

**JOURNAL OF SPECIAL COMMISSION WORK SESSION**  
**June 28, 2016**

City Commission Work Session  
Civic Center, Gibson Room 212

Mayor Kelly presiding

**CALL TO ORDER:** 3:00 p.m.

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

**STAFF PRESENT:** City Manager; City Attorney; Directors of Fiscal Services, Library, Park and Recreation, Planning and Community Development, and Public Works; Executive Director of the Housing Authority; Fire Chief; 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**

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, commented he was disappointed there was not a recommendation for additional funds for the library in the proposed budget.

**Ken Robison**, 315 Lamplighter Lane, requested that the Commission contribute more to enable Monday opening hours for the library.

Commissioner Tracy Houck arrived at 3:05 p.m.

**2. PROPOSED BUDGET PRESENTATION**

City Manager Greg Doyon reported that this presentation is a statutorily required proposal to the Commission, which he begins the process today with the recommendations derived from priorities of the Commission, the departments and his office. Two budget presentation meetings are scheduled this week. The Commission doesn't have to adopt the budget until the second meeting in August. There is time in the coming weeks to schedule as many sessions as are required by the Commission.

Manager Doyon commented that the documents provided to the Commission for discussion include the proposed budget, general fund contributions worksheet, a fund summary, the department requested – manager recommended spreadsheet, internal service charges, administrative capital improvement plan, and taxable valuation history. Most documents are also available on the City's website.

Commissioner Bob Jones arrived at 3:08 p.m.

Manager Doyon reported that the primary direction of the budget, since it is the Commission's greatest policy document, starts with the Commission's priorities. He and Fiscal Services Director Melissa Kinzler reviewed the referenced documents and discussed the attached

PowerPoint slides.

After a brief discussion, Mayor Kelly suggested that the Commissioners get any questions regarding what was presented today to Manager Doyon and Director Kinzler before Thursday's meeting.

**ADJOURN**

There being no further discussion, Mayor Kelly adjourned the informal special work session of June 28, 2016 at 5:02 p.m.



# City Manager's Fiscal Year 2016/2017 Proposed Annual Budget

*Presented on June 28, 2016*



# *Commission Priorities*

*February 10, 2016*

- Support the Police Chief on 911 Center issues with the county in the next two months.
- Execute the findings of the Public Safety Task Force.
- Support Park & Recreation in efforts to address on-going maintenance issues in the parks.
  - Explore and decide on what to do with underutilized park land in order to reinvest in our other parks.
  - Examine creation of a Park Maintenance District.
- Publically and politically support Department Heads & City Manager recommendations and decisions on challenging issues.



# City Manager Approach for FY 2017 Budget

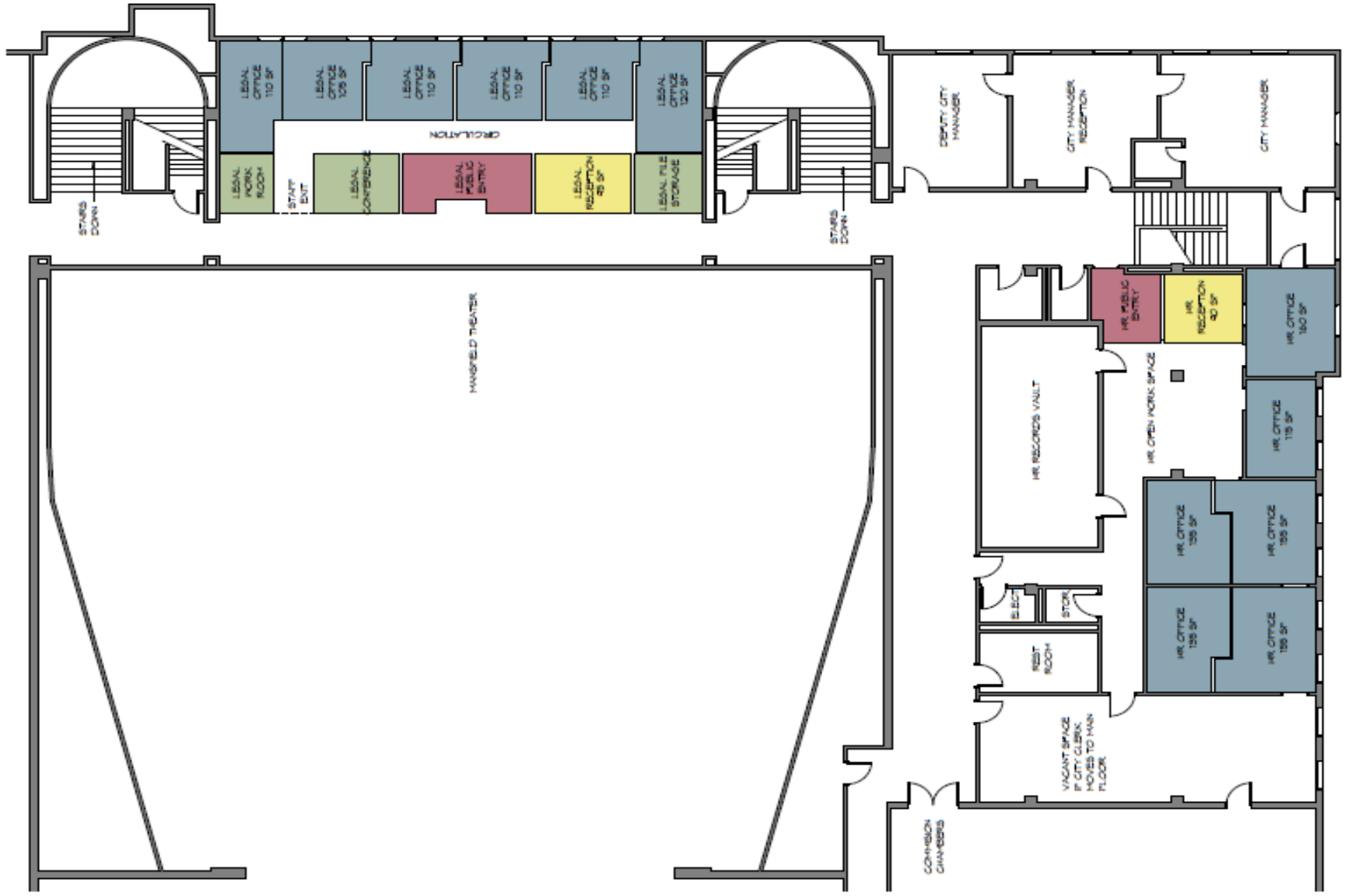
## *City Manager Priorities*

- Tackling deferred operational/capital needs
  - Capital Planning/Maintenance
    - Administrative Plan Revised
  - Public Safety
- Service/Cost Effectiveness
  - Establishing and maintaining sustainable services
- Fund Stabilization and Performance
- HR Director/Deputy City Manager Positions



# Peak Ahead FY17/18

- IT – Architecture, Retention, Security
- Office Space – Civic Center
- Tyler Resolution/Public Safety Software
- 911 Center Interlocal Agreement
- Public Safety Pivot - Budget flexibility
- Civic Center Façade
- Capital Planning
- Park and Recreation Master Plan
- Staffing: Prosecution and Special Victims Caseload



1 EXISTING CIVIC CENTER HR OFFICE FLOOR PLAN  
 1/8" = 1'-0"  
 NORTH



# Public Safety Pivot/Results

## Approved

- 4 Police Officers (COPS Grant- FY 2014 City started funding)
- 1 Deputy Fire Marshall (FY2015)
- 2 Fire Fighters (FY 2016)
- 2 Dispatchers (FY 2016)
- 2 Fire engines (FY 2016 – 2 frontline to go)
- 1 Assistant City Attorney (hired FY 2016)
- Fire Station Building Improvements (FY 2016)
- 911 Dispatch Center Improvements (FY 2015- FY 2016)
- Self contained Breathing Apparatus grant match (FY 2016)
- Generator Fire Station #1 and #4 (FY 2015, FY 2016)
- Civic Center Generator – IT (FY 2016)





# Public Safety Pivot/Results

## Proposed

- 2 Police Officers (+1 over hire - proposed FY 2017)
- Proposed Quick Response Unit/Ambulance (proposed FY 2017)
- Fire Station Building Improvements (proposed FY 2017)
- Generator Fire Station #3 (proposed FY 2017)
- Increase in comp time, Fire Department (proposed FY 2017)
- Additional equipment purchase for Fire Department (proposed 2017)



# Budget Process

- Quarterly Commission/Staff Budget Reviews
- Ongoing Fund Review
- Fee Reviews
- Internal Service Review and Adjustments
- Capital Planning – Equipment/Facility
- Operating Budgets
  - Baseline Budget
  - Made adjustments based on need, priority, and prior deferments



# FY 17 Budget Highlights

- Public Safety Support – Equipment, Facilities, People
- Capital Improvements – Building Reserves, Facility and Equipment
- Development Process Improvements
- Environmental Compliance – Storm Drain
- River's Edge Trail Support
- Undesignated Fund Balance (21% reached)
- Fund Health
- Golf – Debt Service Recovery Plan
- Wage Adjustments and Health Care



# Fund Review

## City Manager Fund Summary

Please refer to handout

Stable, Requires Monitoring, & At-Risk



# Proposed User Fee Adjustments

<u>Department</u>	<u>Division</u>	<u>Amount</u>
Public Works	Water	10% increase
Public Works	Sewer	3% increase
Public Works	Storm Drain	10% increase

- The City of Great Falls has the *lowest* combined utility rates of any Class 1 city in Montana.
- Rate adjustments are necessary to maintain each system, complete capital projects, and in recent years, necessary to meet federal/state regulatory requirements for permits.



# Internal Service Charges

- Internal Service Charges Reviewed over past year
- Priorities for 2017
  - Human Resources
  - Fiscal Services
- Priorities for 2018
  - General Administration
  - 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 still needs refinement
- Ranking needs Commission/Committee Review



# Capital Improvements *Completed 2016*

- Crematory/Roof – \$40,000 (CRF)
  - Fire Stations #1&4 – Generator s \$25,000 (2 more needed)
  - SCBA – \$32,500 (City match and Grant \$302,114)
  - Engine 33 and # 2 – Replacement \$425,000
  - Information Technology Generator – \$72,000
  - Library Roof – \$11,000 (CRF)
  - Civic Center Generator - (\$70,000)
  - Fly System - (\$5,382; Event Funds)
  - Stage Floor - (\$11,270 Event Funds)
- 
- Rescue 1 - \$180,000
  - Additional Court Space \$590,000





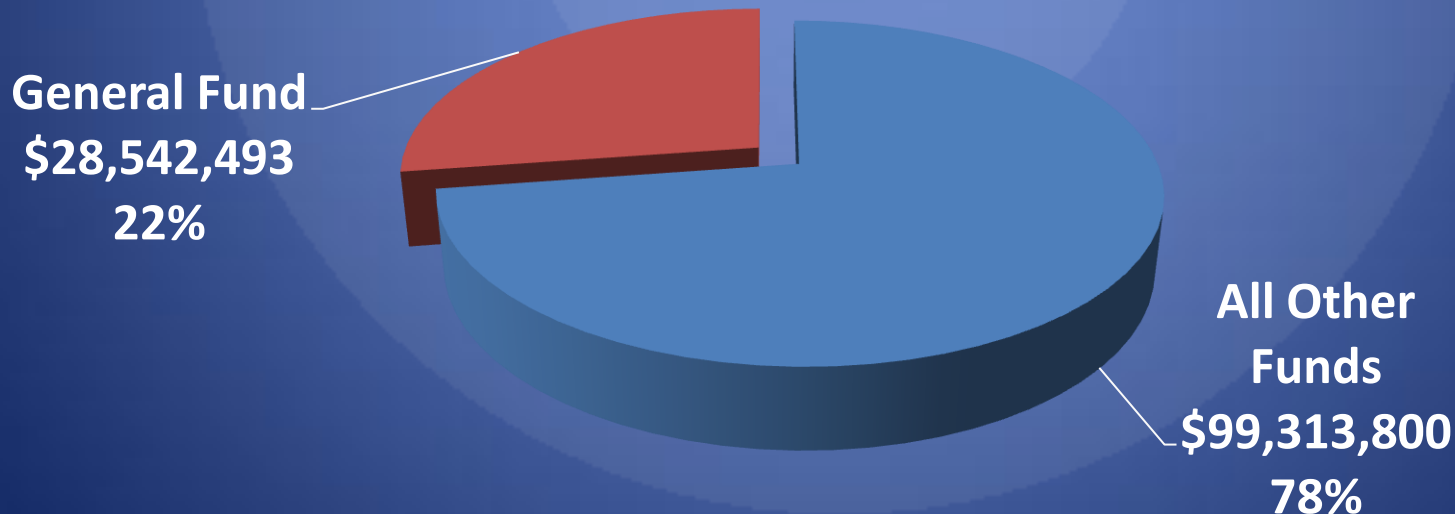
# Capital Improvements *Proposed 2017*

- Ambulance/Squad Response – (\$180,000)
- Fire Facility Improvements – (\$50,000)
- Natural Resource (\$45,000)
- Civic Center Parking (\$40,000 crack sealing)
- Civic Center Facility
  - IT Server Room A/C (\$25,000)
  - P&CD A/C (\$45,000)
  - Back-Up Server (\$30,000)
- P&R Irrigation (\$50,000 CRF)



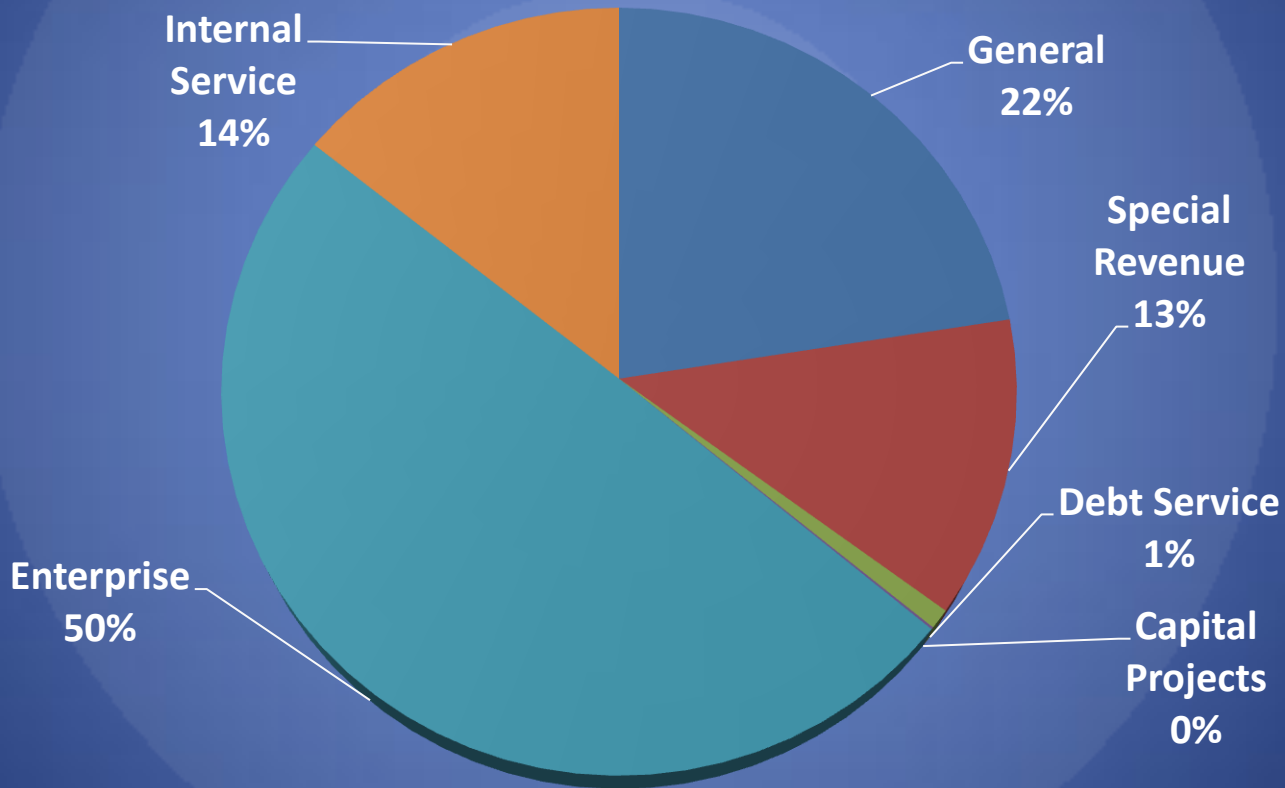
# Budget Overview for Fiscal Year 2017

- The City has 58 separate funds
  - Each fund has its own unique revenue source and purpose
- Total Proposed Budget is \$127,856,293 (FY 16 \$104,309,558)
  - **General Fund \$28,542,493** (FY 16 \$27,055,794)
  - **All Other Funds \$99,313,800** (FY 16 \$77,253,764)



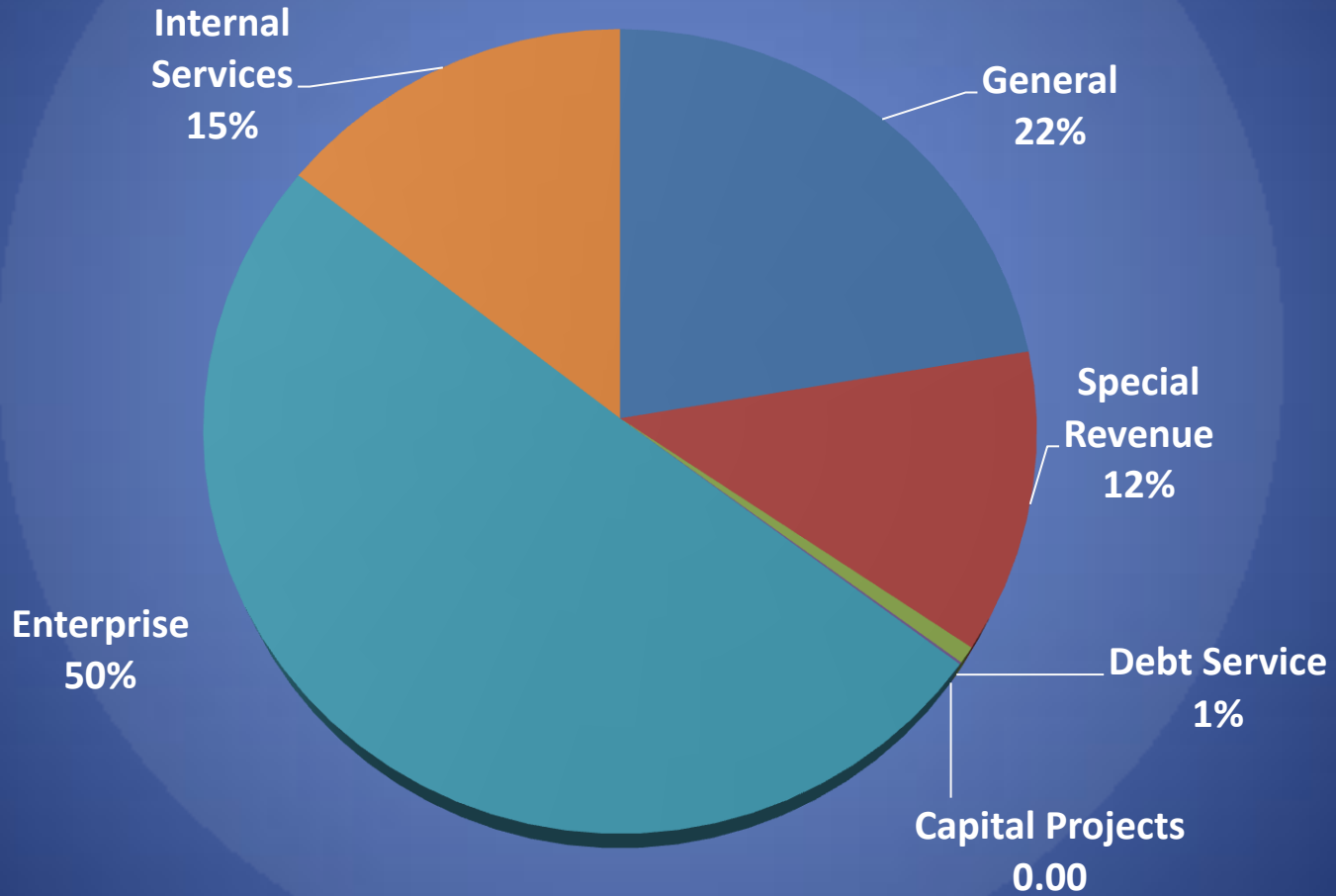


# Citywide Revenue by Fund





# Expenses by Fund



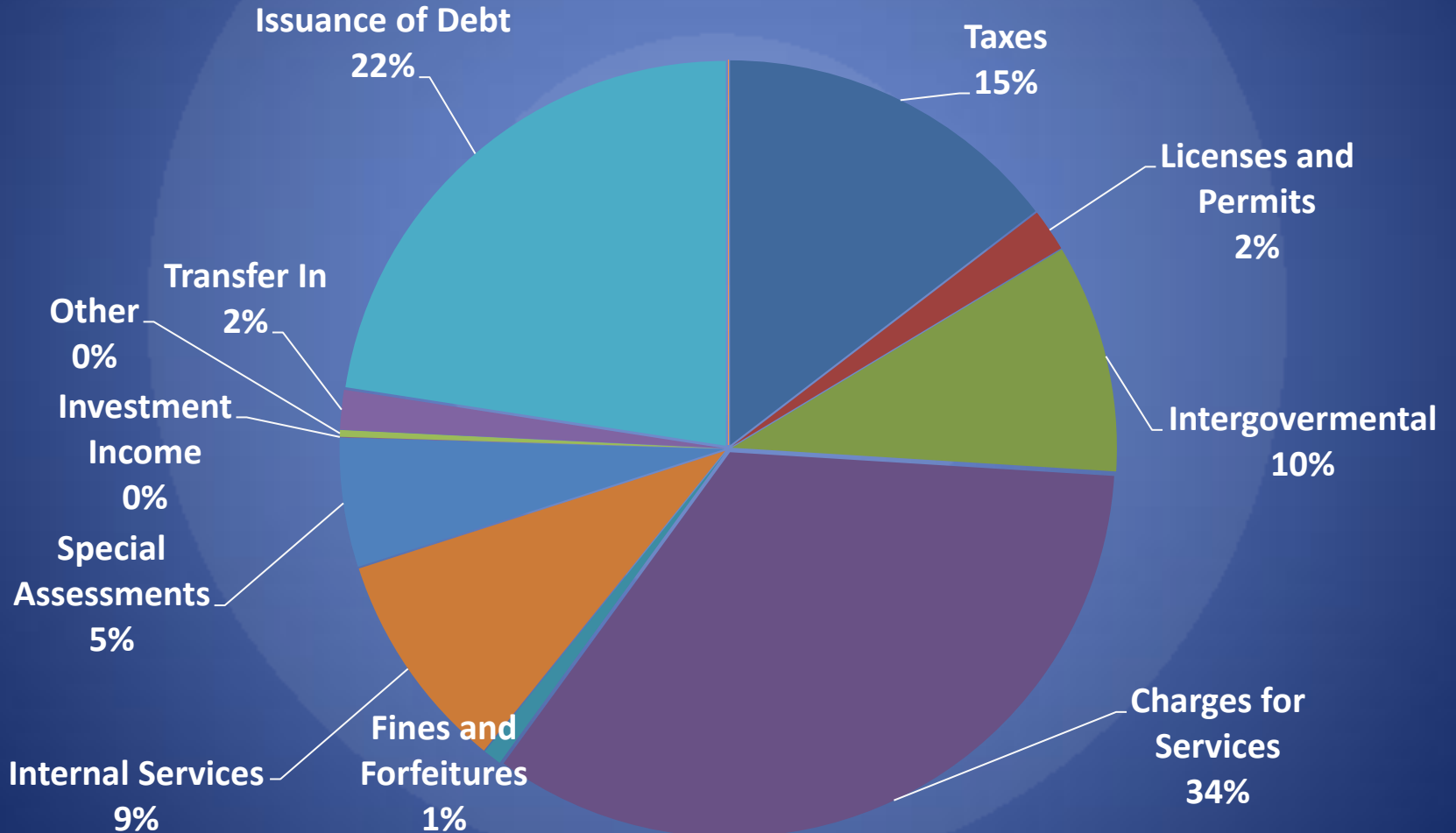


# Citywide Revenue

<u>Revenue Source</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Amended</u>	<u>FY 2017 Proposed</u>	<u>% change</u>
Taxes	\$17,982,474	\$17,746,404	\$18,496,761	4.23%
Licenses and Permits	\$2,609,741	\$2,162,978	\$2,260,853	4.53%
Intergovernmental	\$13,332,584	\$14,516,133	\$12,171,214	-16.15%
Charges for Services	\$42,101,147	\$40,196,579	\$43,127,951	7.29%
Fines and Forfeitures	\$1,133,088	\$971,900	\$983,400	1.18%
Internal Services	\$11,010,649	\$10,948,579	\$11,740,058	7.23%
Special Assessments	\$6,839,819	\$7,129,673	\$6,872,333	-3.61%
Investment Earnings	\$188,839	\$2,600	\$19,250	640.38%
Miscellaneous Revenue	\$1,071,446	\$551,495	\$359,765	-34.77%
Issuance of Debt	\$5,521,449	\$12,753,208	\$28,600,000	124.26%
Sale of Assets	\$-195,593	\$0	\$0	NA
Transfers - In	\$1,926,841	\$2,209,755	\$2,106,558	-4.67%
	<b>\$103,522,483</b>	<b>\$109,189,304</b>	<b>\$126,738,143</b>	<b>16.07%</b>



# Citywide Revenue



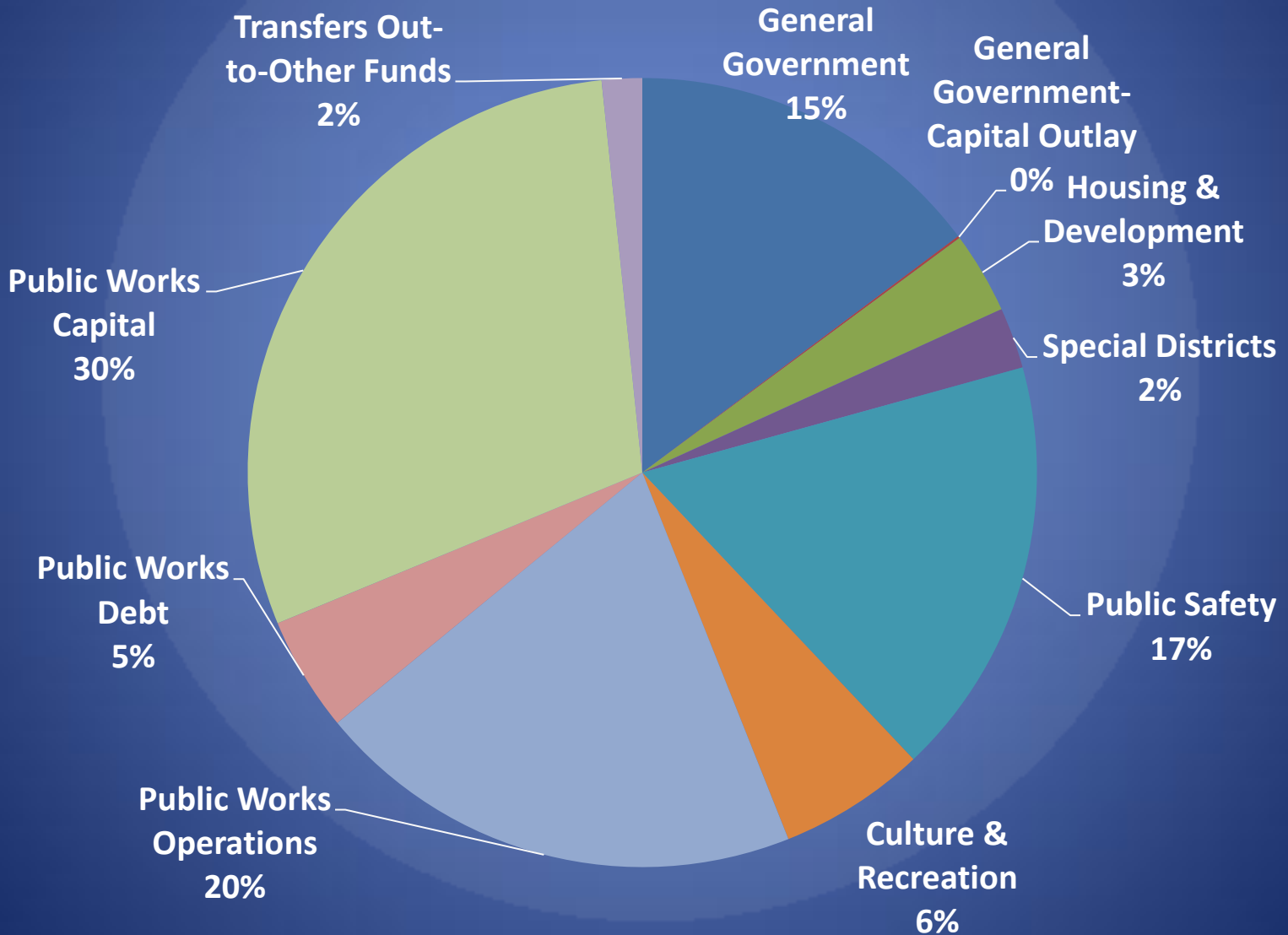


# Citywide Expenses

<u>Expense Type</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Amended</u>	<u>FY 2017 Proposed</u>	<u>% change</u>
Personal Services	\$35,700,117	\$38,169,990	\$40,476,566	6.04%
Supplies & Materials	\$4,854,763	\$5,663,002	\$5,760,448	1.72%
Purchased Services	\$18,961,097	\$21,498,889	\$21,362,475	-.63%
Other Costs	\$2,504,812	\$2,735,071	\$1,506,110	-44.93%
Internal Service	\$10,210,645	\$9,994,686	\$10,776,327	7.82%
Debt Service	\$5,324,118	\$5,118,114	\$7,546,687	47.45%
Capital Outlay	\$17,179,183	\$35,882,189	\$38,321,122	6.80%
Transfers - Out	\$1,926,841	\$2,209,755	\$2,106,558	-4.67%
	<b>\$96,661,575</b>	<b>\$121,271,696</b>	<b>\$127,856,293</b>	<b>5.43%</b>



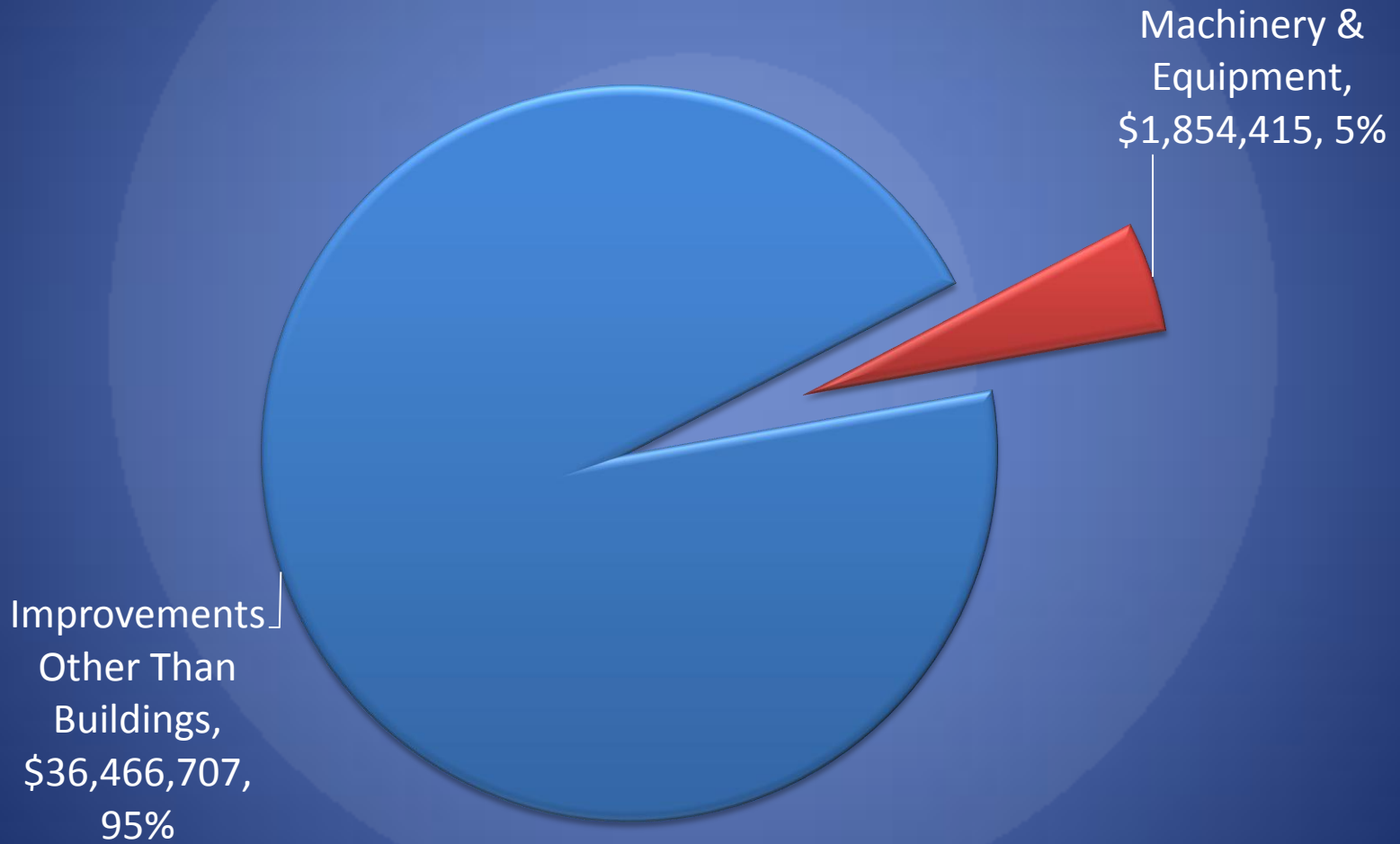
# Citywide Expenses







# Capital Expenses by Category





# General Fund Revenues

<u>Revenue Source</u>	<u>FY 2015</u> <u>Actual</u>	<u>FY 2016</u> <u>Amended</u>	<u>FY 2017</u> <u>Proposed</u>	<u>%</u> <u>change</u>
Taxes	\$16,081,362	\$15,988,970	\$16,544,485	3.47%
Licenses and Permits	\$878,718	\$874,364	\$879,664	0.61%
Intergovernmental	\$7,754,207	\$7,819,380	\$8,081,388	3.35%
Charges for Services	\$1,072,908	\$1,058,805	\$1,054,745	-0.38%
Fines and Forfeitures	\$860,714	\$866,000	\$881,000	1.73%
Internal Services	\$890,445	\$817,202	\$941,789	15.25%
Investment Earnings	\$19,733	\$0	\$15,000	N/A
Miscellaneous Revenue	\$70,268	\$119,182	\$140,748	18.1%
Issuance of Debt	\$0	\$801,098	\$0	N/A
Transfer In	\$331,826	\$0	\$0	N/A
	<b>\$27,960,181</b>	<b>\$28,345,001</b>	<b>\$28,538,819</b>	<b>0.68%</b>



## New Tax Revenue – General Fund

Projected base increase in tax revenue	\$135,610
Inflation allowance (.50%)	\$70,515
Permissive Medical Levy (2.48%)	<u>\$350,000</u>
<i>Total</i>	<i>\$556,125</i>

Commission Action/ Public Hearing required for both.



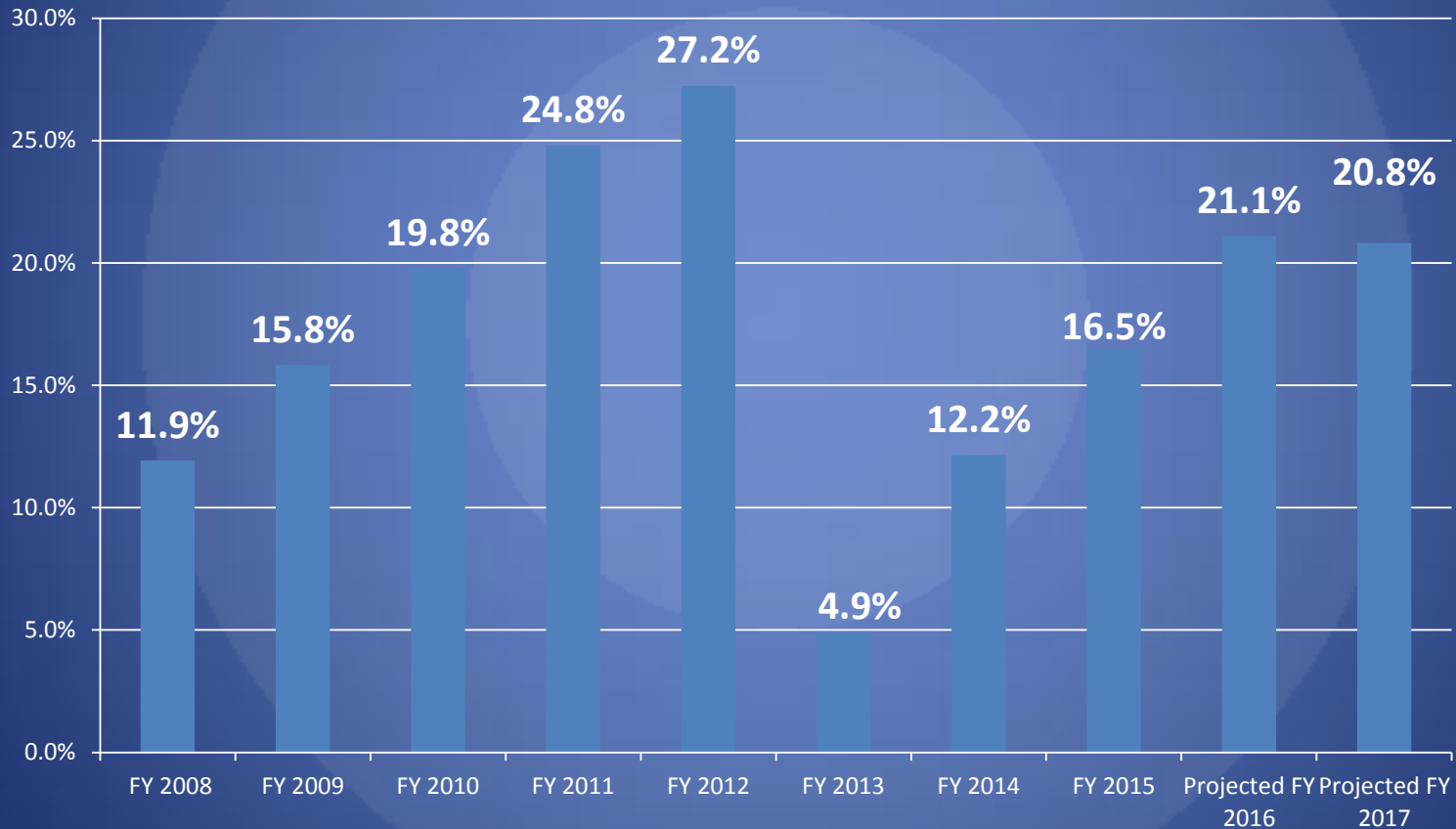
# Public Safety

Requested FY 2017

Total General Fund Fire and Police Budget	<b>\$20,156,960</b>
Projected FY17 Total General Fund Taxes	<b><u>\$16,544,485</u></b>
<i>Difference</i>	<b>(\$3,612,475)</b>



# General Fund Undesignated Fund Balance



**Projected Fund Balance End FY17 is \$5,941,352**



# General Fund Expenses

<u>Expenditures</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Amended</u>	<u>FY 2017 Proposed</u>	<u>% change</u>
Personal Services	\$18,131,523	\$19,301,482	\$20,347,940	5.42%
Supplies & Materials	\$776,482	\$875,521	\$955,285	9.11%
Purchased Services	\$1,061,905	\$1,345,498	\$1,275,572	-5.20%
Other Costs	\$356,789	\$270,860	\$269,000	-0.69%
Internal Service	\$3,444,665	\$3,579,270	\$3,773,612	5.43%
Debt Service	\$3,010	\$126,822	\$199,506	57.31%
Capital Outlay	\$149,608	\$826,098	\$25,000	-96.97%
Transfers - Out	\$1,212,074	\$1,812,785	\$1,696,578	-6.41%
	<b>\$25,136,056</b>	<b>\$28,138,336</b>	<b>\$28,542,493</b>	<b>1.44%</b>



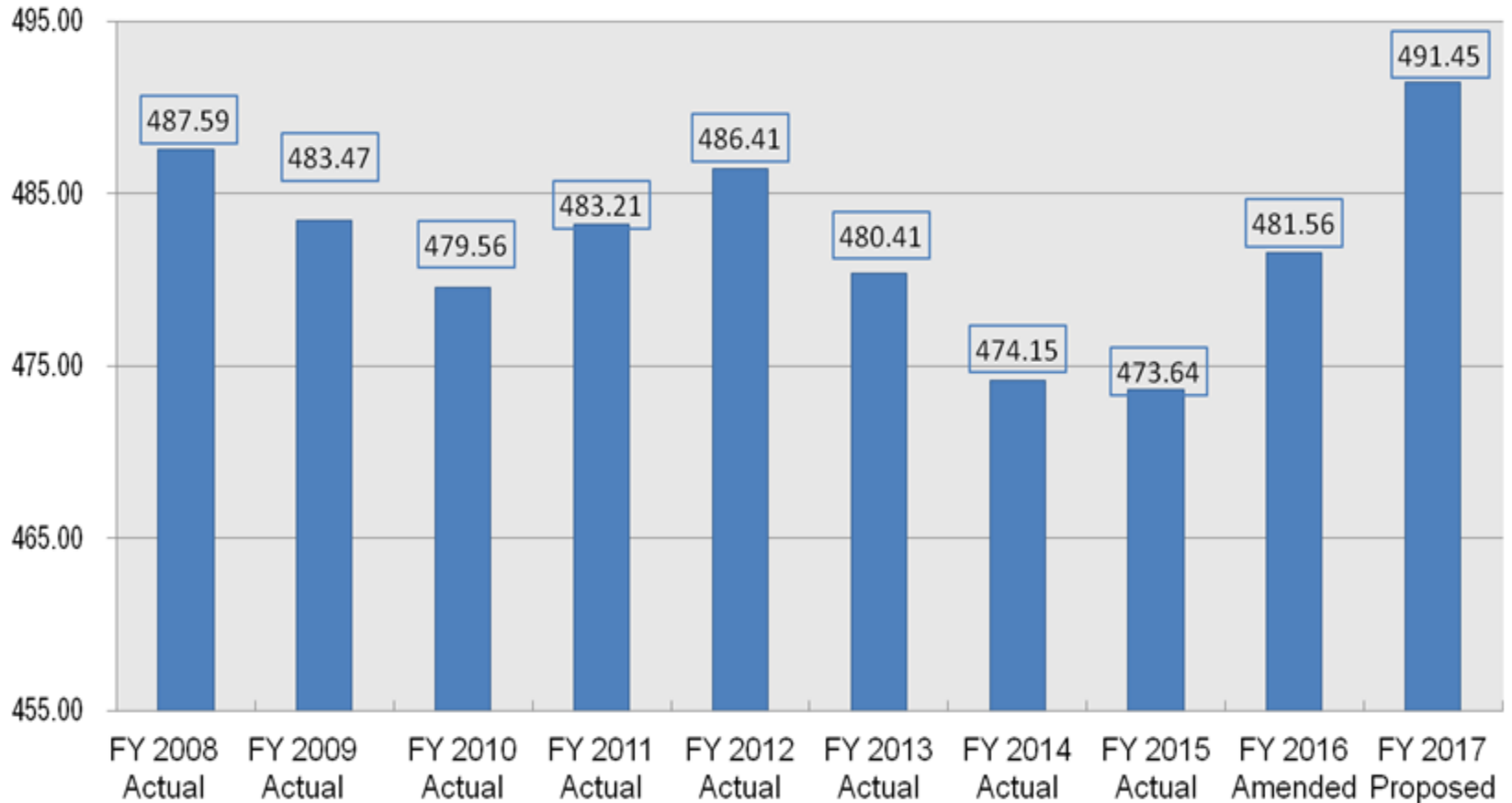
# Summary of Department Requests

Department Requested – Manager  
Recommended

Please refer to the handout.



# Ten Year FTE History







# Affordable Care Act Impact

## Work force Impact...

- *2 Sanitation Workers*
- *1 Utility Worker*

*Totaling \$28,185*

## Greater Impact...

- *Record keeping, tracking , penalty prevention*
- *“Cadillac tax”*
- *Benefit Technician in HR open until HR Director is filled*



# Total Proposed FY 2017 Revenue Over (Under) Expenses

Proposed Total Revenue	\$126,738,143
Proposed Total Expenses	<u>\$127,856,293</u>
Proposed Total Revenues Over (Under) Expenses	(\$1,118,150)



# Voted and Non Voted Debt Capacity

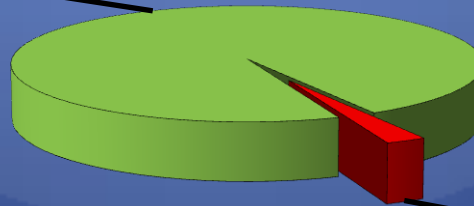
Unused general obligation debt capacity: \$ 128,417,082

Non Voted Capacity:

Maximum amount of principal of debt issuance: \$2,705,579

Annual debt service capacity: \$281,929

Unused  
Capacity  
97.5%



Debt  
Outstanding  
2.5%



# Debt Service

## Non Voted General Obligation Debt

<u>Debt</u>	<u>Amount</u>	<u>Retires</u>
Engineering Building Addition	\$182,456	8/15/2020
Streetlight Districts	\$ 95,403	8/15/2030
Electric Note Refund	\$790,000	7/1/2022
Fire Truck Intercap Loan	\$721,565	2/15/2026
Total	\$1,789,424	



## Other Debt

<u>Debt</u>	<u>Amount</u>	<u>Retires</u>
SID 1301 – Medical Tech Park	\$125,000	8/1/22
Soccer GO Bonds	\$1,190,000	7/1/24
Swimming Pool GO Bonds	\$255,000	7/1/17
West Bank Tax Increment Bonds	\$2,405,000	7/1/34

### Golf Course Debt Repayment

8 year payback period of \$102,064 annually from the Golf Course Fund to General Fund (owes approximately \$816,512)



# Recap of City Manager Recommendations

- Continue Public Safety momentum with Equipment and Personnel
- Park and Recreation - Golf debt plan and CIP effort
- Utilize Inflationary Factor (\$70k) and Permissive Medical Levy (\$350,000)
- Increases/ Decreases in District/Special Assessments
  - Street Lighting Districts (-17%)
- Utility Increases
  - Water, +10%
  - Sewer, +3%
  - Storm Drain, +10%



# Alternative Discussion

- Civic Center Convention Closure (\$37,000 savings)
- Library Revenue (mill revenue increase)
- Natatorium Closure (\$144,663 savings)
- Park Maintenance District
- Golf Course Closure – (\$70,000 minimal maintenance required)
- Street (arterial)



# Next Steps

- July 5<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 19<sup>st</sup>
  - Budget Hearing
  - Increase Property Tax Hearing (if taken)
- August 16<sup>th</sup>
  - Mill Levy Hearing