



Item: Set Annual Budget Hearing on Resolution 10114 – 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 10114 for July 21, 2015.”

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

Staff Recommendation: Staff recommends the City Commission set the public budget hearing on Resolution 10114 for July 21, 2015, 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 2016 budget process with an initial City Commission priority setting session on March 11, 2015. The City Commission set informal budget priorities for the Fiscal Year 2016 Budget. This session was open to the public.

The Departments requested budgets were presented to the City Manager on May 18 through May 26, 2015.

From these meetings and through the City Manager's direction, the Fiscal Year 2016 Budget was balanced. The Proposed Fiscal Year 2016 Budget was presented to the City Commission on July 7, 2015 at the City Commission Work Session.

This agenda item is to schedule the annual public hearing on the budget for July 21, 2015. 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 2016 budget was presented by the City Manager on July 7, 2015 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 \$2.91 for Fiscal Year 2016. The fiscal impact of the proposed increase for the “Permissive Medical Levy” is \$9.36. The total impact on a residential home with a taxable market value of \$100,000 would be \$12.27 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 \$373,387 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 2016 Budget Hearing is not held on July 21, 2015, it could be delayed until up to the August 18, 2015, City Commission meeting. State law requires that the City adopt a Fiscal Year 2016 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. 10114 – 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 2015 / 2016 Annual Operating Budget for 7 PM, Tuesday, July 21, 2015, 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 12, 2015
July 19, 2015

LEGAL AD

RESOLUTION NO. 10114

ANNUAL BUDGET RESOLUTION

**A RESOLUTION RELATING TO FINAL BUDGETS AND ANNUAL
APPROPRIATIONS FOR THE FISCAL YEAR
BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016**

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, Section 2.14.040 states the Municipal Court Clerk salary 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 Clerk Salary

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

Municipal Court Clerk	\$36,903 to \$51,518
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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 21, 2015.

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, 2016

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	4,232,852	27,506,969	0	27,506,969	25,262,921	1,792,873	27,055,794	4,684,027	0	4,684,027
Special Revenue Funds										
Park & Rec Special Revenue	594,030	11,100	0	11,100	256,450	0	256,450	348,680	337,743	10,937
Library	467,426	931,660	371,137	1,302,797	1,282,181	0	1,282,181	488,042	126,580	361,462
Library Foundation	122,892	107,975	0	107,975	70,000	0	70,000	160,867	160,867	0
Planning & Comm Dev	194,402	611,479	141,939	753,418	753,418	0	753,418	194,402	0	194,402
Central MT Ag Tech TID	155,541	240,000	0	240,000	737	0	737	394,804	394,804	0
Airport TID	24,289	0	0	0	0	0	0	24,289	24,289	0
Downtown TID	35,141	0	0	0	0	0	0	35,141	35,141	0
East Insudtrial Ag Tech TID	21,581	0	0	0	0	0	0	21,581	21,581	0
Economic Revolving	17,295	0	0	0	0	0	0	17,295	0	17,295
Permits	629,590	946,474	0	946,474	835,962	0	835,962	740,102	0	740,102
Licenses	61,126	225,300	0	225,300	225,288	0	225,288	61,138	0	61,138
Natural Resources	117,755	400,465	164,918	565,383	571,859	0	571,859	111,279	31,866	79,413
Portage Meadow	3,609	58,079	0	58,079	50,110	0	50,110	11,578	0	11,578
Street District	1,407,674	6,221,096	0	6,221,096	6,230,023	0	6,230,023	1,398,747	0	1,398,747
Support & Innovation	61,347	611,065	0	611,065	611,065	0	611,065	61,347	0	61,347
911 Special Revenue	406,724	592,528	0	592,528	0	382,941	382,941	616,311	616,311	0
Police Special Revenue	250,092	34,763	0	34,763	800	0	800	284,055	284,055	0
HIDTA Special Revenue	30,219	43,565	0	43,565	79,841	0	79,841	(6,057)	(6,057)	0
Fire Special Revenue	111,123	0	0	0	0	0	0	111,123	111,123	0
Federal Block Grant	305,218	715,840	0	715,840	973,263	0	973,263	47,795	47,795	0
HOME Grant	1,550	191,970	0	191,970	191,967	0	191,967	1,553	1,553	0
CTEP Projects	117,786	0	0	0	0	0	0	117,786	117,786	0
Housing Authority	0	1,346,480	0	1,346,480	1,346,480	0	1,346,480	0	0	0
Street Lighting Districts	2,096,589	1,430,607	0	1,430,607	1,422,286	0	1,422,286	2,104,910	0	2,104,910
Special Revenue Funds Total	7,232,999	14,720,446	677,994	15,398,440	14,901,730	382,941	15,284,671	7,346,768	2,305,437	5,041,331
Debt Service Funds										
Soccer Park Bond	39,057	171,000	0	171,000	167,366	0	167,366	42,691	42,691	0
Swim Pool Rehab Bond	19,198	271,500	0	271,500	270,322	0	270,322	20,376	20,376	0
West Bank TID	564,301	410,000	0	410,000	213,684	0	213,684	760,617	760,617	0
Improvement District Revolving	58,126	51,062	0	51,062	64,399	0	64,399	44,789	44,789	0
Master Debt SILD	22,769	19,148	0	19,148	21,888	0	21,888	20,029	20,029	0
General Obligation Taxable Bond	4,721	0	148,338	148,338	148,338	0	148,338	4,721	4,721	0
Debt Service Funds Total	708,172	922,710	148,338	1,071,048	885,997	0	885,997	893,223	893,223	0

Appendix A. Balances & Changes by Fund for Year Ending June 30, 2016

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			
Capital Projects Funds										
General Capital Projects	375,733	0	112,000	112,000	112,000	0	112,000	375,733	375,733	0
Improvement Districts Projects	5,468	0	0	0	0	0	0	5,468	5,468	0
Street Lighting Construction	0	0	0	0	0	0	0	0	0	0
Hazard Removal	13	0	50,000	50,000	0	0	0	50,013	50,013	0
Capital Projects Funds Total	381,214	0	162,000	162,000	112,000	0	112,000	431,214	431,214	0
Enterprise Funds										
Golf Courses	(1,066,500)	1,533,099	100,000	1,633,099	1,528,423	0	1,528,423	(961,824)	0	(961,824)
Water	4,070,832	10,314,421	0	10,314,421	9,830,616	0	9,830,616	4,554,637	1,988,194	2,566,443
Sewer	7,843,937	10,208,302	0	10,208,302	12,633,729	0	12,633,729	5,418,510	3,932,759	1,485,751
Storm Drain	2,413,007	10,262,392	0	10,262,392	11,531,336	0	11,531,336	1,144,063	468,078	675,985
Sanitation	583,879	3,559,592	0	3,559,592	3,449,115	0	3,449,115	694,356	0	694,356
Swimming Pools	20,827	519,787	381,389	901,176	918,740	0	918,740	3,263	0	3,263
911 Dispatch Center	227,386	1,378,594	369,636	1,748,230	1,764,488	0	1,764,488	211,128	211,128	0
Parking	281,359	537,975	0	537,975	658,125	0	658,125	161,209	100,000	61,209
Recreation	201,426	401,890	59,226	461,116	494,444	0	494,444	168,098	0	168,098
Multisports	70,049	134,700	0	134,700	132,253	0	132,253	72,496	0	72,496
Civic Center Events	15,092	367,145	187,761	554,906	554,906	0	554,906	15,092	14,496	596
Special State Projects	0	383,402	0	383,402	383,402	0	383,402	0	0	0
Porth Authority	150,229	0	0	0	0	0	0	150,229	150,229	0
Enterprise Funds Total	14,811,523	39,601,299	1,098,012	40,699,311	43,879,577	0	43,879,577	11,631,257	6,864,884	4,766,373
Internal Service Funds										
Central Garage	2,892,841	2,533,406	0	2,533,406	2,893,411	0	2,893,411	2,532,836	2,033,478	499,358
Information Tech	154,244	1,332,104	26,327	1,358,431	1,361,572	0	1,361,572	151,103	122,372	28,731
Insurance & Safety	569,413	1,016,550	0	1,016,550	1,017,091	0	1,017,091	568,872	0	568,872
Health & Benefits	(855,067)	7,373,755	0	7,373,755	7,373,000	0	7,373,000	(854,312)	0	(854,312)
Human Resources	78,691	348,037	0	348,037	422,538	0	422,538	4,190	0	4,190
City Telephone	(3,470)	46,805	0	46,805	43,836	0	43,836	(501)	0	(501)
Fiscal Services	19,228	1,528,002	0	1,528,002	1,515,727	0	1,515,727	31,503	0	31,503
Engineering	211,355	1,328,039	63,143	1,391,182	1,413,897	0	1,413,897	188,640	62,251	126,389
Public Works Admin	251,640	519,577	0	519,577	540,560	0	540,560	230,657	0	230,657
Civic Center Facility Services	184,277	512,736	0	512,736	509,887	0	509,887	187,126	97,116	90,010
Internal Service Funds Total	3,503,152	16,539,011	89,470	16,628,481	17,091,519	0	17,091,519	3,040,114	2,315,217	724,897
Total	30,869,912	99,290,435	2,175,814	101,466,249	102,133,744	2,175,814	104,309,558	28,026,603	12,809,975	15,216,628