

FISCAL YEAR 2026 BUDGET

GENERAL FUND

June 26, 2025 Special Work Session



Commission Goals & Priorities

January 2025



- Review City Services
- Public Safety
- Community Development
- Communication/Education
- Legislative Process

City Manager Goals and Priorities

March 2025



General

- Support Commission's Goals
- Continue to contribute and monitor the GMP to success.
- Maintain Executive Team support, training and development.
- Hire Deputy City Manager.
- Assist with CBA process.
- Prepare the city for increased, but moderate growth
- Support public safety focus

Tactical

- P&R operations
- Visiting departments
- Create an economic development officer position
- Resolve access issues to the WWTP with Calumet and BNSF
- Employee recruitment and retention
- Outline a facility plan for the Zellerbach Building



FY2026 Budget Arena

National Trends: Tight labor market, inflation pressures, moderate growth

State: BBER – Slow to modest growth, unemployment rate (2.7%), real estate “cooling”, State Law changes from Legislative Session

City:

- Pending Tax Protest
- Revenue Forecast
- Use of Fund Balance since 2021
- Collective Bargaining Agreements (Active/Pending)
- General Fund Subsidy – SAHBS Performance, Events

Legislative Impacts FY2026 and Beyond



SB 117	<ul style="list-style-type: none">• Full 3-year average inflation % up to 4%• 75% of newly taxable property for residential and commercial• 40% of newly taxable property for industrial (10% reserve account)• Effective FY2027• Full effect dependent on MTDOR administration
HB 231 & SB 542	<ul style="list-style-type: none">• Tiered tax rates for residential and commercial• Temporary tax rate structure for FY2026, full effect in FY2027• Floating mill will preserve City revenue• One-time reset of voted levies (Library)• Full effect dependent on MTDOR administration



FY2026 General Fund Drivers



Tax Protest	Approximately \$1,100,000 uncollected in FY2024. Approximately \$662,000 in FY2025. Anticipated to continue for 3 rd year, FY2026. Settlement percentage is unpredictable.
Library Mills	Return of 3.5 City mills to the General Fund. Used towards debt service on Fire Training Center improvements.
Personnel	New 2-year Collective Bargaining Agreements effective July 1, 2025. Not all have been finalized.
	Health insurance rates increased 5%, employee share increase from 15% to 20%. No increase to Permissive Medical Levy.
General Fund Subsidies	Additional subsidies needed for Aim High Big Sky Rec Center (\$100,000), outdoor swimming pools (\$80,000), and Civic Center Events (\$100,000)
Fund Balance	Revenues under expenses by \$647,845 → use of fund balance in FY2026. 23.8% projected fund balance, 22% target. Legislative changes in FY2027.

Other General Fund Highlights

Above & Beyond requests for Fire Department - \$41,500 for PPE, fire hose and nozzle replacement, and SCBA safety testing

Funding for one general municipal election

Above & Beyond approval for watering parks and greenspace - \$91,479 due to water rate increase

Return of 3.5 City mills to the General Fund from the Library

Debt service payment on loan to complete \$2,500,000 of improvements at Fire Training Center

SRO funding from Great Falls Public Schools towards additional 5th officer

Additional \$28,612 to fund the Equipment Revolving Schedule for police cars, fire, and parks vehicles

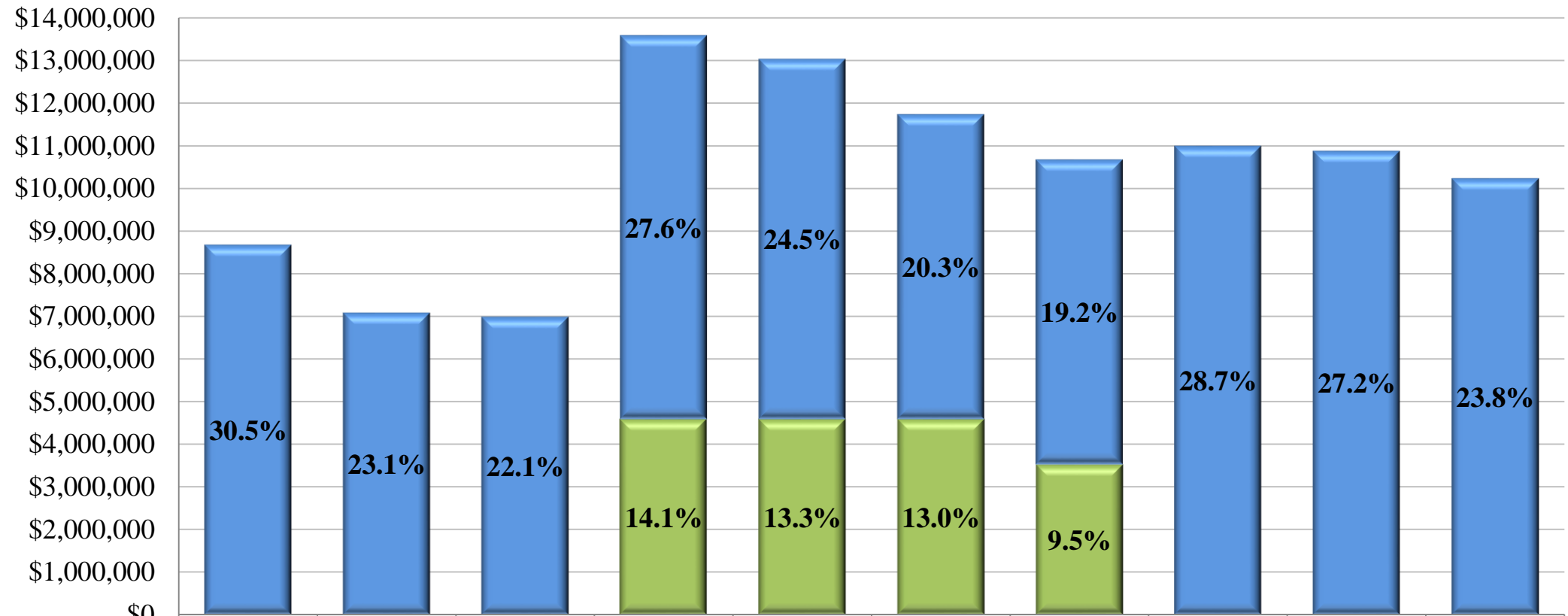
Decrease of \$100,000 to traffic fines revenue

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

General Fund Fund Balance



22% Recommended Minimum Policy



■ Fund Balance (\$)	8,684,105	7,086,400	6,992,761	9,009,199	8,456,698	7,156,251	7,156,251	11,000,824	10,886,763	10,238,918
■ CARES Act (\$)				4,584,830	4,584,830	4,584,830	3,523,137			

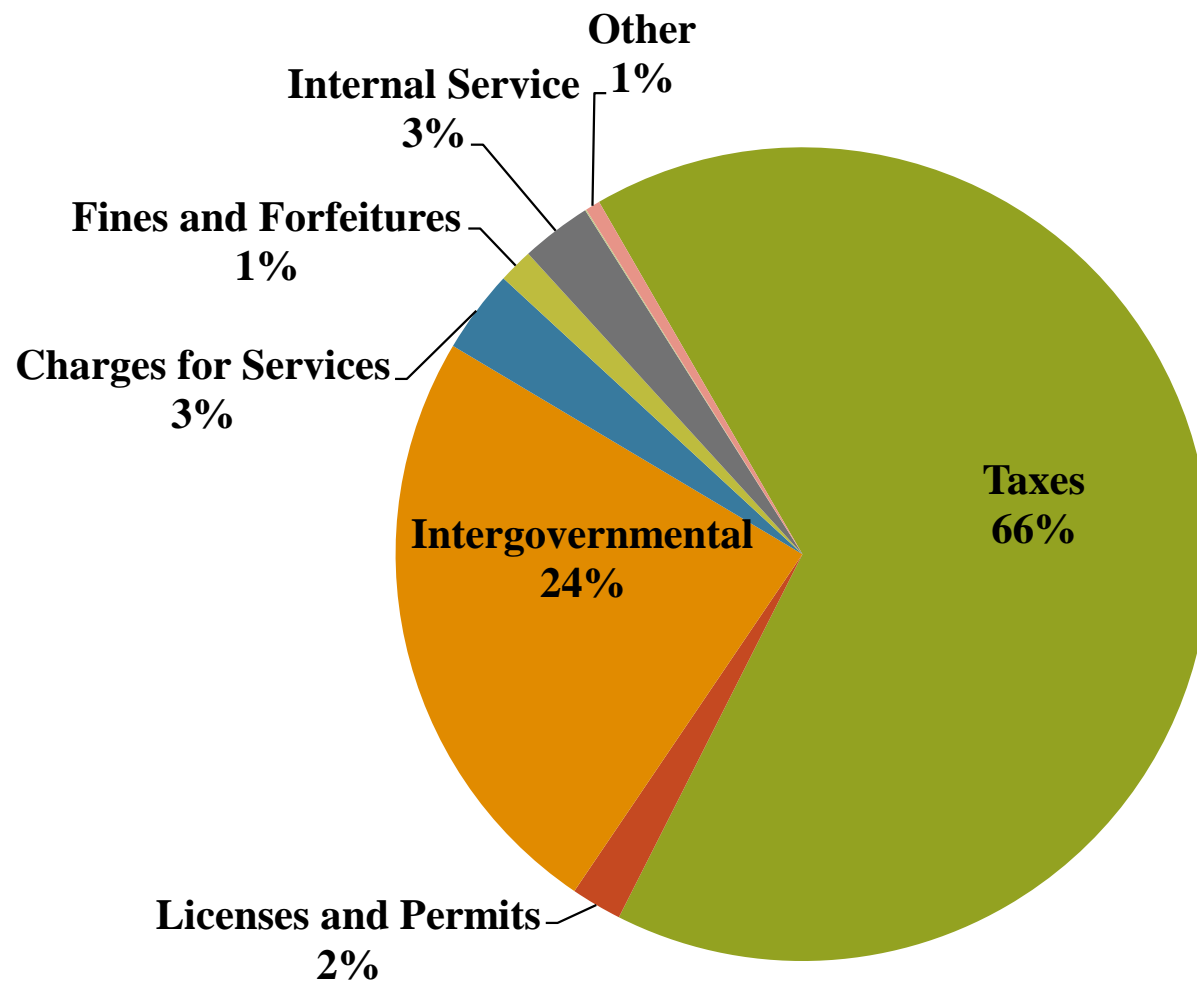
General Fund Revenue Increases

General Fund Revenue Segment	FY2024 Increases	FY2025 Increases	FY2026 Increases	Estimated Household Impact
Newly Taxable Property	\$ 1,510,213 Protested: Approx. \$1,093,591	\$ 710,064	\$ 400,000 Estimated Amount not known until August	-
Inflationary Factor	\$ 446,080	\$ 562,520	\$ 448,822	\$100,000 Value - \$2.58 \$300,000 Value - \$7.74 \$600,000 Value - \$17.80
Permissive Medical Levy	\$ 353,043	\$ 317,544	\$ 0	-
Entitlement Share	\$ 311,446	\$ 319,522	\$ 87,666	-
Total Revenue Increases	\$ 2,620,782	\$ 1,909,650	\$ 936,488	-

FY2026 Detail General Fund Revenue

Revenues	FY2025 Adopted	FY2026 Proposed	Increase (Decrease)	% Change
Taxes	\$ 26,018,186	\$ 27,878,496	\$ 1,860,310	7.15%
Licenses and Permits	\$ 929,200	\$ 857,200	\$ (72,000)	-7.75%
Intergovernmental	\$ 10,116,751	\$ 10,204,417	\$ 87,666	0.87%
Charges for Services	\$ 1,221,048	\$ 1,400,423	\$ 179,375	14.69%
Fines and Forfeitures	\$ 680,000	\$ 580,000	\$ (100,000)	-14.71%
Internal Service	\$ 1,174,859	\$ 1,189,147	\$ 14,288	1.22%
Investment Income	\$ 20,000	\$ 20,000	\$ -	0.00%
Other	\$ 210,250	\$ 248,690	\$ 38,440	18.28%
Total Revenue	\$ 40,370,294	\$ 42,378,373	\$ 2,008,079	4.97%

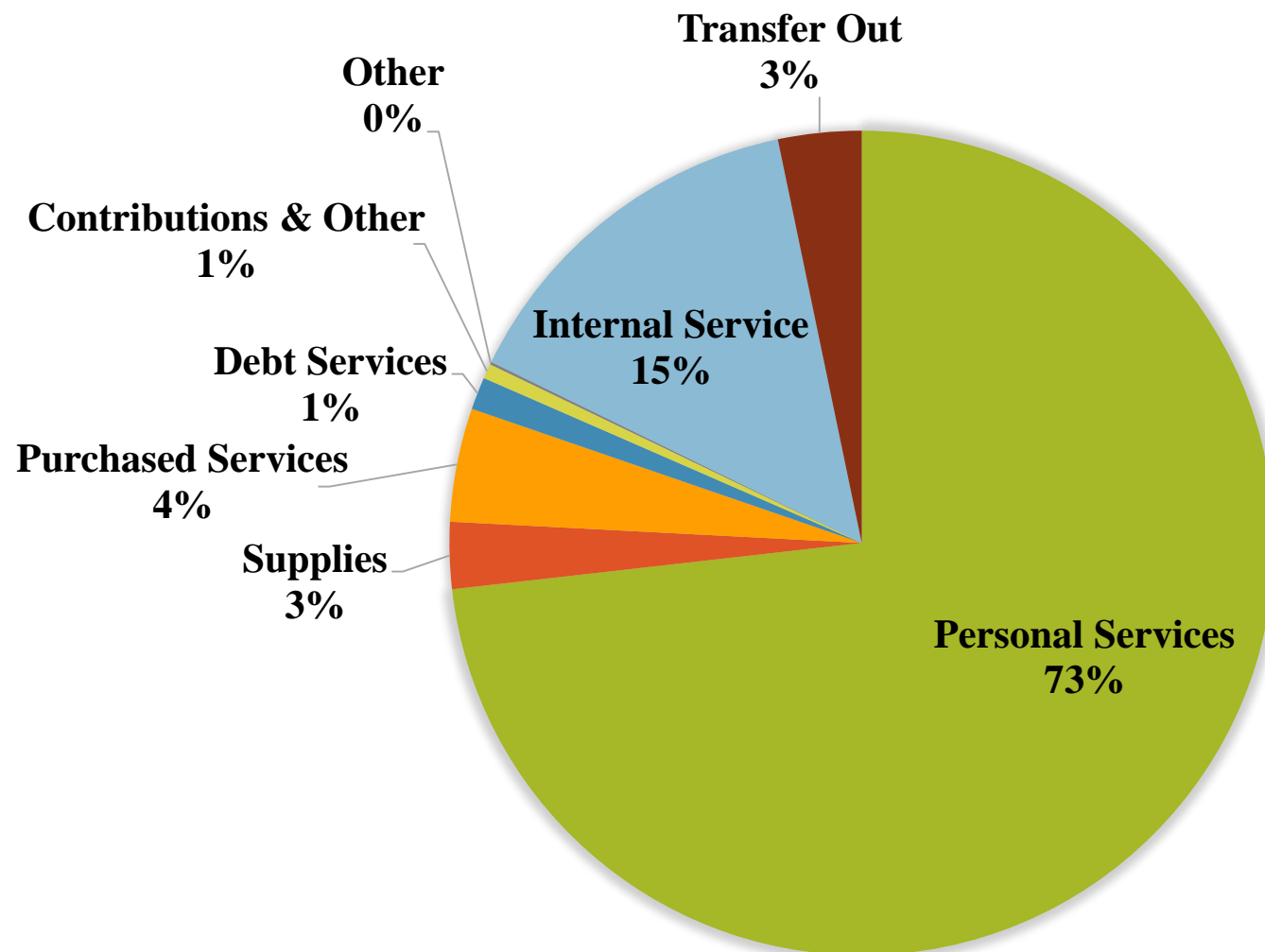
FY2026 Detail General Fund Revenue



FY2026 Detail General Fund Expenses

Expenses	FY2025 Adopted	FY2026 Proposed	Increase (Decrease)	% Change
Personal Services	\$ 29,958,845	\$ 31,498,933	\$ 1,540,088	5.14%
Supplies	\$ 1,107,109	\$ 1,124,321	\$ 17,212	1.55%
Purchased Services	\$ 1,815,389	\$ 1,915,730	\$ 100,341	5.53%
Debt Services	\$ 313,695	\$ 548,797	\$ 235,102	74.95%
Contributions & Other	\$ 250,000	\$ 250,000	\$ -	0.00%
Other	\$ 45,000	\$ 45,000	\$ -	0.00%
Internal Service	\$ 6,128,184	\$ 6,238,960	\$ 110,776	1.81%
Transfer Out	\$ 1,196,477	\$ 1,404,477	\$ 208,000	17.38%
Total Expense	\$ 40,814,699	\$ 43,026,218	\$ 2,211,519	5.42%

FY2026 Detail General Fund Expenses



Public Safety Shortfall without Entitlement Share Revenue



Police Department Budget	\$ 18,448,895
Fire Department Budget	\$ 12,318,105
Total Police & Fire Budgets	\$ 30,767,000
Less Tax Revenue	(\$ 27,878,496)
Public Safety Shortfall	\$ 2,888,504

Upcoming Budget Process



- **Today**
 - Presentation of General Fund
- **July 1st**
 - Work Session – full budget presentation
- **Additional budget work sessions?**
- **July 15th – *Commission Action***
 - Set public hearing
- **August 5th – *Commission Action***
 - Conduct public hearing and Adopt or Continue Budget
- **August 19th – *Commission Action***
 - Adopt Annual Tax Levy