



Item: Budget Hearings on Resolution 10029 – Annual Budget Resolution
From: Gregory T. Doyon, City Manager
Initiated By: Statutory Budget Requirements
Presented By: Melissa Kinzler, Fiscal Service Director
Action Requested: Conduct the Annual Budget Hearing and Adopt Resolution 10029

Public Hearing:

1. Mayor conducts public hearing, calling three times each for opponents and proponents.
2. Mayor closes public hearing and asks the will of the Commission.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt / deny) Resolution 10029.”

2. Mayor calls for a second, discussion, and calls for the vote.
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Staff Recommendation: Staff recommends the City Commission conduct the budget hearing, consider any budget changes which may be recommended during the budget hearing; and adopt Resolution 10029.

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 2014 budget process with an initial City Commission priority setting session in April 2013. The City Commission set informal budget priorities for the Fiscal Year 2014 Budget. This session was open to the public.

The Department's requested budgets were presented to the City Manager on May 8 through May 22, 2013. On June 18, 2013, the City Manager presented a Budget Presentation at the City Commission Work Session. This session was open to the public.

From these meetings and through the City Manager's direction, the Fiscal Year 2014 Budget was balanced. The Proposed FY 2014 Budget was presented to the City Commission on July 2, 2013 at the City Commission Work Session.

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 2014 budget was presented by the City Manager on July 2, 2013 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 \$4.58 for Fiscal Year 2014. The fiscal impact of the proposed increase for the "Permissive Medical Levy" is \$5.73. The total impact on a residential home with a taxable market value of \$100,000 would be \$10.31 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 \$302,671 for the proposed budget.

Alternatives: If the Fiscal Year 2014 is not passed, it could be delayed until up to the August 20, 2013 City Commission Meeting. State law requires that the City adopt a Fiscal Year 2014 Budget before the mill levy is set. The mill levy must be set 30 days after receiving taxable valuation from the Montana Department of Revenue.

Attachments/Exhibits: NOTICE OF BUDGET HEARING
RESOLUTION NO. 10029 – 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 2013 / 2014 Annual Operating Budget for 7 PM, Tuesday, July 16, 2013, 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

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FOR OFFICE USE ONLY

Publication Dates: July 7, 2013
July 14, 2013

LEGAL AD

RESOLUTION NO. 10029

ANNUAL BUDGET RESOLUTION

**A RESOLUTION RELATING TO FINAL BUDGETS AND ANNUAL
APPROPRIATIONS FOR THE FISCAL YEAR
BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014**

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 and Library) at 17% of annual appropriations. A balance Designated for Cash Flow for other operating funds of the City shall be considered adequate at a range of 8% to 17% of annual appropriations for seasonal operations; and, 8% to 17% 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 16, 2013.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney

Appendix A. Balances & Changes by Fund for Year Ending June 30, 2014

City of Great Falls, Montana

| Funds | Beginning Balance | + Working Capital Sources | | | - Working Capital Uses | | | Ending Balance | Reserved Balance | Available Balance |
|-------------------------------------|-------------------|---------------------------|----------------|-------------------|------------------------|----------------|-------------------|------------------|------------------|-------------------|
| | | Revenues | Transfers In | Total Sources | Expenditures | Transfers Out | Total Uses | | | |
| General | 1,230,347 | 26,464,445 | 100,000 | 26,564,445 | 23,662,377 | 1,962,074 | 25,624,451 | 2,170,341 | 0 | 2,170,341 |
| Special Revenue Funds | | | | | | | | | | |
| Park & Rec Special Revenue | 527,135 | 25,100 | 0 | 25,100 | 75,473 | 0 | 75,473 | 476,762 | 272,086 | 204,676 |
| Library | 608,127 | 930,251 | 350,000 | 1,280,251 | 1,382,853 | 0 | 1,382,853 | 505,525 | 115,580 | 389,945 |
| Library Foundation | 40,801 | 108,900 | 0 | 108,900 | 66,000 | 0 | 66,000 | 83,701 | 83,701 | 0 |
| Planning & Comm Dev | 108,196 | 712,509 | 100,000 | 812,509 | 868,103 | 0 | 868,103 | 52,602 | 0 | 52,602 |
| Tax Increment | 136,286 | 0 | 0 | 0 | 0 | 0 | 0 | 136,286 | 136,286 | 0 |
| Central MT Ag Tech TID | 710,981 | 110,000 | 0 | 110,000 | 31,918 | 0 | 31,918 | 789,063 | 789,063 | 0 |
| West Bank Urban Ren TID | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Airport TID | 9,362 | 0 | 0 | 0 | 0 | 0 | 0 | 9,362 | 9,362 | 0 |
| Economic Revolving | 87,774 | 0 | 0 | 0 | 0 | 0 | 0 | 87,774 | 0 | 87,774 |
| Permits | 47,054 | 964,978 | 0 | 964,978 | 958,966 | 0 | 958,966 | 53,066 | 0 | 53,066 |
| Licenses | 58,825 | 223,700 | 0 | 223,700 | 225,399 | 0 | 225,399 | 57,126 | 0 | 57,126 |
| Natural Resources | 247,700 | 381,099 | 164,918 | 546,017 | 671,198 | 0 | 671,198 | 122,519 | 0 | 122,519 |
| Portage Meadow | (1,885) | 48,079 | 0 | 48,079 | 48,083 | 0 | 48,083 | (1,889) | 0 | (1,889) |
| Street District | 4,031,422 | 5,310,242 | 0 | 5,310,242 | 7,295,503 | 0 | 7,295,503 | 2,046,161 | 0 | 2,046,161 |
| Support & Innovation | 40,057 | 611,065 | 0 | 611,065 | 612,124 | 0 | 612,124 | 38,998 | 0 | 38,998 |
| 911 Special Revenue | 287,293 | 553,940 | 0 | 553,940 | 0 | 376,983 | 376,983 | 464,250 | 428,944 | 35,306 |
| Police Special Revenue | 235,653 | 0 | 0 | 0 | 800 | 0 | 800 | 234,853 | 234,853 | 0 |
| HIDTA Special Revenue | 1,091 | 43,565 | 0 | 43,565 | 43,565 | 0 | 43,565 | 1,091 | 1,091 | 0 |
| Fire Special Revenue | 169,004 | 0 | 0 | 0 | 0 | 0 | 0 | 169,004 | 169,004 | 0 |
| Federal Block Grant | 262,509 | 925,056 | 0 | 925,056 | 1,021,096 | 0 | 1,021,096 | 166,469 | 166,469 | 0 |
| HOME Grant | 5,185 | 234,946 | 0 | 234,946 | 252,058 | 0 | 252,058 | (11,927) | 0 | (11,927) |
| CTEP Projects | 22,311 | 0 | 0 | 0 | 0 | 0 | 0 | 22,311 | 22,311 | 0 |
| Housing Authority | 0 | 1,304,239 | 0 | 1,304,239 | 1,304,239 | 0 | 1,304,239 | 0 | 0 | 0 |
| Lighting Districts | 2,108,447 | 1,988,874 | 0 | 1,988,874 | 1,418,037 | 0 | 1,418,037 | 2,679,284 | 0 | 2,679,284 |
| Special Revenue Funds Total | 9,743,329 | 14,476,543 | 614,918 | 15,091,461 | 16,275,415 | 376,983 | 16,652,398 | 8,182,392 | 2,428,750 | 5,753,642 |
| Debt Service Funds | | | | | | | | | | |
| Soccer Park Bond | 77,086 | 198,900 | 0 | 198,900 | 193,507 | 0 | 193,507 | 82,479 | 82,479 | 0 |
| Swim Pool Rehab Bond | 17,480 | 303,500 | 0 | 303,500 | 292,243 | 0 | 292,243 | 28,737 | 28,737 | 0 |
| West Bank TID | 628,277 | 365,000 | 0 | 365,000 | 229,937 | 0 | 229,937 | 763,340 | 763,340 | 0 |
| Improvement District Revolving | 224,579 | 55,276 | 0 | 55,276 | 92,046 | 0 | 92,046 | 187,809 | 187,809 | 0 |
| Master Debt SILD | 31,435 | 17,751 | 0 | 17,751 | 11,024 | 0 | 11,024 | 38,162 | 38,162 | 0 |
| Debt Service Funds Total | 978,857 | 940,427 | 0 | 940,427 | 818,757 | 0 | 818,757 | 1,100,527 | 1,100,527 | 0 |
| Capital Projects Funds | | | | | | | | | | |
| General Capital Projects | 446,141 | 0 | 0 | 0 | 258,480 | 0 | 258,480 | 187,661 | 187,661 | 0 |
| Improvement Districts Projects | 3,753 | 0 | 0 | 0 | 0 | 0 | 0 | 3,753 | 3,753 | 0 |
| Hazard Removal | 1,995 | 0 | 0 | 0 | 173 | 0 | 173 | 1,822 | 1,822 | 0 |
| Capital Projects Funds Total | 451,889 | 0 | 0 | 0 | 258,653 | 0 | 258,653 | 193,236 | 193,236 | 0 |

Appendix A. Balances & Changes by Fund for Year Ending June 30, 2014

City of Great Falls, Montana

| Funds | Beginning Balance | + Working Capital Sources | | | - Working Capital Uses | | | Ending Balance | Reserved Balance | Available Balance |
|-------------------------------------|-------------------|---------------------------|------------------|--------------------|------------------------|------------------|--------------------|-------------------|-------------------|-------------------|
| | | Revenues | Transfers In | Total Sources | Expenditures | Transfers Out | Total Uses | | | |
| Enterprise Funds | | | | | | | | | | |
| Golf Courses | (1,066,921) | 1,494,400 | 0 | 1,494,400 | 1,489,015 | 0 | 1,489,015 | (1,061,536) | 237,717 | (1,299,253) |
| Water | 6,023,364 | 34,348,953 | 0 | 34,348,953 | 35,747,453 | 0 | 35,747,453 | 4,624,864 | 2,201,154 | 2,423,710 |
| Sewer | 6,423,351 | 9,891,697 | 0 | 9,891,697 | 7,935,145 | 0 | 7,935,145 | 8,379,903 | 4,660,611 | 3,719,292 |
| Storm Drain | 4,674,743 | 1,862,250 | 0 | 1,862,250 | 5,838,717 | 0 | 5,838,717 | 698,276 | 585,848 | 112,428 |
| Sanitation | 380,567 | 3,392,159 | 0 | 3,392,159 | 3,443,916 | 0 | 3,443,916 | 328,810 | 0 | 328,810 |
| Electric | (1,638,328) | 939,200 | 895,671 | 1,834,871 | 1,833,096 | 0 | 1,833,096 | (1,636,553) | 866,567 | (2,503,120) |
| Swimming Pools | 347,805 | 542,850 | 214,389 | 757,239 | 1,013,595 | 0 | 1,013,595 | 91,449 | 60,000 | 31,449 |
| 911 Dispatch | 329,157 | 1,278,241 | 364,288 | 1,642,529 | 1,616,306 | 0 | 1,616,306 | 355,380 | 355,380 | 0 |
| Parking | 468,475 | 657,228 | 0 | 657,228 | 914,608 | 0 | 914,608 | 211,095 | 100,000 | 111,095 |
| Recreation | 174,899 | 370,350 | 59,226 | 429,576 | 522,692 | 0 | 522,692 | 81,783 | 0 | 81,783 |
| Multisports | 86,173 | 139,650 | 0 | 139,650 | 139,640 | 0 | 139,640 | 86,183 | 0 | 86,183 |
| Civic Center Events | 166,954 | 340,175 | 114,727 | 454,902 | 617,306 | 0 | 617,306 | 4,550 | 14,496 | (9,946) |
| Enterprise Funds Total | 16,370,241 | 55,257,153 | 1,648,301 | 56,905,454 | 61,111,489 | 0 | 61,111,489 | 12,164,206 | 9,081,773 | 3,082,433 |
| Internal Service Funds | | | | | | | | | | |
| Central Garage | 2,479,842 | 2,226,480 | 0 | 2,226,480 | 1,772,508 | 0 | 1,772,508 | 2,933,814 | 2,433,576 | 500,238 |
| Information Tech | 153,595 | 1,333,483 | 12,695 | 1,346,178 | 1,253,269 | 0 | 1,253,269 | 246,504 | 240,770 | 5,734 |
| Insurance & Safety | 249,845 | 1,442,377 | 0 | 1,442,377 | 1,426,608 | 100,000 | 1,526,608 | 165,614 | 0 | 165,614 |
| Health & Benefits | 1,375,022 | 6,911,680 | 0 | 6,911,680 | 8,003,895 | 0 | 8,003,895 | 282,807 | 0 | 282,807 |
| Human Resources | 38,804 | 346,666 | 0 | 346,666 | 344,817 | 0 | 344,817 | 40,653 | 0 | 40,653 |
| City Telephone | 64,614 | 91,382 | 0 | 91,382 | 91,133 | 0 | 91,133 | 64,863 | 0 | 64,863 |
| Fiscal Services | (30,410) | 1,715,792 | 0 | 1,715,792 | 1,715,650 | 0 | 1,715,650 | (30,268) | 0 | (30,268) |
| Engineering | 247,225 | 1,139,282 | 63,143 | 1,202,425 | 1,316,328 | 0 | 1,316,328 | 133,322 | 33,984 | 99,338 |
| Public Works Admin | 234,110 | 467,098 | 0 | 467,098 | 464,487 | 0 | 464,487 | 236,721 | 0 | 236,721 |
| Civic Center Facility | 233,944 | 501,400 | 0 | 501,400 | 501,459 | 0 | 501,459 | 233,885 | 97,116 | 136,769 |
| Internal Service Funds Total | 5,046,590 | 16,175,640 | 75,838 | 16,251,478 | 16,890,154 | 100,000 | 16,990,154 | 4,307,914 | 2,805,446 | 1,502,468 |
| Total | 33,821,254 | 113,314,208 | 2,439,057 | 115,753,265 | 119,016,845 | 2,439,057 | 121,455,902 | 28,118,617 | 15,609,732 | 12,508,885 |