

**JOURNAL OF COMMISSION WORK SESSION
June 18, 2013**

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Winters presiding

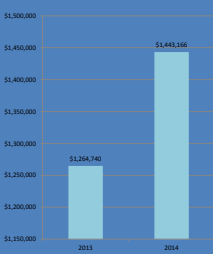
CALL TO ORDER: 5:30 p.m.

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

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

1. BUDGET PRESENTATION

City Manager Greg Doyon presented a PowerPoint presentation on the FY2014 Budget Process Update.

<p align="center">FY 2014 Budget Drivers</p> <ul style="list-style-type: none"> • ECP Settlement • Retirement • Officers • Collective Bargaining • Revenues 	<p align="center">ECP Settlement</p> <ul style="list-style-type: none"> • First Payment made on June 14, 2013 (\$2.5) • Second payment due by December 30, 2013 (\$750k) • Funds will be derived from FY14 budget <ul style="list-style-type: none"> – Level funding department expenditures – Use of tax and other revenues – Use of fund reserves to support operations 						
<p align="center">ECP Settlement – General Fund Balance Stabilization</p> <ul style="list-style-type: none"> • Transfer cash payment from General Fund to ECP to cover negative cash balance • General Fund Projected Fund Balance <ul style="list-style-type: none"> – FY 2014 Goal Maintain 8% of fund balance for operating • Long term goal to rebuild fund to 17% 	<p align="center">House Bill 454</p>  <table border="1"> <caption>Public Employees Retirement System Deficit</caption> <thead> <tr> <th>Year</th> <th>Deficit (\$)</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>\$1,264,740</td> </tr> <tr> <td>2014</td> <td>\$1,441,166</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • 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. 	Year	Deficit (\$)	2013	\$1,264,740	2014	\$1,441,166
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<p style="text-align: center;">Collective Bargaining Agreements</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left; width: 50%;"><u>Organization</u></th> <th style="text-align: left; width: 50%;"><u>Representing</u></th> </tr> </thead> <tbody> <tr> <td>Great Falls Police Protective Association (GPPPA)</td> <td>Police Officers</td> </tr> <tr> <td>IAFF, Local 8</td> <td>Firefighters</td> </tr> <tr> <td>Montana Public Employees Association (MPEA)</td> <td>Clerical and Technical</td> </tr> <tr> <td>International Brotherhood of Electrical Workers (IBEW) Local 233</td> <td>Electricians and Inspector, Signal Techs, Water Plant Foreman</td> </tr> <tr> <td>Crafts Council</td> <td>Labors, Machinists, Operating Engineers, Teamsters, Carpenter</td> </tr> <tr> <td>Plumbers and Fitters Local 41</td> <td>Plumbers and Inspector</td> </tr> </tbody> </table> <p style="text-align: center;">All CBA's expire June 30, 2013</p> <p style="text-align: center;">Issues: Wages Benefits Contract Language</p>	<u>Organization</u>	<u>Representing</u>	Great Falls Police Protective Association (GPPPA)	Police Officers	IAFF, Local 8	Firefighters	Montana Public Employees Association (MPEA)	Clerical and Technical	International Brotherhood of Electrical Workers (IBEW) Local 233	Electricians and Inspector, Signal Techs, Water Plant Foreman	Crafts Council	Labors, Machinists, Operating Engineers, Teamsters, Carpenter	Plumbers and Fitters Local 41	Plumbers and Inspector	<p style="text-align: center;">COPS Grant</p> <ul style="list-style-type: none"> • Grant funding expires October 2013 • City will receive \$29,013 from grant in FY14 • GFHA contributes \$51,858 in FY14 <p>Total budget impact to GFPD to keep all officers is \$322,861 (Includes wages, benefits, OT)</p>
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<p style="text-align: center;">Pending Revenue Data</p> <ul style="list-style-type: none"> • 2nd Tax Payment Installment from County <ul style="list-style-type: none"> – Help to determine FY13 GF Fund Balance • Taxable Property Assessment (due in August) • Budget will include recommendation using Inflationary Factor and Permissive Medical Levy 	<p style="text-align: center;">Tentative Budget Calendar</p> <ul style="list-style-type: none"> • Present City Manager's Budget to City Commission at Work Session on July 2nd • Set Public Hearings on July 2nd for July 16th at City Commission Meeting <ul style="list-style-type: none"> – Intent to Increase Property Taxes – Budget Hearing • Public Hearings on July 16th • Adopt Annual Tax Levy on August 20th 														

Mr. Doyon noted the second payment of the ECP Settlement due December 30, 2013, will be challenging. Expenditures must be reduced and revenues must increase.

He provided copies of preliminary worksheets that are being used in discussions with departments: General Fund Contributions for Operations, and City of Great Falls Fund Summary.

Mr. Doyon discussed the General Fund Contributions for Operations. Departments have been asked to use some of their fund reserves to support operations.

He noted that part of the discussion includes making a determination as a community, as the Commission, and as departments that are providing services for an appropriate amount of General Fund contributions for the various operations.

Mr. Doyon discussed the City of Great Falls Fund Summary. He noted the health insurance program was transitioned to a larger pool to take the risk off the City.

Mr. Doyon reported that efforts are being made to try to maintain level services for next year. If that is not the direction of the Commission, he requested the Commission provide additional areas to consider.

Commissioner Kelly believes fee increases are inevitable. Commission Bronson believes that fee increases should be discussed each year.

Commissioner Kelly questioned if temporary personnel layoffs have been considered. Mr.

Doyon responded that he has been trying to avoid that option, but that is still on the table. In the interim, hiring has been delayed to fill vacated positions.

The consensus of the Commission was support for the direction provided by Mr. Doyon.

ADJOURN

There being no further discussion, Mayor Winters adjourned the informal work session of June 18, 2013, at 6:18 p.m.