



The Weekly Update – July 27, 2023

Attachments:

1. Journal of City Commission Work Session, June 20, 2023
2. Journal of City Commission Work Session, July 5, 2023
3. Journal of City Commission Work Session, July 18, 2023
4. City of Great Falls Total Cash and Investments as on June 30, 2023

JOURNAL OF COMMISSION WORK SESSION
June 20, 2023

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City Commission Work Session
Civic Center, Gibson Room 212

Mayor Kelly presiding

CALL TO ORDER: 5:30 PM

CITY COMMISSION MEMBERS PRESENT: Bob Kelly, Susan Wolff, Joe McKenney, Eric Hinebauch and Rick Tryon.

STAFF PRESENT: City Manager Greg Doyon and Deputy City Manager Chuck Anderson; Deputy City Attorney Rachel Taylor; Finance Director Melissa Kinzler, Deputy Director Kirsten Wavra and Financial/Tax/Budget Analyst Levi Johnson; Public Works Director Chris Gaub; Municipal Court Judge Steve Bolstad; Library Director Susie McIntyre; Fire Chief Jeremy Jones; Police Captain John Schaffer; and, City Clerk Lisa Kunz.

PUBLIC COMMENT

Richard Ecke, Historic Preservation Advisory Commission (HPAC) Chairman, 301 3rd Avenue North, explained that the HPAC sent a letter to the Commission indicating that it voted to encourage the City to consider alternatives with regard to turning the Missouri Room into Municipal Court space. He commented that his personal opinion is that the Missouri Room is well used, historic, pristine and a great room. Mr. Ecke encouraged the Commission to consider utilizing the American Rescue Plan Act (ARPA) funds to renovate the Montana Children's Museum building as an alternative to permanently renovating the Missouri Room for Court space. If the Missouri Room is considered for renovation, Mr. Ecke suggested making it reversible so that the room could be returned, at some future time, to its current use.

Suzanne Waring, HPAC member, 313 25th Avenue South, concurred with Mr. Ecke's comments about the Missouri Room. She added that the City may need to consider the facility as a campus and there are other buildings that could serve as Municipal Court.

Ellen Sievert, HPAC member, 1602 3rd West Hill Drive, explained that the Civic Center is a historic building listed on the National Register of Historic Places and the Commission is a temporary care taker that needs to do it right. The Civic Center was built and maintained with public money for 83 years. Ms. Sievert commented that the Commission has done a great job restoring the architecture and structure of the Civic Center façade and the same kind of planning needs to be applied to the interior of the building. The Missouri and adjacent rooms provide needed space and meeting rooms for City Departments and destroying the integrity of the Missouri Room would not alleviate the lack of space. The one-time public money should be used to restore the integrity of Municipal Court area and not destroy the Missouri Room.

Ken Sievert, HPAC member, 1602 3rd West Hill Drive, commented that he appreciates the City Manager's and Judge's frustration with regard to dealing with the Civic Center building; however, the building was designed around large public spaces with some peripheral office space. Mr. Sievert added that the Civic Center was never intended to be used for office space or an office building. As an architect

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and structural engineer, Mr. Sievert explained that he is very familiar with the Civic Center building and the City needs a larger budget if it wants to make it into an office building. The Missouri Room was crafted as a banquet room and the Civic Center building as the “people’s house”. The proposed project sends a message that the City is trying to take taxpayers out of the building at the expense of dealing with Municipal Court and would be removing the public further from the building. He commented that he has not received data about the room uses or volume of use of the Missouri Room. Costs should be factored in when a temporary use moves out of a highly decorated room like the Missouri Room. Mr. Sievert requested that the Commission consider an alternative plan to carving up the Missouri Room for Court space.

Kevin Westie, 602 35th Street North, discussed the connection of mass shootings to substance abuse, and the use of marijuana being deadly. He further discussed ways to ensure public safety other than a levy.

Written correspondence was received from:

Chris Christiaens, HPAC member (via June 20, 2023 correspondence), suggested that the Commission consider the second floor of the Post Office or the former space occupied by Flynn Insurance located across from the Civic Center and Police Department for Municipal Court.

Ken Robison, HPAC member (via June 19, 2023 email), requested that the Commission protect the Missouri Room from being turned in to Court space and to consider other alternatives for courtrooms.

Samantha Long, Historic Preservation Officer (via June 15, 2023 email), submitted a letter voted on by the HPAC to the City Commission regarding the proposal to convert the Missouri Room to Court use.

Mayor Kelly expressed appreciation to the Historic Preservation Advisory Commission for its great work in the community.

1. 2024 PROPOSED BUDGET

City Manager Greg Doyon explained that the City’s budget process is determined by the Commission’s goals, operational needs, legislative session and union negotiations. There has been an impact with regard to not utilizing the inflationary factor over the past couple years due to the COVID-19 pandemic. The general fund is broken out primarily by administration and unions fall under the general fund.

Finance Director Melissa Kinzler and Deputy Finance Director Kirsten Wavra reviewed and discussed the following PowerPoint:

JOURNAL OF COMMISSION WORK SESSION

June 20, 2023



Fiscal Year 2024 Budget: General Fund

June 20, 2023 Work Session

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Upcoming Budget Process

- > **Today**
 - Presentation of General Fund
- > **July 5th – Commission Action**
 - Work Session: full budget presentation
 - Commission Meeting: set public hearing for July 18th
- > **Additional budget work sessions?**
- > **July 18th – Commission Action**
 - Public Hearing and Adopt or Continue Budget
- > **August 15th – Commission Action**
 - Adopt Annual Tax Levy

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FY2024 Budget Drivers

- Fund Balance level
- Covid Recovery - revenues
- Union Negotiations – not yet settled
- Health Insurance 8% increase
- Electricity Costs 200% increase
- Additional support staff in Legal Department
- Legislative Session – lost revenue
- 2nd judge – part-time to full-time
- Cops Grant – 2nd year

Covid Recovery

- **No tax increases for FY2021 and FY2022**
 - Used fund balance
 - \$552,502 in FY2021
 - \$1,300,446 in FY2022

- **Utilized tax increases in FY2023**
 - Compounding effect of prior two years, not all was recouped
 - Used CARES to offset remaining shortfall
 - Revenue collection uncertainty

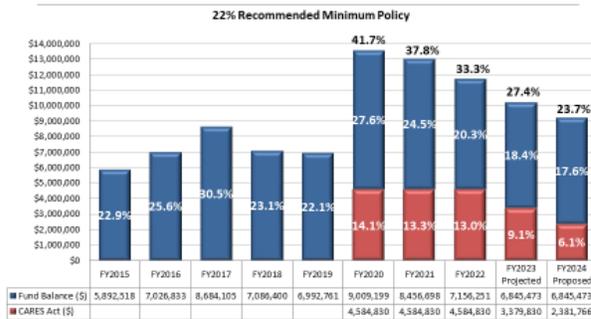
General Fund	FY2021 Actual	FY2022 Actual
Total Revenues	\$ 33,973,714	\$ 33,934,611
Total Expenses	\$ 34,526,216	\$ 35,235,057
Revenues Over (Under) Expenses	\$ (552,502)	\$ (1,300,446)

General Fund	FY2023 Projected
Total Revenues	\$ 35,750,589
Total Expenses	\$ 37,266,367
Revenues Over (Under) Expenses	\$ (1,515,778)

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General Fund Fund Balance



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Projected Revenue Increases

General Fund Revenue Segment	FY2021 Actual Increases	FY2022 Actual Increases	FY2023 Actual Increases	FY2024 Proposed Increases
Newly Taxable Property	\$ 119,488	\$ 366,758	\$ 352,303	\$ 400,000 <small>Amount not known until August</small>
Inflationary Factor	\$ 0	\$ 0	\$ 641,691 <small>Used carry-over mills from prior 2 years</small>	\$ 451,129
Permissive Medical Levy	\$ 0	\$ 0	\$ 247,551	\$ 353,042
Entitlement Share	\$ 284,198	\$ 130,271	\$ 294,004	\$ 311,446
Total Revenue Increase	\$ 403,686	\$ 497,029	\$ 1,535,549	\$ 1,515,617

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June 20, 2023



FY2024 General Fund Impacts

- Public Safety**
- Electricity costs – \$64,794 increase
 - COPS Grant – \$74,000 less for Year 2
 - Legal support staff +2 FTE – \$143,000
 - Part-time to Full-time 2nd judge starting January 1st – \$78,026
 - Police Department increase – \$284,511
 - Fire Department increase – \$394,866
 - Decreased work comp rates – \$20,789
 - Decreased fuel costs – \$147,655
 - Dispatch charges held flat for 2nd year
- Other**
- Legislative impact – Loss of \$79,000 beer & wine, liquor licenses
 - Loss of Housing Authority management fee – \$40,000
 - Elections – \$100,000
 - Additional electricity increases – \$87,500
 - Public Safety Levy Education – \$100,000
 - Collective Bargaining Agreements not settled

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FY2024 General Fund Strategy

- Use full Inflationary Factor - \$451,129
 - Use full Permissive Medical Levy - \$353,042
 - Use subsidy returned from the Library - \$350,000
 - Cut subsidy for Civic Center Events and Engineering - \$329,056
- Remaining deficit of \$998,064**

• Use CARES to offset remaining deficit - \$998,064

General Fund	FY2024 Proposed
Total Revenues	\$ 37,973,437
Total Expenses	\$ 38,971,501
Revenues Over (Under) Expenses	\$ (998,064)

Unreserved Fund Balance	\$ 6,845,473	17.6%
CARES Balance	\$ 2,381,766	6.1%
Total Fund Balance	\$ 9,227,239	23.7%

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Long-Term General Fund Strategy

- Future Options**
- Release TIF funds – City would receive approximately 26%
 - Cut remaining subsidies
 - Natural Resources - \$256,277
 - Swimming Pools - \$267,861
 - Recreation Center - \$39,206
 - Planning - \$376,932
 - Departments are asked every year to review fees
 - Increases for cost recovery

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Assessment and Fee Increases

- Assessments
 - Street – 10%
 - Boulevard – 6%
 - Portage Meadows – 5%
 - Street Lights – 14%
- Fees
 - Animal Shelter – various
 - Civic Center Events – various
 - Planning – various
 - Building Permits – 8%
 - Parks, Rec Center, Multi-Sports - various
 - Water, Sewer, Storm Drain, Sanitation – 10%

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Detail General Fund Revenue

	FY2024 Budget
Taxes	\$ 24,182,096
Licenses & Permits	\$ 916,500
Intergovernmental	\$ 9,730,562
Charges for Services	\$ 1,149,262
Fines & Forfeitures	\$ 680,000
Internal Service	\$ 1,102,343
Investment Income	\$ 20,000
Other	\$ 192,674
Total Revenue Budget	\$ 37,973,437

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Detail General Fund Expenditures

	FY 2024 Budget
Administration Group	\$ 3,931,924
Municipal Court	\$ 1,155,948
Legal Department	\$ 1,489,101
Police Department	\$ 17,012,509
Fire Department	\$ 11,113,035
Park & Rec Department	\$ 3,328,708
General Fund Subsidies	\$ 940,276
Total Expenditures Budget	\$ 38,971,501

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Public Safety Shortfall without Entitlement Share Revenue

	Total Budget
Police Department	\$ 17,012,509
Fire Department	\$ 11,113,035
Total Police & Fire Budgets	\$ 28,125,544
Tax Revenue	(\$ 24,182,096)
Public Safety Shortfall	\$3,943,448

General Fund Summary

	FY2024 Budget
Total Revenues	\$ 37,973,437
Total Expenditures	<u>\$ 38,971,501</u>
Revenue Over (Under) Expenditures	\$ (998,064)
Unreserved Fund Balance	\$ 6,845,473 17.6%
Reserved Balance (CARES) - Beginning	\$ 3,379,830
Balance FY2024 Budget	<u>\$ (998,064)</u>
Reserved Balances (CARES) – Ending	\$ 2,381,766 6.1%
Total Fund Balance	\$ 9,227,239 23.7%

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Next Work Session – July 5th

- All funds combined
 - Funds that meet requirements and funds that don't
- Above & Beyond Requests
- Capital Projects
- Employee Summary
- ARPA/CARES Update

Questions?
Requests for more information?

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Commissioner Tryon received clarification that the increase in the permissive medical levy is designed to cover the eight percent increase for health insurance premiums.

Commissioner Wolff received clarification that the City would receive marijuana tax revenues in FY 2024.

Mayor Kelly received clarification that approximately \$50,000 has been spent out of the \$150,000 approved for Public Safety Levy education, leaving approximately \$100,000 for FY 2024. He further received clarification that it is recommended that 100% of the subsidy be cut for Civic Center Events and Engineering.

Manager Doyon referred to page five of the General Fund Expenditures by Department handout and he explained that the Commission could choose to make cuts from the Administration Group or Park and Recreation Department for public safety, instead of utilizing the CARES allocation.

Commissioner Wolff received clarification that if the Administration Group or Park and Recreation Department's budgets were cut and funds moved to public safety, those departments would be in a deficit situation and have the same issues that public safety has.

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Mayor Kelly inquired if the movement of funds would not have to happen if the City could use the Public Safety Levy funds.

Finance Director Kinzler responded hopefully not; however, the Public Safety Levy would add additional staff and not subsidize the general fund.

Commissioner McKenney inquired about the long-term general fund strategy and future options of releasing TIF funds.

Finance Director Kinzler responded that if there is debt against a TIF District, extra funds could be released; however, the district could not be dissolved. The Central Montana/Great Bear District has debt, but there are enough funds in the District to pay off the debt and that District could be dissolved. If there is additional cash in each TIF District, a percentage could be released back to the taxing jurisdictions.

Manager Doyon added that the City cannot continue to depend on this one time revenue source and requires a much broader conversation.

Deputy Finance Director Kirsten Wavra commented that the City would receive approximately \$101,000 annually if the debt was paid off and the Great Bear Central Montana TIF District was dissolved.

Manager Doyon commented that TIF is one of the community development tools to entice a business here. There would need to be a lot of thought and study before dissolving TIFs. Industry has a big impact and that is what the TIF was designed to do – bring in industry.

Manager Doyon mentioned that another long-term general fund strategy would be to cut expenditures altogether. He welcomed feedback if there was a certain area in the budget the Commission wanted him to come back with or present what that may look like.

Finance Director Kinzler added that 75% of the general fund budget is personal services. If substantial cuts were made, it would be to personal services.

Commissioner Tryon inquired about using the remaining \$2,381,766 CARES reserved balance to reduce the Permissive Medical Levy and/or Inflationary Factor.

Finance Director Kinzler responded that the Permissive Medical Levy and Inflationary Factor are ongoing resources that are needed for ongoing operations and CARES funds are an unrestricted, one-time resource that should be used for police and safety.

Commissioner McKenney received clarification that the costs of updating the growth policy are not in the general fund budget; however, it would be in the recommended budget using CARES funds.

Manager Doyon reiterated that uses of CARES funding has to be strategic.

Commissioner Tryon received clarification that a 10-year history and tax protests are considered when determining the mill value. The mill value last year was approximately \$103,300. The new mill value will be set in August 2023.

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Mayor Kelly noted that the next commission meetings would be on Wednesday, July 5, 2023, instead of Tuesday, July 4, 2023 because of the holiday.

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that a proposed 2024 budget will be a topic for the July 5, 2023 work session. A storm drain design manual update and solid waste study will be topics for the July 18, 2023 work session.

ADJOURN

There being no further discussion, Mayor Kelly adjourned the informal work session of June 20, 2023 at 6:47 p.m.

JOURNAL OF COMMISSION WORK SESSION
July 5, 2023

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City Commission Work Session
Civic Center, Gibson Room 212

Mayor Kelly presiding

CALL TO ORDER: 5:30 PM

CITY COMMISSION MEMBERS PRESENT: Bob Kelly, Susan Wolff, Joe McKenney, Eric Hinebauch and Rick Tryon.

STAFF PRESENT: City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Attorney David Dennis and Deputy City Attorney Rachel Taylor; Finance Director Melissa Kinzler, Deputy Director Kirsten Wavra and Financial/Tax/Budget Analyst Levi Johnson; Public Works Director Chris Gaub; Municipal Court Judge Steve Bolstad; Fire Marshal Mike McIntosh; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

PUBLIC COMMENT

None.

1. 2024 PROPOSED BUDGET

Mayor Kelly noted that this is a continuation of several presentations of the main policy document the Commission puts together every year with the assistance of Department Heads, City Manager, Finance Director and staff.

City Manager Greg Doyon reported that budget presentations were broken up into two parts. The general fund, which is where all the property taxes go, was presented at the last meeting. Today staff will review the full budget including the City's other 58 funds.

Finance Director Melissa Kinzler introduced Financial Analyst Levi Johnson, Grant Administrator Tom Hazen, and ARPA Project Manager Sylvia Tarman.

Finance Director Kinzler and Deputy Finance Director Kirsten Wavra reviewed and discussed the following PowerPoint slides:

JOURNAL OF COMMISSION WORK SESSION

July 5, 2023



City Manager's Proposed Fiscal Year 2024 Budget

Upcoming Budget Process

- **June 20th Work Session**
 - Presentation of General Fund
- **TODAY: July 5th – Commission Action**
 - Work Session: full budget presentation
 - Commission Meeting: set public hearing for July 18th
- **Additional budget work sessions?**
- **July 18th – Commission Action**
 - Public Hearing and Adopt or Continue Budget
- **August 15th – Commission Action**
 - Adopt Annual Tax Levy

July 5, 2023 Work Session

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General Fund Recap

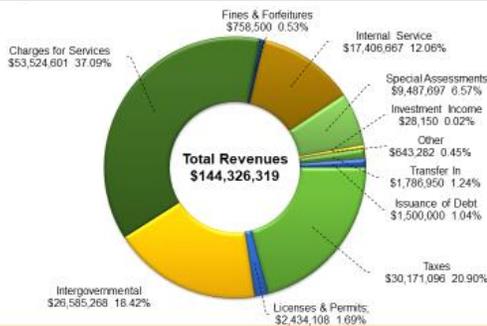
	FY2024 Budget	
Total Revenues	\$ 37,973,437	3.6% Increase
Total Expenditures	\$ 38,971,501	2.9% Increase
Revenue Over (Under) Expenditures **	\$ (998,064)	
Unreserved Fund Balance	\$ 6,845,473	17.6%
Reserved Balance (CARES) - Beginning	\$ 3,379,830	
Balance FY2024 Budget	\$ (998,064)	
Reserved Balance (CARES) – Ending	\$ 2,381,766	6.1%
Total Fund Balance	\$ 9,227,239	23.7%

** Anticipating another deficit in FY2025

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City-Wide Revenues



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City-Wide Revenues

	FY2024 Budget	% of Total	Change from Prior Year
Taxes	\$30,171,096	20.90%	10.60%
Licenses & Permits	\$2,434,108	1.69%	- 0.69%
Intergovernmental	\$26,585,268	18.42%	70.69%
Charges for Services	\$53,524,601	37.09%	2.58%
Fines & Forfeitures	\$758,500	0.53%	- 8.78%
Internal Service	\$17,406,667	12.06%	6.40%
Special Assessments	\$9,487,697	6.57%	10.52%
Investment Income	\$28,150	0.02%	36.32%
Other	\$643,282	0.45%	6.23%
Transfer In	\$1,786,950	1.24%	- 28.48%
Issuance of Debt	\$1,500,000	1.04%	
Total Revenues	\$144,326,319	100.00%	14.20%

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Projected General Fund Revenue Increases

General Fund Revenue	FY2021 Actual Increases	FY2022 Actual Increases	FY2023 Actual Increases	FY2024 Proposed Increases	Annual Household Impact
Newly Taxable Property	\$ 119,488	\$ 366,758	\$ 352,303	\$ 400,000 Amount not known until August	
Inflationary Factor	\$ 0	\$ 0	\$ 641,691 Used carry-over mills from prior 2 years	\$ 451,129	\$100,000: \$5.90 \$200,000: \$11.79 \$300,000: \$17.69
Permissive Medical Levy	\$ 0	\$ 0	\$ 247,551	\$ 353,042	\$100,000: \$4.61 \$200,000: \$9.23 \$300,000: \$13.84
Entitlement Share	\$ 284,198	\$ 130,271	\$ 294,004	\$ 311,446	
Total Revenue Increase	\$ 403,686	\$ 497,029	\$ 1,535,549	\$1,515,617	

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JOURNAL OF COMMISSION WORK SESSION

July 5, 2023



Proposed Rate, Assessment and Fee Adjustments

Department	Division	FY2024 Adjustment	Previous Adjustment
Fee	Admin Animal Shelter	various	2015: various
Fee	Admin Civic Center Events	various	2021: various
Fee	Planning & CD Planning Fees	various	2014: various
Fee	Planning & CD Permit Fees	8%	2018: - 2.6%
Fee	Park & Rec Parks, Rec Center, Multi-Sports	various	2019: various
Assessment	Park & Rec Natural Resources – Boulevard	6%	2023: 12%
Assessment	Park & Rec Portage Meadows	5%	2023: 5%
Assessment	Park & Rec Park Maintenance District	0%	NA
Assessment	Public Works Street Maintenance	10%	2016: 10%
Assessment	Special Districts Street Lighting Districts	14%	2023: 4.5%

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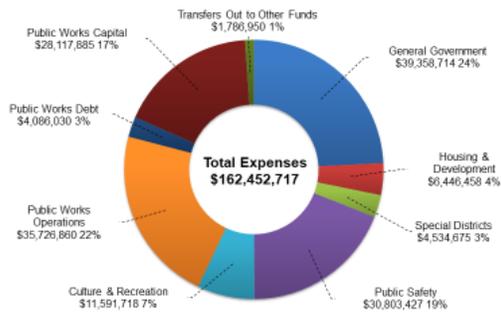
City-Wide Expenses

	FY2024 Budget	% of Total	Change from Prior Year
Personal Services	\$53,911,310	33.19%	3.38%
Supplies	\$7,151,060	4.40%	2.69%
Purchased Services	\$32,230,860	19.84%	11.68%
Debt Service	\$6,044,925	3.72%	- 7.91%
Contributions & Other	\$3,565,133	2.19%	58.91%
Other	\$20,450	0.01%	0.00%
Internal Service	\$16,199,136	9.97%	5.61%
Capital Outlay	\$41,542,893	25.57%	21.53%
Transfer Out	\$1,786,950	1.10%	- 28.48%
Total Expenses	\$162,452,717	100.00%	9.16%

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City-Wide Expenses



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Proposed Rate, Assessment and Fee Adjustments

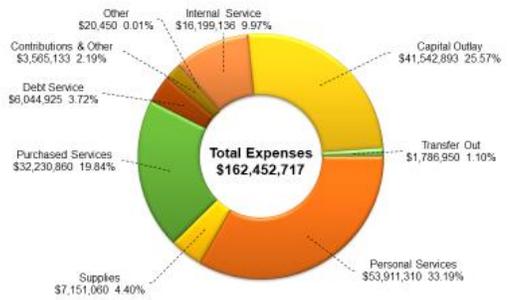
Division	FY2024 Adjustment	Previous Adjustment
Utility Water	10% (Spring 2024)	Spring 2023: 10%
Utility Sewer	10% (Spring 2024)	Spring 2023: 10%
Utility Storm Drain	10% (Spring 2024)	Spring 2023: 10%
Utility Sanitation	10% (Spring 2024)	Spring 2023: 10%

Utility increases are affected by regulatory compliance, cost of chemicals and other supplies, and capital investments into the systems

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City-Wide Expenses



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Capital Outlay Major Projects

Reference: Budget Book Pages 131-135

Major Project	Project Budget
BarSAA Projects (Park Drive, Giant Springs Road)	\$1,341,539
33 rd St Water Storage Tank Repair	\$1,500,000
Water Main Replacements	\$2,900,000
Lead Service Line Pilot Project	\$370,000
Riverview Sewer Replacement and other miscellaneous sewer rehab	\$2,200,000
Lift Station No. 1	\$7,800,000
Central Ave & 3 rd 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 & Equipment	\$2,484,516
Total Capital Outlay Budget in FY2024	\$41,542,893

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JOURNAL OF COMMISSION WORK SESSION

July 5, 2023

Employee Summary

Reference: Budget Book Pages 125-130



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)

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Fund Review

Reference: Fund Detail Worksheet

- 57 Budgeted Funds
- Fund balance % requirement for each fund
 - Meets requirements
 - Does not meet requirements



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ARPA Update

Beginning ARPA Balance	\$19,472,737
ARPA Projects	Project Amounts
Committed Projects	\$5,992,228
PD Evidence Building	\$4,500,000
Court Remodel	\$3,500,000
Fire Station Infrastructure	Reduced to \$2,576,000
Civic Center Boiler/HVAC	Reduced to \$2,218,967
ARPA Project Manager	Reduced to \$100,000
Civic Center AV Upgrades	Project removed
Civic Center Elevator	Project removed
Running Balance	\$585,543

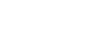
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CARES Update

Beginning CARES Balance	\$10,159,163
CARES Act Use	Amount
FY22 Replenish Funds Impacted by COVID	\$1,141,151
Balance General Fund Budget in FY2023	\$1,205,000
Replenish Planning Fund in FY2023	\$297,500
Replenish Recreation Fund in FY2023	\$140,000
Replenish Multi-Sports Fund in FY2023	\$34,500
GFDA Revolving Loan Fund Contribution	\$1,400,000
Growth Policy Plan Update in FY2024	\$300,000
Balance General Fund Budget in FY2024	\$998,064
Total CARES Act Usage	\$5,516,215
Remaining CARES Act Balance	\$4,642,948

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Next Steps

- Set public hearing tonight for July 18, 2023
- Additional work sessions before then?

Questions?

Requests for more information?

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With regard to the “Upcoming Budget Process” slide and adopting the annual tax levy, Manager Doyon noted the importance of fund balance, because for a couple of years fund balance was used to offset unexpected events such as change in valuations or protests.

JOURNAL OF COMMISSION WORK SESSION
July 5, 2023

With regard to the “General Fund Recap” slide, Manager Doyon pointed out that a revenue shortfall was anticipated after Covid. CARES funds were used to help offset lost revenues. It will probably take a couple of years for the general fund to come out of that deficit, as a result of not utilizing the inflationary factor, and no fee or assessment increases during the Covid period. It was the right thing to do for the taxpayer. Unfortunately, it really put the City behind in the general fund.

After review of the baseline budget, the City is in the position of being under funded. The general fund is not in a healthy position yet to make a determination of whether to use CARES funds for public safety needs, and ARPA money can only be used for things related to Covid.

Director Kinzler added that another budget deficit is anticipated in fiscal year 2025. There has been a deficit since fiscal year 2021. The City has not fully recouped the lost revenues from fiscal years 2021/2022. Other things to consider in property tax growth is newly taxable property, property that is in the Tax Increment Financing Districts that won't affect the tax base, nonprofits, tax abatements, and the tax protests that may occur in the near future. The City does not receive any of the protested tax revenue until those protests are settled. For example, it took approximately three-years to receive the revenue after Calumet’s tax appeal settled.

Director Kinzler reported that the City received its first marijuana tax payment in the amount of \$27,704.98. The total amount collected was \$62,748. Fifty-percent of that went to the County, five-percent to the State, and 44.2% to the City of Great Falls.

Commissioner Tryon inquired why that first quarter amount was much less than the \$220,000-\$240,000 annual amount that the City anticipated it would receive.

Director Kinzler responded that the tax revenue received is based on the actual sales. The next quarter payment is due in September 2023.

She also noted that the City received about \$65,000 this year for the national opioid settlement. The projected settlement amount for future years is about \$39,000. These funds are set aside in the general fund.

Mayor Kelly responded that the Commission will need to discuss allocation of those funds at a later time.

In response to Mayor Kelly, Director Kinzler explained investment income is shown as projected investment income and is not the actual budgeted amount.

With regard to the “Projected General Fund Revenue Increases” slide, Director Kinzler explained that when taxable valuations go up, it does not mean the City receives additional revenue. It has to be newly taxable property, which means construction. When taxable property valuations go up, the number of mills that the City can actually levy goes down. The Library mill will bring in additional taxes, but that was voted.

Commissioner McKenney inquired when the City would have these numbers from the State, so constituents and taxpayers could be assured that their property taxes are not going to go through the roof.

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They are having a hard time understanding and are automatically connecting when the taxable value of their house went up 40% that the taxes that they pay are going to go up 40%, which is not going to happen.

Director Kinzler responded the Department of Revenue actual valuations that will tell us our mill value are expected mid-August. It will also depend on the mill levies for the different jurisdictions. The City is only about 26-27% of a person's tax bill.

Commissioner Tryon noted that the estimated dollar amount on the State's property valuations that went out are misleading.

Director Kinzler agreed, adding that those mills are inflated. If everybody's valuation went up 40% that would lead to the actual number of mills that the City would be able to levy to be much less. Another thing to consider is, if a major taxpayer won a tax protest or if something major happens with that taxpayer, then that may affect everybody's taxes. It is a complicated process because of the way that the mill levies are set. The City deals in aggregate numbers and taxpayers' numbers are very much their personal numbers.

Commissioner Tryon commented that the bottom line is, because a person's State tax assessment says their house is worth 40% more now than last year, that it does not mean their taxes are going up 40%.

Director Kinzler added that if a person had a huge improvement and it qualified as a newly taxable property, it might go up depending on what happened in their individual circumstances.

Mayor Kelly commented that it is shameful that communication went out to the taxpayers the way it did. He hopes that the Department of Revenue pulls it back, offers an apology to the taxpayers of this state and puts it in plain English exactly what they are trying to accomplish with those increases.

Director Kinzler commented that approval of the inflationary factor and permissive medical levy are being recommended. This is an ongoing revenue source to cover ongoing expenses. It is not best practice to use one-time money for ongoing expenses, such as the CARES money.

Commissioner Hinebauch received clarification that the difference between the 3.76% versus 2.46% inflationary factor was because the City had a carry-over from fiscal years 2021-2023 that the City took in fiscal year 2023. The inflationary factor is a three-year average divided in half.

With regard to the "Citywide Expenses" slide, Commissioner Tryon requested clarification of the 24% for the "general government" category.

Director Kinzler responded that category includes general-purpose expenses of the government, including insurance, information tech, health and benefits.

Mayor Kelly inquired if anything would be coming off the debt service list this year.

Director Kinzler responded that the last payment for the soccer general obligation debt would be made this year, and another debt from the water fund.

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City Manager Doyon added that the golf courses owed the general fund a lot of money. Because of the new, refreshed operations and services at the courses, the City is close to closing out that debt.

Discussion of the “Fund Review” slide consisted of guidelines, and the following funds that did not meet the balance requirements: General Fund, Planning and Community Development Fund, Parking, Recreation, and Multi-Sports. Director Kinzler added staff is looking at fee increases for those funds.

Commissioner McKenney received clarification that when particular funds do not meet the requirements, the money comes from that specific fund balance. In some cases, it would mean that if something was not done about that fund, it would either need to have general fund subsidy or something else would need to happen with that fund.

Commissioner Wolff received clarification that the difference in the Parking fund is because the expenses have been greater than the revenue coming in.

Commissioner Hinebauch requested semi-annual updates on the accounts with chronically deficit fund balances, and a plan on getting out of the deficit.

Manager Doyon responded in the affirmative and added that some funds will fluctuate depending on things that occur in those respective funds.

Mayor Kelly clarified that none of the funds at this point are in a deficit. The funds are short of the recommended balance the City would prefer to have in those accounts.

With regard to the “ARPA Update” slide, Commissioner Wolff expressed some heartburn regarding the reduced funding for the Fire Station Infrastructure and Civic Center Boiler/HVAC projects.

Grant Administrator Tom Hazen commented that, in the grand tradition of ARPA discussions, these are evolving figures, and what is being looked at here is not a final calculation. We have realized that the money is running out and potential reductions have been identified.

Commissioner Wolff inquired what, in the fire stations, will not get done.

Grant Administrator Hazen responded that, if this plan is stuck to, Fire Station 4 has been removed because it has had the most recent amount of work done. The work that needs to be done at Fire Station 1 is a clear priority.

Deputy Director Wavra reported that \$4.6 million dollars is remaining from the original CARES allocation of \$10.1 million.

Manager Doyon clarified that he is recommending that those funds be held in reserve until the general fund gets into a healthier position, and then certainly the Commission can make some decisions about how to appropriate it thereafter.

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Commissioner McKenney received clarification that there was not a timeline/deadline for the use of the CARES money.

Director Kinzler inquired if the Commission would want another work session before the July 18, 2023, public hearings on the budget and the intent to increase property taxes.

Mayor Kelly suggested not having a separate work session but for Commission members to pursue staff individually to seek out responses to questions.

Commissioner Tryon referred to the general fund deficit of almost \$1 million dollars and commented the amount the City could legally raise through the inflationary factor and permission medical levy on a \$300,000 home is roughly \$30 per year. He is hearing why does the Commission have to raise taxes at all if the City is going to see \$350,000 more dollars in the general fund from the savings from subsidizing the Library, and receiving the opioid settlement and marijuana tax revenues.

Manager Doyon responded that the blunt answer is because the Commission did not raise taxes for a couple of years. He added that other factors to consider are that the City, as an organization, is an entity just like any other entity that is subject to price fluctuations in the market, inflationary forces, supply chain issues and so forth; and, negotiated wages and benefits for over 75% of the City's workforce is a big undertaking in a market that is very challenged with recruitment and retention. Before the Commission this evening are a couple of union contracts to ratify that will give the Commission a sense of some of the financial impacts on the City that relate to this budget. Several more contracts are still being negotiated. There is a cost of business and the City is not immune. The way that government functions is through some sort of taxation and what it takes to operate the City at expected levels.

The City does not raise enough taxes just to pay for police and fire as it is today without the entitlement share from the State of Montana. That is a big deal because that does impact the request that the Commission has before it to fund public safety at the level that it can with the tools that we have.

Director Kinzler added that the \$350,000 savings from the Library subsidy has already been considered in the \$998,000 deficit. The City has done cost savings and cut subsidies to the Civic Center Events and to Engineering.

Manager Doyon commented that it is frustrating that he has tried to create capacity in the general fund to deal with public safety. When the City came out of Electric City Power, the goal was to restore the general fund and then start hitting the things that have been deferred. Every time a little bit of capacity was built up, it got sucked into something that was deferred.

He explained that one year when he thought the budget was in good shape, a quarter of a million dollars was allocated for fire station improvements. That money was eaten up by one fire station. The can has been kicked down the road and unfortunately, that is where we are.

There has definitely been some growth in the community; however, the taxes that growth will bring in is not what people think. Yes, the apartments look large. However, you have to look at how they are classified under the State property tax system to make an assessment of what the impact of that is going

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to be on your operating budget and typically, residential development is not going to do it. There has to be a good mix. But, the City is behind the curve on that.

Commissioner Wolff referred to the above and beyond needs that were requested, and she recognized all of the department heads and directors for recognizing that the City doesn't have all off the resources required to run at 100% capacity. She also thanked Director Kinzler and her staff for their hard work and excellent budget proposal.

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that a storm drain design manual update and solid waste study, as well as court relocation update would be topics for the July 18, 2023 work session.

ADJOURN

There being no further discussion, Mayor Kelly adjourned the informal work session of July 5, 2023 at 6:50 p.m.

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Pro Tempore Wolff presiding

CALL TO ORDER: 5:30 PM

CITY COMMISSION MEMBERS PRESENT: Susan Wolff, Joe McKenney, Eric Hinebauch and Rick Tryon. Mayor Bob Kelly was excused.

STAFF PRESENT: City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Attorney David Dennis; Finance Director Melissa Kinzler, Deputy Director Kirsten Wavra, Grant Administrator Tom Hazen and ARPA Project Manager Sylvia Tarman; Public Works City Engineer Jesse Patton and Senior Civil Engineer Mark Juras; Municipal Court Judge Steve Bolstad; Fire Chief Jeremy Jones and EMS Deputy Chief Jeremy Virts; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

PUBLIC COMMENT

Richard Ecke, Historic Preservation Advisory Commission (HPAC) Chairman, City resident, reiterated that the HPAC encourages other alternatives be considered, such as, the Children’s Museum and Post Office building for Court space. If the Missouri Room is considered for renovation, Mr. Ecke suggested making it reversible so that the room could be returned to its current use.

Written correspondence was received from:

Ken Robison, HPAC member (via July 18, 2023 email), expressed opposition to destroying the Missouri Room for relocating Court. Mr. Robison urged the Commission to consider the several alternatives that would better serve the City for the needed Court Room space.

1. GREAT FALLS SOLID WASTE STUDY. OF 1785

Public Works City Engineer Jesse Patton commented that Public Works Director Chris Gaub is at a Quarterly Public Works Director’s Meeting; however, would be available when he returns to answer any questions and comments the Commission has. City Engineer Patton explained that Public Works has been working with Advanced Engineering and Environmental Services (AE2S) and Jacobs to produce a planning level feasibility study including multiple alternatives that will inform the City’s decision regarding long-term waste disposal. Tonight is a continuation from the October 18, 2022 Work Session presented by Senior Civil Engineer Mark Juras. He expressed appreciation to Senior Civil Engineer Juras and the consultants from AE2S and Jacobs for their efforts with regard to the hard work they have put in so far.

Lyndsey Lopez with Jacobs reported that she is a part of the consulting team with Nate Weisenberger of AE2S and have been working on the Solid Waste Study since March 2022. The study evaluates the long-term options for the City. Ms. Lopez reviewed and discussed the following PowerPoint:

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<div style="text-align: center;">   </div> <div style="background-color: #0056b3; color: white; padding: 10px; text-align: center; font-weight: bold; font-size: 1.2em;"> Great Falls Solid Waste Study </div> 	<div style="background-color: #0056b3; color: white; padding: 10px; font-weight: bold; font-size: 1.5em;"> Agenda </div> <ol style="list-style-type: none"> 1. Project Introduction & Background 2. Evaluation Methods 3. Evaluation Conclusions & Recommendations 																																																
<div style="background-color: #0056b3; color: white; padding: 10px; font-weight: bold;"> Question/ Request for City Commission </div> <ul style="list-style-type: none"> ➤ Does this evaluation provide you with the information needed for a decision on a long-term solid waste management direction for the City of Great Falls? ➤ Discussion of recommended decision? 	<div style="background-color: #0056b3; color: white; padding: 10px; font-weight: bold;"> Project Introduction </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; padding: 10px;"> <div style="width: 45%;"> <p>Today: Residents and businesses within the City of Great Falls currently have two options for solid waste (garbage) collection.</p> </div> <div style="width: 45%;"> <div style="display: flex; align-items: center;"> <div style="border: 1px solid #0056b3; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> Option 1 </div> <div> <p>City of Great Falls (CoGF) Solid Waste Collection - Disposal at High Plains Landfill</p> </div> <div style="margin-left: 20px; text-align: right;"> <p><small>Updated with FY23 data</small></p> <p>18,591 customers within city limits, 84.8%</p> </div> </div> <div style="display: flex; align-items: center; margin-top: 10px;"> <div style="border: 1px solid #0056b3; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> Option 2 </div> <div> <p>Republic Services Solid Waste Collection - Disposal at High Plains Landfill</p> </div> <div style="margin-left: 20px; text-align: right;"> <p>3,333 customers within city limits, 15.2%</p> </div> </div> </div> </div>																																																
<div style="background-color: #0056b3; color: white; padding: 10px; font-weight: bold;"> Why is the City Considering Future Changes in Solid Waste Management & Disposal? </div> <ul style="list-style-type: none"> ➤ The High Plains Landfill, owned and operated by Republic Services, is the only current feasible option for the City. ➤ Republic Services took over ownership of the landfill in 2018. ➤ High inflation is causing disposal cost increases - the City is unable to control inflation and relative cost increases so decided it was prudent to explore if other options are available. <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px; text-align: center;"> <p style="color: #0056b3; font-weight: bold; font-size: 0.9em;">Looking to the Future</p> <p style="font-size: 0.8em;">The City will use this study to inform the selection of the best long-term solid waste management and disposal system for the City of Great of Falls.</p> </div>	<div style="background-color: #0056b3; color: white; padding: 10px; font-weight: bold;"> Scope of Study – Phase 1 </div> <div style="padding: 10px;"> <div style="border: 1px solid #0056b3; padding: 5px; margin-bottom: 5px;"> <p style="font-size: 0.8em; margin: 0;">Phase 1</p> <ul style="list-style-type: none"> • BASELINE AND PROJECTIONS • INITIAL SCREENING • CONCEPTUAL-LEVEL DESIGN & INITIAL COST ESTIMATES </div> <div style="border: 1px solid #0056b3; padding: 5px; margin-bottom: 5px;"> <p style="font-size: 0.8em; margin: 0;">Commission Meeting</p> <ul style="list-style-type: none"> • REVIEW PHASE 1 FINDINGS/GAUGE FEASIBILITY • CONSULTANT RECOMMENDATION & DISCUSSION OF RESULTS </div> <div style="border: 1px solid #0056b3; padding: 5px;"> <p style="font-size: 0.8em; margin: 0;">Phase 2?</p> <ul style="list-style-type: none"> • NEXT STEPS FOR CHOSEN ALTERNATIVE </div> </div>																																																
<div style="background-color: #0056b3; color: white; padding: 10px; font-weight: bold;"> Landfill Solid Waste Per-Ton Costs Since 2017 </div> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #0056b3; color: white;"> <th>Year</th> <th>Landfill Cost (\$ per ton)</th> <th>Annual Percent Change</th> </tr> </thead> <tbody> <tr><td>2017</td><td>\$25.61</td><td>N/A</td></tr> <tr><td>2018</td><td>\$26.64</td><td>4%</td></tr> <tr><td>2019</td><td>\$27.35</td><td>3%</td></tr> <tr><td>2020</td><td>\$27.98</td><td>2%</td></tr> <tr><td>2021</td><td>\$28.37</td><td>1%</td></tr> <tr><td>2022</td><td>\$30.31</td><td>7%</td></tr> <tr><td>2023</td><td>\$32.00</td><td>6%</td></tr> </tbody> </table> <p style="font-size: 0.8em; margin-top: 5px;">Initial term of the current Solid Waste Disposal Agreement runs through December 20, 2024, will automatically renew, with up to two 5-year extensions. Inherent risk if City goes into the 1st 5-year extension & inflation remains high</p>	Year	Landfill Cost (\$ per ton)	Annual Percent Change	2017	\$25.61	N/A	2018	\$26.64	4%	2019	\$27.35	3%	2020	\$27.98	2%	2021	\$28.37	1%	2022	\$30.31	7%	2023	\$32.00	6%	<div style="background-color: #0056b3; color: white; padding: 10px; font-weight: bold;"> WWTP-Related Solid Waste Landfill Costs 2017-2022 </div> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #0056b3; color: white;"> <th>Year</th> <th>Landfill Cost (\$ per ton)</th> <th>Annual Percent Change</th> </tr> </thead> <tbody> <tr><td>2017</td><td>\$14.43</td><td>N/A</td></tr> <tr><td>2018</td><td>\$14.78</td><td>2%</td></tr> <tr><td>2019 (Jan-Oct)</td><td>\$15.17</td><td>3%</td></tr> <tr><td>2019 (Nov-Dec)</td><td>\$27.35</td><td>80%</td></tr> <tr><td>2020</td><td>\$27.98</td><td>2%</td></tr> <tr><td>2021</td><td>\$28.37</td><td>1%</td></tr> <tr><td>2022</td><td>\$29.39</td><td>4%</td></tr> </tbody> </table>	Year	Landfill Cost (\$ per ton)	Annual Percent Change	2017	\$14.43	N/A	2018	\$14.78	2%	2019 (Jan-Oct)	\$15.17	3%	2019 (Nov-Dec)	\$27.35	80%	2020	\$27.98	2%	2021	\$28.37	1%	2022	\$29.39	4%
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Project Status: Update on Background Data Findings

▶ Consultant team performed review of background data and prepared population and disposal tonnage forecasts for Counties shown:

Population Forecast (Baseline)

Location	2020	2025	2030	2060
City of Great Falls	60,442	62,867	65,390	82,801
County	21,134	21,982	22,864	28,952
Total Cascade County	81,576	84,850	88,254	111,753
Glaucier County	13,706	14,256	14,808	18,276
Pondera County	5,911	6,148	6,395	8,098
Teton County	6,227	6,273	6,329	8,294
Lewis and Clark County	68,714	71,471	74,340	94,333
County	1,795	1,867	1,942	2,459
Meagher County	1,968	2,047	2,129	2,696
Fergus County	11,167	11,615	12,081	15,298
Chouteau County	5,733	5,961	6,200	7,851
Liberty County	2,455	2,554	2,656	3,363
Tirole County	4,812	5,005	5,206	6,592
11-County Total	203,962	212,147	220,660	279,413



Surrounding Jurisdictions and Potential Partners

Peer to Peer Findings

Lewis and Clark County Landfill

South Central Solid Waste Authority

Wasatch Integrated Waste Management District

Northern Montana Joint Refuse District

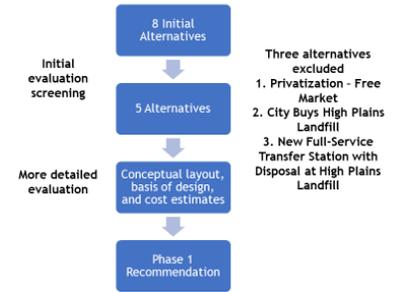
Southern Idaho Regional Solid Waste District

- Economies of scale
- Understand flow control legislation
- A technical and political presence is required
- Host fees
- Per one respondent: roughly, more than a 45-minute collection vehicle drive to a landfill warrants a transfer station

Locations of Existing Landfill & City Properties for New Potential Facilities



Alternative Identification, Screening, and Evaluation



Five Alternatives

Alternative	Elements of the System		
	Collection	Transfer Station	Landfill
A. Status Quo	City or Republic Services	None	City is customer at Republic Services' High Plains Landfill
B. Privatization - Contract or Franchise	City ceases collection and negotiates or issues RFP for collection services on behalf of customers	None	City agreement with Republic Services for disposal at High Plains Landfill
C. City Developed Landfill	City or Republic Services, with added option to self-haul to transfer station under C.1.	C.1 New City-Owned Transfer Station (self-haul customers only) C.2 No Transfer Station	New CoGF-developed landfill at the 160-acre CoGF-owned parcel
D. Develop Regional Waste Management Authority/Solution	City and Republic Services within Great Falls; collection outside decided by other jurisdictions	D.1 New City-Owned Full-Service Transfer Station (self-haul and collection vehicles) D.2 No Transfer Station	D.1 Another jurisdiction runs the landfill D.2 CoGF runs the landfill or operations could be contracted to private operator
E. Lewis and Clark Landfill & New Transfer Station	City or Republic Services	New City-Owned Full-Service Transfer Station (self-haul and collection vehicles)	Lewis & Clark Landfill

Location & Initial Concept Layout of Potential Landfill



- Sized for a 30-year life cycle (2030 to 2060) with room for growth.
- Total capacity is 4 million cubic yards.
- 4 cells, each approximately 7 acres for a total of 28 acres, built in approximate 7- to 8-year increments. Total length is approximately 1,250 feet by 980 feet.

Initial Concept Layout of Landfill at Closure



- Final cover has a top deck of 300 square feet.
- Maximum elevation of 3,663 feet. (approximately 200 feet above existing ground) that slopes down at a 3 horizontal:1 vertical ratio.

Location & Initial Concept Layout of Potential Self-Haul Transfer Station

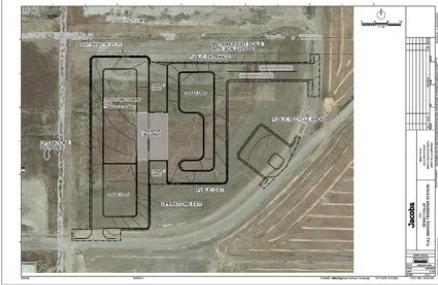


- Concept includes space for 36 8-cubic yard front-load containers.

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Initial Concept Layout of Full-Service Transfer Station



- Average daily capacity of about 240 tons; peak daily is 480-tons.
- 8 self-haul and 3 commercial delivery stalls.

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Summary of Per-Ton Cost Estimates (March 2023 \$)

Item	Alternatives						
	A, Status Quo	B, Private	C.1, New City LF	C.2, New City LF, no SH TS	D.1, Waste Man. Authority, LF elsewhere	D.2, Waste Man. Authority, City LF	E, L&C Landfill
Total Cost Per Ton	\$32.00	\$32.00	\$50.50	\$43.50	\$80.40	\$39-\$43*	\$71.60

* Dependent on volume of incoming waste from other jurisdictions, host fees, and if self-haul deliveries are accommodated at the landfill.
L&C = Lewis and Clark; LF = landfill; Man = Management; NA = not applicable; SH TS = self-haul transfer station

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Estimated Change in Residential Collection Rate (March 2023\$)

Item	Alternatives						
	A, Status Quo	B, Private	C.1, New City LF	C.2, New City LF, no SH TS	D.1, Waste Man. Authority, LF elsewhere	D.2, Waste Man. Authority, City LF	E, L&C Landfill
96-gallon Residential Rate Required for Added Disposal Cost ^a	\$15.00	\$15.00 ^b	\$17.40	\$16.50	\$21.20		\$20.00
Increase	\$0.00	\$0.00	\$2.40	\$1.50	\$6.20	^c	\$5.00
Percent Increase	0.0%	0.0%	16.0%	10.0%	41.3%		33.3%

^a Assumes added disposal is applied to all residential and commercial rates on a cost-of-service basis.
^b Best estimate is status quo. See Section 71 for potential risks and benefits of privatization.
^c Dependent on amount of waste from other jurisdictions, host fees, and if self-haul deliveries are accommodated at the landfill.

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Alternative B

Privatization - Contract or Franchise

Pros/Benefits

- One City-service that can be effectively eliminated.

Cons/Risks

- City has less negotiating potential.
- Many benefits that would be lost if City stops its collection operations such as: control of service levels and customer service, valuable operational knowledge.

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Alternative C.1

Developing a new City landfill and a self-haul transfer station in the City

Pros/Benefits

- Appears to be a feasible long-term strategy.
- Control over the City's long-term disposal costs.
- Increasing competition for disposal services.
- Potential partnering for economies of scale.
- Likely would be popular with residents.

Cons/Risks

- Requires new expertise to manage or operate a new landfill.
- Customer reaction to 16 percent rate increase.
- Cost uncertainty.
- Liability associated with developing a new landfill.

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Alternative C.2

Developing a new City landfill without a self-haul transfer station in the City

Pros/Benefits

- Same as listed for C.1 except not as much benefit for CoGF residents (no self-haul transfer station).
- Less cost than C.1.

Cons/Risks

- Same as listed for C.1 except not as much benefit for CoGF residents (no self-haul transfer station).
- Customer reaction to 10 percent rate increase.

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Alternative D.1

Develop waste management authority, build New City-Owned Full-Service Transfer Station (self-haul and collection vehicles) and truck to an out-of-county landfill

Pros/Benefits

- Technically feasible (assuming disposal agreements can be secured).

Cons/Risks

- Cost would be quite high.
- Additional \$50 per ton.
- Monthly collection cost increases in the 40% range.

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Alternative D.2

Develop waste management authority, no City Transfer Station, build City landfill that regional partners use

Pros/Benefits

- Similar to C, but additional economies of scale due to regional partners.
- Potential host fees.

Cons/Risks

- Requires regional partners willingness to truck solid waste from a transfer station located in their community.
- Actual details and costs dependent of future discussions and agreements with partner jurisdictions.

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<p>Alternative E</p> <p><u>Lewis & Clark Landfill & New Transfer Station</u></p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><u>Pros/Benefits</u></p> <ul style="list-style-type: none"> Assuming CoGF can secure disposal agreements, this would be technically feasible. </div> <div style="width: 45%;"> <p><u>Cons/Risks</u></p> <ul style="list-style-type: none"> Cost would be quite high. Would cost an additional \$40 per ton. Estimated 33.3% monthly collection cost increase. </div> </div>	<p>Conclusions</p> <ul style="list-style-type: none"> CoGF has a number of feasible future waste management strategies that it could pursue. Based on the conceptual cost estimates in this study, all of the strategies would likely cost more than the current system. The new landfill would provide the CoGF with more control over its long-run cost of disposal but would result in an estimated 10-16 percent increase in monthly collection costs. There are many uncertainties related to landfill development that could result in estimated costs being higher than what can be estimated at this time.
<p>Phased Recommendations</p> <div style="display: flex; justify-content: space-around; margin-bottom: 10px;"> Today Rest of 2023 2024 & Beyond </div> <p>Today</p> <ol style="list-style-type: none"> Continue City collection operations Explore other disposal options for WWTP/WTP biosolids <p>2nd Half of 2023</p> <ol style="list-style-type: none"> Assess nearby cities and towns' interest in potential use of a New City Landfill If an additional 50,000-100,000 tons per year can be secured, determine if City wants to explore further. Detailed review of City contract with Republic Services to identify improvements Negotiate contract changes prior to end of December 2024 (automatic contract extension) <p>2024 and Beyond</p> <ol style="list-style-type: none"> If City decides to move forward, advance regional discussions and advance conceptual engineering to confirm landfill development assumptions and improve the accuracy of long-term capital and operating costs for a new City landfill. Will require perhaps re-negotiating Republic contract to align with the projected opening of the new landfill. 		<p>Question/ Request for City Commission</p> <ul style="list-style-type: none"> Does this evaluation provide you with the information needed for a decision on a long-term solid waste management direction for the City of Great Falls? Discussion of recommended decision?
<p>Adjourn</p>	<p style="text-align: center;">Questions?</p>	

City Manager Greg Doyon suggested that the Commission further review the materials from tonight and Public Works Director Chris Gaub and Sanitation Manager Ross Bartell would be available at a later time to answer questions or concerns the Commission may have. Manager Doyon explained that previous Commissions have hesitated removing this service because of the concern of disposal costs for residents. Utilizing the landfill as is and relying on a private sector to dispose of materials would keep the rates at where they are currently. He is interested in exploring other disposal options, such as the City-owned property, for Waste Water Treatment Plant (WWTP)/Water Treatment Plant (WTP) biosolids because those charges have a direct impact on the rate user.

With regard to the “Alternative C.1 and C.2” slide, Commissioner Tryon inquired about the risks of those alternatives and the workforce needed for ongoing operations of a new landfill.

Ms. Lopez responded that the cost estimate to construct the landfill was \$12.3 million and there would be operating costs on top of that. The City would also have to plan for post-closure of the landfill. Alternative

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C.1 and C.2 would be a significant risk. The workforce that would be needed for ongoing operations of a new landfill would depend on the size of the landfill.

Manager Doyon added that the challenge has been replacing sanitation trucks to do the hauling service, as it exists today. The Convenience Center closed down because we needed to build some capacity in the sanitation fund to start replacing equipment in order to continue to operate because the maintenance costs were astronomical.

With regard to the “Summary of Per-Ton Cost Estimates” slide, Commissioner Hinebauch received clarification that the rates include ongoing operational costs.

Commissioner McKenney received clarification there is sufficient time remaining with regard to the life span of the landfill owned by Republic. With regard to the “WWTP-Related Solid Waste Landfill Costs 2017-2022” slide, the 80% increase in November-December 2019 was catching up from Republic taking over ownership in 2018. He commented that there does not need to be an immediate decision to make a change and agreed with the recommendations to continue City collection operations with exploring other disposal options for WWTP/WTP biosolids.

Mayor Pro Tempore Wolff concurred with Commissioner McKenney’s comments. She added that she would be interested in looking at the waste water biosolids situation, so if the City did acquire other property where it could take the biosolids to see if it would make a difference in the future.

Ms. Lopez responded that one thing the Solid Waste Study did not evaluate was other alternatives to landfills. There could be consideration of a composting facility where the City could take biosolids and make city-owned compost for City projects and roadways. However, she cautioned that the cost per ton would increase since there would be less tonnage if the City just focused on biosolids.

Manager Doyon recommended discussing this again at a later date, exploring the biosolids issue and having a consultant when it is time to negotiate the contract.

2. COURT RELOCATION UPDATE

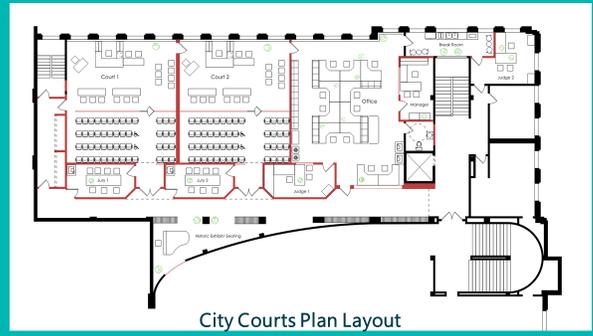
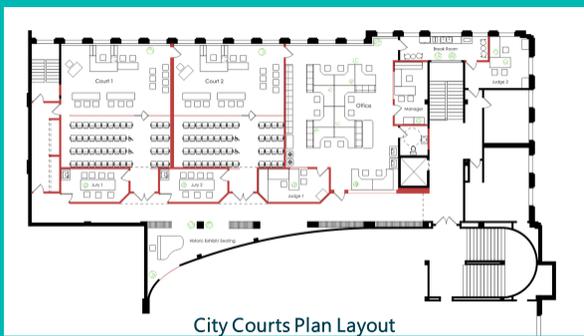
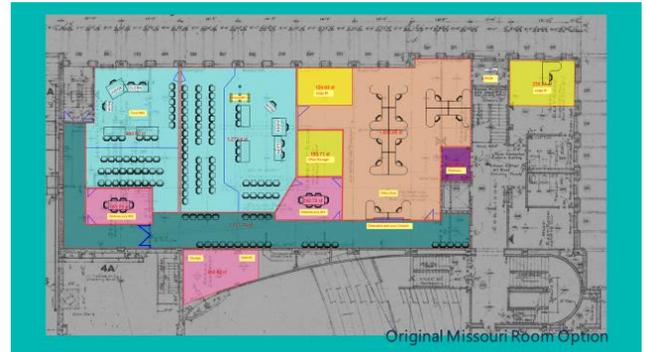
Grant Administrator Tom Hazen reported that this project was among the Tier One projects that was identified by the Commission in April 2022. This remodel is a direct response to the negative impacts of the COVID pandemic on City operations. Due to restricted capacity during the pandemic, the Court developed a significant backlog of cases that will be addressed by expanding the current operational capacity of the Court. The Treasury Department specifically referenced such negative impact on judicial operations when it published its Final Rule for ARPA usage and other associated guidance. As a result, this project is facially eligible under the Negative Impacts category for ARPA use. Further, ARPA is classified as “local funding” by both the Federal Advisory Council on Historic Preservation and the Montana State Historic Preservation Office. Therefore, use of ARPA funds does not trigger mandatory historic review under federal or state regulations. At the close of this presentation, City staff is requesting guidance on further steps from the Commission. In order to meet ARPA timelines of obligating funds by December 2024 and expending them by December 2026, City staff is proposing to bring a contract for Final Design services before the Commission at the August 1, 2023 Commission meeting.

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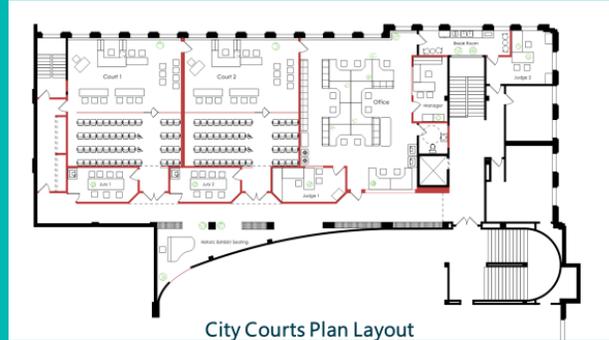
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Cushing Terrell Architect Tony Houtz explained that this is an informational update on the changes and updates that were made since the April 4, 2023 Work Session. There are several intricate and different factors involved in the design process and it is important that Cushing Terrell is responsible, both fiscally and with the use of resources, smart, thorough, and respectful of the history and users of the building.

Mr. Houtz reviewed and discussed the following PowerPoint:



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Opinion of probable cost

C. Building Allowances - Missouri Room

Div 1 General Conditions/Demo	6,200	SF	@	\$49.75	SF	=	\$	308,450
Div 2 Demolition	6,200	SF	@	\$14.87	SF	=	\$	90,954
Div 3 Concrete	0	SF	@	\$38.92	SF	=	\$	-
Div 4 Masonry	0	SF	@	\$21.25	SF	=	\$	-
Div 5 Metals	6,200	SF	@	\$17.90	SF	=	\$	110,980
Div 6 Wood and Plastics	6,200	SF	@	\$56.14	SF	=	\$	348,068
Div 7 Thermal and Moisture Protection	6,200	SF	@	\$11.88	SF	=	\$	72,416
Div 8 Doors and Windows	6,200	SF	@	\$16.75	SF	=	\$	103,850
Div 9 Finishes	6,200	SF	@	\$104.79	SF	=	\$	649,698
Div 10 Specialties	6,200	SF	@	\$1.79	SF	=	\$	11,036
Div 11 Equipment	1	LS	@	\$450,000.00	EA	=	\$	450,000
Div 14 Conveying System	0	ST	@	\$	45,000	ST	=	\$
							\$	2,145,452
								\$ 340.04 SF
MECHANICAL/ELECTRICAL								
Div 15a Plumbing	6,200	SF	@	\$6.30	SF	=	\$	38,440
Div 15b HVAC	6,200	SF	@	\$61.75	SF	=	\$	382,850
Div 16a Electrical	6,200	SF	@	\$20.23	SF	=	\$	125,426
Div 16b Safety/Security/Data	6,200	SF	@	\$14.53	SF	=	\$	90,086
							\$	636,802
State Gross Receipts, Asbestos Abatement, Soft Costs, Network Cabling, and Sound System							\$	435,000
							Building Construction	\$ 3,217,294 L.B. \$ 518.91 SF

opinion of probable cost

questions

Cushing Terrell

Mr. Houtz explained that some of the questions with regard to the renovation of the Missouri Room to Court space included the following: how would the design relate to the architecture that is in the existing Civic Center building; what would happen to the IT Room and meeting spaces in the Missouri Room; would it have enough room for expansion and other Court activities; and how would the flow work for

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Court. Most of the vertical walls that go up to the ceiling would be minimized to reduce the impact of the Missouri Room. He would take advantage of the space that is currently in the Missouri Room and maximize it for the use of the new plan. The ceilings and historical light fixtures would be preserved and the IT Training Room and meeting rooms would be in the lower level, former Court space.

Commissioner Tryon inquired about the acoustic considerations, HVAC system and if the renovation of the Missouri Room could be reversible.

Mr. Houtz responded that a sound consultant would mitigate the transfer of sound to and from the Court area. Code-required ventilation, heat, and air conditioning would be a part of the HVAC system and is included in the proposed costs. There would not be an impact to any of the major elements of the renovated Court space and the room could be returned to its current use.

Mayor Pro Tempore Wolff received clarification that LED lights could be used for the historical light fixtures.

Commissioner McKenney received clarification that the proposed project would be completed in early 2025.

Mayor Pro Tempore Wolff commented that we all recognize the history of Montana and the community and she is conflicted when she sees beloved places changing; however, she has to consider the future of the community and what its needs are. She expressed appreciation to Mr. Houtz for his efforts with regard to keeping, honoring and adding to the historical perspective of the design, as well as making it reversible.

Commissioner Tryon inquired about the Children's Museum building as a potential alternative.

Manager Doyon responded that the City has been shuffling people around in the Civic Center for a long time looking for additional office space internally, including the Convention Center, and externally, including the Children's Museum. If you move one office to renovate it for another, generally you also have to renovate the space that is moved into and the City has never been in a financial position to do both. The Children's Museum had an automatic renewal on a five-year contract that will expire November 2023. He will then recommend to the Commission a year-to-year lease for the Children's Museum contract. The Children's Museum building would require extensive renovation to make it appropriate for City office space and the cost would be greater than what we have to do the Missouri Room renovation project. The Children's Museum building is an asset that could be potentially used in the event the City was able to find funds to renovate it for a future need; however, the Missouri Room is the best alternative that has been presented to the Commission.

Manager Doyon asked the Commission to remember that the City is IT dependent, has IT training needs and there would need to be another room established for that purpose. The \$3.2 million is a very tight number and unexpected things could come up; however, there needs to be due consideration to having a Court Officer because there is an added benefit of having an officer in the building. He recommended moving forward with regard to a design contract for Commission approval.

Deputy City Manager Chuck Anderson added that in addition to the IT Training Room, there are also three additional conference rooms that would need to be relocated and have HVAC, connectivity and IT

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needs.

Mr. Houtz responded that is where the space in the lower level is of value.

Commissioner McKenney commented that as a HPAC member, he is concerned with preserving the history of the Missouri Room; however, the Civic Center is not a museum and needs to be utilized to its best value. His initial impression of the Missouri Room was that it was a big space that does not get used a lot. The Missouri Room may have an emotional impact on people and has historic value; however, its use is a meeting room. The Civic Center is owned by the taxpayers and the City has a fiduciary duty to put the building at its best use, which is renovating the Missouri Room for being utilized for Court space.

It was the consensus of the Commission to proceed with renovating the Missouri Room for Court space.

Manager Doyon added that there will be an impact on events in the Civic Center and other options will need to be determined with regard to how we operate those in the Civic Center.

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that a continuum of care update will be a topic at the August 1, 2023 work session. The August 15, 2023 work session will consist of lead water service line replacement project and energy consulting contract updates.

Commissioner Wolff requested that a Central Montana Works update be a topic for the first part of September 2023.

Manager Doyon responded that a Central Montana Works update could be a topic for the September 5, 2023 work session.

ADJOURN

There being no further discussion, Mayor Pro Tempore Wolff adjourned the informal work session of July 18, 2023 at 6:46 p.m.



Finance Department Memorandum

To: Greg Doyon, City Manager; City Commission; Members of the Investment Committee
 From: Kirsten Wavra, Deputy Finance Director
 Date: July 17, 2023
 Re: Total Cash and Investments as of June 30, 2023

The City of Great Falls' total cash and investments at the end of June 2023 was \$109,838,767.59. This included cash in bank accounts totaling \$10,781,675.49. Total cash and investments increased from \$102.6 million in May to \$109.8 million at the end of June. This amount fluctuates from month to month depending on payments made on large capital projects and funds received from utilities, taxes, and grants, for example. The General Fund cash balance increased from \$2.3 million in May to \$9.6 million in June. The balance increased from collection of 2nd half tax payments. The General Fund balance also includes a CARES Act balance of \$3,379,830. The graphs for the City's total cash and investments as well as the General Fund, specifically, are on the next pages. All cash balances are monitored on a monthly basis.

Also on the next page is the summary of the City's total cash and investments. The maturity dates of the City's investments run through October 5, 2023. The Investment Committee met in April to determine investment strategies in the current market. The committee decided to invest \$30.0 million in short-term US Treasury Bills. The City's investment policy specifies the percentage the City of Great Falls must have of the different types of instruments allowed by state statute. The chart below lists those percentages compared to the City's investments as of June 30th. The investments in the Montana Board of Investments (STIP) and US Bank Insured Cash Sweep (ICS) are liquid and may be called at any time.

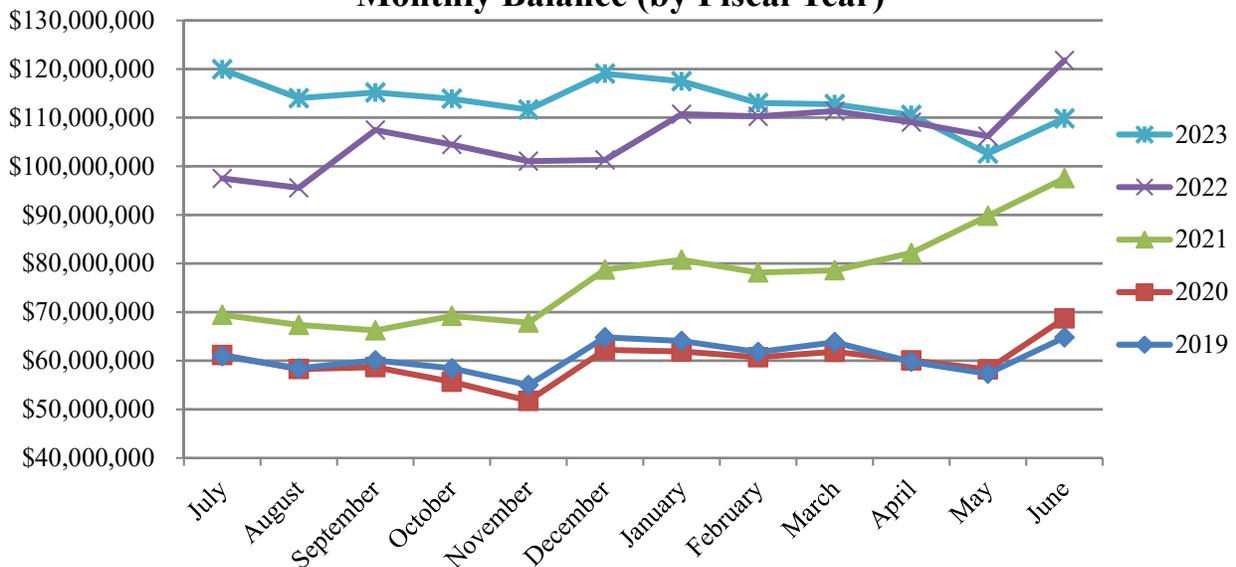
Issuer category	Minimum %	Maximum %	City's Investments % as of June 30, 2023
Master, savings, and ICS accounts	20% combined	100%	73.18%
Montana Board of Investments STIP		100%	
Money Market/Repurchase Agreements		100%	
Direct Obligations of the U.S. which includes Treasury Notes and Bills	0%	80%	26.82%
Obligations of agencies of the U.S.	0%	30%	0%

City of Great Falls
Total Cash & Investment Summary
June 30, 2023

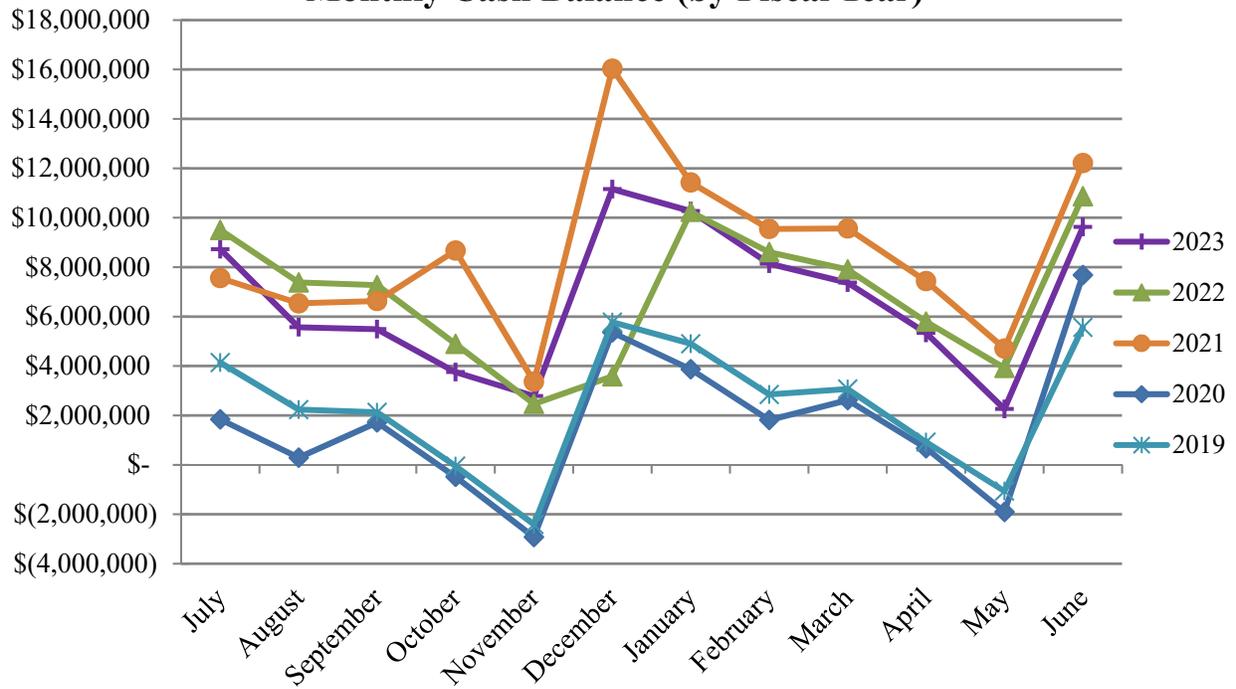
Description	Rate	Due Date	Principal Cost	Market Value
US Bank Investments				
US Treasury Bill	4.940%	8/15/2023	\$ 19,681,644.44	\$ 19,868,887.20
US Treasury Bill	4.820%	10/5/2023	9,776,405.56	9,860,266.10
Insured Cash Sweep	1.025%		22,621,969.59	22,621,969.59
Total US Bank Investments			52,080,019.59	52,351,122.89
State of Montana Short Term				
Investment Pool (STIP)	5.079%		46,977,072.51	46,977,072.51
Total Investments			99,057,092.10	99,328,195.40
Cash on Hand, Deposits in Bank			10,781,675.49	10,781,675.49
Total Cash and Investments			\$109,838,767.59	\$110,109,870.89

Compared to previous years, total cash and investments are still at a higher level. The higher levels can be attributed to receipt of American Rescue Plan (ARPA) funding and bond funding from the Park Maintenance District and Downtown Tax Increment District. These monies originally accounted for over \$35 million included in our total cash and investments and are being spent down as the Civic Center façade and new recreation center construction is completed. The ARPA funding is being spent down as it is allocated on a project by project basis.

Total Cash & Investments
Monthly Balance (by Fiscal Year)



General Fund Monthly Cash Balance (by Fiscal Year)



If you have any questions, please feel free to contact me at (406) 455-8423 or kwavra@greatfallsmt.net.