



**Special Work Session Meeting,
2023 Budget Planning Discussion Agenda
2 Park Drive South, Great Falls, MT
Gibson Room, Civic Center
May 09, 2022
3:00 PM**

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 participation is welcome in the following ways:

- Attend in person.
- Provide public comments in writing by 12:00 PM the day of the meeting: Mail to City Clerk, PO Box 5021, Great Falls, MT 59403, or via email to: commission@greatfallsmt.net. Include the agenda item or agenda item number in the subject line, and include the name of the commenter and either an address or whether the commenter is a city resident. Written communication received by that time will be shared with the City Commission and appropriate City staff for consideration during the agenda item and will be so noted in the official record of the meeting.

CALL TO ORDER

PUBLIC COMMENT

(Public comment on agenda items or any matter 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 either your address or whether you are a city resident for the record.)

WORK SESSION ITEMS

1. 2023 Budget Planning Work Session.

ADJOURNMENT

City Commission Work Sessions are televised on cable channel 190 and streamed live at <https://greatfallsmt.net>. This Special Work Session meeting will be re-aired on cable channel 190 on Wednesday May 11th at 1:00 p.m. and Tuesday May 17th at 1:00 p.m.

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

UPCOMING MEETING SCHEDULE

Special Work Session Meeting, 2023 Budget Planning Discussion -- May 10, 2022 3:00 p.m. (If needed)

Work Session - Tuesday May 17, 2022 5:30 p.m.

Commission Meeting - Tuesday May 17, 2022 7:00 p.m.

2023 Budget Planning Work Session



Monday May 9, 2022

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FY2021 Refresher

General Fund

- Budget modeled for economic recovery (post COVID-19)
- No property tax increases
 - No Inflationary Factory - (\$176,947)
 - No Permissive Medical Levy - (\$313,319)
 - Total tax increases not utilized - \$490,266
- Used Fund Balance to offset tax relief - (\$872,105)
 - Maintained policy level fund balance of 22%
- Level funded to promote local economic recovery efforts

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FY2022 Refresher

Budget Drivers

- Economic recovery
 - Level fund operations budget
 - Keep CARES/ARPA discussions separate
- No General Fund property tax increases
 - Inflationary Factor - (\$157,843)
 - Permissive Medical Levy - (\$71,281)
 - Total tax increases not utilized - \$229,124
 - Use of fund balance in FY2022 - (\$736,648)
 - General Fund unrestricted balance below policy level at 20.3%
- No special assessment or utility rate increases
- New collective bargaining agreements for all unions
 - Move to 85%/15% cost sharing for insurance (\$576,284 City-wide)
 - Decreased workers compensation rates (\$405,112 City-wide)



City Commission Top Priorities

February 23, 2022 Retreat

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

Are these still the Commission’s Priorities?



City Manager Comments

- Time of growth and opportunity, despite a difficult two years
- Proactive governing body – desires growth housing and economic development
- Use of the Inflationary factor
- Balance multiple efforts: Operating budget, Capital budget, Crime Task Force, ARPA/CARES use, potential Public Safety Levy
- Workforce will be a significant challenge
 - Citywide unemployment is at 2.8%
 - Recruitment and retaining qualified employees



City Manager Comments

- Community Wide
 - New construction and infill development
 - Clear progress in the downtown
 - New housing starts
 - The Concord Group projects demand for +/-450 new housing units per year in the Great Falls MSA (Cascade County) over the next 10 years
 - Significant undersupply of homes projected for ten years
 - Job growth. Moody's projects 2,000 new jobs in the MSA by the end of 2026
 - In-migration
 - GBSD – 2026 – Influx

General Fund Revenue Increase Detail										
General Fund Increases with Newly Taxable Property, Inflation, Entitlement Payments and Permissive Medical Levy										
Fiscal Year	Total \$ Increase in Mill Levy Due to Newly Taxable Property	Taxable Value of New Property	Total \$ Increase in Mill Levy Due to Inflationary Factor	% Increase of Inflationary Factor	% of Entitlement Increase	Entitlement Dollar Increase per Year	Entitlement Payment	Permissive Medical Levy Increase per Year	Permissive Medical Levy Total Levied Amount	Total Increases
2002	\$112,656	\$1,011,770	\$90,165	1.280%	3.00%	New	\$4,597,248	New	\$0	\$202,821
2003	\$151,148	\$1,302,597	\$92,513	1.270%	3.00%	\$144,453	\$4,741,701	\$195,351	\$195,351	\$583,465
2004	\$124,223	\$1,041,336	\$92,154	1.220%	3.38%	\$155,130	\$4,896,831	\$131,294	\$326,645	\$502,801
2005	\$249,121	\$2,030,124	\$75,618	0.960%	3.47%	\$173,569	\$5,070,400	(\$65)	\$326,580	\$498,243
2006	\$355,678	\$2,748,377	\$101,905	1.251%	3.23%	\$165,426	\$5,235,826	\$265,434	\$592,014	\$888,443
2007	\$370,273	\$2,873,541	\$122,878	1.420%	3.40%	\$85,338	\$5,321,164	\$42	\$592,056	\$578,531
2008	\$331,540	\$2,387,436	\$140,415	1.535%	4.23%	\$225,000	\$5,546,164	\$284,162	\$876,218	\$981,117
2009	\$301,276	\$2,138,981	\$161,337	1.672%	4.22%	\$233,836	\$5,780,000	\$208,415	\$1,084,633	\$904,864
2010	\$1,026,130	\$6,947,574	\$112,728	1.112%	5.00%	\$289,000	\$6,069,000	\$272	\$1,084,905	\$1,428,130
2011	\$448,379	\$2,931,771	\$0	0.000%	5.14%	\$311,000	\$6,380,947	\$119,523	\$1,204,428	\$878,902
2012	\$869,937	\$5,295,716	\$0	0.000%	0.00%	\$0	\$6,386,864	(\$525)	\$1,203,903	\$869,412
2013	\$216,205	\$1,278,348	\$367,824	3.060%	0.00%	\$0	\$6,580,118	\$179,073	\$1,382,976	\$763,102
2014	\$135,678	\$787,945	\$134,366	1.030%	3.50%	\$230,302	\$6,810,420	\$168,223	\$1,551,199	\$668,569
2015	\$54,948	\$312,611	\$137,147	1.030%	3.50%	\$238,365	\$7,064,237	\$165,263	\$1,716,462	\$595,723
2016	\$822,535	\$5,072,060	\$88,387	0.670%	3.50%	\$247,248	\$7,594,724	\$286,319	\$2,002,781	\$1,444,489
2017	\$876,206	\$5,238,618	\$70,515	0.490%	3.50%	\$277,164	\$7,871,888	\$349,244	\$2,352,025	\$1,573,129
2018	\$437,295	\$2,643,701	\$88,793	0.590%	0.05%	\$40,844	\$7,912,732	\$249,726	\$2,601,751	\$816,658
2019	\$781,414	\$4,606,852	\$127,721	0.817%	1.85%	\$145,815	\$8,058,547	\$300,000	\$2,901,751	\$1,354,950
2020	\$199,839	\$1,203,919	\$168,142	1.020%	3.00%	\$292,005	\$8,350,552	\$460,000	\$3,361,751	\$1,119,986
2021	\$119,488	\$691,320	\$0	0.000%	3.24%	\$284,198	\$8,634,750	\$0	\$3,361,751	\$403,686
2022	\$366,758	\$2,191,822	\$0	0.000%	1.44%	\$130,271	\$8,765,021	\$0	\$3,361,751	\$497,029
2023	\$400,000		\$641,691	3.750%	3.35%	\$294,004	\$9,059,025			\$1,335,695
Total	\$8,750,727		\$2,172,608			\$3,962,968		\$3,361,751		\$17,554,050
21 Year Average	\$397,654		\$103,458			\$174,713		\$160,083		\$835,907

General Fund Tax & Entitlement Revenue



Revenue Segment	FY2021 Actual Increases	FY2022 Actual Increases	FY2023 Available Increases
Newly Taxable Property	\$119,488	\$366,758	\$400,000 Amount not known until August
Inflationary Factor	\$0	\$0	\$641,691
Permissive Medical Levy	\$0	\$0	?
Entitlement Share	\$284,198	\$130,271	\$294,004
Total Revenue Increase	\$403,686	\$497,029	\$1,335,695



General Fund Debt

- Public Safety Radios
 - Debt issued: 3/27/2020; Final maturity date: 3/01/2030
 - Total amount of debt issued: \$1,992,461
 - Amount of debt outstanding as of 6/30/2022: \$1,634,496
 - Annual payment: \$231,570
 - Interest rate: 2.87%

- Fire Truck Purchases (2)
 - Debt issued: 12/15/2015; Final maturity date: 2/15/2026
 - Total amount of debt issued, \$801,098
 - Amount of debt outstanding as of 6/30/2022: \$296,461
 - Annual payment: \$77,046
 - Interest rate: Variable; FY 2023: 1.550%



FY2023 Budget Drivers

Budget Drivers

- Inflation
 - 8.5% Consumer Price Index (CPI), March 2022 – All urban consumers
 - Inflationary factor in the General Fund is a three year average of the CPI divided in half
 - Operating increase (supplies, professional services)
 - Prior years have held the line in operating increases
- Labor Market Adjustments
 - Union contracts (2.75% to 4%)
 - Nonunion/ Merit increases (0% to 5%)
 - Non Union Wage and Classification Study
- Health Insurance Adjustment
- COPS Grant (hired 1 FTE, 2 to hire)