

**City of Helena
Preliminary Budget
Fiscal Year 2016 – 2017**

Ron Alles, City Manager

Helena City Charter

Article III, Section 3.02

2. The manager shall:

k) prepare and present the budget to the commission for its approval and execute the budget adopted by the commission;

Constraint Budgeting

- Financial Policy – sustainability emphasis
- Comprehensive Capital & Inventory Program
- Build Constraint Budgets
 - Revenue Projections
 - Reserves and Other Resources
 - Projections & Expenditures by Departments
 - Prioritized Services within Constraints

Resource Challenges

- Tax Levy
 - Half the rate of Inflation 0.50%
 - Slow Community Growth ~1.96%
- State Entitlement 3.45%
- Reserves
 - Sustainable Cash Flow Reserves
 - No “Surplus” – Build Capital Reserves

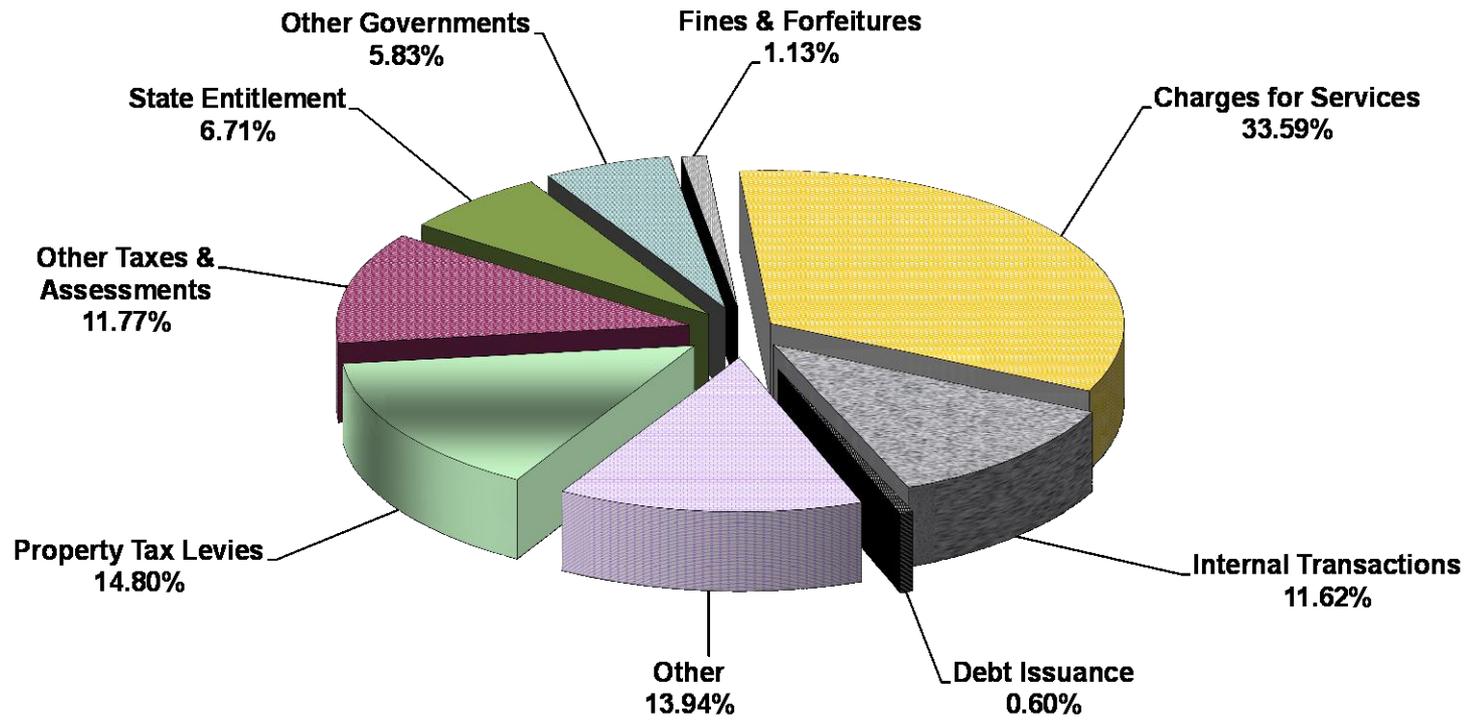
Resource Challenges

- Rates – Adequate vs Affordable
 - Major Infrastructure Needs to Address
 - Water
 - Wastewater
 - Storm Water
 - Streets

Within Constraints

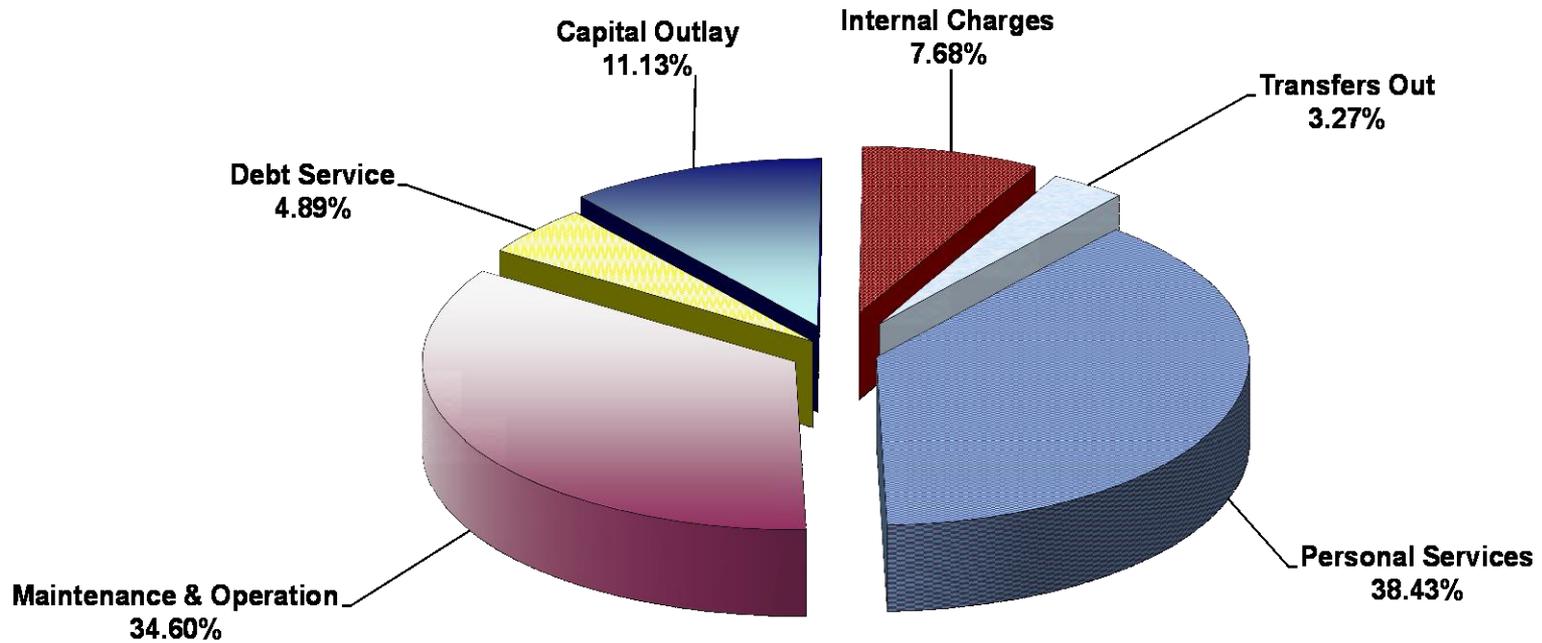
- Continue Quality Public Services
- No expansion of services
- Sustainable Capital Program funding
 - Address timing and rates as appropriate
 - Incremental increases for General Capital
 - Capital reserves from operating savings
- Sustain employee compensation goals
- Meet the rising cost of Health Insurance

WHERE THE MONEY COMES FROM - FY 2017



	FY 2015 Actual	FY 2016 Projected	FY 2017 Budget	Budget Increase (Decr)
Property Tax Levies	\$ 10,826,030	\$ 9,043,548	\$ 9,356,856	\$ 313,308
Other Taxes & Assessments	7,951,895	7,478,644	7,437,884	(40,760)
State Entitlement	3,999,575	4,101,950	4,242,500	140,550
Other Governments	4,966,590	7,314,205	3,685,557	(3,628,648)
Fines & Forfeitures	726,951	740,000	715,000	(25,000)
Charges for Services	21,431,649	21,529,348	21,235,320	(294,028)
Internal Transactions	7,907,876	9,333,811	7,346,926	(1,986,885)
Debt Issuance	1,398,180	3,066,000	379,680	(2,686,320)
Other	8,320,111	8,992,550	8,813,748	(178,802)
Total City Revenues	\$ 67,528,857	\$ 71,600,056	\$ 63,213,471	\$ (8,386,585)

WHERE THE MONEY GOES - FY 2017



	FY 2015 Actual	FY 2016 Projected	FY 2017 Budget	Budget Increase (Decr)
Personal Services	\$ 24,323,636	\$ 25,632,623	\$ 25,784,472	\$ 151,849
Maintenance & Operation	20,448,092	24,612,492	23,217,830	(1,394,662)
Debt Service	3,275,210	4,071,092	3,282,157	(788,935)
Capital Outlay	4,876,973	20,363,595	7,467,550	(12,896,045)
Internal Charges	4,566,667	5,246,715	5,154,909	(91,806)
Transfers Out	2,876,188	4,087,096	2,192,017	(1,895,079)
Total City Expenditures	\$ 60,366,766	\$ 84,013,613	\$ 67,098,935	\$ (16,914,678)

FY 2017 – Personnel

- Goal – Median of 7 largest MT cities
- Market Based Pay Plan
 - No COLA *(note: CPI/U= 0.73%)*
 - Health Insurance
 - Progress to market through Step increases
 - Implement market study results
 - For possible position reclassifications only
 - Meet Union Contract Obligations

Notable in Preliminary Budget

- Responsible operating budgets with sustainable reserves
- Maintain existing staffing levels
- Maintain public safety service levels in Police and Fire
- Voluntary sidewalk loan program – continued
- Maintenance of Expanded Parks Facilities
- Continue non-motorized transportation funding of \$462,000 including ADA requirements, bike/pedestrian markings, and bike/pedestrian signal maintenance.
- Achieve a \$1.6m General Capital Reserve (\$3m goal).
- \$150,000 General Fund Contingency (*<1% of Expend.*)

Notable in Preliminary Budget

- Other notable items:

\$ 1,514,500 – Ten Mile/Missouri River Treatment Plants Improvements

\$ 547,500 – Water Transmission Mains Projects

\$ 481,000 – Wastewater Transmission Mains Projects

\$ 495,000 – Storm Water Transmission Mains Projects

\$ 1,068,500 – 5 Commercial Solid Waste Vehicles

\$ 118,660 - 2 fully equipped Police Patrol Vehicles

\$ 650,000 – Street Construction Projects (*Gas Tax*)

\$ 337,500 – City Investment in Transit System

Notable in Preliminary Budget

- Other notable items: (continued)
 - \$ 164,500 – Helena Civic Television Contribution
 - \$ 230,000 – 3 Mowers / Utility Equipment for Golf Course
 - \$ 1,780,000 – Residential Solid Waste Capital Reserves
 - \$ 197,000 – Residential Solid Waste Recycling Reserves

Scheduled Budget Meetings (tentative)

- *Joint City/County Budget Work Session*
 - *Held April 7*
- **Budget Work Sessions -- Room 326**
 1. **Wed. April 27 3 to 6 pm**
 2. **Mon. May 2 3 to 6 pm**
 3. **Wed. May 11 3 to 6 pm**
 4. **Wed. May 16 3 to 6 pm**
 5. **Wed. May 25 3 to 6 pm**
 6. **Mon. June 8 3 to 6 pm**

Budget Hearing Monday, June 20th 6 pm

- Accept Additional Public Input
- Close the Public Hearing
- Consider additional budget work sessions prior to final adoption of the budget.
- Finalize & Adopt Budget

Motion

Move to accept the FY 2017 Preliminary Budget and Comprehensive Capital & Inventory Program (CCIP).