

# 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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### SPECIAL WORK SESSION AGENDA

**COUNCIL CHAMBERS**

**June 10, 2019**

**4:00 P.M. - 5:30 P.M.**

**CALL TO ORDER:** Mayor Cole

- 1. Budget Wrap-Up (Continued)**  
- 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.

**Special Work Session**

**1.**

**Meeting Date:** 06/10/2019

**TITLE:** Budget Wrap-up (Continued)

**Department:** City Hall Administration

**Presentation:** Yes

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**PROBLEM/ISSUE STATEMENT**

At the City Council work session on June 3rd, 2019, there was a request to continue the conversation regarding potential modifications to the proposed FY20 budget. Staff has provided the attached memo to include more information related to the items listed as moderately impactful on the budget.

**RECOMMENDATION**

Staff is requesting direction from City Council that will be helpful in preparing the budget adoption resolution for the June 24th, 2019 regular City Council meeting.

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Budget Impact Information

Budget Wrap-Up Presentation

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## **Fiscal Year 2020 Minimal Impact Information**

### **General Fund**

**Shift all Parks costs from the General Fund to PD 1 over two years** – Currently the Parks budget in the General Fund is approximately \$3.5 million annually. The proposal is to move these expenses over two years, into the Citywide Park District 1 (PD1), and increase the PD1 assessment to cover the additional costs. In FY19 the elimination of the franchise fee on utility bills reduced the revenue in the General Fund by approximately \$2.5 million annually. There was no replacement revenue identified, so we are recommending moving \$2.5 million of expenses out of the General Fund – Parks budget in FY20 with the remainder to be moved in FY21. An increase in the PD1 assessment necessary to generate an additional \$2.5 million will cost the typical homeowner \$41.00 per year, while the elimination of the franchise fee on utility bills reduced the typical homeowners bill by \$36.50 per year.

## **Fiscal Year 2020 Moderate Impact Information**

### **General Fund**

**Reduce Code Enforcement Abatement by \$20,000** - This cut will not stall our abatement program. If we have an opportunity to abate more properties than we have resources, we will come back to the city council to consider amending the budget.

### **Fire/9-1-1 Budget Impact Discussion**

**Overtime Reduction of \$250,000** - This reduction in overtime (suppression budget category) would reduce or eliminate team training for; Hazardous Materials, High & Low Angle Rope Rescue, Ice Rescue, Swift Water Rescue, Confined Space Rescue, Motor Vehicle Extrication and other specialty team training.

The impact of this reduction would affect each specialty team adversely by not allowing them to train as a team, only individually or in small groups. These specialty teams come together to deal with low frequency / high risk incidents. The impact of this reduction would increase the risk to firefighters and citizens when called upon.

**Reduce Vacation/Sick Payout by \$100,000** - This reduction would need to be covered by transferring funds from other budget categories should more employees retire than we are currently aware of.

Transferring funds to cover a probable shortage in this area would adversely affect whatever category funds were transferred from.

**Personal Service Hi-Classification Pay Reduction of \$95,000** - There are several categories of suppression firefighters. Battalion Chiefs, Captains, Engineers and Firefighters. When there is a shift vacancy due to sick leave, on/off job injuries, vacation, training, etc., firefighters, if qualified will be moved up to a higher position to cover that vacancy. They are then paid at the “Hi-C” rate of pay.

If shift vacancies during FY20 should exceed the average over the past few years, funds would need to be transferred from other budget categories, which would result in an adverse effect on that budget category.

**Reduction of Miscellaneous Equipment by \$50,000** - Equipment such as damaged hose, hose couplings, nozzles, etc. are replaced out of this fund.

**9-1-1 Dispatch Overtime Reduction of \$20,000** - This reduction in overtime would result in less non-essential training for entry-level dispatchers along with more intense scrutiny of outside training.

The impact of this reduction could result in entry-level dispatcher performance and efficiency. In addition, this reduction would have significant operational impact 9-1-1 personnel attending NEW WORLD conferences or other conferences associated with operational software and equipment.

**Deferred Facility Maintenance Reduction of \$500,000** - The reduction of funding for Deferred Facility Maintenance would result in the continued deterioration of fire facilities and related safety equipment.

If directed to reduce this budget category, it would leave a balance of \$250,000, which would be used to address a prioritized list of deferred facility maintenance and related equipment. The balance of prioritized projects would be addressed over the next few years if funding were available.

<b>BILLINGS FIRE DEPARTMENT - DEFERRED MAINTENANCE PROJECTS</b>			
<b>Fiscal Year</b>	<b>PROJECT</b>	<b>EST COST</b>	<b>Annual Total</b>
FY20	Station #4 repair soffit/siding/roof	\$ 40,000.00	\$255,000.00
FY20	Station #7 drainage & design repairs	\$ 65,000.00	
FY20	Replace overhead door operators & sensors	\$ 50,000.00	
FY20	PPE extractors	\$ 60,000.00	
FY20	PPE dryers	\$ 40,000.00	
FY21	North parking lot level & gravel - city code	\$ 16,000.00	\$180,000.00
FY21	North parking lot fence - security for rescue trailers	\$ 14,000.00	
FY21	Fire station #5 generator	\$ 30,000.00	
FY21	Upgrade fuel systems at #1, #2, #3, #5 & #6	\$ 100,000.00	
FY21	Redesign & install new lawn sprinkler system - station #6	\$ 20,000.00	
FY22	Resurface Fire Prevention Bureau parking lot/french drain	\$ 20,000.00	\$400,000.00
FY22	Repair northeast concrete wall - fire station #1	\$ 20,000.00	
FY22	Replace electronic locks at all fire stations	\$ 70,000.00	
FY22	Training facility final improvements	\$ 35,000.00	
FY22	Remodel kitchen - fire station #1	\$ 40,000.00	
FY22	Floor over gym for secure equipment storage room - #1	\$ 40,000.00	
FY22	Station #1 front concrete ramp	\$ 20,000.00	
FY22	Security fencing - Fire Prevention Bureau parking lot	\$ 10,000.00	
FY22	Station #1 rear concrete ramp	\$ 20,000.00	
FY22	Station #2 rear concrete ramp	\$ 20,000.00	
FY22	Station #3 front concrete ramp	\$ 20,000.00	
FY22	Station #3 rear concrete ramp	\$ 15,000.00	
FY22	Security cameras at all fire stations	\$ 10,000.00	
FY22	Replace station carpet with vinyl flooring	\$ 60,000.00	
<b>Total</b>		<b>\$ 835,000.00</b>	

# Police Budget Impact Discussion

## Better control and reduction of “Discretionary” OT - \$300,000

- Special Operations – 20 officers over three units train 20 hours/month on days off (Approximately \$220,800 per year).
  - Reduce training to once per month (Approximately \$110,400 savings).
  - Move training to work days (Approximately 5 officers on OT \$55,200 savings)

### Discussion/Impact:

Billings PD Special Operations (SWAT/Bomb/Hostage) has established itself as the best trained, best equipped team in the state. EOD is nationally certified and responsible for the eastern part of the state. SWAT has attained the highest tier of capability ratings and on a statewide resource list. This status is not by mistake. It comes from consistent and contemporary training. Of vital importance is the ability to train as a team. Anything less will reduce effectiveness and proficiency. And, these skills are degradable. Special Operations is a low frequency high liability function so it is important to stay sharp. SWAT is necessary and the traditional role is to handle high-risk incidents deemed beyond the capability of average officers. Hostage/barricade, high-risk warrants, snipers, etc., are all considered SWAT missions. However, active shooter situations have forced LE to rethink the roles of patrol and SWAT due to the time element, which is something that active shooters don't give us enough of. Although we do not have a full-time team, the issue of terrorism or an active shooter e.g. is very real and the “it won't happen here” argument is not acceptable. Our tactical assets will save lives. **Reducing training will affect readiness.**

- Downtown bike patrol – Approximately \$30,000 savings.
  - ROI – High visibility in downtown area. Transient problem
    - 408 citations over two years
    - 175 arrests over two years
    - Force multiplier in downtown area
  - Impact
    - Growing transient problem
    - Loss of revenue
    - Loss of personnel downtown
    - No PR presence
- Parades
- Runs
- Non-Profit requests
- Alive after Five
- Bike Rodeos
- Armed Forces events
- Presentations
- 4<sup>th</sup> of July detail
- “Right thing to do”
  - ROI – Facilitate safety
    - PR
    - Presence in community
    - Community policing concepts

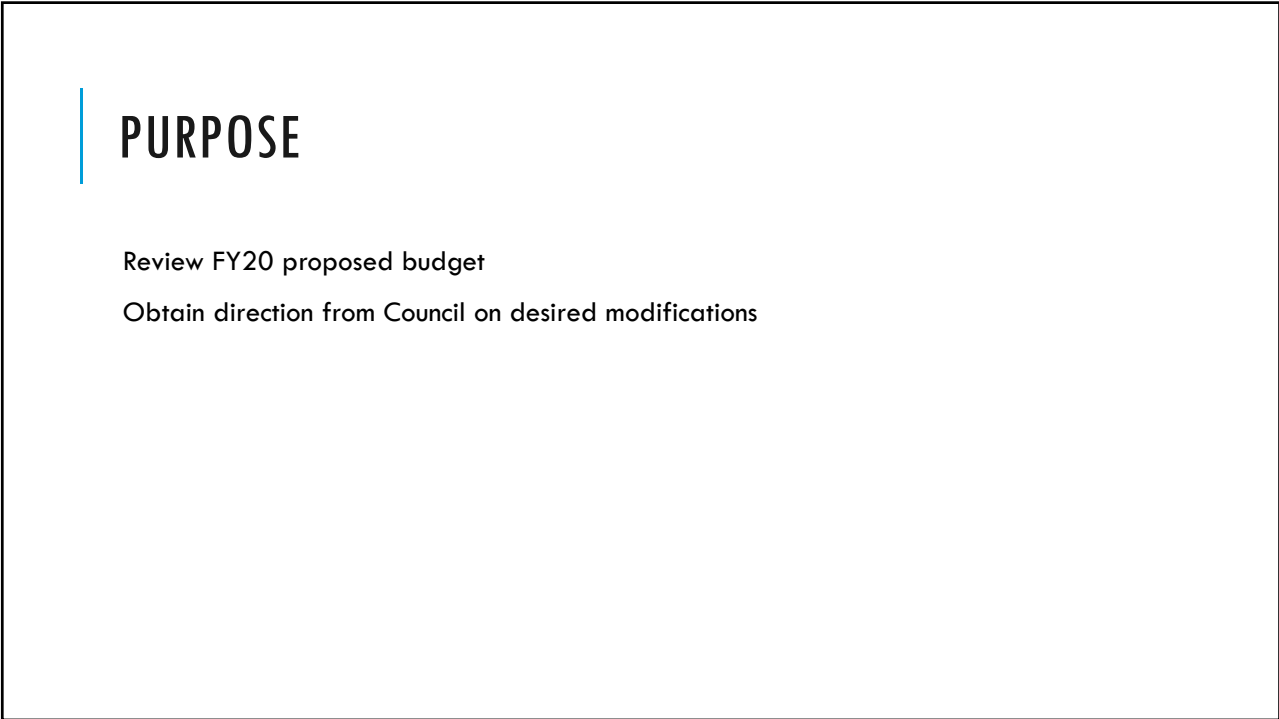
- Public gratitude
- Impact
  - No presence in community other than enforcement
  - Loss of community sense
  - Safety issues

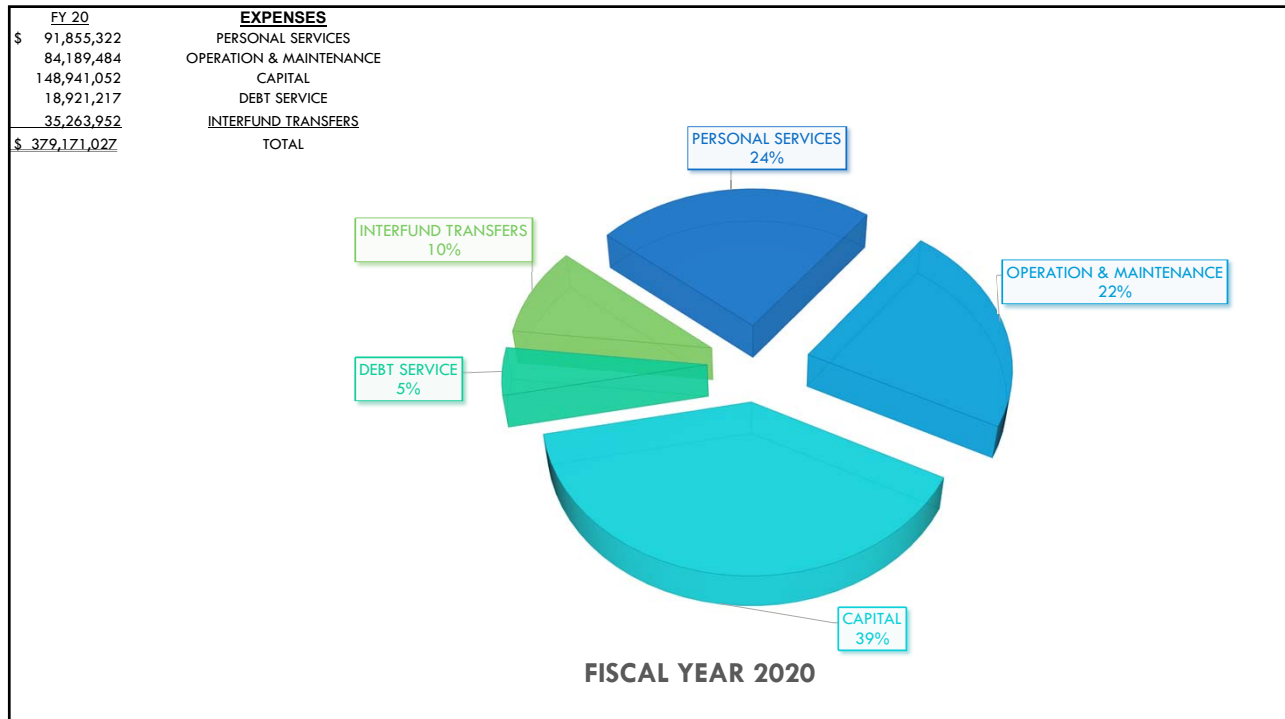
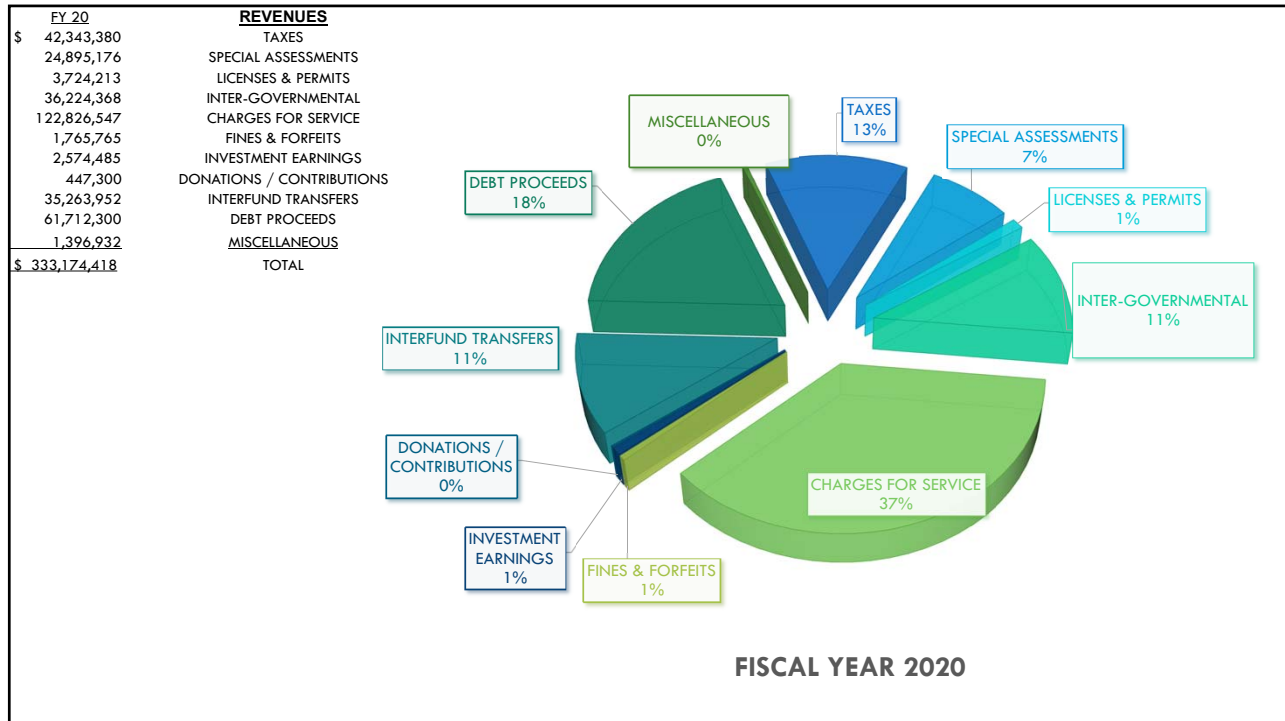
**Total Savings – Approximately \$50,000**

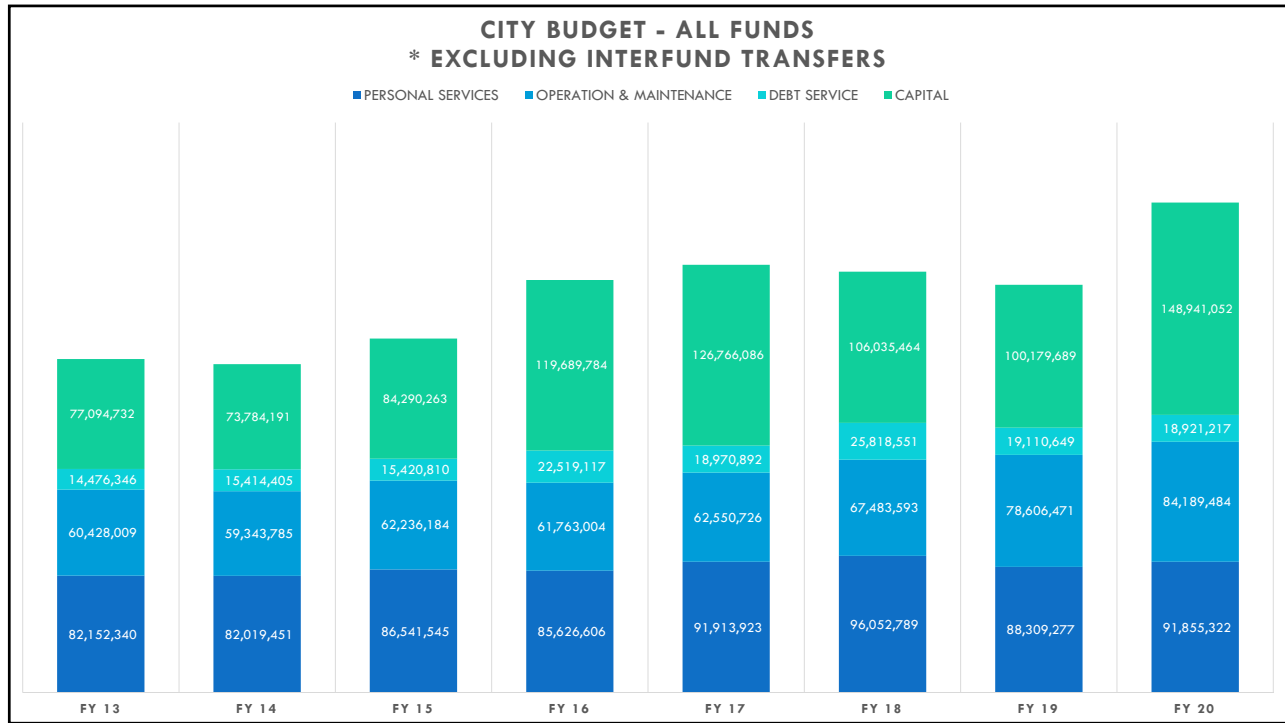
**Reduce travel and training by 10%**

- ROI – Highly trained officers in a wide variety of disciplines
  - Improves performance
  - Enhances effectiveness
  - Decreases liability
  - State mandated (8 hours POST)
- Impact
  - Less specialized training
  - Fewer officers attending
  - Decreased performance and effectiveness
  - Increased liability

**Total Savings – Approximately \$6,700**







## 2020 PROPOSED BUDGET HIGHLIGHTS

### Capital Projects

- Addressing deferred facility maintenance at multiple Fire Stations
- Airport expansion
- Aquatics and rec center
- Police evidence expansion
- Lead pipe water service replacement

## 2020 PROPOSED BUDGET HIGHLIGHTS

### Operation & Maintenance

- Parks maintenance tracking software
- Replace expiring Police equipment
- City website redesign
- GIS Improvements

## FY20 STAFFING CHANGES

Position Title	Department	FTE
Fire Protection Engineer	Fire	1.0
Communications Asst. Mgr	Fire/911	1.0
Admin Assistant I	Fire	0.5
Asset Management Coordinator/CityWorks	Public Works	1.0
Landfill Maintenance Workers	Public Works	2.0
Wireless Network Technician	Public Works	1.0

## TYPICAL BILLINGS HOME MONTHLY CHARGES

	FY19 Adopted	FY20 Proposed	% Change	\$ Change
City Property Taxes	43.86	43.18	-1.55%	(0.68)
Park District	2.69	2.66	-1.12%	(0.03)
Arterial Streets	4.15	4.28	3.13%	0.13
Storm Sewer	3.68	3.79	2.99%	0.11
Street Maintenance Districts	10.03	10.33	2.99%	0.30
Water	40.77	43.57	6.87%	2.80
Solid Waste	10.98	11.25	2.46%	0.27
Wastewater	<u>27.02</u>	<u>27.80</u>	<u>2.89%</u>	<u>0.78</u>
<b>Total Monthly Charge</b>	<b>143.18</b>	<b>146.86</b>	<b>2.57%</b>	<b>3.68</b>

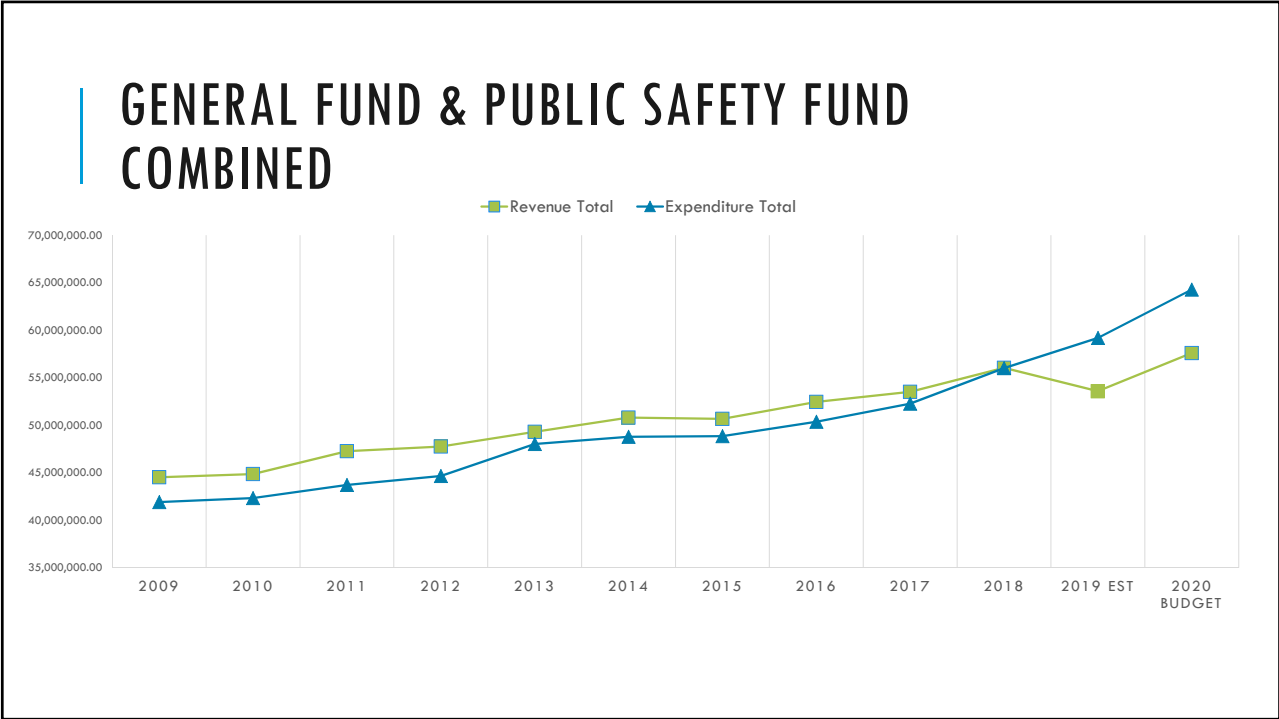
## ITEMS NOT INCLUDED IN THE PROPOSED BUDGET

Park District 1 CIP Projects

Continuum of Care

Lean Six Sigma

Citizen Survey



## MINIMAL IMPACT ON OPERATIONS

Fund/Department	Program/Staff Reduction	Amount	Impact
Fire	Presumptive Care Correction	491,000	This was calculated during the Legislative Session. After the bill was signed, and further analysis was able to be done, we have determined that the impact will not be as severe on the City this first year of implementation
Fire	Remove SBR Fire Protection Engineer	137,000	Further impact would continue to disallow fire personnel (FPE) from turning reviews around quicker, having actual "boots on the ground" to physically look at sites when questions arise thus continuing to not service our customers as efficiently.
Fire	Removal of Squads	10,000	Funding for the replacement of the squads would stop. This would mean they are not replaced in future years.
Council Contingency	Eliminate Council Contingency	30,000	Elimination of this item would not impact any direct programs, as the account is used for a variety of items depending upon Council's desires
Municipal Court	General Fund transfer to Muni Court Grants	30,000	This is not frequently used to provide local match for grant expenditures, and could be eliminated without significant impact to the grant.
NonDepartmental	Special Assessments	10,000	This, likely, cannot be eliminated but could be moved to other funds where appropriate
Parks	Shift all Parks costs over 2020 and 2021 to PD1	2,500,000	This would require an increase in the Park District 1 assessment. The impact to the average homeowner would be approximately \$41 annually.
General Fund	WC Mod Factor Adjustment	12,000	The budget was created using a mod factor of .8 for WC. We have been informed that our mod factor for FY20 will be .73.
General & Public Safety	Unemployment Modification	88,000	The budget was created using prior year Unemployment rates. We have been informed that our rate will be reduced for next fiscal year.
		<b>3,308,000</b>	

## MODERATE IMPACT ON OPERATIONS

Fund/Department	Program/Staff Reduction	Amount	Impact
Code Enforcement	Cut abatement budget	20,000	Potential reduction in number of annual property abatements
Fire	Overtime	250,000	This would eliminate or reduce team training for Technical Rescue and Hazardous Materials teams. The elimination of training as teams significantly increases the risk to firefighters and public during actual operations.
Fire	Vacation/Sick Payout	100,000	Would have to cover with other budgeted areas if more people retire than those that are anticipated
Fire	Personal Services - Hi-C	95,000	
Fire	Misc. Equipment	50,000	Defer replacement of certain equipment
Fire	911 Overtime	20,000	
Police	OT reduction	300,000	Reduce specialized training and overtime associated with special assignments.
Police	Reduce travel and training at 10%	10,000	Reduce travel and training at 10%
Fire	Deferred Facility Maintenance	500,000	Continued deterioration of facility and related equipment, will address over multiple years
		<b>1,345,000</b>	

## SIGNIFICANT IMPACT ON OPERATIONS

Fund/Department	Program/Staff Reduction	Amount	Impact
NonDepartmental	Resource Outreach Coordinator	25,000	This would not fund the ROC position going forward. This would likely have impacts on our transient population downtown
Police	O&M Jail Charges	100,000	Remove Municipal infraction charges only
Police	Hire POST officers only	15,000	Don't have to send them to academy, can miss good candidates, could reduce number of applicants
Police	Eliminate CPA, Chaplain, Uniforms	8,000	Eliminate CPA, Chaplain, Uniforms
Fire	Technology Equipment Replacement	126,000	This program funds the replacement of Public Safety Technology Equipment Replacement. The Items include Fire Airpacks (SCBA), Heart Defibrillators, Communication Radios, In-car computers, Tasers, Vehicle Cameras, and future purchase of Police body cameras. This program could be eliminated which would cause short-term benefit of budget reduction, but result in delaying replacement of equipment beyond it's useful life in order to find money necessary for replacement.
Fire	Computer Purchases	41,000	This would lengthen the amount of time equipment is used, causing computers to become significantly outdated.
NonDepartmental	Beartooth RC&D	12,500	
GF Parks	South Pool Closure, Hawthorne & Pioneer	100,000	Don't open South Park Pool, Hawthorne & Pioneer wading pools
Police	Technology Equipment Replacement	250,000	This program funds the replacement of Public Safety Technology Equipment Replacement. The Items include Fire Airpacks (SCBA), Heart Defibrillators, Communication Radios, In-car computers, Tasers, Vehicle Cameras, and future purchase of Police body cameras. This program could be eliminated which would cause short-term benefit of budget reduction, but result in delaying replacement of equipment beyond it's useful life in order to find money necessary for replacement.
		<b>677,500</b>	
Police and Fire	Staff Reductions/Hiring Freeze		Reduction in staffing could be used to reduce expenditures further. This would require the reduction and elimination of certain programs in both the Fire and Police Departments

# SUMMARY OF POTENTIAL MODIFICATIONS

## EXPENSE SUMMARY

Minimal Impact	3,308,000
Moderate Impact	1,345,000
Significant Impact	<u>677,500</u>
Total Reduction in Expenses	<b>5,330,500</b>

Fund/Department	Revenue Type	REVENUE Impact
Public Safety	Mill Levy	Will need to identify the programs and needs of the City before putting together a request.
Police & Fire	Charge for false alarms	Could reduce the number of calls for service. This may also have unintended consequences of people not calling when response is really needed
General Fund - Finance	Business License Fee Structure	The fee structure has not been adjusted in many years, and is due for a review. The current structure is likely not reflective of the costs involved.

# PUBLIC SAFETY MILL LEVY TIMELINE

PUBLIC SAFETY MILL LEVY TIMELINE						
Calendar 2019						
Today	July	August	September	October	November	December
			1.) Identify the services desired to be funded with new mill levy			
			2.) Pass resolution to hold election (15-10-425)			

PUBLIC SAFETY MILL LEVY TIMELINE										
Calendar 2020										
January	February	March	April	May	June	July	August	September	October	November
Community meetings to inform the public about the needs at the City.				Public Safety Vote				Council adopts resolution adopting new PS Levy		First Tax Bill with new PS Levy

## CHANGES TO THE FY20 PROPOSED BUDGET

Adopt Parks CIP, as presented, and include in the FY20 Budget

Add to the General Fund Admin budget for National Citizen Survey

Consider adding Lean Six Sigma at mid-year budget amendment after tax revenues are known.

Amend to include items with minimal impact on operations

Others?