



**Item:** Set Annual Budget Hearings on Resolution 10080 – 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

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission set the public budget hearing on Resolution 10080 for July 15, 2014.”

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

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**Staff Recommendation:** Staff recommends the City Commission set the public budget hearings on Resolution 10080 for July 15, 2014, 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 2015 budget process with an initial City Commission priority setting session in January 30, 2014. The City Commission set informal budget priorities for the Fiscal Year 2015 Budget. This session was open to the public.

The Departments requested budgets were presented to the City Manager on May 12 through May 16, 2014.

From these meetings and through the City Manager's direction, the Fiscal Year 2015 Budget was balanced. The Proposed FY 2015 Budget was presented to the City Commission on July 1, 2014 at the City Commission Work Session.

This agenda item is to schedule the annual public hearings on the budget for July 15, 2014. 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 first Thursday after the first Tuesday in September or within 30 calendar days of receiving certified taxable values from the Montana Department of Revenue.

The setting of the tax levies will be scheduled when the Montana Department of Revenue has certified taxable values for the City of Great Falls, (usually in August).

**Concurrences:** The proposed Fiscal Year 2015 budget was presented by the City Manager on July 1, 2014 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 \$4.50 for Fiscal Year 2015. The fiscal impact of the proposed increase for the “Permissive Medical Levy” is \$5.44. The total impact on a residential home with a taxable market value of \$100,000 would be \$9.94 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 \$302,734 for the proposed budget. Increases for water and sewer rates and street, portage meadows and lighting district assessments will be proposed at a later date and be subject to separate action by the Commission.

**Alternatives:** If the Fiscal Year 2015 Budget Hearing is not held on July 15, 2014 it could be delayed until up to the August 19, 2014 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. 10080 – 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 2014 / 2015 Annual Operating Budget for 7 PM, Tuesday, July 15, 2014, 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 6, 2014  
July 13, 2014

**LEGAL AD**

**RESOLUTION NO. 10080**

**ANNUAL BUDGET RESOLUTION**

**A RESOLUTION RELATING TO FINAL BUDGETS AND ANNUAL  
APPROPRIATIONS FOR THE FISCAL YEAR  
BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015**

**WHEREAS,** Montana Code Annotated (MCA), 7-6-4024, requires that the budget be approved and adopted by resolution by the later of the first Thursday after the first Tuesday in September or within 30 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 15, 2014.

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Michael J. Winters, Mayor

ATTEST:

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Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

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Sara R. Sexe, City Attorney



Appendix A. Balances & Changes by Fund for Year Ending June 30, 2015

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	2,246,912	26,615,254	143,744	26,758,998	24,555,636	1,212,074	25,767,710	3,238,200	0	3,238,200
<b>Special Revenue Funds</b>										
Park & Rec Special Revenue	520,189	25,100	0	25,100	75,478	0	75,478	469,811	372,279	97,532
Library	485,829	926,378	350,000	1,276,378	1,276,911	0	1,276,911	485,296	115,580	369,716
Library Foundation	52,815	108,275	0	108,275	70,000	0	70,000	91,090	91,090	0
Planning & Comm Dev	124,238	610,534	100,000	710,534	701,747	0	701,747	133,025	0	133,025
Central MT Ag Tech TID	179,685	110,000	0	110,000	110,000	0	110,000	179,685	179,685	0
Airport TID	16,986	0	0	0	0	0	0	16,986	16,986	0
Downtown TID	14,238	0	0	0	0	0	0	14,238	14,238	0
Economic Revolving	15,838	0	0	0	0	0	0	15,838	0	15,838
Permits	75,837	966,067	0	966,067	839,381	0	839,381	202,523	0	202,523
Licenses	30,721	225,300	0	225,300	229,140	0	229,140	26,881	0	26,881
Natural Resources	150,278	378,599	164,918	543,517	579,743	0	579,743	114,052	0	114,052
Portage Meadow	(5,561)	58,079	0	58,079	50,189	0	50,189	2,329	0	2,329
Street District	869,392	5,747,574	0	5,747,574	5,653,698	0	5,653,698	963,268	0	963,268
Support & Innovation	46,548	611,065	0	611,065	611,065	0	611,065	46,548	0	46,548
911 Special Revenue	343,231	555,940	0	555,940	0	382,941	382,941	516,230	516,230	0
Police Special Revenue	271,014	34,763	0	34,763	800	69,221	70,021	235,756	235,756	0
HIDTA Special Revenue	(50,419)	43,565	0	43,565	44,165	0	44,165	(51,019)	(51,019)	0
Fire Special Revenue	169,276	0	0	0	0	74,523	74,523	94,753	94,753	0
Federal Block Grant	149,265	1,046,056	0	1,046,056	1,048,542	0	1,048,542	146,779	146,779	0
HOME Grant	6,567	215,030	0	215,030	214,731	0	214,731	6,866	6,866	0
CTEP Projects	46,190	0	0	0	0	0	0	46,190	46,190	0
Housing Authority	0	1,304,905	0	1,304,905	1,304,905	0	1,304,905	0	0	0
Lighting Districts	2,020,347	1,547,374	0	1,547,374	1,423,459	0	1,423,459	2,144,262	0	2,144,262
<b>Special Revenue Funds Total</b>	<b>5,532,504</b>	<b>14,514,604</b>	<b>614,918</b>	<b>15,129,522</b>	<b>14,233,954</b>	<b>526,685</b>	<b>14,760,639</b>	<b>5,901,387</b>	<b>1,785,413</b>	<b>4,115,974</b>
<b>Debt Service Funds</b>										
Soccer Park Bond	49,067	171,000	0	171,000	170,849	0	170,849	49,218	49,218	0
Swim Pool Rehab Bond	24,567	271,500	0	271,500	271,503	0	271,503	24,564	24,564	0
West Bank TID	741,552	410,000	0	410,000	232,417	0	232,417	919,135	919,135	0
Improvement District Revolving	77,954	53,169	0	53,169	45,159	0	45,159	85,964	85,964	0
Master Debt SILD	9,205	16,022	0	16,022	8,265	0	8,265	16,962	16,962	0
General Obligation Taxable Bond	3,565	0	145,671	145,671	144,538	0	144,538	4,698	4,698	0
<b>Debt Service Funds Total</b>	<b>905,910</b>	<b>921,691</b>	<b>145,671</b>	<b>1,067,362</b>	<b>872,731</b>	<b>0</b>	<b>872,731</b>	<b>1,100,541</b>	<b>1,100,541</b>	<b>0</b>

## Appendix A. Balances &amp; Changes by Fund for Year Ending June 30, 2015

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			
<b>Capital Projects Funds</b>										
General Capital Projects	321,598	0	0	0	0	0	0	321,598	321,598	0
Improvement Districts Projects	3,752	0	0	0	0	0	0	3,752	3,752	0
Hazard Removal	1,801	0	0	0	0	0	0	1,801	1,801	0
<b>Capital Projects Funds Total</b>	<b>327,151</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>327,151</b>	<b>327,151</b>	<b>0</b>
<b>Enterprise Funds</b>										
Golf Courses	(1,146,502)	1,506,600	0	1,506,600	1,515,566	0	1,515,566	(1,155,468)	234,138	(1,389,606)
Water	6,398,520	9,746,822	0	9,746,822	13,303,499	0	13,303,499	2,841,843	2,022,159	819,684
Sewer	9,290,601	16,373,769	0	16,373,769	19,723,914	0	19,723,914	5,940,456	3,932,759	2,007,697
Storm Drain	2,018,709	6,843,000	0	6,843,000	6,409,498	0	6,409,498	2,452,211	469,026	1,983,185
Sanitation	491,913	3,392,159	0	3,392,159	3,412,888	0	3,412,888	471,184	27,046	444,138
Electric	361,910	0	0	0	0	0	0	361,910	0	361,910
Swimming Pools	176,418	591,200	214,389	805,589	920,376	0	920,376	61,631	0	61,631
911 Dispatch	207,380	1,312,298	369,636	1,681,934	1,665,967	0	1,665,967	223,347	223,347	0
Parking	174,464	681,550	0	681,550	804,480	0	804,480	51,534	0	51,534
Recreation	163,139	374,870	59,226	434,096	511,499	0	511,499	85,736	0	85,736
Multisports	65,510	139,650	0	139,650	131,096	0	131,096	74,064	0	74,064
Civic Center Events	62,329	446,738	114,727	561,465	559,165	0	559,165	64,629	14,496	50,133
Special State Projects	0	383,402	0	383,402	383,402	0	383,402	0	0	0
<b>Enterprise Funds Total</b>	<b>18,264,391</b>	<b>41,792,058</b>	<b>757,978</b>	<b>42,550,036</b>	<b>49,341,350</b>	<b>0</b>	<b>49,341,350</b>	<b>11,473,077</b>	<b>6,922,971</b>	<b>4,550,106</b>
<b>Internal Service Funds</b>										
Central Garage	2,588,477	2,098,210	0	2,098,210	1,948,263	0	1,948,263	2,738,424	2,297,543	440,881
Information Tech	96,437	1,278,396	13,305	1,291,701	1,278,976	0	1,278,976	109,162	88,180	20,982
Insurance & Safety	160,325	1,402,936	0	1,402,936	1,398,963	0	1,398,963	164,298	0	164,298
Health & Benefits	91,486	7,030,345	0	7,030,345	7,054,272	0	7,054,272	67,559	0	67,559
Human Resources	61,649	345,709	0	345,709	351,161	0	351,161	56,197	0	56,197
City Telephone	11,984	39,130	0	39,130	39,364	0	39,364	11,750	0	11,750
Fiscal Services	8,674	1,727,791	0	1,727,791	1,735,396	0	1,735,396	1,069	0	1,069
Engineering	245,025	1,307,080	63,143	1,370,223	1,369,133	0	1,369,133	246,115	117,081	129,034
Public Works Admin	246,926	488,475	0	488,475	691,421	0	691,421	43,980	0	43,980
Civic Center Facility	213,687	500,592	0	500,592	503,866	0	503,866	210,413	97,116	113,297
<b>Internal Service Funds Total</b>	<b>3,724,670</b>	<b>16,218,664</b>	<b>76,448</b>	<b>16,295,112</b>	<b>16,370,815</b>	<b>0</b>	<b>16,370,815</b>	<b>3,648,967</b>	<b>2,599,920</b>	<b>1,049,047</b>
<b>Total</b>	<b>31,001,538</b>	<b>100,062,271</b>	<b>1,738,759</b>	<b>101,801,030</b>	<b>105,374,486</b>	<b>1,738,759</b>	<b>107,113,245</b>	<b>25,689,323</b>	<b>12,735,996</b>	<b>12,953,327</b>