



# Fiscal Year 2022 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

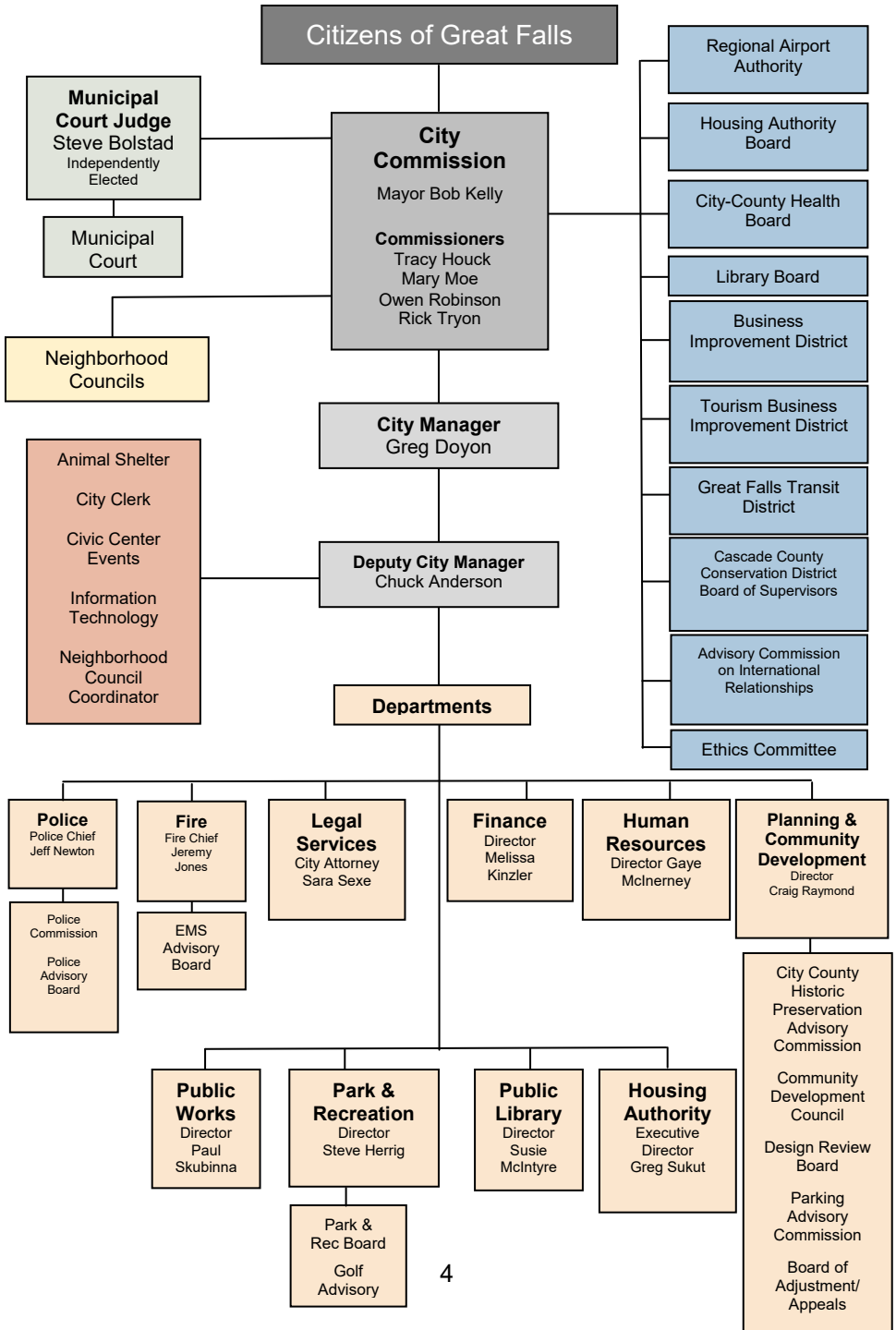
**July 01, 2020**

*Christopher P. Morill*

**Executive Director**

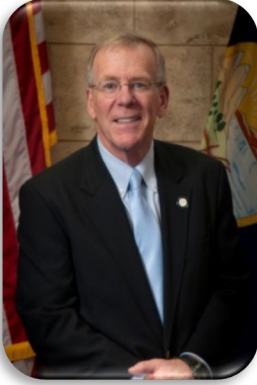
Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Great Falls, Montana, for its Annual Budget for the fiscal year beginning July 01, 2020. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Policy Making and Administration Officials City of Great Falls, Montana

Bob Kelly, Mayor



Greg Doyon, City Manager



City Commissioners



Tracy Houck



Mary Moe



Owen Robinson



Rick Tryon

**Elected Positions**

<b>Bob Kelly</b>	<b>Mayor</b>	<b>870-0212</b>
<b>Tracy Houck</b>	<b>Commissioner</b>	<b>781-8958</b>
<b>Mary Moe</b>	<b>Commissioner</b>	<b>868-9427</b>
<b>Owen Robinson</b>	<b>Commissioner</b>	<b>868-9800</b>
<b>Rick Tryon</b>	<b>Commissioner</b>	<b>788-8904</b>
<b>Steve Bolstad</b>	<b>Municipal Judge</b>	<b>771-1380</b>

**Appointed Positions**

<b>Greg Doyon</b>	<b>City Manager</b>	<b>455-8450</b>
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**Department Positions**

<b>Chuck Anderson</b>	<b>Deputy City Manager</b>	<b>455-8450</b>
Lisa Kunz	City Clerk	455-8451
Lanni Klasner	Communication Specialist	455-8496
Owen Grubenhoff	Civic Center Events Supervisor	455-8510
Jon Legan Information	Technology Operations Manager	455-8483
<b>Gaye McInerney</b>	<b>Human Resources Director</b>	<b>455-8447</b>
<b>Craig Raymond</b>	<b>Planning and CD Director</b>	<b>455-8530</b>
Bruce Haman	Building Official	455-8404
Tom Micuda	Deputy Planning and CD Director	455-8432
<b>Greg Sukut</b>	<b>Housing Authority Director</b>	<b>453-4311</b>
<b>Melissa Kinzler</b>	<b>Finance Director</b>	<b>455-8476</b>
<b>Jeremy Jones</b>	<b>Fire Chief</b>	<b>791-8968</b>
Mike McIntosh	Fire Marshal	791-8970
<b>Sara Sexe</b>	<b>City Attorney</b>	<b>455-8442</b>
Neil Anthon	Chief Prosecutor	455-8449
<b>Steve Herring</b>	<b>Park &amp; Recreation Director</b>	<b>791-8980</b>
Patty Rearden	Deputy Park & Recreation Director	791-8981
Lonnie Dalke	Parks Supervisor	791-8982
Todd Seymanski	City Forester	791-8983
<b>Jeff Newton</b>	<b>Chief of Police</b>	<b>455-8410</b>
<b>Susie McIntyre</b>	<b>Library Director</b>	<b>453-9706</b>
Mike Judge	Public Works/Utility Systems Sup.	727-8390
Jesse Patton	Public Works/ Interim City Engineer	771-1258
Jason Fladland	Public Works/ Water Plant Sup.	455-8587
<b>Paul Skubinna</b>	<b>Public Works Director</b>	<b>455-8136</b>

All phone numbers listed above are preceded by the area code 406.

**Bolded** positions denote Elected Officials and Department Heads.



City of Great Falls  
*Office of the City Manager*

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P.O. Box 5021  
Great Falls, Montana 59403  
Office (406) 455-8450  
Fax (406) 727-0005

July 20, 2021

## **City Manager's Budget Message**

Honorable Mayor and City Commission:

It is my pleasure to present the Fiscal Year 2022 City of Great Falls Annual Budget.

Every taxpayer in the City of Great Falls was impacted in some way by COVID-19 over the past two years. Both the FY 2021 and 2022 budgets were dramatically altered to counter the negative economic impact of the virus by holding the line on expenses. My hope was to prevent additional economic hardship on taxpayers during this incredibly disruptive time in our country.

Over the past two years, almost all operations were adjusted in some way to ensure that city services would continue. I am proud of all the city employees who reflected true flexibility and resilience in order to respond to emergency calls, supply water, treat sewage, pick up the trash, process bills, administer permits, and accomplish all other services with minimal public interruption.

The goal of the FY 2022 budget transmittal was the same – minimize taxpayer impact to assist with economic recovery and maintain a static level of city services. The City's budget process is essentially a "baseline budget" method where prior year expenses are the starting point of identifying budget needs across the City. This process begins after the City Commission sets priorities for the community in January. 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 fiscal year there were no changes between the proposed and adopted budget. Both the city manager and the Commission agreed to an economic recovery modeled budget for the past two years.



**For the second budget year in a row, the proposed budget does not contain any property tax increases, fee adjustments, or assessments increases.** The City of Great Falls was able to do this because of its strong financial position. A significant amount of undesignated fund balance, which is available to be used in emergencies, was used to offset revenues otherwise generated by raising taxes over the past two years. Tapping this funding for two years consecutively will not allow the City Commission to exercise this option a third time.

As a whole, the City's financial condition is stable and its financial position continues to be moderately healthy. The projected ending unrestricted fund balance for FY 2022 is 20.3% in the General Fund, despite the use of \$736,648 to balance the FY 2022 budget. 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 of Aa3.

Due to the nature of this year's budget, the city manager's internal budget process was streamlined. Typically, departments are asked to outline essential operational and capital needs to be considered as budget revenues allow. This year, departments requested additional budget items, but very little was recommended for funding. Included in the FY22 budget is a municipal election (\$90,000), an added HR Generalist position (\$120,000), a market compensation survey (\$60,000), a Grants and Contract Administrator (\$92,000), and four new positions for Public Works, Engineering (\$345,000). The Engineering positions will be paid for by the utility funds in order to execute capital projects more timely. Any further funding adjustments will not be considered until January 2022, half way through the upcoming fiscal year.

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. In FY 2021, the City received a federal grant to build a new aquatics and recreation facility. 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
- Warden Park Disc Golf Tee Boxes
- Gibson Park Surface for Outdoor Fitness Equipment
- Forestry staff equipment
- Rivers Edge Trail Matching Funds

- Turf Maintenance & Labor
- Tree Replacement
- Sports Courts (basketball/tennis/pickle ball)

**FY 2022 Budget Highlights**

**Property Tax Detail**

<i>Property Tax</i>	<i>Proposed Increase %</i>	<i>Impact on Property Value of \$100,000</i>	<i>FY21 (Prior Year) Increase per \$100,000</i>
Permissive Medical Levy	0.00%	\$ 0.00	\$ 0.00
Inflationary Factor	0.00%	\$ 0.00	\$ 0.00

**Operations**

The City’s overall budget decreased by 6.26% from the FY 2021 Amended Budget. The reduction is largely due to the timing of major Public Works projects. General Fund revenues (primarily dollars raised from property taxes) were up slightly by 1.89%. Tax increases include newly taxable property only (reflects new property growth over prior year), which has an annual 19-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 2021. Again, the City Manager recommends not utilizing the inflationary factor or increasing the permissive medical levy in the proposed FY 2022 budget. This will be the last year that the City can afford to not increase property taxes, and increases will be considered in FY 2023.

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 few were funded.

The City has 59 different funds. Annually, the City Manager and Finance Director classify each fund as “stable”, “requires monitoring”, or “at-risk”. Each of these funds has a specific purpose, revenue source, and provides funding for various city operations. In FY 2022 there are 48 out of 59 funds that are considered stable. There are four that are in the “requires

monitoring” category and there are seven that are in the “at-risk” category. Below is the summary of the funds that we will need to work on rehabilitating in FY22 due to the impact of COVID-19:

- At-Risk
  - Planning & CD
  - Golf Course
  - Swimming Pools
  - Recreation
  - Multi-Sports
  - Parking
  - Civic Center Events

The FY 2022 budget provides funding across the organization for ongoing operations including equipment replacement, training, and supplies. By the end of FY 2021, the City negotiated eleven (11) new two-year collective bargaining agreements for all groups. All employees moved to a new health insurance contribution rate (85%/15%) cost sharing method. The City also shifted to a self-insured medical plan to save money. The plan shift and increased employee contribution represented a decrease in health insurance expenses for the City of \$576,284. The City also has decreased workers compensation rates for FY 2022, which is a savings of \$405,112 City-wide.

## **Personnel**

The FY 2022 budget includes 6.00 new full time equivalents, or FTEs. The Finance Department added a Grants and Contract Administrator to work through current and future grants coming in to the City. Human Resources added one HR Generalist to their team. The largest FTE additions were in Public Works, Engineering. The Department added four new positions that will be paid with internal service charges from the utility funds.

## **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.

FY 2022 budget includes the following capital items:

- Central Garage Vehicle & Equipment: \$1,062,516
- Various Park Maintenance District Projects: \$535,000

- Various Public Works Projects for Water, Sewer, Storm Drain, and Street including:
  - Water and Sewer WTP Sludge Processor: \$6,500,000 combined
  - Water main replacements: \$2,900,000
  - Misc. Sewer Rehabilitation: \$1,000,000
  - Valeria Way, Phase 2: \$900,000
  - Street Overlays & Reconstruction: \$2,405,000

### **Water, Sewer, Storm Drain, and Sanitation Utilities**

The FY 2022 budget recommends no increases for water, sewer, storm drain, or sanitation rates to help the community recover from the economic impacts of COVID-19. 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. The utilities will still be able to complete capital projects in FY 2022 without rate increases, but timing of some capital projects will need to be adjusted.

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**

The budget does not recommend increases for the various city assessments. This means no increases for street maintenance, boulevard districts, and the park maintenance district. The City's lighting districts assessment will decrease by an aggregate 1%.

### **Debt Service**

The City of Great Falls has a high debt capacity, but very low debt. In FY 2016, 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 Info</i>	<i>Issuance Date</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Bonds/Loans Issued</i>	<i>Balance, 6/30/2022</i>
Soccer Park Bonds, Series 2014A	04/03/2014	2.0 - 2.5%	07/01/2024	\$1,480,000	\$315,000
Series 2014B, Limited Tax	04/02/2014	1.0– 3.6%	04/01/2022	\$1,065,000	\$0.00
Fire Trucks InterCap	12/11/2015	Variable	02/15/2026	\$820,000	\$296,461
Public Safety Radios Lease-Purchase*	03/27/2020	2.87%	03/01/2030	\$1,992,461	\$1,634,496

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

**Future Challenges and Opportunities**

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

- Police Operations and Violent Crime Reduction
- Civic Center Façade Repair
- Employee total compensation, including health insurance costs
- Prioritizing and Expending America Recovery Plan Act and CARES Act Funding with US Treasury Guidelines

The City received Federal COVID relief money under the CARES Act and the American Recovery Play Act (ARPA). There is \$4.6 million of CARES Act money reserved in the General Fund. This is not included in the 20.3% projected ending fund balance. The total General Fund balance is projected to be 33.3%. The remainder of the CARES Act and ARPA money has been placed in a separate fund – the COVID Recovery Fund. Ultimately, the City Commission will prioritize and determine how to best utilize the funding for the community.

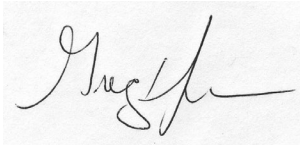
**In Closing**

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/2022-proposed-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, and Deputy Finance Director Kirsten Myre for their assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gregory T. Doyon", written in a cursive style.

Gregory T. Doyon  
City Manager



- Discussion of budget process and how it will coincide with discussions about federal COVID relief



- Development of department requested budgets – budgets were largely developed by the finance department with each department asked to review
- Finalize fixed and internal service charges to departments
- Departments submit Above & Beyond and Travel Requests to finance and City Manager
- Due to budget strategy and lingering effects of COVID, no department meetings with the departments were held
- Manager's review - development of manager's budget



- Finalization of manager's proposed budget
- Manager's proposed budget presented to the City Commission
- Separate Commission discussions about federal COVID relief
- July 1 - start of new fiscal year
- Public hearing scheduling and advertisement
- Proposed budget available for public inspection
- Formal public hearing on the proposed budget
- Annual budget resolution - City Commission adoption



- Certified taxable values received from DOR
- Annual tax levies fixed by City Commission action on or before the first Thursday in September or 30 days after receiving taxable valuation from the Montana Department of Revenue
- Preparation of the final budget document

## Budget Documents

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

### 1. City 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 and Beyond Requests
- General Fund Subsidies
- Fund Health: Stable & At-Risk
- Internal Service Charges
- Capital Improvement Planning

### 2. Final Budget

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

## Budget Finalization

The formal conclusion of the budget development process occurs on the third Tuesday in August. For this FY 2022 budget:

- The annual proposed budget was presented on June 21, 2021.
- The budget hearing on the proposed budget was set on July 6, 2021.
- The budget hearing on the proposed budget was July 20, 2021.
- The annual budget was adopted July 20, 2021.
- Subsequent tax valuation information may require mid-year budget revisions.
- The resolution to fix annual tax levy adoption was adopted August 17, 2021.



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         |
| ▪ Accounts Receivable | Assessment Billing     |
| ▪ Payroll             | ▪ Budget and           |
| ▪ Utility Billing &   | Analysis               |
| Customer Service      | ▪ City Mail Processing |

<i>Fire</i>	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.
<i>Housing Authority</i>	The Housing Authority provides staff and management to the Great Falls Housing Authority Board of Commissioners to manage and operate 490 units of public housing and 32 units of affordable housing in seven locations and manage 265 Section Eight Vouchers.
<i>Human Resources</i>	The Human Resources department is responsible for recruitment, benefits administration, compensation, policy development, collective bargaining negotiations, and organizational training and development of personnel.
<i>Legal</i>	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.
<i>Municipal Court</i>	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.
<i>Park &amp; Recreation</i>	The Park & Recreation Department is responsible for the City’s parks and trees, swimming pools, golf courses, and recreation programs.
<i>Planning &amp; Community Development</i>	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.
<i>Police</i>	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	Departments													
	City Commission	Administration	Fire	Finance	Housing Authority	Human Resources	Legal Services	Municipal Court	Public Library	Park and Rec	Planning & CD	Police	Public Works	Special Districts
General	x	x	x				x	x		x		x		
<b>Special Revenue Funds</b>														
Park & Rec Special Revenue										x				
Parkland Trust										x				
Library								x						
Library Foundation								x						
Planning & Community Develop.											x			
Central MT Ag Tech TID														x
Airport TID														x
Downtown TID														x
East Industrial Ag Tech TID														x
Economic Revolving														x
Permits											x			
Licenses											x			
Natural Resources										x				
Portage Meadow										x				
Park Maintenance District										x				
Street District													x	
Support & Innovation														x
Gas Tax BaRSAA													x	
911 Special Revenue											x			
Police Special Revenue											x			
HIDTA Special Revenue											x			
Fire Special Revenue			x											
Federal Block Grant											x			
Federal HOME Grant											x			
CTEP Projects											x			

Funds - Continued	Departments													
	City Commission	Administration	Fire	Finance	Housing Authority	Human Resources	Legal Services	Municipal Court	Public Library	Park and Rec	Planning & CD	Police	Public Works	Special Districts
Housing Authority					x									
Street Lighting Districts														x
<b>Debt Service Funds</b>														
Soccer Park GO Bond														x
Swimming Pool GO Bond														x
West Bank TID														x
Improvement District Revolving														x
Master Debt SILD														x
General Obligation Taxable Bond														x
<b>Capital Projects Funds</b>														
General Capital Projects		x		x						x			x	
Improvement Districts Projects														x
Street Lighting Construction														x
Hazard Removal											x			
<b>Enterprise Funds</b>														
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												

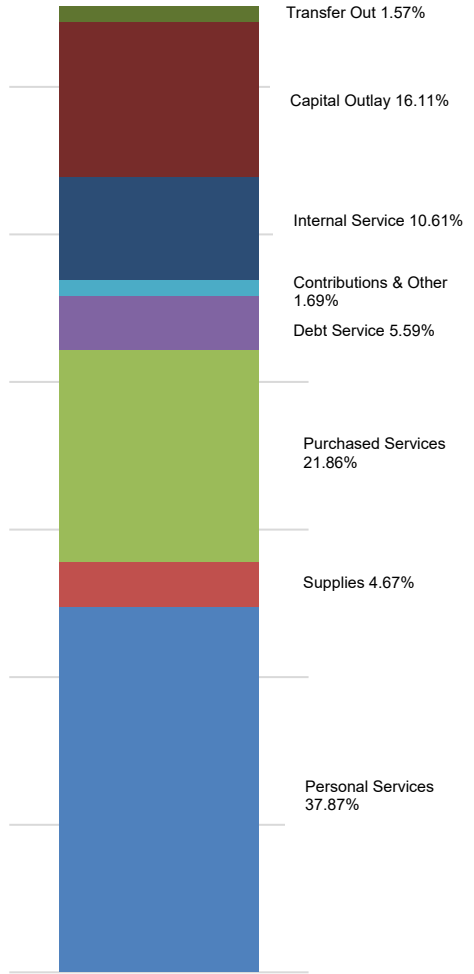
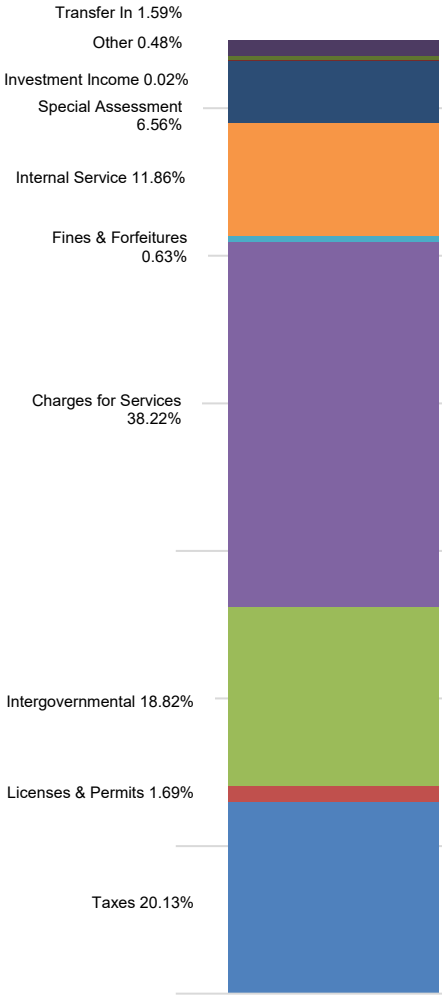
Funds - Continued	Departments													
	City Commission	Administration	Fire	Finance	Housing Authority	Human Resources	Legal Services	Municipal Court	Public Library	Park and Rec	Planning & CD	Police	Public Works	Special Districts
<b>Internal Service Funds</b>														
Central Garage													X	
Information Tech		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



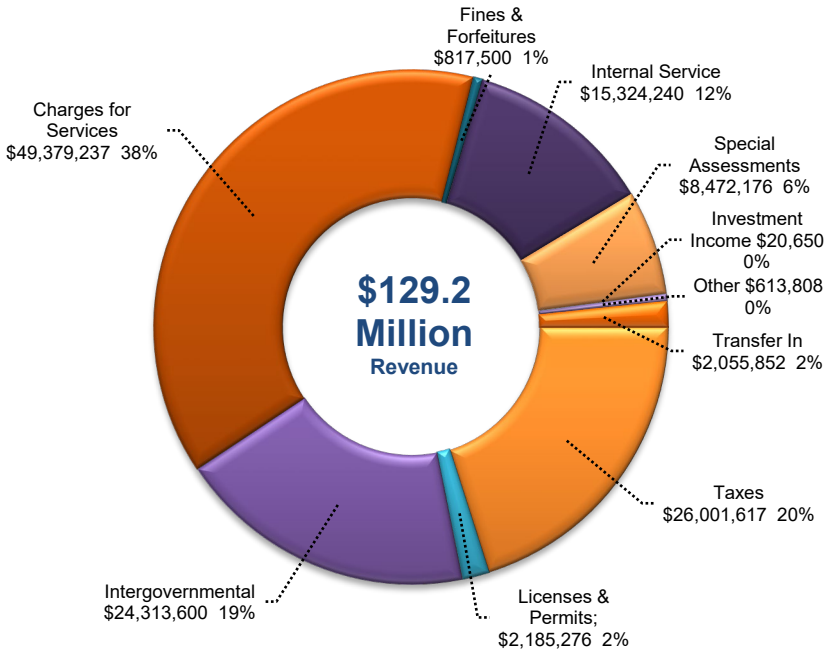


## Where the Money Comes From

Total city-wide revenue for Fiscal Year 2022 is \$129.2 million. Thirty-eight (38%) percent comes from charges for services. 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% 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. However, during FY2021 and FY2022, in response to the pandemic, the City did not raise property taxes.

The third and fourth largest revenue sources are intergovernmental (19%) and internal service (12%). Internal service charges occur when an internal City department charges another department for services provided. Examples include human resources and information technology. Total city-wide internal service charges for FY 2022 amount to \$15.3 million. A major intergovernmental revenue is the HB 124 State Entitlement of \$9.191 million (\$8.765 million for the General Fund and \$427k for the Street Fund), which is primarily from the state gambling tax. The City receives various grants that make up the remaining \$201,745 of intergovernmental revenue in the General Fund. The fifth largest source is special assessments totaling \$8.472 million or 6%. Examples of special assessments include the street district, park maintenance district, and street lighting districts.



	2020 Actual Amount	2021 Adopted Budget	2021 Amended Budget	2021 Projected Amount as of 06/15/2021	2022 Adopted Budget
<b>Revenue</b>					
Taxes	\$26,143,194	\$24,677,547	\$24,677,547	\$25,177,592	\$26,001,617
Licenses & Permits	\$2,076,780	\$2,185,276	\$2,185,276	\$2,109,499	\$2,185,276
Intergovernmental	\$19,627,133	\$14,462,729	\$15,114,717	\$29,356,650	\$24,313,600
Charges for Services	\$50,441,124	\$49,280,696	\$49,280,746	\$45,861,420	\$49,379,237
Fines & Forfeitures	\$745,451	\$817,000	\$817,000	\$842,045	\$817,500
Internal Service	\$13,487,123	\$14,207,407	\$14,207,407	\$14,206,407	\$15,324,240
Special Assessments	\$8,868,739	\$8,445,618	\$8,445,618	\$8,442,191	\$8,472,176
Investment Income	\$1,009,677	\$20,650	\$20,650	\$158,531	\$20,650
Other	\$1,918,429	\$481,371	\$738,371	\$1,142,990	\$613,808
Transfer In	\$2,076,171	\$2,055,852	\$2,055,852	\$2,055,852	\$2,055,852
Issuance of Debt	\$4,208,605	\$0	\$6,057,080	\$6,391,757	\$0
Sale of Assets	\$55,063	\$0	\$0	\$0	\$0
<b>Revenue Totals</b>	<b>\$130,657,490</b>	<b>\$116,634,146</b>	<b>\$123,600,264</b>	<b>\$135,744,934</b>	<b>\$129,183,956</b>

**Major Revenues**

**Charges for Services**

Charges for services is 38% percent of total city revenue and 3.4% 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. Utility rates are reviewed and, if necessary, adjusted annually to pay full costs of providing services. In FY2021 and FY2022 that City did not raise utility rates to aid in economic recovery from the pandemic. The charges for services revenues for health & benefits are the charges to employees for their 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. However, due to the COVID-19 pandemic, the budget does not include any rate increases to aid in economic recovery. Past utility rate increases are noted in the “Five Year History of Utility Rate Charges” below and require an additional separate public hearing and approval by the City Commission.

<b>Five Year History of Utility Rate Increases</b> Requires Separate Commission Action					
	FY18	FY19	FY20	FY21	FY22
Water	0%	5%	5%	0%	0%
Sewer	0%	2%	2%	0%	0%
Storm Drain	0%	10%	5%	0%	0%
Sanitation					
Residential	5%	0%	7.5%	0%	0%
Commercial	0%	5%	7.5%	0%	0%

**Taxes and Special Assessments**

Taxes and Special Assessments account for 26% of Total City Revenue and 62% of General Fund Revenue. Taxpayers generally view taxes and special assessments as two names for the same thing; however, there are distinctions.

	2020 Actual Budget	2021 Amended Budget	2022 Adopted Budget	% of Total City Revenue
<b>Taxes</b>				
Real & Personal Property	\$18,172,331	\$17,274,932	\$17,715,907	13.71%
Permissive Medical Health Mill	\$3,551,350	\$3,447,210	\$3,447,210	2.67%
GO Bond Payments	\$184,679	\$164,500	\$164,500	0.13%
Tax Increments	\$2,835,319	\$2,540,905	\$3,424,000	2.65%
Local Option Motor Vehicle	\$1,399,516	\$1,250,000	\$1,250,000	0.97%
<b>Total Taxes Revenue</b>	<b>\$26,143,194</b>	<b>\$24,677,547</b>	<b>\$26,001,618</b>	<b>20.13%</b>
<b>Special Assessments</b>				
Street Maintenance District	\$4,620,048	\$4,583,265	\$4,583,265	3.55%
Park Maintenance District	\$1,508,887	\$1,500,000	\$1,500,000	1.16%
Street Lighting District	\$1,177,007	\$1,123,242	\$1,111,842	0.86%
Boulevard District	\$407,062	\$431,617	\$431,617	0.33%
Portage Meadows	\$65,713	\$65,252	\$65,252	0.05%
Special Improvement District	\$42,634	\$0	\$0	0.00%
Master Debt SILD	\$17,317	\$15,984	\$15,984	0.01%
TBID	\$780,554	\$486,258	\$511,216	0.40%
BID	\$246,301	\$240,000	\$253,000	0.20%
<b>Total Special Assessments</b>	<b>\$8,868,739</b>	<b>\$8,445,618</b>	<b>\$8,472,176</b>	<b>6.56%</b>
<b>Total Taxes and Special Assessments</b>	<b>\$35,011,933</b>	<b>\$33,123,165</b>	<b>\$34,473,794</b>	<b>26.69%</b>

**Taxes - Real & Personal Property**

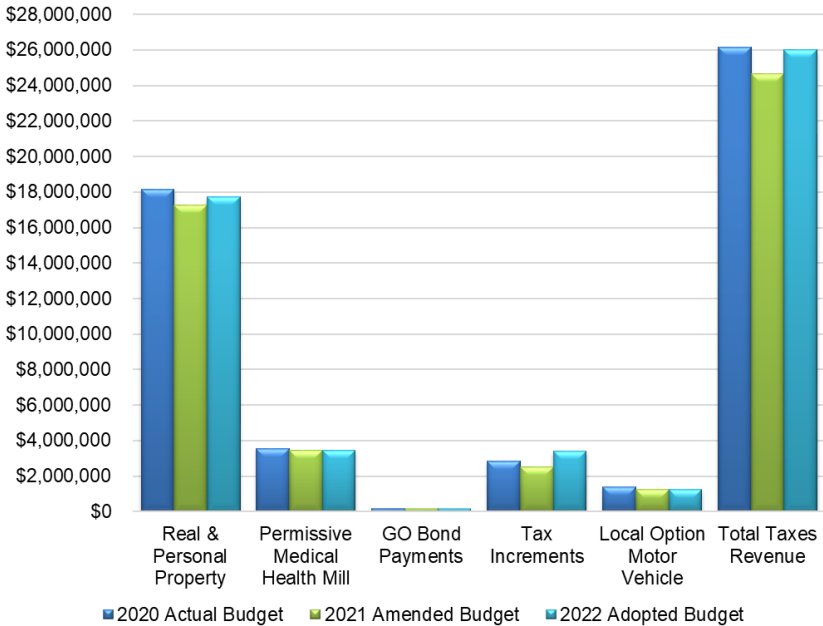
Real and personal property is the tax on property values which is authorized for general purposes. It is no longer informative or valid to compare mill levies from year to year. The 1999 State Legislature created declining taxable property valuations, which are to be offset by increased local mill levies, 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 \$24.7 million to \$26.0 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 no increase to tax revenue from the Permissive Medical Levy or an increase from the inflationary factor. These tax increases were not utilized in this budget to assist the community in recovering from the COVID-19 pandemic. The largest increase to City-wide tax revenue is due to growth in the individual Tax Increment Districts. This tax revenue does not come into the General Fund.

**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. 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.

<b>Five Year History of Special Assessment Rate Changes</b>					
Requires Separate Commission Action					
	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Street Maintenance District	0%	0%	0%	0%	0%
Boulevard District	7%	3%	5%	0%	0%
Portage Meadows District	0%	7%	5%	0%	0%
Street Lighting	-1%	0%	0.5%	-4%	- 1%
Park Maintenance District	-	New	0%	0%	0%

**Intergovernmental Revenue**

Intergovernmental Revenue is 18.8% of total city revenue and 25.8% 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 will be received from ARPA. The State Entitlement payments for HB 124 increased 1.44% in FY 2022. 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 is reserved in the General Fund, and the remaining \$5.5 million is 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 will be received in FY2022. The amount already received (\$9.7 million) is in the COVID Recovery Fund. The ARPA funding has many restrictions for its uses. No decisions have been made yet for use of this money. Initial decisions will be made during FY2022 with appropriate budget adjustments. The ARPA allocation must be obligated by December 31, 2024, whereas the CARES allocation has no spending time limits.

**State Entitlements**

Starting in FY 2002, 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 FY 2021 was 3.24% or approximately \$284,198. The increase for FY 2022 was only 1.44% likely due to a decrease in State revenues during the pandemic. It

is still unknown what the COVID-19 pandemic will do to this funding source in the coming years.

**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 Street District Fund and Gas Tax BaRSAA Fund revenues include \$1,953,379 from state gas taxes. 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 & 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 \$1,569,614 available in FY 2022. This includes additional funding made available to respond to the COVID-19 pandemic. There is some concern about future funding of these grants.

**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 \$31,039 annually to help fund operations. The Park & Recreation department will receive grants to fund projects on the Rivers Edge Trail, including the slump repair which caused damage in previous years.

	2020 Actual Budget	2021 Amended Budget	2022 Actual Budget	% of Total City Revenue
<b>Intergovernmental</b>				
CARES Act	\$5,055,237	\$74,887	\$0	0.00%
American Rescue Plan Act	\$0	\$0	\$9,736,368	7.54%
State Gaming Licenses	\$145,364	\$150,000	\$150,000	0.12%
State Entitlements	\$8,777,069	\$9,061,267	\$9,191,538	7.12%
State 911 Combined Revenue	\$606,154	\$612,447	\$612,447	0.47%
State Gas Tax Apportionment	\$953,379	\$953,379	\$953,379	0.74%
State Gas Tax BaRSAA	\$1,853,221	\$1,000,000	\$1,000,000	0.77%
State Historic Preservation	\$5,625	\$6,000	\$6,000	0.00%
State Library Support	\$28,216	\$28,216	\$31,039	0.02%
State Economic Dev Pass-through	\$20,000	\$60,000	\$15,000	0.01%
County Library Support	\$177,000	\$177,000	\$177,000	0.14%
Federal Highway & Transport. Grants	\$418,280	\$524,900	\$524,900	0.41%
Federal Public Safety Grants, Misc	\$474,539	\$390,789	\$55,211	0.04%
Federal HIDTA Grant	\$279,215	\$216,975	\$216,975	0.17%
Federal Block and Home Grants	\$1,212,993	\$1,610,897	\$1,569,614	1.22%
Miscellaneous Culture & Rec Grants	\$10,000	\$274,450	\$37,300	0.03%
Other Intergovernmental Revenue	\$40,011	\$125,097	\$36,829	0.03%
<b>Total Intergovernmental Revenue</b>	<b>\$20,056,304</b>	<b>\$15,266,304</b>	<b>\$24,313,600</b>	<b>18.82%</b>

**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 13.45% of total City revenue, and 2.8% of total General Fund revenue. A listing of all interfund transfers is located on page 52.

	2020 Actual Budget	2021 Amended Budget	2022 Adopted Budget	% of Total City Revenue
<b>Internal Service and Transfers In</b>				
Internal Service Charges	\$13,487,123	\$14,207,407	\$15,324,240	11.86%
Transfer In	\$2,076,171	\$2,055,852	\$2,055,852	1.59%
<b>Total Internal Service and Transfers In</b>	<b>\$15,563,294</b>	<b>\$16,263,259</b>	<b>\$17,380,092</b>	<b>13.45%</b>

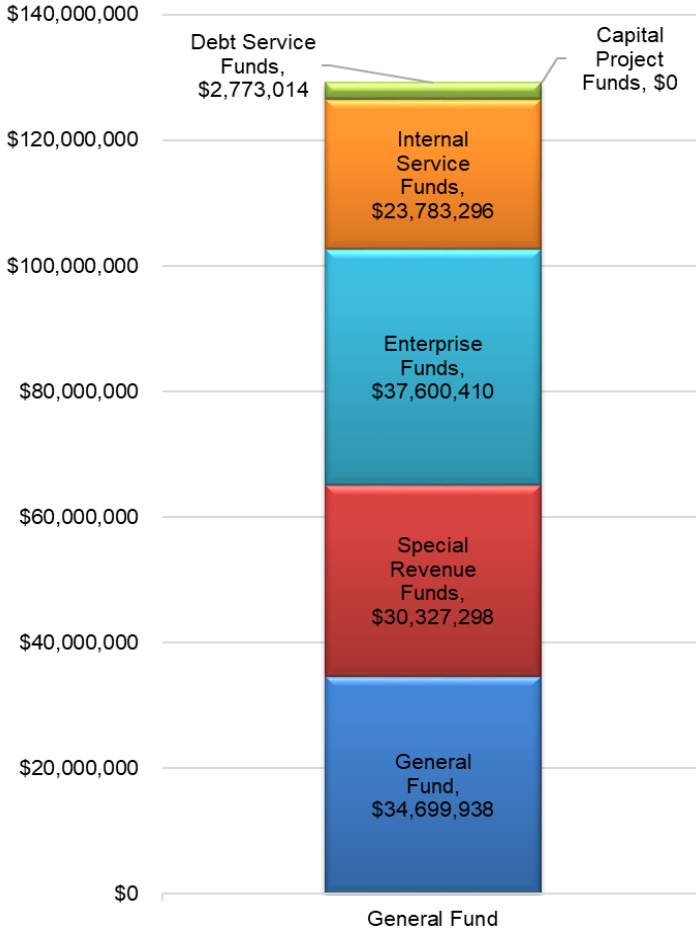
**Issuance of Debt**

Issuance of Debt fluctuates from year to year depending on projects in the pipeline for capital improvements, especially in the enterprise funds for utilities. There is no debt issuance budgeted for FY 2022.

	2020 Actual Budget	2021 Amended Budget	2022 Adopted Budget	% of Total City Revenue
<b>Issuance of Debt</b>				
Issuance of Debt	\$4,208,605	\$6,057,080	\$0	0.00%
<b>Total Issuance of Debt</b>	<b>\$4,208,605</b>	<b>\$6,057,080</b>	<b>\$0</b>	<b>0.00%</b>



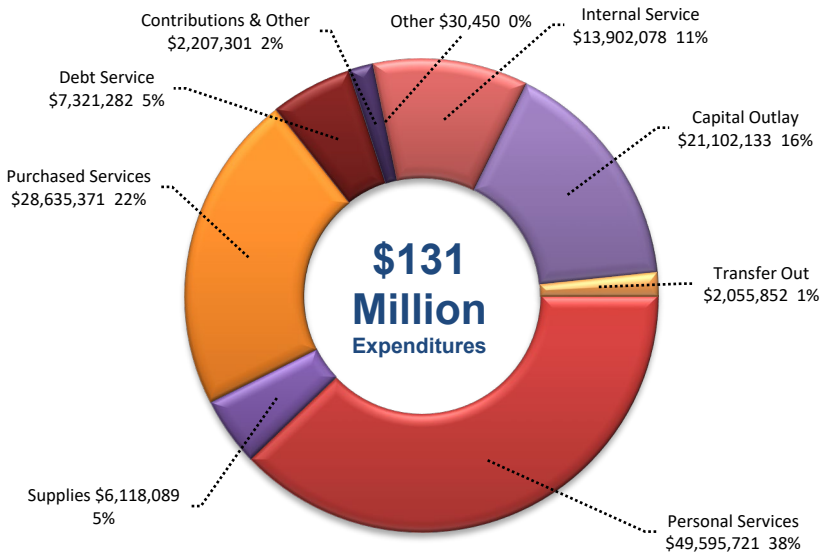
**FY2022 City-Wide Revenue by Fund Type**



	2020 Actual Budget	2021 Amended Budget	2022 Adopted Budget
<b>Fund Types</b>			
General Fund	\$39,233,103	\$34,296,966	\$34,699,938
Special Revenue Funds	\$24,652,374	\$22,084,982	\$30,327,298
Debt Service Funds	\$4,426,104	\$1,102,219	\$2,773,014
Capital Project Funds	\$368,372	\$5,679,000	\$0
Enterprise Funds	\$39,854,181	\$37,527,368	\$37,600,410
Internal Service Funds	\$22,123,356	\$22,909,729	\$23,783,296
<b>Total All Fund Types</b>	<b>\$130,657,490</b>	<b>\$123,600,264</b>	<b>\$129,183,956</b>

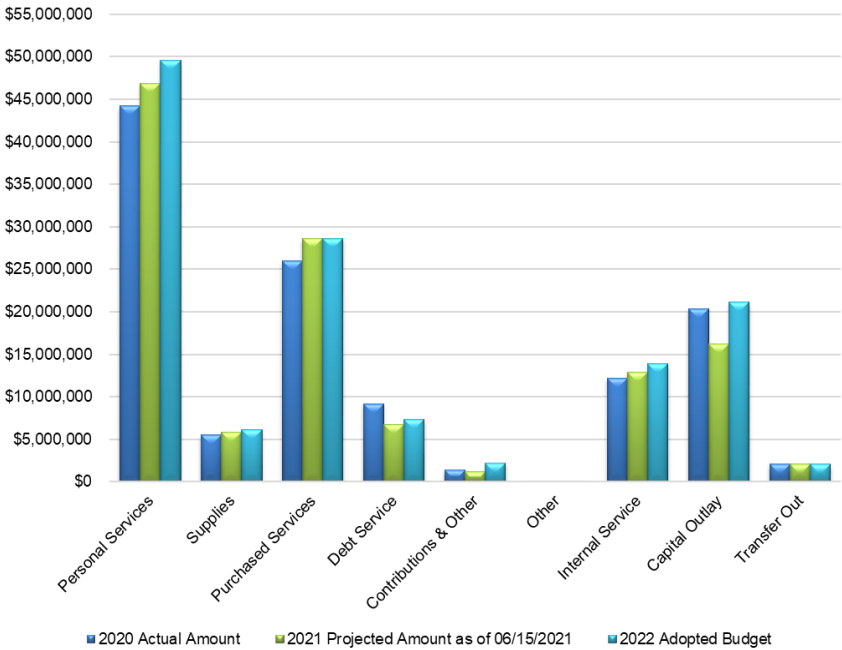
## Where the Money Goes

Total city-wide expenditures for Fiscal Year 2022 are \$131 million. The largest City expenditure is for Personal Services at 38%. This includes salaries and benefits. The next largest expenditures are Purchased Services at 22% and Capital Outlay at 16%. 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 11%. Following internal service is debt payments, 5%, supplies, 5%, and transfer out, 1%.



	2020 Actual Amount	2021 Adopted Budget	2021 Amended Budget	2021 Projected Amount as of 06/15/2021	2022 Adopted Budget
<b>Expenditures</b>					
Personal Services	\$44,200,093	\$48,561,521	\$48,561,521	\$46,866,186	\$49,595,721
Supplies	\$5,485,329	\$6,000,047	\$6,105,541	\$5,861,593	\$6,118,089
Purchased Services	\$26,013,577	\$27,803,201	\$30,214,596	\$28,634,908	\$28,635,371
Debt Service	\$9,173,533	\$6,666,423	\$6,666,423	\$6,751,994	\$7,321,282
Contributions & Other	\$1,424,946	\$1,681,607	\$1,681,607	\$1,230,532	\$2,207,301
Other	\$77,659	\$30,450	\$80,908	\$82,589	\$30,450
Internal Service	\$12,224,424	\$12,896,288	\$12,896,288	\$12,892,918	\$13,902,078
Capital Outlay	\$20,366,096	\$15,376,429	\$31,447,055	\$16,244,038	\$21,102,133
Transfer Out	\$2,076,171	\$2,055,852	\$2,055,852	\$2,055,852	\$2,055,852
<b>Expenditure Totals</b>	<b>\$121,041,828</b>	<b>\$121,071,818</b>	<b>\$139,709,791</b>	<b>\$120,620,610</b>	<b>\$130,968,277</b>

### City-Wide Expenditures 3 year Trend



## Major Expenditures

### Personal Services

Overall personal services in the FY 2022 Adopted Budget, including salaries and benefits, increased 5.8% over the FY 2021 projected amount and are 38% of the City’s total expenditure budget. All union contracts were re-negotiated starting July 1, 2021 for a 2 year period. They expire June 30, 2023. The City negotiated with all employees to move to an 85%/15% cost sharing for health insurance from 90%/10% starting July 1, 2021. This is city-wide savings of \$576,284. The City also has decreased workers compensation rates in FY2022, which is a savings of \$405,112.

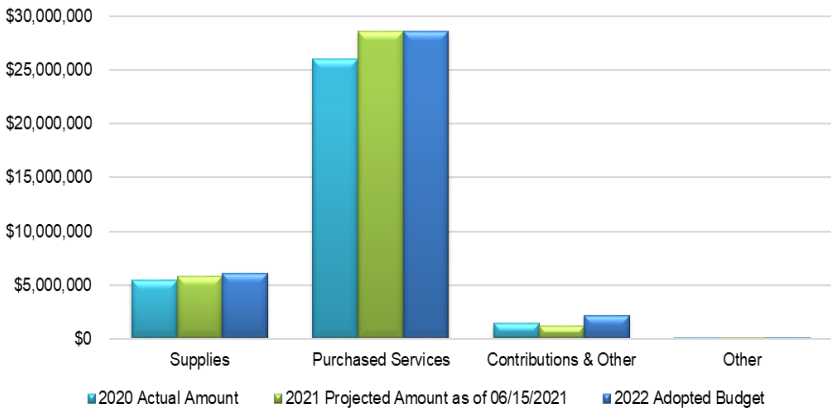
The personnel budgets reflect a total of 512.68 full time equivalents (FTEs) in full and part time positions (not including seasonal and temporary workers). This is an increase of 6.00 FTEs from the FY 2021 budget. Additional information about employee counts is available under the employee summary tab.

<b>Human Resources</b>			
Human Resources	Added HR Generalist Position		1.00
	Moved Payroll from Finance		1.00
	Moved Risk Manager from Insurance Fund		1.00
	<b>Total Change for Human Resources</b>		<b>3.00</b>
<b>Insurance &amp; Safety</b>			
Insurance & Safety	Moved Risk Manager to HR Fund		(1.00)
	<b>Total Change for Insurance &amp; Safety</b>		<b>(1.00)</b>
<b>Finance</b>			
Finance	Moved Payroll to Human Resources		(1.00)
	Added Grant Administrator		1.00
	<b>Total Change for Finance</b>		<b>0.00</b>
<b>Public Works</b>			
Engineering	Added 2 Engineers		2.00
	Added 2 Inspectors		2.00
	<b>Total Change for Public Works</b>		<b>4.00</b>
			<b>Total Change in FTEs</b>
			<b>6.00</b>

**Operations**

The operations portion of expenditures includes supplies and materials, purchased services, and other costs. This is 29% of the total expenditure budget.

**City-Wide Operating Costs  
3 Year Trend**



### Capital Outlay

The City’s appropriations for capital outlay in FY 2022 total \$21,102,133 or 16.1% of the total budget. This is a decrease from the FY 2021 amended capital outlay amount. Capital outlay varies considerably from year to year according to the timing of debt issuance, the planned use of reserves, and the timing of engineering for each project. In this budget, fewer projects were planned in the utility funds because there will be no utility rate increases this year. Some projects had to be pushed out to future years in order to maintain adequate cash flow without rate increases.

### Capital Projects Funds

The General Fund transfers money to the General Capital Projects Fund for general government facility and equipment needs. There is no budget for this in FY 2022. In FY 2021, the City issued debt from the Downtown Tax Increment District to fund the Civic Center Façade project. This project is expected to be completed in 2023.

### Major Capital Improvement Projects

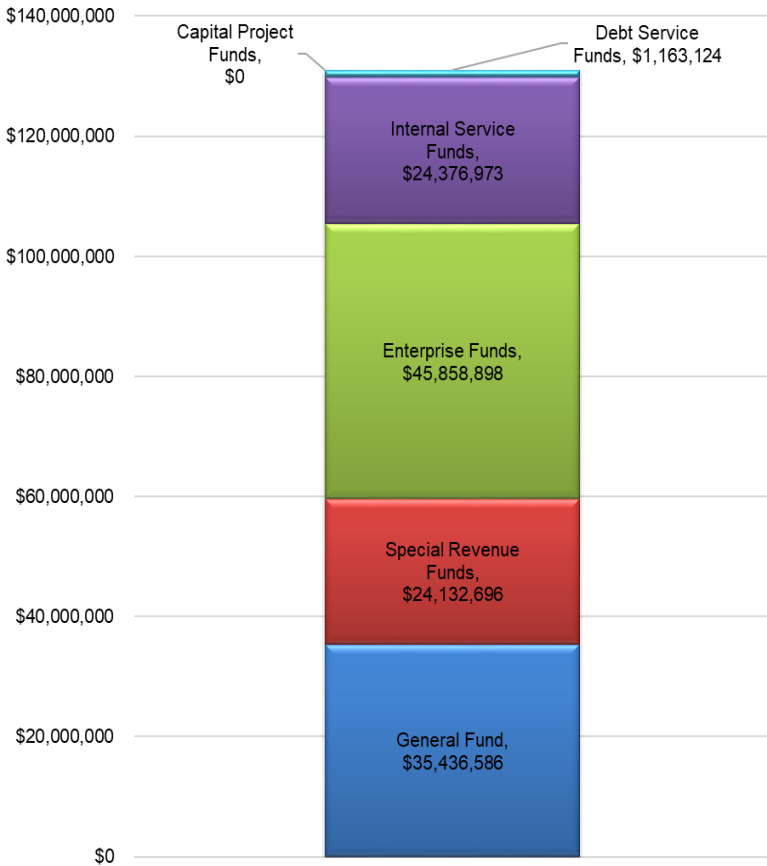
- All Major Capital Improvement Projects for Water, Sewer, Storm Drain, Street, and Park Maintenance Funds for FY 2022 are listed on pages 58-59.

### Debt Service

The City’s appropriations for debt service in FY 2022 total \$7,321,282 or 5.6% of the total budget. Pages 66-67 are the current debt service schedules. This is a slight decrease from FY 2021 because of new debt issued in the Downtown Tax Increment District.



**FY2022 City-Wide Expenditures by Fund Type**



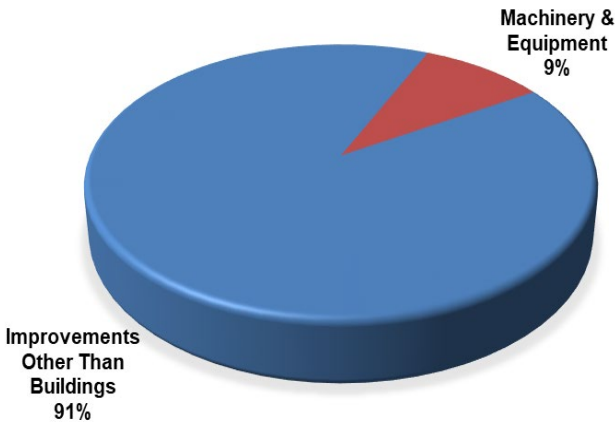
	2020 Actual Budget	2021 Amended Budget	2022 Adopted Budget
<b>Fund Types</b>			
General Fund	\$32,631,836	\$35,292,943	\$35,436,586
Special Revenue Funds	\$20,933,049	\$26,306,248	\$24,132,696
Debt Service Funds	\$4,220,348	\$676,212	\$1,163,124
Capital Project Funds	\$597,718	\$6,475,094	\$0
Enterprise Funds	\$40,580,961	\$48,199,312	\$45,858,898
Internal Service Funds	\$22,077,917	\$22,759,982	\$24,376,973
<b>Total All Fund Types</b>	<b>\$121,041,828</b>	<b>\$139,709,791</b>	<b>\$130,968,277</b>

**FY 2021 Capital Expenditures by Category**

<b>Fund</b>	<b>TOTAL</b>	<b>Improvements</b>	<b>Machinery &amp; Equipment</b>
Library			
Library Admin	\$260,000	\$260,000	\$0
<b>Library Totals</b>	<b>\$260,000</b>	<b>\$260,000</b>	<b>\$0</b>
Park Maintenance District			
Park Maintenance	\$27,791	\$0	\$27,791
<b>Park Maintenance District Totals</b>	<b>\$27,791</b>	<b>\$0</b>	<b>\$27,791</b>
Street District			
Street Maintenance	\$1,035,000	\$1,035,000	\$0
<b>Street District Totals</b>	<b>\$1,035,000</b>	<b>\$1,035,000</b>	<b>\$0</b>
Gas Tax BaRSAA			
Street Maintenance	\$2,325,000	\$2,325,000	\$0
<b>Gas Tax BaRSAA Totals</b>	<b>\$2,325,000</b>	<b>\$2,325,000</b>	<b>\$0</b>
Park & Rec Special Revenue			
Park & Rec Special Revenue	\$0	\$0	\$0
<b>Park &amp; Rec Special Revenue Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
East Industrial Ag Tech Park			
Special Districts	\$436,900	\$436,900	\$0
<b>East Industrial Ag Tech Park Totals</b>	<b>\$436,900</b>	<b>\$436,900</b>	<b>\$0</b>
Federal Block Grant			
Block Grant Projects	\$190,176	\$190,176	\$0
<b>Federal Block Grant Totals</b>	<b>\$190,176</b>	<b>\$190,176</b>	<b>\$0</b>
Water			
Water - Purification	\$3,500,000	\$3,500,000	\$0
Water - Distribution	\$3,330,370	\$3,025,000	\$305,370
<b>Water Totals</b>	<b>\$6,830,370</b>	<b>\$6,525,000</b>	<b>\$305,370</b>
Sewer			
Sewer - Treatment	\$4,885,000	\$4,885,000	\$0
Sewer - Collection	\$1,855,210	\$1,400,000	\$455,210
<b>Sewer Totals</b>	<b>\$6,740,210</b>	<b>\$6,285,000</b>	<b>\$455,210</b>
Storm Drain			
MS 4 Phase II Upgrades	\$400,000	\$400,000	\$0
Storm Drain - Collection	\$1,635,000	\$1,635,000	\$0
<b>Storm Drain Totals</b>	<b>\$2,035,000</b>	<b>\$2,035,000</b>	<b>\$0</b>

**FY 2021 Capital Expenditures by Category – Continued**

Fund	TOTAL	Improvements	Machinery & Equipment
Central Garage			
Equipment Revolving	\$1,146,686		\$1,146,686
<b>Central Garage Totals</b>	\$1,146,686	\$0	\$1,146,686
Finance			
Utility Billing	\$50,000	\$0	\$50,000
<b>Finance Totals</b>	\$50,000	\$0	\$50,000
Engineering			
Engineering	\$7,000	\$0	\$7,000
<b>Engineering Totals</b>	\$7,000	\$0	\$7,000
Public Works Admin			
Public Works Admin	\$18,000	\$18,000	\$0
<b>Public Works Admin Totals</b>	\$18,000	\$18,000	\$0
<b>Total All Budgeted Funds</b>	\$21,102,133	\$19,110,076	\$1,992,057





**FY 2021 Capital Projects**

<b>Street Fund</b>	<b>Project Budget</b>
Stuckey Rd NW Bypass to City Limits	\$80,000
Internal Engineering	\$230,000
Long Fellow/ Lincoln ADA	\$425,000
Unscheduled Development	\$250,000
Solid Waste Study	\$50,000
<b>Total Street Fund</b>	<u>\$1,035,000</u>
<b>Gas Tax BaRSAA Fund</b>	
Upper River Road (Mill and Overlay)	\$325,000
2nd Ave SW 3rd St to 6th St SW (3 blocks)	\$1,000,000
3rd Ave SW 5th St to 6th St SW (1 block)	\$1,000,000
<b>Total Gas Tax BaRSAA Fund</b>	<u>\$2,325,000</u>
<b>Water Fund - Purification</b>	
Water Sludge Processor	\$2,500,000
Misc. Water Treatment Plant Improvements	\$200,000
Solid Waste Study	\$50,000
Water Treatment Plant Stairs	\$100,000
Internal Engineering	\$175,000
<b>Total Water Purification</b>	<u>\$3,025,000</u>
<b>Water Fund - Distribution</b>	
Water Main Replacements	\$2,900,000
Internal Engineering	\$450,000
Unscheduled Development	\$150,000
<b>Total Water Distribution</b>	<u>\$3,500,000</u>
<b>Total Water Fund</b>	<u>\$6,525,000</u>
<b>Sewer Fund - Collection</b>	
Manhole Rehab	\$100,000
Miscellaneous Sewer Rehab	\$1,000,000
Internal Engineering	\$200,000
Unscheduled Development	\$100,000
<b>Total Sewer Collection</b>	<u>\$1,400,000</u>

**FY 2021 Capital Projects - Continued**

<b>Sewer Fund - Treatment</b>	<b>Project Budget</b>
Lift Station 2 Force Main	\$200,000
Solids Waste Study	\$50,000
WTP Sludge Processor	\$4,000,000
Solids Building HVAC & Lighting Design	\$75,000
Miscellaneous Capital (Veolia Contract)	\$150,000
Westside Pump Station Bar Screen Replacement	\$350,000
Internal Engineering	\$60,000
Total Sewer Treatment	<u>\$4,885,000</u>
<b>Total Sewer Fund</b>	<b><u>\$6,285,000</u></b>
<b>Storm Drain Fund - MS4 Phase II Upgrades</b>	
MS-4 Phase II Regional Facilities	<u>\$400,000</u>
Total Storm Drain MS4 Phase II Upgrades	\$400,000
<b>Storm Drain Fund - Collection</b>	
Valeria Way, Phase 2	\$900,000
Miscellaneous Inlet & Valley Gutter	\$50,000
Smith Coulee & Berkner Heights Det Pond	\$200,000
Lower 9th Ave S Basin/ Central Ave Draining Study	\$25,000
Solid Waste Study	\$10,000
Internal Engineering	\$250,000
Unscheduled Development	\$200,000
Total Storm Drain Collections	<u>\$1,635,000</u>
<b>Total Storm Drain Fund</b>	<b><u>\$2,035,000</u></b>
<b>Park Maintenance District*</b>	
Carter Park Pavilion Roof	\$14,000
Surface for Outdoor Fitness Equipment in Gibson Park	\$55,000
Sports Courts (basketball and tennis/pickle ball)	\$175,000
Irrigation Upgrades	\$200,000
Warden Park, Disc Golf Tee Boxes	\$6,000
River's Edge Trail Match	\$25,000
Tree Replacement	\$20,000
Turf Maintenance (pesticide, herbicide, rodent control, etc.)	\$40,000
<b>Total Park Maintenance Projects</b>	<b><u>\$535,000</u></b>

\*Park Maintenance District projects are budgeted under Professional Services.

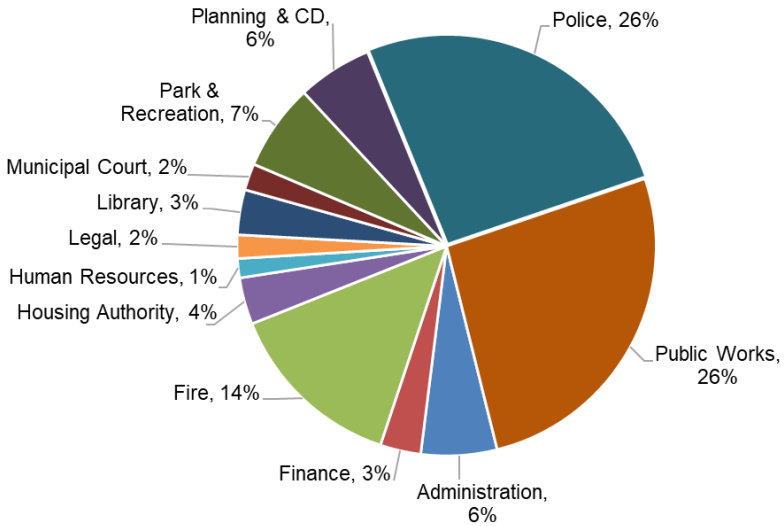
**Units Purchased from Central Garage Fund**

<b>Department</b>	<b>Number of Units</b>	<b>Description of Unit</b>	<b>Number of Years Deferred</b>	<b>Unit Cost</b>	<b>Total Cost</b>
<b>Capital Purchases</b>					
Police	6	Patrol Units	0	\$38,780	\$232,680
Parks	1	3/4 Ton Service Truck	0	\$36,540	\$36,540
Forestry	1	1/2 Ton Pickup	12	\$29,560	\$29,560
Street	1	Paver	12	\$402,286	\$402,286
	1	1/2 Ton Pickup	0	\$29,560	\$29,560
	1	3/4 Ton Service Truck	0	\$29,890	\$29,890
	1	Street Sweeper (Totalled)	3	\$302,000	\$302,000
	<u>12</u>	Total Capital Purchases			<u>\$1,062,516</u>
<b>Non Capital Purchases</b>					
	1	Police Equipment		\$29,600	\$29,600
	1	Striping Truck Conversion		\$30,070	\$30,070
	1	Used Water Truck		\$24,500	\$24,500
	<u>3</u>	Total Non Capital Purchases			<u>\$84,170</u>
	<u>15</u>	Total Central Garage Purchases			<u>\$1,146,686</u>

**Units Purchased from Other Funds**

<b>Department</b>	<b>Number of Units</b>	<b>Description of Unit</b>	<b>Number of Years Deferred</b>	<b>Unit Cost</b>	<b>Total Cost</b>
Water Distribution	1	1/2 Ton Service Truck	0	\$60,400	\$60,400
	1	1/2 Ton Pickup	0	\$32,720	\$32,720
	1	Dump Truck	3	\$119,410	\$119,410
Water Purification	1	Telehandler	0	\$58,060	\$58,060
	1	1/2 Ton Pickup	0	\$34,780	\$34,780
Sewer	1	Sewer Jet Truck	0	\$262,060	\$262,060
	1	Sewer Jet Trailer	0	\$133,050	\$133,050
	1	1 Ton Dump Truck	1	\$60,100	\$60,100
	<u>8</u>	Units Purchased from Other Funds			<u>\$760,580</u>
	<u>23</u>	Total Equipment Purchased			<u>\$1,907,266</u>

**FY2021 FTE Count – Full & Part-Time Positions**



	<b>FY 2020 Actual</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Adopted</b>
Administration	30.07	30.07	30.07
Finance	16.10	16.10	16.10
Fire	71.00	71.00	71.00
Housing Authority	18.50	18.50	18.50
Human Resources	5.60	5.60	7.60
Legal	9.29	9.29	9.29
Library	17.80	17.80	17.80
Municipal Court	10.49	10.49	10.49
Park & Recreation	34.33	34.33	34.33
Planning & Community Development	27.50	29.50	29.50
Police	133.00	133.00	133.00
Public Works	134.21	131.00	135.00
<b>Total Full &amp; Part-Time Positions<sup>1</sup></b>	<b>507.89</b>	<b>506.68</b>	<b>512.68</b>

<sup>1</sup> 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 FY 2022, there were no increases to transfers out of the General Fund to other funds for operations. The transfer in to the Gas Tax BaRSSA Fund is a match required by the State from the Street District Fund.

**Operating Transfers**

- Authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.
- 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 Fund or a debt service fund.

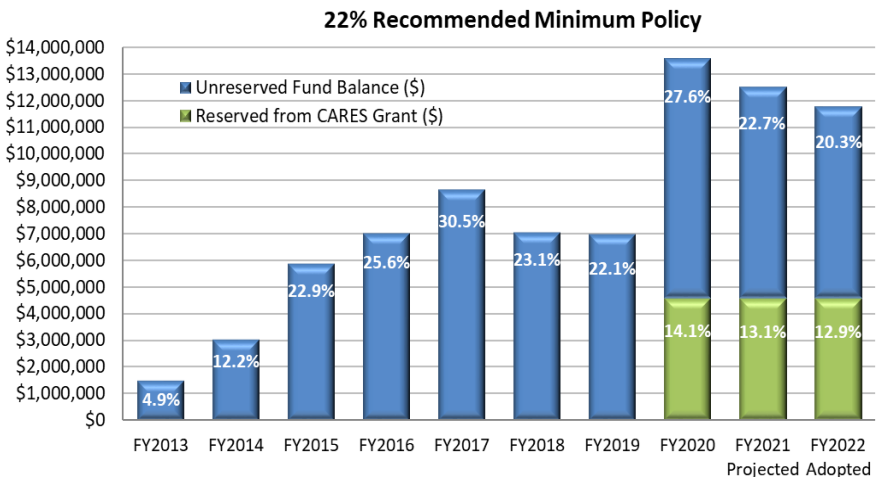
Fund	2020 Actual Amount	2021 Adopted Budget	2021 Amended Budget	2021 Projected Amount as of 06/15/2021	2022 Adopted Budget
<b>Transfers In</b>					
General	\$0	\$0	\$0	\$0	\$0
Library	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Planning & Comm Development	\$271,932	\$271,932	\$271,932	\$271,932	\$271,932
Natural Resources	\$256,277	\$256,277	\$256,277	\$256,277	\$256,277
Gas Tax BaRSSA	\$56,620	\$50,000	\$50,000	\$50,000	\$50,000
General Obligation Taxable Bond	\$148,545	\$144,846	\$144,846	\$144,846	\$144,846
Swimming Pools	\$267,861	\$267,861	\$267,861	\$267,861	\$267,861
911 Dispatch	\$356,674	\$346,674	\$346,674	\$346,674	\$346,674
Recreation	\$39,206	\$39,206	\$39,206	\$39,206	\$39,206
Civic Center Events	\$265,913	\$265,913	\$265,913	\$265,913	\$265,913
Engineering	\$63,143	\$63,143	\$63,143	\$63,143	\$63,143
<b>Total Transfers In</b>	<b>\$2,076,170</b>	<b>\$2,055,852</b>	<b>\$2,055,852</b>	<b>\$2,055,852</b>	<b>\$2,055,852</b>
<b>Transfers Out</b>					
General Fund	\$1,662,877	\$1,659,178	\$1,659,178	\$1,659,178	\$1,659,178
License	\$0	\$0	\$0	\$0	\$0
Street District	\$56,620	\$50,000	\$50,000	\$50,000	\$50,000
911 Special Revenue	\$356,674	\$346,674	\$346,674	\$346,674	\$346,674
<b>Total Transfers Out</b>	<b>\$2,076,170</b>	<b>\$2,055,852</b>	<b>\$2,055,852</b>	<b>\$2,055,852</b>	<b>\$2,055,852</b>

## 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

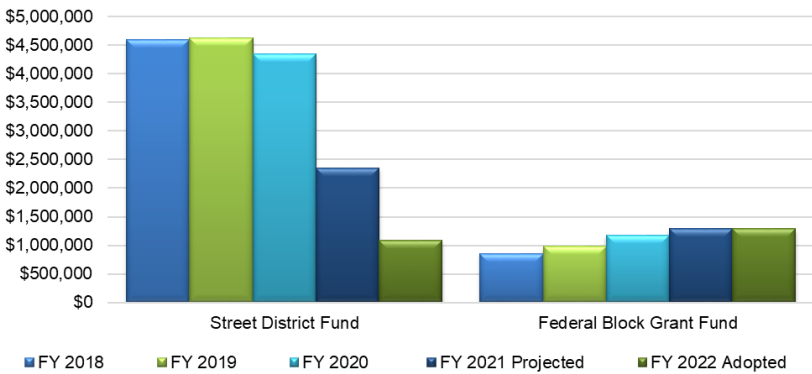
The graph below shows that the city depleted the General Fund balance in FY 2013. The decline is due to a one time transfer from the General Fund to the Electric Fund of \$5.5 million to cover the cash deficit in the Electric Fund. The City of Great Falls has rebuilt the unreserved General Fund balance since 2013. The fund balance increased in FY 2020 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 FY 2021 or FY 2022. This has caused the unreserved fund balance to decrease to lower than the recommended minimum of 22%. No decisions have been made yet for the use of the federal relief money received. Additional federal relief money is in the COVID Recovery Fund.



### Other Governmental Funds

The 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 in FY 2022 with the use of funds on street 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.

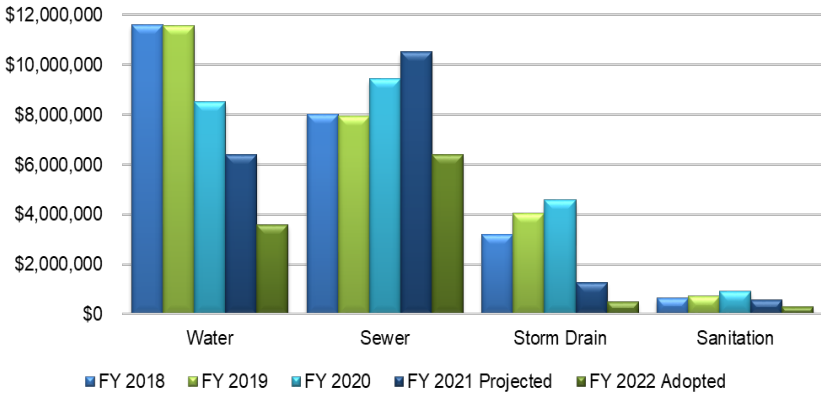
**Other Major Governmental Fund Balances  
5 Year Trend**



### Proprietary Funds

The chart below shows the five year trend of the major proprietary funds' unreserved fund balances. The decline in the fund balances in water, sewer, and storm drain 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. All of these funds are also showing a decline in fund balance in FY 2022 because there are no utility rate increases factored into the budget because of the economic recovery needed from the COVID-19 pandemic. The City is still able to use cash to fund capital projects, even without rate increases.

### 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.

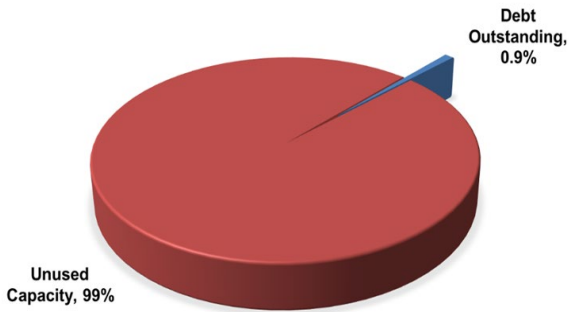
#### General Obligation Debt Capacity

Market Valuations - Real & Personal Property (Based on Certified Taxable Valuation dated July 30, 2020)	\$ 6,000,300,771
General Obligation Debt	
Debt Limit - 2.5% of Total Assessed Value	\$ 150,007,519
General Obligation Bonded Debt Outstanding	\$ 1,365,595
Unused Legal Debt Capacity	\$ 148,641,924



**Non - Voted GO Debt Capacity**

1. Maximum Principal Amount of Obligation Allowed	\$	2,327,003
2. Maximum Annual Debt Service Allowed		
Current Annual Debt Service	\$	629,738
Unused Annual Debt Service Capacity	\$	<u>233,933</u>
	\$	<u>395,805</u>



**Where Do Your Property Taxes Go?**



Cascade County  
16.8%

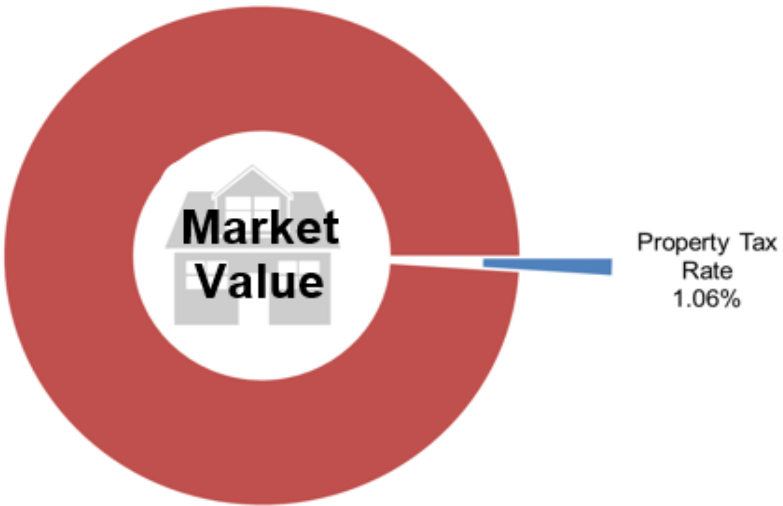
City of Great Falls  
26.7%

Transit District  
2.9%

Great Falls Public  
Schools  
35.0%

State Schools  
18.7%

**What Percent of Market Value are Property Taxes?**



## How to Calculate Residential Home Property Taxes

Multiply your home's market value by: **1.057%** **Example**  
\$ 100,000 X 1.057% = \$ 1,057

OR

The following steps may be used to calculate property taxes.

		Example	
	Taxable Market Value, "Market"	\$ 100,000	(From Assessment Notice)
Multiply By:	2020 Taxable Rate ( % )	X <u>1.35000%</u>	(From Assessment Notice)
	Current Taxable Value, "Taxable"	\$ 1,350	(From Assessment Notice)
Divide By:	1,000	<u>1,000</u>	(Mill Equivalent)
	Taxable Value per Mill	\$ 1.3500	
Multiply By:	Total Levy in Mills	X <u>783.32</u>	(See Below)
	Calculated Total Property Tax	<u>\$ 1,057.49</u>	

The FY 2021 Tax Levies for the example are below. FY 2022 mills have not yet been finalized for all districts.

	Total	School (State and District)	City	County	Transit
Mill Levy	783.32	420.39	208.79	131.62	22.52
Property Tax	\$1,057.49	\$567.53	\$281.87	\$177.69	\$30.40
Tax as a Percent of Market Value	1.06%	0.57%	0.28%	0.18%	0.03%
Share of Total	100%	53.67%	26.65%	16.80%	2.87%

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

The City's tax levies, in mills, have been:

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015
General Purpose	165.33	170.84	163.99	167.62	163.41	165.26	160.17	173.77
Library	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Permissive Medical Lev	32.44	34.23	33.11	29.86	27.63	26.14	23.03	22.87
Swimming Pool Debt	0.00	0.00	0.00	0.00	0.00	2.94	3.12	3.62
Soccer Park Debt	1.58	1.72	1.68	1.76	1.74	1.90	1.97	2.28
<b>Total Mill Levy</b>	<b>201.35</b>	<b>208.79</b>	<b>200.78</b>	<b>201.24</b>	<b>194.78</b>	<b>198.24</b>	<b>190.29</b>	<b>204.54</b>
<b>Net Mill Value \$</b>	<b>\$103,622</b>	<b>\$98,197</b>	<b>\$101,525</b>	<b>\$97,185</b>	<b>\$94,164</b>	<b>\$89,978</b>	<b>\$86,964</b>	<b>\$75,053</b>
<b>Tax Levy \$</b>	<b>\$20,864,249</b>	<b>\$20,502,570</b>	<b>\$20,384,444</b>	<b>\$19,557,045</b>	<b>\$18,341,320</b>	<b>\$17,837,196</b>	<b>\$16,548,385</b>	<b>\$15,351,310</b>

## History of Overlapping Mill Levies on Property in the City

The overlapping mill levies on property in the City:

	2022	2021	2020	2019	2018	2017	2016	2015
<b>In Mills:</b>								
<b>Schools</b>								
District Levied	TBD	274.18	243.93	249.97	231.99	181.31	186.60	200.28
State Levied	TBD	146.21	148.53	150.24	151.57	149.26	147.86	152.45
Total Schools	TBD	420.39	392.46	400.21	383.56	330.57	334.46	352.73
City of Great Falls	201.35	208.79	200.78	201.24	194.78	198.24	190.29	204.54
Cascade County	TBD	131.62	126.92	129.64	127.28	127.07	121.87	133.56
Transit District	TBD	22.52	21.33	19.65	19.31	19.60	19.61	21.17
<b>Total Overlapping Levy</b>	<b>TBD</b>	<b>783.32</b>	<b>741.49</b>	<b>750.74</b>	<b>724.93</b>	<b>675.48</b>	<b>666.23</b>	<b>712.00</b>
<b>As a Percent:</b>								
District Levied	TBD	35.00%	32.90%	33.30%	32.00%	26.84%	28.01%	28.13%
State Levied	TBD	18.67%	20.03%	20.01%	20.91%	22.10%	22.19%	21.41%
Total Schools	TBD	53.67%	52.93%	53.31%	52.91%	48.94%	50.20%	49.54%
City of Great Falls	TBD	26.65%	27.08%	26.81%	26.87%	29.35%	28.56%	28.73%
Cascade County	TBD	16.80%	17.12%	17.27%	17.56%	18.81%	18.29%	18.76%
Transit District	TBD	2.87%	2.88%	2.62%	2.66%	2.90%	2.94%	2.97%
<b>Total Overlapping Levy</b>	<b>TBD</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	2020			2021		
	Taxable Assessed Value	Rank	% of Total	Taxable Assessed Value	Rank	% of Total
Calumet Montana Refining, LLC	\$ 8,762,541	1	8.36%	\$ 1,650,245	2	2.11%
Northwestern Energy, LLC	6,488,898	2	6.19%	3,774,185	1	4.82%
Energy West Montana Inc	1,887,024	3	1.80%	901,861	4	1.15%
Burlington Northern Santa Fe Railroad Co	1,067,928	4	1.02%			
GK Development Inc	791,251	5	0.76%	702,258	5	0.90%
Pasta Montana LLC	770,710	6	0.74%	671,499	8	0.86%
Verizon Wireless	688,735	7	0.66%			
DOC Great Falls Holding LLC	675,352	9	0.64%			
Bresnan Communications (Charter)	663,280	8	0.63%	698,779	6	0.89%
Federal Express Corp Business Trust	662,824	10	0.63%			
Centurylink, Inc				955,568	3	1.22%
General Mills, Inc				600,258	9	0.77%
Malteurop North America Inc.				532,256	10	0.68%
Benefis Health System, Inc				672,705	7	0.86%
	<u>\$22,458,543</u>		<u>21.43%</u>	<u>\$11,159,614</u>		<u>14.26%</u>
<b>Total Assessed Value</b>	<u><u>\$104,780,322</u></u>			<u><u>\$78,275,702</u></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

5 In Fiscal Year 2016, International Malting Company LLC changed to Malteurop North America Inc.

## Demographic Statistics Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Pop-ulation</u> <sup>1</sup>	<u>Personal Income</u> <sup>2</sup>	<u>Per Capita Income</u> <sup>2</sup>	<u>School Enrollment</u> <sup>3</sup>	<u>Unemploy-ment Rate</u> <sup>4</sup>
2011	58,505	3,076,502	37,437	10,127	6.4%
2012	58,950	3,161,768	38,790	10,109	5.4%
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%

<sup>1</sup> U.S. Census Bureau, Population Estimates, for one calendar year prior.

<sup>2</sup> U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System for Cascade County, Montana [www.bea.doc.gov/bea/regional/bearfacts](http://www.bea.doc.gov/bea/regional/bearfacts). The personal income and per capita income information is for two calendar years prior. Personal income estimates are in thousands of dollars.

<sup>3</sup> Great Falls School District No. 1. Great Falls, Montana.

<sup>4</sup> Montana Department of Labor & Industry Research & Analysis Bureau for Cascade County.

## Major Employers Current Year and Nine Years Ago

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total</u>
Malmstrom Air Force Base	3,960	1	11%	4,740	1	16%
Benefis Health Care Center	3,203	2	9%	2,550	2	8%
Great Falls Public Schools	1,926	3	5%	1,550	3	5%
Montana Air National Guard	1,012	4	3%	1,062	4	3%
Great Falls Clinic	631	5	2%	583	5	2%
Wal-Mart	600	6	2%	487	9	2%
City of Great Falls	589	7	2%	527	7	2%
Cascade County	523	8	1%	527	8	2%
Centene Corporation	319	9	1%	-	-	
Albertsons	285	10	1%	261	10	1%
Asurion (formerly N.E.W. Customer Services Cos.)				580	6	2%

Source: Great Falls Tribune, Great Falls Montana Outlook 2018 printed February 19, 2018

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 59,638 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.