

CITY OF BILLINGS

CITY OF BILLINGS VISION STATEMENT:

“THE MAGIC CITY: A DIVERSE, WELCOMING COMMUNITY WHERE PEOPLE PROSPER AND BUSINESS SUCCEEDS.”

WORK SESSION AGENDA

COUNCIL CHAMBERS

June 17, 2019

5:30 P.M.

CALL TO ORDER: Mayor Cole

- 1. FY20 Budget Wrap Up Presentation**
- Public Comment

COUNCIL DISCUSSION:

PUBLIC COMMENT on “NON-AGENDA ITEMS”. *Speaker Sign-in required. (Restricted to ONLY items not on this printed agenda. Comments are limited to 3 minutes. Please sign the roster at the cart located at the back of the Council chambers or at the podium.)*

ADJOURN:

CLOSED EXECUTIVE SESSION* (pending litigation)

Note:

- This meeting is an “informal” meeting of the City Council. The content of the Agenda is subject to change at the meeting.
- In the event there is a Closed Executive Session at the end of a Work Session, the sole purpose is to discuss litigation strategy. The other parties to the case(s) discussed are not public bodies or associations as described in Section 2-3-203(1) and (2), MCA. The meeting is closed, as allowed by Section 2-3-203(4)(a), MCA, “to discuss a strategy to be followed with respect to litigation when an open meeting would have a detrimental effect on the litigating position” of the City of Billings.

Council Work Session

1.

Meeting Date: 06/17/2019

TITLE: FY20 Budget Wrap Up Presentation

Department: City Hall Administration

Presentation: Yes

PROBLEM/ISSUE STATEMENT

City Council will be presented with information on the FY20 budget including the below listed information. Staff will also be available to answer any additional questions in regards to the FY20 budget.

Financing Special Districts

The purpose of this information is to provide a brief overview of the methods allowed to be used to finance special districts within Montana. The methods examined here are to divide the costs using taxable value (currently how Park District 1 is assessed), using square footage, and equally per parcel.

Taxable Value

Taxable value of a property is determined the State of Montana Department of Revenue. Using this method to assess costs spreads costs to all parcels in the city that have a taxable value. Properties that do not have a taxable value are mostly owned by governments (State, County, and School District), churches, and other charitable organizations. The majority of properties paying this assessment are residential properties followed by commercial properties.

Square Foot

Assessing the costs of a district using the square foot method captures all real properties within the city, regardless of tax status. Using this method the city would assess costs to tax-exempt properties, which make up approximately 3% of the city when excluding all City of Billings owned properties. The major class under this method is Residential followed by Commercial. Using square foot instead of taxable value provides significant relief to centrally assessed properties (utility, telecommunications, railroads, and airlines) as they do not have a significant amount of land ownership within the city.

Equally per Parcel

Assessing an amount equally per parcel shifts the majority of the cost to residential properties, as they make up approximately 90% of all parcels in the City.

General Fund & Public Safety

We've examined three scenarios relating to budget modifications within the General and Public Safety funds. The three graphs depict the impact of budget changes on revenues, expenses, and fund balance in the General Fund. The first scenario shows the impact of the direction provided by council on June 10th, 2019 to incorporate the 'minimal' and 'moderate' cuts, without any movement of the Parks Department into the Park District 1 fund. The second scenario shows what the impact to the General fund would be if the Parks and Rec department were moved over the next two fiscal years (\$2.5 million each year). The final scenario shows what the impact would be to the General Fund if the entire Parks and Rec Department was moved to

PD1 in fiscal year 2020, and the General Fund Mill Levy was reduced for FY20 by 6 mills to offset the increase in PD1 assessment.

Other Budget Modifications

City staff is recommending changes in the proposed budget to include an additional \$140,000 in the General Fund – City Administration budget. This increase would allow administration to begin initial implementation of the assessment stage of Lean Six Sigma, perform the National Citizen Survey, and provide resources to address community safety and addition problems as they relate to the public safety concerns and problems that need to be addressed.

Staff would like to receive input related to any other budgetary item that Council would like to see in the FY20 budget.

RECOMMENDATION

City Council should provide direction to staff on any additional FY20 budget changes from proposed for final budget adoption on June 24, 2019.

Attachments

FY20 Budget WS Presentation

Budget Wrap Up

June 17, 2019

Purpose

- Clarify any modifications beyond 'Minimal' and 'Moderate' cuts
- Discussion on impacts of moving Parks and Rec department from General Fund to Park District 1
- Discuss any other budget modifications

Financing Special Districts

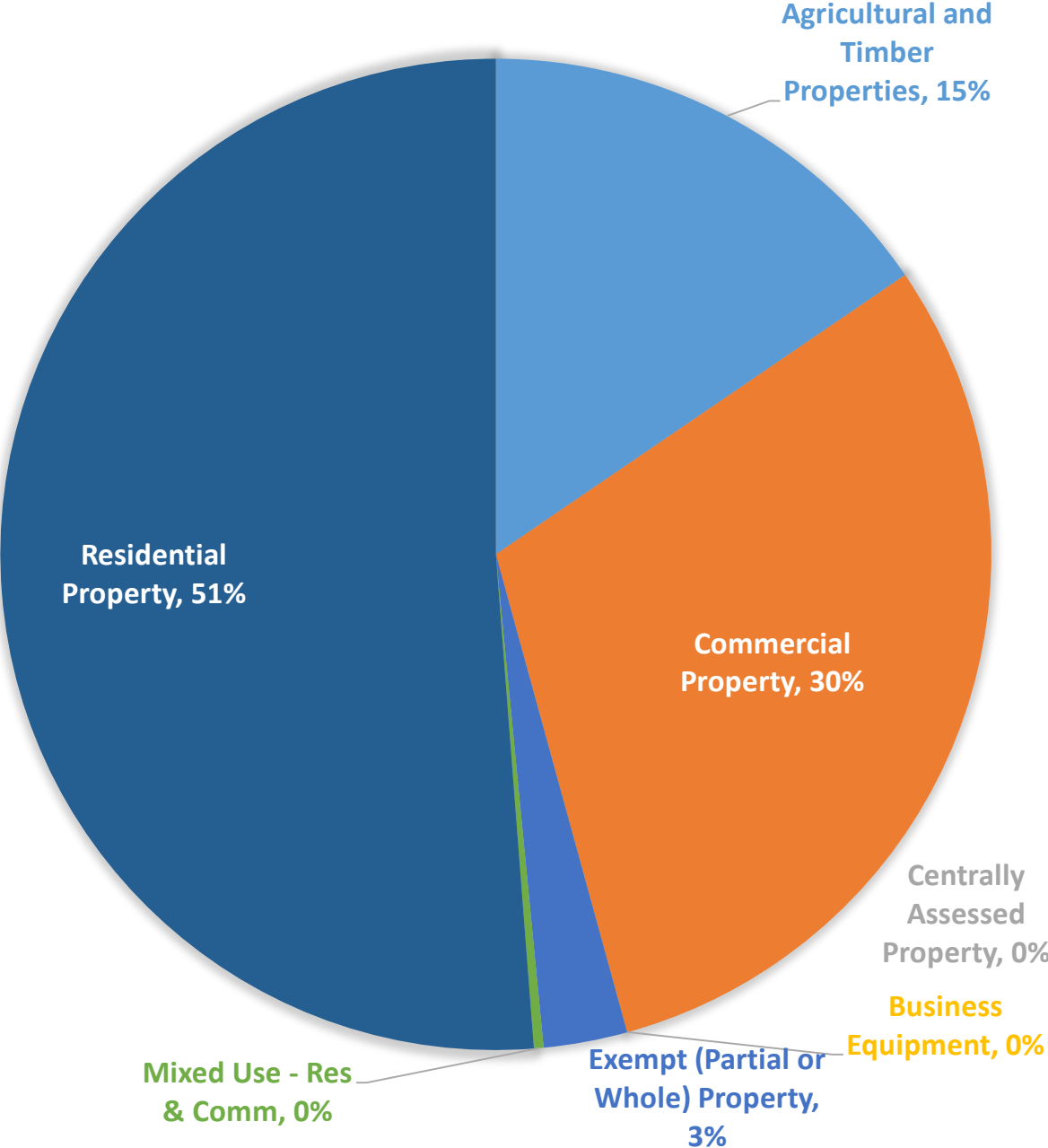
Assessment Methods MCA 7-11-1024

- Square footage of lot or parcel relative to the entire district
- Equally to each lot or parcel
- Taxable valuation relative to the entire district
- Lineal footage of parcel that abuts the area to be improved
- Vehicle trips generated for a lot of its size and zoning classification
- Based upon each family residential unit or one or more business units

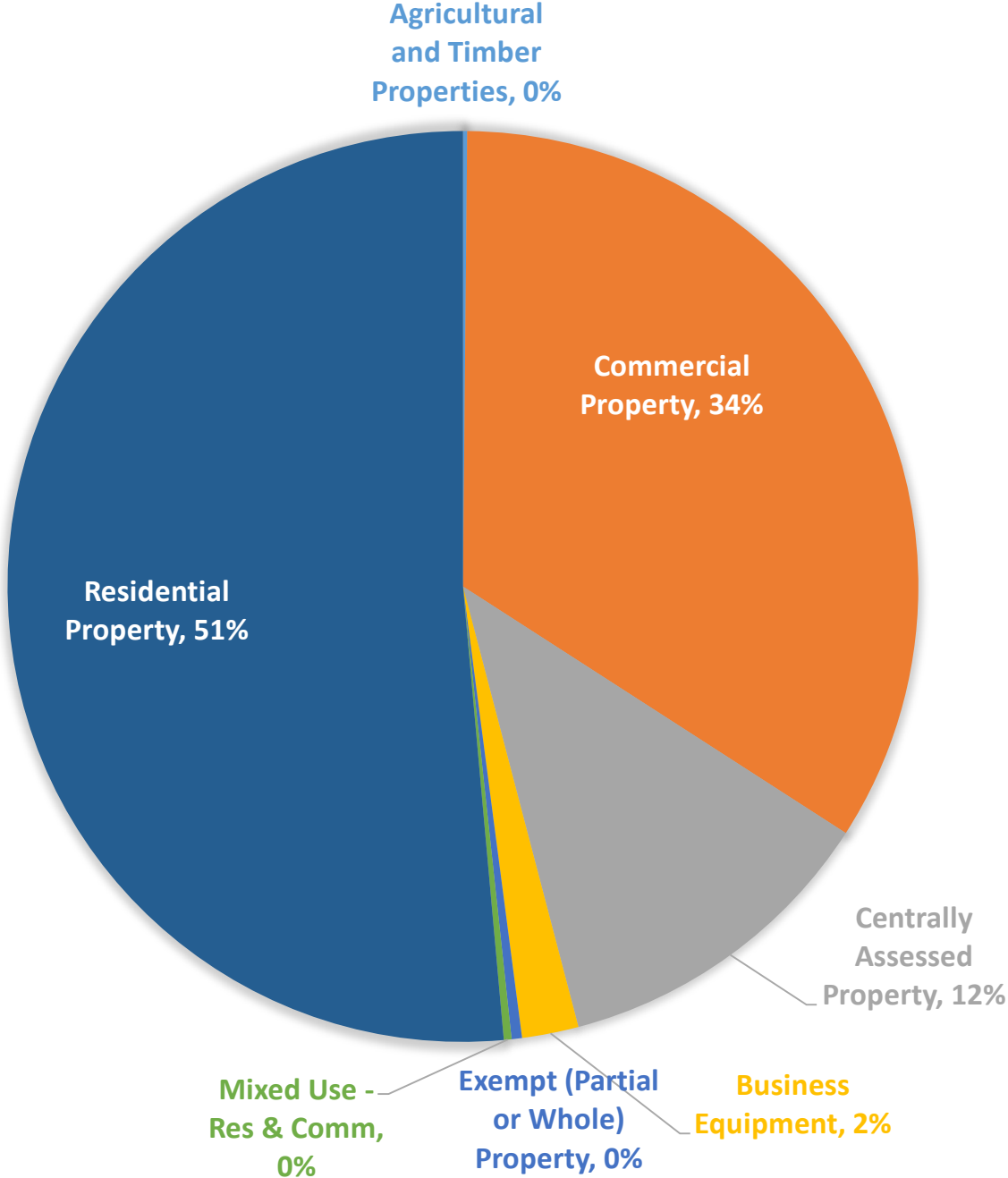
City of Billings Property Distribution by Assessment Method

	Taxable Value	Square Foot	Equally Per Parcel
Agricultural and Vacant Properties	0%	15%	0%
Commercial Property	34%	30%	7%
Centrally Assessed Property	12%	0%	0%
Business Equipment	2%	0%	0%
Exempt (Partial or Whole) Property	0%	3%	3%
Mixed Use - Res & Comm	0%	0%	0%
Residential Property	51%	51%	90%
	100%	100%	100%

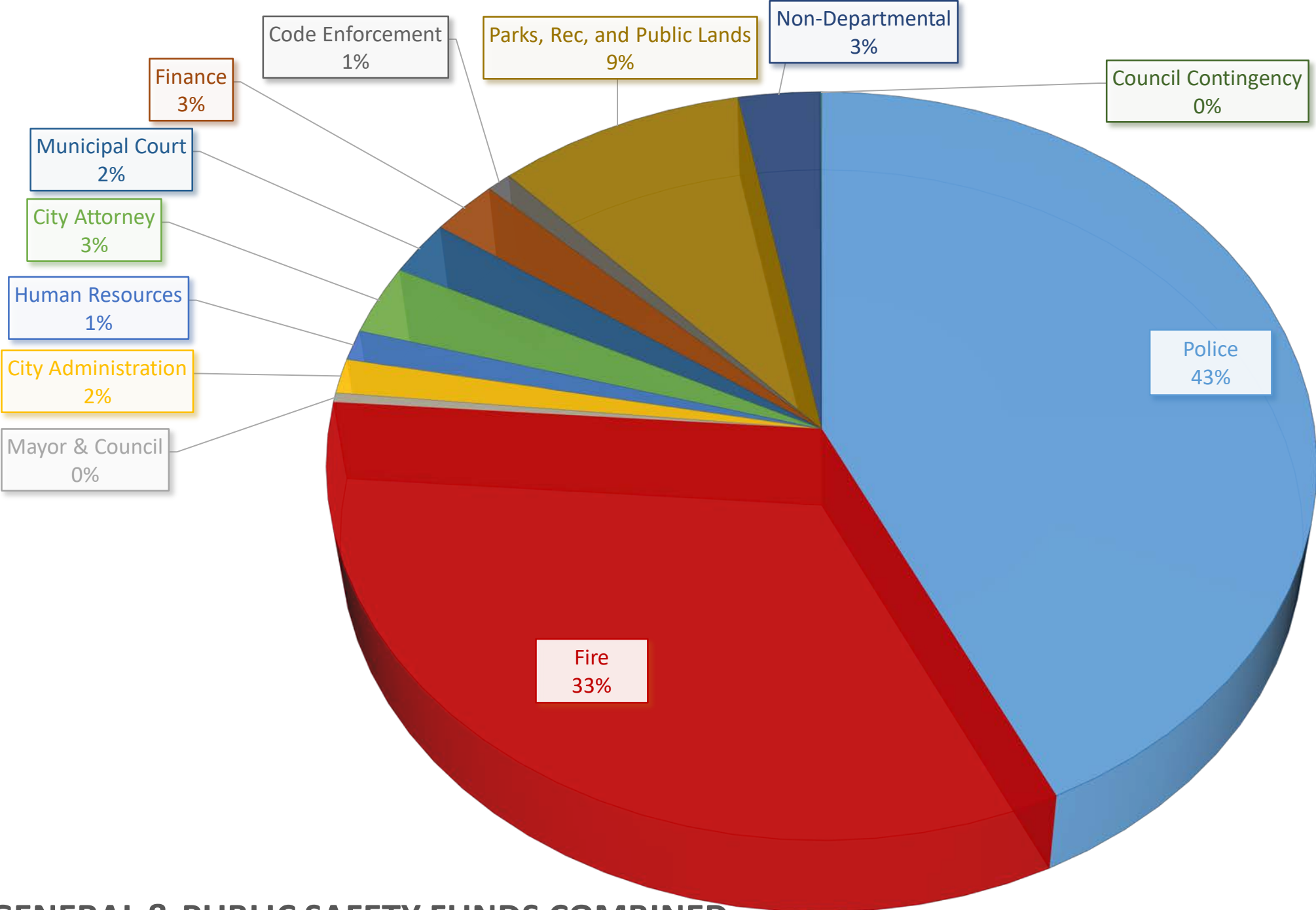
SQUARE FOOT



TAXABLE VALUE

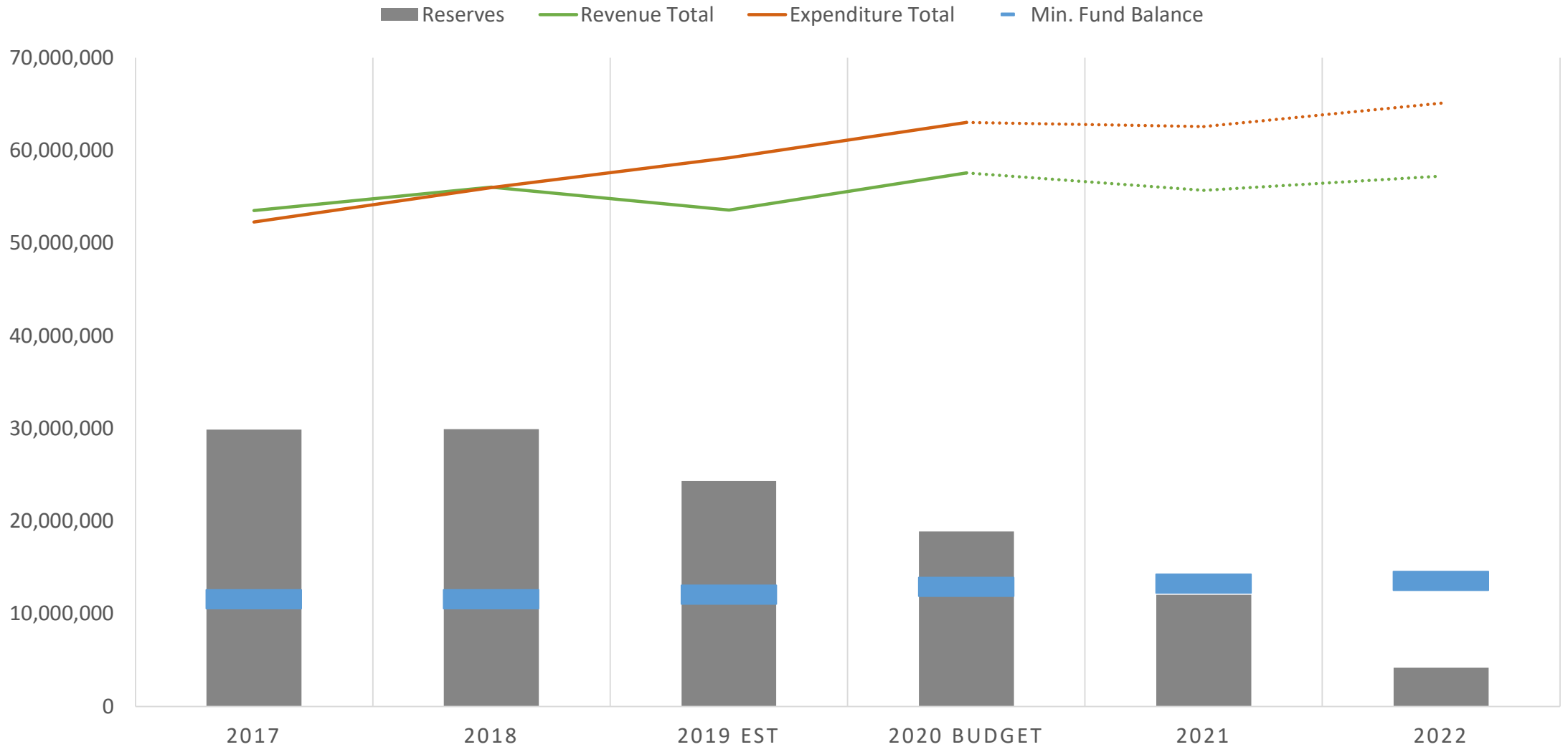


General Fund & Public Safety

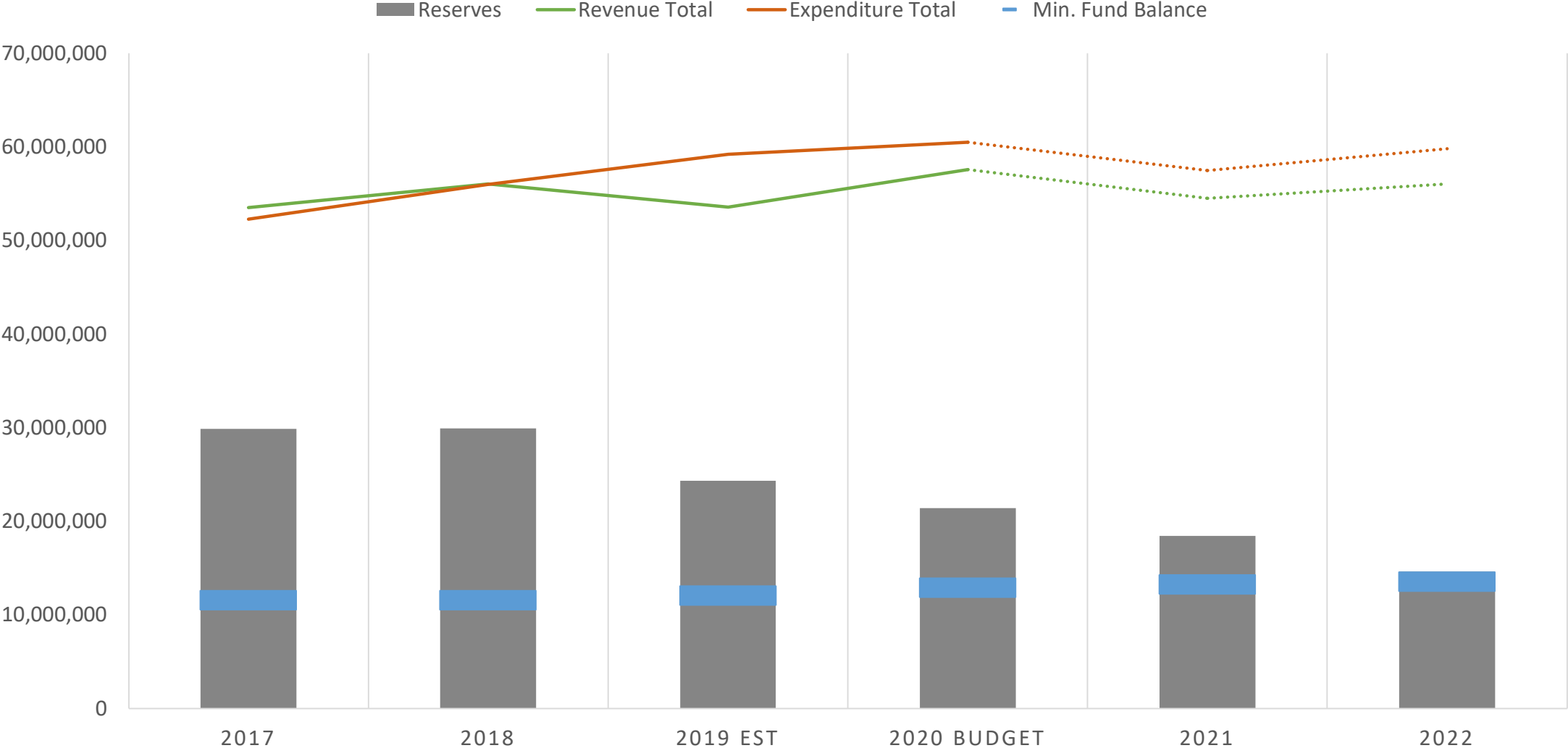


GENERAL & PUBLIC SAFETY FUNDS COMBINED

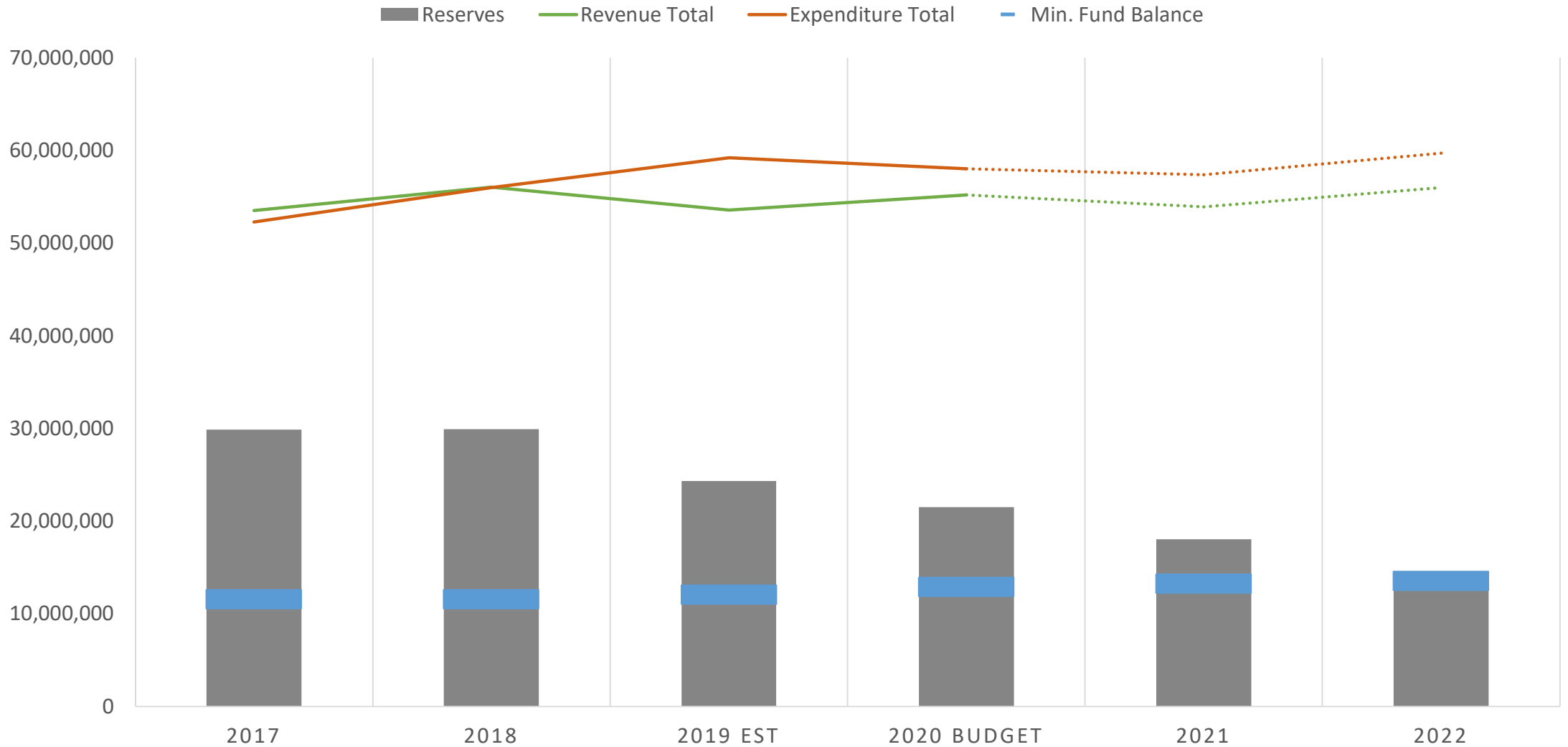
General Fund & Public Safety Fund Combined



Impact on General Fund Moving PRPL to PD1 Over FY20 & 21

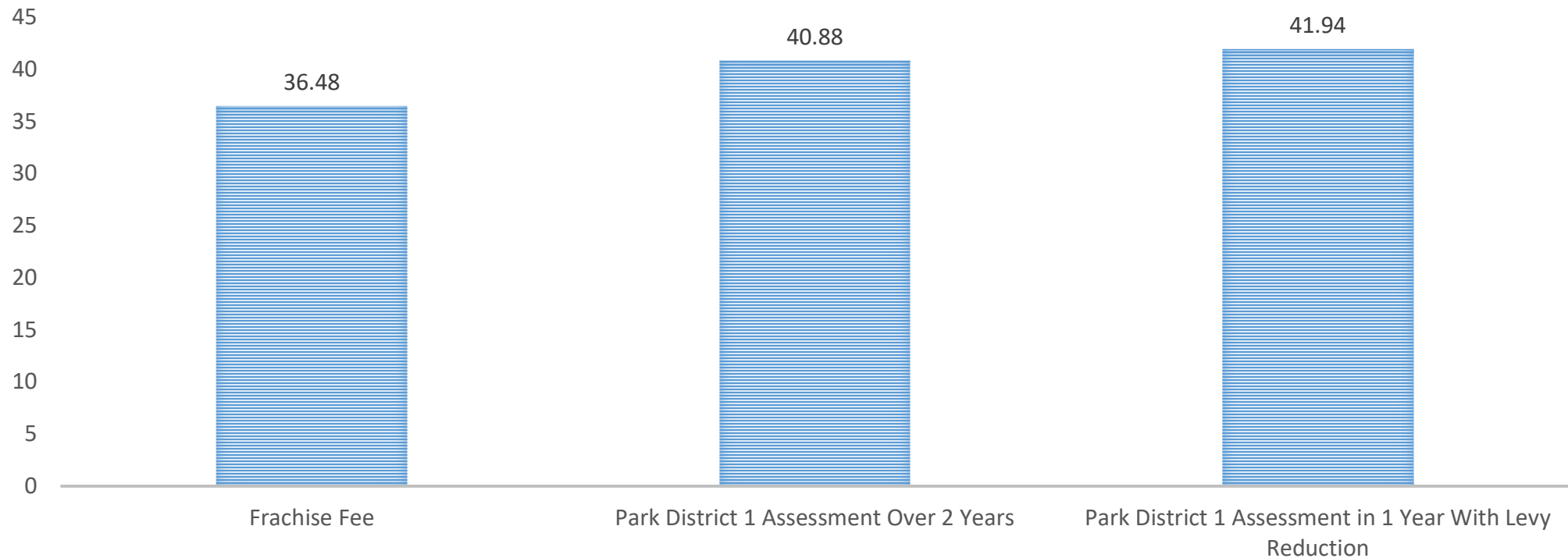


Move all of Parks in FY20 and Reduce Levy

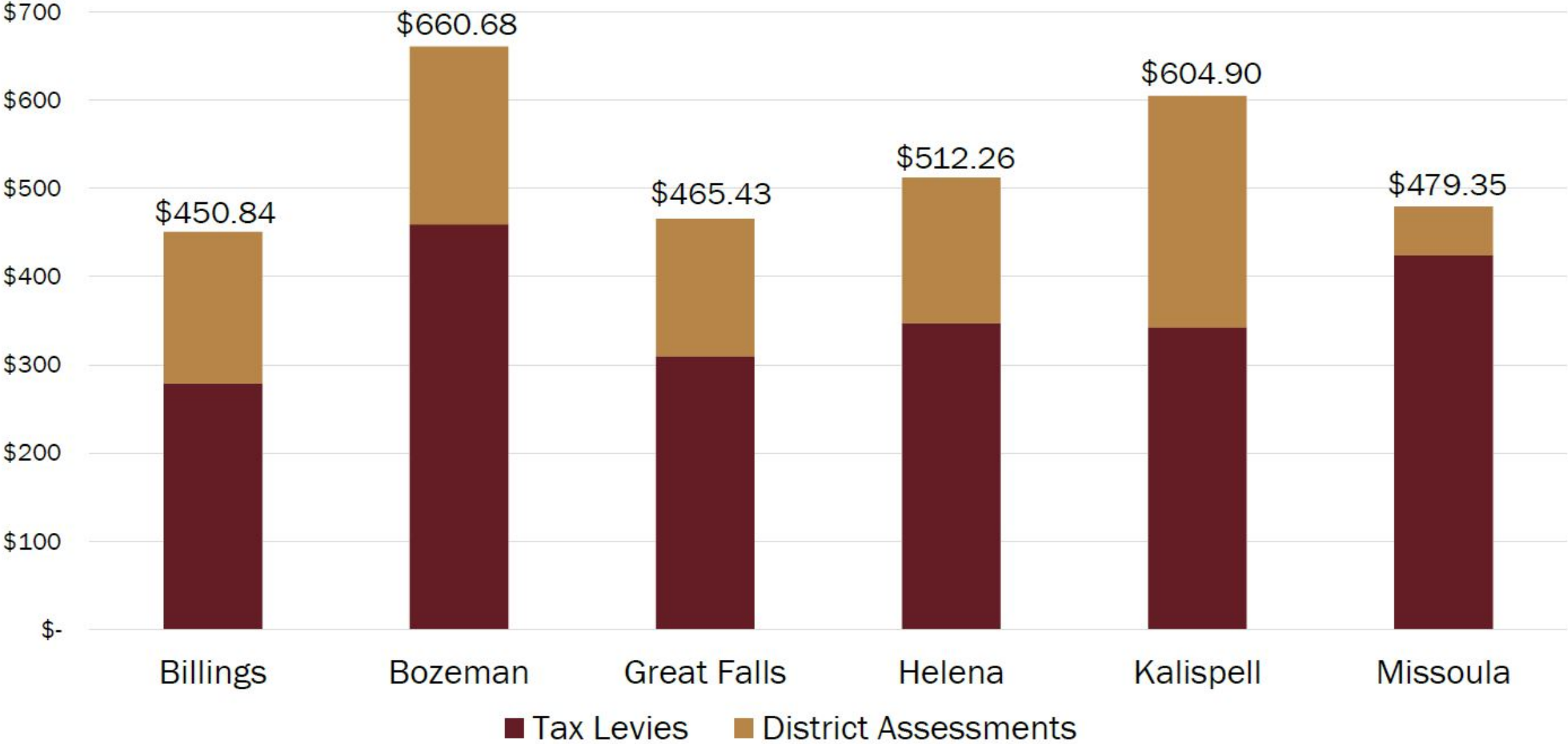


PD 1 Assessment options vs franchise fee

TYPICAL HOMEOWNER ANNUAL COSTS



Per Capita Revenue



Source: City of Missoula Finance Department

Other Budget Modifications

- National Citizen Survey \$35,000
- Lean Six Sigma \$55,000
- Community Safety/Addiction \$50,000

- Other input from Council