

# CITY OF BILLINGS

## CITY OF BILLINGS VISION STATEMENT:

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

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### WORK SESSION AGENDA

COUNCIL CHAMBERS

December 2, 2019

5:30 P.M.

**CALL TO ORDER:** Mayor Cole

- 1. Beartooth Resource Conservation and Development Area, Inc. (Beartooth RC & D) Memorandum of Understanding**  
*(Presented by Steve Simonson, Beartooth RC & D)*  
- Public Comment
- 2. FY21-FY25 Capital Improvement Plan (CIP) Follow-Up Discussion**  
*(Presented by Jennifer Duray, Deputy Public Works Director)*  
- Public Comment
- 3. 2020 Public Safety Mill Levy**  
*(Presented by Chris Kukulski, City Administrator)*  
- 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:**

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:** 12/02/2019

**TITLE:** Beartooth RC & D Memorandum of Understanding

**Department:** City Hall Administration

**Presentation:** Yes

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**PROBLEM/ISSUE STATEMENT**

The Beartooth Resource Conservation and Development Area, Inc. (Beartooth RC & D) is a Federal, grant-funded, rural and economic development agency that has operated since 1969 in five (5) south-central Montana counties, including Yellowstone County. The Beartooth RC & D will be asking City Council to renew a Memorandum of Understanding for its services with economic development through December 31, 2020.

Steve Simonson from Beartooth RC & D will give a brief presentation to Council explaining their funding and projects.

**RECOMMENDATION**

Review and consider presentation materials.

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**Attachments**

2019 Billings Projects  
MOU 2020

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## 2019 Billings Projects

- Revolving Loan Fund
  - Four loans totaling \$152,849
- Comprehensive Economic Development Strategy (CEDs)
  - Finalized our five year regional economic development planning document which is available on our website [www.beartooth.org](http://www.beartooth.org)
- Yellowstone Valley Food Hub
- NRCS/RCPP Grant
  - Collaborative research project with Western Sugar Co. and MillerCoors involving irrigated barley and sugar beet producers to define production practices that conserve water and soil and create more efficient operations.
- Billings Opportunity Zone meetings
- Chamber of Commerce and Big Sky EDA support
  - Better off in Billings, airport expansion, annual meeting updates, public safety, west end task force, inner belt meetings and presentations
  - EDA grant support
- Coulson Park, Southside grocery, LARC planning

## Calculation of 2020 EDA dues:

	Est Census (as of 07/2018)	Per Capita Per Capita	Base Base Fee	Total Assessment	Share % of County Assessment
County	% share	(Population x .19)			
<b>Big Horn</b>	13,338	\$2,534.22	\$2,250.00	\$4,784.22	
<b>Big Horn County</b>	1/3	\$844.74	\$750.00		\$1,594.74
<b>City of Hardin</b>	1/3	\$844.74	\$750.00		\$1,594.74
<b>Two Rivers Authority</b>	1/3	\$844.74	\$750.00		\$1,594.74
<b>Carbon</b>	10,714	\$2,035.66	\$2,250.00	\$4,285.66	\$4,285.66
<b>Stillwater</b>	9,534	\$1,811.46	\$2,250.00	\$4,061.46	\$4,061.46
<b>Sweet Grass</b>	3,710	\$704.90	\$2,250.00	\$2,954.90	\$2,954.90
<b>Yellowstone</b>	160,137	\$30,426.03	\$4,500.00	\$34,926.03	
<b>Big Sky EDA</b>	34.00%	\$ 10,344.85	\$1,530.00		\$11,874.85
<b>City of Billings</b>	36.00%	\$ 10,953.37	\$1,620.00		\$12,573.37
<b>City of Laurel</b>	6.00%	\$ 1,825.56	\$270.00		\$2,095.56
<b>Yellowstone County</b>	24.00%	\$ 7,302.25	\$1,080.00		\$8,382.25
<b>Total</b>				<b>\$51,012.27</b>	<b>\$51,012.27</b>

A  
**MEMORANDUM OF UNDERSTANDING**  
Between  
**Yellowstone County Commissioners, Big Sky Economic Development Authority,  
City of Billings, City of Laurel**  
And  
**Beartooth Resource Conservation & Development Area, Inc.**

**THIS MEMORANDUM OF UNDERSTANDING** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between **Beartooth Resource Conservation & Development Area, Inc.**, whose principal business address is P.O. Box 180, Joliet, Montana 59041, hereinafter referred to as “Beartooth RC&D” and **Yellowstone County Commissioners (in cooperation with the City of Billings, City of Laurel, and Big Sky EDA)**, and hereinafter referred to as “**the Entity**”.

**WHEREAS**, The Beartooth RC&D has been formally recognized by the U.S. Department of Commerce, Economic Development Administration (EDA) as a designated Economic Development District (EDD), and as a District, the Beartooth RC&D has been awarded funding to carry out its Comprehensive Economic Development Strategy (CEDS). This funding will provide a staff person, administrative support and operating costs. This is a continual grant, renewable based on successful program operation and availability of federal funds. Local match is required.

**WHEREAS**, Each entity participating in the District will designate a representative and an alternate to the regional Beartooth RC&D Board. This individual will convey the needs and economic development goals of the community to the Beartooth RC&D board meetings. Regular board meetings will be held every two months to assess project status and evaluate regional economic development needs.

**NOW THEREFORE IT IS UNDERSTOOD AS FOLLOWS:**

**ARTICLE 1: SCOPE OF WORK:**

Beartooth RC&D employs an Economic Development Director to assist in the completion of the Comprehensive Economic Development Strategy for the five county region. The Director’s time will be allocated consistent with the goals in the CEDS by the Beartooth RC&D board of directors. The board is composed of one representative and an alternate from business partners, county and local elected officials and local economic development partners from our five county region. Input from this board is essential for meeting the needs of the communities in our region.

Priority will be assigned projects of regional scope or projects with strong local leadership. Grant funding for this position is from EDA, therefore, emphasis will be on regional economic development planning and projects which have a correlation to job creation, economic diversification and increased tax base. Matching funds are from participating entities and emphasis will be placed on their specified projects.

## **Annual Evaluation:**

The performance of the Economic Development District will be evaluated annually by local entities participating on the regional Beartooth RC&D Board. Progress and/or accomplishments on each program/project will be reported and evaluated to ensure resources are being utilized in the most effective and efficient manner possible. Annual Comprehensive Economic Development Strategy updates and an annual plan of work will be developed with input from the Beartooth RC&D staff and board. Annual reports on projects and economic development activities will be provided to the board and participating entities along with the renewal of the Memorandum of Understanding.

## **ARTICLE 2: PERIOD OF PERFORMANCE:**

The term of this Memorandum of Understanding shall be from the date it is signed through **December 31, 2020**, unless extended by mutual agreement by both parties. Such extension must be in writing, signed by authorized representatives of both parties, and made a part of the original Memorandum of Understanding by modification reference. This Memorandum of Understanding supersedes the prior Memorandum for participation in the Economic Development District.

## **ARTICLE 3: PAYMENT:**

The Entity's annual contribution will be **\$4,500.00** as a "Membership" fee plus a per capita assessment of **.19** cents per person. These funds will provide the necessary match to obtain the \$70,000.00 in federal funds. Entities who do not participate financially in the match requirement will not receive services from the Economic Development Coordinator. The calculated fee for **Yellowstone County** is **\$34,926.03**. This figure is a total of the **\$4,500.00** county fee plus **\$30,426.03** per capita formula using a population of **160,137** as per the 2018 Census data. Yellowstone County's full payment will be separated into a four-way payment system. Each entity within the county will pay a percentage (%) similar to the previous year. Big Sky EDA- 34% or **\$11,874.85**, City of Billings- 36% or **\$12,573.37**, City of Laurel- 6% or **\$2,095.56** and Yellowstone County- 24% or **\$8,382.25**.

Annually, the Beartooth RC&D/EDD staff will provide a comprehensive report of the past year's activity. A new Memorandum of Understanding will be prepared and a request for the following year's match submitted. Entities will be billed for match funds after January 1, 2020, for the current year's assessment.

Payment as provided in this section shall be full compensation for work performed, services rendered and for all materials, supplies, equipment, and incidentals necessary to complete the work.

## **ARTICLE 4: EXAMINATION OF RC&D RECORDS:**

The Entity or its representatives shall have the right to examine any books, records, or other documents of the Beartooth RC&D, directly relating to costs when such costs are the basis of compensation hereunder.

#### **ARTICLE 5: OWNERSHIP AND USE OF DOCUMENTS:**

Reproducible copies of all documents and other materials produced by the Beartooth RC&D in connection with the services rendered under this memorandum of understanding shall be provided to the Entity for the Entity's use whether the project for which they are made is executed or not. The Beartooth RC&D shall be permitted to retain originals, including reproducible originals, of drawings and specifications for information, reference and use in connection with Beartooth RC&D endeavors.

#### **ARTICLE 6: WARRANTY:**

The Beartooth RC&D warrants that all services performed herein shall be performed using that degree of skill and care ordinarily exercised in and consistent with generally accepted practices for the nature of the services and shall conform to all requirements of this Memorandum of Understanding.

#### **ARTICLE 7: SAFETY:**

The Beartooth RC&D agrees to fully comply with the Occupational Safety and Health Act of 1970, all regulations issued there under and all state laws and regulations enacted and adopted pursuant thereto. The Beartooth RC&D shall take all necessary precautions in performing the services hereunder to prevent injury to persons or damage to property.

#### **ARTICLE 8: CONFIDENTIALITY AND CONFLICTS OF INTEREST:**

The Beartooth RC&D agrees to hold in strict confidence any proprietary or other data, findings, results, or recommendations deemed to be confidential by the Entity and obtained or developed by the Beartooth RC&D in connection with the work under this memorandum of understanding. The Beartooth RC&D warrants and agrees they do not and will not have any conflicts of interest regarding the performance of services hereunder.

#### **ARTICLE 9: APPLICABLE LAW:**

This Memorandum of Understanding shall be governed in all respects by the laws of the State of Montana. No changes, amendments or modifications of any of the terms and conditions hereof shall be valid unless agreed to in writing. Venue of any proceeding arising hereunder shall be the Twenty-second Judicial District.

#### **ARTICLE 10: COMPLIANCE WITH LAWS:**

The Beartooth RC&D shall in performing the services contemplated by this Memorandum of Understanding, faithfully observe and comply with all federal, state, and local laws, ordinances and regulations, applicable to the services to be rendered under this Memorandum of Understanding.

## **ARTICLE 11: CHANGES:**

The parties, by mutual agreement, may, at any time during the term of this Memorandum of Understanding and without invalidating the Memorandum of Understanding, make changes within the general scope of the Memorandum of Understanding. The Beartooth RC&D to perform such changed services. The Entity's priority list for project work within their county can be changed at any time. In such case, the District will be informed of this change at the Entity's earliest convenience.

## **ARTICLE 12: TERMINATION:**

This Memorandum of Understanding may be terminated in whole or in part, in writing, by either party in the event of substantial failure by the other party to fulfill its obligations under this Memorandum of Understanding through no fault of the terminating party, provided that no termination may be effected unless the other party is given: (1) not less than ten (10) days written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination.

Upon such termination the Entity shall pay the Beartooth RC&D amounts due and unpaid for services rendered as of the effective date of termination, and the Beartooth RC&D shall provide to the Entity all materials, surveys, reports, data, and other information performed or prepared as of such date.

## **ARTICLE 13: INDEMNIFICATION:**

The Beartooth RC&D agrees to and does hereby indemnify and save the Entity, its officers, officials and employees, harmless against and from:

1. Any and all claims and liabilities, including but not limited to costs, expenses, and attorney fees arising from injury to, or death of, persons (including claims and liabilities for care or loss of services in connection with any bodily injury or death) and including injuries, sickness, disease, or death to Beartooth RC&D employees occasioned by a negligent act, omission, or failure of the Beartooth RC&D;
2. Any and all claims and liabilities, including costs and expenses, for loss or destruction of or damage to any property belonging to the Beartooth RC&D or the Entity caused by a negligent act, omission, or failure of the Beartooth RC&D and;
3. Any fines, penalties, or other amounts assessed against the Entity by reason of the Beartooth RC&D failure to comply with all health, safety, and environmental laws and regulations applicable to the services; resulting directly or indirectly from, or occurring in the course of the Beartooth RC&D performance of the services. However, this indemnity shall not extend to claims and liabilities for (i) injury or death to persons or (ii) loss of or damage to property to the extent that these claims and liabilities result directly from the Entity's negligence or willful misconduct.

## **ARTICLE 14: INSURANCE:**

The Beartooth RC&D shall maintain and demonstrate the following types of insurance:

1. The Beartooth RC&D agrees that its employees and particularly the employees designated to work on this memorandum of understanding are covered by applicable Worker's Compensation provisions. The Beartooth RC&D further agrees that if the Entity should legally incur any costs whatsoever under the Worker's Compensation laws by reason of the Beartooth RC&D employees' injury or death while engaged in the contract work, the Beartooth RC&D will indemnify and hold harmless the Entity for such costs which the Entity may be legally be required to pay to employees of the Beartooth RC&D.

2. Comprehensive general liability insurance for bodily injury, death, or loss of or damage to property of third persons or other liability due to the negligent acts of the Beartooth RC&D in the minimum amounts of \$500,000 per occurrence and \$1,000,000 aggregate for personal injury; and \$500,000 per occurrence/aggregate for property damage. Proof of coverage as required by this section shall be delivered to the Entity within fifteen (15) days of execution of this Agreement.

3. Professional liability errors and omissions insurance in a minimum amount of \$100,000.00.

## **ARTICLE 15: NONDISCRIMINATION:**

The Beartooth RC&D will not discriminate against any employee or applicant for employment relating to this project on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental handicap or national origin. All hiring associated with any project shall be on the basis of merit and qualifications related to the requirements of the particular position being filled.

## **ARITCLE 16: INDEPENDENT CONTRATOR:**

The Beartooth RC&D and the Entity agree that the Beartooth RC&D is an independent contractor with respect to the services provided pursuant to this Memorandum of Understanding. Nothing in this Memorandum of Understanding shall be considered to create the relationship of employer and employee between the parties hereto. Neither the Beartooth RC&D nor any employee of the Beartooth RC&D shall be entitled to any benefits accorded Entity's employees by virtue of the services provided under this Memorandum of Understanding. The Entity shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state Worker's Compensation program, nor shall the Entity be deemed in any way to assume the duties of an employer with respect to the Beartooth RC&D, or any employee of the Beartooth RC&D.

**ARTICLE 17: ASSIGNMENT:**

The Beartooth RC&D shall not sublet or assign any of the services covered by this Memorandum of Understanding without the express written consent of the Entity.

**ARTICLE 18: NON-WAIVER:**

Waiver by the County of any provision of this memorandum of understanding or any time limitation provided for in this memorandum of understanding shall not constitute a waiver of any other provision.

**ARTICLE 19: NOTICES:**

Any Notice to be served hereunder may be served upon the parties personally or served by certified mail, return receipt. Notice served by mail shall be deemed complete upon deposit of said notice in any United States Post Office, postage prepaid, directed to the party to be served, at the following addresses:

**ENTITY:**        City of Billings  
                     PO Box 1178  
                     Billings, MT 59101

**RC&D:**        Beartooth RC&D  
                     P.O. Box 180  
                     Joliet, MT 59041

**ARTICLE 20: INTEGRATED AGREEMENT:**

This Memorandum of Understanding together with attachments or addenda represents the entire and integrated Agreement between the Entity and the Beartooth RC&D and supersedes all prior negotiations, representations, or agreements, written or oral. This Memorandum of Understanding may be amended only by written instrument signed by both the Entity and the Beartooth RC&D.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands and seals to this Memorandum of Understanding the day and year in this instrument first above written.

**CITY OF BILLINGS**

**BEARTOOTH RC&D/EDD**

\_\_\_\_\_  
William A. Cole  
Mayor

\_\_\_\_\_  
Ryan VanBallegooyen  
Chairman

ATTEST: \_\_\_\_\_

Date: \_\_\_\_\_

**Council Work Session**

**2.**

**Meeting Date:** 12/02/2019

**TITLE:** FY 21 - 25 Capital Improvement Plan Follow-Up Discussion

**Department:** Public Works

**Presentation:** Yes

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**PROBLEM/ISSUE STATEMENT**

The Capital Improvement Plan (CIP) is a guiding financial document that indicate the City Council's capital priorities for the budget. The draft of the FY 2021 - FY 2025 CIP was presented at the November 18, 2019 work session. The presentation will focus on comments and questions brought up by Council and the public at that work session regarding the following items:

- The overall CIP and budget process,
- Public Works bike boulevard, Hallowell Lane, and 32nd Street projects; and
- Park District 1 funding and projects.

The purpose of this follow-up discussion is to obtain additional comments regarding these items, as well as any other CIP projects before December 9, 2019 Council Business Meeting at which a public hearing will be held and Council will be asked to vote on the FY 2021 - FY 2025 CIP.

**RECOMMENDATION**

After review at this Work Session, staff will incorporate changes requested to the draft FY 2021 - 2025 Capital Improvement Plan (CIP) and is proposing to bring the revised plan to the City Council for a public hearing and action at its December 9, 2019 Regular Meeting.

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**Attachments**

CIP Presentation

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**City Council Work Session  
December 2, 2019**

# CITY OF BILLINGS

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FY 21 - 25 DRAFT CAPITAL IMPROVEMENT PLAN



# Agenda

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- 1 Overview of CIP and Budget Processes
- 2 Public Works CIP
- 3 Parks & Recreation CIP
- 4 Questions and Comments

# The Budget Process

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**July 1**

**Fiscal  
Year  
Begins**

**September**

Public safety mill levy & assessments for PD1 & light districts for current fiscal year approved by Council

**October - December**

CIP for next 5 fiscal years developed by staff; public hearing & adoption by City Council of CIP, ERP & TRP

**January - February**

Operating budgets & revenue projections for next fiscal year developed by staff

**May**

Next fiscal year budget presented to Council; water & wastewater rates & fees for next fiscal year adopted

**June**

Public hearings & Council adoption of:  
Next fiscal year budget  
Solid waste fees  
Mill levy rates for General Fund, Transit, Library & Public Safety  
Assessments for Arterial, Street Maintenance Districts & Storm

## What a CIP is:

- A document that shows the community what projects are planned
- A framework for funding capital projects
- A statement of intent

## What a CIP is Not:

- An appropriation of funding
- An approved budget
- A static plan



# Multiple Revenue Assumptions Used to Develop CIP

## Assumptions Dependent on External Factors:

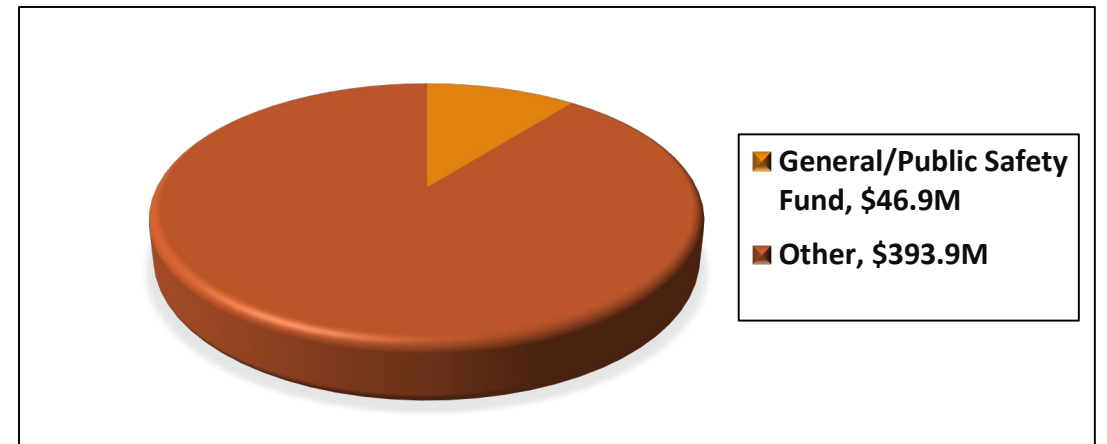
- Private contributions received as expected for Planning & Parks & Recreation departments in amounts specified on page 18 of the CIP
- Grants acquired for Aviation & Transit, Planning, Parks & Recreation, & Public Works departments in amounts specified in the CIP on pages 19-20
- Gas Tax/BARSAA revenues available as estimated by staff
- Public safety mill levy passed to fund 2 new fire stations, non-debt portion of new cityhall, & debt service on new cityhall
- Water user fees will be received as estimated

## Assumptions Dependent on Future City Council Action:

- Bond sales approved for Cityhall & South Billings Aquatic/Recreation Center projects & Public Works water, sidewalk, & SID projects in the amounts specified on page 19 of CIP
- Arterial, Storm, & Street Maintenance District Assessments increased annually according to CCI
- PD1 assessments are increased by \$733,333 in FY21, \$666,666 in FY22, and \$1 million in fiscal years 23–25 and inflationary increases are also approved each year

# General and Public Safety Funding

Project	FY21	FY22	FY23	FY24	FY25	Total
New City Hall	\$40,929,643					\$40,929,643
Construction of Fire Station #8		\$3,000,000				\$3,000,000
Construction of Fire Station #9					\$3,000,000	\$3,000,000
<b>Total \$46,929,643</b>						



# Public Works Discussion

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- Bike Boulevards
- Hollowell Lane
- 32<sup>nd</sup> Street – King to Gabel



# Public Works - Bike Boulevards

Bike boulevards are important because they

- Encourage bicyclists to use slower traffic residential streets instead of major arterials which increases vehicular efficiency on the arterials
- Create safer routes to school for students riding bicycles
- Create safe connection for both commuter and recreational bicyclists
- Reduce cut-through traffic in neighborhoods



Council adopted 2017 Bikeway & Trails Master Plan

- Identifies several corridors for bike boulevards
- Included bike boulevards in short-term list that Public Works is programming into its construction projects through the CIP

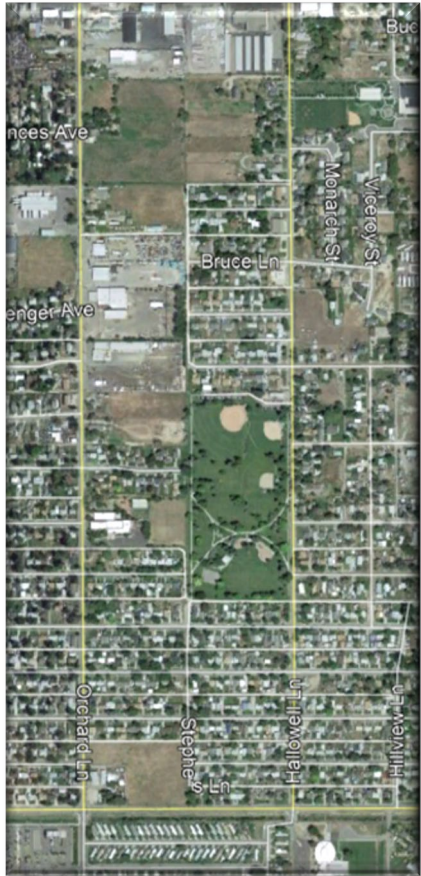
Council adopted 2011 Complete Streets Policy

- Supports construction & modification of transportation corridors to accommodate all users
- Find safe ways for bicyclists & pedestrians to travel in the community

**Bike boulevards are a tool to accomplish these objectives**

FY21 – FY25 Total  
**\$515,000**

# Public Works- Hallowell Lane



Council and public requested the construction be moved up to this fiscal year

- Design not yet started
- Staff does not believe it is feasible to be under construction before June 30th

Funding Source	Year	Total
S. TIFD Revenues	PRIOR	\$300,000
S. TIFD Revenues	FY21	\$1,480,000
Water Revenues	FY21	\$150,000
<b>Project Total \$1,930,000</b>		



**FY21 – FY25 Total  
\$1,630,000**

# DRAFT FY21 – FY25 CIP

## Public Works- 32<sup>nd</sup> Street West – King Avenue to Gabel



Year	Total
PRIOR	\$400,000
FY21	\$2,800,000
FUTURE	\$1,000,000
Project Total \$4,200,000	

- Phase 1 (FY 21) - King to BBWA
- Phase 2 (FY 26 or later) - BBWA to Gabel
- Council and public requested phase 2 to be constructed in FY 21
  - Another CIP project would need to be cut/deferred



FY21 – FY25 Total  
**\$2,800,000**

# Public Works- 32<sup>nd</sup> Street... *continued*

Annual/Maintenance Programs Using Gas Tax/Arterial	FY21	FY22	FY23	FY24	FY25	Total
Annual ADA Replacement	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Annual Gravel Street Reconstruction			\$250,000	\$250,000	\$250,000	\$750,000
Annual Pedestrian Crossings	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Annual SIDs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Annual Street Reconstruction		\$77,475	\$300,000	\$300,000	\$300,000	\$977,475
Intersection Capacity Improvements	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
Misc., Curb, Gutter, and Sidewalk Programs	\$271,732	\$300,000	\$300,000	\$300,000	\$300,000	\$1,471,732
PAVER Program	\$1,478,268	\$1,522,525	\$1,150,000	\$1,150,000	\$1,150,000	\$6,450,793
Traffic Signal Controller Upgrade	\$650,000	\$650,000	\$650,000			\$1,950,000
Travel Corridor Coordination	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000	\$350,000

Other Projects Using Gas Tax/Arterial Funds	FY21	FY22	FY23	FY24	FY25	Total
36 <sup>th</sup> Street (Central Avenue to Broadwater Avenue)			\$250,000	\$2,250,000		\$2,500,000
6 <sup>th</sup> Avenue North Multi-use Trail				\$450,000		\$450,000
Bike Lanes/Boulevards	\$215,000			\$150,000	\$150,000	\$515,000
Broadwater Avenue (Vermillion Drive to Shiloh Road)				\$600,000	\$3,000,000	\$3,600,000
Inner Belt Loop				\$7,000,000		\$7,000,000
Mullowney Road		\$400,000	\$3,643,000			\$4,043,000
Water- West End Reservoir/ City Lakes (Hesper Road)		\$1,000,000				\$1,000,000
Wicks Lane (Main Street to Bitterroot Drive)					\$2,100,000	\$2,100,000

# Parks and Recreation Discussion

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- PD 1 Funding Requests
- Inflation/Purchasing Power
- Prioritization of PD 1 Projects



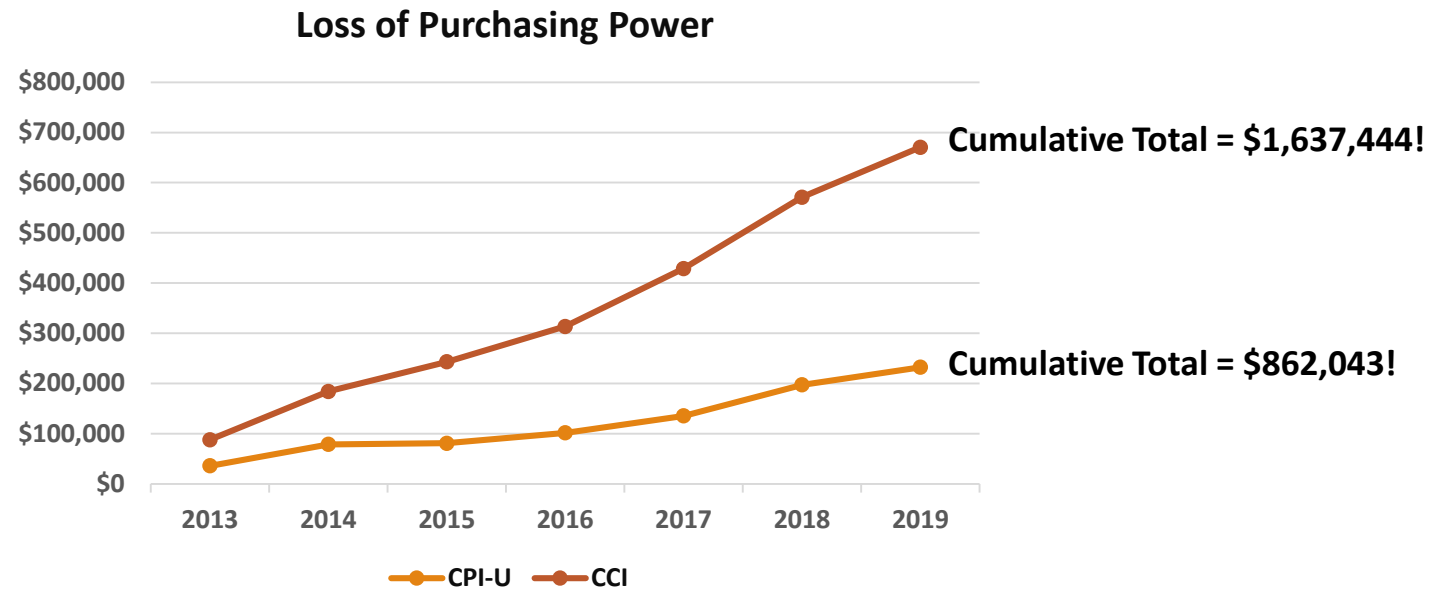
# Park District 1 – The Ask

Park District 1 Funding Needs	2020	2021	2022	2023	2024	2025
CIP	\$1,300,000	\$1,700,000	\$1,751,000	\$1,803,503	\$1,857,600	\$1,913,344
Park Development		\$333,000	\$666,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Total Capital</b>	<b>\$1,300,000</b>	<b>\$2,033,000</b>	<b>\$2,417,000</b>	<b>\$2,803,503</b>	<b>\$2,857,600</b>	<b>\$2,913,344</b>
O&M	\$700,000	\$700,000	\$721,000	\$742,630	\$764,909	\$787,856
<b>Total PD1</b>	<b>\$2,000,000</b>	<b>\$2,733,333</b>	<b>\$3,138,666</b>	<b>\$3,546,160</b>	<b>\$3,622,545</b>	<b>\$3,701,221</b>

Estimated Increase	2020	2021	2022	2023	2024	2025
Cost Per Household (\$200,000 Home)	\$26.60	\$36.00	\$41.00	\$46.00	\$47.00	\$48.00
Includes one-time catch up of \$400,000 and 3% annual increase						

# Park District 1 – Loss of Purchasing Power

Funding by Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	Total
Annual Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	+ \$00
Park District 1 Actual Funding	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$16,000,000
Annual Consumer Price Index Increase (CPI-U)	1.7%	1.8%	2.1%	0.1%	1.0%	1.6%	2.9%	1.6%	+ \$862,043
Funding with CPI Increases	\$2,000,000	\$2,036,000	\$2,078,756	\$2,080,835	\$2,101,643	\$2,135,269	\$2,197,192	\$2,232,347	\$16,862,043
Annual Construction Cost Index Increase (CCI)	2.6%	2.6%	2.6%	2.7%	2.3%	3.7%	3.5%	2.7%	+\$1,637,444
Funding with CCI Increases	\$2,000,000	\$2,052,000	\$2,105,352	\$2,162,197	\$2,211,927	\$2,293,768	\$2,374,050	\$2,438,150	\$17,637,444



# How are Projects Selected for the CIP?

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Priority 1 - Safety, Health & Welfare

Priority 2 - Preventing Closures/Removals

Priority 3 - State & Federal Compliance (ADA)

Priority 4 - Survey Responses/Public's Priorities

Priority 5 - Efficiency Savings

# Parks and Recreation PD1 Projects

PD1 Projects in Priority Order	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
1.) Community and Senior Center Roof Replacement	125,000					125,000
2.) Castlerock Park Playground Replacement	400,000					400,000
3.) Terry Park Playground Replacement	300,000					300,000
4.) Lillis Park Playground Replacement	300,000					300,000
5.) Riverfront Park Road and Parking Lot Repairs	575,000	415,000				990,000
6.) Rose and South Parks Pool Liner Replacement		212,000				212,000
7.) South Park Bathhouse Renovation Study		74,000				74,000
8.) Ponderosa Park Irrigation Automation		450,000				450,000
9.) North Park Playground Replacement		400,000				400,000
10.) Arrowhead Park Playground Replacement		200,000				200,000
11.) Pioneer and Hawthorne Parks Wading Pool Evaluation			80,000			80,000
12.) Rose Pool Spray Feature Upgrade			100,000			100,000
13.) Grandview Irrigation Automation			300,000			300,000
14.) Highland Park Playground Replacement			200,000			200,000
15.) Highland Park Irrigation Improvements			300,000			300,000
16.) Swords Rimrock Park Road and Parking Lot Repair			823,503			823,503
17.) South Park Pool Renovation				80,000	3,690,944	3,770,944
Coulson Park Development Phase 1	333,000					333,000
Poly Vista Park Development*		666,000	1,000,000	1,000,000		2,000,000
Centennial Park Development Phase 2					1,000,000	1,000,000
<b>Total</b>	<b>2,033,000</b>	<b>2,417,000</b>	<b>2,803,503</b>	<b>1,080,000</b>	<b>4,690,944</b>	<b>9,025,447</b>

} Park Development Projects

Private Contributions for Park Development Projects	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Centennial Park Playground Development	300,000					300,000
Poly Vista Park Development		3,000,000				3,000,000

# Comments and Questions

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**Council Work Session**

**3.**

**Meeting Date:** 12/02/2019

**TITLE:** 2020 Public Safety Mill Levy

**Department:** City Hall Administration

**Presentation:** Yes

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**PROBLEM/ISSUE STATEMENT**

Please see the attached

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**Attachments**

2020 Public Safety Mill Levy Council Memo

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## Council Memorandum

**REPORT TO:** Honorable Mayor and City Council

**FROM:** City Administrator

**SUBJECT:** 2020 Public Safety Mill Levy

**MEETING DATE:** December 2, 2019

**AGENDA ITEM TYPE:** Work Session discussion

**RECOMMENDATION:** Develop a strategy to improve the safety of Billings. The discussion will include scaling back from the previously presented immediate and 5 year anticipated needs for law enforcement, fire services and prosecution as requested by the Council during the November 4 policy work session.

**BACKGROUND:** On March 11, 2019, the City Council unanimously adopted the 2019/2020 priorities identifying the need to improve the safety of Billings as our highest priority. In fact, “improving the safety of Billings” was the only priority that ranked high among all 11 Council members.

Although our objective has remained unchanged to improve the safety of Billings, we continue to refine the level of investments to take to the voters in 2020 to accomplish this goal. During the Council work sessions on October 7 and November 4, the staff presented the challenges Billings’ faces and the investments that are needed based on an internal analysis of workloads for the criminal justice and 911 communication systems. The fire department’s needs are based on the 2018 Long Range Fire Master Plan. Each of the division’s needs were separated into three categories, immediate, anticipated five year and anticipated ten year needs.

During our last discussion, the Council generally supported a plan to address our immediate needs and the projected 5-year needs. We also heard a number of Council members ask us to reduce the size of the five-year plan; find additional revenue sources, smooth the cost impacts over each of the five years; and separate the facility costs into its own category.

### **Scale Back the Public Safety Investment Plan**

The changes in fire and legal are relatively minor cutting 5.5 positions or approx. \$500,000 per year. We reduced the law enforcement requests by twelve officers saving approx. \$1 million per year. The proposed changes to police focus on providing two additional officers around the clock for each of the first three years and one additional officer for each of the final two years.

In order to accomplish this we need to add 40 officers (10, 10, 10, 5, 5 – it takes 5.1 officers to add 1 24/7/365).

- Fire
  - Reduced by 3 FTE from the immediate need request (2 Firefighters and 1 Facilities Maintenance)
  - Removed 2 vehicles
  - Added capital funding for 5 years for deferred maintenance stations 1-7
- Police
  - Reduced by 11 officers over 5 years
  - Removed 1 Animal Control Officer
- Legal
  - Removed 2.5 FTE's and associated space needs

### **Additional Revenue Sources**

**Billings Urban Fire Service Area (BUFSA)** – Generally, the formula for calculating how much the City charges the BUFSA for fire services has not changed since 1988. Residents within the BUFSA currently receive the same level of service as residents within the City. In addition to the current formula, at least two new approaches need to be analyzed and considered to more equitably charge for our fire services. The first idea is to change the calculation for the cost of fire protection to be based on the taxable value of property. If this change were made, the BUFSA would be charged approximately 10% of the Fire Department budget (Less 9-1-1/Dispatch) or approx. \$1.7 million. The second approach is to conduct an in-depth cost of service analysis. The goal is to be fair and equitable for both the property owners inside the city limits and for those who live within the BUFSA. The City does not determine how the BUFSA charges are collected, but rather, sends a bill to the County for a single amount due to the City.

**Public Safety System Development Fees (SDF)** – System development/impact fees are well established in Montana law. Billings refers to impact fees as SDF and currently uses them to help offset capacity expansion costs impacted by growth for our water and waste water utilities. SDF must be based on a comprehensive analysis detailing the cost impacts of growth on public safety capital investments. They cannot be used to pay for personnel, operational expenses or replacement costs. We estimate SDF for public safety could generate between \$200,000 and \$450,000 annually. If the Council chooses to pursue this revenue source, the public safety SDF study will be included in the proposed 2021 fiscal year budget.

**Increase Municipal Infractions** – Municipal infractions in Billings typically cost \$110 per offense. In 2018 approximately 4300 municipal infractions were received by Municipal Court generating an estimated \$475,000. Under Billings Municipal Code 18-1304 a civil penalty up to \$300 shall be imposed. If the Council adopted local code changes increasing the minimum fee, each additional \$50 would generate an estimated \$200,000 annually.

**Cost Recovery for Police and Fire Services** – We have more research to do to determine the legality and impacts of cost recovery fees. In conversations local insurance brokers we are learning that some insurance carriers may only be willing to pay for fire service costs if the property is outside of a fire service district. Therefore, no property owners within the city limits

or BUFSA could file a claim. We are not aware of any Montana community that is using a similar fee with the exception of false alarms.

If a \$100 charge was created for public safety's response to traffic accidents. The police department would likely generate \$175,000 and the fire department \$350,000 for rescue and emergency responses. This assumes that we would collect approx. 50% of the fees charged. We estimate a 25% loss due to failure to pay and the collection firms who do this work take 25% for their fee. This idea needs further investigation if the Council wants to continue pursuing it.

### **Smoothing the Levy Increases More Evenly over the Five Years**

**Smoothing the Levy** - We have tried to make sure the mill levy ask is sufficient to provide funding for the coming years. Due to the immediate budget deficit, there is an initial increase in tax revenue needed within the first year. By removing fire station 8 until an additional mill levy vote you can smooth the remaining four years. See chart under Fiscal Effects.

### **Separate City Hall Facility Costs**

**City Hall/Criminal Justice Center Facility Needs** - The original mill levy presentation included funding for City Hall/Criminal Justice Center space needs. Some concern was expressed about the fact that the funding for this should be temporary, and not permanent. The dollars for the facility needs have been separated within this presentation and would need to be asked for through a General Obligation Bond question. This would allow the City to borrow at the lowest interest rate possible, which would be the best use of tax dollars and lowest cost to the residents of Billings

### **Strategy to Reduce Crime**

An approved PSL will allow the police department to increase investments into three key areas to improve the safety of Billings. We would use the additional Forty officers in the following assignments:

1. Specialized units target specific crime activity
  - Street Crime Unit
  - Drug Unit – focus supply & distribution
2. Downtown Presence
  - Foot Patrol & Bike Patrol
  - Community Policing Through Environmental Design (CPTED)
3. Traffic Enforcement
  - Traffic Enforcement Unit
  - DUI units
4. Implement Lean Six Sigma principals for efficiencies and the recommendations from the Center for Public Safety Management.
5. Invest in addiction prevention education

**Addiction Prevention Education** - Addiction is the single largest driver of criminal activity in our community. Methamphetamine, alcohol, heroin and opioids are indiscriminately harming nearly all aspects of our City. Annually, the City spends over \$25 million dollars providing law

enforcement services responding to the effects of addiction and crime and very few dollars educating our community on the negative effects of addiction. We cannot and should not be relied upon to carry this issue ourselves. However, due to the cost impacts alone, we need to become a financial partner in reducing the prevalence of addiction. We need to change the negative trends of addiction and criminal activity effecting Billings. Our original proposal recommended 1 mill (~\$200k). As we discuss this with our community, several have suggested this investment needs to be increased substantially in order to gain their support.

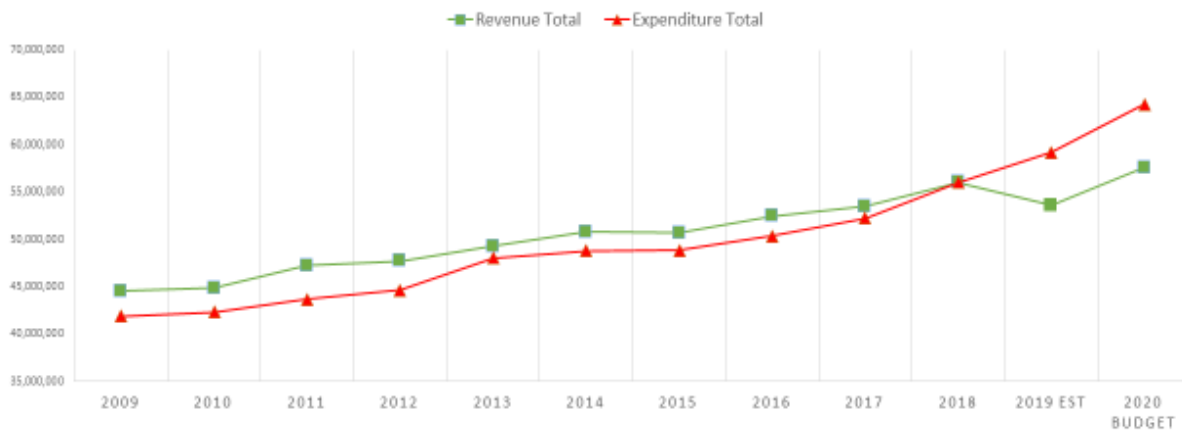
### Strategy to reduce the loss of life and lower property losses

Investment recommendations are based on the 2018 Long Range Fire Master Plan.

1. Reduce time to dispatch calls through 911 emergency communications center through additional resources, training and effectiveness.
2. Reduce the turn-out time for firefighters to leave the station after being dispatched.
3. Add personnel resources and improve facilities to better respond from stations 1-7
4. Add fire station 8 with, equipment and staff to reduce response times in the Heights
5. Implement Lean Six Sigma principals for efficiencies and the recommendations from the Center for Public Safety Management.
6. Increase investments into fire and emergency prevention education

### Steps to Reduce the General Fund Deficit

## General Fund & Public Safety Fund Combined



**PD1** - Currently the majority of the Parks & Recreation budget is within the General Fund. If Council were to shift all Parks and Rec costs from the General Fund and into the Park District 1 Fund, this would free up \$3.5 million within the General Fund that could be used for Public Safety. This would require an increase in the PD1 assessment from \$2 million up to approximately \$5.5 million. The impact of this shift is \$23/year/\$100,000 in value, which is equivalent to 17 mills. We would also recommend that this amount be adjusted annually to at

least offset inflation. Additionally, this would help draw a more clear line between the funding mechanisms and expenses within the parks department and public safety expenditures.

**ALTERNATIVES:** Billings will not thrive as the least safe city in MT (2019 Q2 story based on FBI statistics). The immediate needs are too acute to risk failure by overreaching into the future. This may require us to separate this mill levy discussion into two separate election issues within the next five years. The first would focus on the criminal justice system needs and the second could focus on fire/emergency services.

The implementation of Lean Six Sigma and the Center for Public Safety Management Analysis will improve efficiency and help us continue implementing industry best practices over the next five years. These changes will have an effect on future public safety resource needs.

Our current tax structure, resulting from the City Charter and the State of MT tight grip on taxation, Billings will likely need to ask voters for increased investments in public safety every 5-7 years.

**FISCAL EFFECTS:** As we refine the scope of the project, it will have a significant impact on the fiscal effects of the PSL. The following chart includes the following assumptions: The proposed reductions described above are included; all general fund parks, recreation and cemetery costs have been shifted to PD1; and all city hall facility costs are not included.

	2021	2022	2023	2024	2025
New Mills for Public Safety	26	20	15	10	6
City Hall/Criminal Justice Center	10	0	0	0	0
Cumulative Mills	36	56	71	81	87

The impact of shifting costs from the City's general fund over to PD1 will cost \$23/year/\$100,000 in value. If Parks and Rec are left in the general fund, 17 mills will need to be added to the above chart for a total of 104 mills

If station 8 were removed for a future mill levy ballot, you could reduce the levy request by approximately 12 mills for a total of 75 mills.

**Attachments:** Power point slide deck

**Report compiled on: November 27, 2019**