

July 1, 2023 –
June 30, 2024

Fiscal Year 2024 Adopted Budget



City of Great Falls,
Montana

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

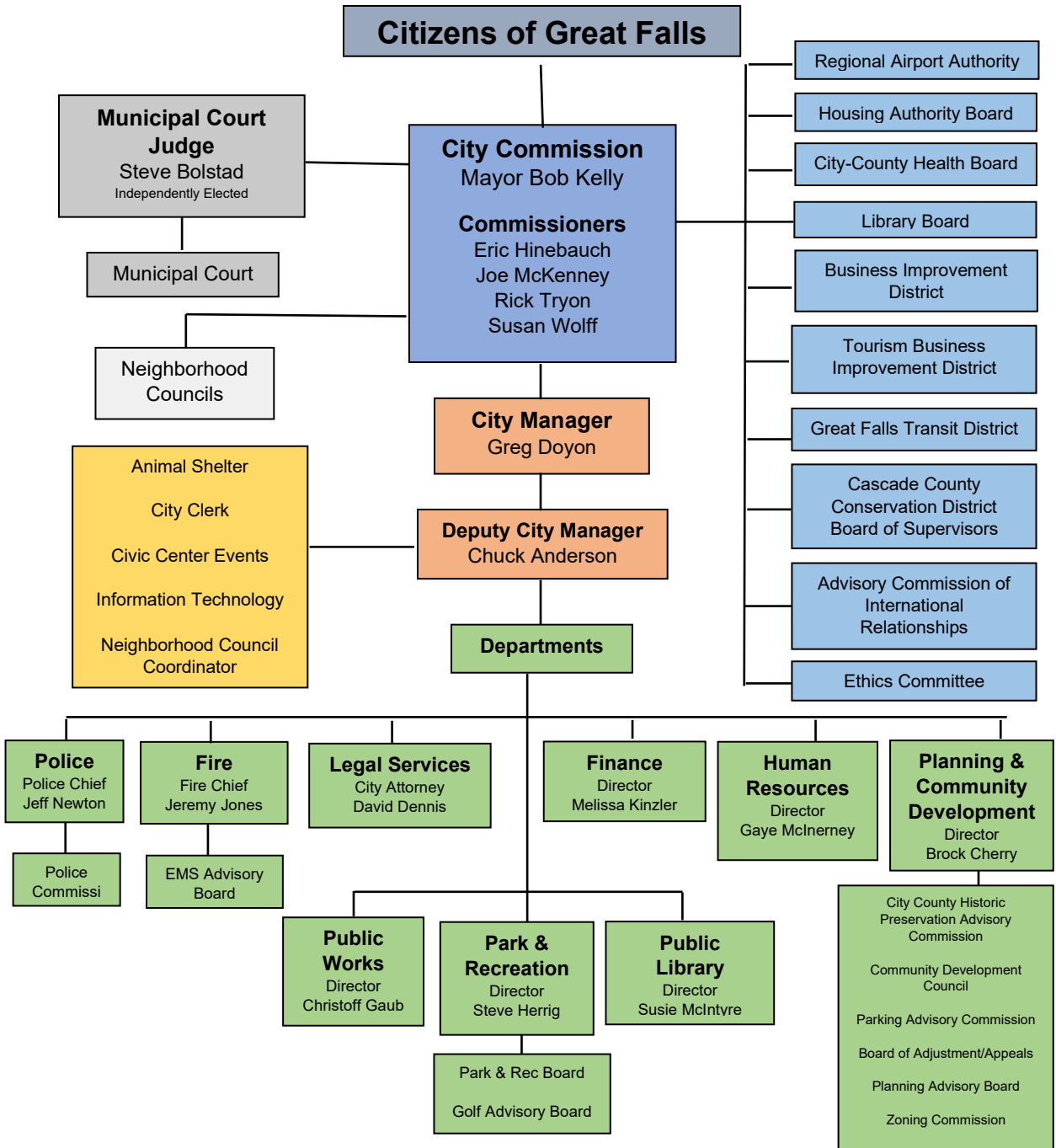
PRESENTED TO

**City of Great Falls
Montana**

For the Fiscal Year Beginning
July 01, 2022

Christopher P. Morill
Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Great Falls, Montana, for its Annual Budget for the fiscal year beginning July 01, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.



**Bob Kelly
Mayor**



**Greg Doyon
City Manager**



**Eric Hinebauch
Commissioner**



**Joe McKenney
Commissioner**



**Rick Tryon
Commissioner**



**Susan Wolff
Commissioner**



Elected Officials

Bob Kelly	Mayor	870-0212
Eric Hinebauch	Commissioner	788-8904
Joe McKenney	Commissioner	788-8904
Rick Tryon	Commissioner	788-8904
Susan Wolff	Commissioner	788-8904
Steve Bolstad	Municipal Judge	771-1380

Appointed Positions

Greg Doyon	City Manager	455-8450
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Department Positions

Chuck Anderson	Deputy City Manager	455-8450
Lisa Kunz	City Clerk	455-8451
Lanni Klasner	Communication Specialist	455-8496
Owen Grubenhoff	Civic Center Events Supervisor	455-8510
Matthew Nowak	Interim IT Operations Manager	455-8487
Melissa Kinzler	Finance Director	455-8476
Kirsten Wavra	Deputy Finance Director	455-8423
Jeremy Jones	Fire Chief	791-8968
Bob Shupe	Assistant Fire Chief	791-8965
Gaye McInerney	Human Resource Director	455-8447
David Dennis	City Attorney	455-8422
Rachel Taylor	Deputy City Attorney	455-8441
Neil Anthon	Chief Prosecutor	455-8449
Steve Herrig	Park and Recreation Director	791-8980
Jessica Compton	Deputy Park and Recreation Director	791-8981
Kevin Vining	Parks Supervisor	791-8982
Todd Seymanski	City Forester	791-8983
Brock Cherry	Planning and CD Director	455-8530
Tom Micuda	Deputy Planning and CD Director	455-8432
Bruce Haman	Building Official	455-8404
Jeff Newton	Chief of Police	455-8410
Susie McIntyre	Library Director	453-9706
Christoff Gaub	Public Works Director	455-8136
Jake McKenna	Public Works/ Utility Systems Supervisor	455-8137
Jesse Patton	Public Works/ City Engineer	727-8390
Jason Fladland	Public Works/Water Plant Supervisor	455-8587

All phone numbers listed above are preceded by area code 406.
 Bolded positions denote Elected Officials and Department Heads.



July 18, 2023

City Manager's Budget Message

Honorable Mayor, City Commission, and Taxpayers:

It is my pleasure to present the Fiscal Year 2024 (FY24) City of Great Falls Annual Budget.

The COVID-19 pandemic has impacted every Great Falls resident and taxpayer since 2021. The virus altered the economic landscape significantly, including supply chain disruptions, production shortages, business shut-downs, and consumer cost-based inflation. The pandemic also led to significant changes in the workforce. Recruitment, retention, mass retirements lead to changes in the availability of workers and the cost of attracting open positions. The personal toll on residents during and after the pandemic is striking.

City leadership attempted to reduce the impact to residents and businesses by suspending ordinances, restricting certain types of enforcement, and not raising taxes or fees for two years. The impact of COVID-19 continues to linger, however, and its negative impact is still being felt on the community. Economic conditions continue to be dynamic with inflation and recession concerns. It remains unclear when the nation, state, and community will return to "normal". The City of Great Falls is obviously not immune from these national economic trends.

When the City Commission adopted the FY21 and FY22 budgets, they did not raise taxes or fees. To compensate for the lost revenue, the City Commission approved using undesignated fund balance. Since there was no mechanism to replenish that reserve amount for cash flow, it was depleted below City policy. During FY22 budget public meeting discussions with the City Commission, staff made clear that it would be highly unlikely that the City would be able to adopt another budget without raising taxes to meet rising service costs. In FY23, the Commission voted to utilize the full inflationary factor and permissive medical levy in order to meet operational requirements and begin rehabilitating the General Fund undesignated fund balance. As the City continues to address rising supply costs, meet recruitment/retention goals, and address inflation impacts, it will again use the full inflationary factor and permissive medical levy in FY24. Property taxation, which is capped by half of the three-year average rate of inflation, is the primary source of funding for fire, police, administration, and other City departments.

The General Fund (where all the property taxes reside) carries an undesignated fund balance for cash flow between tax receipt periods and is to be used in times of an emergency. COVID was an

emergency situation for a two-year period and the fund balance was utilized in the amount of \$1,852,947. Since FY23, the undesignated fund balance required rehabilitation. Between the residual impacts of the pandemic and now, the economic impacts of higher energy rates, and interest rates, and city management recommended utilizing the capped inflationary factor (raise taxes) for FY24.

By way of example, essential items that departments need to provide services to taxpayers increased significantly. From the previous fiscal year, city departments have reported triple-digit percent increases. Chlorine increased over 205%, liquid asphalt increased over 110%, and fertilizer increased over 140%. In addition, gasoline increased over 150% and diesel fuel over 250%, year over year. Inflation hit a 40-year high, and it does not appear to be subsiding anytime soon.

Due to a tight labor market, recruitment and retention of workers has been a challenge for the city. Local government has historically provided robust health insurance plans which would often offset low wages to better retain employees. This is not the case anymore, as health insurance is not always a key factor for employment decisions. Local government must now consider more flexibility, remote work, and incentives to attract and retain employees at all levels of the city organization.

The City Commission holds an annual retreat to establish goals for the year. Most of those goals have a direct impact on the annual City Budget. In February 2023, the City Commission set the following priorities:

- Public Safety
- Complete an updated Growth Plan/Policy
- Support the Great Falls Legislative Delegation during its biannual session
- Public engagement at Commission meetings
- Explore use of TIF funds for city projects
- Transit District expansion to city boundaries
- Municipal Court relocation
- Cascade County agreements
- Develop a citywide energy savings report

City management currently uses what is commonly called a “baseline budget”. The City begins its budget process by reviewing revenues, prior year expenditures, programs/services and begins with the adopted budget from the prior year. All this is reviewing, keeping in mind the goals established by the governing body.

The City Manager utilizes these priorities to develop a proposed budget. Once the proposed budget is transmitted, it is the City Commission's responsibility to accept, reject or amend. This proposed budget attempts to meet Commission priorities and balance operational needs and maintain expected taxpayer service levels.

In the proposed FY24 budget, management recommended the following to keep the City in a healthy financial position:

- Utilize the inflationary factor (\$451,129)
- Utilize Use Permissive Medical Levy (\$353,042)
- Use subsidy returned from the Library (\$350,000)
- Cut subsidies for Civic Center Events and Engineering (\$329,056)
- Use CARES to offset remaining deficit (\$998,064)

As a whole, the City's financial condition is stable at this time and its financial position continues to be moderately healthy – but only because of the external use of CARES funds to offset revenue losses.

The Commission and City staff will need to continue to monitor performance of department funds throughout the year. The projected ending unrestricted fund balance for FY24 is 17.6% in the General Fund, despite the use of \$998,064 of CARES to balance the FY24 budget. The CARES Act balance in the General Fund is another 6.1% of restricted fund balance. The policy for General Fund unrestricted fund balance is 22%. A strong fund balance is critical for two reasons. First, the city needs to meet its financial policy minimum for cash flow needs, and secondly, the City needs to maintain its quality, low risk credit rating.

During the City budget process, departments are asked to outline essential operational and capital needs to be considered in the budget as revenues allow. For FY24, departments requested additional budget items in the total amount of \$2.7M beyond last year's request. After City management review with department heads, the requests were trimmed back for basic operational needs and to keep service levels. It was recommended that \$2.3M, or 84.4%, of these requests be funded.

The adopted Park Maintenance District #1 continues to help address deferred capital projects in Parks and Recreation. The district allows the City to assess up to \$1.5 million for improvements annually for three years. In FY21, the City received a federal grant to build a new aquatics and recreation facility. The new recreation facility broke ground in September, 2021 and is estimated to be completed by the spring of 2024. The match requirement for the grant will be paid for from the Park Maintenance District. With the remaining annual assessments after debt service is paid, the following projects are budgeted for this year:

- Carter Park Pavilion Roof
- Irrigation Upgrades in Various Parks
- Turf Maintenance & Labor
- Tree Replacement
- Sports Courts (basketball/tennis/pickle ball)

FY 2024 Budget Highlights

Property Tax Detail

Property Tax	Increase %	Impact on Property Value of \$100,000	Impact on Property Value of \$200,000	Impact on Property Value of \$300,000
Permissive Medical Levy	1.92%	\$ 4.61	\$9.23	\$13.84
Inflationary Factor	2.46%	\$ 5.90	\$11.79	\$17.69

Operations

The City’s overall budget decreased expenditures by 15.29% from the FY23 Amended Budget. General Fund revenues (primarily dollars raised from property taxes) were up by 3.24%. Tax increases include newly taxable property (reflects new property growth over prior year), which has an annual 21-year average of approximately \$400,000. The final amount of newly taxable property will not be known until the City receives its Certified Taxable Values from the Montana Department of Revenue in August, 2023. Again, the City Manager is recommending the utilization of the inflationary factor and increasing the permissive medical levy in the proposed FY24 budget. After taking a two year pause from increasing property taxes due to COVID-19, the City cannot move forward and maintain their moderately healthy financial status without increasing property taxes.

The overall budget could best be described as a “status quo” budget, based on expenditures from last year’s adopted budget. Only previously committed increases, non-City utility increases, or insurance adjustments were allowed to be increased. New funding requests from city departments were considered and a little more than 84% were funded to keep maintaining services to the taxpayers.

The City has 57 different funds. Annually, the City Manager and Finance Director classify each fund as “meets requirements” and “does not meet requirements.” This classification is based off of each of the FY24 fund balance percentage requirement. Each of these funds has a specific purpose, revenue source, and provides funding for various city operations. In FY24 there are 48 out of 57 funds that are considered as meeting the fund balance percentage requirement. There are nine that are, at this time, classified as “does not meet requirements.” Below is the summary of the funds that we will need to continue to be monitored in FY24:

- Does not meet fund balance percentage requirement:
 - General Fund
 - Planning and Community Development
 - Parking

- Golf Courses
- Recreation
- Multi-Sports
- Civic Center Events
- Health & Benefits – This is only as a result of unfunded liability obligation OPEB, the cash balance is sufficient.
- Human resources – This is negative form costs associated with the HR remodel and costs will be recouped through Internal Services Charges.

The FY24 budget provides funding across the organization for ongoing operations including equipment replacement, training, and supplies. By the end of FY21, the City negotiated eleven (11) new two-year collective bargaining agreements for all groups. The City started negotiations during FY23. Union and City negotiation estimates were included in the FY24 budget as not all contracts have reached an agreement as of the date of this letter. The City's self-insured medical plan increase is 8%, which was primarily covered by the City.

Personnel

The FY24 budget did not increase new full time equivalents, or FTEs. In fact, the City decreased their FTEs by 3.70 overall. The Housing Authority separated from the city (-18.94). The Library had its mill levy pass (+13.43). Sanitation added a maintenance worker (+1.00). Water removed a SCADA tech position (-1.00). Information technology added a desktop support specialist (+1.00).

Capital Maintenance, Equipment Replacement, and Facilities

The adopted budget includes funding for current and future capital needs. Certain capital items receive funding with a direct allocation; some require funding over time (capital reserve fund). Certain capital items, due to their cost, require funding through a loan or bond.

For the FY24 budget it included the following capital items:

- Street/BaRSAA Park Drive & Giant Springs Rd: \$1,341,539
- 33rd St Water Storage Tank Repair: \$1,500,000
- Water Main Replacements: \$2,900,000
- Lead Service Line Pilot Project: \$370,000
- Riverview Sewer Replacement/other sewer rehab: \$2,200,000
- Lift Station No. 1: \$7,800,000
- Central Ave & 3rd St Storm Drain Phase 2: \$2,000,000
- Year 6 Park District Projects: \$433,220
- ARPA Projects (Court Remodel, Evidence Building, Fire Station Infrastructure, Civic Center Boiler): \$12,794,967
- Vehicles and Equipment: \$2,484,516

Water, Sewer, Storm Drain, and Sanitation Utilities

No utility fee increases were adopted by the Commission in FY21 and FY22 for water, sewer, storm drain, or sanitation rates. Again, this was recommended to help the community recover from the economic impacts of COVID-19. As with general taxation, the utilities and services could not effectively operate without an increase, to address higher operational fees.

- Water, Sewer, Sanitation, and Storm Drain: 10% adjustment each (This took effect in June, 2023)
- For residential customers, an average water bill increased \$1.83, an average sewer bill increased \$2.39, an average storm drain bill increased \$0.66, and an average sanitation bill increased \$1.50. In total, the average monthly residential utility bill increased \$6.38.

Rates are established by determining the cost for operating the utility, addressing ongoing system maintenance needs, and capital projects. Capital projects are paid either by direct cash payment or debt financing.

A major external driver for utility rates is the regulatory environment in the state. When rate setting occurs for utilities in the fall of each year, there is much discussion regarding the maintenance of these systems in order to meet the operational requirements of the Environmental Protection Agency/Montana Department of Environmental Quality.

Street, Boulevard, and Lighting Special Assessments

For the FY 24 budget, there are no recommend increases for Park Maintenance District. However, the cost for electricity more than tripled for the City in 2023 and therefore resulted in a recommended increase to the City’s Street Lighting District assessments of 14%. Three other assessments will also be adjusted including the Street Maintenance assessments by 10%, Natural Resources assessments by 6%, and Portage Meadows assessments of 5%.

Debt Service

The City of Great Falls has a high debt capacity, but very low debt. In FY16, the City retired the Swimming Pool General Obligation debt service (Mitchell Pool and neighborhood pool repairs). The remaining General Obligation debt service is in the chart below:

<i>Original Issuance Information</i>	<i>Issuance Date</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Bonds/ Loans Issued</i>	<i>Balance, 6/30/2024</i>
Soccer Park Bonds, Series 2014A	04/03/2014	2.0 - 2.5%	07/01/2024	\$1,480,000	\$0
Fire Trucks Intericap	12/11/2015	Variable	02/15/2026	\$801,098	\$150,081
Public Safety Radios Lease-Purchase*	03/27/2020	2.87%	03/01/2030	\$1,992,461	\$1,259,878

* This debt is not included in the City’s non-voted general obligation debt limit

ARPA and CARES

The City received Federal COVID relief money under the CARES Act of \$10.1M. The CARES Act usage has been about \$5.5M and has a remaining balance of approximately \$4.6M. In FY23, CARES was used to balance the General Fund (\$1,205,000) and was used to replenish other funds (\$472,000). Additional CARES funds were utilized in the FY24 budget including balancing the General fund budget for the start of the fiscal year (\$998,064) and a Growth Policy Plan update (\$300,000).

The City received Federal COVID-19 relief money under the American Recovery Plan Act (ARPA) of \$19.5M. Of this, \$18.9M has been assigned to projects, leaving a balance of \$585,543. Here are the remaining ARPA projects and their projected costs:

- Committed Projects: \$5,992,228
- PD Evidence Building: \$4,500,000
- Court Remodel: \$3,500,000
- Fire Station Infrastructure: \$2,576,000
- Civic Center Boiler/HVAC: \$2,218,967
- ARPA Project Manager: \$100,000

The use of the remainder of the CARES Act and ARPA money will be decided by the Commission at a future time once the City's General Fund budget is stabilized.

Future Challenges and Opportunities

Management outlined for the City Commission several challenges on the horizon for Great Falls' local government. These areas include:

- Stabilization of the General Fund
- Public Safety
- Recruitment and retention of qualified city workers
- Monitor rapidly changing environmental conditions
- Ratify all Collective Bargaining Agreements (CBAs) in a timely manner

In Closing

The City Manager's budget presentation to the City Commission will be available for viewing on the City's web site at <https://greatfallsmt.net>.

Numerous supplemental budget documents are available for viewing on the City's web site at <https://greatfallsmt.net/finance/fy-2023-24-budget>. The City also has an online budget tool through Balancing Act that can be accessed from the City's finance webpage.

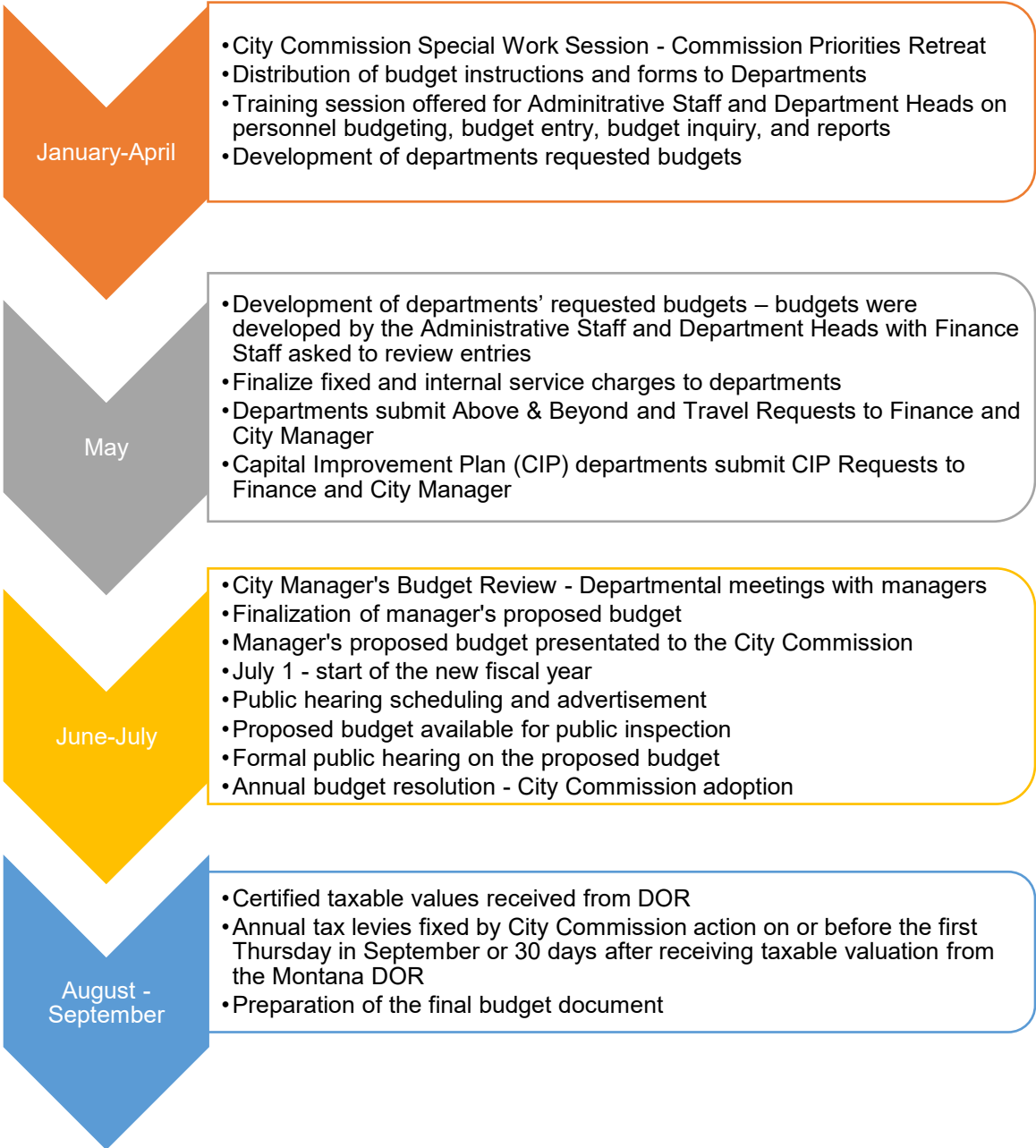
Despite the ongoing challenges described in this year's budget, the City of Great Falls' financial position is sound thanks to a dedicated City Commission and department head team. I want to thank the department heads for their focus and diligence in preparing the budget. I especially want to thank Deputy City Manager Chuck Anderson, Finance Director Melissa Kinzler, Deputy Finance Director Kirsten Wavra, and Financial Analyst Levi Johnson for their assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gregory T. Doyon". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gregory T. Doyon

City Manager



Budget Documents

There are two bound documents prepared by the Finance Department each year.

1. Manager’s Proposed Budget

The Manager’s proposed budget is presented to the City Commission and made available to the public in June or July. This document is the basis for the public hearing on the budget. Various resources are created to aid in preparation, which include:

- Department Requested Budgets
- Above & Beyond Requests
- General Fund Subsidies
- Fund Health: Meets or Does not Meet Requirements
- Internal Service Charges
- Capital Improvement Plans (CIPs)

2. Final Budget

This document is the City Commission's adopted budget document and is made available in September.

Budget Finalization

The formal conclusion of the budget development process occurs on or before the second Monday in August. For this FY2023/2024 budget:

- The annual proposed budget was presented on June 20, 2023 and July 5, 2023.
- The budget hearing on the proposed budget was set on July 5, 2023.
- The budget hearing on the proposed budget was held July 18, 2023.
- The annual budget was adopted July 18, 2023.
- The resolution to fix annual tax levy adoption was on September 5, 2023. This is considered the final step in the budget adoption process.
- Subsequent tax valuation information may require mid-year budget revisions.

State statutes, 7-6-4024 and 7-6-4036, MCA require the City Commission to adopt the final budget, and then fix the tax levy on or before the first Thursday in September or within 30 calendar days after receiving certified taxable values from the Montana Department of Revenue. This is one month after the beginning of the year being budgeted. The reason for this late legal finalization of the budget/tax levy is the timing of tax valuation information. Budget revenue estimates and tax levies are dependent upon tax valuation information. Accordingly, the budget is subject to revision, and not considered legally finalized, until the tax levy is fixed by City Commission resolution.

Budget Amendment Procedure

The budget may be amended as authorized by the annual budget resolution. The City Manager has budget amendment authority for the expenditure of funds for any or all of the following:

- Appropriation carry-overs
- Appropriated reserves
- Contingency allocations
- Special assessments, grants, donations, trusts, agencies.



Administration

- The **City Commission** is the legislative and governing body of the City. It is responsible for establishing City policies and goals. It has the authority to adopt laws, ordinances, and resolutions as needed to conduct the business of the City.
- The **City Manager’s Office** is responsible for assuring the city commission’s policy direction is carried out and for overall management of all city functions. The staff is also responsible for a wide variety of special projects such as developing intergovernmental agreements, measuring organizational efficiency, and budget development.
- The **City Clerk’s Office** is responsible for the history of the city as an organization. The accomplishments and accountability of municipal governments is documented by the creation, maintenance, and preservation of public records.
- **Information Technology** is an internal service fund. This fund and division is responsible for managing the central computer systems, networks, and software of the city. Mapping and telephone services are also included.
- The **Neighborhood Council** Coordinator provides technical and general information among Neighborhood Councils, Council of Councils, City staff, the City Commission, and citizens of Great Falls.
- The **Animal Shelter** ensures the health, safety, and welfare of the animals and citizens of our community.
- The **Civic Center Events** division handles operations of the Mansfield Center for the Performing Arts.

Finance

The Finance Department provides and accounts for services in support of other city operations. Finance operations include:

- | | |
|--------------------------------------|-----------------------------------|
| ▪ Accounts Payable | ▪ City Tax and Assessment Billing |
| ▪ Accounts Receivable | ▪ Budget and Analysis |
| ▪ Utility Billing & Customer Service | ▪ City Mail Processing |
| ▪ Grant Administration | ▪ CDBG/HOME Programs |

<p><i>Fire</i></p>	<p>The Fire Department's primary responsibility is to protect lives and property through fire prevention, fire suppression and investigation, emergency pre-hospital medical service, and maintenance of fire hydrants.</p>
<p><i>Human Resources</i></p>	<p>The Human Resources department is responsible for recruitment, benefits administration, compensation, policy development, collective bargaining negotiations, and organizational training and development of personnel.</p>
<p><i>Legal</i></p>	<p>The Legal Department provides legal advice for the City Commission and City staff, assists departments in preparing new ordinances or changes to existing ones, represents the City in civil litigation, and prosecutes misdemeanor violations in Municipal Court.</p>
<p><i>Municipal Court</i></p>	<p>Municipal Court provides for direct courtroom proceedings and the record and receipt functions necessary to follow through with dispositions and for jail alternatives. Court operations are administered by the elected municipal court judge.</p>
<p><i>Park & Recreation</i></p>	<p>The Park & Recreation Department is responsible for the City's parks and trees, swimming pools, golf courses, and recreation programs.</p>

Planning & Community Development

The Planning & Community Development Department serves Great Falls by facilitating, promoting, and ensuring quality planning development for our community. Services include land development, subdivision review, transportation planning, rezoning, annexations, and land use planning.

Police

The Police Department's main objectives are to prevent and suppress crime. The 911 Dispatch Center is managed by the Department and receives calls for the City of Great Falls, Cascade County, and four bordering counties.

Public Library

The Public Library provides residents with access to information through books, internet access, interlibrary loan services, and the bookmobile. The library also provides programming for children and adults as well as exhibits of art and culture. The library is governed by a Board of Trustees appointed to five-year terms by the City Commission.

Public Works

The Public Works Department is responsible for the planning, organization, and coordination of three branches:

- Utilities – Water, Sewer, and Storm Drain
- Operations – Sanitation, Street, and Central Garage
- Engineering – Technical support for utilities and operations

Special Districts

These funds are not assigned to a City Department.

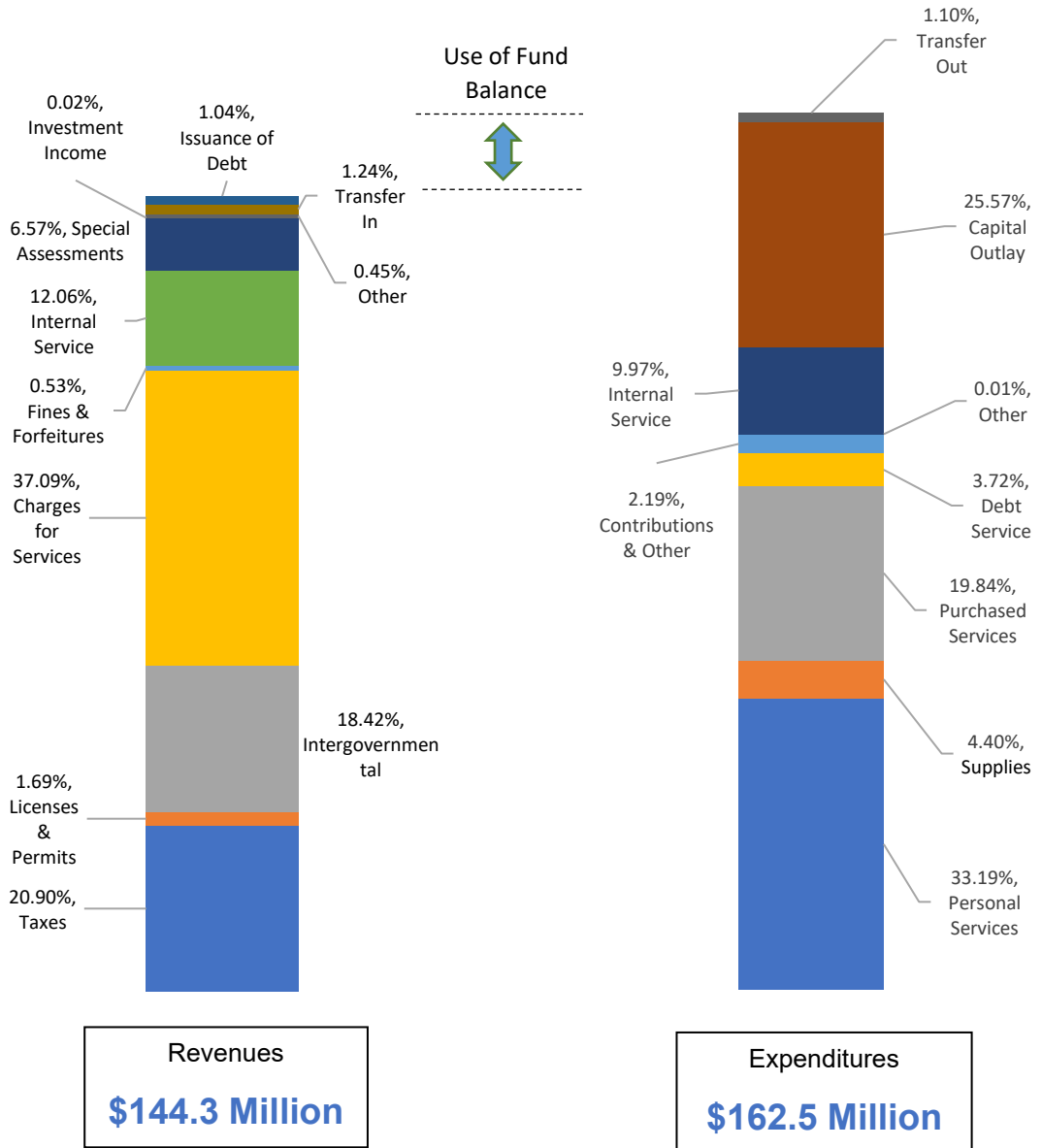
Funds	City Commission	Administration	Fire	Finance	Human Resources	Legal Services	Municipal Court	Public Library	Park and Rec	Planning & CD	Police	Public Works	Special Districts
<i>General</i>	x	x	x			x	x		x		x		
Special Revenue Funds													
<i>COVID Recovery</i>		x											
<i>Park & Rec Special Revenue</i>									x				
<i>Parkland Trust</i>									x				
<i>Library</i>								x					
<i>Library Foundation</i>								x					
<i>Planning & Community Develop.</i>										x			
<i>Central MT Ag Tech TID</i>													x
<i>Airport TID</i>													x
<i>Downtown TID</i>													x
<i>East Industrial Ag Tech TID</i>													x
<i>Economic Revolving</i>													x
<i>Permits</i>										x			
<i>Natural Resources</i>									x				
<i>Portage Meadow</i>									x				
<i>Park Maintenance District</i>									x				
<i>Street District</i>												x	
<i>Support & Innovation</i>													x
<i>Gas Tax BaRSAA</i>												x	
<i>911 Special Revenue</i>											x		
<i>Police Special Revenue</i>											x		
<i>HIDTA Special Revenue</i>											x		
<i>Fire Special Revenue</i>			x										
<i>Federal Block Grant</i>				x									
<i>Federal HOME Grant</i>				x									
<i>Street Lighting Districts</i>													x
Debt Service Funds													
<i>Soccer Park GO Bond</i>													x
<i>West Bank TID</i>													x
<i>Downtown TID Bonds</i>													x
<i>Improvement District Revolving</i>													x
<i>Master Debt SILD</i>													x
<i>General Obligation Taxable Bond</i>													x

	City Commission	Administration	Fire	Finance	Human Resources	Legal Services	Municipal Court	Public Library	Park and Rec	Planning & CD	Police	Public Works	Special Districts
Funds - Continued													
Capital Projects Funds													
General Capital Projects		x		x					x			x	
Improvement Districts Projects													x
Downtown TID Projects													x
Hazard Removal										x			
Enterprise Funds													
Golf Courses									x				
Water												x	
Sewer												x	
Storm Drain												x	
Sanitation												x	
Swimming Pools									x				
911 Dispatch											x		
Parking										x			
Recreation									x				
Multi-sports									x				
Ice Breaker Run									x				
Civic Center Events		x											
Internal Service Funds													
Central Garage												x	
Information Technology		x											
Insurance & Safety					x								
Health & Benefits					x								
Human Resources					x								
City Telephone		x											
Finance				x									
Engineering												x	
Public Works Admin												x	
Civic Center Facility		x											

Total City-Wide Budget

Where the Money Comes From

Where the Money Goes

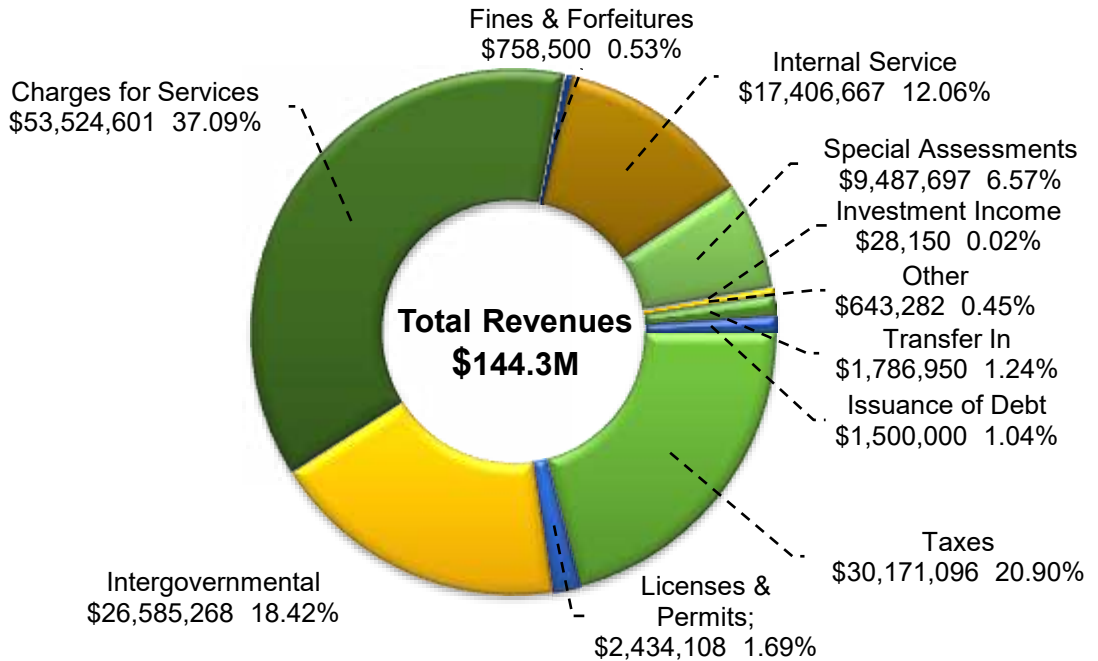


Where the Money Comes From

Total city-wide revenue for Fiscal Year 2024 is \$144.3 million. Charges for service is the largest revenue source at 37.09% percent. The majority of charges for services are generated from utility services, which includes water, sewer, storm drain, and sanitation charges.

The next largest revenue source is taxes making up 20.90% of city-wide revenue. The State of Montana does not have a sales tax. Therefore, the majority of city taxes are generated from real and personal property. Since the City of Great Falls does not have a sales tax, the downturn or upturn in the national economy does not have a direct effect on tax revenue. During the COVID-19 pandemic, the City did not experience a decrease in tax revenue like local governments in states with a sales tax. It does have an indirect effect in such that the City of Great Falls' newly taxable property may be decreased or increased year over year depending on economic activity. If the mill value decreases with the "floating mill", the City does have the ability to increase the amount of mills to make up the difference in lost value. During FY2021 and FY2022, in response to the pandemic, the City did not raise property taxes. The City raised property taxes in FY2023 and will be raising again in FY2024.

The third and fourth largest revenue sources are intergovernmental (18.42%) and internal service charges (12.06%). Internal service charges occur when an internal City department charges another department for services provided. Examples include human resources, finance, and information technology. Total city-wide internal service charges for FY2024 amount to \$17.4 million. A major intergovernmental revenue is the HB 124 State Entitlement of \$9.796 million (\$9.37 million for the General Fund and \$426,517 for the Street Fund), which is primarily from the state gambling tax. The City receives various grants that make up the remaining of intergovernmental revenue in the General Fund. The fifth largest source is special assessments totaling \$9.5 million or 6.57%. Examples of special assessments include the street district, park maintenance district, boulevard districts, and street lighting districts.



2022 Actual Amount	2023 Adopted Budget	2023 Amended Budget	2023 Projected Amount as of 06/15/2023	2024 Adopted Budget
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Revenue

Taxes	\$25,212,308	\$27,280,154	\$27,280,154	\$26,226,884	\$30,171,096
Licenses & Permits	\$2,678,817	\$2,451,128	\$2,451,128	\$2,841,142	\$2,434,108
Intergovernmental	\$24,934,881	\$15,575,147	\$29,703,392	\$17,888,177	\$26,585,268
Charges for Services	\$52,222,433	\$52,176,709	\$52,203,709	\$50,690,544	\$53,524,601
Fines & Forfeitures	\$794,381	\$831,500	\$831,500	\$861,293	\$758,500
Internal Service	\$15,814,113	\$16,359,901	\$16,359,901	\$16,333,091	\$17,406,667
Special Assessments	\$8,509,064	\$8,584,811	\$8,584,811	\$8,594,114	\$9,487,697
Investment Income	\$61,026	\$20,650	\$20,650	\$1,512,155	\$28,150
Other	\$1,176,906	\$605,535	\$859,244	\$1,092,302	\$643,282
Transfer In	\$5,589,119	\$2,498,405	\$2,998,405	\$3,067,834	\$1,786,950
Issuance of Debt	\$10,177,043	\$0	\$0	\$0	\$1,500,000
Sale of Assets	\$96,281	\$0	\$0	\$28,621	\$0

Revenue Totals

\$147,266,372	\$126,383,940	\$141,292,894	\$129,136,157	\$144,326,319
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Major Revenues

Charges for Services

Charges for services is 37.09% of total city revenue and 3.03% of General Fund revenue. Charges for services are fees collected to pay the cost of providing specific services. The majority of the charges for services revenues are for water, sewer, storm drain, and sanitation utilities. Another large charge for services revenue is in the Health & Benefits Fund, which are the charges for employees’ health insurance plans.

It is City practice to keep up to date with regular incremental utility rate changes while keeping in mind the difficulty that many customers have with utility affordability. Utility rates are reviewed and, if necessary, adjusted annually to pay full costs of providing services. In FY2021 and FY2022, the City did not raise utility rates to aid in economic recovery from the pandemic. In May 2022, the City Commission approved a 10% increase for both the residential and commercial sanitation rates. In May 2023, the City Commission approved a 10% increase on rates for water, sewer, storm drain, and sanitation. Past utility rate increases are noted in the “Five Year History of Utility Rate Charges” on the next page and require an additional separate public hearing and approval by the City Commission.

Five Year History of Utility Rate Changes					
Requires Separate Commission Action					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Water	5%	0%	0%	5%	10%
Sewer	2%	0%	0%	5%	10%
Storm Drain	5%	0%	0%	5%	10%
Sanitation					
Residential	7.5%	0%	0%	10%	10%
Commercial	7.5%	0%	0%	10%	10%

Taxes and Special Assessments

Taxes and Special Assessments account for 27.48% of Total City Revenue and 63.68% of General Fund revenue. Taxpayers generally view taxes and special assessments as two names for the same thing; however, there are distinctions.

	2022 Actual	2023 Amended Budget	2024 Adopted Budget	% of Total City Revenue
Taxes				
Real & Personal Property	\$16,666,019	\$18,784,098	\$21,158,752	14.66%
Permissive Medical Health Mill	\$3,289,501	\$3,695,056	\$4,047,344	2.80%
GO Bond Payments	\$501,066	\$160,000	\$165,000	0.11%
Tax Increments	\$3,248,111	\$3,241,000	\$3,400,000	2.36%
Local Option Motor Vehicle	\$1,507,612	\$1,400,000	\$1,400,000	0.97%
Total Taxes Revenue	\$25,212,308	\$27,280,154	\$30,171,096	20.90%
Special Assessments				
Street Maintenance District	\$4,586,248	\$4,583,265	\$5,041,592	3.49%
Park Maintenance District	\$1,496,686	\$1,500,000	\$1,500,000	1.04%
Street Lighting District	\$1,110,572	\$1,161,507	\$1,325,660	0.92%
Boulevard District	\$405,901	\$480,324	\$507,600	0.35%
Portage Meadows	\$64,984	\$68,515	\$71,941	0.05%
Master Debt SILD	\$10,985	\$15,984	\$11,396	0.01%
TBID	\$592,090	\$511,216	\$765,508	0.53%
BID	\$241,600	\$264,000	\$264,000	0.18%
Total Special Assessments	\$8,509,064	\$8,584,811	\$9,487,697	6.57%
Total Taxes and Special Assessments	\$33,721,373	\$35,864,965	\$39,658,793	27.48%

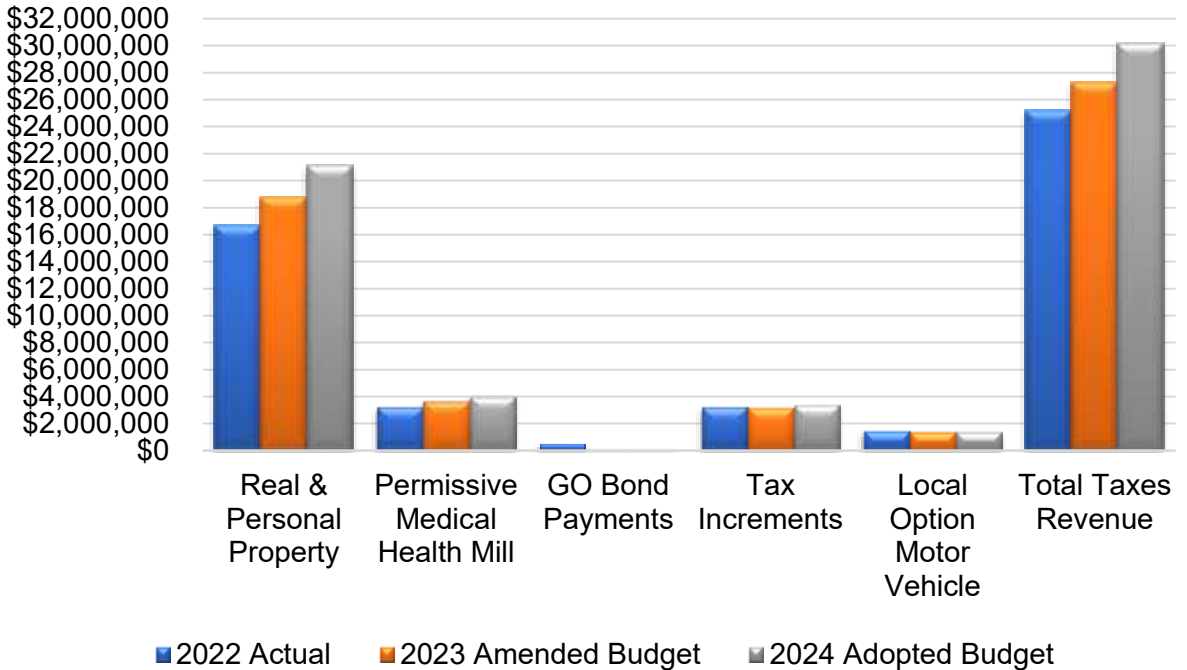
Taxes - Real & Personal Property

Real and personal property is the tax on property values which is authorized for general purposes. It is no longer informative or valid to compare mill levies from year to year. The 1999 State Legislature created declining taxable property valuations, which are to be offset by increased local mill levies, to achieve the same property tax revenue as the local governments levied for in Tax Year 1998. Mill levies will be adjusted each year as a formula change. In accordance with Montana state statute, the City will have limited real property tax revenues. The real property taxes are budgeted using historical analysis. Tax revenue increased from \$27.2 million to \$30.2 million in this budget. This increase in property taxes is due to new construction and improvements estimated at \$400,000 in the General Fund. There is also an increase to tax revenue from the Permissive Medical Levy of \$353,043 and an increase from the inflationary factor of 2.46%, or \$446,080. Outside of the General Fund, the new library mill levy of an additional 15 mills added \$1,528,525 in tax revenue. There were no tax increases in FY2021 and FY2022 to assist the community in recovering from the COVID-19 pandemic. Other tax revenues are received in the tax increment districts.

Tax Increments

Tax increments are a method of financing public improvements for a district. Money is borrowed to make public improvements, which will in turn encourage private taxable improvements. Taxable improvements result in new tax revenue (tax increments) that stays within the district.

**City-Wide Total Taxes Revenue
3 Year Trend**



Special Assessments

Special assessments are charges needed to pay for a special improvement and/or related maintenance. A Special Improvement District is that group of properties benefited by, and paying for, a special improvement. Special assessments are typically charged on a square area basis in the City of Great Falls, with the exception of the Park Maintenance District which is based on taxable value. The Street Maintenance District and the Park Maintenance District are the only districts covering the whole city. The revenue for the Street Maintenance Assessment is deposited directly to the Street Fund. Likewise, the revenue for the Park Maintenance District is deposited directly into that fund. This is a

reliable source of revenue restricted to the recovery of specific costs. Additional separate public hearings are needed to adopt the budgeted rates

Five Year History of Special Assessment Rate Changes					
Requires Separate Commission Action					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Street Maintenance District	0%	0%	0%	0%	10%
Boulevard District	5%	0%	0%	12%	6%
Portage Meadows District	5%	0%	0%	5%	5%
Street Lighting	0.5%	-4.0%	-1.0%	4.5%	14.0%
Park Maintenance District	0%	0%	0%	0%	0%

Intergovernmental Revenue

Intergovernmental Revenue is 18.42% of total city revenue and 25.62% of total General Fund revenue. Revenues from federal, state and other local governments are considered intergovernmental revenues. The City has received federal funding for COVID relief from the CARES Act and American Rescue Plan Act (ARPA). A total of \$10.1 million was received from the CARES Act. A total of \$19.5 million has been received from ARPA. The State Entitlement payments for HB 124 increased 3.3% in FY2024. Revenue from Federal Block and Home Grants continues to be greater than usual because of extra COVID funding.

Federal COVID Relief Allocations

Starting in FY2020, the City received a total of \$10.1 million from the CARES Act, which can be used for any general government purpose. \$4.6 million was received in the General Fund, and the remaining \$5.5 million was received in the COVID Recovery Fund. The City’s allocation from the American Rescue Plan Act (ARPA) is \$19.5 million. Half was received in FY2021, and the second half was received in FY2022. The total amount received (\$19.5 million) is in the COVID Recovery Fund. The ARPA funding has many restrictions for its uses. The ARPA allocation must be obligated by December 31, 2024, whereas the CARES allocation has no spending time limits.

State Entitlements

Starting in FY2002, a number of revenue items were replaced by an entitlement share of the State General Fund. These were past property tax reductions, the gambling tax, and the motor vehicle tax. The year over year increase in this payment can vary greatly. The increase for FY2024 was about 3.3%.

State Gas Tax Apportionment

The revenue from the State tax on motor fuel sales is apportioned to local governments based on population and road mileage factors. Total revenues between the gas tax apportionment and BaRSAA is \$2,288,571. BaRSAA funding has made a significant positive impact on the street department’s ability to complete projects since being passed by the 2017 Montana State Legislature.

Federal Community Development Block Grant and HOME Grant Funds

The U.S. Department of Housing and Urban Development (HUD) provides grant funding for slum and blight removal, projects that benefit low-income people, and other community projects. HOME grants provide funding for affordable housing. These grants have been funding many valuable projects for the community. Between the two grants, there is \$2,586,046 available in FY2024.

Library and Other Culture & Recreation Grants

The Library receives \$177,000 annually from Cascade County to help fund operations. In addition, State funding for the library is \$29,716 annually to help fund operations. The Park & Recreation department receives grants for special projects as well.

	2022 Actual	2023 Amended Budget	2024 Adopted Budget	% of Total City Revenue
Intergovernmental				
American Rescue Plan Act	\$9,736,369	\$2,734,774	\$9,583,785	6.64%
State Gaming Licenses	\$134,875	\$150,000	\$150,000	0.10%
State Entitlements	\$9,242,059	\$9,485,542	\$9,796,988	6.79%
State 911 Combined Revenue	\$590,158	\$612,447	\$612,447	0.42%
State Gas Tax Apportionment	\$940,361	\$940,361	\$947,032	0.66%
State Gas Tax BaRSAA	\$2,292,878	\$1,207,970	\$1,341,539	0.93%
State Historic Preservation	\$6,000	\$6,000	\$6,000	0.00%
State Library Support	\$29,716	\$29,716	\$29,716	0.02%
State Economic Dev Pass-through	\$36,800	\$25,000	\$70,000	0.05%
County Library Support	\$177,000	\$177,000	\$177,000	0.12%
Federal Highway & Transport. Grants	\$389,917	\$831,000	\$712,400	0.49%
Federal Public Safety Grants, Misc	\$129,971	\$146,756	\$49,198	0.03%
Federal HIDTA Grant	\$138,256	\$216,975	\$264,939	0.18%
Federal Block and Home Grants	\$972,109	\$2,128,237	\$2,586,046	1.79%
COPS Hiring Grant	\$0	\$204,228	\$130,228	0.09%
Miscellaneous Culture & Rec Grants	\$0	\$10,102,800	\$37,300	0.03%
Other Intergovernmental Revenue	\$118,412	\$704,586	\$90,650	0.06%
Total Intergovernmental Revenue	\$24,934,881	\$29,703,392	\$26,585,268	18.42%

Internal Service Charges and Transfers in (Double Counting Effect)

Internal service operations include human resources, city telephone, health and benefits, insurance and safety, finance, information technology, central garage, engineering, public works administration, and civic center facility services. Internal charges account for transactions among the departments within the City organization. The charges properly show financial activity within the total City budget, but the City does not actually pay out or receive any additional cash. Hence, this creates a double counting effect. Internal charges and transfers are 13.30% of total City revenue, and 2.90% of total General Fund revenue.

	2022 Actual	2023 Amended Budget	2024 Adopted Budget	% of Total City Revenue
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Internal Service and Transfers In

Internal Service Charges	\$14,328,381	\$15,324,240	\$15,814,113	\$16,359,901
Transfer In	\$2,892,679	\$5,589,119	\$2,998,405	\$1,786,950
Total	\$21,403,232	\$19,358,306	\$19,193,617	13.30%

Issuance of Debt

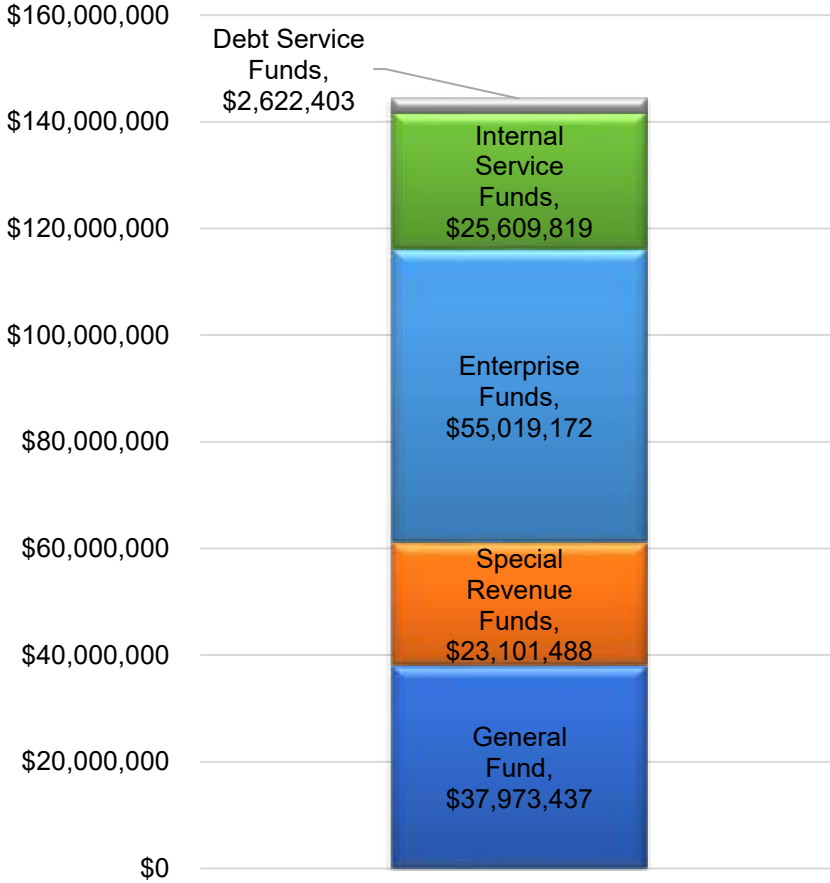
Issuance of Debt fluctuates from year to year depending on projects in the pipeline for capital improvements, especially in the enterprise funds for utilities. For FY2024, there is \$1.5 million in issued debt budgeted. This is for work on the 33rd street water storage tank.

	2022 Actual Budget	2023 Amended Budget	2024 Adopted Budget	% of Total City Revenue
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Issuance of Debt

Issuance of Debt	\$10,177,043	\$0	\$1,500,000	1.04%
Total Issuance of Debt	\$10,177,043	\$0	\$1,500,000	1.04%

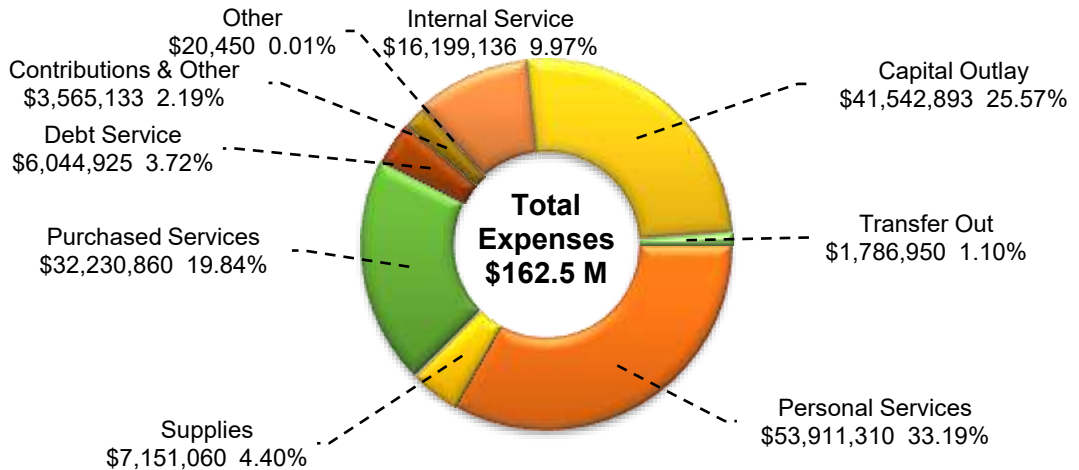
FY2024 City-Wide Revenue by Fund Type



	2022 Actual	2023 Amended Budget	2024 Adopted Budget	Adopted Difference
Fund Types				
General Fund	\$34,001,701	\$36,783,291	\$37,973,437	\$1,190,146
Special Revenue Funds	\$42,404,056	\$32,392,266	\$23,101,488	(\$9,290,778)
Debt Service Funds	\$5,163,669	\$2,596,168	\$2,622,403	\$26,235
Capital Project Funds	\$96,511	\$0	\$0	\$0
Enterprise Funds	\$42,662,755	\$45,189,256	\$55,019,172	\$9,829,916
Internal Service Funds	\$22,937,680	\$24,331,913	\$25,609,819	\$1,277,906
Total All Fund Types	\$147,266,372	\$141,292,894	\$144,326,319	\$3,033,425

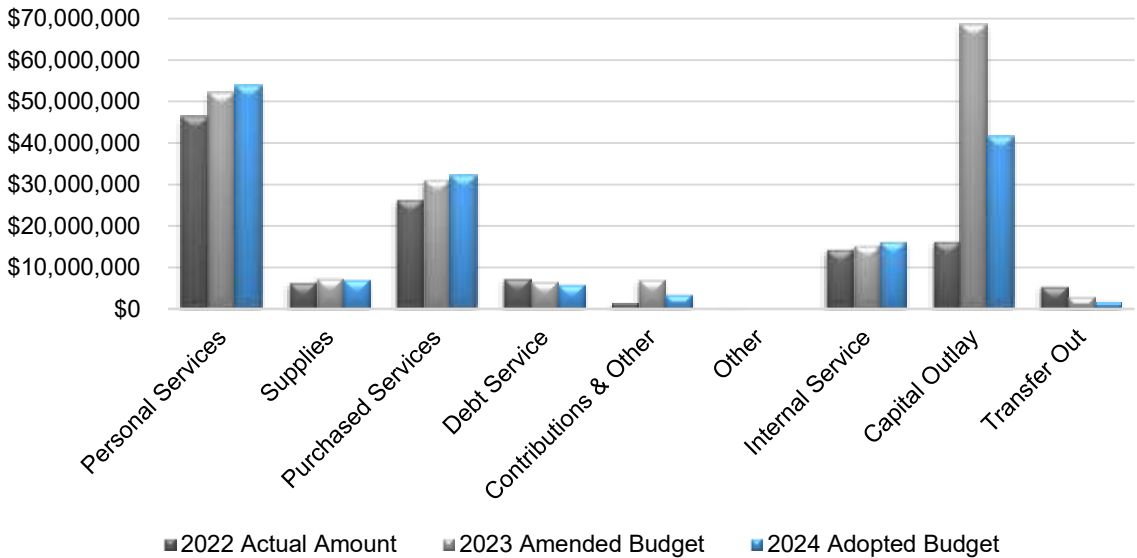
Where the Money Goes

Total city-wide expenditures for Fiscal Year 2024 are \$162.5 million. The largest City expenditure is for Personal Services at 33.19%. This includes salaries and benefits. The next largest expenditures are Capital Outlay at 25.57% and Purchased Services at 19.84%. Capital Outlay includes equipment and improvements. The majority of the improvements are budgeted in the Water, Sewer, and Storm Drain Funds. The fourth largest expenditure is for internal service at 9.97%. Following internal service is supplies, 4.40%, debt payments, 3.72%, contributions and donations, 2.19%, and transfer out, 1.10%.



	2022 Actual Amount	2023 Adopted Budget	2023 Amended Budget	2023 Projected Amount as of 06/15/2023	2024 Adopted Budget
Expenditures					
Personal Services	\$46,396,704	\$52,150,775	\$52,150,775	\$48,167,662	\$53,911,310
Supplies	\$6,400,860	\$6,963,791	\$7,452,863	\$6,893,745	\$7,151,060
Purchased Services	\$26,468,311	\$28,858,733	\$31,242,741	\$28,351,968	\$32,230,860
Debt Service	\$7,412,352	\$6,564,098	\$6,564,098	\$6,564,498	\$6,044,925
Contributions & Other	\$1,606,440	\$2,243,463	\$7,171,288	\$3,583,393	\$3,565,133
Other	\$233,930	\$20,450	\$20,450	\$136,447	\$20,450
Internal Service	\$14,446,475	\$15,338,263	\$15,456,572	\$15,292,725	\$16,199,136
Capital Outlay	\$16,390,751	\$34,181,948	\$68,654,521	\$33,225,518	\$41,542,893
Transfer Out	\$5,589,119	\$2,498,405	\$3,051,281	\$3,067,834	\$1,786,950
Expenditure Totals	\$124,944,942	\$148,819,926	\$191,764,588	\$145,283,790	\$162,452,717

City-Wide Expenditures 3yr Trend



Major Expenditures

Personal Services

Overall personal services in the FY2024 Adopted Budget, including salaries and benefits, increased 3.38% over the FY2023 Amended Budget amount and are 33.19% of the City’s total expenditure budget. All union contracts were re-negotiated starting July 1, 2021 for a 2 year period. They expired June 30, 2023. The estimated agreements are included in the FY2024 budget. The agreements were not settled at the time of budget preparation. The City negotiated with all employees to move to an 85%/15% cost sharing for health insurance from 90%/10% starting July 1, 2021.

The personnel budgets reflect a total of 506.90 full time equivalents (FTEs) in full and part time positions (not including seasonal and temporary workers). This budget is a decrease of 3.7 FTEs from the FY2023 budget. Additional information about employee counts is available under the employee summary tab.

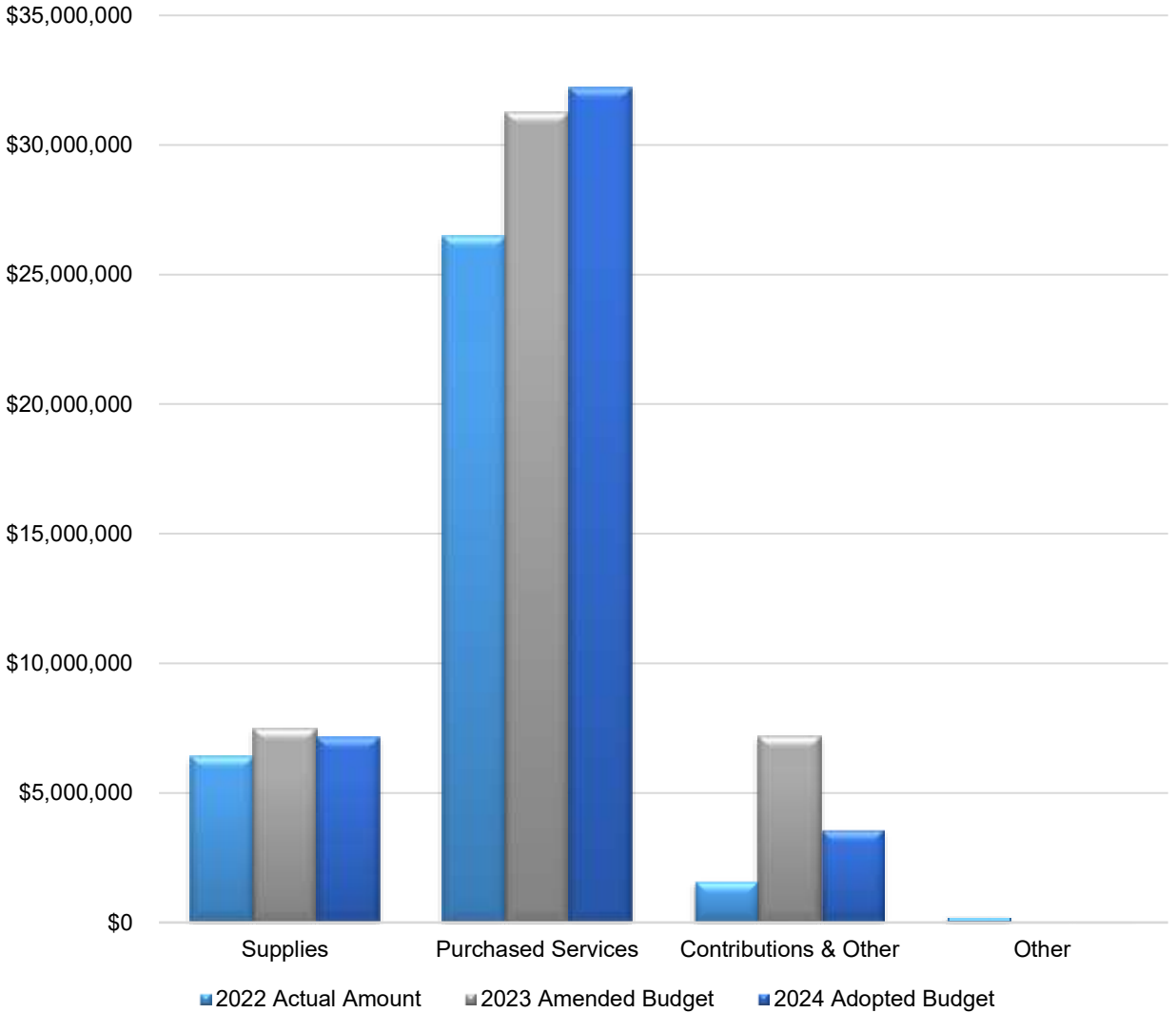
City-Wide Expenditure Highlights**City of Great Falls, MT**

General Fund – Court	Full-time judge starting 1/1/2024 (previously part-time)	0.10
General Fund – Legal	1 Prosecutor → 2 support staff, staff attorney hours	1.10
IT Fund	Added desktop support specialist	1.00
Library Fund	Mill levy pass	13.43
Housing Authority	Separation from City	(18.94)
Civic Center Events Fund	Reduced full-time laborer to part-time	(0.28)
Recreation Fund	Reduced hours	(0.11)
Planning & CD Fund	Development engineer transferred to Public Works	(1.00)
Water Fund	Removed SCADA tech position	(1.00)
Engineering Fund	Added development engineer from PCD	1.00
Sanitation Fund	Added maintenance worker	1.00
Total (Decrease) in FY2024		(3.70)

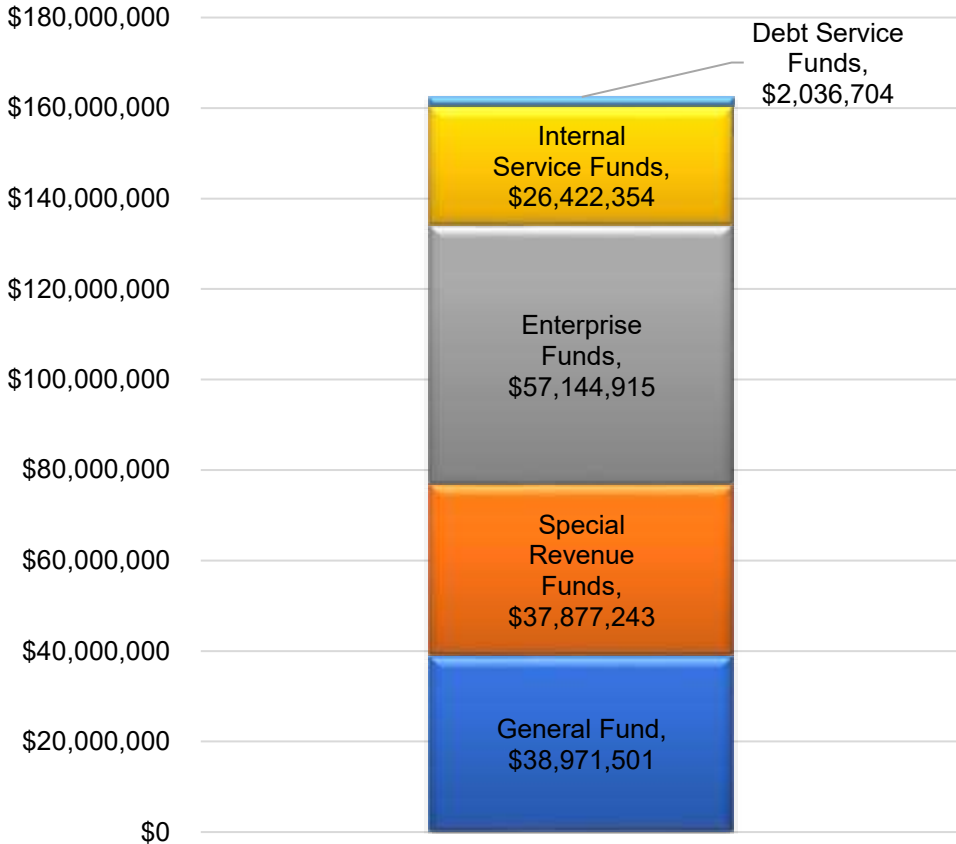
Operations

Operations are considered to be supplies, purchased services, contributions, and other expenditures. The operations portion of expenditures includes an overall 6.36% decrease from the FY2023 Amended Budget. There was a decrease of 4.05% for supplies. Followed by an increase of 3.16% in purchased services, a decrease of 50.29% in contributions, and no change in other costs from the FY2023 Amended Budget. Operations equate to 26.45% of the total expenditure budget.

City-Wide Operating Costs 3yr Trend



FY2024 City-Wide Expenditures by Fund Type



	2022 Actual	2023 Amended Budget	2024 Adopted Budget
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Fund Types

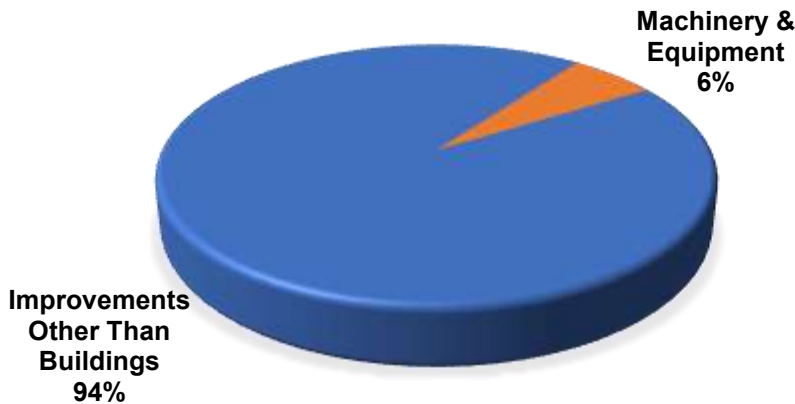
General Fund	\$35,302,147	\$38,033,341	\$38,971,501
Special Revenue Funds	\$28,478,325	\$50,269,577	\$37,877,243
Debt Service Funds	\$1,843,579	\$1,805,633	\$2,036,704
Capital Project Funds	\$2,577,049	\$2,827,976	\$0
Enterprise Funds	\$34,972,860	\$73,036,360	\$57,144,915
Internal Service Funds	\$21,770,983	\$25,791,701	\$26,422,354
Total All Fund Types	\$124,944,942	\$191,764,588	\$162,452,717

FY 2024 Capital Expenditures by Category

Fund	TOTAL	Improvements	Machinery & Equipment
COVID Recovery			
ARPA	\$12,794,967	\$12,794,967	\$0
COVID Recovery Totals	\$12,794,967	\$12,794,967	\$0
Park Maintenance District			
Park Maintenance	\$27,791	\$0	\$27,791
Park Maintenance District Totals	\$27,791	\$0	\$27,791
Street District			
Street Maintenance	\$3,596,539	\$3,596,539	\$0
Street District Totals	\$3,596,539	\$3,596,539	\$0
East Industrial Ag Tech Park			
Special Districts	\$327,250	\$327,250	\$0
East Industrial Ag Tech Park Totals	\$327,250	\$327,250	\$0
Federal Block Grant			
Block Grant Projects	\$200,000	\$200,000	\$0
Federal Block Grant Totals	\$200,000	\$200,000	\$0
Water			
Water - Equip Revolving Schedule	\$224,468	\$0	\$224,468
Water - Purification	\$1,800,000	\$1,800,000	\$0
Water - Distribution	\$4,210,000	\$4,210,000	\$0
Water Totals	\$6,234,468	\$6,010,000	\$224,468
Sewer			
Sewer - Equip Revolving Schedule	\$460,800	\$0	\$460,800
Sewer - Treatment	\$9,120,000	\$9,120,000	\$0
Sewer - Collection	\$2,820,000	\$2,820,000	\$0
Sewer Totals	\$12,400,800	\$11,940,000	\$460,800
Storm Drain			
MS 4 Phase II Upgrades	\$400,000	\$400,000	\$0
Storm Drain - Collection	\$3,508,000	\$3,508,000	\$0
Storm Drain Totals	\$3,908,000	\$3,908,000	\$0

FY 2024 Capital Expenditures by Category - Continued

Fund	TOTAL	Improvements	Machinery & Equipment
Sanitation Central Garage	\$607,248	\$0	\$607,248
Sanitation Totals	\$607,248	\$0	\$607,248
Central Garage Equipment Revolving	\$1,183,830	\$100,000	\$1,083,830
Central Garage Totals	\$1,183,830	\$100,000	\$1,083,830
Finance Utility Billing	\$75,000	\$0	\$75,000
Finance Totals	\$75,000	\$0	\$75,000
Engineering Engineering	\$7,000	\$0	\$7,000
Engineering Totals	\$7,000	\$0	\$7,000
Public Works Admin Public Works Admin	\$180,000	\$180,000	\$0
Public Works Admin Totals	\$180,000	\$180,000	\$0
Total All Budgeted Funds	\$41,542,893	\$39,056,756	\$2,486,137



FY 2024 Capital Projects

COVID Recovery Fund	Project Budget
Court Remodel	\$3,500,000
Fire Station Infrastructure	\$2,576,000
HVAC Boiler	\$2,218,967
PD Evidence Building	\$4,500,000
Total COVID Recovery Fund	\$12,794,967
Street Fund	
33rd ST S ADA Improvements Phase I	\$315,000
3rd Ave N 9th to 11th St Reconstruction	\$500,000
52nd St N 7th to 10 Ave N Reconstruction	\$600,000
Miscellaneous Projects	\$250,000
PW Complex Building Improvements	\$100,000
BARSAA - 3rd Ave N Park Drive to 3rd St	\$500,000
BARSAA - 7th Ave N Park Drive to 9th St	\$750,000
BARSAA - Giant Springs Rd Slide Repair	\$91,539
Internal Engineering	\$240,000
Unscheduled Development	\$250,000
Total Street Fund	\$3,596,539
Water Fund - Purification	
33rd St Storage Tank Study/ Repair	\$1,500,000
Misc. Water Treatment Plant Improvements	\$200,000
Internal Engineering	\$100,000
Total Water Purification	\$1,800,000
Water Fund - Distribution	
Water Main Replacements	\$2,900,000
Lead Service Line Pilot Project	\$370,000
Water Capacity Model	\$350,000
Internal Engineering	\$440,000
Unscheduled Development	\$150,000
Total Water Distribution	\$4,210,000
Total Water Fund	\$6,010,000
Sewer Fund - Collection	
Manhole Rehab	\$100,000
Miscellaneous Sewer Rehab	\$1,200,000
Riverview Sewer Replacement	\$1,000,000
Sanitary Sewer Capacity Model	\$300,000
Internal Engineering	\$120,000
Unscheduled Development	\$100,000
Total Sewer Collection	\$2,820,000

FY 2024 Capital Projects - Continued

Sewer Fund - Treatment	<u>Project Budget</u>
Lift Station 1 Construction	\$7,800,000
Lift Station 4 Design	\$50,000
Solids Building HVAC	\$740,000
Wastewater Discharge Permit	\$250,000
Westside Pump Station Bar Screen Replacement	\$50,000
Miscellaneous Capital (Veolia Contract)	\$150,000
Internal Engineering	\$80,000
Total Sewer Treatment	<u>\$9,120,000</u>
Total Sewer Fund	<u><u>\$11,940,000</u></u>

Storm Drain Fund - MS4 Phase II Upgrades	
MS-4 Phase II Regional Facilities	\$400,000
Total Storm Drain MS4 Phase II Upgrades	<u>\$400,000</u>

Storm Drain Fund - Collection	
Central Ave & 3rd St Phase 2 Construction	\$2,000,000
Miscellaneous Inlet & Valley Gutter	\$50,000
Central Ave & 3rd St Phase 3 Design	\$120,000
Miscellaneous Alley 400 Block 1st Alley N	\$18,000
Smith Coulee Berkner Heights Detention Pond	\$200,000
Storm Drain Master Plan	\$700,000
Internal Engineering	\$220,000
Unscheduled Development	\$200,000
Total Storm Drain Collections	<u>\$3,508,000</u>
Total Storm Drain Fund	<u><u>\$3,908,000</u></u>

Park Maintenance District*	
Carter Park Pavilion Roof	\$14,000
Irrigation Upgrades	\$200,000
River's Edge Trail Improvements	\$20,000
Sports Courts	\$149,220
Tree Replacement	\$10,000
Turf Maintenance (pesticide, herbicide, rodent control, etc.)	\$40,000
Total Park Maintenance Projects	<u><u>\$433,220</u></u>

***Park Maintenance District projects are budgeted under Professional Services, not Capital Outlay.**

FY 2024 Equipment Purchases

Units Purchased from Central Garage Fund

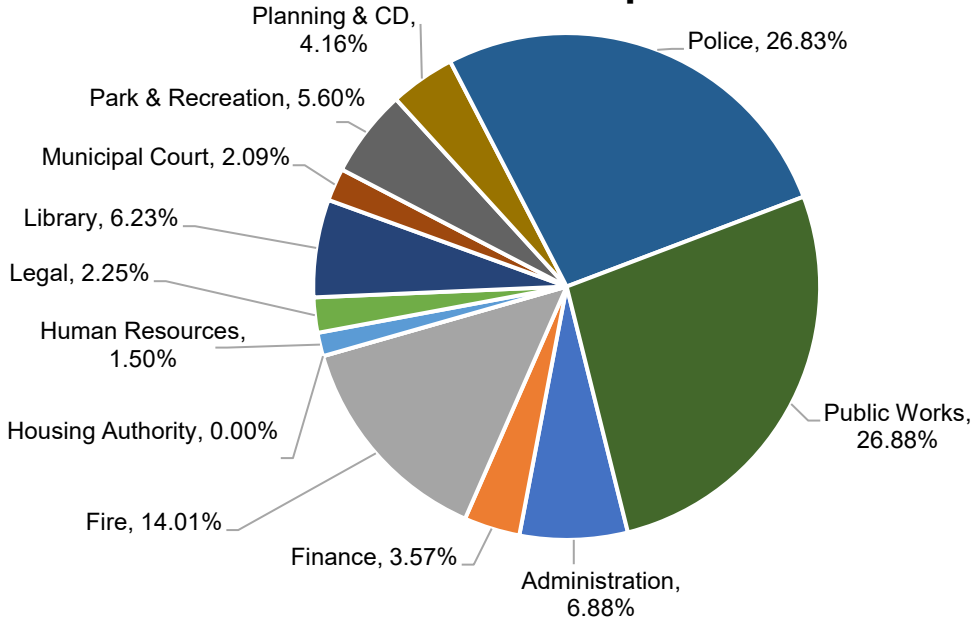
Department	Number of Units	Description of Unit	Years Deferred	Unit Cost	Total Cost
Capital Purchases					
Police	6	Patrol Units	0	\$40,170	\$241,020
	1	Police Administration SUV	0	\$33,850	\$33,850
Parks	1	1 Ton Parks Refuse Truck	0	\$87,410	\$87,410
	1	3/4 Ton 4x4	0	\$49,880	\$49,880
	1	3/4 Ton Fuel Truck	0	\$38,260	\$38,260
Street	2	Mutli Sectional Snowplow Units	0	\$35,950	\$71,900
	1	Toolcat/Skid Steer	0	\$67,070	\$67,070
	1	Wheel Loader (Meduium)	0	\$275,000	\$275,000
	1	Skid Steer with Mill	0	\$87,440	\$87,440
	1	Paver Transport Trailer	0	\$132,000	\$132,000
	16	Total Capital Purchases			\$1,083,830
Non Capital Purchases					
	1	Police Equipment	0	\$40,170	\$40,170
	1	14K Dump Trailer Parks	0	\$16,000	\$16,000
	1	Traffic Truck Service Body	0	\$12,000	\$12,000
	1	Pickup Box Sander	0	\$12,000	\$12,000
	1	Compressor Air Tank	0	\$8,000	\$8,000
	5	Total Non Capital Purchases			\$88,170
	21	Total Central Garage Purchases			\$1,172,000

Units Purchased from Other Funds

Department	Number of Units	Description of Unit	Years Deferred	Unit Cost	Total Cost
Water Distribution	1	1/4 Ton 4x4 Truck	0	\$32,090	\$32,090
	1	Boom Truck Used	0	\$135,930	\$135,930
	1	Rolloff Truck (20%)	0	\$56,448	\$56,448
	1	Service Body with Lift	0	\$20,000	\$20,000
Sewer	1	Wheel Loader (Medium)	4	\$275,000	\$275,000
	1	Rolloff Truck (80%)	0	\$185,800	\$185,800
Sanitation	1	Rolloff Truck	0	\$232,248	\$232,248
	1	Commercial Rear Loader	0	\$375,000	\$375,000
	8	Units Purchased from Other Funds			\$1,312,516
	29	Total Equipment Purchased			\$2,484,516

FY 2024 FTE Count – Full and Part-Time Positions

FY2024 Adopted FTE Count



	FY 2022 Actual	FY 2023 Actual	FY 2024 Adopted
Administration	30.07	34.17	34.89
Finance	16.10	16.10	18.10
Fire	71.00	71.00	71.00
Housing Authority	18.50	18.50	0.00
Human Resources	7.60	7.60	7.60
Legal	9.29	10.29	11.39
Library	17.80	18.18	31.60
Municipal Court	10.49	10.49	10.59
Park & Recreation	34.33	28.49	28.38
Planning & CD	29.50	24.53	21.10
Police	133.00	136.00	136.00
Public Works	135.00	135.25	136.25
Total Full & Part-Time Positions	512.68	510.60	506.90*

*Temporary and seasonal employees not included.

Interfund Transfers

Interfund transfers are flows of assets (such as cash or goods) between funds without equivalent flows of assets in return and without a requirement for repayment. In FY2024, there is an overall decrease of \$1,211,455 to transfers between General Fund and other funds for operations from the FY2023 Amended Budget. In FY2023, the COVID Recovery Fund transferred out one-time CARES funds to replenish Planning (\$297,500), Recreation (\$140,000), and Multi-Sports (\$34,500). For FY2024, transfers were removed from the Library (\$350,000), Civic Center Events (\$265,913), and Engineering (\$63,143).

Operating Transfers

- Authorized transfers from a fund receiving revenue to the expended fund.
- Operating subsidy transfers from the General Fund to special revenue, enterprise, debt service or internal service funds.
- Contribution of capital financing to establish an operation.
- Subsequent return of all or part of such a contribution.
- Transfers of residual balances of discontinued funds to the General or debt service funds.

Fund	2022 Actual Amount	2023 Adopted Budget	2023 Amended Budget	2023 Projected Amount as of 06/15/2023	2024 Adopted Budget
Transfers In					
Library	\$350,000	\$350,000	\$350,000	\$350,000	\$0
Planning & Comm Development	\$271,932	\$674,432	\$674,432	\$674,432	\$376,932
Natural Resources	\$256,277	\$256,277	\$256,277	\$256,277	\$256,277
Downtown TID	\$2,392,116	\$0	\$0	\$0	\$0
Gas Tax BaRSSA	\$50,000	\$60,399	\$60,399	\$60,399	\$0
General Obligation Taxable Bond	\$144,846	\$0	\$0	\$0	\$0
Storm Drain	\$0	\$0	\$500,000	\$500,000	\$500,000
Parking	\$265,361	\$0	\$0	\$52,876	\$0
Multi-Sports	\$65,000	\$34,500	\$34,500	\$34,500	\$0
Ice Breaker	\$23,361	\$0	\$0	\$0	\$0
Swimming Pools	\$309,031	\$267,861	\$267,861	\$267,861	\$267,861
911 Dispatch	\$346,674	\$346,674	\$346,674	\$346,674	\$346,674
Recreation	\$265,359	\$179,206	\$179,206	\$179,206	\$39,206
Civic Center Events	\$786,019	\$265,913	\$265,913	\$265,913	\$0
Engineering	\$63,143	\$63,143	\$63,143	\$63,143	\$0
Civic Center Facility Services	\$0	\$0	\$0	\$16,553	\$0
Total Transfers In	\$5,589,119	\$2,498,405	\$2,998,405	\$3,067,834	\$1,786,950
Transfers Out					
General Fund	\$1,659,178	\$1,619,332	\$1,619,332	\$1,619,332	\$940,276
COVID Recovery Fund	\$1,141,151	\$472,000	\$472,000	\$541,429	\$0
Downtown TID	\$2,392,116	\$0	\$500,000	\$500,000	\$500,000
Street District	\$50,000	\$60,399	\$60,399	\$60,399	\$0
911 Special Revenue	\$346,674	\$346,674	\$346,674	\$346,674	\$346,674
Total Transfers Out	\$5,589,119	\$2,498,405	\$2,998,405	\$3,067,834	\$1,786,950

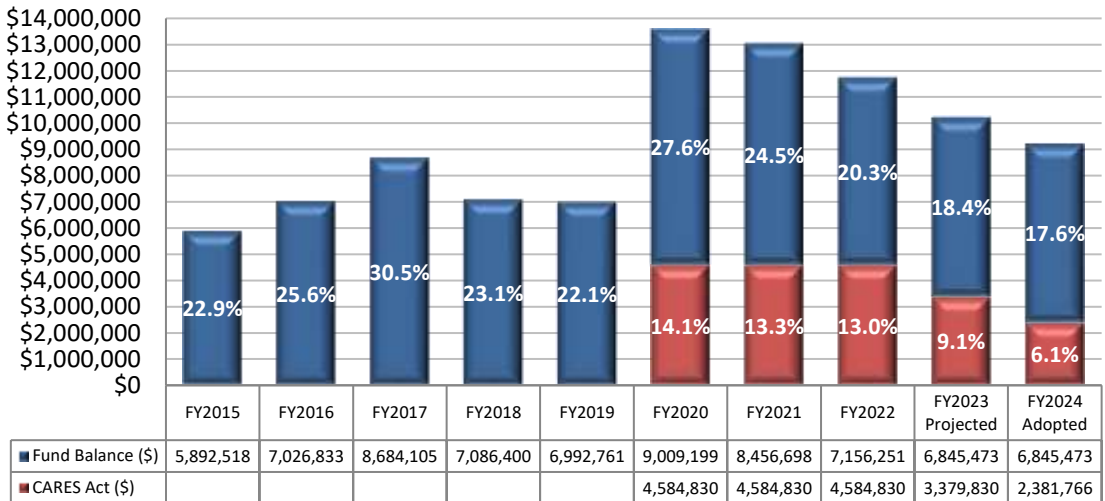
Fund Balance

Fund Balance is defined as the difference between the assets and liabilities of a fund. The balance is divided into reserved and unreserved portions. The City of Great Falls maintains unreserved fund balance, to provide for unforeseen expenditures or emergencies and to provide working capital in the first several months of the fiscal year, until sufficient revenues are available to fund operations.

General Fund

In FY2015, the City’s General Fund balance was at 22.9%, which had been rebuilt after the Electric Fund deficit was covered in 2013. The fund balance increased substantially in FY2020 because of a settlement of a large outstanding tax protest and money received from the federal CARES Act for COVID recovery. Due to economic recovery needed from the pandemic, the City did not raise property taxes in the General Fund in FY2021 or FY2022. This caused the unreserved fund balance to decrease to lower than the recommended minimum of 22% in the FY2023 budget. The City Commission adopted to utilize the available tax increases in FY2023 and FY2024 (permissive medical levy and inflationary factory). Also, \$1,205,000 was used of the reserved CARES Act funds to balance the General Fund budget in FY2023 and \$998,064 was used in FY2024 to bring the unreserved fund balance to 17.6%. The reserved CARES Act balance is now \$2.4 million, or 6.1%.

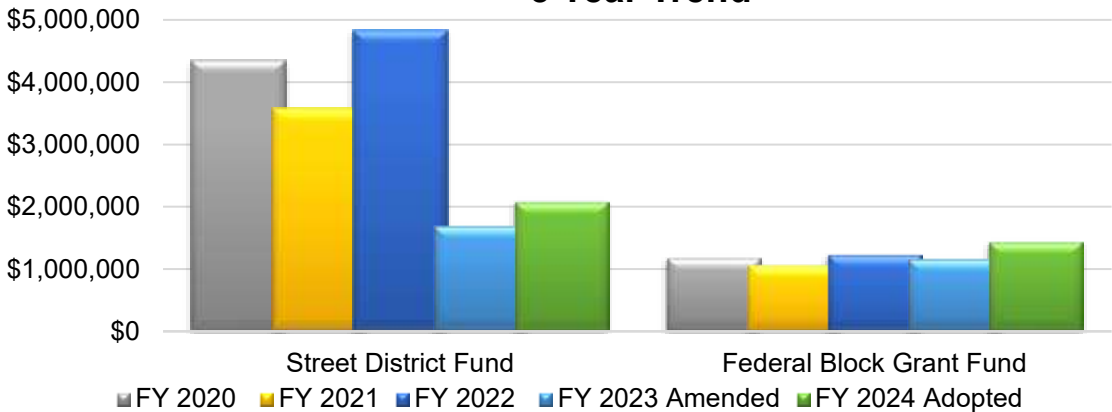
22% Recommended Minimum Policy



Other Governmental Funds

Two other major governmental funds are: the Federal Block Grants Fund and the Street District Fund. The five-year trend for the Federal Block Grants Fund shows a stabilized fund balance for the last five years. The fund balance is from the Revolving Loan programs that have generated program income. The Street District Fund had a high and growing balance in previous years and will be lowered with the use of funds on street capital improvement projects. The Street District Fund balance is dependent on the timing of capital projects and typically not all capital outlay occurs in the year it is budgeted.

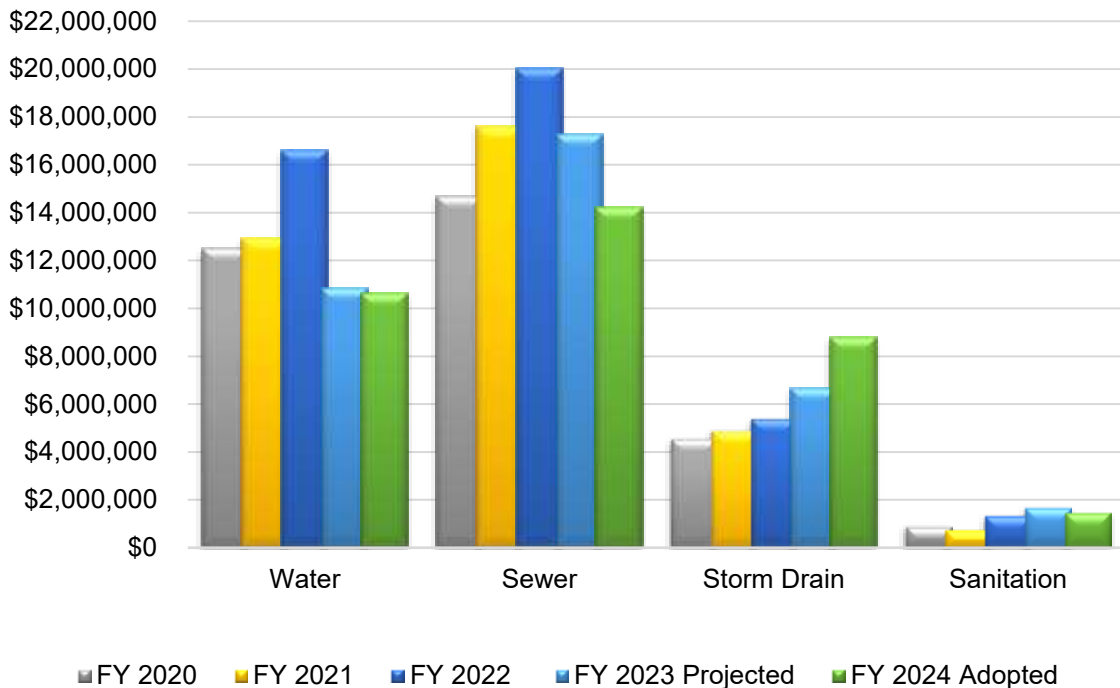
**Other Major Governmental Fund Balances
5 Year Trend**



Proprietary Funds

The chart on the next page shows the five-year trend of the major proprietary funds' unreserved fund balances. The decline in the fund balances in water and sewer funds are due to the use of unreserved fund balances for current capital improvement projects. The immediate need to purchase trucks for Sanitation has kept the balance low in most recent years for the Sanitation Fund. The actual spending of fund balance is dependent on the timing of the engineering and construction of each project. In May 2023, the City Commission approved a 10% rate increase in water, sewer, storm drain, and sanitation.

Unreserved Major Proprietary Fund Balances 5 Year Trend



Computation of Legal Debt Margin

The legal debt margin is the excess of the amount of debt legally authorized over the amount of debt outstanding. MCA 7-7-4201 states that the debt limitation may not exceed 2.5% of the total assessed value of taxable property within the City as ascertained by the last assessment for state and county taxes. The majority of the unused legal debt capacity would require voter approval to issue.

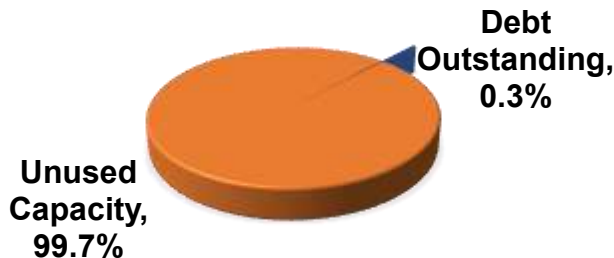
General Obligation Debt Capacity

Market Valuations - Real & Personal Property (Based on Certified Taxable Valuation dated August 25, 2022)	\$ 6,328,057,598
General Obligation Debt	
Debt Limit - 2.5% of Total Assessed Value	\$ 158,201,440
General Obligation Bonded Debt Outstanding	\$ 406,541
Unused Legal Debt Capacity	\$ 157,794,899

Non-Voted GO Debt Capacity

2 Criteria for Issuing Non-Voted GO Debt

1. Maximum principal Amount of Obligation Allowed	\$ 3,297,118
2. Maximum Annual Debt Service Allowed	\$ 679,474
Current Annual Debt Service	\$ 91,413
Unused Annual Debt Service Capacity	\$ 588,061

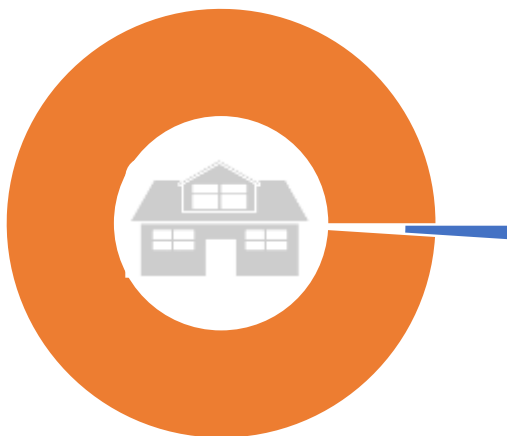


Where do Your Property Taxes Go?



Cascade County	17.45%	City of Great Falls	28.12%	Transit District	2.98%	Great Falls Public Schools	32.41%	State Schools	19.04%
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What Percent of Market Value are Property Taxes?



Property Tax Rate
1.03%

How to Calculate Residential Home Property Taxes

Residential Property Tax Computation- FY 2023

Multiply your home's market value by: **1.028%**

Example				
\$	100,000	X	1.028%	= \$ 1,028

OR

The following steps may be used to calculate property taxes.

Example				
	Taxable Market Value, "Market"	\$	100,000	(From Assessment Notice)
Multiply By:	2023 Taxable Rate (%)	X	1.35000%	(From Assessment Notice)
	Current Taxable Value, "Taxable"	\$	1,350	(From Assessment Notice)
Divide By:	1,000		1,000	(Mill Equivalent)
	Taxable Value per Mill	\$	1.3500	
Multiply By:	Total Levy in Mills	X	761.23	(See Below)
	Calculated Total Property Tax	\$	1,027.66	

The FY 2023 Tax Levies for the example are below. FY 2024 mills have not yet been finalized for all districts.

	Total	School (State and District)	City	County	Transit
Mill Levy	761.23	391.66	214.05	132.81	22.71
Property Tax	\$1,027.66	\$528.74	\$288.97	\$179.29	\$30.66
Tax as a Percent of Market Value	1.03%	0.53%	0.29%	0.18%	0.03%
Share of Total	100%	51.45%	28.12%	17.45%	2.98%

The Example is a residential property with a \$100,000 taxable market value. A tax payer can go to: <https://itax.tylertech.com/cascademt/> to review individual parcels property taxes for Cascade County. The tax example does not include special assessments or other special districts.

History of City Tax Levies, in Mills

Fiscal Year	2024	2023	2022	2021	2020	2019
General Purpose	152.41	175.54	165.33	170.84	163.99	167.62
Library	17.00 *	2.00	2.00	2.00	2.00	2.00
Permissive Medical Levy	30.06	34.94	32.44	34.23	33.11	29.86
Soccer Park Debt	1.25	1.57	1.58	1.72	1.68	1.76
Total Mill Levy	200.72	214.05	201.35	208.79	200.78	201.24
Net Mill Value \$	\$131,816	\$103,300	\$103,622	\$98,197	\$101,525	\$97,185
Tax Levy \$	\$26,457,995	\$22,111,402	\$20,864,249	\$20,502,570	\$20,384,444	\$19,557,045

* An additional 15 mills were approved by the voters for the Library on June 6th, 2023.

History of Overlapping Mill Levies on Property in the City

Fiscal Year	2024	2023	2022	2021	2020	2019
In Mills:						
Schools						
District Levied	TBD	246.72	260.37	274.18	243.93	249.97
State Levied	TBD	144.94	143.97	146.21	148.53	150.24
Total Schools	TBD	391.66	404.34	420.39	392.46	400.21
City of Great Falls	200.72	214.05	201.35	208.79	200.78	201.24
Cascade County	TBD	132.81	129.07	131.62	126.92	129.64
Transit District	TBD	22.71	21.74	22.52	21.33	19.65
Total Overlapping Levy	200.72	761.23	756.50	783.32	741.49	750.74
As a Percent:						
District Levied	TBD	32.41%	34.42%	35.00%	32.90%	33.30%
State Levied	TBD	19.04%	19.03%	18.67%	20.03%	20.01%
Total Schools	TBD	51.45%	53.45%	53.67%	52.93%	53.31%
City of Great Falls	TBD	28.12%	26.62%	26.65%	27.08%	26.81%
Cascade County	TBD	17.45%	17.06%	16.80%	17.12%	17.27%
Transit District	TBD	2.98%	2.87%	2.87%	2.88%	2.62%
Total Overlapping Levy	TBD	100%	100%	100%	100%	100%

Demographic Statistics – Last Ten Fiscal Years

**Demographic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population ¹	Personal Income ²	Per Capita Income ²	School Enrollment ³	Unemployment Rate ⁴
2013	58,893	3,228,329	39,448	10,198	5.1%
2014	59,351	3,336,106	40,822	10,347	4.0%
2015	59,152	3,357,888	40,759	10,193	3.9%
2016	59,638	3,389,496	41,163	10,520	4.1%
2017	59,178	3,460,063	42,053	10,549	3.8%
2018	58,876	3,546,163	43,375	10,476	3.9%
2019	58,701	3,752,800	45,959	10,416	3.4%
2020	58,434	3,879,504	47,518	10,491	6.9%
2021	60,442	4,052,262	49,803	10,461	3.9%
2022	60,403	4,248,346	52,226	10,132	2.9%

¹ U.S. Census Bureau, Population Estimates, for one calendar year prior.

² U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System for Great Falls, Montana www.bea.doc.gov/bea/regional/bea/facts. The personal income and per capita income information is for two calendar years prior. Personal income estimates are in thousands of dollars.

³ Great Falls School District No. 1. Great Falls, Montana.

⁴ Montana Department of Labor & Industry Research & Analysis Bureau for Cascade County.

Major Employers

Employer	2022			2013		
	Number of Employees ¹	Rank	Percentage of Total Employment ²	Number of Employees ¹	Rank	Percentage of Total Employment
Malmstrom Air Force Base	4,156 ²	1	11%	4,771	1	13%
Benefis Health Care Center	3,317	2	9%	2,695	2	7%
Great Falls Public Schools	1,944	3	5%	1,998	3	5%
Montana Air National Guard	917 ³	4	3%	1,089	4	3%
Wal-Mart	818 ⁵	5	2%	550	6	1%
Great Falls Clinic Speciality Center	712	6	2%	385	10	1%
City of Great Falls	543 ⁴	7	1%	542	7	1%
Cascade County	481	8	1%	500	8	1%
North 40 Outfitters	276	9	1%	-	-	-
D.A. Davidson	238	10	1%	-	-	-
Asurion (formerly N.E.W. Customer Services Cos.)				555	5	2%

Source:

2022: Administration offices of each individual employer.

2013: Great Falls Tribune, Great Falls Montana Outlook 2013 printed February 24, 2013

**Principal Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Calumet Montana Refining, LLC	⁴ \$ 7,164,123	1	6.81%	\$ 2,039,337	2	2.62%
Northwestern Energy, LLC	6,437,603	2	6.12%	4,257,837	1	5.47%
Energy West Montana Inc.	² 2,091,904	3	1.99%	814,233	5	1.05%
Burlington Northern Santa Fe Railroad Co	1,264,651	4	1.20%	634,316	7	0.81%
Bresnan Communications (Charter)	1,032,212	5	0.98%	1,475,566	3	1.90%
Pasta Montana LLC	825,868	6	0.79%	602,529	8	0.77%
Verizon Wireless	780,390	7	0.74%			
DOC Great Falls Holding LLC	667,979	8	0.64%			
Federal Express Corp	644,313	9	0.61%			
GK Development Inc.	¹ 633,451	10	0.60%	704,202	6	0.90%
CenturyLink, Inc.	³			1,022,472	4	1.31%
General Mills, Inc.				533,306	10	0.69%
Benefis Health System, Inc.				557,896	9	0.72%
	<u>\$ 21,542,494</u>		<u>20.48%</u>	<u>\$ 12,641,694</u>		<u>16.24%</u>
Total Assessed Taxable Value	<u>\$ 105,181,199</u>			<u>\$ 77,852,991</u>		

Source: Treasurer's Office, Cascade County, Montana

¹ In Fiscal Year 2014, Holiday Village Partners LLC changed to GK Development Inc.

² In Fiscal Year 2014, Great Falls Gas Co. changed to Energy West Montana Inc.

³ In Fiscal Year 2015, Qwest Corporation changed to CenturyLink, Inc.

⁴ In Fiscal Year 2015, Montana Refining Corp. changed to Calumet Montana Refining, LLC

The City of Great Falls is the county seat of Cascade County and is the third largest city in Montana. Situated on the Missouri River, the City is approximately 50 miles east of the Continental Divide and 120 miles south of the Canadian border. The City serves as a gateway to Glacier National Park and is on a main thoroughfare to Yellowstone National Park. Great Falls is fortunate to have several pedestrian/bicycle facilities including the nationally recognized River’s Edge Trail system which follows the Missouri River from Gibson Park to Giant Springs. The 48 mile trail wanders through the City of Great Falls area, connecting parks and other points of interest along the Missouri River including Black Eagle Falls, Rainbow Falls, Crooked Falls and “The Great Falls of the Missouri” just below Ryan Dam. Malmstrom Air Force Base is the state’s largest military installation and the Montana Air National Guard is located near the Great Falls International Airport. The City encompasses an area of over 22 square miles with a population of 60,403 according to the U.S. Census Bureau population estimates.

The present Great Falls townsite was first noted in the journals of Lewis and Clark in 1805 as they portaged around “the thundering Great Falls of the Missouri”. In 1882, Paris Gibson, a Minneapolis City planner and engineer, recognized the potential of the area’s abundant resources and central location. Gibson’s legacy was a carefully planned City that makes Great Falls unique today.

The City of Great Falls is a municipal corporation, organized in 1888 under the laws of the State of Montana. The City operates under the Commission/Manager form of government with a self-governing charter which became effective July 1, 1986. The City’s executive, legislative, and policy-making body is the City Commission which is composed of a mayor and four commissioners. The Mayor is elected at-large for a term of two years and the Commissioners serve overlapping four-year terms. The City Manager serves as the appointed Chief Executive Officer carrying out the policies established by the City Commission and overseeing all operations.

Great Falls has nine neighborhood councils comprised of five members each. Members are elected to two-year terms. The councils act in an advisory capacity to the City Commission, the City Manager and to other City advisory bodies.

Services provided by the City of Great Falls include police, fire, planning, library, parks & recreation, street repair and maintenance, water, sanitary sewer, storm drain, and sanitation.

Class of City:	First Class
County of location:	Cascade
Year Incorporated:	1888
Form of Government:	Commission/Manager
Population (2021):	60,382
Active Voters:	33,000+
Nickname(s):	The Electric City; River City; Western Art Capital of the World

