

**JOURNAL OF COMMISSION WORK SESSION**  
**July 7, 2015**

City Commission Work Session  
Civic Center, Gibson Room

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; City Attorney; Directors of Fiscal Services, Library, Planning and Community Development, Park and Recreation, and Public Works; Fire Chief; Police Chief; Municipal Court Judge; Housing Authority Executive Director; and the Deputy City Clerk.

**\*\* *Action Minutes of the Great Falls City Commission. Please refer to the audio/video recording of this meeting for additional detail.* \*\***

**1. PUBLIC COMMENT**

Mayor Winters asked if there were any comments from the public.

**Richard Liebert**, 289 Boston Coulee Road, expressed support for the live broadcasts of Work Sessions and the shared dialogue that allows public consideration. He believes the Library should again be open on Sundays during the school year.

**Judy Riesenber**g, 3800 20<sup>th</sup> Avenue South, Library Board Chairman, noted USPS sometimes advises the public to go to the Library to change an address and the IRS suggests the public pick up tax forms at the Library. Ms. Riesenber noted that to be in compliance with the Montana Library Commission, a library the size of the Great Falls Public Library is to be open 50 hours per week, and she encouraged a return to compliance with libraries of corresponding size to provide better service for our community.

**Ken Robison**, 315 Lamplighter Lane, believes the Library has been underfunded for the last one and one-half years. He urged restoring Sunday Library service this year with a commitment to work toward seven-day a week service during the school year.





**Dr. Sheldon Schearer**, Pastor, Heritage Baptist Church, 900 52<sup>nd</sup> Street North, noted the church property is in Cascade County and a 4,000 gallon water cistern was discontinued at one building and the other building is now experiencing problems. He does not believe the church can afford the approximate \$135,000 fee to annex City services.

City Manager Greg Doyon noted Paster Schearer has talked with some of the Commissioners and Public Works Director Jim Rearden, and efforts will be made to continue discussions on possible options.

## 2. PROPOSED BUDGET PRESENTATION

City Manager Greg Doyon introduced Deputy City Manager Jenn Reichelt; Fiscal Services Director Melissa Kinzler; Public Works Director Jim Rearden; Police Chief Dave Bowen; Planning and Community Development Director Craig Raymond; Park and Recreation Director Joe Petrella; City Attorney Sara Sexe; Library Director Kathy Mora; Housing Authority Executive Director Kevin Hager; Fire Chief Steve Hester; and Municipal Court Judge Steve Bolstad.

Manager Doyon provided and discussed a PowerPoint presentation on the City Manager’s proposed annual budget for FY 2015/2016. He also provided handouts including the Proposed Budget Fiscal Year 2016; General Fund Contributions for Operations; Fund Summary; Internal Services Charges, Fiscal Year 2015; and, Department Requested-Manager Recommended. Manager Doyon referred to a Capital Improvement Plan to be distributed later in the week. Fiscal Services Director Kinzler and Deputy City Manager Reichelt responded to questions.

 <p style="text-align: center;">City Manager’s Fiscal Year 2015/2016 Proposed Annual Budget</p>	 <p style="text-align: center;">City Manager Approach for FY 2016 Budget</p> <p style="text-align: center;"><b>General Commission Priorities</b></p> <ol style="list-style-type: none"> <li>1. Long Term Investment in Infrastructure to Attract Economic Development</li> <li>2. Promote a Positive Community Image</li> <li>3. Total Commitment to Supporting MAFB/MANG</li> <li>4. Commitment to Public Safety</li> <li>5. Encourage and foster citizen participation</li> <li>6. Improve the city’s fiscal position</li> <li>7. Attract and retain quality employees</li> </ol> <p style="text-align: right;">2</p>
 <p style="text-align: center;">City Manager Approach for FY 2016 Budget</p> <p style="text-align: center;"><b>City Manager Priorities</b></p> <ul style="list-style-type: none"> <li>• Fund Stabilization</li> <li>• Service/Cost Effectiveness             <ul style="list-style-type: none"> <li>– Establishing and maintaining sustainable services</li> </ul> </li> <li>• Pivot toward Public Safety</li> <li>• Capital Planning/Maintenance             <ul style="list-style-type: none"> <li>– Administrative Plan Compiled</li> </ul> </li> <li>• Personnel</li> <li>• Golf Fund Deficit</li> </ul> <p style="text-align: right;">3</p>	 <p style="text-align: center;">Peak Ahead FY16/17</p> <ul style="list-style-type: none"> <li>• Budget Process</li> <li>• Evaluate Interlocal Agreements</li> <li>• Capital Improvement Decisions             <ul style="list-style-type: none"> <li>• Civic Center Repairs – Bond</li> </ul> </li> <li>• Operations Under Review             <ul style="list-style-type: none"> <li>– 911 Center, Fire Department, &amp; Parks and Recreation</li> </ul> </li> <li>• Fire Fighters Binding Arbitration – IAFF Local #8</li> <li>• General Fund Subsidy Reduction             <ul style="list-style-type: none"> <li>– Meeting Capital Commitments – debt service</li> <li>– CBA, Staffing commitments</li> </ul> </li> <li>• Parking Garages</li> </ul> <p style="text-align: right;">4</p>



## Budget Process

- Quarterly Commission/Staff Budget Reviews
- Ongoing Fund Review
- Fee Reviews
- Internal Service Review and Adjustments
- Capital Planning – Equipment/Facility
- Operating Budgets
  - Level Funded Budgets from prior year
  - Made adjustments based on need and prior deferrals

5



## Budget Highlights

- Undesignated Fund balance (17% minimum reached)
- Attempt to balance operational needs with capital needs
- Additional staffing requested
- Wave Rider
  - Subsidy - \$167,000 final debt payment
  - Community plan needed for Aquatics
- Street Improvements
- CBA's Cost of Living Adjustment
- Golf Revenue Bond
  - Paid in full September 1, 2015.

6



## Fund Review

### City Manager Fund Summary

Please refer to handout

**Stable, Requires Monitoring, & At-Risk**

7



## Proposed Fee Adjustments

Department	Division	Amount
Park & Recreation	Natural Resources - Boulevard Assessment	10% tree trimming/planting
Legal	General Fund	Copy fees
Public Works	Street	10% increase
Public Works	Sanitation	5% increase
Public Works	Water	10% increase
Public Works	Sewer	3% increase
Public Works	Storm Drain	10% increase
Park & Recreation	General Fund	Park rentals
Park & Recreation	Golf	6% increase
Animal Shelter	General Fund	Cremation

8



## Internal Service Charges

- Internal Service Charges Reviewed over past year
  - New ISC Booklet
- Focus for FY16 Information Technology
- Priorities for 2017
  - Human Resources
  - Fiscal, Mapping

9



## Capital Planning

**Capital Expenses are those expenditures/or equipment, infrastructure, or facilities, that have a useful life longer than one year and initially costs at least \$5,000.**

- Capital items are either funded by bonds, reserves, or one time expense.
- Weak on facilities, some programmed into the budget.
- When work is deferred it may cost more in the long run.
- Ranking Criteria needs refinement
- Ranking needs Commission/Committee Review

10



## Capital Improvements Proposed FY 2016

- Incinerator/Roof - \$40,000 (CRF)
- Fire Station #4 - Generator \$25,000
- SCBA - \$32,500 (Grant/CRF)
- Engine 6 - Replacement \$425,000
- Information Technology Generator - \$72,000
- Library Roof - \$11,000 (CRF)

**Total Proposed \$605,500**

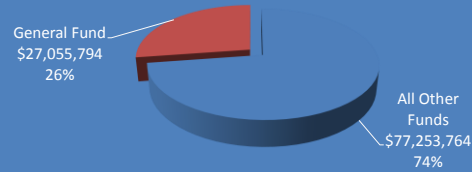
- Rescue 1 - \$180,000
- Additional Court Space \$590,000

11



## Budget Overview for Fiscal Year 2016

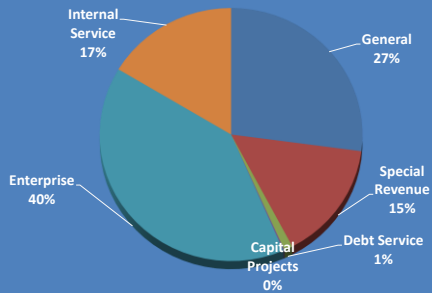
- The City has 57 separate funds
  - Each has their own unique revenue sources and uses
- Total Proposed Budget is \$104,309,558 (FY 15 \$107,113,245)
  - General Fund \$27,055,794 (FY 15 \$25,767,710)
  - All Other Funds \$77,253,764 (FY15 \$81,345,535)



12



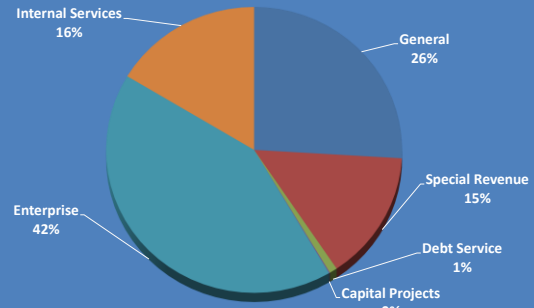
## Citywide Revenue by Fund



13



## Expenses by Fund



14



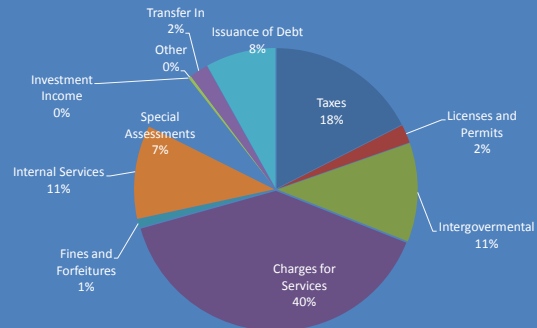
## Citywide Revenue

Revenue Source	FY 2014 Actual	FY 2015 Amended	FY 2016 Proposed	% change
Taxes	\$17,124,467	\$17,292,497	\$17,746,404	2.62%
Licenses and Permits	\$2,105,694	\$2,141,589	\$2,162,978	1.00%
Intergovernmental	\$12,284,061	\$16,606,503	\$11,578,764	-30.28%
Charges for Services	\$39,533,154	\$38,650,714	\$40,196,579	4.00%
Fines and Forfeitures	\$1,044,360	\$973,600	\$971,900	-17%
Internal Services	\$11,182,169	\$10,990,036	\$10,948,579	-38%
Special Assessments	\$6,659,190	\$6,753,555	\$7,129,673	5.57%
Investment Earnings	\$21,977	\$1,285	\$2,600	102.33%
Miscellaneous Revenue	\$1,358,111	\$1,110,636	\$352,958	-68.22%
Proceeds from Debt	\$18,659,714	\$14,347,893	\$8,200,000	-42.85%
Sale of Assets	\$424,014	\$0	\$0	NA
Transfers - In	\$2,832,449	\$1,926,841	\$2,175,814	12.92%
<b>Total</b>	<b>\$113,229,360</b>	<b>\$110,795,149</b>	<b>\$101,466,249</b>	<b>-8.42%</b>

15



## Citywide Revenue



16



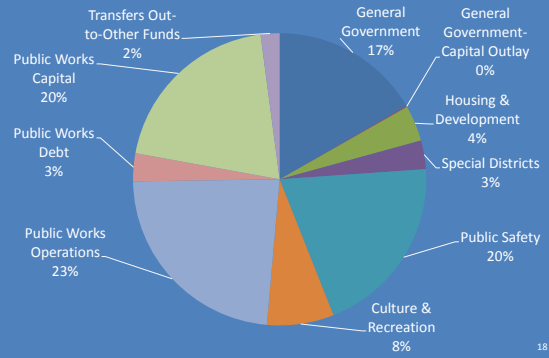
### Citywide Expenses

Expense Type	FY 2014 Actual	FY 2015 Amended	FY 2016 Proposed	% change
Personal Services	\$35,245,955	\$37,072,892	\$38,154,990	2.92%
Supplies & Materials	\$4,892,973	\$5,589,730	\$5,606,699	0.30%
Purchased Services	\$20,943,287	\$21,099,186	\$20,365,668	-3.48%
Other Costs	\$1,701,225	\$4,144,244	\$1,648,927	-60.21%
Internal Service	\$10,254,988	\$10,039,862	\$9,994,686	-0.45%
Debt Service	\$6,958,339	\$4,785,643	\$5,096,018	6.49%
Capital Outlay	\$26,739,750	\$32,958,773	\$21,266,756	-35.47%
Transfers - Out	\$2,832,449	\$1,926,841	\$2,175,814	12.92%
<b>Total</b>	<b>\$109,568,966</b>	<b>\$117,617,171</b>	<b>\$104,309,558</b>	<b>-11.31%</b>

17



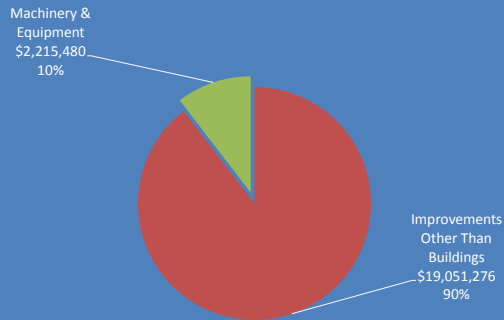
### Citywide Expenses



18



### Capital Expenses by Category



19



### General Fund Revenues

Revenue Source	FY 2014 Actual	FY 2015 Amended	FY 2016 Proposed	% change
Taxes	\$15,435,926	\$15,670,547	\$15,988,970	2.03%
Licenses and Permits	\$887,633	\$865,364	\$874,364	1.04%
Intergovernmental	\$7,361,488	\$7,468,561	\$7,804,380	4.50%
Charges for Services	\$1,150,010	\$1,070,848	\$1,058,805	-1.12%
Fines and Forfeitures	\$833,447	\$867,500	\$866,000	-0.17%
Internal Services	\$937,845	\$855,378	\$817,202	-4.46%
Investment Earnings	-\$12,677	\$0	\$0	N/A
Miscellaneous Revenue	\$43,969	\$10,680	\$97,248	810.5%
Transfer In	\$152,379	\$331,826	\$0	-100%
<b>Total</b>	<b>\$26,790,020</b>	<b>\$27,140,704</b>	<b>\$27,506,969</b>	<b>1.35%</b>

20



### New Revenue – General Fund

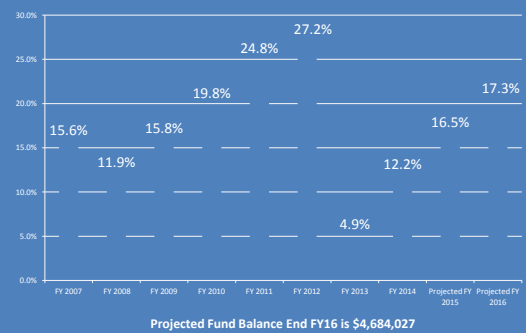
Projected base increase in tax revenue	\$95,000
Inflation allowance (.67%)	\$88,387
Permissive Medical Levy (2.17%)	\$285,000
<b>Total</b>	<b>\$468,387</b>

Commission Action/ Public Hearing required for both.

21



### General Fund Undesignated Fund Balance



22



## General Fund Expenses

<u>Expenditures</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Amended</u>	<u>FY 2016 Proposed</u>	<u>% change</u>
Personal Services	\$17,722,947	\$18,698,312	\$19,286,482	3.15%
Supplies & Materials	\$732,455	\$825,433	\$871,643	5.60%
Purchased Services	\$1,039,838	\$1,379,348	\$1,128,800	-18.16%
Other Costs	\$321,852	\$303,196	\$267,000	11.94%
Internal Service	\$3,458,978	\$3,449,196	\$3,579,270	3.77%
Debt Service	\$3,484	\$34,721	\$104,726	201.62%
Capital Outlay	\$0	\$108,907	\$25,000	-77.04%
Transfers - Out	\$1,962,074	\$1,212,074	\$1,792,873	47.92%
	<b>\$25,241,628</b>	<b>\$26,011,187</b>	<b>\$27,055,794</b>	<b>4.02%</b>

23



## Summary of Department Requests

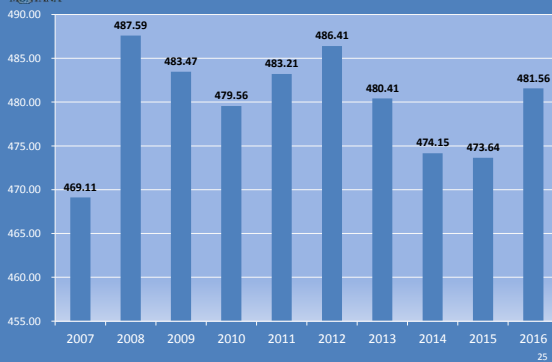
Department Requested – Manager Recommended

Please refer to the handout.

24



## Ten Year FTE History



25



## Affordable Care Act Impact

### Requirement:

All employees working over 1,560 hours in FY 2015 must be provided health care in FY 2016. Must track and report to the IRS.

### Projected Financial Impact:

Sanitation \$9,396

26



## Public Safety

### Requested FY 2016

Total General Fund Fire and Police Budget **\$19,139,428**

Projected FY16 Total General Fund Taxes **\$15,988,970**

**Difference (\$3,150,458)**

27




## Total Proposed FY 2016 Revenue Over (Under) Expenses

Proposed Total Revenue \$101,466,249

Proposed Total Expenses **\$104,309,558**

Proposed Total Revenues Over (Under) Expenses **(\$2,843,309)**


28



### Debt Service Non Voted General Obligation Debt

Debt	Amount	Retires
Electric City Water Park (Waverider)	\$157,464	9/15/15
Engineering Building Addition	\$220,889	8/15/20
Streetlight Districts	\$127,003	8/15/30
Electric Note Refund	<u>\$915,000</u>	7/1/22
Total	\$1,420,356	


29



### Other Debt

Debt	Amount	Retires
SID 1301 – Medical Tech Park	\$175,000	8/1/22
Soccer GO Bonds	\$1,325,000	7/1/24
Swimming Pool GO Bonds	\$510,000	7/1/17
West Bank Tax Increment Bonds	\$2,495,000	7/1/34

30




### Golf Course Debt As of June 30, 2015

Debt	Amount	Retires
Series 1998	\$ 45,000	9/1/15
Series 1999	\$205,000	9/1/15

**Golf Fund owes General Fund \$1,094,514 (June 10, 2015)**


31




### Voted and Non Voted Debt Capacity

Unused general obligation debt capacity:	\$ 69,965,662
Non Voted Capacity:	
Maximum amount of principal of debt issuance:	\$2,378,916
Annual debt service capacity:	\$174,016

32

- 
- ### Recap of City Manager Recommendations
- Utilize inflationary factor (\$88k)
    - Golf Course Debt
  - Utilize Permissive Medical Levy (\$285,000)
    - CBA Commitments
  - Increases/ Decreases in District/Special Assessments
    - Street Maintenance, +10%
    - Boulevard District, +10%
    - Street Lighting Districts, -8%
  - Utility Increases
    - Water, +10%
    - Sewer, +3%
    - Storm Drain, +10%
    - Sanitation, +5%
- 33

- 
- ### Next Steps
- July 7<sup>th</sup>
    - Scheduling – Budget Hearing
    - Scheduling – Increase Property Tax Hearing (if taken)
    - Proposed Budget will be available online at [www.greatfallsmt.net](http://www.greatfallsmt.net)
  - July 21<sup>st</sup>
    - Budget Hearing
    - Increase Property Tax Hearing (if taken)
  - August 18<sup>th</sup>
    - Mill Levy Hearing
- 34

Commissioner Bob Kelly requested a report on projected revenue from fee increases for the last two years and whether those objectives have been met.

A follow-up Special Work Session was scheduled for Wednesday, July 15, 2015, 3:30 p.m.

### **3. DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS**

City Manager Greg Doyon provided a handout Master Work Session Topic List.

**ADJOURN**

There being no further discussion, Mayor Winters adjourned the informal work session of July 7, 2015, at 6:51 p.m.