



City Manager's  
Fiscal Year 2015/2016  
Proposed Annual Budget



# City Manager Approach for FY 2016 Budget

## ***General Commission Priorities***

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 fiscal position
7. Attract and retain quality employees



# City Manager Approach for FY 2016 Budget

## *City Manager Priorities*

- Fund Stabilization
- Service/Cost Effectiveness
  - Establishing and maintaining sustainable services
- Pivot toward Public Safety
- Capital Planning/Maintenance
  - Administrative Plan Compiled
- Personnel
- Golf Fund Deficit



# Peak Ahead FY16/17

- Budget Process
- Evaluate Interlocal Agreements
- Capital Improvement Decisions
  - Civic Center Repairs – Bond
- Operations Under Review
  - 911 Center, Fire Department, & Parks and Recreation
- Fire Fighters Binding Arbitration – IAFF Local #8
- General Fund Subsidy Reduction
  - Meeting Capital Commitments – debt service
  - CBA, Staffing commitments
- Parking Garages



# 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 deferments



# 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.



# Fund Review

## City Manager Fund Summary

Please refer to handout

Stable, Requires Monitoring, & At-Risk



# Proposed Fee Adjustments

<u>Department</u>	<u>Division</u>	<u>Amount</u>
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





# 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



# 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



# 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)

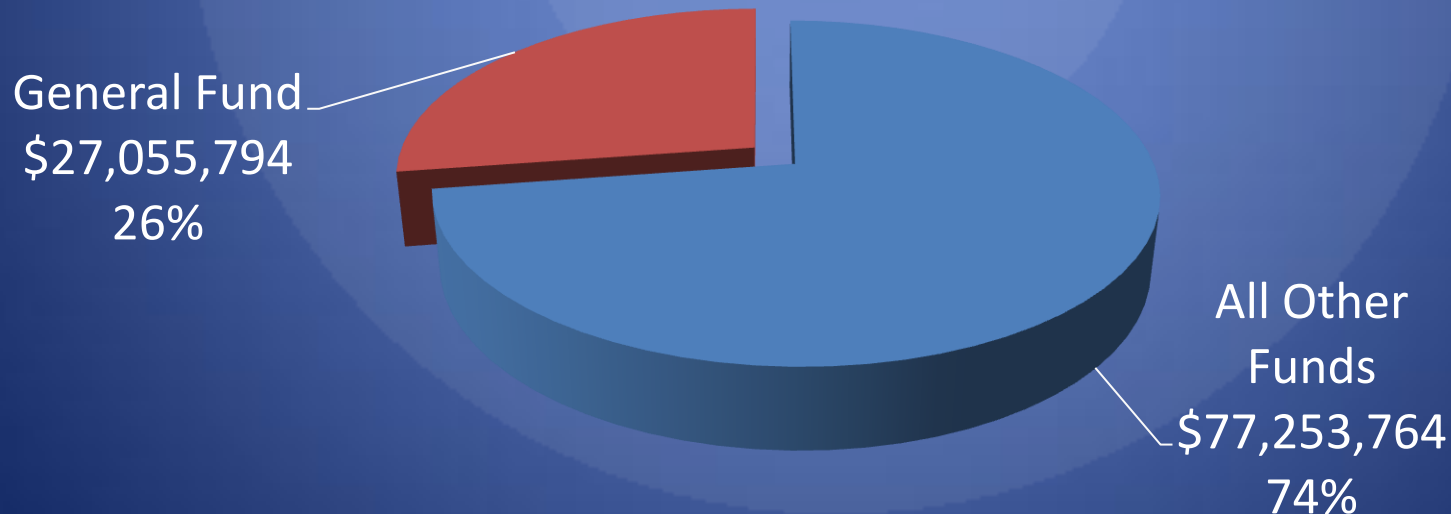
**Total Proposed \$605,500**

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



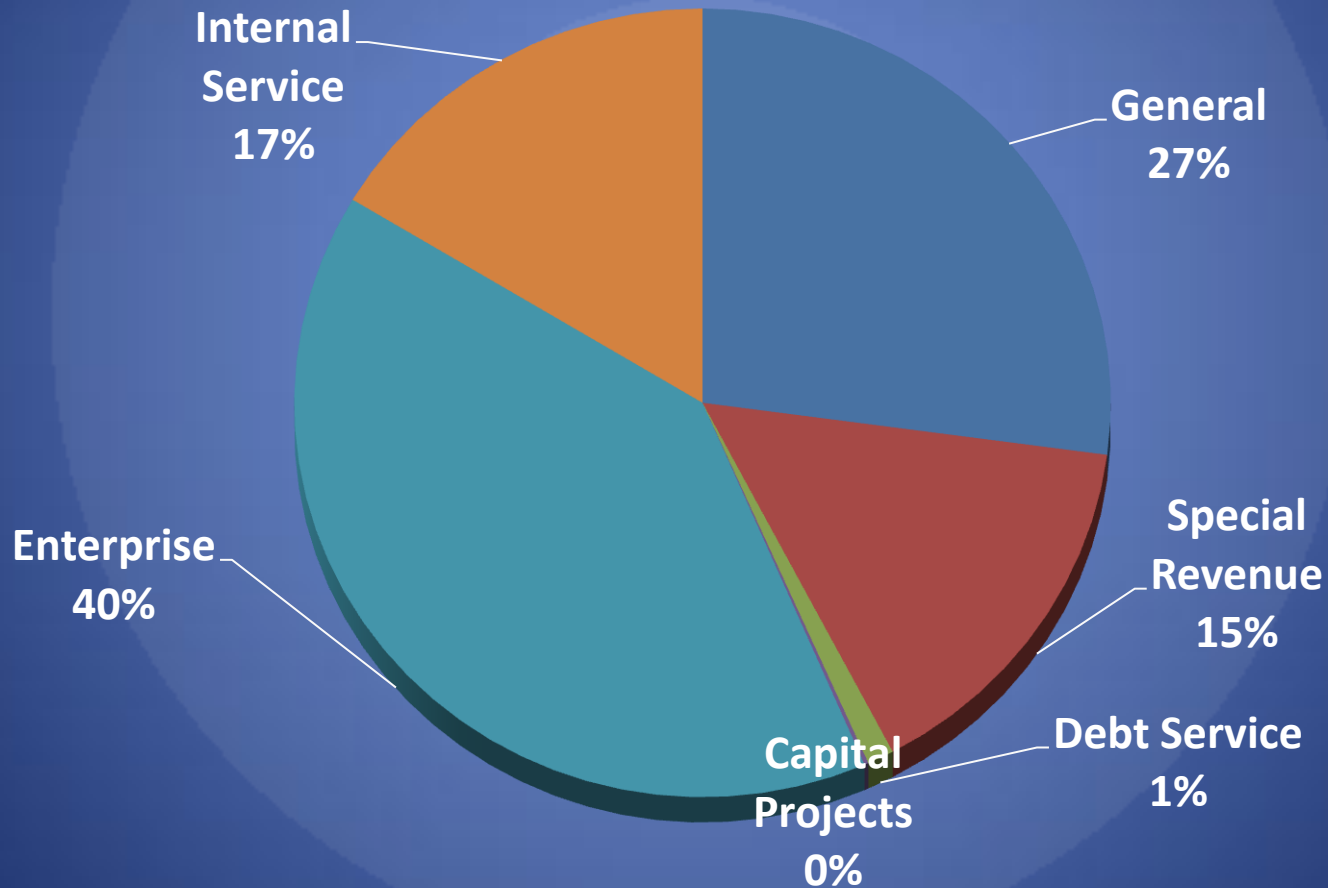
# Budget Overview for Fiscal Year 2016

- 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)



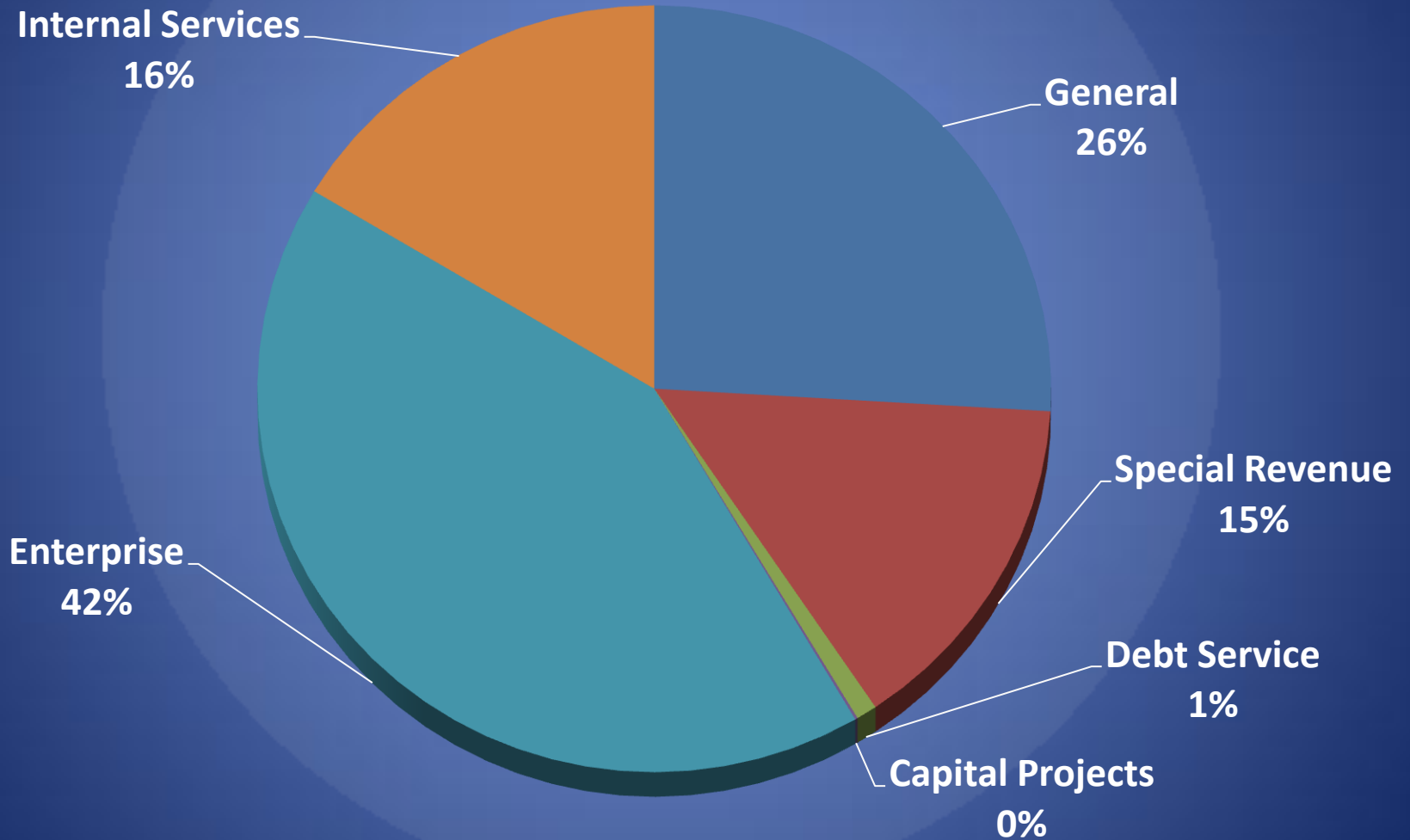


# Citywide Revenue by Fund





# Expenses by Fund



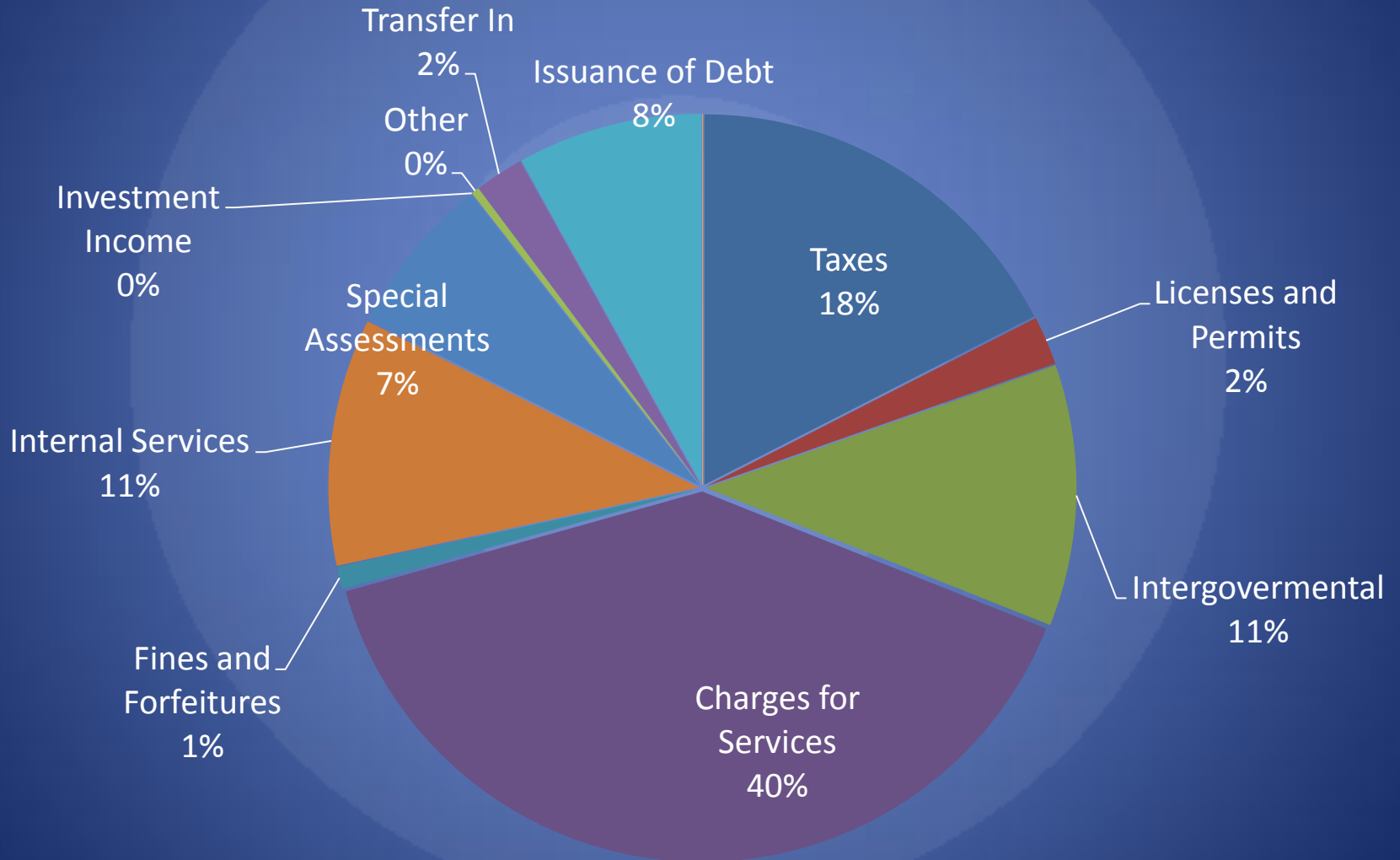


# Citywide Revenue

<u>Revenue Source</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Amended</u>	<u>FY 2016 Proposed</u>	<u>% change</u>
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>\$113,229,360</b>	<b>\$110,795,149</b>	<b>\$101,466,249</b>	<b>-8.42%</b>



# Citywide Revenue





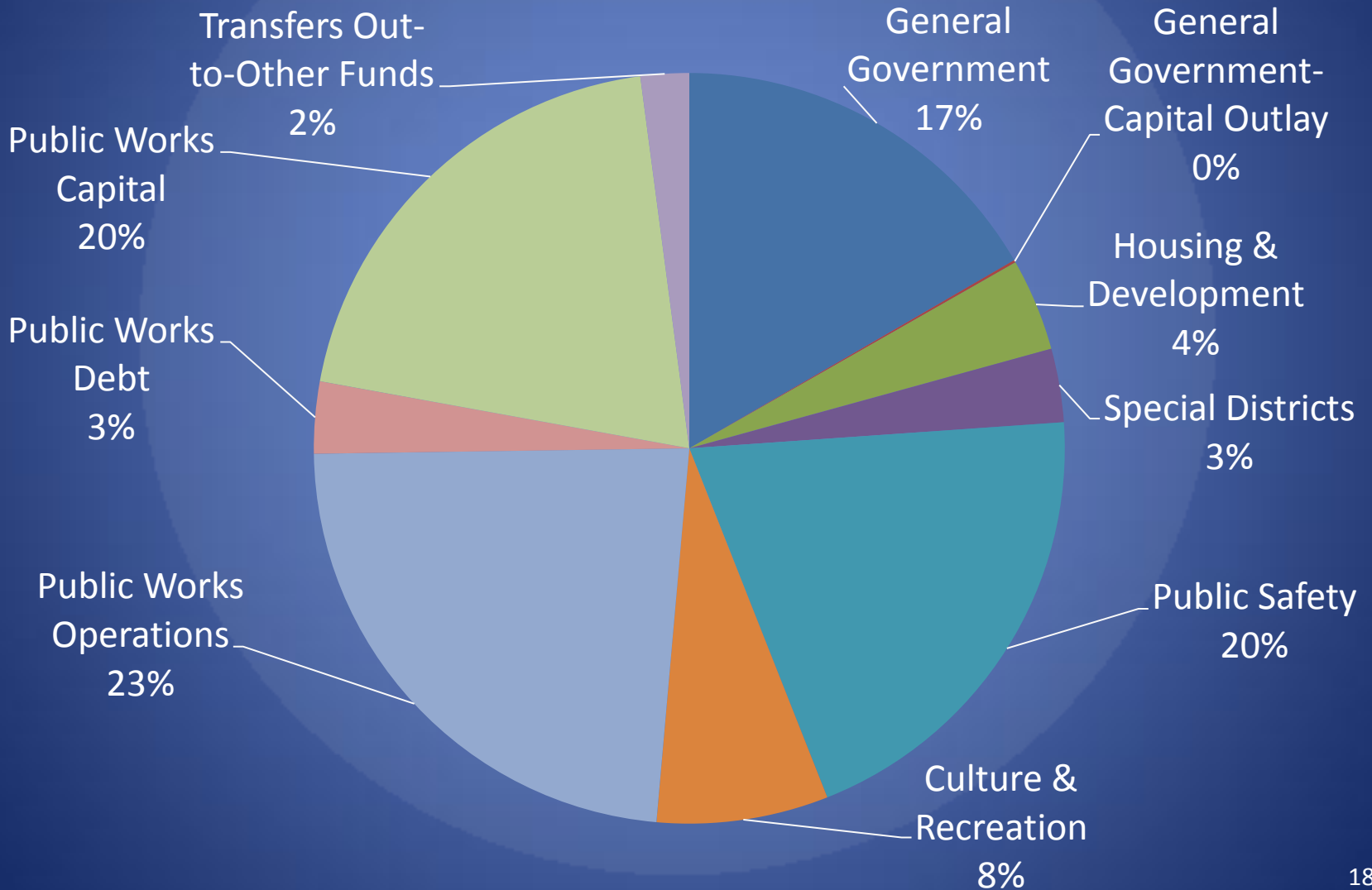


# Citywide Expenses

<u>Expense Type</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Amended</u>	<u>FY 2016 Proposed</u>	<u>% change</u>
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>\$109,568,966</b>	<b>\$117,617,171</b>	<b>\$104,309,558</b>	<b>-11.31%</b>



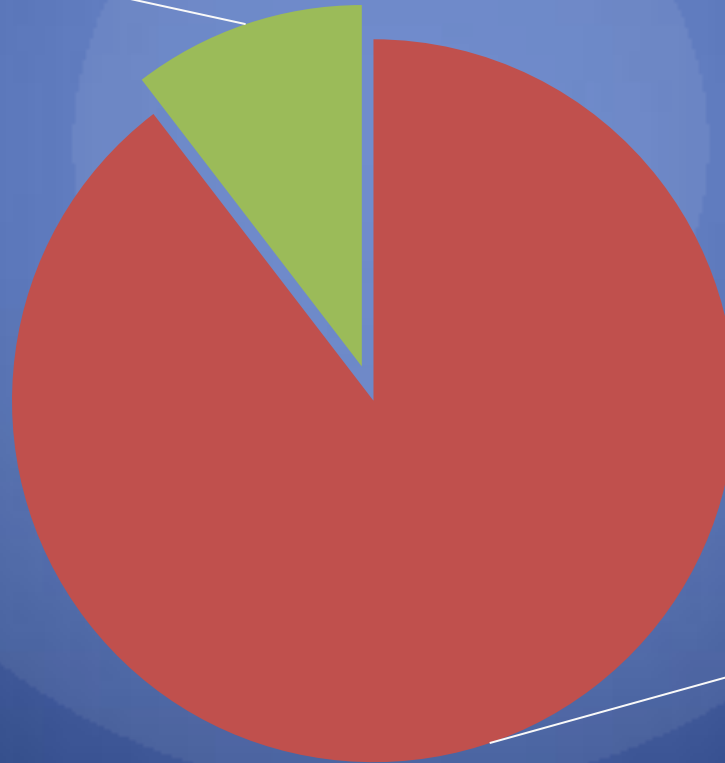
# Citywide Expenses





# Capital Expenses by Category

Machinery &  
Equipment  
\$2,215,480  
10%



Improvements  
Other Than  
Buildings  
\$19,051,276  
90%



# General Fund Revenues

<u>Revenue Source</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Amended</u>	<u>FY 2016 Proposed</u>	<u>% change</u>
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>\$26,790,020</b>	<b>\$27,140,704</b>	<b>\$27,506,969</b>	<b>1.35%</b>



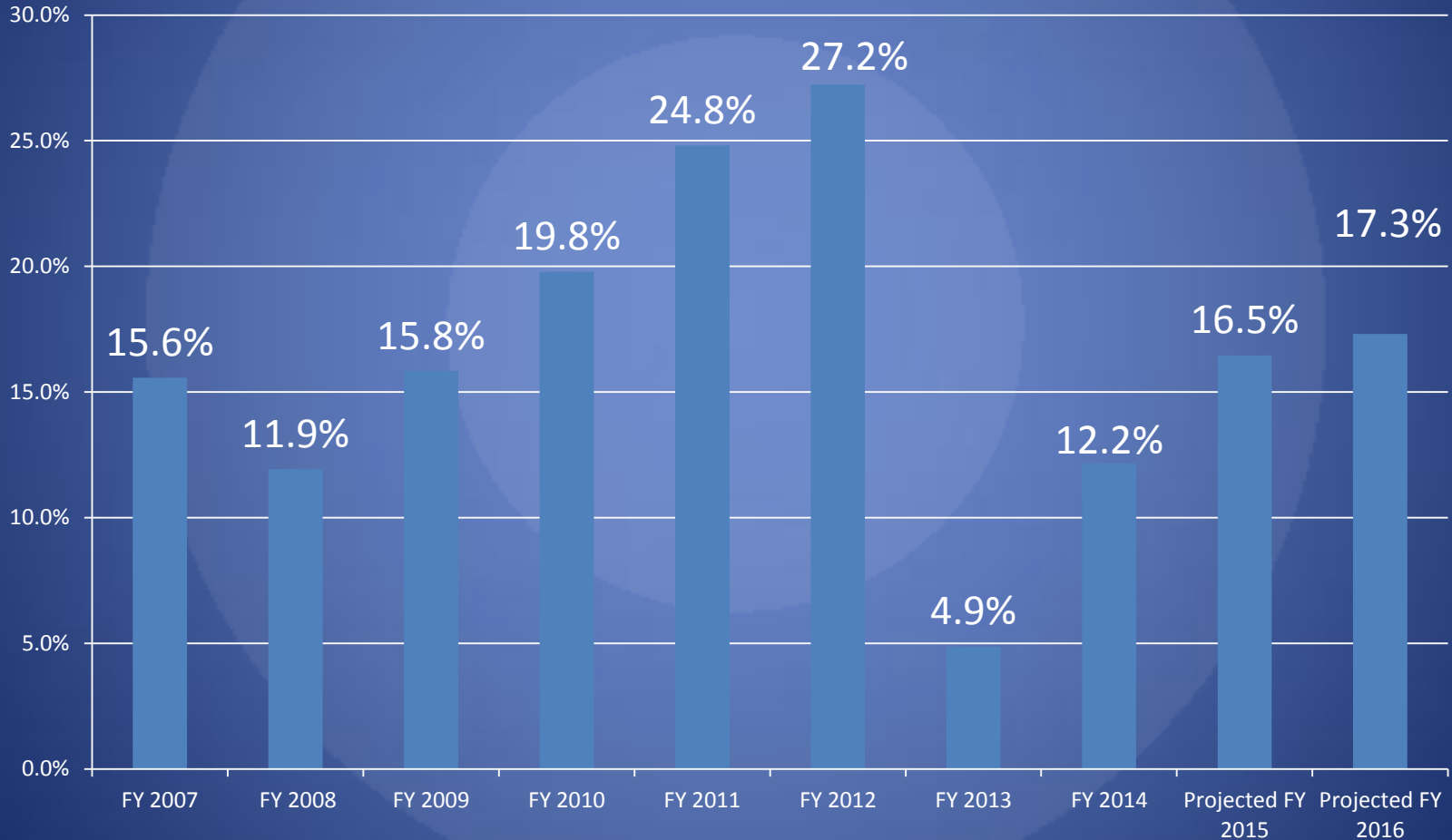
## New Revenue – General Fund

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

Commission Action/ Public Hearing required for both.



# General Fund Undesignated Fund Balance



**Projected Fund Balance End FY16 is \$4,684,027**



# 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>



# Summary of Department Requests

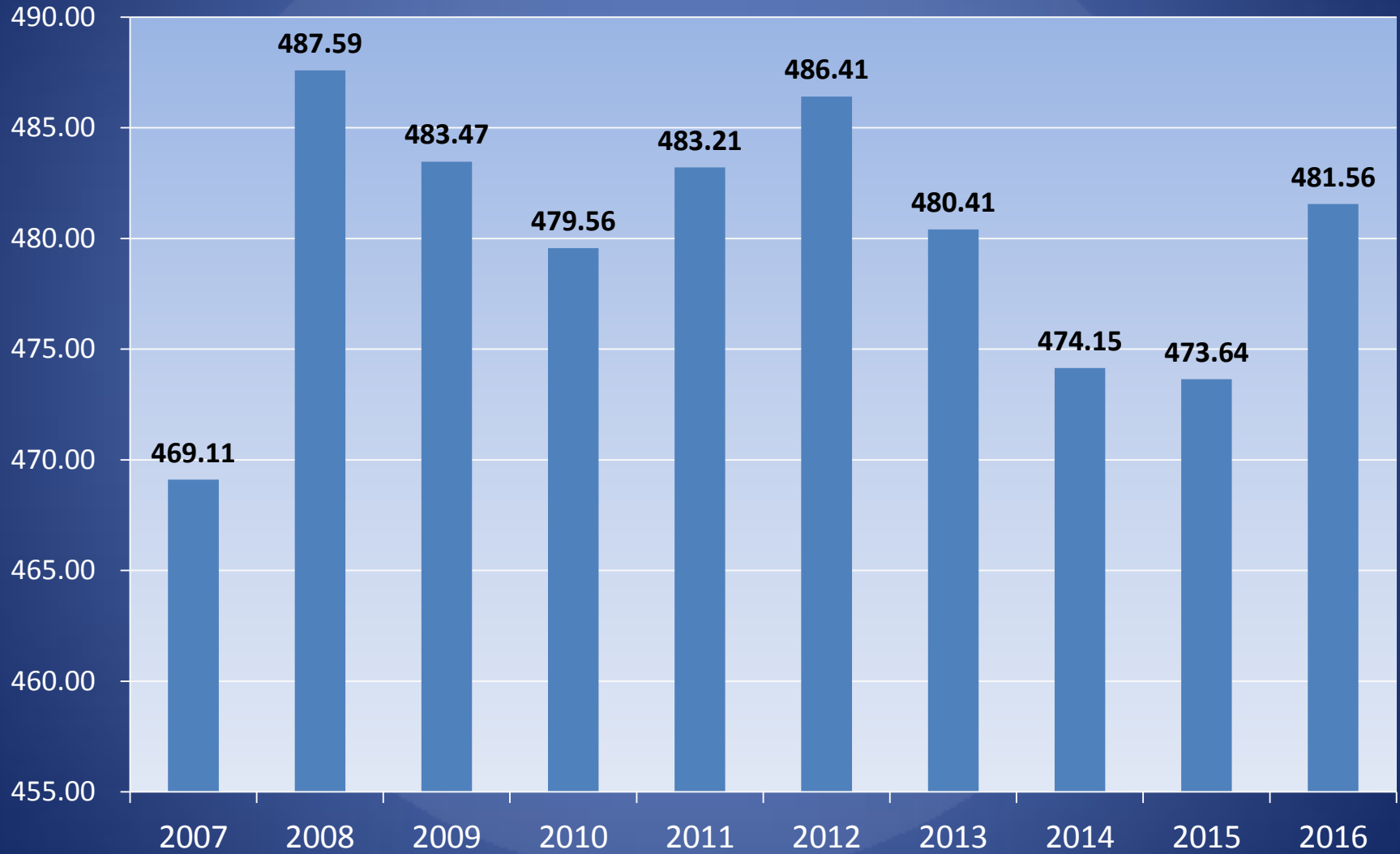
Department Requested – Manager  
Recommended

Please refer to the handout.





# Ten Year FTE History





# 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
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# Public Safety

## Requested FY 2016

Total General Fund Fire and Police Budget	<b>\$19,139,428</b>
Projected FY16 Total General Fund Taxes	<b><u>\$15,988,970</u></b>
<i>Difference</i>	<b>(\$3,150,458)</b>



# Total Proposed FY 2016 Revenue Over (Under) Expenses

Proposed Total Revenue	\$101,466,249
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Proposed Total Expenses	<u>\$104,309,558</u>
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Proposed Total Revenues Over (Under) Expenses	(\$2,843,309)
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# Debt Service

## Non Voted General Obligation Debt

<u>Debt</u>	<u>Amount</u>	<u>Retires</u>
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	



## Other Debt

<u>Debt</u>	<u>Amount</u>	<u>Retires</u>
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



# Golf Course Debt

*As of June 30, 2015*

<u>Debt</u>	<u>Amount</u>	<u>Retires</u>
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)***



# 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





# 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%



# 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