



Item: Set Annual Budget Hearings on Resolution 9970 – Annual Budget Resolution

From: Gregory T. Doyon, City Manager

Initiated By: Statutory Budget Requirements

Presented By: Melissa Kinzler, Fiscal Service Director

Action Requested: Set the Annual Budget Hearing

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission set the public budget hearing on Resolution 9970 for July 17, 2012.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Staff recommends the City Commission set the public budget hearings on Resolutions 9970 for July 17, 2012, and provide notices for the Public Hearing on the Preliminary Budget.

Background: Prior to the adoption of the City’s annual budget the City is required to hold public hearings on 1) the intent to budget an increase in revenue from property taxation, and 2) the proposed annual budget.

The City started the Fiscal Year 2013 budget process with an initial City Commission priority setting session on March 28, 2012. The City Commission set informal budget priorities for the Fiscal Year 2013 Budget. This session was open to the public.

The Departments requested budgets were presented to the City Manager on May 14, 16, 21 and 22, 2012. The City Manager met with all departments about reductions on May 31, 2012 and June 11, 2012. On June 19th, the 2013 Preliminary Revenue and Budget Overview were presented at the City Commission Work Session. This session was open to the public.

From these meetings and through the City Managers direction, the Fiscal Year 2013 Budget was balanced. The Proposed FY 2013 Budget was presented to the City Commission on July 3, 2012

at the City Commission Work Session. Further budget work sessions are scheduled for July 10, 12, and 19, 2012.

This agenda item is to schedule the annual public hearings on the budget for July 17, 2012. Section 15-10-203, MCA, requires the City to hold a public hearing before passing a resolution stating its intent to increase property tax revenues.

Section 7-6-4024, MCA, requires that the budget be approved and adopted by resolution by the later of the second Monday in August or within 45 calendar days of receiving certified taxable values from the Montana Department of Revenue. But, the mill levy must be set 30 days after receiving taxable valuation from the Montana Department of Revenue and the budget must be adopted before the mill levy is set.

The setting of the tax levies is scheduled for when the Montana Department of Revenue has certified taxable values for the City of Great Falls.

Concurrences: The proposed Fiscal Year 2013 budget was presented by the City Manager on July 3, 2012 at the City Commission Budget Work Session.

Fiscal Impact: The fiscal impact of the proposed increase for inflation for a residential home with a taxable market value of \$100,000 would be approximately \$12.84, \$4.68 for Fiscal Year 2011, \$3.11 for Fiscal Year 2012, and \$5.05 for Fiscal Year 2013. The fiscal impact of the proposed increase for the “Permissive Medical Levy” would be \$6.26. The total impact on a residential home with a taxable market value of \$100,000 would be \$19.10 for the year. The fiscal impact of not authorizing the increase for inflation mills to the General Fund would result in a revenue shortfall of \$547,240 for the proposed budget.

Alternatives: If the Fiscal Year 2013 Budget Hearing is not held on July 17, 2012 it could be delayed until up to the August 21, 2012 City Commission Meeting. State law requires that the City adopt a Fiscal Year 2013 Budget on or before the 2nd Monday in August or 45 days after receiving taxable valuation from the Montana Department of Revenue. But, the mill levy must be set 30 days after receiving taxable valuation from the Montana Department of Revenue and the budget must be adopted before the mill levy is set.

Attachments/Exhibits: NOTICE OF BUDGET HEARING
RESOLUTION NO. 9970 – ANNUAL BUDGET RESOLUTION

NOTICE OF BUDGET HEARING

NOTICE is hereby given that the City Commission of the City of Great Falls has:

- completed its preliminary budget;
- placed the preliminary budget on file and open to public inspection at the City Clerk's Office, Room 204, Civic Center Building; and,
- set the public hearing on the City of Great Falls 2012 / 2013 Annual Operating Budget for 7 PM, Tuesday, July 17, 2012, at the City Commission Chambers, Civic Center Building.

All persons desiring to be heard are invited to appear and provide written or oral comments concerning the budget. For further information, please contact: City Clerk's Office, Room 204, Civic Center, 455-8451.

Lisa Kunz
City Clerk

FOR OFFICE USE ONLY

Publication Dates: July 8, 2012
July 15, 2012

LEGAL AD

RESOLUTION NO. 9970

ANNUAL BUDGET RESOLUTION

**A RESOLUTION RELATING TO FINAL BUDGETS AND ANNUAL
APPROPRIATIONS FOR THE FISCAL YEAR
BEGINNING JULY 1, 2012 AND ENDING JUNE 30, 2013**

WHEREAS, Montana Code Annotated (MCA), 7-6-4024, requires that the budget be approved and adopted by resolution by the later of the second Monday in August or within 45 calendar days of receiving certified taxable values from the Department of Revenue, and

WHEREAS, the notice of hearing on budget increase from property taxes was published in accordance with Section 15-10-203, MCA, and

WHEREAS, the notice of hearing on preliminary budget was published in accordance with Section 7-1-4127, MCA, as required by Section 7-6-4021, MCA, and

WHEREAS, the hearing on preliminary budget and budget increase from property taxes was held in accordance with Section 7-1-4131, MCA, and Section 7-6-4024 MCA, and,

WHEREAS, the Official City Code of the City of Great Falls, Title 2, Chapter 14, Sections 2.14.030 and 2.14.040 state the Municipal Court Judge and Municipal Court Clerk salaries shall be set by resolution, and,

WHEREAS, the Government Finance Officers Association recommends an unreserved fund balance in the General Fund of “no less than two months of regular general operating revenues or regular general fund operating expenditures”,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

Section 1. - Legal Spending Limits

The legal spending limits of the City of Great Falls are established at the fund level. Appendix A establishes each fund’s level. (7-6-4030, MCA)

Section 2. - Implementation Authority

2.1 The City Manager is hereby delegated appropriation authority for the expenditure of

funds from any or all of the following:

- a. debt service funds for obligations related to debt approved by the governing body;
- b. trust funds for obligations authorized by trust covenants;
- c. any fund for federal, state, local or private grants and shared revenue accepted and approved by the governing body;
- d. any fund for special assessments approved by the governing body;
- e. the proceeds from the sale of land;
- f. any fund for gifts or donations; and,
- g. money borrowed during the fiscal year. (7-6-4006, MCA)

2.2 The City Manager is hereby delegated authority to adjust appropriations funded by fees throughout the fiscal year in any or all of the following:

- a. proprietary fund appropriations (enterprise and internal service funds);
- b. general fund for fee supported services;
- c. information technology fund for fee supported mapping services;
- d. natural resources fund for fee supported forestry services;
- e. permits fund; and,
- f. licenses fund. (7-6-4012, MCA)

2.3 The authority to make transfers of appropriations between funds is retained by the City Commission.

2.4 The City Manager is hereby delegated the authority to make transfers or revisions within appropriations of any fund.

2.5 The City Manager may delegate to his department directors the authority to make transfers or revisions within or among appropriations of specific operations within a fund, limited to the division level of accountability.

2.6 Joint operating agreements approved by the governing body; insurance recoveries or dividends; hazardous material recoveries and, refunds or reimbursements of expenditures shall automatically amend the annual appropriations or reduce recorded expenditures whichever is correct in accordance with Generally Accepted Accounting Principles (GAAP).

Section 3. - Appropriation Carryovers

Generally accepted accounting principles (GAAP) require expenditures to be recognized in the fiscal year in which the goods or services are received.

3.1 Previous fiscal year appropriations for incomplete improvements in progress of construction, or segments thereof, are hereby declared authorized appropriations in addition to the appropriations set out in Appendix A., provided they meet the following criteria:

- a. related financing was provided in the prior fiscal year;
 - b. the appropriations were not obligated by year end;
 - c. the purpose was not included, or rejected, in current budget financing or appropriations; and,
 - d. the City Manager determines the appropriation is still needed.
- 3.2 Outstanding purchase orders and other obligations, representing a City obligation to pay the claim after receipt of the goods or services, are recognized as "claims incurred". They are hereby declared authorized "carryover" appropriations in addition to the appropriations set out in Appendix A., provided they meet the following criteria:
- a. related financing was provided in the prior fiscal year;
 - b. the appropriations were not otherwise obligated by year end;
 - c. the purpose was not included, or rejected, in current budget financing or appropriations; and,
 - d. the City Manager determines the appropriation is still needed.

Section 4. - Appropriated Reserves

Reserves which have been established for specific purposes, such as Equipment Revolving Scheduled (ERS) reserves, are hereby declared to be appropriations available for expenditure according to the reserve purpose. They shall be acknowledged as current appropriations upon the determination by the City Manager that they are currently needed to serve their intended purpose. Unexpended reserves shall be carried forward to meet future needs in accordance with their purpose.

Section 5. Contingency Account

- 5.1 Contingency account appropriations are provided by the City Commission as flexible appropriations. They are intended to provide the City Manager with an effective management tool for adjusting to changing circumstances throughout the budgetary year.
- 5.2 The City Manager is delegated the authority to transfer part or all of any contingency appropriation and related financing. Use of contingency appropriations is restricted to transfers of that appropriation authority to specific operating budgets. Proper classification of expenditures to specific operations is required. Accordingly, charging of expenditures directly to Contingency accounts is prohibited.
- 5.3 The Contingency appropriation is a two part authorization, determined on whether cash funding has been allocated in the General Fund during budget development:
 - a. General Fund financed; and,
 - b. Unfunded - a specific fund cash balance, additional revenue, or other funding source must be identified before the "unfunded" contingency appropriation may be used.

Section 6. - Classification and Pay Plan

- 6.1 The objective of the City’s Classification and Pay Plan is to enable the City to retain, and when necessary, recruit competent employees. Therefore, the Plan must be a dynamic tool which is continuously updated.
- 6.2 The City Manager is authorized to administratively change the Classification and Pay Plan. Annual pay surveys, continual or periodic review of positions with changed duties or responsibilities, and additions to the classification plan of changed and new classes of work will assure that the Classification and Pay Plan remains current and equitably meets the needs of the City and its employees.

Section 7. - Budgetary Authority

References to statutes, or to consistency with statutory authority, are for information purposes only. Nothing in this resolution shall be considered to mitigate or compromise the City’s self-governing authority.

Section 8. - Accounting Structure

Staff is hereby directed to establish and maintain City accounting structure in accordance with Generally Accepted Accounting Principles (GAAP). Statutes, ordinances, resolutions or other authoritative sources shall be implemented according to their intent and GAAP. Staff shall provide for conformance with the Commission's limits for financing and appropriation under authorized budgets whenever making proper modifications to accounting structure.

Section 9. – Municipal Court Judge and Municipal Court Clerk Salaries

The City Manager is authorized to administratively set the salaries of the Municipal Court Judge and Municipal Court Clerk using the following salary range:

Municipal Court Judge	\$62,121 to \$93,181
Municipal Court Clerk	\$34,345 to \$51,518

Section 10. – Designated for Cash Flow

As permitted by Section 7-6-4034, MCA, a balance Designated for Cash Flow shall be considered adequate in tax levy supported funds (General, Library, and Planning) at 17% of annual appropriations. A balance Designated for Cash Flow for other operating funds of the City shall be considered adequate at 17% (2mo./12mo.) of annual appropriations for seasonal operations; and, 17% (2mo./12mo.) of annual appropriations for all other operating funds.

Such balances designated for cash flow shall be used to meet extended revenue cycles, meet short term economic difficulties, respond to unique opportunities, provide for one-time expenditures, and respond to emergency and disaster situations. The balances shall not be available to meet recurring operating expenses.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana,
July 17, 2012.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

James W. Santoro, City Attorney

Appendix A. Balances & Changes by Fund for Year Ending June 30, 2013 City of Great Falls, Montana

	Estimated Beginning Balance	(+ Working Capital Sources			(-) Working Capital Uses			Estimated Ending Balance	Reserved Balance	Available Balance
		Revenue	Transfers In	Total Sources	Appropriations	Transfers Out	Total Uses			
General Fund	5,920,021	25,865,370	0	25,865,370	23,848,149	1,945,241	25,793,390	5,992,001	0	5,992,001
Special Revenue Funds										
Tax Increment Fund	185,945	0	0	0	0	0	0	185,945	0	185,945
Planning Fund	134,108	984,709	158,825	1,143,534	1,143,534	0	1,143,534	134,108	0	134,108
CTEP Projects Fund	(16,753)	0	0	0	0	0	0	(16,753)	0	(16,753)
Lighting Districts Fund	920,336	1,955,855	0	1,955,855	1,443,717	0	1,443,717	1,432,474	0	1,432,474
Support & Innovation Fund	53,459	567,600	0	567,600	567,700	0	567,700	53,359	53,359	0
911 Special Revenue Fund	293,856	493,388	0	493,388	0	350,428	350,428	436,816	436,816	0
Police Special Revenue Fund	246,338	0	0	0	9,842	0	9,842	236,496	236,496	0
Fire Special Revenue Fund	140,257	0	0	0	0	0	0	140,257	140,257	0
Street District Fund	2,513,889	5,317,891	0	5,317,891	7,120,071	0	7,120,071	711,709	0	711,709
Library Fund	587,424	916,205	450,000	1,366,205	1,396,674	0	1,396,674	556,955	115,580	441,375
Library Foundation Fund	31,293	108,900	0	108,900	66,000	0	66,000	74,193	74,193	0
Park & Recreation Special Revenue Fund	437,516	22,200	4,000	26,200	85,632	0	85,632	378,084	360,776	17,308
River's Edge Trail Special Revenue Fund	0	0	0	0	0	0	0	0	0	0
Natural Resources Fund	118,505	380,199	264,918	645,117	659,177	0	659,177	104,445	0	104,445
Portage Meadows Fund	4,814	48,079	0	48,079	48,079	0	48,079	4,814	0	4,814
Housing Authority Fund	0	1,285,757	0	1,285,757	1,285,757	0	1,285,757	0	0	0
Federal Block Grants Fund	266,325	1,188,359	0	1,188,359	1,185,098	0	1,185,098	269,586	0	269,586
Federal Home Grant Fund	5,607	236,962	0	236,962	232,338	0	232,338	10,231	0	10,231
Community Development Fund	0	0	0	0	0	0	0	0	0	0
Economic Revolving Fund	124,237	0	0	0	1,059	0	1,059	123,178	0	123,178
Permits Fund	190,434	935,702	0	935,702	935,704	0	935,704	190,432	0	190,432
Licenses Fund	387	225,320	0	225,320	225,301	0	225,301	406	0	406
Ag Tech Park Fund	643,302	110,000	0	110,000	31,907	0	31,907	721,395	0	721,395
West Bank Urban Renewal	134,392	0	0	0	14,461	0	14,461	119,931	0	119,931
Airport Tax Increment	5,095	0	0	0	0	0	0	5,095	0	5,095
Total Special Revenue Funds	7,020,766	14,777,126	877,743	15,654,869	16,452,051	350,428	16,802,479	5,873,156	1,417,477	4,455,679
Debt Service Funds										
Master Debt SILD	8,196	19,151	0	19,151	10,952	0	10,952	16,395	0	16,395
Improvement Districts Revolving Fund	213,600	71,470	0	71,470	47,646	0	47,646	237,424	237,424	0
Soccer Park Bonds	91,834	198,900	0	198,900	192,662	0	192,662	98,072	98,072	0
Swim Pool Rehab GO Bond	28,371	303,500	0	303,500	291,573	0	291,573	40,298	40,298	0
West Bank TI District	444,131	365,000	0	365,000	217,903	0	217,903	591,228	591,228	0
Total Debt Service Funds	786,132	958,021	0	958,021	760,736	0	760,736	983,417	967,022	16,395
Capital Project Funds										
General Capital Fund	480,709	0	0	0	9,577	0	9,577	471,132	471,132	0
Improvement District Projects Fund	3,740	0	0	0	0	0	0	3,740	3,740	0
Hazard Removal Fund	102,394	0	0	0	10,171	0	10,171	92,223	92,223	0
Total Capital Project Funds	586,843	0	0	0	19,748	0	19,748	567,095	567,095	0

Appendix A. Balances & Changes by Fund for Year Ending June 30, 2013 City of Great Falls, Montana

	Estimated Beginning Balance	(+ Working Capital Sources			(-) Working Capital Uses			Estimated Ending Balance	Reserved Balance	Available Balance
		Revenue	Transfers In	Total Sources	Appropriations	Transfers Out	Total Uses			
Enterprise Funds										
Water Fund	7,456,436	9,023,642	0	9,023,642	9,682,932	0	9,682,932	6,797,146	4,004,848	2,792,298
Sewer Fund	7,831,796	9,206,810	0	9,206,810	9,089,348	0	9,089,348	7,949,258	4,853,951	3,095,307
Storm Drain Fund	6,742,195	1,887,250	0	1,887,250	3,861,847	0	3,861,847	4,767,598	991,430	3,776,168
Sanitation Fund	428,358	3,164,441	0	3,164,441	3,424,413	0	3,424,413	168,386	0	168,386
Electric Utility Fund	(6,797,505)	2,015,921	145,671	2,161,592	2,152,283	0	2,152,283	(6,788,196)	866,567	(7,654,763)
Safety Services Fund	473,329	1,316,322	337,733	1,654,055	1,627,525	0	1,627,525	499,859	499,859	0
Parking Fund	371,064	656,078	0	656,078	873,795	0	873,795	153,347	102,420	50,927
Golf Courses Fund	(832,913)	1,492,160	0	1,492,160	1,577,339	0	1,577,339	(918,092)	237,717	(1,155,809)
Swim Pools Fund	367,455	491,000	414,389	905,389	1,022,980	0	1,022,980	249,864	100,000	149,864
Recreation Fund	273,544	333,310	153,729	487,039	493,552	0	493,552	267,031	30,335	236,696
Multi-Sports Fund	63,956	139,650	0	139,650	138,750	0	138,750	64,856	0	64,856
Civic Center Events Fund	162,873	381,348	214,727	596,075	677,600	0	677,600	81,348	14,496	66,852
Total Enterprise Funds	16,703,564	30,107,932	1,266,249	31,374,181	34,622,364	0	34,622,364	13,455,381	11,701,623	1,753,758
Internal Service Funds										
Human Resource Fund	38,532	367,215	0	367,215	362,233	0	362,233	43,514	0	43,514
Central Communications Fund	60,340	96,033	0	96,033	90,351	0	90,351	66,022	0	66,022
Health and Benefits Fund	(246,938)	7,117,000	0	7,117,000	7,424,500	0	7,424,500	(554,438)	0	(554,438)
Insurance & Safety Fund	349,548	1,437,054	0	1,437,054	1,442,546	0	1,442,546	344,056	0	344,056
Fiscal Services Fund	385,054	1,697,610	0	1,697,610	1,773,578	0	1,773,578	309,086	0	309,086
Information Tech Fund	545,448	1,338,080	25,390	1,363,470	1,331,031	0	1,331,031	577,887	417,286	160,601
Central Garage Fund	3,229,509	2,177,703	0	2,177,703	1,994,671	0	1,994,671	3,412,541	2,162,976	1,249,565
Engineering Fund	550,957	1,204,060	126,287	1,330,347	1,332,198	0	1,332,198	549,106	167,967	381,139
Public Works Administration Fund	330,566	461,372	0	461,372	460,422	0	460,422	331,516	3,577	327,939
Civic Center Facility Services Fund	214,836	501,405	0	501,405	501,686	0	501,686	214,555	97,116	117,439
Total Internal Service Funds	5,457,852	16,397,532	151,677	16,549,209	16,713,216	0	16,713,216	5,293,845	2,848,922	2,444,923
Trust & Agency Funds										
Trust & Agency Funds Trust & Agency Fund transactions are made in accordance with specific trust or agency agreements, covenants or other regulations. Accordingly, annual budgets are not prepared.	0		0	0		0	0	0	0	0
Total Trust & Agency Funds	0	0	0	0	0	0	0	0	0	0
Total All Budgeted Funds	36,475,178	88,105,981	2,295,669	90,401,650	92,416,264	2,295,669	94,711,933	32,164,895	17,502,139	14,662,756