



City Manager's Proposed Budget

Fiscal Year 2023

Presented on June 21, 2022



Budget Background and Development

- Policy Statement
- Budget Methodology
- Budget is often dictated by prior commitments and external factors beyond Commission's control.
- Proposed budget attempts to meet Commission priorities and balance operational needs and maintain expected taxpayer service levels.



City Commission Priorities (February 2022)

1. Promote, educate and take action on the viability, sustainability and efficacy of the Police and Fire Departments
2. Explore the option of a Public Safety Levy
3. Approve and implement appropriate Crime Task Force recommendations
4. Commit to an intentional approach to the housing issue with community partners
5. Continue to work with community partners and the City's development review process to ensure Great Falls is a growing, business friendly community
6. Focus on City facilities and resources



Current Budget Environment

- Lingering COVID Impacts
- National Economic Conditions
 - Work Force!
 - Supply chain disruption
 - Inflation
- CARES/ARPA

As with other private and public entities, the City of Great Falls is not immune from impacts of these environmental factors.



Impacts of Inflation

Product	2020/2021 Cost	2022 Cost	% Increase
Oil Filter	\$ 8.13	\$ 9.76	20%
Air Filter	\$ 34.03	\$ 40.61	19%
Engine Oil	\$ 1.60	\$ 3.38	111%
Tire	\$ 235.00	\$ 265.00	13%
Fire Hydrant	\$ 2,150.00	\$ 2,685.00	25%
Gate Valve	\$ 585.00	\$ 805.00	38%
Chlorine	\$ 710.00	\$ 2,178.00	207%
Liquid Asphalt	\$ 428.00	\$ 899.00	110%
96 Gallon Refuse Containers	\$ 43.00	\$ 56.12	31%
8 Yard Commercial Refuse Container	\$ 1,550.00	\$ 2,189.00	41%



Impacts of Inflation (Cont'd)

Product	2020/2021 Cost	2022 Cost	% Increase
Fertilizer	\$ 392.72	\$ 954.10	143%
Athletic Field Turf Mix	\$ 1.80	\$ 4.50	150%
Wood Chips for Playgrounds	\$ 17.00	\$ 20.00	18%
Freight for Wood Chips	\$ 550.00	\$ 750.00	36%
Landfill Annual CPI Adjustment	\$ 27.98	\$ 29.89	6.85%
6" & 8" Water Main per foot	\$ 56.00	\$ 149.80	168%
12" Water Main per foot	\$ 87.00	\$ 171.40	97%
Gasoline	\$ 1.91	\$ 4.78	150%
Diesel Fuel	\$ 1.44	\$ 5.10	254%

Specific Impacts FY23

- Challenging Combination:
 - COVID “Recovery”
 - No Tax Increase or User Fees
 - Inflation
- Other Key Elements
 - Training
 - Fire Department Turnover
 - Police Department Retirements/Turnover/Promotions
- External Labor costs
- Capital Projects

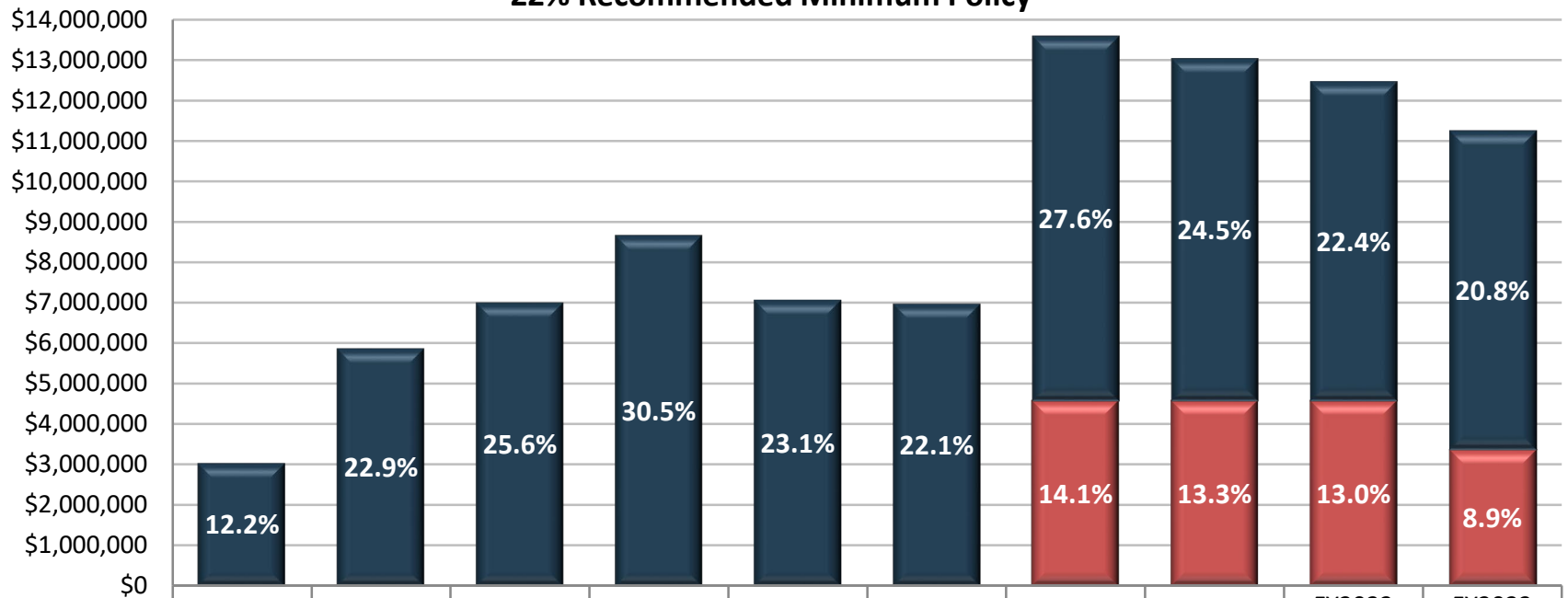


Specific Impacts FY23

- Undesignated Fund Balance Management
 - FY21 - \$552,501 used
 - FY22 - \$571,301 used
 - **FY23 Projected: \$7,885,396 or 20.83%**

General Fund 10 Year Fund Balance

22% Recommended Minimum Policy



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Projected	FY2023 Proposed
■ Fund Balance (\$)	3,068,392	5,892,518	7,026,833	8,684,105	7,086,400	6,992,761	9,009,199	8,456,698	7,885,396	7,885,396
■ CARES Act (\$)							4,584,830	4,584,830	4,584,830	3,379,830

FY24 Look Ahead

- Undesignated Fund Balance Management
- No new anticipated debt
- Unknown Economic Condition – Recession?
- Operations
 - Probationary Firefighters
 - Police Department COPS Grant
 - Crime Task Force Recommendations
 - Newly negotiated CBAs
 - Recreation Center operations
 - Second Municipal Judge
- Legislative Session
 - Assessments
 - CI-121
- Tax Appeals



FY 23 Approach

To meet Commission Priorities and basic service expectations, utilize the following:

- Inflationary Factor
- Permissive Medical Levy
- Fund Balance
- CARES
 - \$1,205,000 for General Fund
 - \$472,000 for other funds
- ARPA
 - \$163,410 - Department budget requests for one-time purchases



Options

1. <u>NO</u> Inflationary Factor or Permissive Medical Levy	(\$2,094,996)	a) Reduce GF by \$2,094,996 b) Use Fund Balance, \$5,790,400 15.29%
2. Use Inflationary Factor <u>and</u> Permissive Medical Levy	(\$1,205,000)	a) Reduce GF by \$1,205,000 b) Use Fund Balance, \$6,680,396 17.64%
3. Use Inflationary Factor, Permissive Medical Levy <u>and</u> Fund Balance	\$0	Use Fund Balance \$1,205,000 17.64%
4. Use Inflationary Factor, Permissive Medical Levy <u>and</u> Fund Balance <u>and</u> CARES	\$0	CARES Balance \$3,379,830 Fund Balance \$7,885,396 20.83%



General Fund Tax & Entitlement Revenue

General Fund Revenue Segment	FY2021 <i>Actual</i> Increases	FY2022 <i>Actual</i> Increases	FY2023 <i>Proposed</i> Increases	Impact to Households
Newly Taxable Property	\$ 119,488	\$ 366,758	\$ 400,000 Amount not known until August	N/A
Inflationary Factor	\$ 0	\$ 0	\$ 641,691	\$100,000: \$8.36 \$200,000: \$16.72
Permissive Medical Levy	\$ 0	\$ 0	\$ 248,305	\$100,000: \$3.23 \$200,000: \$6.47
Entitlement Share	\$ 284,198	\$ 130,271	\$ 294,004	N/A
Total Revenue Increase	\$ 403,686	\$ 497,029	\$ 1,584,000	



American Rescue Plan Use

ARPA Use	FY2023 Budget	Source
Community Grants	\$3,000,000	
IT Network Security	\$140,270	Tier 1 Project
Civic Center AV Upgrades	\$171,331	Tier 1 Project
Fire Station Doors	\$425,000	Tier 1 Project
Fire Truck Refurbishment	\$1,299,337	Tier 1 Project
HR Office Remodel	\$500,000	Tier 1 Project
Parking Garage Security Improvements	\$52,786	Tier 1 Project
Miscellaneous Fire Department Equipment	\$88,410	FY2023 Above & Beyond Request
Park & Rec Admin Building ADA Restroom	\$75,000	FY2023 Above & Beyond Request
Total ARPA Usage in FY2023	\$5,752,134	
Remaining ARPA Balance	\$13,720,603	



CARES Act Use

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
Total CARES Act Usage	\$2,818,151
Remaining CARES Act Balance	\$7,341,012



General Fund Revenue

Reference: Budget Book Pages 20-22

	FY 2021 Actual	FY 2022 Amended	FY 2023 Proposed	Increase (Decrease)	% Change
Taxes	\$ 20,960,760	\$ 21,539,142	\$ 22,978,679	\$ 1,439,537	6.68%
Licenses and Permits	\$ 951,160	\$ 1,070,600	\$ 1,011,200	\$ (59,400)	-5.55%
Intergovernmental	\$ 9,014,619	\$ 9,012,215	\$ 9,464,998	\$ 452,783	5.02%
Charges for Services	\$ 1,194,149	\$ 1,189,958	\$ 1,200,461	\$ 10,503	0.88%
Fines and Forfeitures	\$ 753,720	\$ 770,000	\$ 770,000	\$ -	0.00%
Internal Service	\$ 961,965	\$ 1,004,150	\$ 1,060,044	\$ 55,894	5.57%
Investment Income	\$ 30,810	\$ 15,000	\$ 15,000	\$ -	0.00%
Other	\$ 106,531	\$ 144,322	\$ 156,364	\$ 12,042	8.34%
Total Revenue	\$ 33,973,714	\$ 34,745,387	\$ 36,656,746	\$ 1,911,359	5.50%



General Fund Expenses

Reference: Budget Book Pages 23-33

	FY 2021 Actual	FY 2022 Amended	FY 2023 Proposed	Increase (Decrease)	% Change
Personal Services	\$24,799,481	\$25,776,600	\$27,433,367	\$ 1,656,767	6.43%
Supplies	\$983,724	\$1,062,116	\$1,223,712	\$ 161,596	15.21%
Purchased Services	\$1,682,768	\$1,422,388	\$1,567,366	\$ 144,978	10.19%
Debt Services	\$309,773	\$309,182	\$308,616	\$ (566)	-0.18%
Contributions & Other	\$250,000	\$250,000	\$250,000	\$ -	0.00%
Other	\$39,174	\$21,160	\$20,000	\$ (1,160)	-5.48%
Internal Service	\$4,770,463	\$5,044,222	\$5,439,353	\$ 395,131	7.83%
Capital Outlay	\$31,655	\$0	\$0	\$ -	0.00%
Transfer Out	\$1,659,178	\$1,659,178	\$1,619,332	\$ (39,846)	-2.40%
Total Expense	\$ 34,526,216	\$ 35,544,845	\$ 37,861,746	\$ 2,316,901	6.52%



City-Wide Revenue

Reference: Budget Book Page 18

	FY 2021 Actual	FY 2022 Amended	FY 2023 Proposed	Increase (Decrease)	% Change
Taxes	\$ 25,474,917	\$ 26,001,617	\$ 27,280,154	\$ 1,278,537	4.92%
Licenses and Permits	\$ 2,116,652	\$ 2,185,276	\$ 2,451,128	\$ 265,852	12.17%
Intergovernmental	\$ 28,158,870	\$ 24,896,097	\$ 15,575,147	\$ (9,320,950)	-37.44%
Charges for Services	\$ 50,309,799	\$ 49,379,237	\$ 52,176,709	\$ 2,797,472	5.67%
Fines and Forfeitures	\$ 857,643	\$ 817,500	\$ 831,500	\$ 14,000	1.71%
Internal Service	\$ 14,328,381	\$ 15,324,240	\$ 16,359,901	\$ 1,035,661	6.76%
Special Assessments	\$ 8,622,693	\$ 8,472,176	\$ 8,584,811	\$ 112,635	1.33%
Investment Income	\$ 115,826	\$ 20,650	\$ 20,650	\$ -	0.00%
Other	\$ 1,932,478	\$ 800,576	\$ 605,535	\$ (195,041)	-24.36%
Transfer In	\$ 2,892,679	\$ 5,589,121	\$ 2,498,405	\$ (3,090,716)	-55.30%
Issuance of Debt	\$ 6,423,758	\$ 9,940,000	\$ -	\$ (9,940,000)	-100.00%
Sale of Assets	\$ (41,528)	\$ -	\$ -	\$ -	0.00%
Total Revenue	\$ 141,192,169	\$ 143,426,490	\$ 126,383,940	\$ (17,042,550)	-11.88%



City-Wide Expenses

Reference: Budget Book Page 18

	FY 2021 Actual	FY 2022 Amended	FY 2023 Proposed	Increase (Decrease)	% Change
Personal Services	\$46,026,184	\$49,595,721	\$52,150,775	\$ 2,555,054	5.15%
Supplies	\$5,341,426	\$6,537,444	\$6,963,791	\$ 426,347	6.52%
Purchased Services	\$27,012,864	\$30,286,621	\$28,808,733	\$ (1,477,888)	-4.88%
Debt Services	\$6,851,385	\$7,321,282	\$6,564,098	\$ (757,184)	-10.34%
Contributions & Other	\$1,406,733	\$2,296,872	\$2,243,463	\$ (53,409)	-2.33%
Other	\$333,998	\$31,610	\$20,450	\$ (11,160)	-35.31%
Internal Service	\$13,063,616	\$13,902,078	\$15,338,263	\$ 1,436,185	10.33%
Capital Outlay	\$15,114,623	\$39,030,310	\$34,181,948	\$ (4,848,362)	-12.42%
Transfer Out	\$2,905,963	\$3,197,003	\$2,498,405	\$ (698,598)	-21.85%
Total Expenses	\$ 118,056,792	\$ 152,198,940	\$ 148,769,926	\$ (3,429,014)	-2.25%



Fund Review

Reference: Fund Detail Worksheet

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



Proposed Rate, Assessment and Fee Adjustments

	Department	Division	FY2023 Adjustment	Prior 2 Years Adjustments
Utility	Public Works	Water	5%	0%
Utility	Public Works	Sewer	5%	0%
Utility	Public Works	Storm Drain	5%	0%
Utility	Public Works	Sanitation - Commercial	10% (May '22)	0%
Utility	Public Works	Sanitation - Residential	10% (May '22)	0%
Assessment	Park & Rec	Natural Resources – Boulevard	12%	0%
Assessment	Park & Rec	Portage Meadows	5%	0%
Assessment	Park & Rec	Park Maintenance District	0%	0%
Assessment	Public Works	Street Maintenance	0%	0%
Assessment	Special Districts	Street Lighting Districts	4.5%	- 1.0%



Capital Outlay Major Projects

Reference: Budget Book Pages 131-135

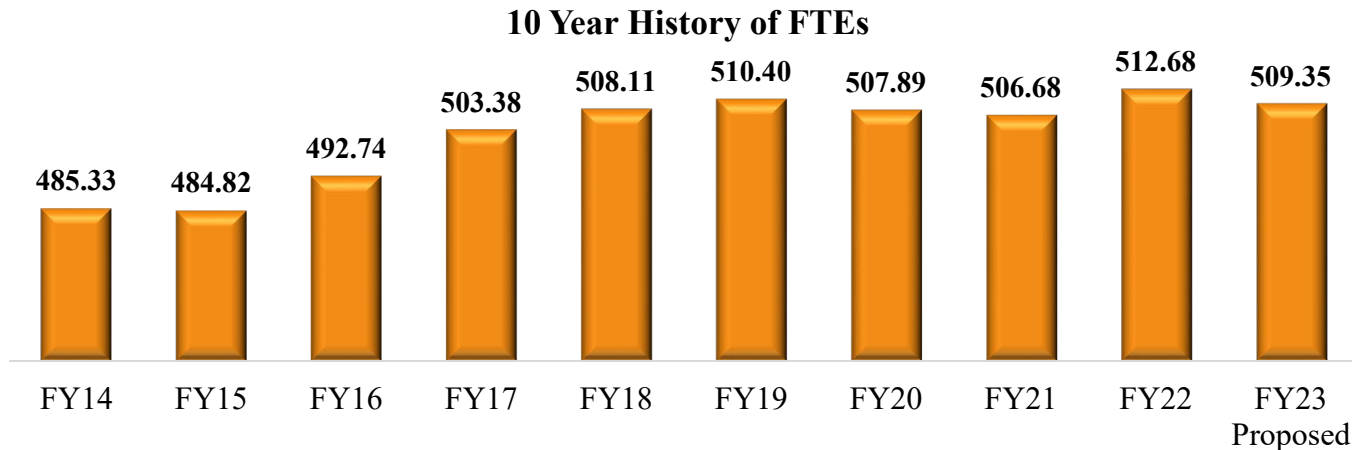
Major Project	Project Budget
Street/BaRSAA East Fiesta & Giant Springs Rd	\$1,268,369
Water Plant Filter Replacement Phases 2 & 3	\$6,000,000
Water Main Replacements	\$2,900,000
Sewer Lift Station #1	\$5,000,000
Sewer Plant Clarifier Repair	\$2,000,000
Central Ave & 3 rd St Storm Drain	\$1,200,000
Year 5 Park District Projects	\$494,220
6 Patrol Cars	\$239,760
Street Equipment (Sweeper, roller, dump truck)	\$666,160
Sanitation Sideloader	\$362,310
Various ARPA Projects	\$5,663,724
Total Capital Outlay Budget in FY2023	\$34,181,948



FTE Counts

Reference: Budget Book Pages 125-130

General Fund – Police	COPS Grant – Added 3 positions	3.00
Planning & CD	Removed 1 Development Engineer	(1.00)
Library	Part-time clerk/custodian to full-time	0.38
Park & Recreation	Recreation/Pool hours moved to temporary/seasonal	(5.84)
Civic Center Facilities	Reorganization from PCD to Administration	(0.10)
Engineering	Re-instated Summer intern position	0.25
Total Increase (Decrease) in FY2023		(3.33)



Making Progress

- Civic Center façade
- Park Maintenance District
- Recreation & Aquatics Center
- ARPA/CARES Projects
- ***Crime Task Force***
 - COPS Grant added 3 new officers
 - Patrol Sergeants
 - Addressing some needs for both Fire/Police
- ECP Debt Paid!

Next Steps

- Today
 - City Manager's Budget Transmittal
- June 28th & June 29th – (Tentative)
 - Special Commission Budget Work Sessions
- July 5th
 - Work Session & Set Public Hearing
- July 19th
 - Public Hearing & Adopt or Continue Budget
- August 16th
 - Adopt Mill Levy