

# FISCAL YEAR 2025 BUDGET

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## GENERAL FUND

June 18, 2024 Work Session



## Commission Goals & Priorities

February 2024

- Public Safety
- Housing
  - Encourage/facilitate infill development; consider options and best practices
  - Continue to explore options (grant writing/legislature) to facilitate affordable housing and full spectrum of housing
  - Discuss camping ordinance and low barrier options with Continuum of Care group (two-four year plan)
- Economic Development
  - Streamlining zoning and permitting
  - Attracting primary sector businesses
- Discussing ties between economic development to infrastructure and public safety
- Growth Plan



# City Manager Goals and Priorities

*March 2024-2025*



- Public Safety Puzzle
- Commit and complete ARPA Projects
- Attempt to address the City's ongoing budget deficit
- Employee recruitment and retention
- Update and extend CourseCo Management Agreement
- Continue to onboard New IT Director and P&CD Director
- Offer Supervisor Training
- Prepare Great Falls for Sentinel
- Continue to address city funds that are not performing
- Professional Development

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# FY2025 Budget Environment



**National Trends:** Labor market, inflation, supply chain, general economic conditions

**Unknowns:** Tax protests, 2025 Legislative Session, Public Safety/Library Management Agreement discussions

**City:** Commission/Manager goals, Property tax growth/values, TIF, operational/capital needs, PSAC, library discussions

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## FY2025 General Fund Drivers



Tax Protest	Approximately \$1,100,000 uncollected in FY2024 anticipated to continue for FY2025. Settlement percentage is unpredictable.
Personnel	Collective Bargaining Agreements increase wages 3-6% in FY2025. Approximately \$700,000 for the General Fund.
	Health Insurance rates increased 12%. Totals \$323,535 for the General Fund and \$848,900 for all funds. Permissive medical levy increase, if taken, will cover the General Fund increase.
	Workers Compensation rates decreased approximately 43%. \$235,760 General Fund savings, \$359,317 total savings for all funds.
COPS Grant	3 officer positions fully covered by General Fund in FY2025, no additional grant funding after 1 <sup>st</sup> three years. Total of 3 positions is \$366,708.
General Fund Subsidies	\$134,000 returned to Civic Center Events and additional \$122,406 to P&R for operations of Aim High Big Sky.
Electricity	Rates decrease 17% on November 1, 2024. \$63,661 General Fund savings, \$216,333 total savings. Aim High Big Sky expected to be additional \$220,000 in electricity costs.
2 <sup>nd</sup> Municipal Judge	Full year of 2 <sup>nd</sup> full-time judge is an increase of \$83,400 versus half year.

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## Other General Fund Highlights



Above & Beyond request for legal - \$40,000 for prosecution software

Added back in license revenue for beer/wine and liquor licenses - \$72,000

Above & Beyond approval for part-time Neighborhood Council Coordinator - \$28,550

EMS Contract Response Time Standard – increased \$30,000 revenue

No capital outlay budgeted for the General Fund

Above & Beyond approval for Police recruiting and training - \$32,136

Additional \$81,530 to fund the Equipment Revolving Schedule for police cars – inflation increases and supply chain delays

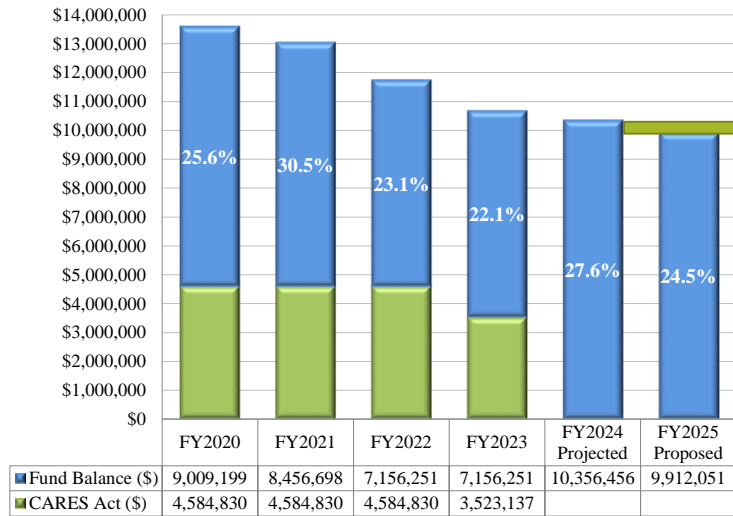
No funding for the public safety levy education, and two elections were reduced to one

\$50,000 in contingency for nuisance weeds and hazard removal

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# General Fund Fund Balance



Total Revenue Budget	\$ 40,370,294
Total Expense Budget	\$ 40,814,699
Use of Fund Balance in FY2025	\$ 444,405

FY2025 Ending Fund Balance	\$ 9,912,051
Target 22% Fund Balance	\$ 8,979,234



# General Fund Revenue Increases

General Fund Revenue Segment	FY2023 Increases	FY2024 Increases	FY2025 Available Increases	Approximate Household Impact
Newly Taxable Property	\$ 352,303	\$ 1,510,213 Protested: Approx. \$1,093,591	\$ 400,000 Amount not known until August	-
Inflationary Factor	\$ 641,691 Used carry-over mills from prior 2 years	\$ 446,080	\$ 562,520	\$5.76 per \$100,000 Taxable Value
Permissive Medical Levy	\$ 247,551	\$ 353,043	\$ 317,544	\$3.25 per \$100,000 Taxable Value
Marijuana Tax	-	-	\$ 220,000	-
Entitlement Share	\$ 294,004	\$ 311,446	\$ 319,522	-
<b>Total Revenue Increases</b>	<b>\$ 1,535,549</b>	<b>\$ 2,620,782</b>	<b>\$ 1,819,586</b>	<b>-</b>



## FY2025 Detail General Fund Revenue

Revenues	FY2024 Adopted	FY2025 Proposed	Increase (Decrease)	% Change
Taxes	\$ 24,182,096	\$ 26,018,186	\$ 1,836,090	7.59%
Licenses and Permits	\$ 916,500	\$ 929,200	\$ 12,700	1.39%
Intergovernmental	\$ 9,730,562	\$ 10,116,751	\$ 386,189	3.97%
Charges for Services	\$ 1,149,262	\$ 1,221,048	\$ 71,786	6.25%
Fines and Forfeitures	\$ 680,000	\$ 680,000	\$ -	0.00%
Internal Service	\$ 1,102,343	\$ 1,174,859	\$ 72,516	6.58%
Investment Income	\$ 20,000	\$ 20,000	\$ -	0.00%
Other	\$ 192,674	\$ 210,250	\$ 17,576	9.12%
<b>Total Revenue</b>	<b>\$ 37,973,437</b>	<b>\$ 40,370,294</b>	<b>\$ 2,396,857</b>	<b>6.31%</b>

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## FY2025 Detail General Fund Expenses

Expenses	FY2024 Adopted	FY2025 Proposed	Increase (Decrease)	% Change
Administration	\$ 3,931,924	\$ 4,226,361	\$ 294,437	7.49%
Court	\$ 1,155,948	\$ 1,241,264	\$ 85,316	7.38%
Legal	\$ 1,489,101	\$ 1,624,481	\$ 135,380	9.09%
Police	\$ 17,012,509	\$ 17,612,949	\$ 600,440	3.53%
Fire	\$ 11,113,035	\$ 11,575,536	\$ 462,501	4.16%
Park & Recreation	\$ 3,328,708	\$ 3,337,631	\$ 8,923	0.27%
Transfer Out	\$ 940,276	\$ 1,196,477	\$ 256,201	27.25%
<b>Total Expense</b>	<b>\$ 38,971,501</b>	<b>\$ 40,814,699</b>	<b>\$ 1,843,198</b>	<b>4.73%</b>

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## Public Safety Shortfall without Entitlement Share Revenue



Police Department Budget	\$ 17,612,949
Fire Department Budget	\$ 11,575,536
Total Police & Fire Budgets	\$ 29,188,485
Less Tax Revenue	(\$ 26,018,186)
<b>Public Safety Shortfall</b>	<b>\$ 3,170,299</b>

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## Upcoming Budget Process



- **Today**
  - Presentation of General Fund
- **July 2<sup>th</sup> – Commission Action**
  - Work Session – full budget presentation
  - Commission sets public hearing for July 16<sup>th</sup>
- **Additional budget work sessions?**
- **July 16<sup>th</sup> – Commission Action**
  - Public Hearing and Adopt or Continue Budget
- **August 20<sup>th</sup> – Commission Action**
  - Adopt Annual Tax Levy

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