

**JOURNAL OF COMMISSION WORK SESSION
February 2, 2016**

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Kelly presiding

CALL TO ORDER: 5:29 p.m.

CITY COMMISSION MEMBERS PRESENT: Bob Kelly, Bill Bronson, Bob Jones, Fred Burow and Tracy Houck.

STAFF PRESENT: City Manager and Deputy City Manager, City Attorney; Directors of Fiscal Services, Library and Public Works; Police Chief and the City Clerk and 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

There were no comments from the public

2. FISCAL YEAR 2016 FIRST AND SECOND QUARTER BUDGET REVIEW

Fiscal Services Director Melissa Kinzler provided and discussed a PowerPoint presentation on the Fiscal Year 2016 First and Second Quarter Budget Review as follows:

**Fiscal Year 2016
Quarterly Budget
Review
1st and 2nd Quarters
February 2, 2016**



Income Statement
Through 12/31/15
Summary Listing

Classification	FY 2016	DEC 2015	FY 2016 7/1 - 12/31	Budget Less YTD Actual	% of Budget	FY 2015 7/1 - 12/31	Prior Year YTD Total
	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount				
Fund Category: Governmental Funds							
Fund Type: General Fund							
Fund: 000 - GENERAL							
REVENUE							
Department: 00 - NON-DEPARTMENTAL							
Division: 000 - NON-DIVISIONAL							
Taxes	15,988,970.00	7,516,108.12	8,085,734.89	7,903,235.11	51	8,183,152.01	
Licenses & permits	839,000.00	220.00	451,762.76	387,237.24	54	453,802.29	
Intergovernmental	7,768,724.00	1,898,680.93	3,933,494.54	3,835,239.46	51	3,842,772.67	
Charges for services	261,433.00	19,968.58	120,472.90	140,960.10	46	114,737.98	
Fees & forfeitures	866,000.00	49,303.00	336,813.40	529,186.60	39	386,413.73	
Internal service	576,433.00	48,036.08	288,216.48	288,216.52	50	282,019.02	
Investment income	.00	449.21	4,561.07	(4,561.07)	+++	(1,287.85)	
Other	1,000.00	957.20	2,264.29	(1,264.29)	226	3,058.48	
Issuance of debt	801,098.00	796,859.00	796,859.00	4,239.00	99	.00	
Division 000 - NON-DIVISIONAL Total	\$27,102,658.00	\$10,330,582.12	\$14,020,169.33	\$13,082,488.67	52%	\$13,264,668.33	



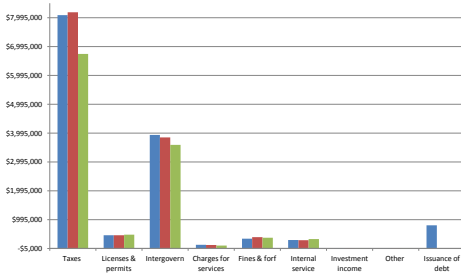
Income Statement Through 12/31/15 Summary Listing

Classification	FY 2016			FY 2015			FY 2014		
	Budget Amount	Actual Amount	YTD	Budget Amount	Actual Amount	YTD	Budget Amount	Actual Amount	YTD
Fund Category: Governmental Funds									
Fund Type: General Fund									
Fund: 1000 - GENERAL									
EXPENSE									
Department: 64 - PARK & RECREATION									
Division: 633 - PARK AREAS									
Supplies	95300.00	134331	76333.01	16,968.99	40	59331.66			
Purchased services	284,400.00	94,470.49	224,546.27	59,953.73	79	36,096.04			
Internal service charges	208,900.00	9,373.91	9101.99	88,398.91	98	59,610.92			
Division: 633 - PARK AREAS Totals	\$1,700,100.00	\$174,875.40	\$183,851.27	\$183,851.27	90%	\$170,338.62			
Division: 638 - TRAILS MAINTENANCE									
Personal services	51000.00	.00	6374.62	43,378.38	16	.00			
Supplies	.00	688.42	688.42	(888.42)	100	.00			
Division: 638 - TRAILS MAINTENANCE Totals	\$51000.00	\$688.42	\$9,253.04	\$42,490.96	90%	\$10,000.00			
Department: 64 - PARK & RECREATION Totals	\$2,450,422.00	\$176,243.81	\$193,104.31	\$187,689.23	76%	\$180,338.62			
EXPENSE TOTALS	\$28,948,000.00	\$28,945,801	\$4,428,769.8	\$4,428,769.82	52%	\$4,712,487.23			
Fund: 1000 - GENERAL Totals									
REVENUE TOTALS	28,345,001.00	10,256,422.89	14,999,349.61	13,725,653.39	51%	13,955,194.31			
EXPENSE TOTALS	28,338,336.00	2,626,415.99	14,629,769.18	13,429,566.82	51%	12,702,463.22			
Fund: 1000 - GENERAL Net Gain (Loss)	\$106,665.00	\$7,537,006.90	\$469,580.43	\$296,086.57	(43)%	\$1,252,731.09			
Fund Type: General Fund Totals									
REVENUE TOTALS	28,345,001.00	10,256,422.89	14,999,349.61	13,725,653.39	51%	13,955,194.31			
EXPENSE TOTALS	28,338,336.00	2,626,415.99	14,629,769.18	13,429,566.82	51%	12,702,463.22			
Fund Type: General Fund Net Gain (Loss)	\$106,665.00	\$7,537,006.90	\$469,580.43	\$296,086.57	(43)%	\$1,252,731.09			
1000 GENERAL 7/1/2015 Beginning Fund Balance		\$5,892,518							

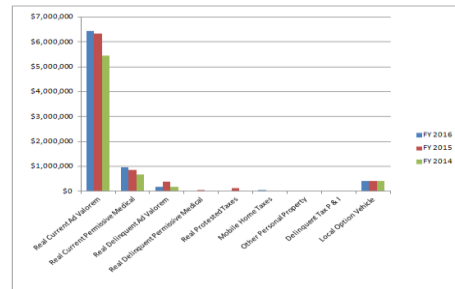
General Fund Unreserved Fund Balance Three Year Comparison

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Beginning Fund balance, 7/1	\$5,892,518	\$3,068,392	\$1,520,000
Plus: Total YTD Revenues	\$14,589,350	\$13,955,194	\$12,316,991
Minus: Total YTD Expenses	\$14,678,769	\$12,702,467	\$13,639,192
Ending Fund balance, 12/31	\$5,803,099	\$4,321,119	\$197,799

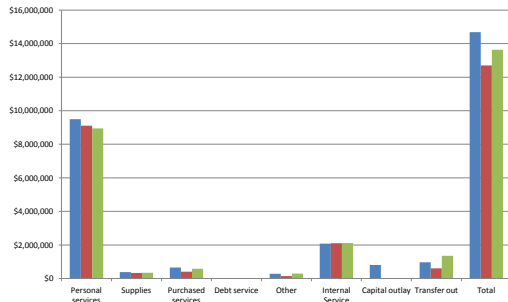
General Fund Three Year Revenue Comparison as of 12/31/xx



General Fund Three Year Tax Revenue Comparison as of 12/31/xx



General Fund Three Year Expense Comparison as of 12/31/xx



Highlighted Funds – Golf Courses Three Year Comparison as of 12/31/XX

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Beginning Fund balance, 7/1	-\$952,987	-\$1,131,643	-\$1,180,072
Plus: Total YTD Revenues	\$536,210	\$505,619	\$499,564
Minus: Total YTD Expenses	\$785,369	\$779,744	\$781,868
Ending Fund balance, 12/31	-\$1,202,146	-\$1,405,768	-\$1,462,376

**Highlighted Funds – Swimming Pools
Three Year Comparison as of 12/31/XX**

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Beginning Fund balance, 7/1	\$133,158	\$180,326	\$341,398
Plus: Total YTD Revenues	\$476,658	\$468,811	\$452,562
Minus: Total YTD Expenses	<u>\$556,380</u>	<u>\$564,374</u>	<u>\$606,194</u>
Ending Fund balance, 12/31	\$53,436	\$84,763	\$187,766

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**Highlighted Funds – Parking
Three Year Comparison as of 12/31/XX**

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Beginning Fund balance, 7/1	\$360,143	\$402,408	\$432,235
Plus: Total YTD Revenues	\$284,692	\$354,977	\$363,558
Minus: Total YTD Expenses	<u>\$225,187</u>	<u>\$386,311</u>	<u>\$276,775</u>
Ending Fund balance, 12/31	\$419,648	\$371,074	\$519,018

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**Highlighted Funds – CC Events
Three Year Comparison as of 12/31/XX**

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Beginning Fund balance, 7/1	\$96,267	\$81,258	\$169,180
Plus: Total YTD Revenues	\$159,544	\$160,597	\$221,960
Minus: Total YTD Expenses	<u>\$244,023</u>	<u>\$246,449</u>	<u>\$272,785</u>
Ending Fund balance, 12/31	\$11,788	-\$4,594	\$118,355

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Director Kinzler reported that, as of December 31st, the fund balance was \$5.8 million dollars, which is 20.7 percent of total expenses. The minimum unreserved fund balance policy is set at 17 percent. The City has come a long way to get to 20 percent.

Manager Doyon noted that the City had a negative comment on Moody's financial rating system. He is hoping that negative comment and outlook will soon be eliminated.

Director Kinzler added that substantial progress has been made rebuilding the general fund cash balance, and as of December it was at its highest point since 2013.

A discussion followed about Cascade County's tax collection and disbursement process, issues with the County Treasurer, and tax protests.

Director Kinzler and Manager Doyon discussed 75% of the City's employees being under a collective bargaining agreement, and the wage structure and benefits of those contract employees versus other employees.

Director Kinzler reported that the last debt service payment was made in September for the golf courses. Manager Doyon commented that the consultant will touch on whether or not the City should have two golf courses in the Park & Recreation Master Plan. Just because the debt service is relieved, the golf courses still owe the general fund a significant amount of money.

Director Kinzler reported that the wave rider lease was paid off. However, the general fund is

currently subsidizing the swimming pools by \$381,000.

With regard to the Park and Recreation funds, Mayor Kelly noted that it will be interesting going forward with the budget cycle to have a best guess of what is going to happen without the Master Plan study completed.

With regard to the lighting expense of the parking garages, Manager Doyon reported that there may be an opportunity that he is exploring to reduce the cost. The deferred maintenance in the parking garages may create a greater capital expense.

Director Kinzler noted that revenue has decreased from prior years in the Events fund. Deputy City Manager Jennifer Reichelt and Commissioner Houck explained that it is an event driven industry. There are more venues now in the community for events. The theater does well. But the City has lost business due to other venues, such as the recent boat show. Staff does not have the ability to negotiate because it is City funds and that makes it sometimes difficult.

Mayor Kelly inquired if Director Kinzler noted any areas of concern in any of the funds as compared to last year. Director Kinzler responded that a concern is all of the capital improvements that are needed in the utility fund. In the near future the Commission will consider a water, sewer and storm drain rate increase for capital outlay that is required in order to keep the system up to date. She also noted that there are capital needs in the IT funds that will have to be addressed in the future. Staff is working on updating the capital facilities plan for the rest of the departments.

Manager Doyon also noted that the City will be receiving approximately \$600 more dollars per quarter for the Charter franchise. Planning and Community Development staff will now notify Charter of annexations so those properties get included in the payment.

Manager Doyon also made a recommendation to the City Commission to hire a Deputy City Attorney. He explained that there are sufficient funds in other areas of the general fund to put towards recruitment and get someone on board. The City Commission supported his request and approved moving ahead and getting the process initiated.

3. DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

Mayor Kelly reported that the Sign Code will be presented at the next work session. Mayor Kelly suggested a town hall meeting be held in the Missouri Room in March or April to discuss the fireworks issue in order for the public to understand perspectives on the issue. There were no objections.

ADJOURN

There being no further discussion, Mayor Kelly adjourned the informal work session of February 2, 2016 at 6:42 p.m.