HELENA FORWARD FUNDING

Source of Funds

General Fund | Utility | Use Tax | 1 Cent Fund | Capital from Diverted Funds

Year One

$137,000
$200,000
$470,000

$807,000

$346,000
$200,000
$664,000

$1,210,000

General Fund
$137,000

Year Two

General Fund
$779,000

$447,000
$360,000

$807,000

$332,000
$346,000
$200,000
$332,000

$1,210,000

Year Three

$447,000
$360,000

$807,000

$546,000
$346,000
$300,000

$1,210,000

General Fund
$993,000

Year Four

General Fund
$1,358,000

$700,000
$420,000

$1,120,000

$658,000
$620,000
$400,000

$1,678,000

HELENA FORWARD FUNDING

Proven financial prudence demonstrated by the City of Helena's administration over the past four years. Particularly in managing the city's finances that it has enabled us to embark on significant projects such as the City Hall and Sports and Leisure Complex through bond warrants.

One of the key strategies that have contributed to our financial stability and enabled us to undertake these crucial projects is our practice of budgeting the General Fund based only on three of the four quarter revenues of the previous year. This prudent approach has allowed us to steadily build our reserve fund, which now stands at an impressive $4.5 million. This is an increase from $1.3MM from when the current Mayor and City Council took office in 2020.

Utilizing this method of budgeting decisions based on conservative revenue projections, we have ensured that our fiscal health remains robust even in the face of economic uncertainties. This conservative and cautious approach has not only enabled us to handle bond warrants for important infrastructure projects but has also empowered the City to pay off all short-term loans and make cash purchases for necessary items.

The result of this prudent financial management is evident in our ability to invest in vital community infrastructure without compromising our financial stability. The City Hall project and Sports and Leisure Complex are essential for the continued growth and prosperity of our City, and thanks to the careful stewardship of our finances, the City can undertake these projects with confidence. The diligent planning and successful execution by many have played an instrumental role in moving Helena Forward in a way that is not only setting the tone for today but also lending itself to sustainable growth that will show benefits for generations to come.

The structure of how the City will repay debt incurred with the construction of the City Hall and Sports and Leisure Complex is stacked in a way that allows various accounts to share the overall cost; not negatively impact any one singular account. The five accounts where funds will be coming from include;

- General Fund
- Utility Lease
- Use Tax
- One Cent Fund
- Capital from Diverted Funds

The Sports and Leisure Complex has a master plan that has been released, but we all agree that it is not financially responsible as a City to build it all at once. The cost of the complex as it is currently estimated at $58MM whereas the bond will only be for $27MM of the cost at this time. The cost of construction of the new City Hall is budgeted at $18MM.

The bond is structured to allow for interest only payments for the first three years allowing the City to have things constructed to create new revenue streams.

FREQUENTLY ASKED QUESTIONS

What is the bond amount that the City plans to issue for the Helena Forward Project?
The City will issue bonds for $45MM for both projects combined.

When is the construction of the City Hall scheduled to begin?
The land building pad is now complete, and the General Contractor is preparing to begin construction. We anticipate being in the new building in March 2025.

Why is the City Hall building so big?
Everything we have tried to do within the city for the last four years is plan for future growth. The building will have three total floors, but only the first two will be built out at this time. The current City Hall, constructed in 1994 as a one-story building with a small attic limited the growth in the current location.

What is going to be in the new City Hall?
The new building is not only the place to do business but will also serve as our community hub with a dedicated Senior Citizens area. With our aging population, we believe that this population need not be forgotten. The building will also include offices for Administration, the Utility Department, Building Services, and all Department Heads. The traditional Council Chambers will be on the second floor along space for future offices and conference rooms.

What will the old City Hall building be used for after the new City Hall is finished?
The current City Hall building will become the Public Safety Building for the City. It will house the Police Department, Fire Station 1, and Municipal Court.

The new Sports and Leisure Complex is estimated to cost $58MM, will the city be building all of it at one time?
No, the City Council and Mayor have prioritized the most immediate needs for the community and become a first in class facility.

What will this portion of the Sports and Leisure Complex include?
After listening to the community feedback, the first items that will be constructed include two championship-size baseball fields (these fields will also convert to four youth fields), two outdoor basketball courts, a playground, sixteen tennis courts, twenty-seven holes of disc golf, Hillsboro trail connectivity, a multipurpose field, and also a splash pad.

When will the Sports and Leisure Complex begin construction?
We are slated to begin site work this coming November. Due to EPA guidelines, we are not allowed to remove any trees until then.

Why has the project been broken down into two segments for repayment?
The capital stacking of funds, it allows us to use accounts to go to certain projects. An example would be the Utility Department leasing inside City Hall and the payment would be tracked internally to go to the City Hall portion.

How much is the bond payment for year one through three?
The overall payment for these years will total $2,017,000.00. We have it broken down to $807,000.00 for the City Hall and $1,210,000.00 for the Sports and Leisure Complex.

Where are the funds coming from to repay the bond in year one?
For the City Hall portion $470,000 will come from Capital from diverted funds, $200,000 from Utility for rent within the building, and $137,000 (2%*) from the General Fund.

For the Sports and Leisure Complex portion $664,000 will come from Capital from diverted funds, $340,000 (8%*) from Use Tax, and $200,000 (14%*) from the One Cent Fund.

Where are the funds coming from to repay the bond in year two?
For the City Hall portion $360,000 from Utility for rent within the building, and $447,000 (2%*) from the General Fund.

For the Sports and Leisure Complex portion $332,000 will come from Capital from diverted funds, $346,000 (8%*) from Use Tax, $200,000 (14%*) from the One Cent Fund, and $332,000 (2%*) from the General Fund.

Where are the funds coming from to repay the bond in year three?
For the City Hall portion $360,000 from Utility for rent within the building, and $447,000 (2%*) from the General Fund.

For the Sports and Leisure Complex portion $346,000 (8%*) from Use Tax, $300,000 (21%*) from the One Cent Fund, and $546,000 (9%*) from the General Fund.

Where are the funds coming from to repay the bond in year four and after?
For the City Hall portion $420,000 from Utility for rent within the building, and $700,000 (4%) from the General Fund.

For the Sports and Leisure Complex portion $620,000 (16%*) from Use Tax, $400,000 (28%) from the One Cent Fund, and $620,000 (3%*) from the General Fund.

How much of the General Fund is being used to pay back the bond?
The General Fund budget is formulated by only looking at the first three quarters of the previous year's revenue. The policy of an extremely conservative approach over the last four years has allowed the City to be in a positive position to obtain a bond of this size. When full payment amount is reached in year four the General Fund will account for $1,358,000 of the payment. Based on the fiscal year budget we are currently in it would be through February and the projection of the remainder would be roughly 7%.

How will this bond issue affect current levels of funding for schools from the One Cent Tax?
The City of Helena continues its longstanding tradition of support for our schools by reaffirming all that is currently in place; paying the bond of the athletic area at the High School, annual donations to each school that are used at the discretion of the principal, and the TAG Team Grants. The TAG Team grants are important because it allows us to get funds directly in the hands of teachers.

Will we slow down the trail projects by using some of the Use Tax?
No, we as a city remain committed to the trail projects to help make our great place have easy connectivity.

* Based on actual fiscal YTD (February) plus projections for the remainder of the fiscal year.