

**City of
Great Falls
Montana**



**Adopted Budget
Fiscal Year 2017
July 1, 2016 - June 30, 2017**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Great Falls
Montana**

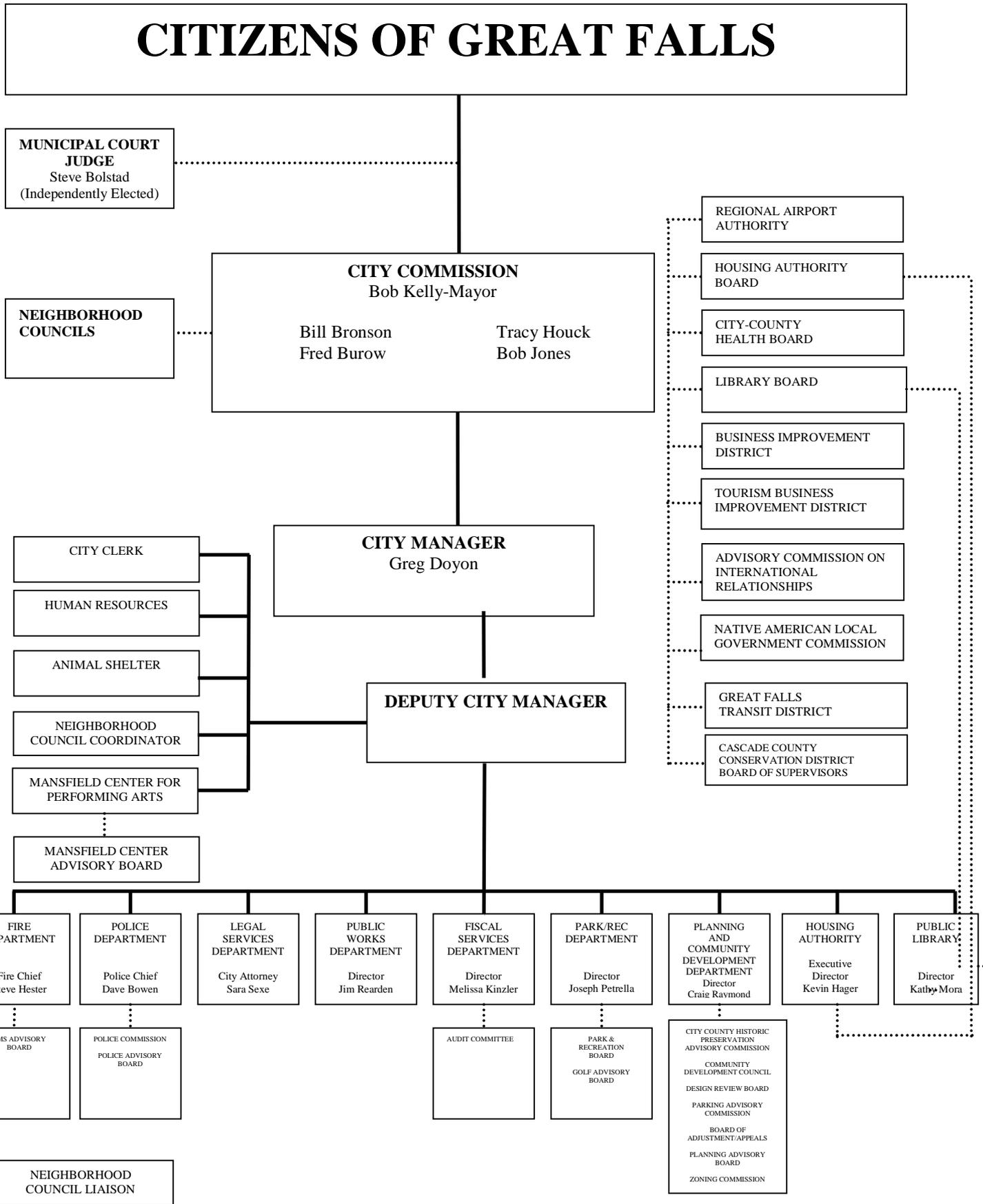
For the Fiscal Year Beginning

July 1, 2015

Executive Director

The 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 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, 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.



Mayor



Bob Kelly

City Manager



Greg Doyon

City Commission



Bill Bronson



Tracy Houck



Bob Jones



Fred Burow

Name	Elected Positions	Phone Number
Bob Kelly	Mayor	870-0212
Bill Bronson	Commissioner	452-5921
Fred Burow	Commissioner	727-0930
Tracy Houck	Commissioner	781-8958
Bob Jones	Commissioner	453-5005
Steve Bolstad	Municipal Judge	771-1380

Appointed Positions

Greg Doyon	City Manager	455-8450
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Department Positions

Vacant	Deputy City Manager	455-8450
Lisa Kunz	City Clerk	455-8451
Vacant	Human Resource Manager	455-8448
Patty Cadwell	Neighborhood Councils Coordinator	455-8496
Dona Hughes	Civic Center Events Coordinator	455-8495
Craig Raymond	Planning & CD Director	455-8530
Bruce Haman	Building Official	455-8530
Tom Micuda	Deputy Planning and CD Director	455-8432
Kevin Hager	Housing Authority/ Executive Director	453-4311
Melissa Kinzler	Fiscal Services Director/Budget Officer	455-8476
Jon Legan	Information Technology Manager	455-8483
Steve Hester	Fire Chief	727-8070
Dirk Johnson	Fire Marshal	727-8070
Sara Sexe	City Attorney	455-8441
Neil Anthon	Chief Prosecutor	455-8449
Joseph Petrella	Park & Recreation Director	771-1265
Patty Rearden	Deputy Park & Recreation Director	771-1265
Lonnie Dalke	Parks Supervisor	771-1265
Todd Seymanski	City Forester	771-1265
Dave Bowen	Chief of Police	455-8410
Kathy Mora	Library Director	453-9706
Jim Rearden	Public Works Director	727-8390
David Dobbs	Public Works/City Engineer	771-1258
Mike Judge	Public Works/Utility Systems Supervisor	727-8390
Wayne Lovelis	Public Works/Water Plant Supervisor	727-1325

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

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, 120 miles south of the Canadian border. The City serves as a gateway to the Glacier-Waterton International Peace Park and is on a main thoroughfare to Yellowstone 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 58,893 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/Manger 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.

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

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.

Class of City	First Class
County located in	Cascade
Year Incorporated	1888
Active Registered Voters	25,137
Inactive Registered Voters	12,624
Population	59,638
Form of Government	Commission/ Manager



City of Great Falls City Commission Goals

1. Support Public Safety
 - a. Adopt revised 911 Center Interlocal Agreement
 - b. Monitor and if necessary, address equipment, training, and personnel needs
2. Park and Recreation
 - a. Review and consider Park Master Plan recommendations (including aquatics)
 - b. Explore adoption of a Park Maintenance District
3. Civic Center
 - a. Consider office space need options
 - b. Determine funding process for façade
4. Library
 - a. Work with Library Board to develop sustainable business
 - b. Evaluate future financing options
5. Support the City Manager and Department Heads
 - a. Prioritize key community issues
 - b. Provide clear policy guidance

City Manager's Budget Objectives

1. Tackle deferred operational/capital needs.
2. Service/Cost Effectiveness.
3. Citywide Fund Stabilization and Performance.
4. Focus on programs, services, and policies that are sustainable.
5. Protect the City's investment in personnel.
6. Foster interdepartmental collaboration and long range planning in order to avoid significant increases in operating costs.



City Manager's Budget Message

Honorable Mayor and City Commission:

It is my pleasure to present the Fiscal Year 2017 (FY 2017) City of Great Falls Annual Budget.

The City's financial position is stronger and more stable than in prior years due to a focused City Commission and collaborative department leadership team. While there are always certain funds that do not perform as desired, a majority of the City's departments are in healthy shape. The stronger financial position allows city leadership to begin tackling deferred needs in operations and capital.

The City Commission drives the budget process by defining broad goals. The Commission's goals for FY 2017 include:

1. Public Safety
 - a. Adopt revised 911 Center Interlocal Agreement
 - b. Monitor and if necessary, address equipment, training, and personnel needs
2. Park and Recreation
 - a. Review and consider Park Master Plan recommendations (including aquatics)
 - b. Explore adoption of a Park Maintenance District
3. Civic Center
 - a. Consider office space need options
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 - a. Work with Library Board to develop sustainable business
 - b. Evaluate future financing options
5. Support the City Manager and Department Heads
 - a. Prioritize key community issues
 - b. Provide clear policy guidance

Using these goals, the City Manager, along with the department leadership team developed a budget, identifying objectives to meet these broader goals. The City Manager also has specific priorities. For FY 2017, these objectives include: 1) Tackling deferred operational/capital needs 2) Service/Cost Effectiveness 3) Citywide Fund Stabilization and Performance 4) Focus on programs, services, and policies that are sustainable 5) Protect the City's investment in personnel 6) Foster interdepartmental collaboration and long range planning in order to avoid significant increases in operating costs.

The adopted budget continues to address long standing operational and capital needs. Specifically, the adopted budget exceeds the minimum 17% undesignated fund balance. The projected fund balance for FY 2017 is 21%. A strong fund balance is critical for two reasons: First, the city needs to meet its financial policy minimum for cash flow needs.

Secondly, fund balance is necessary to retain the City’s quality, low risk credit rating. Maintaining strong credit rating is critical, as the city will need to bond long-term debt for major capital projects such as the Civic Center façade, roof and large capital equipment purchases like fire trucks.

The overall budget challenge for FY 2017 balances operational needs with deferred capital maintenance. In FY 2017 budget, the Administrative Draft Capital Improvement Plan identified over \$12,146,149 in needs for FY 2017, which already included many deferred projects. Of the \$12,145,149 identified in the CIP, the City was only able to allocate \$399,000 in FY 2017 budget.

Two years ago, the City Commission identified critical needs in public safety – which includes law enforcement, fire, dispatch, and the City Attorney’s office. The prioritization of these areas is commonly referred to as the “pivot to public safety”. To address these needs, the focus has been on people, equipment, and facilities. The City Commission and city management have attempted to address these needs without asking for a Public Safety Levy.

Prior year budget efforts to improve Public Safety needs have made a positive impact. The City’s Fire/Rescue ISO insurance rating received an upgrade in 2016. The upgrade has direct financial impact on residential/commercial fire insurance rates in the city. Additional firefighters and dispatchers provide better flexibility for staffing coverage. The additional police officers in the FY 2017 budget, places more officers on patrol and an additional detective to reduce the overwhelming case load in the Special Victims Unit.

Enhancing Public Safety means that there is impact on other areas of the city’s budget. Where possible, management asked departments to explore additional revenue opportunities to offset reductions in appropriations. Some departments have revenue options available to them that are not available to General Fund dependent departments. The adopted budget includes adjustments in property taxes as detailed below:

Adopted Property Tax Detail

<i>Property Tax</i>	<i>% Increase</i>	<i>Impact on Property Value of \$100,000</i>
Permissive Medical Levy	2.48%	\$5.58
Inflation Factor	.50%	\$1.09

FY 2017 Budget Highlights

Operations

- Public Safety Support – Additional Equipment, Facilities, People
- Capital Improvements – Building Reserves, Facility Maintenance and Equipment
- Development Process Improvements – Additional Staffing
- Environmental Compliance – Storm Drain Compliance Technicians
- River’s Edge Trail Maintenance Support
- Fund Health
- Golf – Debt Service Recovery Plan

Most operational changes in the adopted General Fund budget include staff increases to address needs and supplement a stretched workforce. The adopted budget includes three new police officers (two patrol, one special victims unit), a new fire department quick response vehicle, additional plan review personnel in Planning and Community Development, and River's Edge Trail support.

Other significant operating appropriations include funding for emergency generators at the Fire Station #3, training for various departments, and a new server for Municipal Court records.

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 2017 adopted budget included the following capital items:

- Ambulance/Squad Response – (\$180,000)
- Fire Facility Improvements – (\$50,000)
- Natural Resource (\$45,000 vehicle & equipment replacement)
- Civic Center Parking (\$40,000 crack sealing)
- Civic Center Facility
 - IT Server Room A/C (\$25,000)
 - P&CD A/C (\$45,000)
 - Back-Up Server (\$30,000)
- P&R Irrigation (\$50,000 CRF)

Water, Sewer, Storm Water Utilities

The adopted FY 2017 budget recommends an increase in the water rates (10%), sewer (3%) and storm water (10%). Rates are established by determining the cost for operating the utility, addressing ongoing system maintenance needs and capital projects. Despite the regular rate utility rate increases, the City of Great Falls has the *lowest* combined utility rates of any Class 1 city in Montana.

The regulatory environment has an incredible effect on all utility rates. When rate setting occurs for utilities in March/April 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.

The City's overall budget increased by 5.43% from FY 2016 Amended budget. One major reason for the increase is an extensive Water Treatment Plant upgrade of \$28.6 million dollars. The upgrade by itself constitutes 22.36% of total budget.

Proposed Utility Rate Summary

<i>Utility</i>	<i>% Increase</i>	<i>Average Residential Impact</i>
Water	10%	\$3.54
Sewer	3%	\$.73
Storm Water	10%	\$.52

Street, Lighting, and Boulevard Special Assessments

The adopted budget does not include increased assessment for Boulevard District or Streets. The City’s lighting districts will see a reduction of 17.8%.

Debt Service

The City of Great Falls has a high debt capacity, but very low debt. In FY 2017, the City will retire its Swimming Pool General Obligation (Mitchell Pool and neighborhood pool repairs) debt service. The FY 2017 budget also includes a debt repayment plan for the City’s two golf courses, which owe \$816,512 to the General Fund. Over the next eight years, the Golf Fund will repay the General Fund \$102,064 annually.

Utilizing its non-voted general obligation debt, the City Commission authorized debt to replace Great Falls Fire Rescue’s Quick Response Unit/Ambulance (\$180,000 plus \$40,000 for equipment). Management also recommended the Commission prepare for a bond levy for repairs of the Civic Center. Three years ago, the Commission received an engineering report, which estimated over \$4 million worth of repairs to the building’s separating and cracking façade. Recently, the Civic Center roof has developed significant leaks. Management anticipates that the City Commission will consider requesting approval for a General Obligation Bond from the voters in 2017 after additional engineering studies are completed.

Future Challenges and Opportunities

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

- Information Technology – Architecture, Retention, Security
- Needed Office Space in Civic Center
- Diminishing budget flexibility with Public Safety Pivot
- Civic Center Façade Restoration
- Implementation of the Park and Recreation Master Plan
- Staffing - Prosecution and Special Victims Caseload

During the FY 2017 budget, the Commission contemplated several alternative operational and revenue enhancement options. The Commission agreed to explore some of these options to address recurring operational capital, and budget deficiencies.

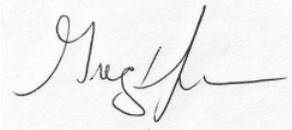
- Civic Center Convention Closure (\$72,000 loss with ISC redirect)
- Library Revenue (mill revenue increase to support operations, must be voter approved)
- Natatorium Closure (\$144,663 savings)
- Park Maintenance District (directed to explore in conjunction with Park Management Plan)
- Golf Course Closure – (\$70,000 minimal maintenance required)
- Street Arterial Assessment

In Closing

The City Manager's budget presentation to the City Commission is available for viewing on the City's web site www.greatfallsmt.net as well as numerous supplemental budget documents. Budget presentations are available for viewing on the City's web site www.greatfallsmt.net/fiscalservices/2017-proposed-budget

Despite some of the challenges described, 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 former Deputy City Manager Jennifer Reichelt, Fiscal Services Director Melissa Kinzler, and Budget Technician Korri Shupe for their assistance.

Respectfully submitted,



Gregory T. Doyon
City Manager

The City Commission has final authority and responsibility for budget development in the City. The City Charter requires the City Manager to "prepare and present the budget to the City Commission". The Budget was prepared by the Fiscal Services Department under the direction of the City Manager. Although Fiscal Services coordinates budget development and creates the budget document, it represents a major effort by all City departments.

The Budget Cycle

February

- ◆ Open budget system for budget entry
- ◆ Work session with City Commission and Department Heads to set informal 2017 budget priorities - open to the public

March

- ◆ City Manager and Department Heads meet to discuss 2017 budget priorities

April

- ◆ Distribution of budget instructions and forms
- ◆ Training sessions offered for Administrative Staff and Department Heads on budget entry, budget inquiry and reports
- ◆ Development of City Departments requested budgets

May-June

- ◆ Finalize fixed and internal service charges to City Departments
- ◆ City Departments present requested budgets to City Manager
- ◆ City Department Heads present their budgets to each other
- ◆ City Manager's review - development of City Manager's Proposed Budget

June-July

- ◆ City Manager led City Commission Budget Work Sessions
- ◆ City Manager's Proposed Budget Document presented to the City Commission
- ◆ Public hearing advertisement
- ◆ Proposed City Budget available for public inspection
- ◆ Formal public hearing on the Proposed City Budget
- ◆ Annual Budget Resolution - City Commission adoption
- ◆ July 1 - start of new fiscal year

August-September

- ◆ 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 Adopted Budget Document

I. Budget Documents

There are two bound documents prepared by the Fiscal Services Department.

A. The City Manager's Proposed Budget

The City Manager's Proposed Budget is presented to the City Commission and made available to the public in July. This document is the basis for the public hearing on the budget.

B. The City of Great Falls Annual Adopted Budget

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

II. Budget Finalization

The formal conclusion of the budget development process occurs on or before the second Monday in August. For this FY 2017 budget:

- The proposed budget was presented on June 28, June 30, and July 5, 2016.
- The public hearing on the proposed budget was set on July 5, 2016.
- The public hearing on the proposed budget was held on July 19, 2016.
- The annual budget was adopted July 19, 2016.
- ◆ The annual tax levy was set on August 16, 2016.
- ◆ Subsequent tax valuation information may require mid-year budget revisions.

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

III. 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.

The City Commission serves as the legislative and governing body of the City of Great Falls. It is responsible for establishing City policies and goals. The City Commission has the authority to adopt laws, ordinances, and resolutions as needed to conduct the business of the City.

Administration Group includes:

1. **The City Manager’s Office** is responsible for assuring the city commission’s policy direction is carried out and 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.
2. **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.
3. **The Human Resource Division** is responsible for recruitment, organizational training, labor relations, and development of City personnel.
4. **Neighborhood Council Liaison** is responsible for providing technical and general information to Neighborhood Councils, Council of Councils, City Staff, and the City Commission and Great Falls citizens.
5. **Animal Shelter Operations** is responsible for day to day operations of the Great Falls Animal Shelter.
6. **Civic Center Events** is responsible for day to day operations of the Mansfield Center for the Performing Arts.

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.

The Fiscal Services Department provides and accounts for services in support of other City operations. Fiscal Service operations encompass:

- | | |
|-----------------------------|----------------------------------|
| Accounts Payable/Receivable | Mapping/GIS |
| City Assessments | Payroll |
| Information Technology | Budget and Analysis |
| City Mail | Utility Billing/Customer Service |

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, 32 units of Affordable Housing at seven sites in Great Falls, and manages 265 Section Eight Vouchers.

The Legal Services 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.

The Municipal Court provides for direct courtroom proceedings and the record and receipt functions necessary to follow through with Municipal Court dispositions, and for jail alternatives. The Municipal Court Operations are administered by the Municipal Court Judge.

The Park and Recreation Department is responsible for the City's parks and trees, swim pools, golf courses, and City implemented recreation programs.

The Planning and Community Development Department serves the citizens of Great Falls by facilitating, promoting, and ensuring quality planning development for our community. Provides services associated with land development, subdivision review, transportation planning, rezoning, annexations, and land use planning. The Department is responsible for:

- | | |
|------------------------------------|--------------------------|
| Building Permits | Civic Center Maintenance |
| Federal Block Grants & Home Grants | Licensing |
| Parking and Zoning | Hazard Removal |

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.

The Public Library provides the residents of Great Falls and Cascade County 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.

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

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

Special District Funds are funds not assigned to specific Departments or funds overseen by several Departments.

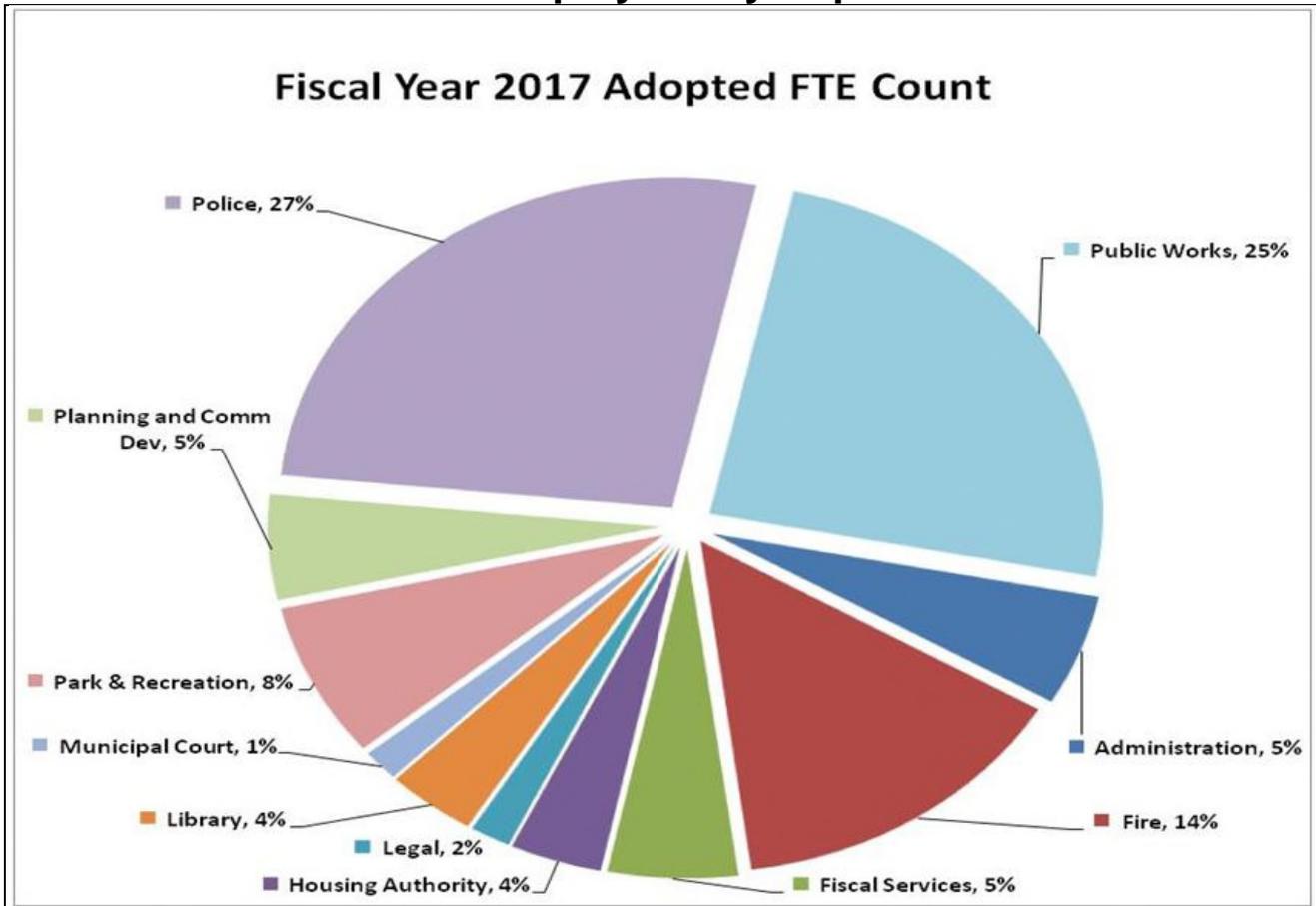
Departments

Funds	City Commission	Administration	Fire Department	Fiscal Services Department	Housing Authority	Legal Services Department	Municipal Court	Public Library	Park and Recreation Department	Planning & Community Development Department	Police Department	Public Works Department	Special Districts
General	X	X	X			X	X		X		X		
Special Revenue Funds													
Park & Rec Special Revenue									X				
Parkland Trust									X				
Library								X					
Library Foundation								X					
Planning & Comm Dev										X			
Central MT Ag Tech TID													X
West Bank Urban Ren TID													
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				
Street District												X	
Support & Innovation													X
911 Special Revenue											X		
Police Special Revenue											X		
HIDTA Special Revenue											X		
Fire Special Revenue			X										
Federal Block Grant										X			
HOME Grant										X			
CTEP Projects										X			
Housing Authority					X								
Street Lighting Districts													X
Debt Service Funds													
Soccer Park Bond													X
Swim Pool Rehab Bond													X
West Bank TID													X
Improvement District Revolving													X
Master Debt SILD													X
General Obligation Taxable Bond													X

Departments

Funds	City Commission	Administration Department	Fire Department	Fiscal Services Department	Housing Authority	Legal Services Department	Municipal Court	Public Library	Park and Recreation Department	Planning & Community Development Department	Police Department	Public Works Department	Special Districts
Capital Projects Funds													
General Capital Projects		X		X					X			X	
Improvement Districts Projects													X
Street Lighting Construction													X
Hazard Removal										X			
Enterprise Funds													
Golf Courses									X				
Water												X	
Sewer												X	
Storm Drain												X	
Sanitation												X	
Electric													X
Swimming Pools									X				
911 Dispatch											X		
Parking													
Recreation									X				
Multisports									X				
Ice Breaker Run									X				
Civic Center Events		X											
Special State Projects													X
Port Authority													X
Internal Service Funds													
Central Garage												X	
Information Tech				X									
Insurance & Safety		X											
Health & Benefits		X											
Human Resources		X											
City Telephone				X									
Fiscal Services				X									
Engineering												X	
Public Works Admin												X	
Civic Center Facility										X			

Full Time Employees by Department



	FY 2015 Actual	FY 2016 Amended	FY 2017 Adopted
Administration	25.07	26.39	26.67
Fire	69.00	71.00	71.00
Fiscal Services	26.06	26.06	26.06
Housing Authority	18.50	18.50	18.50
Legal	7.25	7.25	8.25
Library	17.47	17.47	18.17
Municipal Court	7.50	7.50	7.50
Park & Recreation	36.04	36.47	37.05
Planning and Comm Dev	25.12	24.92	25.25
Police	127.00	129.00	132.00
Public Works	114.63	117.00	121.00
Total Full & Part-time Positions	473.64	481.56	491.45

*Temporary and seasonal employees not included.
 Municipal Court was moved from Fiscal Services to Separate Department

Adopted Changes in FTE counts for Fiscal Year 2017

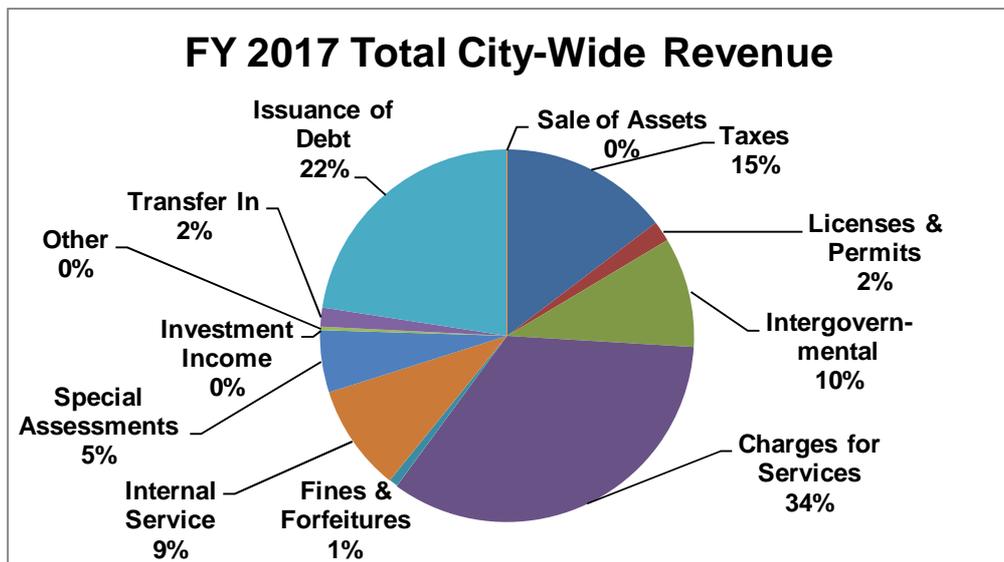
City Manager	Adjusted allocation for Deputy Clerk	-0.16
City Clerk	Increased Deputy Clerk	<u>0.16</u>
	Total Change for Administration	<u>0</u>
Animal Shelter	Hired 2 - 25 hour/week clerks replacing a full-time clerk	<u>0.28</u>
	Total Change for Animal Shelter	<u>0.28</u>
Legal	Deputy Assistant Attorney	<u>1.00</u>
	Total Change for Legal	<u>1.00</u>
Library	Sunday hours reinstated	<u>0.70</u>
	Total Change for Library	<u>0.70</u>
Parks	Added Trail Supervisor from 5 months to full-time all year	<u>0.58</u>
	Total Change for Park and Rec	<u>0.58</u>
Planning & Community Development	Removed a Loan Specialist	-1.00
	Deleted the Trail Planner position	-0.42
	Consolidated Historic Planner with other planners	-0.25
	Additional Staff Plans Examiner	1.00
	Additional Staff Planner II	<u>1.00</u>
	Total Change for Planning and CD	<u>0.33</u>
Police	One probation Officer that was an over-hire last year	1.00
	2 Additional Police Officers	<u>2.00</u>
	Total Change for Police	<u>3.00</u>
Public Works		
Water Plant	Changed the Scada position from part time to a full time	0.50
PW Administration	Change th Cartographer position from part time to full time	0.50
Engineering	Engineer added	1.00
Storm Drain	Additional Scientist/Engineer/Program Specialist	1.00
Storm Drain	Additional Compliance Technician	<u>1.00</u>
	Total Change for Public Works	<u>4.00</u>
Total Change in FTE's		<u><u>9.89</u></u>

Total City-Wide Revenue - Where the Money Comes From

Thirty-four (34%) percent of city-wide revenue comes from charges for services for Fiscal Year (FY) 2017. The majority of charges for services are generated from utility services, which includes water, sewer, storm drain, and sanitation charges.

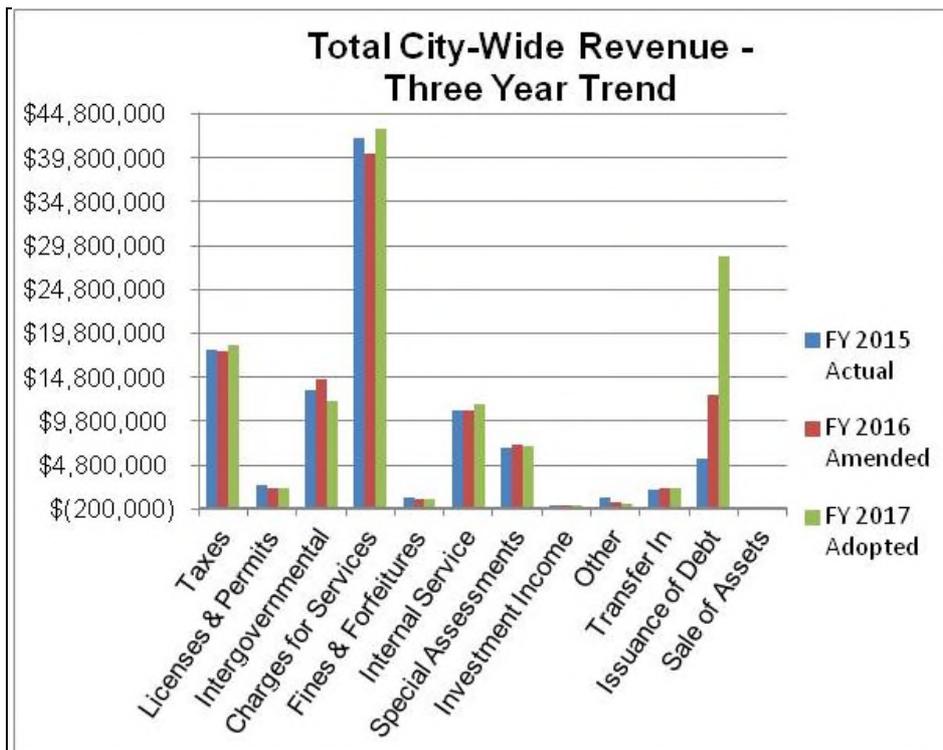
The next largest revenue source is issuance of debt (22%). The issuance of debt is for improvements at the Water Treatment Plant of \$28.6 million. Taxes are the next largest revenue source (15%). The State of Montana does not have a sales tax. The majority of city taxes are generated from real and personal 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. It does have an indirect effect in such that the City of Great Falls newly taxable property may be decreased or increased. 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. The May, 2016 unemployment rate in the City of Great Falls Metropolitan area was 3.4%, this is a increase of .2% from a year ago. Overall the State of Montana’s unemployment rate was 4.5%, which is below the national rate of 4.7%.

The fourth largest revenue source is intergovernmental revenue (10%). A major intergovernmental revenue is the HB 124 State Entitlement of \$8.021 million (\$7.594 million for the General Fund and \$426,000 for the Street Fund). Various grants the City receives are included in intergovernmental revenue. The fifth largest source is internal services (9%). The sixth largest revenue sources is special assessments (5%), followed by transfers in (2%), licenses and permits (2%), fines and forfeitures (1%), Other (0%), Sale of Assets (0%), and Investment Income (0%).



Total City-Wide Revenue

	FY 2015 Actual	FY 2016 Amended	FY 2017 Adopted	Adopted Difference
Taxes	\$ 17,982,474	\$ 17,746,404	\$ 18,496,761	\$ 750,357
Licenses & Permits	2,609,741	2,162,978	2,260,853	97,875
Intergovernmental	13,332,584	14,516,133	12,171,214	(2,344,919)
Charges for Services	42,101,147	40,196,579	43,127,951	2,931,372
Fines & Forfeitures	1,133,088	971,900	983,400	11,500
Internal Service	11,010,649	10,948,579	11,740,058	791,479
Special Assessments	6,839,819	7,129,673	6,872,333	(257,340)
Investment Income	188,838	2,600	19,250	16,650
Other	1,071,446	551,495	359,765	(191,730)
Transfer In	1,926,841	2,209,755	2,106,558	(103,197)
Issuance of Debt	5,521,449	12,753,208	28,600,000	15,846,792
Sale of Assets	(195,593)	-	-	-
Totals	\$ 103,522,483	\$ 109,189,304	\$ 126,738,143	\$ 17,548,839

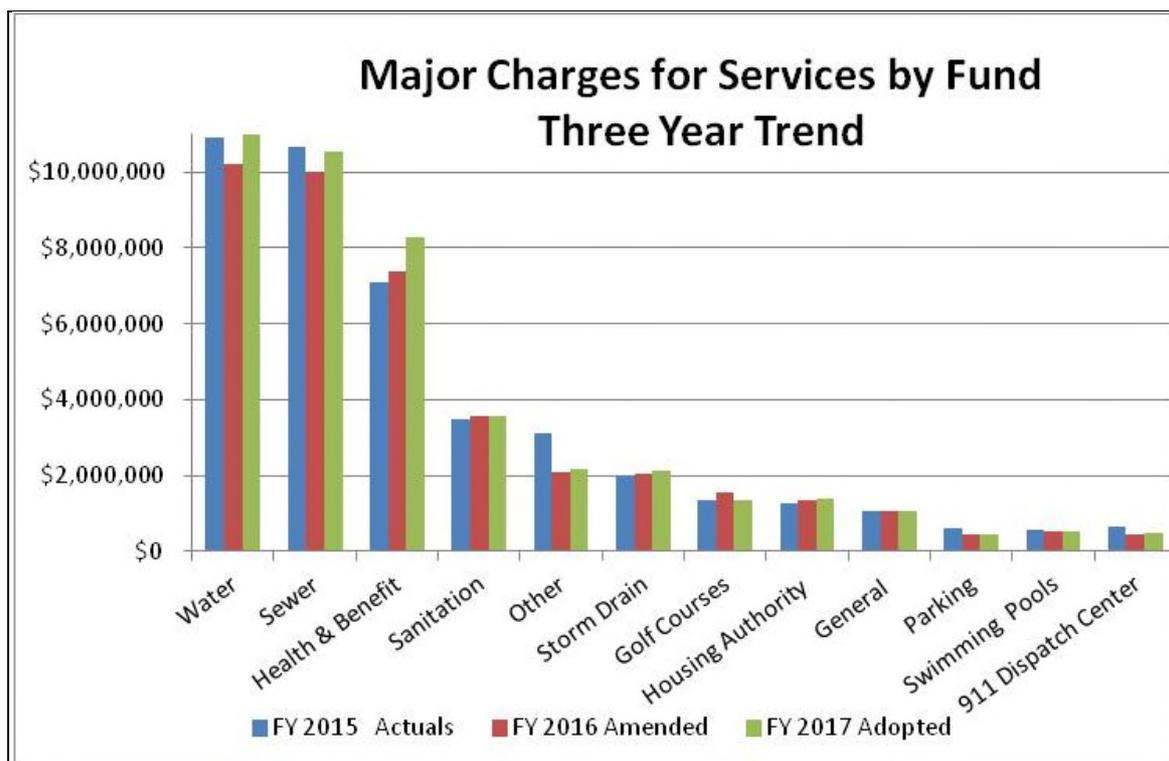


Major Revenues

Charges for Services

Charges for services are thirty-four percent of total city revenue and 3.6% 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. 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 in making ends meet. Rate increases of 10% in the Water Fund, 3% in the Sewer Fund, 10% in the Storm Drain Fund have been factored into the FY 2017 adopted budget. Utility rate increases are noted in the Five Year History of Utility Rate Charges and require an additional separate public hearing. There is also a rate increase of 12.8% increase in the Health & Benefits Fund.



Five Year History of Utility Rate Changes					
	FY 2013	FY 2014	FY 2015	FY 2016	Adopted FY 2017
Water	5.0% (May, 2013)	5.0% (May, 2014)	7% (May, 2015)	10% (June, 2016)	10%
Sewer	10.0% (May, 2013)	None	3% (May, 2015)	3% (June, 2016)	3%
Storm Drain	None	None	10% (May, 2015)	10% (June, 2016)	10%
Sanitation					
Residential	None	10%(October, 2013)	None	5% (October, 2015)	None
Commercial	None	10% (October, 2013)	None	5% (October, 2015)	None

Issuance of Debt

Issuance of Debt accounts for 22% of Total City Revenue and 0% of General Fund Revenue. The debt issuance for FY 2017 was for Improvements at the Water Treatment Plant. In FY 2016, the issuance of debt was for 2 fire trucks in the General Fund, \$801,098; City owned City Street Lighting Construction, \$58,000; Engineering Services for the Water Treatment Plant construction, \$2,154,110; \$8,200,000 for Storm Drain improvements, and \$1,540,000 for Sanitation truck purchases. In FY 2015, the majority of the debt issuance was for improvements at the Waste Water Treatment Plant, \$4,534,610.

Issuance of Debt				
	FY 2015 Actual	FY 2016 Amended	FY 2017 Adopted	% of Total
Issuance of Debt	\$5,521,449	\$12,753,208	\$28,600,000	22%
Total Internal Charges and Transfers	\$5,521,449	\$12,753,208	\$28,600,000	22%

Taxes and Special Assessments

Taxes and Special Assessments account for 20% of Total City Revenue and 58% of General Fund Revenue. Taxpayers generally view taxes and special assessments as two names for the same thing; however, there are distinctions.

Taxes and Special Assessments				
Taxes	FY 2015 Actual	FY 2016 Amended	FY 2017 Adopted	% of Total
Real & Personal Property	\$14,219,103	\$13,909,194	\$14,194,775	11%
Permissive Medical Health Mill	\$1,757,235	\$2,087,210	\$2,437,210	2%
Tax Increments	\$813,086	\$650,000	\$764,776	1%
Local Option MV	\$1,193,050	\$1,100,000	\$1,100,000	1%
Total Taxes	\$17,982,474	\$17,746,404	\$18,496,761	15%
Special Assessments				
Street Maintenance District	\$4,157,199	\$4,583,265	\$4,583,265	4%
Boulevard District	\$328,112	\$376,447	\$376,447	0%
Portage Meadows	\$57,684	\$58,079	\$58,079	0%
Street Lighting District	\$1,597,492	\$1,430,607	\$1,175,344	1%
Special Improvement Distr.	\$53,169	\$51,062	\$48,955	0%
Master Debt SILD	\$20,262	\$19,148	\$19,178	0%
TBID	\$408,280	\$414,514	\$414,514	0%
BID	\$212,767	\$196,551	\$196,551	0%
Other	\$4,854	\$0	\$0	0%
Total Special Assessments	\$6,839,819	\$7,129,673	\$6,872,333	5%
Total Taxes and Special Assessments	\$24,822,293	\$24,876,077	\$25,369,094	20%

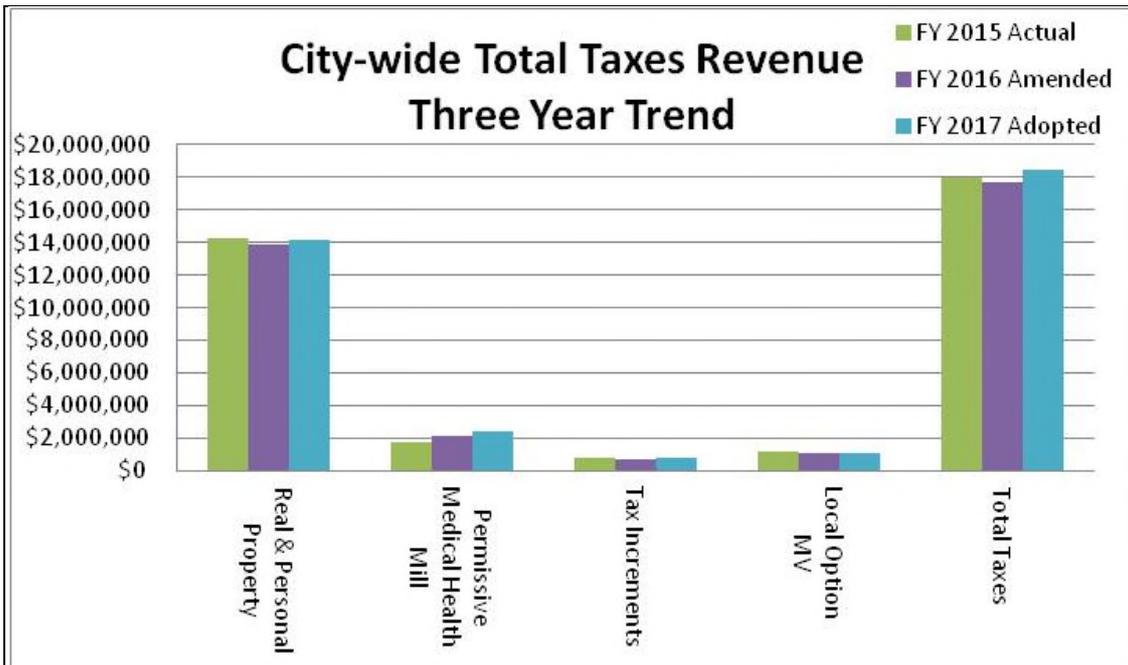
Taxes - Real & Personal Property

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. The General Fund real property tax levy increased from \$15.9 million to \$16.6 million in this budget. This increase in property taxes is due to new construction and improvements, and increase in the permissive medical health mill.

Tax Increments

Tax increments are a method of financing public improvements for a district. Money is borrowed to make public improvements. The public improvements encourage private taxable improvements. Taxable improvements result in new tax revenue (tax increments). Tax increments are first used to repay the public improvement debt.



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 is the only district covering the whole city. The revenue for the Street Maintenance Assessment is deposited directly to the Street Fund. This is a reliable source of revenue restricted to the recovery of specific costs. Additional separate public hearings are needed to adopt the budgeted rates.

Five Year History of Special Assessment Rate Changes

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>Adopted FY 2017</u>
Street Maintained District	None	None	12%	10%	None
Boulevard District	None	None	None	10%	None
Portage Meadows District	None	None	24%	None	None
Street Lighting	10%	1.70%	-22%	-8%	-18%

Intergovernmental Revenue

Intergovernmental Revenue is 10% of total city revenue and 28% of total General Fund revenue. Revenues from federal, state and other local governments are considered intergovernmental revenues. The major decrease in adopted FY 2017 Intergovernmental Revenue is due to the CTEP grants not being budgeted until the projects are approved by the City Commission; this is a \$1.6 million decrease. Also, a decrease was from State Economic Development Pass-through grants of \$872,201.

Intergovernmental Revenue				
	FY 2015 Actual	FY 2016 Amended	FY 2017 Adopted	% of Total
State Gaming Licenses	\$148,931	\$150,000	\$150,000	0.1%
State Entitlements	\$7,504,427	\$8,021,241	\$8,298,405	6.5%
State PERS Prop Reimb	\$325,810	\$0	\$0	0.0%
State 911 Combined Revenue	\$600,893	\$592,528	\$628,281	0.5%
State Gas Tax Apportionment	\$988,952	\$988,951	\$988,951	0.8%
State Historic Preservation	\$42,025	\$5,225	\$5,225	0.0%
State Library Support	\$29,927	\$1,710	\$1,710	0.0%
State Economic Dev Pass-through	\$448,999	\$872,201	\$0	0.0%
County Library Support	\$177,000	\$177,000	\$177,000	0.1%
Fed. Highway & Transport. Grants	\$384,989	\$461,200	\$578,237	0.5%
Federal Public Safety Grants, Misc	\$252,164	\$383,783	\$58,411	0.0%
Federal HIDTA Grant	\$165,366	\$43,565	\$210,549	0.2%
Federal CTEP Grant	\$324,919	\$1,620,284	\$0	0.0%
Federal Block and Home Grants	\$1,149,493	\$907,810	\$895,139	0.7%
Federal State Home Grant	\$638,811	\$0	\$0	0.0%
Other Intergovernmental Revenue	\$141,878	\$262,419	\$141,090	0.1%
Miscellaneous Culture & Rec Grants	\$8,000	\$28,216	\$38,216	0.0%
Total Intergovernmental Revenue	\$13,332,584	\$14,516,133	\$12,171,214	10%

State Entitlements

Starting in FY 2002, a number of revenue items were replaced by an entitlement share of the State General Fund. The 2013 Montana State Legislature recalculated the growth rate on the entitlement payment for FY 2017. The growth rate is 3.5%. The revenues that were replaced by the entitlement share were past property tax reductions, the gambling tax, and the motor vehicle tax. The amount for the entitlement in FY 2017 is approximately \$8.2 million.

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 revenue of \$6.2 million includes \$988,951 or 16% from state gas tax apportionment.

Federal Community Development Block Grant and Home Grant Funds

The U.S. Department of Housing and Urban Development (HUD) provides grant funding for slum and blight removal, projects that benefit low income people, and other community projects. HOME grants provide funding for affordable housing. These have been reducing revenue sources which have funded many valuable projects for the community. FY 2017 has funding of \$895,139. There is some concern about future funding of these grants.

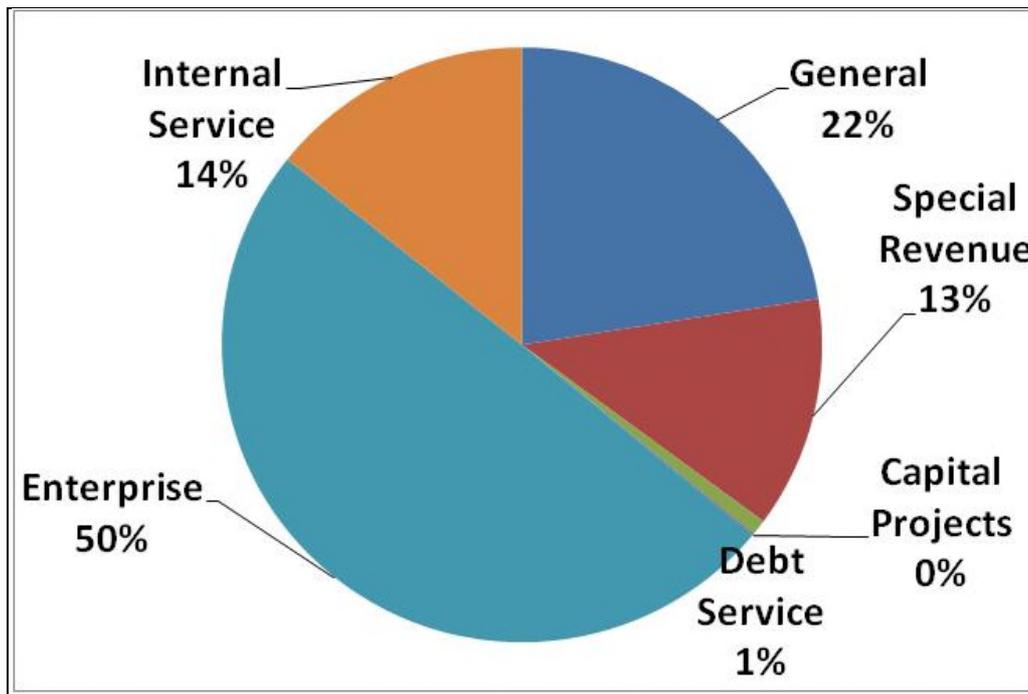
State Economic Dev Pass-through

Beginning Fiscal Year 2014, the City received Big Sky Economic Development Trust Fund Grants for various businesses in the City of Great Falls. The businesses that received the grants included EMTEQ, Inc and ADF International, Inc. The grants were pass-through grants for the businesses dealing with job growth, economic development, and infrastructure.

Internal Charges and Transfers In (Double Counting effect)

Internal service operations include human resources, city telephone, health and benefit, insurance and safety, fiscal services, information technology, central garage, engineering, public works administration, and civic center facility services. Internal charges account for transactions among the entities within the City organization. The charges properly show financial activity within the City-as-a-whole, but the City does not actually pay out or receive any additional cash. Internal charges and transfers are 11% of total City revenue, and 3% of total General Fund revenue. A listing of all inter-fund transfer is located on page 55.

	FY 2015 Actual	FY 2016 Amended	FY 2017 Adopted	% of Total
Internal Charges	\$11,010,649	\$10,948,579	\$11,740,058	9%
Transfer In	\$1,926,841	\$2,209,755	\$2,106,558	2%
Total Internal Charges and Transfers	\$12,937,490	\$13,158,334	\$13,846,616	11%



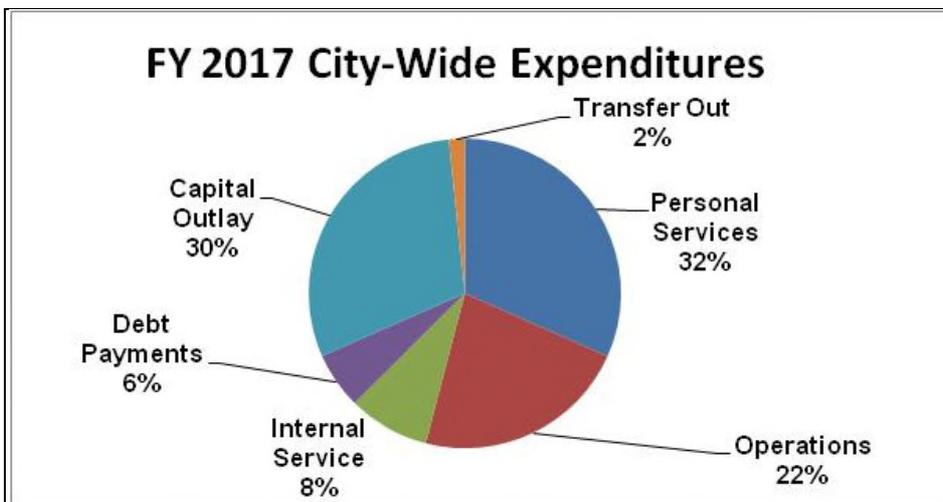
	2015 Actual Amount	2016 Amended Budget	2017 Adopted Budget	Adopted Difference
General	\$27,960,181	\$28,345,001	\$28,538,819	\$193,818
Special Revenue	\$18,315,130	\$18,242,529	\$15,947,064	(\$2,295,465)
Debt Service	\$1,108,146	\$1,071,048	\$1,067,533	(\$3,515)
Capital Project	\$108,922	\$273,637	\$115,000	(\$158,637)
Enterprise	\$39,623,827	\$44,593,421	\$62,944,764	\$18,351,343
Internal Service	\$16,406,277	\$16,663,668	\$18,124,963	\$1,461,295
	\$103,522,483	\$109,189,304	\$126,738,143	\$17,548,839

Total City-Wide Expenditures - Where the Money Goes

The largest City expenditure is for Personal Services at 32%. This includes salaries and benefits. The next largest expenditures are Operations, 22% and Capital Outlay, 30%. Operations expenditures include supplies and materials, purchased services and other costs. 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 8%. Following internal service is debt payments, 6%, and transfer out, 2%.

Fiscal Year 2017 Total City-Wide Expenditures Budget

Personal Services	\$40,476,566	32%
Operations	\$28,629,033	22%
Internal Service	\$10,776,327	8%
Debt Payments	\$7,546,687	6%
Capital Outlay	\$38,321,122	30%
Transfer Out	\$2,106,558	2%
Total City-Wide Expenditure Budget	\$127,856,293	



Major Expenditures

Personal Services

Overall personal services in the FY 2017 Adopted Budget, including salaries and benefits, increased more than 6.00% over the FY 2016 Amended Budget, and were 32% of the City's total expenditure budget. Salary increases of 2.25% for exempt staff, 3.0% in July for Fire and Police, an additional 2.0% for Police in January, 2017, and .75% for Fire. All other unions excluding Police, Fire and Crafts increased 2.25% in July, 2016. Craft members increased .50 an hour starting in July, 2016. Health insurance premiums were increased 12.8%. Starting July 1, 2013, the City changed from self-funded health insurance plan to part of a self-funded health insurance pool, Montana Municipal Interlocal Authority (MMIA).

The personal budgets reflect a total of 491.45 full time equivalents (FTEs) in full and part time positions (not including seasonal and temporary workers.) There were changes from the FY 2016 Amended budget. Additional information about employee counts is available under the employee summary tab.

Adopted Changes in FTE counts for Fiscal Year 2017

City Manager	Adjusted allocation for Deputy Clerk	-0.16
City Clerk	Increased Deputy Clerk	<u>0.16</u>
	Total Change for Administration	<u>0</u>
Animal Shelter	Hired 2 - 25 hour/week clerks replacing a full-time clerk	<u>0.28</u>
	Total Change for Animal Shelter	<u>0.28</u>
Legal	Deputy Assistant Attorney	<u>1.00</u>
	Total Change for Legal	<u>1.00</u>
Library	Sunday hours reinstated	<u>0.70</u>
	Total Change for Library	<u>0.70</u>
Parks	Added Trail Supervisor from 5 months to full-time all year	<u>0.58</u>
	Total Change for Park and Rec	<u>0.58</u>
Planning & Community Development	Removed a Loan Specialist	-1.00
	Deleted the Trail Planner position	-0.42
	Consolidated Historic Planner with other planners	-0.25
	Additional Staff Plans Examiner	1.00
	Additional Staff Planner II	<u>1.00</u>
	Total Change for Planning and CD	<u>0.33</u>

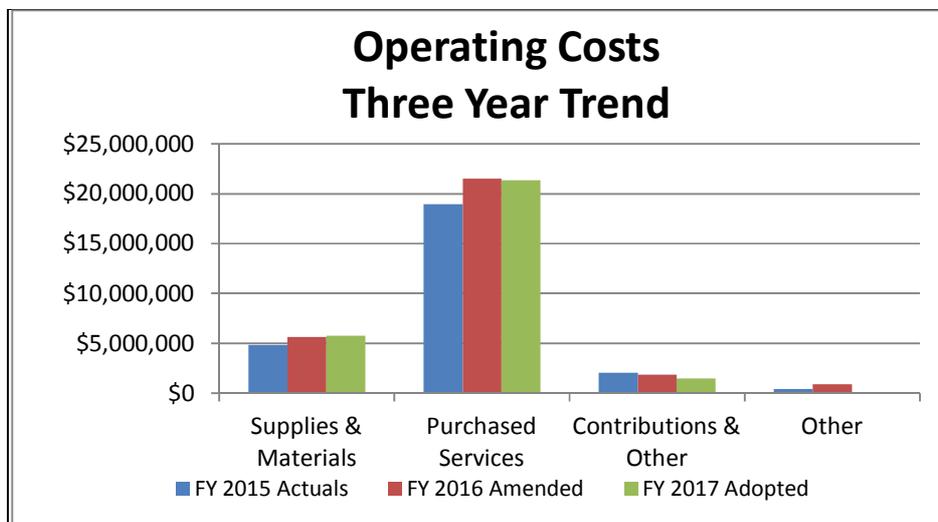
Expenditure Highlights

City of Great Falls, Montana

Police	One probation Officer that was an over-hire last year	1.00
	2 Additional Police Officers	2.00
	Total Change for Police	<u>3.00</u>
Public Works		
Water Plant	Changed the Scada position from part time to a full time position	0.50
PW Administration	Changed Cartographer position from part time to full time position	0.50
Engineering	Engineer added	1.00
Storm Drain	Additional Scientist/Engineer/Program Specialist	1.00
Storm Drain	Additional Compliance Technician	1.00
	Total Change for Public Works	<u>4.00</u>
Total Change in FTE's		<u><u>9.89</u></u>

Operations

The operations portion of expenditures includes supplies and materials, purchased services, and other costs. This is 22% of the total expenditure budget. Overall, the operations portion of the FY 2017 decreased by 4.25% from the FY 2016 amended budget. A majority of the decrease was due to carryovers in the FY 2016 amended budget in the Federal Block Grant. The Other Costs decrease in FY 2017 was due to a pass-through grant for the Big Sky Economic Grant in FY 2016.



Capital Outlay

The City's appropriations for capital outlay in FY 2017 totaled \$38,321,122 or 30% of the total budget. This is a increase of \$2,438,933 or 6.7% from the FY 2016 amended capital outlay budget. Capital outlay varies considerably from year to year according to the timing of debt issuance and the planned use of reserves. The major Capital Outlay in FY 2017 in the Water Treatment Plant Improvements of \$28,600,000.

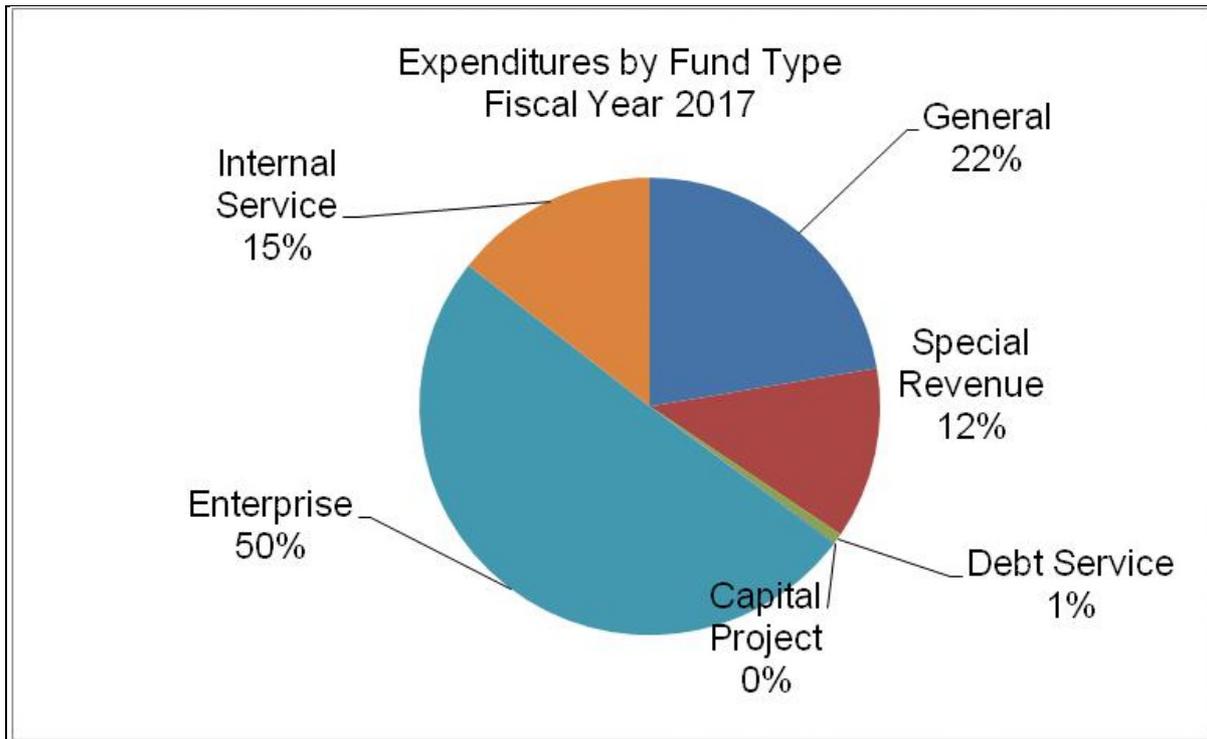
General Capital

The General Fund transfers money to the General Capital Projects Fund for general government facility and equipment needs. In Fiscal Year 2017 three transfers to the General Capital Fund from the General Fund are budgeted. The transfers are for the Chip Seal of the Civic Center Parking lot, Irrigation Improvements in the Parks, and an air conditioner for the IT Server Room. At this time we are holding our own in funding the highest priorities from annual and unanticipated revenues, but eventually property tax uncertainties may encourage us to consider debt issuance for adequate capital funding.

Debt Service

The City's appropriations for debt service in FY 2017 total \$7,546,687 or 6% of the total budget. This is an increase of \$2,428,573 or 47.4% from the FY 2016 amended debt service budget. On pages 69 to 72 are the current debt service schedules. The reason for the increase is additional debt in the Water Fund of \$1,825,100 on the \$28,600,000 debt issuance for the Improvements in the Water Treatment Plant.





Expenditures by Fund Type				
	2015 Actual Amount	2016 Amended Budget	2017 Adopted Budget	Adopted Difference
General	\$25,136,056	\$28,138,336	\$28,542,493	\$404,157
Special Revenue	\$15,891,925	\$19,288,396	\$15,517,902	(\$3,770,494)
Debt Service	\$915,771	\$1,331,929	\$886,580	(\$445,349)
Capital Project	\$190,873	\$454,358	\$115,000	(\$339,358)
Enterprise	\$38,937,736	\$54,661,830	\$64,351,584	\$9,689,754
Internal Service	\$15,589,215	\$17,396,847	\$18,442,734	\$1,045,887
	\$96,661,575	\$121,271,696	\$127,856,293	\$6,584,597

Interfund Transfers

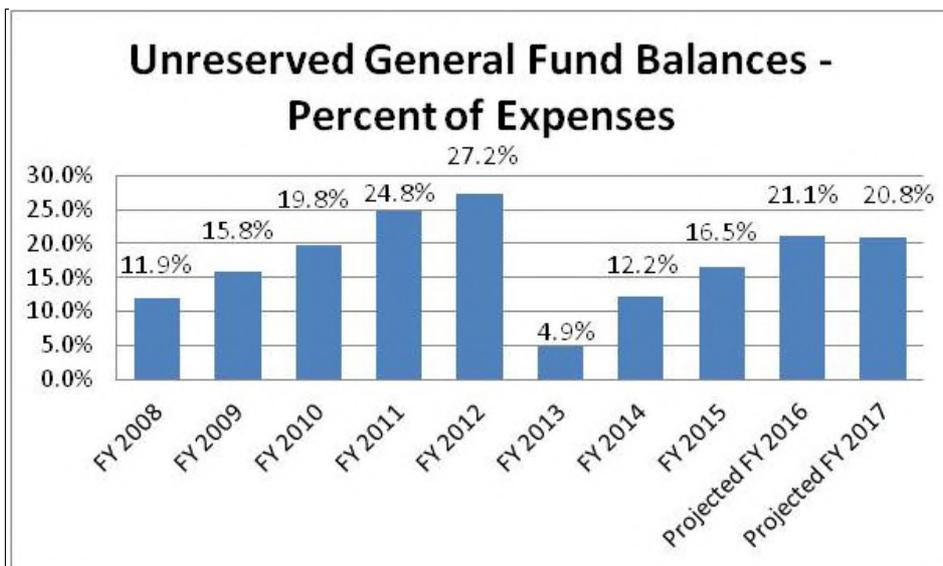
Interfund transfers are flows of assets (such as cash or goods) between funds without equivalent flows of assets in return and without a requirement for repayment. The increase in FY 2015 was due to a one time transfer of \$188,082 to close the Electric Fund to the General Fund. The difference in FY 2016 is due to the increase in support for operation for Planning & Comm Dev, Swimming Pools, Civic Center Events, and Information Tech. In addition, there was a one-time transfer to the Capital Projects Fund for partial funding of an incinerator for the Animal Shelter, and a generator for IT. There also was a one-time transfer to the Hazard Removal fund for \$50,000 and Golf Courses of \$100,000.

Fund	2015 Actual Amount	2016 Adopted Budget	2016 Amended Budget	2016 Projected Amount as of 6/13/2016	2017 Adopted Budget
Transfers In					
General	\$331,826	\$0	\$0	\$0	\$0
Library	\$350,000	\$371,137	\$371,137	\$371,137	\$350,000
Planning & Comm Dev	\$100,000	\$141,939	\$141,939	\$141,939	\$181,939
Natural Resources	\$164,918	\$164,918	\$164,918	\$164,918	\$256,277
Street District	\$0	\$0	\$0	\$1,337	\$0
CTEP Projects	\$0	\$0	\$1,093	\$1,093	\$0
General Obligation					
Taxable Bond	\$145,671	\$148,338	\$148,338	\$148,338	\$146,900
General Capital Projects	\$0	\$112,000	\$131,912	\$131,912	\$115,000
Hazard Removal	\$0	\$50,000	\$50,000	\$50,000	\$0
Golf	\$0	\$100,000	\$100,000	\$100,000	\$0
Swimming Pools	\$214,389	\$381,389	\$381,389	\$381,389	\$267,861
911 Dispatch	\$369,636	\$369,636	\$369,636	\$369,636	\$396,675
Recreation	\$59,226	\$59,226	\$59,226	\$59,226	\$78,411
Civic Center Events	\$114,727	\$187,761	\$187,761	\$187,761	\$223,742
Information Tech	\$13,305	\$26,327	\$26,327	\$26,327	\$26,610
Engineering	\$63,143	\$63,143	\$76,079	\$76,078	\$63,143
Total Transfers In	\$1,926,841	\$2,175,814	\$2,209,755	\$2,211,091	\$2,106,558
Transfers Out					
General Fund	\$1,212,074	\$1,792,873	\$1,812,785	\$1,812,785	\$1,696,578
Street District	\$0	\$0	\$1,093	\$1,093	\$0
911 Special Revenue	\$382,941	\$382,941	\$382,941	\$382,941	\$409,980
Fire Special Revenue	\$74,523	\$0	\$0	\$0	\$0
Police Special Revenue	\$69,221	\$0	\$0	\$0	\$0
CTEP Projects	\$0	\$0	\$12,936	\$14,272	\$0
Electric	\$188,082	\$0	\$0	\$0	\$0
Total Transfers Out	\$1,926,841	\$2,175,814	\$2,209,755	\$2,211,091	\$2,106,558

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.

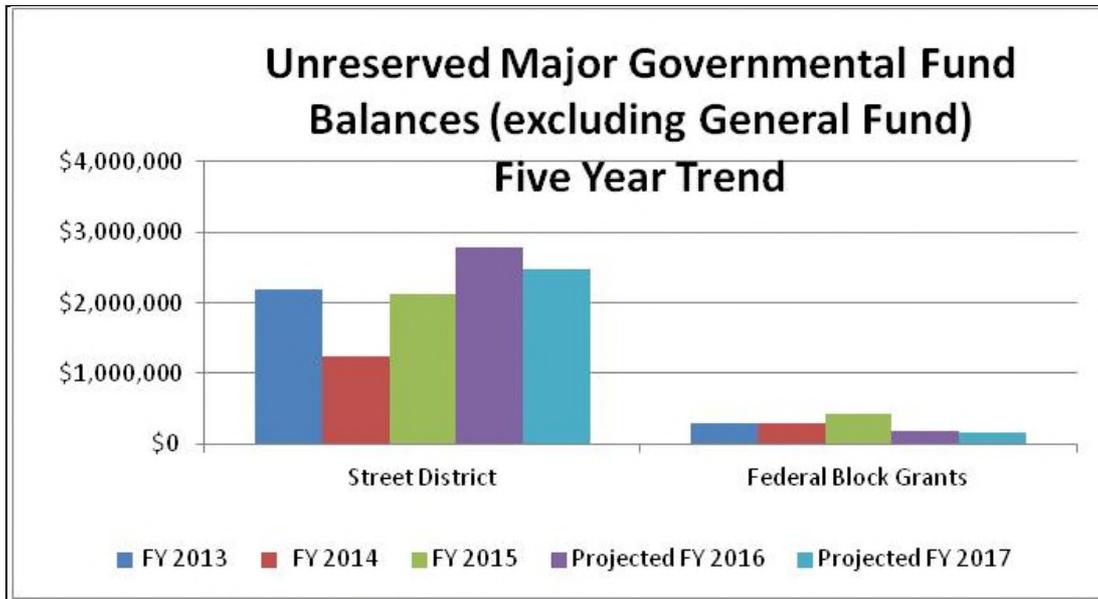
General Fund

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 fund balance is above the recommended minimum policy of 17%. The City of Great Falls has rebuilt the unreserved General Fund balance. The fund balance is projected to stabilize at 21% in FY 2017. This is due to a conscious effort during the FY 2014, 2015 and 2016 budget processes to increase the balance. The effort to rebuild the fund balance was reached in FY 2016.



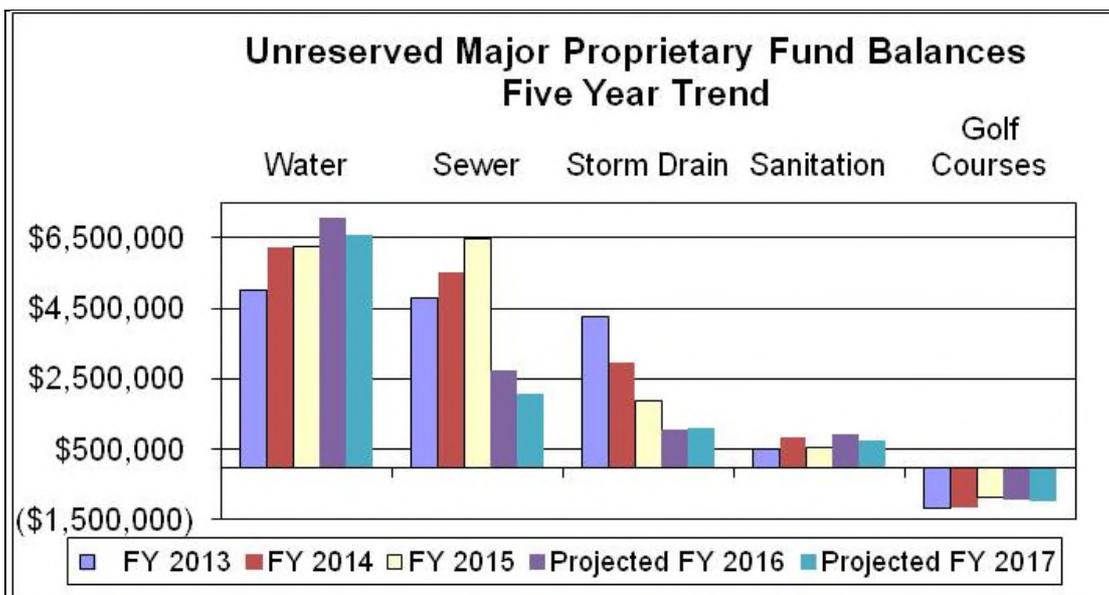
OTHER GOVERNMENTAL FUNDS

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 balance had a high in FY 2015 and is stabilized in FY 2016. The unreserved fund balance was spent in FY 2013 and FY 2014 on capital improvements.



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 sewer, and storm drain funds are due to the use of unreserved fund balances for current capital improvement projects. The sanitation fund has stabilized due to the closure of the Recycling Center at the beginning of FY 2014. The golf unreserved fund balance is due to decreased revenues with increased expenditures of the golf operations. FY 2016 is the last year of the debt service for the Golf Courses Fund.



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.



Market Valuations - Real & Personal Property (Based on Certified Taxable Valuation dated August 3, 2015)	\$ 5,266,060,228
General Obligation Debt	
Debt Limit - 2.5% of total assessed value	\$ 131,651,506
General Obligation Bonded debt outstanding	3,234,424
Unused legal debt capacity	<u>\$ 128,417,082</u>

Annual City Tax Levies

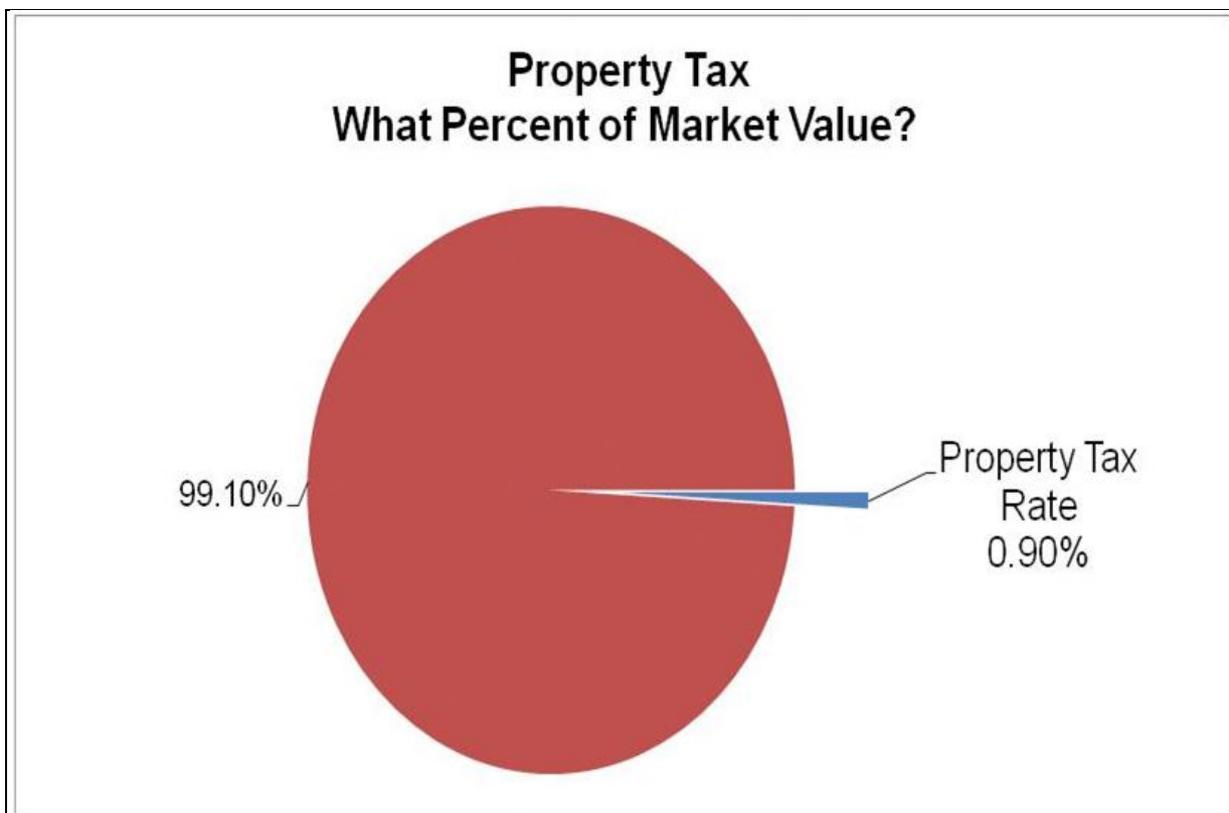
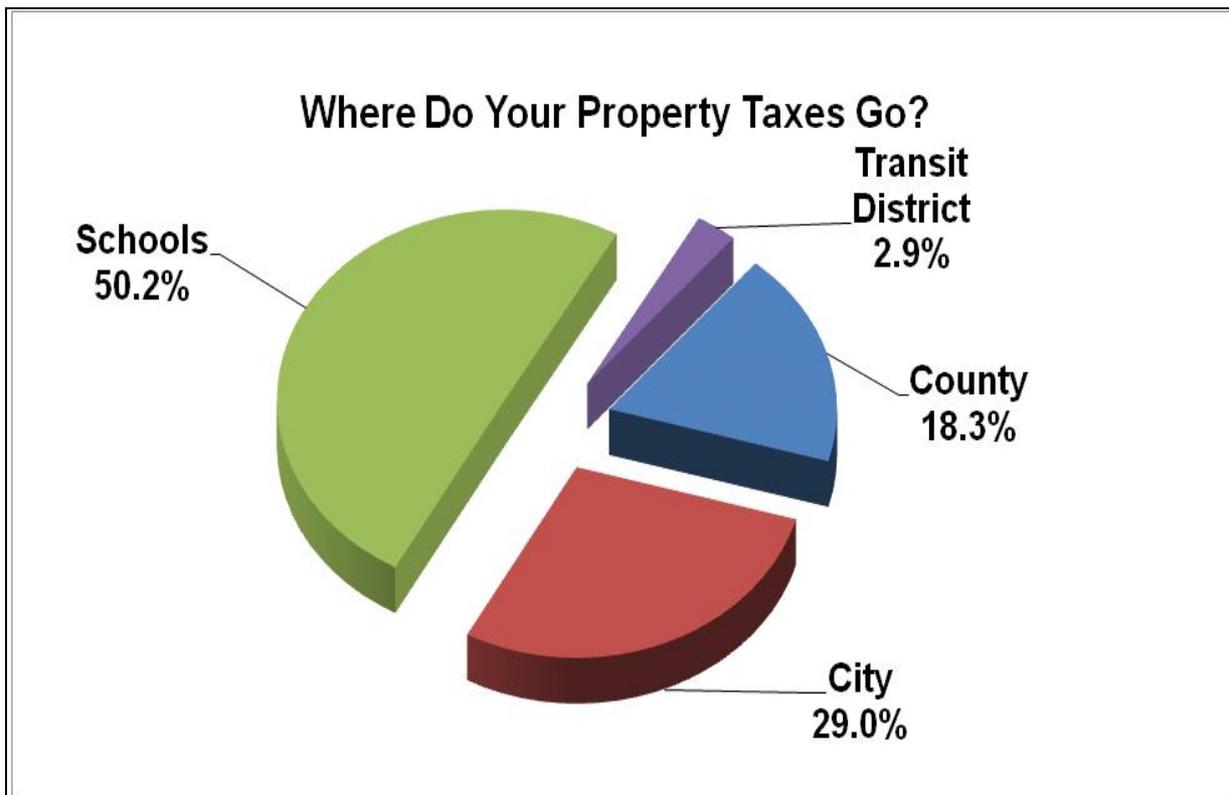
The City's tax levies, in mills, have been:

Fiscal Year	2016	2015	2014	2013	2012	2011	2010
General Purpose	160.17	173.77	170.19	167.13	159.52	149.28	145.70
Library	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Permissive Medical Levy	23.03	22.87	20.06	17.93	15.44	15.54	14.21
Swimming Pool Debt	3.12	3.62	3.92	3.93	3.72	3.83	5.01
Soccer Park Debt	1.97	2.28	2.57	2.58	2.56	2.45	2.12
Total Mill Levy	190.29	204.54	198.74	193.57	183.24	173.10	169.04
Net Mill Value \$	\$86,964	\$75,053	\$77,328	\$77,132	\$77,973	\$77,505	\$76,348
Tax Levy \$	\$16,548,385	\$15,351,310	\$14,930,774	\$14,930,774	\$14,288,148	\$13,415,797	\$12,905,335

Overlapping Mill Levies

The overlapping mill levies on property in the City have been:

In Mills:	2016	2015	2014	2013	2012	2011	2010
Schools							
District Levied	186.60	200.28	186.59	186.38	180.11	179.93	174.68
State Levied	147.86	152.45	149.48	148.63	141.72	147.31	146.82
Total Schools	334.46	352.73	336.07	335.01	321.83	327.24	321.50
City of Great Falls	190.29	204.54	198.74	193.57	183.24	173.10	169.04
Cascade County	121.87	133.56	131.36	131.02	126.23	122.83	120.99
Transit District	19.61	21.17	20.24	20.00	19.09	17.84	17.22
Total Overlapping Levy	666.23	712.00	686.41	679.60	650.39	641.01	628.75
As a Percent:							
District Levied	28.01%	28.13%	27.18%	27.42%	27.69%	28.07%	27.78%
State Levied	22.19%	21.41%	21.78%	21.87%	21.79%	22.98%	23.35%
Total Schools	50.20%	49.54%	48.96%	49.30%	49.48%	51.05%	51.13%
City of Great Falls	28.56%	28.73%	28.95%	28.48%	28.17%	27.00%	26.89%
Cascade County	18.29%	18.76%	19.14%	19.28%	19.41%	19.16%	19.24%
Transit District	2.94%	2.97%	2.95%	2.94%	2.94%	2.78%	2.74%
Total Overlapping Levy	100%						



**City of Great Falls, Montana
Capital Asset Statistics by Function/Program
Last Five Years**

Department/Program	Calendar Year				
	2011	2012	2013	2014	2015
Fire Department					
Number of Stations	4	4	4	4	4
Number of Training Centers	1	1	1	1	1
Number of Fire Vehicles	21	21	23	23	
Police Department					
Number of Stations	1	1	1	1	1
Number of Police Vehicles	68	69	71	77	79
Sanitation					
Number of Collection Trucks	22	22	23	23	23
Streets					
Miles of Streets/Alleys	377	377	383	383	383
Miles of Street Stripping	100	100	100	78	50
Street Signs	12,237	12,764	12,913	12,995	13,690
City/State Street Signals	89	89	89	89	89
Housing Authority					
Affordable Housing Units	24	32	32	32	32
Public Housing Units	490	490	490	490	490
Water					
Water mains (miles)	309.51	311.40	313	313.14	313.14
Fire hydrants	3,125	3,139	3,154	3,165	3,165
¹ Storage capacity (million gallons)	12.25	12.25	10.75	10.75	10.75
Sanitary Sewer					
Sanitary sewers (miles)	242.78	244.07	246.59	247.08	247.08
Storm sewers (miles)	117.70	118.50	119.09	120.12	120.12
² Treatment capacity (million gallons)	21	21	13	13	13
Parks and Recreation					
Number of parks	64	64	66	66	66
Acreage of parks	1,150	1,150	1,155	1,155	1,215
Trees (approximately)	45,000	42,500	42,500	42,000	41,500
Pools	4	4	4	4	4
Golf Courses	2	2	2	2	2
Skate Park	1	1	1	1	1
Parking					
Parking lots	6	6	6	6	6
Parking garages	2	2	2	2	2
Off street parking spaces	1,143	1,143	1,143	1,143	1,122
Metered parking spaces	1,100	1,100	1,100	1,100	1,092
Library					
Number of Books Purchased	9,425	8,924	9,367	9,703	9,703

¹ This storage capacity does not include 3.45 million gallons of clearwells at the Wastewater Treatment Plant.

² This treatment capacity is a daily number.

Source: City of Great Falls

**City of Great Falls, Montana
Operating Indicators by Function/Program
Last Five Years**

Function/Program	Calendar Year				
	2011	2012	2013	2014	2015
Building Permits					
Residential Permits Issued	366	294	317	319	307
Residential Permits Value	\$ 17,785,534	\$ 14,491,053	20,429,394	\$ 47,027,407	\$ 24,072,389
Commercial Permits Issued	231	214	183	265	216
Commercial Permits Value	\$ 51,889,436	\$ 52,741,273	34,045,526	\$ 38,100,796	\$ 56,007,682
Fire Department					
Structure Fires	49	55	51	49	66
Fire Calls	601	637	589	615	626
EMS/Rescue Calls	4,401	4,297	4,772	4,764	509
Haz-Mat Calls	87	85	49	45	69
Public Service Calls	738	841	852	809	768
Good Intent Calls	506	425	487	528	586
Out of City	105	141	88	96	88
Library					
Yearly Patrons	224,118	223,192	222,979	197,519	179,797
Yearly Circulation	339,267	335,399	346,063	307,935	293,360
Yearly Internet Users	65,657	62,843	59,708	50,433	40,004
Sanitation					
Residential Customers	14,836	15,786	14,879	14,891	15,000
Commercial Customers	1,658	1,686	1,630	1,917	1,700
Streets					
Weed Violations	2,329	2,853	1,312	2,655	2,481
Water Main Breaks					
Number of Breaks	38	37	41	46	37
Break Cost	\$ 154,845	\$ 180,574	247,672	234,659	174,045
911 Center Calls					
Police	46,188	43,831	40,216	38,093	38,074
Great Falls Fire	6,447	6,528	6,876	6,723	7,111
Cascade County	12,749	13,443	11,879	12,455	12,638
Medical Calls	5,703	5,611	6,075	6,195	6,600
Rural Fire	790	980	769	737	939
Court					
Number of Violations	17,999	14,769	10,011	11,607	11,315
Parking					
Number of Violations	16,645	17,305	13,843	15,692	14,629
Number of Monthly Permits Issued	9,347	8,950	9,312	10,270	9,195

Source: City of Great Falls

Statistics

City of Great Falls, Montana

City of Great Falls, Montana Principal Taxpayers Current Year and Nine Years Ago						
Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Calumet Montana Refining, LLC ³	\$ 5,672,576	1	6.40%	\$ 665,956	6	0.94%
Northwestern Energy, LLC	4,842,736	2	5.47%	3,665,683	1	5.20%
Bresnan Communications (Charter)	1,227,710	3	1.39%			
Great Falls Gas Co. (Energy West)	1,196,760	4	1.35%	1,146,209	3	1.62%
GK Development Inc ¹	828,144	5	0.93%	839,104	4	1.19%
Burlington Northern Santa Fe Railroad	623,346	6	0.70%			
Centurylink, Inc ²	585,119	7	0.66%	1,222,621	2	1.73%
Pasta Montana	571,005	8	0.64%	712,912	5	1.01%
Verizon Wireless	504,194	9	0.57%			
Orix Great Falls, LLC	477,307	10	0.54%	522,808	9	0.74%
General Mills, Inc				635,229	7	0.90%
International Malting Company LLC				556,870	8	0.79%
Federal Express Corp				474,961	10	0.67%
	<u>\$ 16,528,897</u>		<u>18.66%</u>	<u>\$ 10,442,353</u>		<u>14.80%</u>
Total Assessed Value	<u>\$ 88,577,771</u>			<u>\$ 70,550,043</u>		

Source: Treasurer's Office, Cascade County, Montana

In Fiscal Year 2014, Holiday Village Partners LLC changed to GK Development Inc
 In Fiscal Year 2015, Qwest Corporation changed to Centurylink, Inc.
 In Fiscal Year 2015, Montana Refining Corp. changed to Calumet Montana Refining, LLC

City of Great Falls, Montana Major Employers Current Year and Nine Years Ago						
Employer	2016			2007		
	Number of Employees ¹	Rank	Percentage of Total Employment	Number of Employees ¹	Rank	Percentage of Total Employment
Malmstrom Air Force Base	3,590 ²	1	10%	4,097 ²	1	14%
Benefis Health Care Center	3,107	2	8%	2,300	2	8%
Great Falls Public Schools	2,048	3	6%	1,620	3	5%
Montana Air National Guard	1,229 ²	4	3%	1,264 ²	4	4%
City of Great Falls	575	5	2%	521	8	2%
Great Falls Clinic	541	6	1%	773	5	3%
Cascade County	500	7	1%	500	9	2%
Wal-Mart	413	8	1%	550	7	2%
Centene Corporaton	319	9	1%			
Albertsons	285	10	1%	280	10	1%
Asurion (formerly N.E.W. Customer Services)				600	6	2%

Source: Great Falls Tribune, Great Falls Montana Outlook 2016 printed February 21, 2016
www.greatfallstribune.com
 List completed February 2015. Ranking based on total employees.

Full-time equivalents in full and part time positions.
 Includes military and civilian personnel.

Full-time equivalent is a term used, whereby the number of scheduled hours is divided by the hours in a full work week.
 The hours of several part time agents may add up to one FTE.

