (\$2.5 million)

Fund	Cash Fund Amounts as of 5/13/2013	Proposed Amount to be Used	Projected Balance FY14
Central Garage	\$2,944,511	\$905,000	\$2,933,814
Information Tech	\$471,404	\$200,000	\$246,504
Fiscal Services	\$423,439	\$325,000	(\$30,268)
Engineering	\$559,527	\$250,000	\$133,322
Public Works Admin	\$355,634	\$100,000	\$236,721
Insurance & Safety	\$356,947	\$200,000	\$165,614
Hazard Removal	\$101,200	\$100,000	\$1,822
Economic Revolving	\$421,393	\$420,000	\$87,774
		\$2,500,000	

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ECP Settlement

Second Payment due by December 31, 2013 (\$750,000)

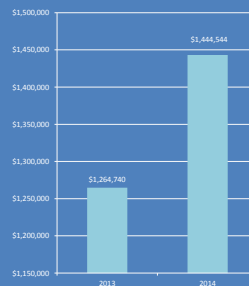
How did we come up with the second payment?

1. Personnel – Filling only essential positions, delay hiring, combine positions
2. Heavy reduction of General Fund Support to other departments
3. Use of fund reserves to maintain service levels
4. Medical benefit provider change
5. Level funding department budgets FY2014

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House Bill 454



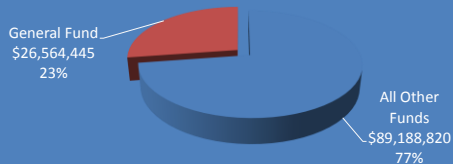
- Public Employees Retirement System running a deficit of more than \$1-billion
- HB 454 increases agency contributions by an additional 1% through 2024
- Changes will work off the pension deficit, reduce the amortization period to 15.2 years and relieve local governments of the need to carry a large unfunded liability on their financial statements.
- Budget Increase of \$179,804;

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Budget Overview for Fiscal Year 2014

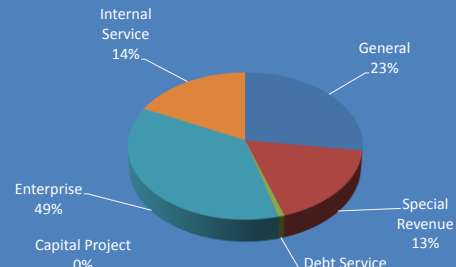
- The City has 55 separate budgeted funds with their own revenue streams and expenditures patterns.
- Total Proposed Budget is \$115,753,265
 - General Fund \$26,564,445 (↑from FY13 \$25,932,773)
 - All Other Funds \$89,188,820 (↑from FY13 \$86,640,430)



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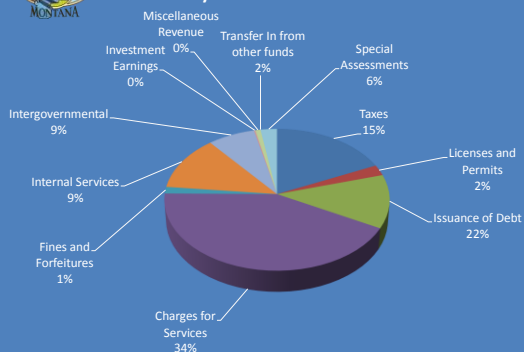
Citywide Revenue by Fund



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Citywide Revenue



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Citywide Revenue

Revenue Source	FY 2012 Actual	FY 2013 Amended	FY 2014 Proposed	% change
Taxes	\$15,575,895	\$16,387,695	\$16,930,135	3.31%
Licenses and Permits	\$2,187,742	\$2,181,543	\$2,223,419	1.92%
Intergovernmental	\$11,269,740	\$12,623,860	\$10,853,459	-14.02%
Charges for Services	\$40,810,452	\$39,033,469	\$39,172,693	.36%
Fines and Forfeitures	\$1,348,715	\$1,368,000	\$1,160,700	-15.15%
Internal Services	\$10,131,984	\$10,800,214	\$10,766,772	-.31%
Special Assessments	\$6,378,717	\$6,654,115	\$6,704,905	.76%
Investment Earnings	\$160,793	\$174,320	\$116,855	-32.97%
Miscellaneous Revenue	\$1,916,277	\$821,915	\$285,270	-65.29%
Proceeds from Debt	\$857,493	\$17,300,000	\$25,100,000	45.09%
Sale of Assets	\$60,058	\$386,076	\$0	-100%
Transfers - In	\$2,354,763	\$4,841,996	\$2,439,057	-49.63%
	\$93,052,628	\$112,573,203	\$115,753,265	2.82%

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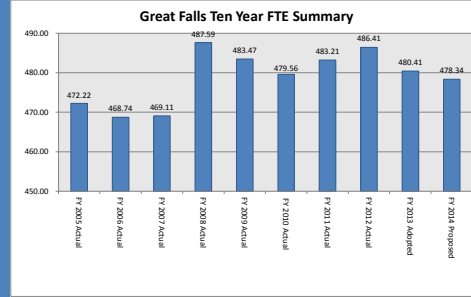
Citywide Expenses

Expense Type	FY 2012 Actual	FY 2013 Amended	FY 2014 Proposed	% change
Personal Services	\$34,004,296	\$36,290,571	\$36,318,107	.08%
Supplies & Materials	\$5,419,715	\$5,398,831	\$5,364,169	-.64%
Purchased Services	\$23,388,751	\$25,444,416	\$22,325,556	-12.26%
Other Costs	\$1,617,506	\$4,497,005	\$2,222,215	-50.58%
Internal Service	\$9,663,734	\$10,316,169	\$10,310,326	-.06%
Debt Service	\$6,298,750	\$6,973,978	\$3,502,702	-49.77%
Capital Outlay	\$10,413,403	\$36,921,974	\$38,973,770	5.56%
Loss of Reserves	\$1,400,000			
Transfers - Out	\$2,354,763	\$4,841,996	\$2,439,057	-49.63%
	\$94,560,918	\$130,684,940	\$121,455,902	-7.06%

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Full-Time Employee History



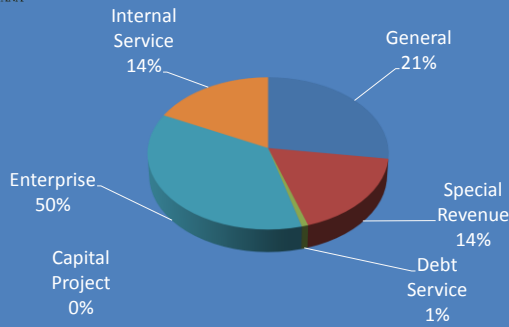
FTE Comments

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

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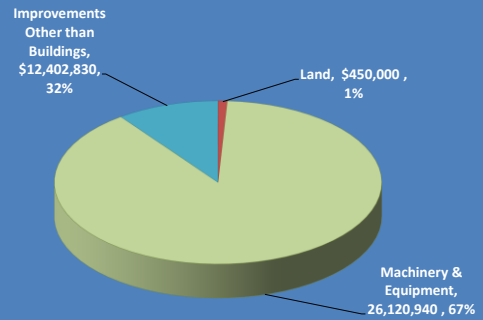
Expenses by Fund



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Capital Expenditures by Category



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Total Proposed FY 2014 Revenue Over (Under) Expenses

Proposed Total Revenue	\$115,753,265
Proposed Total Expenses	<u>\$121,455,902</u>
Proposed Total Revenues Over (Under) Expenses	(\$5,702,637)

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Fund Review

City Manager Fund Summary

Please refer to handout

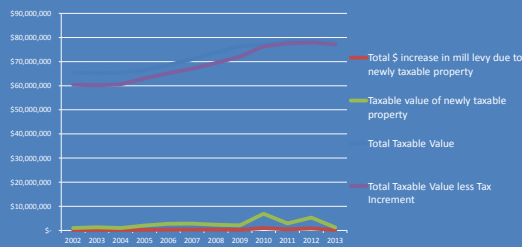
Stable, Requires Monitoring and At-Risk

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General Fund Revenues

- Projected base increase in tax revenue \$502,671
 - \$200,000 in newly taxable property



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Proposed Budget Highlights General Fund

Recommending using the inflationary factor and permissive medical levy

- Inflation allowance of 1.03% **\$134,366**
- Permissive Medical Levy 1.30% **\$168,305**
\$302,671
- Commission Action/ Public Hearing required for both.

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Public Safety

Fire	Manager's Proposed FY 2014	Personal Service % of Budget
Total Fire Budget	\$7,033,576	
Personal Services	\$5,876,811	83.5%
Police		
Total Police Budget	\$10,908,330	
Personal Services	\$8,823,596	80.89%

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Personal Services Summary

	FY 14 Budget Amount
Total General Fund Budget	\$25,624,451
Total Personal Services General Fund	\$17,968,783
Total Personal Services (Fire & Police)	\$14,700,407
Projected FY13 Total General Fund Taxes	\$15,292,813
<i>Difference between total personal cost and tax revenues</i>	(\$2,675,970)

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General Fund Revenues

Revenue Source	FY 2012 Actual	FY 2013 Amended	FY 2014 Proposed	% change
Taxes	\$14,067,789	\$14,756,240	\$15,292,813	3.64%
Licenses and Permits	\$901,742	\$895,524	\$939,114	4.87%
Intergovernmental	\$6,972,566	\$6,856,667	\$7,021,433	2.40%
Charges for Services	\$1,282,444	\$1,221,567	\$1,178,277	-3.54%
Fines and Forfeitures	\$1,221,372	\$1,257,500	\$1,052,500	-16.30%
Internal Services	\$846,624	\$904,145	\$942,628	4.26%
Investment Earnings	\$18,880	\$18,000	\$15,000	-16.67%
Miscellaneous Revenue	\$54,596	\$23,130	\$22,680	-1.95%
Transfer In		100,000	100,000	100%
Total	\$25,366,013	\$25,932,773	\$26,564,445	2.44%

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General Fund Expenses

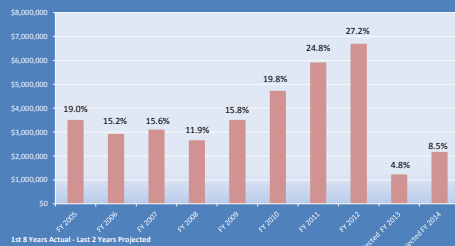
Expenditures	FY 2012 Actual	FY 2013 Amended	FY 2014 Proposed	% change
Personal Services	\$16,956,104	\$18,116,038	\$17,968,783	-8.1%
Supplies & Materials	\$865,312	\$861,600	\$822,096	-4.58%
Purchased Services	\$1,087,371	\$1,214,613	\$1,128,060	-7.13%
Other Costs	\$304,639	\$254,500	250,000	-1.77%
Internal Service	\$3,317,502	\$3,510,961	\$3,462,201	-1.39%
Debt Service - Principal	\$7,104	\$35,984	\$31,237	-13.19%
Capital Outlay	\$96,944	\$60,570	\$0	-100.00%
Transfers - Out	\$1,950,023	\$1,945,241	\$1,962,074	.87%
Total	\$24,584,999	\$25,999,507	\$25,624,451	-1.44%

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General Fund Undesignated Fund Balance

10 Year Trend Unreserved General Fund Balance



Projected Fund Balance End FY14 is \$2,170,341

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Recap of City Manager Recommendations

- Utilize inflationary factor (\$134,366)
- Utilize Permissive Medical Levy (\$168,305)
- Street Lighting Assessment increase of 10%
- No Increases in Assessments
 - Boulevard
 - Street Maintenance
 - Portage Meadows

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2013 City Commission Goals

Goal 1: Long Term investment in infrastructure to attract economic development.

Utilities

- 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 2014

Parks and Recreation

- P&R is not funding for capital needs.
- Using Park Trust for many purchases.
 - Playground equipment
- Evaluate non-resident fees as appropriate
 - Appears little support for adjusting user rates
- Evaluate park land that will not be developed for possible sale.
 - Use proceeds for capital projects/maintenance (No public support to continue).
- Rivers Edge Trail received a Grant to develop a Maintenance plan.

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2013 City Commission Goals

Goal 2: Promote a positive image in the community.

- Fire Exchange and Police Citizens Academy
 - Funding will cover only Citizens Academy. No fire Exchanges (lack of interest)
- Parks and Recreation marketing
- Continue to improve communication with P&CD/Engineering and GFDA
- Meet the mayor radio show
- Internal service training

Goal 3: Total Commitment to supporting MAFB/MANG.

- Joint Land Use Study complete and will be part of the City's overall growth management plan. Commission will soon be review and consider approval of GMP.
- Address potential development and base encroachment issues directly and honestly.

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2013 City Commission Goals

Goal 6: Improve the City's fiscal position

- Resolve ECP
- Rebuild Fund Balance – Remove "credit watch"
- Evaluate how the city delivers services and prioritize

Goal 7: Attract and retain quality employees

- Health Insurance transition
- Reassess the city's financial position for CBAs next year.

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Upcoming Meeting dates

- July 2nd
 - Scheduling – Budget Hearing
 - Scheduling – Increase Property Tax Hearing (if taken)
 - Proposed Budget will be available online at www.greatfallsmt.net
- July 16th
 - Budget Hearing
 - Increase Property Tax Hearing (if taken)
- August 20th
 - Mill Levy

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2013 City Commission Goals

Goal 1 (cont.): Long Term investment in infrastructure to attract economic developments.

Fire Department

- Renewal for the Fire Districts covers service costs for GFFR response
- No plans for additional stations
 - Budget includes minimal allocations for maintenance
 - Focus on personal protection and safety equipment
 - * More personnel not possible without a levy
- Fire trucks are not part of the ERS
 - General Obligation debt will be required to fund

Development and Downtown Revitalization

- Use of TIF were appropriate including the Downtown, West Bank, Great Bear, and potentially Agri-Tech Parks.
 - Support Ag Tech Park and Great Bear. Proposal for infrastructure pending.
 - Big Sky Trust Fund grants - ADF

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2013 City Commission Goals

Goal 4: Commitment to Public Safety.

- **COPS Grant** – Additional Officers funded for FY14 from General Fund
- **Police Department** - Acceptance of 911 facility grant. Transition to the old FAA building. Provides space, safer location, use of a city asset.
- **Fire Station** – Future location being explored to maintain response posture. No funding or staffing identified.

Goal 5: Encourage and foster citizen participation.

- PW: Water plant tours, MS4 Working Group, Earth Day/STEM expo, Storm Drain inlet marking program
- GFHA: Weed and Seed, GF Housing Task Force
- Animal Shelter: Volunteer program, Adoption programs
- Fire/Police: Exchange and Citizen 's Academy
- Departments: Neighborhood Council presentations , advisory boards.

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Next Steps

- Taxable Property Assessment (due in August)
- Quarterly budget reviews
- Fee and Rate reviews in October/November Timeframe
- Evaluate process of Tax Credits, TIFs
- Evaluate cost impact of Annexations
- ECP Ordinance Repeal

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Mayor Winters stepped out of the room at 6:35 p.m. and returned to the meeting at 6:37 p.m.

Mr. Doyon inquired if the Commission would like to meet with directors to hear their department concerns regarding the proposed budget.

After a brief discussion, the consensus was for the City Manager to schedule a follow-up meeting with directors and the Commission.

ADJOURN

There being no further discussion, Mayor Winters adjourned the informal work session of July 2, 2013, at 6:46 p.m.