



**Work Session Meeting Agenda**  
**2 Park Drive South, Great Falls, MT**  
**Commission Chambers**  
**June 16, 2020**  
**5:30 PM**

**UPDATES CONCERNING PROCESS OF MEETINGS**

Due to the COVID-19 health concerns, the format of the City Commission meeting may be modified to accommodate Commission member attendance in person, via a remote location/virtual meeting method, or to appear telephonically. In order to honor the Right of Participation and the Right to Know (Article II, Sections 8 and 9 of the Montana Constitution), modifications have also been made for public participation. Public participation is welcome in the following ways:

- Attend in person. Refrain from attending in person if you are not feeling well. The City will require social distancing at the meeting, and may limit the number of persons in the Commission Chambers according to applicable health guidelines.
- Provide public comments via email. Comments may be sent via email before 5:00 PM on Tuesday, June 16, 2020, to: [commission@greatfallsmt.net](mailto:commission@greatfallsmt.net). Include the agenda item or agenda item number in the subject line, and include the name and address of the commenter. Written communication received by that time will be shared with the City Commission and appropriate City staff and will be so noted in the official record of the meeting.
- Call-in. The public may call in during public comment period at 406-761-4786. All callers will be in a queued system and are asked to remain on hold and be patient. Calls will be taken in the order in which they are received. Callers will be restricted to customary time limits. We ask for your patience in the event there are technical difficulties.
- The agenda packet material is available on the City's website: <https://greatfallsmt.net/meetings>. The Public may view and listen to the meeting on government access channel City-190, cable channel 190; or online at <https://greatfallsmt.net/livestream>. Public comment will be taken during the meeting as indicated on the agenda with an asterisk.

**CALL TO ORDER**

**PUBLIC COMMENT**

*(Public comment on any matter and that is within the jurisdiction of the City Commission. Please keep your remarks to a maximum of five (5) minutes. Speak into the microphone, and state your name and address for the record.)*

\* Members of the public participating telephonically, please follow along with the City Commission meeting at <https://greatfallsmt.net/livestream> or on cable channel 190. The Mayor will announce Public Comment. At that time call 406-761-4786. You will be placed in a queue until the City Clerk or Mayor calls on you to speak, at which time your line will be unmuted and you will be able to address the City Commission for up to five minutes, first giving your name and address for the record. You will be able to hear the meeting through the phone, so you should continue to follow along online or on your television. When it is your turn to speak, please mute your online or television audio to avoid time-delayed background noise/feedback through the phone, and do not use speakerphone when commenting.

## **WORK SESSION ITEMS**

1. Defense Critical Infrastructure Program (DCIP) Grant - Greg Doyon.
2. Financing Options for Civic Center Facade - Craig Raymond.
3. 2020 Budget Primer - Greg Doyon and Melissa Kinzler.

## **DISCUSSION POTENTIAL UPCOMING WORK SESSION TOPICS**

### **ADJOURNMENT**

*City Commission Work Sessions are televised on cable channel 190 and streamed live at <https://greatfallsmt.net>. Work Session meetings are re-aired on cable channel 190 the following Thursday morning at 10 a.m. and the following Tuesday evening at 5:30 p.m.*

*Wi-Fi is available during the meetings for viewing of the online meeting documents.*

### **UPCOMING MEETING SCHEDULE**

Work Session - Tuesday July 7, 2020 5:30 p.m.

Commission Meeting - Tuesday July 7, 2020 7:00 p.m.



# Civic Center Façade Project



## Funding of Façade Repairs

### \$5.5 Million Project

- General obligation bond- debt service mill levy
- Downtown Tax Increment District funding
- Combination TIF/ General Obligation Debt and/or non-voted general obligation debt
- Grant Support

## Funding of Façade Repairs

### \$5.5 Million Project

- General obligation bond- debt service mill levy
  - \$5.5 million loan at 4% interest for 20 years would result in an additional \$4.13 tax on a house with taxable value of \$100,000
  - Same loan but for 10 years would result in an additional \$9.34 per \$100,000 taxable value

## Funding of Façade Repairs General Obligation Mill Levy

- November 2020 General Election- Commission Action
  - Adopt a Resolution of Intent and schedule public hearing- July
  - Conduct Public Hearing- August 4<sup>th</sup>
  - Adopt Resolution calling for election no later than August 10<sup>th</sup>
  - Election November 3<sup>rd</sup>

## Funding of Façade Repairs Tax Increment Financing District Funds

- Annual TIF increment accrual in Downtown TIF District is roughly \$1.3 million dollars
- TIF can be used in two ways:
  - Cash balance allocation
  - Guarantee and annual debt service payments

## Funding of Façade Repairs

### Tax Increment Financing District Funds

#### Cash Balance Options:

- Combined with General Obligation mill levy funds to offset total amount that voters are requested to approve
- Fund pay as you go phases to the project.
- Accumulate TIF funds over a period of time until the total construction amount can be funded

## Funding of Façade Repairs

### Tax Increment Financing District Funds

#### Fund annual bond payments:

- Tax increment accrual history and balance is used to guarantee and fund repayment of the bond proceeds
- Given an annual increment of approximately \$1.3 million and debt service of approximately \$400,000, additional increment will be available for other TIF requests in the district

## Funding of Façade Repairs

### Non-voted General Obligation Debt

- Non-voted general debt capacity of \$1.8 million is available to be used in combination with any or all of the above funding sources to further off-set new taxes, impact to TIF fund or lack of grant sources

## Funding of Façade Repairs

### Grant Funds

### Historic Preservation and Others

- MDOC grant application of \$500,000 will be considered during next legislative session
- All other grant sources will be explored

Questions?

**Downtown Tax Increment Fund- Tax Increment Summary**

Year Established:	2012
Beginning Taxable Value (Base Year):	\$3,643,698
Current Taxable Value for Tax Year 2019:	\$4,697,782
Unpaid Public Improvements Approved by City Commission:	\$230,109

**Downtown Tax Increment Fund- Statement of Revenues, Expenditures and Changes in Fund Balances  
All Years**

	Fiscal Year							2020 as of 6/11/2020	Totals as of 6/11/2020
	2014	2015	2016	2017	2018	2019			
Revenues									
Taxes	\$ 14,230	\$ 60,097	\$ 124,265	\$ 128,281	\$ 191,298	\$ 268,889	\$ 700,658 *	\$ 1,487,718	
Investment Income	-	123	595	1,621	3,408	8,096	7,176	21,019	
Other	-	-	-	-	-	-	-	-	
Total Revenues	<u>14,230</u>	<u>60,220</u>	<u>124,860</u>	<u>129,902</u>	<u>194,706</u>	<u>276,985</u>	<u>707,834</u>	<u>1,508,737</u>	
Expenditures									
Purchased Services	-	-	-	-	10,000	-	5,000	15,000	
Internal Services	-	-	-	10,151	6,984	6,213	14,317	37,665	
Capital Outlay	-	-	-	-	-	264,891	-	264,891	
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,151</u>	<u>16,984</u>	<u>271,104</u>	<u>19,317</u>	<u>317,556</u>	
Revenues over (under) expenditures	14,230	60,220	124,860	119,751	177,722	5,881	688,517	1,191,181	
Fund balances, beginning of year	-	14,230	74,450	199,310	282,130	459,852	465,733	-	
Transfers in (out)	-	-	-	(36,931) *	-	-	-	(36,931)	
Fund balances, end of year	<u>\$ 14,230</u>	<u>\$ 74,450</u>	<u>\$ 199,310</u>	<u>\$ 282,130</u>	<u>\$ 459,852</u>	<u>\$ 465,733</u>	<u>\$ 1,154,250</u>	<u>\$ 1,154,250</u>	

Downtown Tax Increment District taxes were first billed in Fiscal Year 2014

\*An additional payment in late June of \$520,000 will be received, not in the total amount.

\*\*Match for CTEP- Downtown Streetscape Expansion.

**City of Great Falls  
Tax Increment District Summary \* Updated as of 6/10/2020**

Name of Tax Increment District	URD or TEDD	Year District Established	Year of District Sunset	TIF Bonds Issued	Bonds	Outstanding Development Agreement in Place	Total Public Improvements Paid	Unpaid Public Improvements Approved by City Commission	Total Approved Improvements	# of Amendments to Development Agreement	Interest Payments included yes/no	Bond Coverage Requirement	Requires Upfront Costs of Developer	Beginning Taxable Value (Base Year)	Current Taxable Value Tax Year 2019	Incremental Taxable Value as of FY 2019	Total Tax Increment Revenue raised as of 6/10/2020	FY 2020 Actual Revenue as of 6/10/2020
East Industrial Park	TEDD	2013	2028	No	No	Yes	\$715,535	\$6,074,332	\$6,789,867	Developer: 1 request City: 0 requests	Yes, once taxable value has reached threshold	NA	Yes	\$2,322	\$513,539	\$511,217	\$864,721	\$211,169
GF Downtown Urban Renewal	URD	2012	2027	No	No	No	\$301,822	\$230,109	\$531,931	NA	NA	NA	NA	\$3,643,698	\$4,697,782	\$1,054,084	\$1,487,718	\$700,658 *
GF International Airport	TEDD	2008	2023	No	No	No	\$107,383	\$0	\$107,383	NA	NA	NA	NA	\$107,149	\$211,843	\$104,694	\$209,986	\$63,373
West Bank Urban Renewal	URD	2007	2040	Yes	\$4,550,000	Yes	\$5,741,773	\$350,600	\$6,092,373	Developer: 2 requests City: 1 requests	NA	1.40	Yes	\$238,214	\$1,379,732	\$1,141,518	\$4,223,509	\$561,514
Int'l Malting Plant/Central MT Agri-Tech Park	TEDD	2005	2040	Yes	\$1,500,000	No	\$1,130,176	\$86,822	\$1,216,997	NA	NA	1.25	NA	\$347,618	\$791,452	\$443,834	\$2,719,043	\$265,294
<b>Totals</b>							<b>\$7,281,153</b>	<b>\$667,531</b>	<b>\$7,948,684</b>								<b>\$8,640,256</b>	<b>\$1,590,839</b>

<b>Total of Redirected General Fund Revenue (27% of Tax Increment Revenue)</b>	<b>\$2,332,869</b>	<b>\$429,527</b>
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\*An additional payment in late June of \$520,000 will be received, not in the total amount.



# Budget Primer

## Fiscal Year 2021

June 16, 2020

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## General Fund Scenario: No Tax Increases, City Manager Recommended



	FY2020 Projected	FY2021 No Tax Increases	
<b>Beginning Fund Balance</b>	\$ 6,992,760	\$ 5,698,011	Increase to \$100,000 Home
<b>Revenue</b>			
Taxes	\$ 19,500,000	\$ 21,139,142	
- Newly Taxable Property (Avg '02-'19)		\$ 425,000	\$0.00
- Inflationary Factor (1.05%)		\$ -	\$0.00
- Permissive Medical Levy		\$ -	\$0.00
			\$0.00
Licenses & Permits	\$ 1,035,000	\$ 1,070,600	
Intergovernmental	\$ 8,550,052	\$ 8,834,250	
Charges for Services	\$ 1,100,588	\$ 1,193,304	
Fines & forfeitures	\$ 650,000	\$ 770,000	
Internal Service Charges	\$ 862,379	\$ 967,525	
Investment income	\$ 45,000	\$ 15,000	
Other	\$ 90,000	\$ 144,322	
Transfer in	\$ -	\$ -	
Issuance of debt	\$ -	\$ -	
Sale of Assets	\$ 2,200	\$ -	
<b>Revenue Totals</b>	<b>\$ 31,835,219</b>	<b>\$ 34,134,143</b>	
<b>Expenditures</b>			
Personal Services	\$ 24,167,598	\$ 25,475,659	
Supplies	\$ 900,000	\$ 960,266	
Purchased Services	\$ 1,450,000	\$ 1,319,023	
Debt Service	\$ 86,634	\$ 309,773	
Contributions & Other	\$ 250,000	\$ 250,000	
Other	\$ 42,698	\$ 20,000	
Internal Service Charges	\$ 4,533,610	\$ 4,777,596	
Capital Outlay	\$ 36,551	\$ -	
Transfer Out	\$ 1,662,877	\$ 1,659,178	
<b>Expenditure Totals</b>	<b>\$ 33,129,968</b>	<b>\$ 34,771,495</b>	
<b>Revenue Over (Under) Expenses</b>	<b>\$ (1,294,749)</b>	<b>\$ (637,352)</b>	
<b>Ending Fund Balance</b>	<b>\$ 5,698,011</b>	<b>\$ 5,060,659</b>	
<b>Fund Balance %</b>	<b>17.2%</b>	<b>14.6%</b>	

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# General Fund Scenario: Utilize Inflationary Factor



	FY2020 Projected	FY2021 No Tax Increases	FY2021 Utilize Inflationary	
<b>Beginning Fund Balance</b>	\$ 6,992,760	\$ 5,698,011	\$ 5,698,011	Increase to
<b>Revenue</b>				\$100,000
Taxes	\$ 19,500,000	\$ 21,139,142	\$21,316,089	Home
- Newly Taxable Property (Avg '02-'19)		\$ 425,000	\$ 425,000	\$0.00
- Inflationary Factor (1.05%)		\$ -	\$ 176,947	\$2.35
- Permissive Medical Levy		\$ -	\$ -	\$0.00
Licenses & Permits	\$ 1,035,000	\$ 1,070,600	\$ 1,070,600	\$2.35
Intergovernmental	\$ 8,550,052	\$ 8,834,250	\$ 8,834,250	
Charges for Services	\$ 1,100,588	\$ 1,193,304	\$ 1,193,304	
Fines & forfeitures	\$ 650,000	\$ 770,000	\$ 770,000	
Internal Service Charges	\$ 862,379	\$ 967,525	\$ 967,525	
Investment income	\$ 45,000	\$ 15,000	\$ 15,000	
Other	\$ 90,000	\$ 144,322	\$ 144,322	
Transfer in	\$ -	\$ -	\$ -	
Issuance of debt	\$ -	\$ -	\$ -	
Sale of Assets	\$ 2,200	\$ -	\$ -	
<b>Revenue Totals</b>	<b>\$ 31,835,219</b>	<b>\$ 34,134,143</b>	<b>\$34,311,090</b>	
<b>Expenditures</b>				
Personal Services	\$ 24,167,598	\$ 25,475,659	\$25,475,659	
Supplies	\$ 900,000	\$ 960,266	\$ 960,266	
Purchased Services	\$ 1,450,000	\$ 1,319,023	\$ 1,319,023	
Debt Service	\$ 86,634	\$ 309,773	\$ 309,773	
Contributions & Other	\$ 250,000	\$ 250,000	\$ 250,000	
Other	\$ 42,698	\$ 20,000	\$ 20,000	
Internal Service Charges	\$ 4,533,610	\$ 4,777,596	\$ 4,777,596	
Capital Outlay	\$ 36,551	\$ -	\$ -	
Transfer Out	\$ 1,662,877	\$ 1,659,178	\$ 1,659,178	
<b>Expenditure Totals</b>	<b>\$ 33,129,968</b>	<b>\$ 34,771,495</b>	<b>\$34,771,495</b>	
<b>Revenue Over (Under) Expenses</b>	<b>\$ (1,294,749)</b>	<b>\$ (637,352)</b>	<b>\$ (460,405)</b>	
<b>Ending Fund Balance</b>	<b>\$ 5,698,011</b>	<b>\$ 5,060,659</b>	<b>\$ 5,237,606</b>	
<b>Fund Balance %</b>	<b>17.2%</b>	<b>14.6%</b>	<b>15.1%</b>	

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# General Fund Scenario: Utilize Inflation & Permissive



	FY2020 Projected	FY2021 No Tax Increases	Utilize Inflationary Factor	Utilize Inflation & Permissive	
<b>Beginning Fund Balance</b>	\$ 6,992,760	\$ 5,698,011	\$ 5,698,011	\$ 5,698,011	Increase to
<b>Revenue</b>					\$100,000
Taxes	\$ 19,500,000	\$ 21,139,142	\$21,316,089	\$21,629,408	Home
- Newly Taxable Property (Avg '02-'19)		\$ 425,000	\$ 425,000	\$ 425,000	\$0.00
- Inflationary Factor (1.05%)		\$ -	\$ 176,947	\$ 176,947	\$2.35
- Permissive Medical Levy		\$ -	\$ -	\$ 313,319	\$4.17
Licenses & Permits	\$ 1,035,000	\$ 1,070,600	\$ 1,070,600	\$ 1,070,600	\$6.52
Intergovernmental	\$ 8,550,052	\$ 8,834,250	\$ 8,834,250	\$ 8,834,250	
Charges for Services	\$ 1,100,588	\$ 1,193,304	\$ 1,193,304	\$ 1,193,304	
Fines & forfeitures	\$ 650,000	\$ 770,000	\$ 770,000	\$ 770,000	
Internal Service Charges	\$ 862,379	\$ 967,525	\$ 967,525	\$ 967,525	
Investment income	\$ 45,000	\$ 15,000	\$ 15,000	\$ 15,000	
Other	\$ 90,000	\$ 144,322	\$ 144,322	\$ 144,322	
Transfer in	\$ -	\$ -	\$ -	\$ -	
Issuance of debt	\$ -	\$ -	\$ -	\$ -	
Sale of Assets	\$ 2,200	\$ -	\$ -	\$ -	
<b>Revenue Totals</b>	<b>\$ 31,835,219</b>	<b>\$ 34,134,143</b>	<b>\$34,311,090</b>	<b>\$34,624,409</b>	
<b>Expenditures</b>					
Personal Services	\$ 24,167,598	\$ 25,475,659	\$25,475,659	\$25,475,659	
Supplies	\$ 900,000	\$ 960,266	\$ 960,266	\$ 960,266	
Purchased Services	\$ 1,450,000	\$ 1,319,023	\$ 1,319,023	\$ 1,319,023	
Debt Service	\$ 86,634	\$ 309,773	\$ 309,773	\$ 309,773	
Contributions & Other	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	
Other	\$ 42,698	\$ 20,000	\$ 20,000	\$ 20,000	
Internal Service Charges	\$ 4,533,610	\$ 4,777,596	\$ 4,777,596	\$ 4,777,596	
Capital Outlay	\$ 36,551	\$ -	\$ -	\$ -	
Transfer Out	\$ 1,662,877	\$ 1,659,178	\$ 1,659,178	\$ 1,659,178	
<b>Expenditure Totals</b>	<b>\$ 33,129,968</b>	<b>\$ 34,771,495</b>	<b>\$34,771,495</b>	<b>\$34,771,495</b>	
<b>Revenue Over (Under) Expenses</b>	<b>\$ (1,294,749)</b>	<b>\$ (637,352)</b>	<b>\$ (460,405)</b>	<b>\$ (147,086)</b>	
<b>Ending Fund Balance</b>	<b>\$ 5,698,011</b>	<b>\$ 5,060,659</b>	<b>\$ 5,237,606</b>	<b>\$ 5,550,925</b>	
<b>Fund Balance %</b>	<b>17.2%</b>	<b>14.6%</b>	<b>15.1%</b>	<b>16.0%</b>	

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## Calumet & Fund Balance

Settlement Overview	
Total Protested Amount	\$ 4,640,000
Amount Collected by End of June	\$ 3,025,000
Percentage Collected	65%
% Effect on Fund Balance	+ 8.7%

	FY2020 Projected	FY2021 No Tax Increases	FY2021 Utilize Inflationary Factor	FY2021 Utilize Inflation & Permissive Levy
Ending Fund Balance from Primer Calumet Settlement	\$ 5,698,011	\$ 5,060,659	\$ 5,237,606	\$ 5,550,925
New Fund Balance Projection	\$ 3,025,000	\$ 3,025,000	\$ 3,025,000	\$ 3,025,000
New Fund Balance %	\$ 8,723,011	\$ 8,085,659	\$ 8,262,606	\$ 8,575,925
Amount Over 22% Minimum Policy	26.3%	23.3%	23.8%	24.7%
	\$ 1,434,418	\$ 435,930	\$ 612,877	\$ 926,196

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## History of Increases

5 Year Trend of Tax Increases					
	FY2017	FY2018	FY2019	FY2020	FY2021 Recommended
Inflationary Factor	0.49%	0.59%	0.82%	1.02%	0%
Permissive Medical Levy	\$349,244	\$249,726	\$300,000	\$460,000	\$0

5 Year Trend of Utility Increases					
	FY2017	FY2018	FY2019	FY2020	FY2021 Recommended
Water	10%	0%	5%	5%	0%
Sewer	3%	0%	2%	2%	0%
Storm Drain	10%	0%	10%	5%	0%
Sanitation – Residential	0%	5%	5%	7.5%	0%
Sanitation - Commercial	0%	0%	0%	7.5%	0%

5 Year Trend of Assessment Increases					
	FY2017	FY2018	FY2019	FY2020	FY2021 Recommended
Street Maintenance	0%	0%	0%	0%	0%
Boulevard District	0%	7%	3%	5%	0%
Portage Meadows District	0%	0%	7%	5%	0%
Street Lighting Districts	- 18%	- 1%	0%	0.5%	- 4%
Park Maintenance District	-	-	New	0%	0%

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# City Manager Deemed Critical Needs



City Manager Deemed Critical			
Fund	Department	Description	Department Requested
General	Court	Recording system for courtroom	\$29,000
General	Fire	Station 4 Sewer Repairs Quote to finish and make station 4 operational was \$220,000. We hope to come in significantly less but not sure of costs at this time. Number given is worst case scenario.	\$220,000
IT	IT	Hardware and software to meet State of Montana's CJIS requirement (already in budget and ISCs) MFA (Multi-Factor Authentication) will need to be installed at the Police Department, HIDTA, 911 and I.T.	\$35,000
<b>Total Deemed Critical</b>			<b>\$284,000</b>



# FISCAL YEAR 2021 BUDGET PRIMER

May 26, 2020



## Introduction to FY2021 Budget

### General Fund Scenario: No Tax Increases

The fund balance in the General Fund at the end of FY2020 is projected to be 17.2%, and the recommended minimum policy of the City is 22%. Fund balance has trended downward since Calumet began protesting taxes in FY2018. Because of the current environment, the Departments have been asked to hold the line on unspent appropriations in their FY2020 budgets. In FY2021, if no City tax increases are utilized, and before addressing any critical needs of the departments (see pages 5-6), the fund balance is projected to be 14.6% at the end of the fiscal year. This does not include a possible settlement of Calumet's protested taxes (see page 4).

	FY2020 Projected	FY2021 No Tax Increases	
<b>Beginning Fund Balance</b>	\$ 6,992,760	\$ 5,698,011	
<b>Revenue</b>			Increase to \$100,000 Home
Taxes	\$ 19,500,000	\$ 21,139,142	
- Newly Taxable Property (Avg '02-'19)		\$ 425,000	\$0.00
- Inflationary Factor (1.05%)		\$ -	\$0.00
- Permissive Medical Levy		\$ -	\$0.00
Licenses & Permits	\$ 1,035,000	\$ 1,070,600	\$0.00
Intergovernmental	\$ 8,550,052	\$ 8,834,250	
Charges for Services	\$ 1,100,588	\$ 1,193,304	
Fines & forfeitures	\$ 650,000	\$ 770,000	
Internal Service Charges	\$ 862,379	\$ 967,525	
Investment income	\$ 45,000	\$ 15,000	
Other	\$ 90,000	\$ 144,322	
Sale of Assets	\$ 2,200	\$ -	
<b>Revenue Totals</b>	<b>\$ 31,835,219</b>	<b>\$ 34,134,143</b>	
<b>Expenditures</b>			
Personal Services	\$ 24,167,598	\$ 25,475,659	
Supplies	\$ 900,000	\$ 960,266	
Purchased Services	\$ 1,450,000	\$ 1,319,023	
Debt Service	\$ 86,634	\$ 309,773	
Contributions & Other	\$ 250,000	\$ 250,000	
Other	\$ 42,698	\$ 20,000	
Internal Service Charges	\$ 4,533,610	\$ 4,777,596	
Capital Outlay	\$ 36,551	\$ -	
Transfer Out	\$ 1,662,877	\$ 1,659,178	
<b>Expenditure Totals</b>	<b>\$ 33,129,968</b>	<b>\$ 34,771,495</b>	
<b>Revenue Over (Under) Expenses</b>	<b>\$ (1,294,749)</b>	<b>\$ (637,352)</b>	
<b>Ending Fund Balance</b>	<b>\$ 5,698,011</b>	<b>\$ 5,060,659</b>	
<b>Fund Balance %</b>	<b>17.2%</b>	<b>14.6%</b>	

The City Manager is recommending the City utilize no tax increases in FY2021 and take a stance of economic recovery to offset the impact citizens have felt from COVID-19. This also includes not increasing utility rates or property assessments (see page 4). Although property owners will see no increase in their property taxes, the City is projecting an increase of \$425,000 in tax revenue for newly taxable property. The actual value of newly taxable property will not be known until certified values are received in August, so the City is using an 18 year average to estimate this amount.

Major Expenditure Increases in FY21	
Public Safety Radio System Debt Service	\$231,571 annually
Union & Non-Union COLA Increases	2.75% Increase
Health Insurance Rates	10.2% Increase

## General Fund Scenario: Raise Inflationary Factor

Each year, the City is authorized to raise taxes by ½ the percentage of the prior three years average rate of inflation. For FY2021, this equates to a possible increase in property taxes of 1.05%, or \$176,947. If the Commission chooses to utilize this increase, the fund balance in the General Fund before any critical needs are addressed would improve to 15.1%. This, again, does not include any possible settlement from Calumet. The impact on a home with a market value of \$100,000 would be \$2.35 annually.

	FY2020 Projected	FY2021 No Tax Increases	FY2021 Utilize Inflationary Factor	
<b>Beginning Fund Balance</b>	\$ 6,992,760	\$ 5,698,011	\$ 5,698,011	
<b>Revenue</b>				Increase to \$100,000 Home
Taxes	\$ 19,500,000	\$ 21,139,142	\$21,316,089	
- Newly Taxable Property (Avg '02-'19)		\$ 425,000	\$ 425,000	\$0.00
- Inflationary Factor (1.05%)		\$ -	\$ 176,947	\$2.35
- Permissive Medical Levy		\$ -	\$ -	\$0.00
Licenses & Permits	\$ 1,035,000	\$ 1,070,600	\$ 1,070,600	\$2.35
Intergovernmental	\$ 8,550,052	\$ 8,834,250	\$ 8,834,250	
Charges for Services	\$ 1,100,588	\$ 1,193,304	\$ 1,193,304	
Fines & forfeitures	\$ 650,000	\$ 770,000	\$ 770,000	
Internal Service Charges	\$ 862,379	\$ 967,525	\$ 967,525	
Investment income	\$ 45,000	\$ 15,000	\$ 15,000	
Other	\$ 90,000	\$ 144,322	\$ 144,322	
Sale of Assets	\$ 2,200	\$ -	\$ -	
<b>Revenue Totals</b>	<b>\$ 31,835,219</b>	<b>\$ 34,134,143</b>	<b>\$34,311,090</b>	
<b>Expenditures</b>				
Personal Services	\$ 24,167,598	\$ 25,475,659	\$25,475,659	
Supplies	\$ 900,000	\$ 960,266	\$ 960,266	
Purchased Services	\$ 1,450,000	\$ 1,319,023	\$ 1,319,023	
Debt Service	\$ 86,634	\$ 309,773	\$ 309,773	
Contributions & Other	\$ 250,000	\$ 250,000	\$ 250,000	
Other	\$ 42,698	\$ 20,000	\$ 20,000	
Internal Service Charges	\$ 4,533,610	\$ 4,777,596	\$ 4,777,596	
Capital Outlay	\$ 36,551	\$ -	\$ -	
Transfer Out	\$ 1,662,877	\$ 1,659,178	\$ 1,659,178	
<b>Expenditure Totals</b>	<b>\$ 33,129,968</b>	<b>\$ 34,771,495</b>	<b>\$34,771,495</b>	
<b>Revenue Over (Under) Expenses</b>	<b>\$ (1,294,749)</b>	<b>\$ (637,352)</b>	<b>\$ (460,405)</b>	
<b>Ending Fund Balance</b>	<b>\$ 5,698,011</b>	<b>\$ 5,060,659</b>	<b>\$ 5,237,606</b>	
<b>Fund Balance %</b>	<b>17.2%</b>	<b>14.6%</b>	<b>15.1%</b>	

### General Fund Scenario: Raise Inflationary Factor & Permissive Medical Levy

In addition to the inflationary factor, the City is also authorized to raise taxes through the Permissive Medical Levy to help offset the increased costs of health insurance in the General Fund. For FY2021, the additional amount the City could levy is \$313,319. For a home with a market value of \$100,000, this amounts to an additional \$4.17 annually. Combining both the inflationary factor and the permissive levy, the total increased cost to a \$100,000 home is \$6.52. For a \$200,000 home, the amount is \$13.04. The General Fund fund balance would increase to 16.0% if both tax increases are utilized. Again, this is before any critical needs of the departments are addressed or any settlement from Calumet is received.

	FY2020 Projected	FY2021 No Tax Increases	FY2021 Utilize Inflationary Factor	FY2021 Utilize Inflation & Permissive Levy	
<b>Beginning Fund Balance</b>	\$ 6,992,760	\$ 5,698,011	\$ 5,698,011	\$ 5,698,011	
<b>Revenue</b>					Increase to \$100,000 Home
Taxes	\$ 19,500,000	\$ 21,139,142	\$21,316,089	\$21,629,408	
- Newly Taxable Property (Avg '02-'19)		\$ 425,000	\$ 425,000	\$ 425,000	\$0.00
- Inflationary Factor (1.05%)		\$ -	\$ 176,947	\$ 176,947	\$2.35
- Permissive Medical Levy		\$ -	\$ -	\$ 313,319	\$4.17
Licenses & Permits	\$ 1,035,000	\$ 1,070,600	\$ 1,070,600	\$ 1,070,600	\$6.52
Intergovernmental	\$ 8,550,052	\$ 8,834,250	\$ 8,834,250	\$ 8,834,250	
Charges for Services	\$ 1,100,588	\$ 1,193,304	\$ 1,193,304	\$ 1,193,304	
Fines & forfeitures	\$ 650,000	\$ 770,000	\$ 770,000	\$ 770,000	
Internal Service Charges	\$ 862,379	\$ 967,525	\$ 967,525	\$ 967,525	
Investment income	\$ 45,000	\$ 15,000	\$ 15,000	\$ 15,000	
Other	\$ 90,000	\$ 144,322	\$ 144,322	\$ 144,322	
Sale of Assets	\$ 2,200	\$ -	\$ -	\$ -	
<b>Revenue Totals</b>	<b>\$ 31,835,219</b>	<b>\$ 34,134,143</b>	<b>\$34,311,090</b>	<b>\$34,624,409</b>	
<b>Expenditures</b>					
Personal Services	\$ 24,167,598	\$ 25,475,659	\$25,475,659	\$25,475,659	
Supplies	\$ 900,000	\$ 960,266	\$ 960,266	\$ 960,266	
Purchased Services	\$ 1,450,000	\$ 1,319,023	\$ 1,319,023	\$ 1,319,023	
Debt Service	\$ 86,634	\$ 309,773	\$ 309,773	\$ 309,773	
Contributions & Other	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	
Other	\$ 42,698	\$ 20,000	\$ 20,000	\$ 20,000	
Internal Service Charges	\$ 4,533,610	\$ 4,777,596	\$ 4,777,596	\$ 4,777,596	
Capital Outlay	\$ 36,551	\$ -	\$ -	\$ -	
Transfer Out	\$ 1,662,877	\$ 1,659,178	\$ 1,659,178	\$ 1,659,178	
<b>Expenditure Totals</b>	<b>\$ 33,129,968</b>	<b>\$ 34,771,495</b>	<b>\$34,771,495</b>	<b>\$34,771,495</b>	
<b>Revenue Over (Under) Expenses</b>	<b>\$ (1,294,749)</b>	<b>\$ (637,352)</b>	<b>\$ (460,405)</b>	<b>\$ (147,086)</b>	
<b>Ending Fund Balance</b>	<b>\$ 5,698,011</b>	<b>\$ 5,060,659</b>	<b>\$ 5,237,606</b>	<b>\$ 5,550,925</b>	
<b>Fund Balance %</b>	<b>17.2%</b>	<b>14.6%</b>	<b>15.1%</b>	<b>16.0%</b>	

## Settlement of Outstanding Calumet Protests

While the fund balance in the General Fund has declined since FY2018 because of outstanding protests, an influx of cash will be received when the protest is settled. However, it is unknown how much will be received. The table below outlines some examples of the effect on fund balance depending on how much of the protested amount is actually received. Furthermore, some examples are laid out considering both protested receipts and whether or not the City will utilize tax increases in the FY2021 budget.

Outstanding Protests FYE 6/30/2020	\$ 4,640,000 *	*Assuming 2 <sup>nd</sup> Half FY20 Amount same as 1 <sup>st</sup> Half
<b>Examples:</b>		
Percentage Collected	50%	75%
Amount Collected	\$ 2,320,000	\$ 3,480,000
% Effect on Fund Balance	6.7%	10.0%
<b>Example 1:</b> No tax increases and 50% protested taxes collected	14.6% + 6.7% = <b>21.2% FY21 Ending Fund Balance</b>	
<b>Example 2:</b> No tax increases and 75% protested taxes collected	14.6% + 10.0% = <b>24.6% FY21 Ending Fund Balance</b>	
<b>Example 3:</b> Inflation & Permissive Medical Levy tax increases and 50% protested taxes collected	16.0% + 6.7% = <b>22.6% FY21 Ending Fund Balance</b>	

## Trend of Tax, Utility, and Assessment Increases

5 Year Trend of <b>Tax</b> Increases					
	FY2017	FY2018	FY2019	FY2020	FY2021 Recommended
<b>Inflationary Factor</b>	0.49%	0.59%	0.82%	1.02%	0%
<b>Permissive Medical Levy</b>	\$349,244	\$249,726	\$300,000	\$460,000	\$0

5 Year Trend of <b>Utility</b> Increases					
	FY2017	FY2018	FY2019	FY2020	FY2021 Recommended
<b>Water</b>	10%	0%	5%	5%	0%
<b>Sewer</b>	3%	0%	2%	2%	0%
<b>Storm Drain</b>	10%	0%	10%	5%	0%
<b>Sanitation – Residential</b>	0%	5%	5%	7.5%	0%
<b>Sanitation - Commercial</b>	0%	0%	0%	7.5%	0%

5 Year Trend of <b>Assessment</b> Increases					
	FY2017	FY2018	FY2019	FY2020	FY2021 Recommended
<b>Street Maintenance</b>	0%	0%	0%	0%	0%
<b>Boulevard District</b>	0%	7%	3%	5%	0%
<b>Portage Meadows District</b>	0%	0%	7%	5%	0%
<b>Street Lighting Districts</b>	- 18%	- 1%	0%	0.5%	- 4%
<b>Park Maintenance District</b>	-	-	New	0%	0%

## Critical Needs

So far in this document, the projections shown have not included any of the costs associated with critical needs identified by the City's departments. Instead of the usual Above & Beyond Request form, the departments were asked by the City Manager to provide one or two requests that are critical to their operations, but not to include additional FTEs. The submittals by the departments are outlined below, first showing the items the City Manager has deemed critical.

<b>City Manager Deemed Critical</b>			
<b>Fund</b>	<b>Department</b>	<b>Description</b>	<b>Department Requested</b>
General	Court	Recording system for courtroom	\$29,000
General	Fire	Station 4 Sewer Repairs Quote to finish and make station 4 operational was \$220,000. We hope to come in significantly less but not sure of costs at this time. Number given is worst case scenario.	\$220,000
IT	IT	Hardware and software to meet State of Montana's CJIS requirement (already in budget and ISCs) MFA (Multi-Factor Authentication) will need to be installed at the Police Department, HIDTA, 911 and I.T.	\$35,000
		<b>Total Deemed Critical</b>	<b>\$284,000</b>

<b>Other Department Requested</b>			
<b>Fund</b>	<b>Department</b>	<b>Description</b>	<b>Department Requested</b>
General	Police	This is another budget year that I would have asked for at least 1 FTE to backfill the position used for the creation of the Violent Crimes Task Force. This task force was created in response to the ongoing increase in violent crime here in Great Falls and we intentionally used a position in our Patrol Bureau to make this happen.	\$0
General	Fire	(2) Possible grant matches GFFR put in for two AFG grants for safety equipment and to purchase a replacement aerial apparatus. If successful, we will be required to match 10% of awarded amount. We will put in for a hardship waiver to waive the matching amount. If we are not granted the hardship waiver, we would have to produce the match amount to receive the grant. Breakdown of 10% match per grant is: Safety equipment is \$27,582 and Aerial apparatus is \$112,727.	\$140,309
General	Fire	Increase in travel/training budget	\$21,420
General	Legal	Increase File Clerk to .47FTE/\$12 per hr/960 per year from .29FTE/\$10/600	\$4,691
General	Park & Recreation	Gain Maintenance Labor Expense from Multi-Sports Fund (would result in \$27,000 cost reduction in Multi-Sports Fund)	\$27,000
General	Park & Recreation	Gain Gas, Oil, Diesel Fuel, Grease, etc. from Multi-Sports (would result in \$1,000 cost reduction in Multi-Sports Fund)	\$1,000

### Other Department Requested - Continued

Fund	Department	Description	Department Requested
General	Increased Subsidy	Recreation Fund - Reserves used in FY 2019/20	\$88,935
General	Increased Subsidy	Recreation Fund - for COVID-19 Revenue Loss	\$135,817
Library	Library	Basement Flooding Mitigation Donation in hand for \$85,000 for this project. We will not know the full cost of the project until it goes out for bid. (Estimate total \$85,000 to \$135,000) Project includes installation of sump pump/ drain system and repair of existing storm drain pipe and its connection to the water main.	\$50,000
Human Resources	HR	BizLibrary – Middle management training resources to double # of employees participating (from 19 to 40 employees)	\$6,000
Swimming Pools	Park & Recreation	Replacement of Flow Rider Pad	\$200,000
<b>Total Other Requests</b>			<b>\$675,173</b>