

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

March 2, 2020

5:30 P.M.

CALL TO ORDER: Mayor Cole

1. **City of Billings FY19 Comprehensive Annual Financial Report**
(Presented by Andy Zoeller, Finance Director)
- Public Comment

2. **Coulson Park Master Plan Review**
(Presented by: Michael Whitaker, Parks Director)
- Public Comment

3. **Proposed Changes to Council Agenda and Meeting Rules of Procedure.**
(Presented by: Brent Brooks, City Attorney)
- Public Comment

4. **Review Council Goals**
(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 or as set by the Mayor. 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.
- **Please exit the chambers as quickly as possible.** (Chamber doors will be **CLOSED** 10 minutes after adjournment of the meeting.)
- Council meetings may be viewed at any time by accessing Community 7 Television online at www.comm7tv.com and clicking on archived programs.

Council Work Session

1.

Meeting Date: 03/02/2020

TITLE: City of Billings FY19 Comprehensive Annual Financial Report

Department: Finance

Presentation: Yes

PROBLEM/ISSUE STATEMENT

The City of Billings' auditor, J.C.C.S of Great Falls, will present the FY19 audit of our Comprehensive Annual Financial Report.

The City received an unmodified (clean) opinion for FY19. The City did receive one finding as it relates to a Schedule of Expenditures of Federal Awards presented in the back of the document, on pages 220-225. The City Finance staff will partake in specific training related to this finding.

Pages 1-12 are a section titled "Management Discussion and Analysis". This provides a high level overview of the financial position of the City of Billings for FY19.

The net position of the City of Billings increased by \$20 million if FY19. This was largely comprised of investments in capital assets which are not available for future spending. Reserve spending in the General Fund and Public Safety Fund amounted to \$6.0 million in FY19 (page 18). This means the City used \$6.0 million of reserves to fund operations within the General Fund and Public Safety Fund for FY19.

RECOMMENDATION

No future action will be needed on this item.

Attachments

FY19 CAFR



FISCAL YEAR **2019** Comprehensive
ANNUAL FINANCIAL REPORT



ABOUT THE COVER

The Billings City/County 9-1-1 Center (9-1-1) provides the critical link between the community and public safety resources. Thirty one and a half full-time employees and four 9-1-1 supervisors receive, coordinate, and process emergency and non-emergency radio and telephone traffic 24 hours a day. Additionally, the 9-1-1 Center Manager oversees the citywide 800 MHz radio system.

In 1998, the Billings City/County 9-1-1 committed \$25,000 to a reserve fund dedicated to constructing a new 9-1-1 facility for the community. Within three years, 9-1-1 elected to contribute 25% of all in-coming annual revenues to the reserve fund as well. The significance of this project and its on-going impact to public safety cannot to be overstated, especially considering it was accomplished without imposing additional fees or levies.

Coming in slightly under its \$5.5 million budget, the new 9,100 square foot facility nearly triples the space previously dedicated to 9-1-1 operations. It embraces modern enhancements that include environmentally controlled data and UPS rooms, redundant emergency generators, a dedicated training area, dormitory rooms, a conference area, secured parking, and separate restroom facilities for male and female employees. Twelve state-of-the-art workstations allow for expanded operational capability and agency support in the event of a critical event or disaster, ensuring that the 9-1-1 center is well equipped to meet increased demand for services associated with future community and population growth.

The new 9-1-1 facility has garnered national attention. Other communities, faced with the same daunting challenge of constructing a highly specialized type of facility, have sent delegations of police chiefs, fire chiefs, sheriffs, and 9-1-1 personnel to visit the Billings' center and witness its exceptional functionality, as well as to seek advice on managing the complexity of such a project. Additionally, the Billings City/County 9-1-1 Center was named the 2018 Montana Contractor's Association Commercial Project of the Year in Building Excellence.

On every level, the new 9-1-1 center project was a success, and it reflects the power of effective collaboration between City Departments and private partnerships. Many thanks are due to the City of Billings Information Technology staff, Will Robbins of the City Engineering Division, CTA Architects, Fisher Construction and their many subcontractors, and the technical engineers and staff from Motorola and Industrial Communications & Electronics.

Further, the 9-1-1 Center is exceedingly proud of its EMD program. 9-1-1 staff members have delivered babies, resuscitated drowning and cardiac victims, stemmed uncontrolled bleeding, and have positively impacted the outcome for countless individuals and their families in the community. The 9-1-1 staff are professionals who have great interest in delivering top-notch service. They appreciate how supervisory staff is making a consistent effort to not only identify areas requiring improvement, but also seeing and recognizing the outstanding work they are performing on a daily basis.

Through 20 years of sacrifice and savings, 9-1-1 telephone and radio operations moved into the beautiful, new facility on September 18, 2018.

Special thanks go out to Anne Kindness, Community Center Manager. In addition to her normal duties, Anne spent countless hours working on this project to see the new 9-1-1 Center project come to fruition. Anne will retire this year after 34 years of service to the City of Billings. Job well done!

CITY OF BILLINGS, MONTANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCE DEPARTMENT

ANDREW ZOELLER, CPA
FINANCE DIRECTOR

FISCAL YEAR 2019

July 1, 2018 – June 30, 2019

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INTRODUCTORY SECTION (UNAUDITED)

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CITY OF BILLINGS

FINANCE DEPARTMENT

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January 22, 2020

Honorable Mayor, Members of the
City Council, City Administrator and the Citizens of the City of Billings, Montana:

The Comprehensive Annual Financial Report (CAFR) of the City of Billings, Montana (the City) for Fiscal Year ended June 30, 2019, is hereby submitted. This report was prepared by the Finance Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the Office of Management and Budget Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations. Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards and the auditor's reports on internal controls and compliance is included in the Single Audit section of this report.

CITY OF BILLINGS PROFILE

The City of Billings was incorporated in 1882 and is located in South Central Montana along Interstate 90. The City of Billings is located in Yellowstone County, the most populous county in Montana. Billings is the largest city in the state with a 2010 Census population of 104,170 and a current estimate of 109,642.

The City of Billings operates under a Home Rule Charter, established in 1976, with a Council-Manager form of government. Policymaking and legislative authority are vested in a 10-member council and mayor (Legislative Branch). The Legislative Branch is responsible for the performance of all duties and obligations imposed on the City by law. Two council members are elected from each of 5 wards for four year terms with a maximum of two consecutive terms. The mayor is elected at large for a four-year term with a maximum of two consecutive terms. The Legislative Branch hires a City Administrator (Manager) to oversee the day-to-day operations of the City.

The City of Billings provides governmental services for public safety, utilities (including water, wastewater, and solid waste), public transportation, construction and maintenance of infrastructure, and general support services to serve the citizens of Billings.

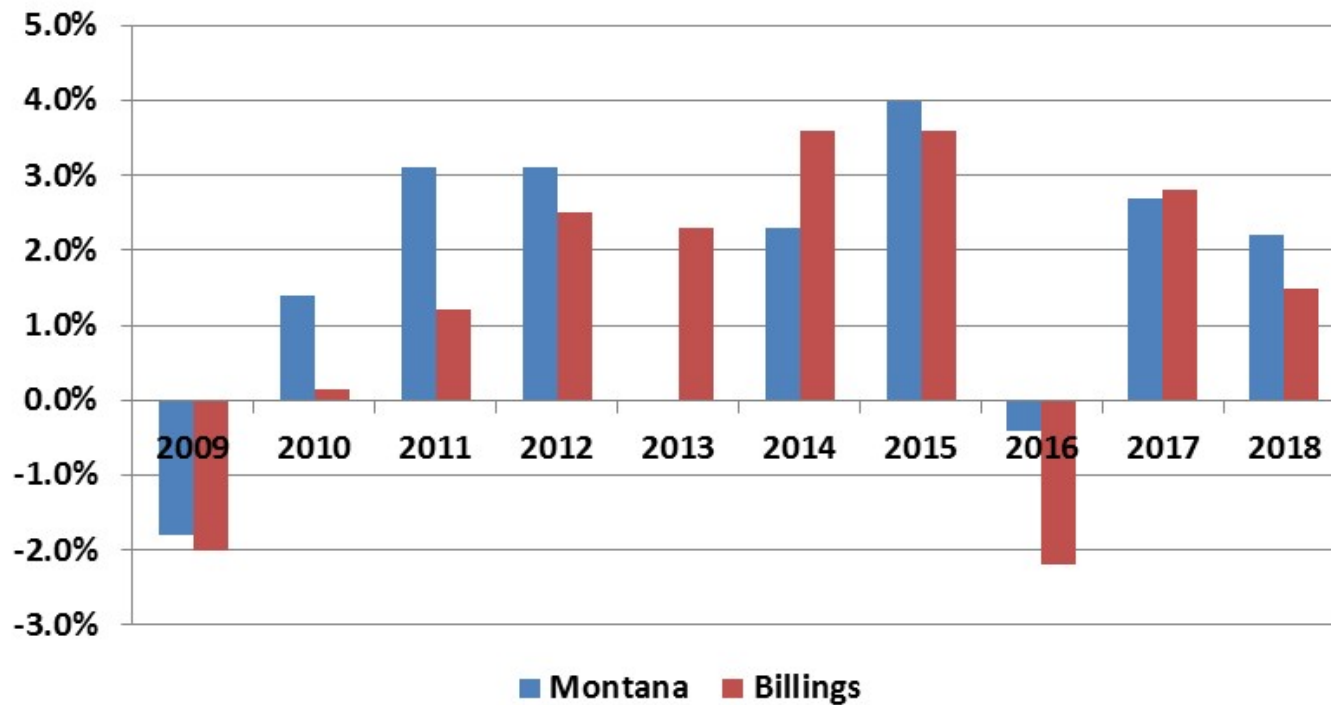
The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council.

Budgets are legally required and are prepared for all the City's funds. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance system as one technique of accomplishing budgetary control. Open encumbrances are reported as reservations of fund balance as of June 30, 2019. Per state law, encumbrances are automatically re-appropriated and added to the following year's adopted budget. This re-appropriation takes place without council action.

ECONOMIC CONDITION AND OUTLOOK

The University of Montana – Missoula, Bureau of Business and Economic Research publishes its Economic Outlook for selected counties in Montana. Following is some information contained in the publication. Billings continues as the largest trade and service center in the Upper Plains. It comes as no surprise that the export components of retail trade, wholesale trade and professional services were the greatest contributors to economic growth since the Great Recession. Manufacturing (primarily the oil refineries) has also been growing. In the last few years, increases in the health care industry have been significant. Since 2014, the Billings area economy has faced the added challenge of the slump in the Bakken due to low oil prices. Overall, the Billings area economy has performed at about the statewide average during the last five years and roughly in the middle of the pack among Montana cities.

Change in Nonfarm Labor Income



One of the City's largest industries is health care. Presently, the Billings Clinic Health System (approximately 4,000 employees) and Saint Vincent Healthcare (approximately 2,000 employees) employ approximately 6,000 employees. Both healthcare systems have embarked on major expansion programs that will increase the size of their facilities and their employment levels over the next several years.

LONG-TERM FINANCIAL PLANNING

The City of Billings annually completes five-year plans for the General Fund, Public Safety Fund, Library Fund, Airport Fund, Transit Fund and other operating funds. Currently, the Public Safety Fund gets around 52% of its revenue from the General Fund. Historically, the General Fund balance increased slightly through modest increases in expenditures and tax revenue. However, tax revenue increases have not been able to keep pace with the increase in expenses. As a result of this imbalance, reserves will need to be used to balance future budgets. As a result of continued population growth, the City will need to make many decisions related to expansion of City facilities over the next five years. This will continue to use the unassigned General Fund balance. The City is also going to begin updating its strategic plan. This information will be used when completing the FY21 budget.

RELEVANT FINANCIAL POLICIES

The Billings City Council adopts three capital plans each budget year. The three plans are for technology equipment, vehicles, and capital improvements (infrastructure, buildings, building improvements, etc.). These three plans guide the City throughout the fiscal year with capital purchases.

The City Council followed the adopted growth policy by only annexing parcels contained within the boundaries of the policy. Following the policy does not over extend City services, which in turn cost more money.

The City Council adopted a reserve level policy authorizing the City Administrator to establish fiscally responsible reserve minimums. The City Administrator adopted an Administrative Order with recommended reserve levels for all operating funds.

MAJOR INITIATIVES

City Council adopts annual goals before beginning budget preparations. The Council, with the help of a consultant, adjusted and adopted updated strategic goals in 2019.

- Honest, Responsive Government: Striving to be a principle-centered organization that promotes responsibility, accountability, trust, and open, accessible government.
- Comprehensive Orderly Growth: Careful consideration and management of the process of community growth.
- Transportation: Development of a comprehensive, multi-modal transportation system that supports the Growth Policy.
- Sustainable Economic Development: Economic vitality that fosters community partnerships and ensures a strong and efficient infrastructure.
- Involved, United Community: Community-wide investment in visioning and planning for the future.
- Public Safety: Provide for a safe and secure community.
- Quality of Life: Provide Library patrons with tools to become happy, informed, participating community members.
- City Infrastructure: Provide an understandable program with sustainable funding.

All City departments establish departmental goals and action plans that help to support the Council goals. Some of the major initiatives that were started, or completed, in the budget year are:

- Updated the Capital Improvements Plan.
- Completed multiple road construction projects.

INDEPENDENT AUDIT

The State of Montana requires a biennial audit of the basic financial statements of the City by independent certified public accountants selected by the City Council. However, the City Council has recommended that an annual audit be performed. An annual audit provides a higher level of financial management and fiscal responsibility. JCCS P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Billings, Montana’s financial statements for the year ended June 30, 2019. The independent auditors’ report is located at the front of the financial section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Billings, Montana, for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the 35th consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

For the 28th consecutive year, the City received the GFOA's Award for Distinguished Budget Presentation for its 2019-2020 annual budget. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department, with special appreciation extended to our Accountants Jim Hauck, Donna Hjelm, and Sarah Lane. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Andy Zoeller, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Billings
Montana**

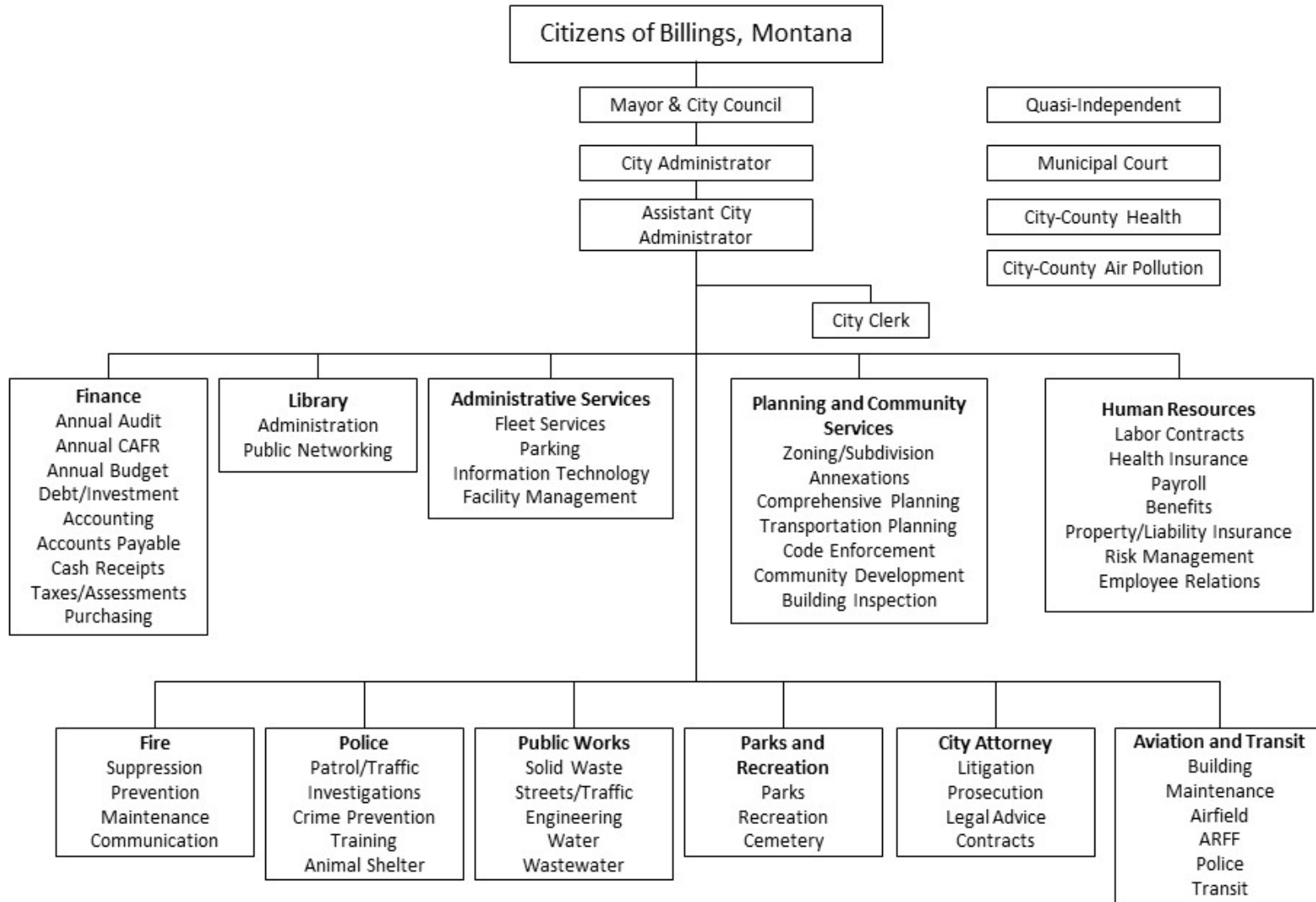
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

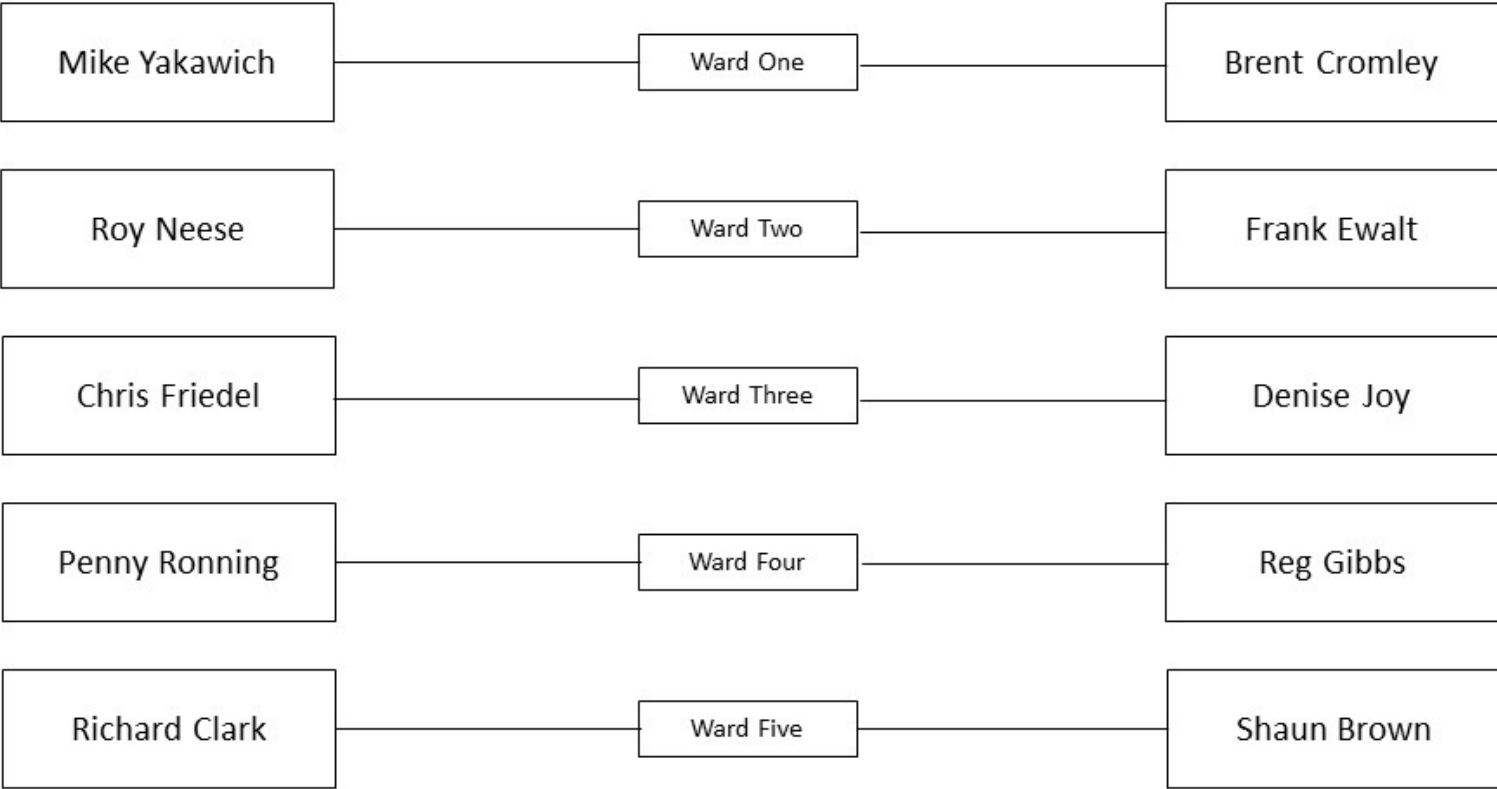
City of Billings Organizational Chart



City of Billings, Montana
Official Roster

Mayor
Bill Cole

Council Members



FINANCIAL SECTION

**To the Honorable Mayor, Members of the City Council and City Administrator
City of Billings, Montana**

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Billings, Montana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Billings, Montana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Billings, Montana, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, other post-employment benefits information, and employee retirement pension benefits information (collectively, the required supplementary information) on pages 3 through 12 and 110 through 127 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Billings, Montana's, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2020, on our consideration of the City of Billings, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Billings, Montana's internal control over financial reporting and compliance.

Junkermier, Clark, Campanella, Stevens, P.C.

Great Falls, Montana
January 22, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Billings (the City) offers the readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. In addition to this overview and analysis based on currently known facts, decisions, and conditions, the City encourages readers to consider the information presented in the City's letter of transmittal and the City's financial statements, which begin on pages i and 13 of this report, respectively.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the fiscal year end by \$770 Million (Net Position).
- The total fiscal year end governmental fund balance was \$95 Million as reported in the balance sheet.
- The total general fund and public safety fund balances at the fiscal year end were \$22,399,798 and \$1,471,734, respectively. More information regarding the general fund and public safety fund balances is contained in the Economic Factors and Future Outlook toward the end of the Management Discussion and Analysis (MD&A).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following three components:

- 1) Government-wide Financial Statements
- 2) Fund Financial Statements
- 3) Notes to the Financial Statements

Other supplementary information is also included at the end of the Financial Section.

Government-wide Financial Statements. The government-wide statements are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

The statement of net position presents information on all of the City's assets and liabilities. The difference between total assets and deferred outflows minus liabilities and deferred inflows is reported as net position. Over time, increases and decreases in net position may provide an indication of whether the City's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the City's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety – police and fire, public health, culture and recreational services, housing and economic development, and public works. The business-type activities of the City include solid waste, airport, water, wastewater, transit, parking operations, and golf course.

Fund Financial Statements. Traditional users of the City's financial statements will find the fund financial statement presentation more familiar. With the implementation of GASB 34, the focus is now on major funds rather than fund types.

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. A major fund should generally meet both of the following criteria: 1) total assets, liabilities, revenues, or expenditures/expenses are at least 10% of the corresponding total (assets, liabilities, etc.) for that fund type (i.e., governmental or enterprise funds), and 2) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is

on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund and Public Safety Fund. These two funds are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

The City adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-20 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds: enterprise and internal service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its solid waste, airport, water, wastewater, transit, parking operations, and golf course. Internal service funds are used to account for activities and services performed for other organizational units within the City. These costs are allocated internally among the City's various functions. The City uses internal service funds to account for motor pool, postage and copying, information technology, health care benefits, facilities management, telephone services, radio communication services, public works administration, public works engineering, and property and liability insurance. The governmental-type functions use over 50% of these services. As such, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The transit and golf course enterprise funds are considered to be non-major funds and, therefore, are combined into a single, aggregated presentation in the proprietary fund statements. Major fund reporting requirements do not apply to internal service funds; therefore, they are combined into a single, aggregated presentation in the proprietary fund statements.

The basic proprietary fund financial statements can be found on pages 21-25 of this report.

Government-wide Financial Analysis

Net position over time may serve useful as an indicator of a government's financial position. The net position for the fiscal year ending June 30, 2019, was \$769,952,305 (assets and deferred outflows exceeded liabilities and deferred inflows), which was an increase of \$20,563,216.

The City's largest portion of net position reflects investment in capital assets: land, buildings, improvements other than buildings, equipment and vehicles, and infrastructure. These assets are used to provide services to the citizens of Billings and are not available for future spending. The City's investment in capital assets is reported net of related debt. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following two tables present condensed financial information on the City's Net position and Changes in Net position as of, and for, the fiscal years ended June 30, 2019, and June 30, 2018:

City of Billings, Montana's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 124,110,008	\$ 128,119,279	\$ 174,743,506	\$ 164,746,727	\$ 298,853,514	\$ 292,866,006
Capital assets	288,692,221	281,176,398	483,558,193	456,042,389	772,250,414	737,218,787
Total assets	412,802,229	409,295,677	658,301,699	620,789,116	1,071,103,928	1,030,084,793
Deferred outflows	13,522,178	14,963,485	4,978,646	6,308,906	18,500,824	21,272,391
Long-term liabilities outstanding	128,103,162	132,515,775	155,497,609	142,677,084	283,600,771	275,192,859
Other liabilities	11,840,936	11,646,977	14,026,297	13,369,366	25,867,233	25,016,343
Total liabilities	139,944,098	144,162,752	169,523,906	156,046,450	309,468,004	300,209,202
Deferred inflows	6,565,391	1,358,187	3,619,052	400,706	10,184,443	1,758,893
Net position:						
Net investment in capital assets	219,975,184	213,236,381	372,951,667	325,090,673	592,926,851	538,327,054
Restricted	57,054,677	64,435,259	26,771,035	28,197,924	83,825,712	92,633,183
Unrestricted	2,785,057	1,066,583	90,414,685	117,362,269	93,199,742	118,428,852
Total net position	\$ 279,814,918	\$ 278,738,223	\$ 490,137,387	\$ 470,650,866	\$ 769,952,305	\$ 749,389,089

The restricted portion of fiscal year 2019 Net Position (10.9%) represents resources that are subject to external restrictions as to how they may be used.

City of Billings, Montana's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 40,348,085	\$ 38,974,596	\$ 80,661,403	\$ 78,132,295	\$ 121,009,488	\$ 117,106,891
Operating grants and contributions	7,914,329	18,855,535	1,462,370	3,721,107	9,376,699	22,576,642
Capital grants and contributions	6,059,595	7,117,548	3,171,245	3,745,650	9,230,840	10,863,198
General revenues:						
Property taxes	39,670,483	38,683,508	2,264,225	2,230,151	41,934,708	40,913,659
Franchise fees	1,457,677	3,851,814	-	-	1,457,677	3,851,814
Business licenses	766,478	762,297	-	-	766,478	762,297
Unrestricted federal/state shared revenue	18,107,823	17,137,975	-	-	18,107,823	17,137,975
Unrestricted investment earnings	2,314,255	428,152	3,595,705	1,498,320	5,909,960	1,926,472
Gain/(Loss) on sale of property and equipment	57,834	139,532	169,886	24,273	227,720	163,805
Miscellaneous	440,568	(782,855)	219,212	710,569	659,780	(72,286)
Total revenues	117,137,127	125,168,102	91,544,046	90,062,365	208,681,173	215,230,467

(Continued)

City of Billings, Montana's Changes in Net Position (Continued)

Expenses:	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General government	8,679,189	9,166,943	-	-	8,679,189	9,166,943
Public safety	39,965,050	52,598,618	-	-	39,965,050	52,598,618
Public works	40,941,520	37,155,926	-	-	40,941,520	37,155,926
Public health	1,449,194	1,037,576	-	-	1,449,194	1,037,576
Culture and recreation	17,396,764	11,457,583	-	-	17,396,764	11,457,583
Housing and economic development	4,983,940	5,338,458	-	-	4,983,940	5,338,458
Interest on long-term debt	2,560,025	2,829,762	-	-	2,560,025	2,829,762
Solid Waste	-	-	14,162,720	13,753,027	14,162,720	13,753,027
Airport	-	-	13,088,494	14,067,374	13,088,494	14,067,374
Water	-	-	20,096,427	20,672,758	20,096,427	20,672,758
Wastewater	-	-	15,751,457	14,974,704	15,751,457	14,974,704
Parking	-	-	2,431,081	2,502,939	2,431,081	2,502,939
Transit	-	-	6,146,028	5,992,999	6,146,028	5,992,999
Golf Course	-	-	466,068	435,048	466,068	435,048
Total expenses	115,975,682	119,584,866	72,142,275	72,398,849	188,117,957	191,983,715
Increase in net position before transfers	1,161,445	5,583,236	19,401,771	17,663,516	20,563,216	23,246,752
Transfers	(84,750)	(309,329)	84,750	309,329	-	-
Change in net position	1,076,695	5,273,907	19,486,521	17,972,845	20,563,216	23,246,752
Net position, beginning of year	278,738,223	273,464,316	470,650,866	452,678,021	749,389,089	726,142,337
Net position, end of year	\$ 279,814,918	\$ 278,738,223	\$ 490,137,387	\$ 470,650,866	\$ 769,952,305	\$ 749,389,089

Governmental activities. Net Position in governmental activities increased by \$1,076,695 during fiscal year 2019. Net Position increased due to the combination of increased property tax collections and operating grants.

Business-type activities. Net Position in business-type activities increased by \$19,486,521 during fiscal year 2019. Net Position increased due to Airport, Water, and Wastewater contributed capital of \$3.1 million and charges exceeding operating expenses in Solid Waste, Water, and Wastewater by \$18.1 million.

Financial Analysis of the City's Funds

As noted previously, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City of Billings Public Safety Fund received approximately 51% of its funding from the General Fund. Therefore, both funds are directly related. The combined fund balances for the General and Public Safety funds experienced a decrease in the current fiscal year. The decrease is a result of operating cost increases exceeding the increase in revenue and a \$2 million capital investment in park development.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the proprietary funds is \$90,414,685 for fiscal year ended June 30, 2019, a decrease of \$27 million. The most significant decreases in unrestricted net position were related to unspent debt attributable to capital projects.

The net position of the Solid Waste Fund increased by \$1.8 million due to a net operating income of \$1.5 million. The Airport Fund's net position increased by \$3.1 million due to capital contributions of \$2.7 million. The Water Fund's net position increased by \$6.7 million due to a net operating income of \$6.0 million. The Wastewater Fund's net position increased by \$10.0 million due to a net operating income of \$10.6 million. The Parking Fund's net position decreased by \$574,000 due to a net operating loss. Future increases and revenue enhancements are being planned for the Parking Fund.

General Fund Budgetary Highlights

General Fund revenues were nearly the same as amounts budgeted. Variances between the final revenue budget and actual revenues received is a result of charges for services being greater than anticipated due to an increase in participation of recreation activities. Variances between the final expenditure budget and actual expenditures resulted from vacancy savings, unused council contingency funds, and vacancy savings and deferred capital expenditures in the Public Safety Fund resulting in a transfer that was less than budgeted.

Capital Asset and Debt Administration

Capital Assets. The City of Billings investment in capital assets for its governmental and business-type activities as of June 30, 2019, was \$772 million (net of accumulated depreciation). The investment in capital assets includes land; construction in progress; buildings; improvements other than buildings, equipment and vehicles; and infrastructure. The City had construction commitments of \$64 million for the end of the current fiscal year.

City of Billings, Montana's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 45,535,455	\$ 44,294,991	\$ 13,755,814	\$ 13,755,814	\$ 59,291,269	\$ 58,050,805
Buildings	30,778,675	24,206,352	54,920,104	53,799,256	85,698,779	78,005,608
Improvements other than buildings	29,502,120	29,581,444	42,858,141	46,249,771	72,360,261	75,831,215
Machinery and equipment	13,815,528	15,156,167	21,611,546	21,616,303	35,427,074	36,772,470
Infrastructure	163,494,704	153,803,031	276,016,982	274,807,188	439,511,686	428,610,219
Construction In progress	5,565,739	14,134,409	74,395,606	45,814,057	79,961,345	59,948,466
Total	\$ 288,692,221	\$ 281,176,394	\$ 483,558,193	\$ 456,042,389	\$ 772,250,414	\$ 737,218,783

Additional information on the City of Billings' capital assets can be found on pages 53-56 of this report.

City of Billings, Montana's Outstanding Debt

Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 19,797,206	\$ 21,668,610	\$ -	\$ -	\$ 19,797,206	\$ 21,668,610
Refunding bonds	-	-	1,566,423	2,429,542	1,566,423	2,429,542
Special assessment debt with governmental commitment	18,954,420	18,766,594	-	-	18,954,420	18,766,594
Revenue bonds	27,639,805	24,810,319	86,471,719	65,238,028	114,111,524	90,048,347
Notes payable	-	-	36,607,000	39,727,000	36,607,000	39,727,000
Inter-cap notes payable	32,206	37,572	-	-	32,206	37,572
Capital lease payable	2,083,906	2,514,688	3,208,851	3,437,007	5,292,757	5,951,695
Total	\$ 68,507,543	\$ 67,797,783	\$ 127,853,993	\$ 110,831,577	\$ 196,361,536	\$ 178,629,360

Long-term debt. The City of Billings had total bonded debt and notes outstanding of \$196,361,536 at the end of the current fiscal year. The majority of the debt consists of revenue bonds payable in the amount of \$152,284,947. These bonds are secured by specific revenue sources consisting mostly of loans for a major Wastewater plant project and Solid Waste Landfill drop-off facility. General Obligation Bonds in the amount of \$19,797,206 of debt is backed by the full faith and credit of the government. The remaining amounts are special assessment debt in the amount of \$18,954,420, which is assessed to benefit property owners, and \$5,292,757 for capital leases.

Under the current State statutes, City general obligation bonded debt issuances are subject to a legal limitation based on 2.50% of assessed market value of the property subject to taxation. As of June 30, 2019, the City's general obligation bonded debt of \$19,797,206 was well below the legal debt limit of \$313,871,631. General obligation net bonded debt per capita equated to \$158.19.

Additional information on the City of Billings long-term debt can be found on pages 60-71 of this report.

Economic Factors and Future Outlook

The City of Billings is the largest city in Montana and serves as Montana's major trade and service center with major employment in health care, business services, and manufacturing. Most of the City's funds are in good financial condition. The funds relying on property tax struggle because of local and state tax limitations, but continue to operate with use of reserves.

Tax growth in the City has averaged slightly less than 3% over the past 10 years. While this growth allows us to keep up with the current level of service provided, it does not allow for much expansion in services. Development and construction continue to occur in Billings, during the fiscal year there was development valued at over \$258 million within the city.

Fund balance for the General Fund are above the minimum recommended reserve level as of June 30, 2019. The recommended reserve of 29% of the annual budget was derived from analyzing 10 years of cash flow needs. These reserves are necessary because property taxes, which are the greatest source of revenue for the General Fund, are paid in two installments, November 30 and May 31. As a result, cash balance in the fund decreases significantly in between tax payments.

The Billings City Council approved an increase in the number of mills levied for tax year 2019 by 4.12 mills. Of the total mills levied within the City of Billings (City, County, School, and State), the City's portion is approximately 21%. The city has seen modest growth in both new construction and existing property values. We expect this trend to continue, and anticipate modest growth in property tax revenue for FY20.

Financial Contact

The City's financial statements are designed to provide users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information presented in this report or requests for additional information should be sent to the attention of the Finance Director at the following address: P.O. Box 1178, Billings, MT 59103.

BASIC FINANCIAL STATEMENTS

CITY OF BILLINGS, MONTANA
Statement of Net Position
June 30, 2019
(Page 1 of 2)

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 45,636,432	\$ 59,196,869	\$ 104,833,301
Restricted cash and cash equivalents with fiscal agent	4,501,909	6,427,850	10,929,759
Investments	66,011,423	85,561,080	151,572,503
Receivables	12,568,250	12,561,223	25,129,473
Internal balances	(6,135,798)	6,135,798	-
Inventories	392,204	1,487,031	1,879,235
Prepaid items	14,430	6,531	20,961
Property held for resale	378,825	-	378,825
Restricted assets:			
Temporarily restricted:			
Investments with trustee	-	3,367,124	3,367,124
Permanently restricted:			
Cash and cash equivalents	303,297	-	303,297
Investments	439,036	-	439,036
Capital assets:			
Land and construction in progress	51,101,195	88,151,420	139,252,615
Other capital assets, net of depreciation	237,591,026	395,406,773	632,997,799
Total capital assets	288,692,221	483,558,193	772,250,414
Total assets	412,802,229	658,301,699	1,071,103,928
<u>Deferred Outflows</u>			
Deferred charge on refunding of debt	976,877	11,076	987,953
Other post employment benefits	927,265	855,402	1,782,667
Pensions	11,618,036	4,112,168	15,730,204
Total deferred outflows	13,522,178	4,978,646	18,500,824
<u>Liabilities</u>			
Accounts payable	5,152,451	10,774,893	15,927,344
Accrued wages and benefits	2,555,135	1,010,313	3,565,448
Incurred but not reported health benefits	767,796	-	767,796
Accrued interest	1,238,380	2,241,091	3,479,471
Unearned Revenue	753,824	-	753,824
Other liabilities	73,350	-	73,350
Claims and judgments - due within one year	1,300,000	-	1,300,000
Long-term liabilities:			
Due within one year	11,056,494	8,816,597	19,873,091
Due in more than one year	66,184,220	122,462,555	188,646,775
Other post-employment benefits	5,655,916	2,861,190	8,517,106
Net pension liability	45,206,532	17,852,491	63,059,023
Landfill closure and postclosure - due in more than one year	-	3,504,776	3,504,776
Total liabilities	139,944,098	169,523,906	309,468,004

(continued)

CITY OF BILLINGS, MONTANA
Statement of Net Position
June 30, 2019
(Page 2 of 2)

<u>Deferred Inflows</u>			
Other post employment benefits	2,185,237	1,003,841	3,189,078
Pensions	4,380,154	2,615,211	6,995,365
Total deferred inflows	6,565,391	3,619,052	10,184,443
<u>Net Position</u>			
Net investment in capital assets	219,975,184	372,951,667	592,926,851
Restricted for:			
Public works	22,482,686	-	22,482,686
Culture and recreation	2,433,249	-	2,433,249
Housing and economic development	14,207,551	-	14,207,551
Capital projects	9,368,244	19,704,004	29,072,248
Debt service	7,818,853	7,067,031	14,885,884
Endowments - nonexpendable	744,094	-	744,094
Unrestricted	2,785,057	90,414,685	93,199,742
Total net position	\$ 279,814,918	\$ 490,137,387	\$ 769,952,305

The notes to the financial statements are an integral part of this statement.

CITY OF BILLINGS, MONTANA
Statement of Activities
For The Fiscal Year Ended June 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Primary government							
Governmental activities:							
General government	\$ 8,679,189	\$ 3,439,094	\$ 1,380,077	\$ 300,000	\$ (3,560,018)	\$ -	\$ (3,560,018)
Public safety	39,965,050	5,362,481	2,574,200	167,517	(31,860,852)	-	(31,860,852)
Public works	40,941,520	29,006,071	52,962	3,587,421	(8,295,066)	-	(8,295,066)
Public health	1,449,194	48,106	10,853	-	(1,390,235)	-	(1,390,235)
Culture and recreation	17,396,764	2,468,866	1,599,332	2,004,657	(11,323,909)	-	(11,323,909)
Housing and economic development	4,983,940	23,467	2,296,905	-	(2,663,568)	-	(2,663,568)
Interest on long-term debt	2,560,025	-	-	-	(2,560,025)	-	(2,560,025)
Total governmental activities	<u>115,975,682</u>	<u>40,348,085</u>	<u>7,914,329</u>	<u>6,059,595</u>	<u>(61,653,673)</u>	<u>-</u>	<u>(61,653,673)</u>
Business-type activities:							
Solid Waste	14,162,720	15,474,415	86,458	-	-	1,398,153	1,398,153
Airport	13,088,494	12,887,199	207,259	2,734,270	-	2,740,234	2,740,234
Water	20,096,427	25,327,493	86,907	124,218	-	5,442,191	5,442,191
Wastewater	15,751,457	23,969,963	67,951	312,757	-	8,599,214	8,599,214
Parking	2,431,081	1,743,170	12,779	-	-	(675,132)	(675,132)
Transit	6,146,028	809,231	1,001,016	-	-	(4,335,781)	(4,335,781)
Golf Course	466,068	449,932	-	-	-	(16,136)	(16,136)
Total business-type activities	<u>72,142,275</u>	<u>80,661,403</u>	<u>1,462,370</u>	<u>3,171,245</u>	<u>-</u>	<u>13,152,743</u>	<u>13,152,743</u>
Total primary government	<u>\$ 188,117,957</u>	<u>\$ 121,009,488</u>	<u>\$ 9,376,699</u>	<u>\$ 9,230,840</u>	<u>(61,653,673)</u>	<u>13,152,743</u>	<u>(48,500,930)</u>
General revenues:							
Property taxes					39,670,483	2,264,225	41,934,708
Franchise fees					1,457,677	-	1,457,677
Business license tax					766,478	-	766,478
Unrestricted federal/state shared revenue					18,107,823	-	18,107,823
Unrestricted investment earnings					2,314,255	3,595,705	5,909,960
Gain on sale of capital assets					57,834	169,886	227,720
Miscellaneous					440,568	219,212	659,780
Transfers					(84,750)	84,750	-
Total general revenues and transfers					<u>62,730,368</u>	<u>6,333,778</u>	<u>69,064,146</u>
Change in net position					1,076,695	19,486,521	20,563,216
Net position, beginning of year					<u>278,738,223</u>	<u>470,650,866</u>	<u>749,389,089</u>
Net position, end of year					<u>\$ 279,814,918</u>	<u>\$ 490,137,387</u>	<u>\$ 769,952,305</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BILLINGS, MONTANA

Governmental Funds

Balance Sheet

June 30, 2019

Assets	General Fund	Public Safety Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 9,136,688	\$ 1,103,211	\$ 28,611,537	\$ 38,851,436
Cash with fiscal agent	-	-	4,501,909	4,501,909
Investments	13,229,127	1,588,549	41,338,239	56,155,915
Receivables:				
Property taxes	629,083	526,368	684,426	1,839,877
Accounts and unbilled usage	8,201	77,962	81,584	167,747
Delinquent special assessments	46,426	-	1,225,479	1,271,905
Special assessments receivable	-	-	5,728,311	5,728,311
Accrued interest	47,708	2,780	173,636	224,124
Notes	-	-	2,184,011	2,184,011
Due from other funds	228,593	-	200,349	428,942
Due from other governments	-	-	673,865	673,865
Inventories	-	-	161,238	161,238
Property held for resale	-	-	378,825	378,825
Total assets	\$ 23,325,826	\$ 3,298,870	\$ 85,943,409	\$ 112,568,105
Liabilities, Deferred Inflows and Fund Balances				
Liabilities:				
Accounts payable	\$ 332,231	\$ 243,577	\$ 4,017,911	\$ 4,593,719
Accrued wages & benefits	400,788	1,462,768	420,466	2,284,022
Due to other funds	-	-	428,943	428,943
Unearned Revenue	-	-	748,237	748,237
Other liabilities	-	-	73,350	73,350
Total Liabilities	\$ 733,019	\$ 1,706,345	\$ 5,688,907	\$ 8,128,271
Deferred inflows:				
Unavailable Revenue	193,009	120,791	8,642,891	8,956,691
Fund balances:				
Unspendable	-	-	905,567	905,567
Restricted	-	1,471,734	61,710,714	63,182,448
Committed	12,723,390	-	9,241,420	21,964,810
Unassigned	9,676,408	-	(246,090)	9,430,318
Total fund balances	22,399,798	1,471,734	71,611,611	95,483,143
Total liabilities, deferred inflows and fund balances	\$ 23,325,826	\$ 3,298,870	\$ 85,943,409	\$ 112,568,105

The notes to the financial statements are an integral part of this statement.

CITY OF BILLINGS, MONTANA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

Total <i>fund balances</i> for governmental funds		\$ 95,483,143
Total <i>net position</i> reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 43,545,571	
Buildings and improvements	35,661,517	
Improvements other than buildings	46,306,005	
Machinery and equipment	36,429,310	
Infrastructure	327,964,073	
Construction in progress	5,392,561	
Less accumulated depreciation	<u>(217,179,879)</u>	278,119,158
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Gov't deferred outflows of resources - unavailable tax revenue	8,956,691	
Gov't deferred outflows of resources - pensions	<u>10,830,363</u>	19,787,054
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
General obligation bonds payable	(18,575,000)	
add: bond premium	(1,222,206)	
Tax increment bonds payable	(27,560,000)	
less: bond discount	50,368	
add: bond premium	(130,173)	
Special assessment bonds payable	(18,435,867)	
less: bond discount	30,173	
add: bond premium	(548,726)	
Notes payable	(32,206)	
Compensated absences payable	(7,297,463)	
Other post-employment benefits	(4,971,210)	
Net pension liability	(38,731,390)	
Claims and judgments	(1,300,000)	
Accrued interest	<u>(1,218,580)</u>	(119,942,280)
Deferred inflow of resources related to pensions are not available to pay for current period expenditures, and therefore are not recorded in the funds		
Deferred charge on refunding	976,877	
Pensions and OPEB	<u>(5,336,874)</u>	(4,359,997)
Internal service funds are used by the City to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position		
		<u>10,727,840</u>
Total net position of governmental activities		<u>\$ 279,814,918</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BILLINGS, MONTANA
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Public Safety Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 16,846,703	\$ 12,947,901	\$ 9,992,871	\$ 39,787,475
Licenses and permits	2,234,380	38,922	1,800,892	4,074,194
Intergovernmental	11,404,984	10,019,496	10,707,976	32,132,456
Charges for services	4,256,806	1,778,084	9,618,874	15,653,764
Fines and forfeitures	1,271,808	2,540	476,480	1,750,828
Special assessments	189	-	24,873,589	24,873,778
Other	727,582	78,501	3,501,718	4,307,801
Total revenues	<u>36,742,452</u>	<u>24,865,444</u>	<u>60,972,400</u>	<u>122,580,296</u>
Expenditures:				
Current:				
General government	6,958,759	-	2,540,480	9,499,239
Public safety	508,379	48,453,398	4,206,102	53,167,879
Public works	-	-	23,206,797	23,206,797
Public health	-	964,431	-	964,431
Culture and recreation	5,194,880	-	5,188,958	10,383,838
Housing and economic development	-	-	4,581,588	4,581,588
Capital outlay	14,594	488,425	26,041,171	26,544,190
Debt service:				
Principal	-	-	3,896,327	3,896,327
Interest and fiscal charges	-	-	2,529,874	2,529,874
Bond issuance costs	-	-	75,300	75,300
Total expenditures	<u>12,676,612</u>	<u>49,906,254</u>	<u>72,266,597</u>	<u>134,849,463</u>
Revenues over (under) expenditures	<u>24,065,840</u>	<u>(25,040,810)</u>	<u>(11,294,197)</u>	<u>(12,269,167)</u>
Other financing sources (uses):				
Transfers in	2,022	25,666,600	7,805,116	33,473,738
Transfers out	(29,385,533)	(1,346,998)	(3,217,532)	(33,950,063)
Issuance of debt	-	-	3,465,000	3,465,000
Premium on bond debt	-	-	95,367	95,367
Special assessment bonds issued	-	-	1,625,000	1,625,000
Sale of capital assets	-	2,355	55,449	57,804
Total other financing sources (uses)	<u>(29,383,511)</u>	<u>24,321,957</u>	<u>9,828,400</u>	<u>4,766,846</u>
Net change in fund balances	<u>(5,317,671)</u>	<u>(718,853)</u>	<u>(1,465,797)</u>	<u>(7,502,321)</u>
Fund balance, beginning of year	27,717,469	2,190,587	73,077,408	102,985,464
Fund balance, end of year	<u>\$ 22,399,798</u>	<u>\$ 1,471,734</u>	<u>\$ 71,611,611</u>	<u>\$ 95,483,143</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BILLINGS, MONTANA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2019
(Page 1 of 2)

Net change in <i>fund balances</i> - total governmental funds		\$ (7,502,321)
The change in <i>net position</i> reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlay	26,544,190	
Depreciation	<u>(18,413,439)</u>	8,130,751
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.		
		(507,887)
Donations and developer contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		
Donations, developer contributions and other noncash increases in capital assets		235,138
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable tax revenue	1,768,398	
Deferred outflow of resources - pensions and OPEB	<u>(1,009,582)</u>	758,816
Proceeds from debt issues are other financing sources in the funds, but debt issues are long-term liabilities in the statement of net position.		
Special assessment bond issued	(1,625,000)	
Tax increment bond issued	<u>(3,465,000)</u>	(5,090,000)
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Bond premiums	64,649	
Bond discounts	(11,379)	
Deferred inflow of resource - pensions and OPEB	(4,096,760)	
Deferred loss on refunding	<u>(64,356)</u>	(4,107,846)
		(continued)

CITY OF BILLINGS, MONTANA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2019
(Page 2 of 2)

Repayment of bond principal is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the statement of net position.

General obligation debt	1,750,000	
Tax increment debt	730,000	
Special assessment debt	1,410,961	
Notes payable	5,366	3,896,327

Internal service funds are used by management to charge the costs of certain activities, such as fleet management,
insurance and telecommunication, to individual funds. The net revenue (expense)
of certain internal service funds is reported with governmental activities. 1,161,904

Some expenses reported in the statement of activities, do not require the use of current financial
resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(498,970)	
Other post-employment benefits	1,416,425	
Net Pension Liability	3,181,971	
Interest and amortization expenses	2,387	4,101,813

Change in net position of governmental activities \$ 1,076,695

The notes to the financial statements are an integral part of this statement.

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Net Position (Page 1 of 2)
June 30, 2019

	Business-type Activities						Total	Internal Service Funds
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds		
Assets								
Current assets:								
Cash and cash equivalents	\$ 14,859,388	\$ 6,177,724	\$ 16,938,284	\$ 19,907,599	\$ 217,667	\$ 1,096,207	\$ 59,196,869	\$ 7,088,293
Restricted cash and cash equivalents with fiscal agent	313,590	1,336,166	1,379,076	3,399,018	-	-	6,427,850	-
Investments	21,491,729	8,950,229	24,567,838	28,944,044	308,683	1,298,557	85,561,080	10,294,544
Receivables:								
Property taxes	-	-	-	-	-	85,631	85,631	-
Accounts and unbilled usage	1,667,928	822,778	6,197,314	2,565,768	7,327	25,736	11,286,851	32,025
Accrued interest	45,139	40,073	114,572	134,487	1,328	5,560	341,159	46,385
Notes	-	-	-	-	-	-	-	120,000
Receivables from other governments	-	788,022	-	-	-	59,560	847,582	-
Inventories	-	38,142	1,300,940	-	-	147,949	1,487,031	230,966
Prepaid items	-	-	-	645	-	5,886	6,531	14,430
Total current assets	38,377,774	18,153,134	50,498,024	54,951,561	535,005	2,725,086	165,240,584	17,826,643
Noncurrent assets:								
Notes receivable	-	-	-	-	-	-	-	280,000
Restricted investments with trustee	3,367,124	-	-	-	-	-	3,367,124	-
Property and equipment:								
Land	493,448	3,402,517	1,799,888	959,585	5,665,085	1,435,291	13,755,814	1,989,883
Buildings	188,095	33,444,394	23,239,120	17,020,664	36,539,190	9,735,833	120,167,296	9,381,235
Improvements other than buildings	10,008,380	111,601,541	1,149,944	2,810,810	400,568	1,005,756	126,976,999	2,384,792
Equipment and vehicles	17,738,755	17,280,226	16,390,909	13,920,893	517,642	9,279,962	75,128,387	8,415,553
Infrastructure	-	-	255,426,772	189,583,935	-	-	445,010,707	-
Construction in progress	4,695,445	3,685,625	2,486,720	63,317,208	-	210,608	74,395,606	173,179
Less: accumulated depreciation	(14,465,833)	(111,896,799)	(120,861,280)	(94,740,545)	(15,787,121)	(14,125,038)	(371,876,616)	(11,771,584)
Total noncurrent assets	22,025,414	57,517,504	179,632,073	192,872,550	27,335,364	7,542,412	486,925,317	10,853,058
Total assets	60,403,188	75,670,638	230,130,097	247,824,111	27,870,369	10,267,498	652,165,901	28,679,701
Deferred Outflows								
Bond refunding	-	11,076	-	-	-	-	11,076	-
Other post employment benefits	187,592	160,549	172,750	130,408	37,719	166,384	855,402	223,444
Pensions	890,989	796,422	895,621	700,265	131,690	697,181	4,112,168	1,491,494
Total assets and deferred outflows	\$ 61,481,769	\$ 76,638,685	\$231,198,468	\$248,654,784	\$ 28,039,778	\$ 11,131,063	\$657,144,547	\$ 30,394,639

(continued)

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Net Position (Page 2 of 2)
June 30, 2019

	Business-type Activities						Total	Internal Service Funds
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds		
Liabilities								
Current liabilities:								
Accounts payable	\$ 2,280,660	\$ 292,487	\$ 2,271,694	\$ 5,780,409	\$ 30,989	\$ 118,654	\$ 10,774,893	\$ 558,732
Accrued wages and benefits	230,286	172,042	205,157	164,848	30,204	207,776	1,010,313	271,113
Compensated absences	619,833	544,534	549,764	524,426	47,714	410,448	2,696,719	1,130,366
Accrued interest payable	-	-	329,076	178,218	76,812	-	584,106	19,800
Incurred but not reported health benefits	-	-	-	-	-	-	-	767,796
Notes payable	-	90,403	2,114,000	1,087,000	148,475	-	3,439,878	425,000
Unearned Revenue	-	-	-	-	-	-	-	5,587
Accrued interest payable from restricted assets	313,590	137,595	-	1,205,800	-	-	1,656,985	-
Revenue bonds payable from restricted assets	-	1,205,000	-	1,475,000	-	-	2,680,000	-
Total current liabilities	<u>3,444,369</u>	<u>2,442,061</u>	<u>5,469,691</u>	<u>10,415,701</u>	<u>334,194</u>	<u>736,878</u>	<u>22,842,894</u>	<u>3,178,394</u>
Noncurrent liabilities:								
Compensated absences	167,429	147,090	148,503	141,658	12,888	110,871	728,439	305,337
Other post employment benefits	617,981	538,041	607,450	405,838	135,520	556,360	2,861,190	684,706
Net pension liability	3,868,123	3,457,570	3,888,234	3,040,118	571,716	3,026,730	17,852,491	6,475,142
Revenue bonds payable	23,338,127	4,979,227	-	57,040,789	-	-	85,358,143	-
Notes payable	-	709,059	22,085,000	11,321,000	2,260,914	-	36,375,973	1,658,908
Landfill closure and postclosure-payable from restricted assets	3,504,776	-	-	-	-	-	3,504,776	-
Total noncurrent liabilities	<u>31,496,436</u>	<u>9,830,987</u>	<u>26,729,187</u>	<u>71,949,403</u>	<u>2,981,038</u>	<u>3,693,961</u>	<u>146,681,012</u>	<u>9,124,093</u>
Total liabilities	<u>34,940,805</u>	<u>12,273,048</u>	<u>32,198,878</u>	<u>82,365,104</u>	<u>3,315,232</u>	<u>4,430,839</u>	<u>169,523,906</u>	<u>12,302,487</u>
Deferred Inflows								
Other post employment benefits	222,729	183,437	203,103	152,941	45,639	195,992	1,003,841	279,973
Pensions	566,641	506,499	569,587	445,347	83,751	443,386	2,615,211	948,544
Total deferred inflows of resources	<u>789,370</u>	<u>689,936</u>	<u>772,690</u>	<u>598,288</u>	<u>129,390</u>	<u>639,378</u>	<u>3,619,052</u>	<u>1,228,517</u>
Net Position								
Net investment in capital assets	12,244,343	50,533,815	155,433,073	122,272,049	24,925,975	7,542,412	372,951,667	8,489,150
Restricted for:								
Bond and notes payable ordinance reserve	1,547,825	2,688,344	1,386,571	1,444,291	-	-	7,067,031	-
Capital Projects	16,924,180	2,456,536	-	323,288	-	-	19,704,004	-
Unrestricted	(4,964,754)	7,997,006	41,407,256	41,651,764	(330,819)	(1,481,566)	84,278,887	8,374,485
Total net position	<u>25,751,594</u>	<u>63,675,701</u>	<u>198,226,900</u>	<u>165,691,392</u>	<u>24,595,156</u>	<u>6,060,846</u>	<u>484,001,589</u>	<u>16,863,635</u>
Total liabilities, deferred inflows, and net position	<u>\$ 61,481,769</u>	<u>\$ 76,638,685</u>	<u>\$ 231,198,468</u>	<u>\$ 248,654,784</u>	<u>\$ 28,039,778</u>	<u>\$ 11,131,063</u>		<u>\$ 30,394,639</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							6,135,797	
Net position of business-type activities							<u>\$490,137,386</u>	

The notes to the financial statement are an integral part of this statement

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2019

	Business-type Activities							
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Operating revenues:								
Charges for services	\$ 15,392,848	\$ 10,740,431	\$ 25,327,493	\$ 23,968,173	\$ 1,729,710	\$ 1,184,674	\$ 78,343,329	\$ 25,179,736
Operating expenses:								
Salaries and benefits	5,575,909	4,555,634	4,782,295	3,887,278	782,944	4,400,409	23,984,469	8,046,886
Supplies	2,469,202	1,167,991	2,418,221	1,488,074	95,235	862,580	8,501,303	332,646
Contracted services	2,108,189	811,357	2,904,573	1,443,186	457,984	355,793	8,081,082	12,354,157
Utilities	83,537	720,847	1,682,898	1,494,625	82,209	122,880	4,186,996	570,396
Other	844,979	270,345	467,901	463,317	80,786	191,378	2,318,706	2,441,763
Depreciation	2,617,110	5,236,605	7,089,996	4,573,433	821,178	679,056	21,017,378	854,830
Landfill closure and post-closure	150,204	-	-	-	-	-	150,204	-
Total operating expenses	<u>13,849,130</u>	<u>12,762,779</u>	<u>19,345,884</u>	<u>13,349,913</u>	<u>2,320,336</u>	<u>6,612,096</u>	<u>68,240,138</u>	<u>24,600,678</u>
Operating income (loss)	<u>1,543,718</u>	<u>(2,022,348)</u>	<u>5,981,609</u>	<u>10,618,260</u>	<u>(590,626)</u>	<u>(5,427,422)</u>	<u>10,103,191</u>	<u>579,058</u>
Nonoperating revenue (expenses):								
Taxes	-	-	-	-	-	2,264,225	2,264,225	25,127
Intergovernmental	86,458	207,259	86,907	67,951	12,779	1,001,016	1,462,370	-
Interest expense	(313,590)	(325,715)	(671,650)	(2,401,544)	(109,806)	-	(3,822,305)	(42,319)
Interest and investment income	500,981	368,376	1,089,665	1,439,324	12,230	60,420	3,470,996	390,442
Customer Facility Charge	-	881,223	-	-	-	-	881,223	-
Passenger Facility Charge	-	1,161,426	-	-	-	-	1,161,426	-
Gain (loss) on sale of capital assets	7,500	1,683	143,564	2,078	-	15,061	169,886	3,041
Other	4,066	92,908	11,303	3,497	965	42,728	155,467	199,028
Total nonoperating revenue (expense)	<u>285,415</u>	<u>2,387,160</u>	<u>659,789</u>	<u>(888,694)</u>	<u>(83,832)</u>	<u>3,383,450</u>	<u>5,743,288</u>	<u>575,319</u>
Income (loss) before capital contributions and transfers	<u>1,829,133</u>	<u>364,812</u>	<u>6,641,398</u>	<u>9,729,566</u>	<u>(674,458)</u>	<u>(2,043,972)</u>	<u>15,846,479</u>	<u>1,154,377</u>
Capital contributions	-	2,734,270	124,218	312,757	-	-	3,171,245	-
Transfers in	3,300	-	8,450	-	100,000	-	111,750	491,320
Transfers out	-	-	-	-	-	(20,000)	(20,000)	(106,745)
Change in net position	<u>1,832,433</u>	<u>3,099,082</u>	<u>6,774,066</u>	<u>10,042,323</u>	<u>(574,458)</u>	<u>(2,063,972)</u>	<u>19,109,474</u>	<u>1,538,952</u>
Net position, beginning of year	<u>23,919,161</u>	<u>60,576,619</u>	<u>191,452,834</u>	<u>155,649,069</u>	<u>25,169,614</u>	<u>8,124,818</u>	<u>191,109,474</u>	<u>15,324,683</u>
Net position, end of year	<u>\$ 25,751,594</u>	<u>\$ 63,675,701</u>	<u>\$ 198,226,900</u>	<u>\$ 165,691,392</u>	<u>\$ 24,595,156</u>	<u>\$ 6,060,846</u>	<u>\$ 210,218,948</u>	<u>\$ 16,863,635</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							377,051	
							<u>\$ 19,486,525</u>	

The notes to the financial statement are an integral part of this statement

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019
(Page 1 of 2)

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:								
Cash received from customers and users	\$ 15,501,090	\$ 10,697,684	\$ 24,845,217	\$ 23,761,238	\$ 1,737,218	\$ 1,196,872	\$ 77,739,319	\$ 717,898
Cash received from interfund services provided	-	-	-	-	-	-	-	24,528,223
Cash received from other sources	-	92,908	148,399	3,497	-	1,500	246,304	176,973
Cash paid to employees for services	(6,359,080)	(4,420,152)	(5,022,836)	(4,604,628)	(927,683)	(5,039,628)	(26,374,007)	(7,916,579)
Cash paid to suppliers and contracted services	(5,056,135)	(3,181,677)	(6,266,650)	(5,639,745)	(618,785)	(879,735)	(21,642,727)	(15,649,132)
Net cash provided (used) by operating activities	<u>4,085,875</u>	<u>3,188,763</u>	<u>13,704,130</u>	<u>13,520,362</u>	<u>190,750</u>	<u>(4,720,991)</u>	<u>29,968,889</u>	<u>1,857,383</u>
Cash flows from noncapital financing activities:								
Cash received from tax revenues	-	-	-	-	-	2,311,052	2,311,052	-
Cash received from intergovernmental revenues	-	354,592	-	-	-	2,795,919	3,150,511	-
Cash received from local community sponsors	-	135,890	-	-	-	-	135,890	-
Transfers from other funds	-	-	-	-	100,000	-	100,000	-
Transfers to other funds	-	-	-	-	-	(20,000)	(20,000)	(95,770)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>490,482</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>5,086,971</u>	<u>5,677,453</u>	<u>(95,770)</u>
Cash flows from capital and related financing activities:								
Capital grants and contributions	-	2,088,061	-	-	-	-	2,088,061	-
Acquisition and construction of capital assets	(4,840,511)	(5,971,028)	(9,234,697)	(28,879,515)	(285,416)	(333,123)	(49,544,290)	(512,648)
Proceeds from sales of capital assets	-	1,683	7,564	2,078	-	15,061	26,386	73,041
Cash paid for interest	-	(329,938)	(698,460)	(2,811,860)	(113,705)	-	(3,953,963)	(67,201)
Principal paid on bonds, notes and capital leases payable	-	(1,246,080)	(2,058,000)	(2,492,000)	(142,075)	-	(5,938,155)	(409,999)
Proceeds from bonds, including premium	22,799,247	-	-	-	-	-	22,799,247	(10,975)
Transfers from other funds	3,300	-	8,450	-	-	-	11,750	491,320
Facilities charges	-	2,033,604	-	-	-	-	2,033,604	-
Net cash provided (used) by capital and related financing activities	<u>17,962,036</u>	<u>(3,423,698)</u>	<u>(11,975,143)</u>	<u>(34,181,297)</u>	<u>(541,196)</u>	<u>(318,062)</u>	<u>(32,477,360)</u>	<u>(436,462)</u>
Cash flows from investing activities:								
Cash received from interest	402,868	276,512	811,322	1,140,696	9,492	46,444	2,687,334	284,986
Sale of investments	8,520,342	9,627,962	25,584,121	43,655,953	479,178	1,247,472	89,115,028	10,526,519
Purchase of investments	(20,226,237)	(9,024,060)	(24,634,189)	(27,222,387)	(276,192)	(1,065,465)	(82,448,530)	(10,352,778)
Net cash provided (used) by investing activities	<u>(11,303,027)</u>	<u>880,414</u>	<u>1,761,254</u>	<u>17,574,262</u>	<u>212,478</u>	<u>228,451</u>	<u>9,353,832</u>	<u>458,727</u>
Net increase (decrease) in cash and cash equivalents	10,744,884	1,135,961	3,490,241	(3,086,673)	(37,968)	276,369	12,522,814	1,783,878
Cash and cash equivalents, beginning of year	<u>4,428,094</u>	<u>6,377,929</u>	<u>14,827,119</u>	<u>26,393,290</u>	<u>255,635</u>	<u>819,838</u>	<u>53,101,905</u>	<u>5,304,415</u>
Cash and cash equivalents, end of year	<u>\$ 15,172,978</u>	<u>\$ 7,513,890</u>	<u>\$ 18,317,360</u>	<u>\$ 23,306,617</u>	<u>\$ 217,667</u>	<u>\$ 1,096,207</u>	<u>\$ 65,624,719</u>	<u>\$ 7,088,293</u>
Cash and cash equivalents consists of:								
Cash and cash equivalents	\$ 14,859,388	\$ 6,177,724	\$ 16,938,284	\$ 19,907,599	\$ 217,667	\$ 1,096,207	\$ 59,196,869	\$ 7,088,293
Restricted cash and cash equivalents with fiscal agent	313,590	1,336,166	1,379,076	3,399,018	-	-	6,427,850	-
Cash and cash equivalents, end of year	<u>\$ 15,172,978</u>	<u>\$ 7,513,890</u>	<u>\$ 18,317,360</u>	<u>\$ 23,306,617</u>	<u>\$ 217,667</u>	<u>\$ 1,096,207</u>	<u>\$ 65,624,719</u>	<u>\$ 7,088,293</u>

(continued)

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019
(Page 2 of 2)

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 1,543,718	\$ (2,022,348)	\$ 5,981,609	\$ 10,618,260	\$ (590,626)	\$ (5,427,422)	\$ 10,103,191	\$ 579,058
Other nonoperating income (expense)	4,064	92,908	148,399	5,575	965	57,789	309,700	227,196
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	2,617,110	5,236,605	7,089,996	4,573,433	821,178	679,056	21,017,378	854,830
Landfill closure and postclosure	150,204	-	-	-	-	-	150,204	-
(Increase) decrease in receivables	108,242	(42,746)	(578,150)	(209,013)	7,508	(5,140)	(719,299)	7,148
(Increase) decrease in inventories	-	11,214	(47,690)	-	-	17,494	(18,982)	3,637
(Increase) decrease in prepaid items	-	-	-	-	-	(156)	(156)	(15)
Increase (decrease) in accounts payable	449,772	(222,349)	1,350,507	(750,543)	(30,251)	46,390	843,526	199,389
Increase (decrease) in accrued liabilities	(787,235)	135,479	(240,541)	(717,350)	(18,024)	(89,002)	(1,716,673)	(13,860)
Net cash provided (used) by operating activities	<u>\$ 4,085,875</u>	<u>\$ 3,188,763</u>	<u>\$ 13,704,130</u>	<u>\$ 13,520,362</u>	<u>\$ 190,750</u>	<u>\$ (4,720,991)</u>	<u>\$ 29,968,889</u>	<u>\$ 1,857,383</u>
Noncash investing, capital and financing activities:								
Increase (decrease) in investment market value	82,075	87,968	254,438	298,628	2,710	13,976	739,795	93,611
Contribution of capital assets	-	-	124,218	312,757	-	-	436,975	-

The notes to the financial statements are an integral part of this statement.

CITY OF BILLINGS, MONTANA
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2019

	<u>Assets</u>	<u>Agency Funds</u>
Cash and cash equivalents		\$ 602
Total assets		<u>\$ 602</u>
	<u>Liabilities</u>	
Accounts payable		\$ 602
Total liabilities		<u>\$ 602</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

I. Summary of Significant Accounting Policies

The financial statements of the City of Billings (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City's significant accounting policies are described below.

A. Reporting Entity

The City of Billings financial statements include those separate governmental entities that are controlled by or are dependent on the City. The determination to include separate governmental entities is based on the criteria of Governmental Accounting Standards Board (GASB) Statement No. 61. GASB Statement No. 61 defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the organization's governing body must be appointed by the City, and either a) the City must be able to impose its will, or b) the City may potentially benefit financially or be financially responsible for the organization. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Data from these units are combined with data of the primary government.

Blended Component Unit – The Par 3 Golf Course (Golf Course) is governed by the City Council. Debt issuance authorizations are approved by the City Council. The Golf Course is reported as an enterprise fund. Complete financial statements for the Golf Course may be obtained at the entity's administrative offices:

Par 3 Golf Course: 19 South 19th Street West, Billings, MT 59102

The City has no discretely presented component units.

The City provides a full range of municipal services. Included are parks and recreation, streets and traffic control, sanitation, public transit, airport, water, wastewater, library, community development, public safety (police and fire protection), and general administrative services.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Related Organization – The City Council is responsible for appointing the members of the governing boards of the Billings Housing Authority. The City Council approves through resolution the Tourism Business Improvement District (TBID) and the Downtown Business Improvement District (DBID) annual budgets. However, the City is not able to impose its will on the three entities. Nor is there a potential for the three entities to provide specific financial benefits to, or impose specific financial burdens on, the City. As a result, the Billings Housing Authority, the TBID, and the DBID are considered related organizations and not component units of the City.

B. Government-wide and Fund Financial Statements

The goal of government-wide financial statements is to present a broad overview of a government's finances. The basic statements that form the government-wide financial statements are the statement of net position and the statement of activities. These two statements report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally financed through taxes and intergovernmental revenues, are reported separately from business-type activities, which are normally financed through user fees and charges for goods and services.

The statement of activities reports gross direct expenses by function reduced by program revenues. This results in a measurement of net revenue or expense for each of the government's activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function or business-type activity and include a) charges for services and b) operating or capital grants and contributions that are restricted to a particular function. Taxes and other items not classified as program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenue, charges for service, special assessments, and investment income associated with the current fiscal period are the major revenues that are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund

The General Fund is used to account for resources traditionally associated with the government that are not required legally or by sound financial management to be accounted for in another fund.

Public Safety

The Public Safety Fund accounts for the Police Department operations, including the Animal Control, and the Fire Department operations. Major revenue sources include property taxes, intergovernmental and transfers from the General Fund.

The City reports the following major proprietary funds:

Solid Waste Fund

The Solid Waste Fund accounts for the operations of the City's garbage collection and landfill activities.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Airport Fund

The Airport Fund accounts for the Billings Logan International Airport operations and for all the resources received and used for acquisition and development of airport capital improvements and equipment.

Water Fund

The Water Fund accounts for the operations of the City's water system.

Wastewater Fund

The Wastewater Fund accounts for the operations of the City's wastewater system.

Parking Fund

The Parking Fund accounts for the operations of the City's public parking, which includes four parking garages and on-street parking in the downtown district.

In addition, the City reports for the following fund types:

Internal Service Funds

The internal service funds account for fleet services, postage and copying, information technology, health care benefits, telephone services, liability and property insurance, radio communication services, facilities management, public works administration, and public works engineering on a cost reimbursement basis.

Fiduciary Funds

The fiduciary funds are used to account for assets held by the City as an agent for private organizations or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City currently has four such funds including the Downtown Business Improvement District, Tourism Business Improvement

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

District, and License Plate Fund. These funds receive money from either Yellowstone County or a trust fund, and the City remits the monies to the appropriate BID or grantee as prescribed by either state law or a grant agreement.

The City has prepared its government-wide and proprietary fund financial statements in accordance with all applicable GASB pronouncements.

As a general rule, the City has eliminated the effect of interfund activity from the government-wide financial statements. Exceptions to this general rule are charges between the government's water, wastewater, and solid waste functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Other interfund activities not eliminated are indirect general and administrative costs that are allocated to other funds. Therefore, certain indirect costs are included in the program expenses reported for individual functions and activities.

Amounts reported as program revenues include: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds report operating revenues and expenses separately from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal on-going operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The Transit fund also receives property tax revenue and operating grants to support its operations. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Inflows, Liabilities, Deferred Outflows, and Net Position or Equity

1. Cash and Cash Equivalents and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Generally, cash resources of the individual funds are combined to form a pool of cash and investments, which are managed by the City's finance director. Investments and cash equivalents consist primarily of U.S. Treasury and U.S. agency obligations, certificate of deposits, and State of Montana Short-Term Investment Pool (STIP).

Certificates of deposit are reported at cost. Investments are carried at fair value in all funds. The fair value of investments is determined monthly and is based on current market prices. Changes in the fair value of investments are recognized in revenue at the end of each month.

Interest income earned as a result of pooling and changes in the fair value of investments are distributed to the appropriate funds utilizing a formula based on the average book value of cash and investments of each fund.

According to GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investments Pools," STIP is considered an external investment pool. The STIP investments are purchased in accordance with the statutorily mandated "Prudent Expert Principle." This pool is managed to preserve principal, while obtaining money market-type returns and 24-hour liquidity. Funds may be invested for one or more days. Although not registered with the Securities and Exchange Commission (SEC) as an investment company, STIP is managed similar to money market funds that are governed by SEC rule 2a7 of the Investment Company Act of 1940. As a 2a7-like pool, the STIP utilizes an amortized cost unit value to report net assets. The portfolio may include asset-backed securities, commercial paper, corporate, U.S. Government direct obligations, U.S. Government agency securities, repurchase agreements, institutional money market funds, certificates of deposit, and variable-rate (floating-rate) instruments. Investments must have a maximum maturity of 397 days or less, unless they are variable rate security. The portfolio is carried at amortized cost or book value with a constant unit value of \$1.00.

Asset-backed securities represent debt securities collateralized by a pool of mortgage and non-mortgage assets, such as trade and loan receivables, equipment leases, credit cards, etc. Commercial paper is unsecured short-term debt with maturities ranging from 1 to 270 days. U.S. Government direct obligations include U.S. Treasury securities and debt explicitly guaranteed by the U.S. Government. U.S. Government agency securities include U.S. Government and mortgage-backed securities. Repurchase agreements (REPOs) represent an agreement between a seller and a buyer, usually of U.S. Government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and stated time. Variable rate securities pay a variable rate of interest until maturity. The STIP portfolio's variable rate securities reset to LIBOR (London Interbank Offered Rate).

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The City issues warrants in payment of its obligations. When the warrants are presented to the Finance department, the City transfers funds to redeem the warrants. Cash balances are reported net of outstanding warrants.

2. Receivables and Payables

All outstanding balances between funds are reported as “due to/from other funds” (current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported as “internal balances.”

Under its Home Rule Charter, the City is permitted to levy taxes at a maximum rate for payment for general governmental services and payment of principal and interest on long-term general obligation debt. The City is currently levying at the rate of 163.12 mills.

All property within the City limits is assessed on taxable market value. Property taxes are in two installments, due on November 30 and May 31 of each fiscal year. Payments not received on or before these dates are considered delinquent and accrue interest at a monthly compounding rate of 5/6 of 1% per month from and after such delinquency until paid, plus 2% as a penalty. Property taxes are attached as an enforceable lien on the property. Notice of foreclosure is filed with the County Clerk and Recorder five years from the date of delinquency. Property tax revenue is budgeted for the ensuing fiscal year.

Notes receivable are reported net of allowances for amounts deemed uncollectible. Allowances are computed from receivables net of amounts collected in the 60 days subsequent to June 30, 2019. Estimates for uncollectible amounts at June 30, 2019, based on net receivables are as follows: \$40,000 for Downtown Revolving Loans based upon historical experience and 100% of notes receivable that are in default. Personal property tax is exempt from this process because an amount cannot be estimated, as this tax is not levied. There is no allowance calculated for real property taxes, as any uncollected amount results in a lien on the property.

At yearend the City’s Water utility had an outstanding receivable from a major customer, Heights Water District, in the amount of \$2,970,599. The City is currently working with the customer to obtain payment.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

3. Inventories and Prepaid Items

Inventories of supplies are recorded at cost. Inventories that are held for sale in proprietary funds are stated at the lower of cost (average cost method) or market. The cost of inventory is recorded as an expenditure at the time the inventory items are purchased in governmental funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Governmental Activities:

A portion of the proceeds from cemetery plot sales are classified as permanently restricted assets. State statutes require that the investment earnings from such permanently restricted assets are used for the care, maintenance, and improvement of such cemetery lots and the grounds, roads, walks, and avenues leading thereto.

Business-type Activities:

Certain proceeds of the City's enterprise funds, notes payable, and closure/post-closure costs for the landfill, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position. They are maintained in either separate bank accounts or a separate fund within the City's pooled cash, and their use is limited by applicable covenants.

In the Airport fund the "revenue bond operations and maintenance" account is used to report resources set aside to subsidize potential deficiencies from the City's operation that could adversely affect debt service payments. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments. The "revenue bond replacement and depreciation" account is used to report resources set aside to meet unexpected contingencies or to fund asset replacements.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The Airport fund's restricted assets consist of amounts restricted by bond covenants and Federal Aviation Administration (FAA) requirements. In Water and Wastewater, the notes payable ordinance reserve account is used to set aside resources from operations for debt service. The following table reports restricted assets:

Series 2010A Revenue Refunding Bonds	
Debt service reserve	\$ 764,000
Maintenance and operating reserve	1,199,300
Capital replacement reserve	225,000
Series 2010B Revenue Bonds	
Debt service reserve	500,044
Solid Waste Closure/Post-Closure	3,367,124
Series 2019 Solid Waste Revenue Bonds	
Debt service reserve	1,547,825
Passenger Facility Charges	527,896
Customer Facility Charges	1,929,346
Transit Grantor Restriction	<u>5,460</u>
Total Restricted Assets	<u>\$10,065,995</u>

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost equal to or greater than \$5,000 for equipment and vehicles and \$25,000 for construction projects including non-building, building, and infrastructure.

In the case of the initial capitalization of general infrastructure assets (i.e. those reported by governmental activities), the City chose to include assets from 1980 forward to comply with GASB 34. The City estimated historical cost for the initial reporting of these assets through back trending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Property and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	5-50
Improvements other than buildings	5-50
Equipment and vehicles	3-30
Infrastructure	10-50

6. Property Held for Resale

Property purchased for Urban Renewal Development is reported at the lower of cost or estimated net realizable value in the Special Improvement Districts Debt Service Fund and nonmajor governmental funds.

7. Compensated Absences

Employees earn vacation leave at the rate of 120 hours per year for the first 10 years. During years 11 to 21, employees earn vacation leave at an increasing rate, reaching 192 hours in year 21. There is no requirement that annual leave be taken, but the maximum permissible accumulation is two times the annual accrual as of the first pay period in January.

Full time employees earn 96 hours of sick leave per year, which may be accumulated without limit. Upon separation, employees are paid 25% of the remaining balance at their current rate of pay.

All accumulated vacation and 25% of accumulated sick leave are accrued when incurred in the government-wide and proprietary financial statements. This liability, which totals \$12,158,327 at June 30, 2019, includes the related FICA, Medicare, and retirement costs. The unrecorded accumulated sick leave benefits total \$10,542,694 at June 30, 2019.

8. Long-term Obligations

In the government-wide financial statements and in the proprietary fund type financial statements, long-term debt and other long-term obligations, such as notes payable, are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

the life of the bonds, on a straight-line basis, over the term of the related issue. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt is reported as other financing sources. Discounts on debt issuances are reported as other financing uses, while bond premiums are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

9. Pensions

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, and Pension Expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

10. Fund Balance

Governmental funds fund balances can be classified into five categories. The categories are unspendable, restricted, committed, assigned and unassigned.

The following table displays the City's fund balances by major purpose as displayed on page 16 of the governmental funds balance sheet. GASB Statement 54 requires the disclosure of the purpose of each major fund.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

		<u>Major Special Revenue</u>		
	<u>General Fund</u>	<u>Public Safety</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Unspendable				
Cemetery Perpetual Care	\$ -	\$ -	\$ 744,329	\$ 744,329
Nonspendable form	-	-	161,238	161,238
Restricted				
Building Inspection	-	-	2,463,242	2,463,242
Tax Increment Districts	-	-	11,557,892	11,557,892
Roads and Streets	-	-	12,453,899	12,453,899
Grants	-	-	1,960,401	1,960,401
Cemetery Improvements	-	-	167,396	167,396
Emergency 911	-	-	2,979,005	2,979,005
Public Safety	-	1,471,734	-	1,471,734
Planning	-	-	678,190	678,190
Library	-	-	1,557,799	1,557,799
Street & Traffic	-	-	4,281,812	4,281,812
Light Maintenance Districts	-	-	1,740,942	1,740,942
Park Maintenance Districts	-	-	4,612,404	4,612,404
Sidewalk Hazard Repair	-	-	91,346	91,346
Debt Service	-	-	7,798,142	7,798,142
Capital Projects	-	-	9,368,244	9,368,244
Committed				
General Government	12,723,390	-	-	12,723,390
Arterial	-	-	4,584,191	4,584,191
Park Programs	-	-	2,353,229	2,353,229
Animal Shelter Donations	-	-	39,170	39,170
Library	-	-	1,381,445	1,381,445
Downtown Revolving Loan	-	-	553,528	553,528
Ball Field Maintenance	-	-	329,857	329,857
Unassigned				
General Government	9,676,408	-	-	9,676,408
Grants	-	-	(54,483)	(54,483)
Capital Projects	-	-	(191,607)	(191,607)
Total Fund Balances	<u>\$ 22,399,798</u>	<u>\$ 1,471,734</u>	<u>\$ 71,611,611</u>	<u>\$ 95,483,143</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The unspendable category includes balances that cannot be spent, because the balance is not in a spendable form or there are legal or contractual restrictions on the balance.

The restricted category contains balances that are restricted for specific purposes by enabling legislation, external resource providers such as creditors or grantors, or laws or regulations of other governments.

The committed category contains balances pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The Billings City Council is that authority that makes these commitments by passing an ordinance or resolution.

Resolution number 10-18914 was passed by City Council designating committed fund balances:

“Exhibit A

“Recommended Fund and Working Capital Balances Policy

“Recommended Fund and Working Capital Balances policy statement:

“The City shall use recommended Fund and Working Balances for certain funds as a best practice. Fund Balance (“Assigned”) and Working Capital Balance (“Assigned”) will be the designations for accounting purposes.

“Recommended balances purpose:

“The policy is necessary to provide sufficient cash flow for daily financial needs, secure and maintain investment grade bond ratings, offset revenue shortfalls, and provide funds for unforeseen expenditures related to emergencies.

“Recommended balances implementation authority:

“Upon adoption of this Statement of Policy, the City of Billings Council authorizes the City Administrator to establish recommended balance procedures which may be necessary to support the policy statement and adopt such documents by Administrative Order. The City Administrator

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

will review the procedures with the City Council at a work session every five years or as deemed necessary prior to the five years.

“The balance in the General Fund column represents a minimum fund balance per Administrative Order Number 112. The minimum balance is necessary because of how property taxes get billed. The City needs five months of reserves to cover payroll and operating expenses due to the timing of tax receipt collection.

“Pursuant to this Administrative Order, I hereby establish the following procedures regarding City of Billings recommended fund and working capital balances.

“City Council adopted by resolution on February 22, 2010, establishing a policy for recommended balances authorizing the City Administrator to adopt procedures by Administrative Order.

“Minimum recommended balance expressed as a percent to total budget less capital is as follows:

"FUND DESCRIPTION	% of Budget (less capital)
FUND BALANCE	
Billed on Taxes	
General Operating	29%
Public Safety	0%
City County Planning	13%
City County Library	25%
Street Maintenance	42%
Street Lights Maintenance	42%
Park Maintenance Districts	70%
Other Revenues	
Building Inspection	25%
Street/Traffic Operating	4%"

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The assigned category is for balances constrained by an official who the governing body has delegated the authority to assign amounts to be used for specific purposes. The City Administrator is the official that would assign amounts for specific purposes per the City Charter.

The unassigned category is the residual classification for the General Fund. A negative unassigned fund balance occurs when expenditures exceed amounts that are unspendable, restricted, and committed fund balances.

The Library Fund has amounts in the restricted and committed categories. The restricted portion is the part of fund balance that voters approved through specific mills. The committed portion of fund balance is part of the City's general mills that City Council has authorized to go to the Library. There is no distinction between the two regarding expenditures as they both are available for operations.

The General Fund has amounts in the committed and unassigned categories. The flow assumption for the General Fund is that the unassigned balance is used for expenditures first.

The Public Safety Fund has amounts restricted for Police, Fire, and Animal control purposes.

In accordance with GASB 54, fund balances are classified as unspendable, restricted, committed, and unassigned. When expenditures are incurred, the City will determine, on a case-by-case basis, which classification of funds are to be used, taking into account any requirements of grant agreements, contracts, business circumstances, and other constraints. If no restrictions exist, the order of spending of resources will be unassigned, committed, and lastly, restricted.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. They are the deferred charge on refunding, the deferred amount related to pensions, and the deferred amount related to other post-employment benefits,

CITY OF BILLINGS, MONTANA

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as a result of the adoption of GASB 75. These are reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded, or refunding, debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report deferred revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The items, *pensions and OPEB*, are reported only on the accrual statements, and are a result of the City's adoption of GASB 68 and GASB 75.

The changes in net pension liability are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and difference between expected or actual experience), are amortized over the weighted-average, remaining service life of all participants in the respective pension plan, and are recorded as a component of pension expense beginning with the period in which they are incurred.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed five-year period of recognition.

E. New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 83 "Certain Asset Retirement Obligations." The requirements for this statement are effective for the current reporting period.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Statement No. 88 “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.” The provisions of the statement are effective for the current reporting period.

Statement No. 89 “Accounting for Interest Cost Incurred Before the End of a Construction Period.” The provisions of the statement are effective with the next reporting period, but were early implemented in the current fiscal year.

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Equity

Funds with deficit fund balances at June 30, 2019, are listed below. The deficit fund balances do not represent any type of legal violation.

<u>Fund</u>	<u>Deficit</u>
Nonmajor Special Revenue Funds:	
Municipal Court Grants	\$ 54,483
Nonmajor Capital Projects Funds	
Sidewalk and Curb Districts	191,607
Internal Service Funds	
Information Technology	701,697
Public Works Administration	984,044
Public Works Engineering	1,936,370

A transfer will eliminate the Municipal Court Grants and Sidewalk and Curb District deficit fund balances during Fiscal Year 2020. The proprietary funds deficit net position will be removed through increased revenues and anticipated federal grants. The internal service funds deficit net position will likely not be removed, as it is largely a result of the net pension and other post-employment benefits liabilities.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

III. Detailed Notes on All Funds

A. Cash and Cash Equivalents and Investments

Cash and investments as of June 30, 2019, consist of the following:

Deposits in local banks	\$ 35,218,838
Outstanding checks and reconciling items	(815,414)
Montana State Short Term Investment Pool (STIP)	<u>70,733,174</u>
	<u>\$ 105,136,598</u>

Investments:

US Government and US Agency Obligations	\$ 144,769,202
Certificates of deposits	<u>10,609,461</u>
	<u>\$ 155,378,663</u>

Cash and investments as of June 30, 2019, are classified in the statement of net position as follows:

Cash and cash equivalents	\$ 104,833,301
Cash and cash equivalents, permanently restricted	<u>303,297</u>
	<u>\$ 105,136,598</u>

Investments	\$ 151,572,503
Investments, temporarily restricted	3,367,124
Investments, permanently restricted	<u>439,036</u>
	<u>\$ 155,378,663</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Investments Authorized by the Montana Code and the City's Investment Policy

Under the City's investment policy and in accordance with Montana law, the City is restricted to investing funds in specific types of investment instruments. The following are the types of permitted instruments:

- U.S. government and U.S. agency obligations.
- Interest-bearing savings accounts, certificates of deposit, and time deposits insured by the Federal Deposit Insurance Corporation of which are at least 50% collateralized.
- State of Montana Short Term Investment Pool (STIP).
- U.S. Government security money market mutual funds.
- Short-term discount obligations of the Federal National Mortgage Association.
- Repurchase agreements where there is a master repurchase agreement and collateral held by a third party.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2019:

U.S. Treasury securities of \$142,177,634 using quoted market prices (Level 1 inputs)

The remainder of the City's investments are not required to be measured at fair value.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity its fair value will be to changes in market interest rates.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The City’s investments are not highly sensitive to interest rate fluctuations. The City employs a “buy and hold” investment strategy whereby investments are held to maturity at which time the investment is redeemed at par.

One way the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities, so a portion of the portfolio is maturing or coming close to maturity evenly, over time, as necessary to provide the cash flow and liquidity needed for operations.

Investment Type	<u>Totals</u>	12 Months or <u>Less</u>	13 to 24 <u>Months</u>	25 to 60 <u>Months</u>	Over 60 <u>Months</u>
US Treasury Notes	\$ 2,591,568	\$ 133,410	\$ 1,880,485	\$ 577,673	\$ -
US Government Agency Securities	142,177,634	58,107,688	55,744,325	28,325,621	-
Certificates of Deposit	10,609,461	2,609,461	8,000,000	-	-
	<u>\$ 155,378,663</u>	<u>\$60,850,559</u>	<u>\$65,624,810</u>	<u>\$28,903,294</u>	<u>\$ -</u>

Credit Risk

Under the City’s investment policy, safety of principal is the foremost objective of the City of Billings. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value.

The investment portfolio for the City shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the government’s investment risk constraints and the cash flow characteristics of the portfolio.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2019, the City’s investments in U.S. Government Agency Securities were rated AAA by Moody’s Investors Service or by Standard and Poor. Of those not rated, there was an implied AAA rating. Although the Montana Short Term Investment Pool (STIP) investments have been rated by investments security type, STIP, as an external investment pool, has not been rated by the Nationally Recognized Statistical Rating Organizations. More information on STIP is available at the Montana Department of Commerce Board of Investments website at <http://www.investmentmt.com/Programs/STIP>.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer that represent 5% or more of the total City's investments are as follows (other than STIP):

<u>Issuer</u>	<u>Investment Type</u>	<u>Total</u>	
Federal Farm Credit	Federal agency securities	62,684,223	40.34%
Federal Home Loan Bank	Federal agency securities	29,660,345	19.09%
Federal Home Loan Mortgage Corp.	Federal agency securities	36,994,349	23.81%
Federal National Mortgage Assn.	Federal agency securities	12,839,075	8.26%
US Bank	Certificate of Deposit	8,000,000	5.15%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2019, the City had limited exposure to custodial credit risk, but within compliance with Montana Code Annotated 7-6-207.

City policy requires that the City obtain securities for the uninsured portion of the deposits as follows:

- 1) Securities equal 50% of such deposits if the institution in which the deposits are made has a net worth to total assets ratio of 6% or more, or
- 2) Securities equal to 100% of the uninsured deposits if the institution in which the deposits are made has a net worth to total assets ratio of less than 6%.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. City policy requires investments to be collateralized by the actual security held in safekeeping by the primary agent. As of June 30, 2019, none of the City's investments are exposed to custodial credit risk because all counterparties provide insurance in excess of the investments held.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Restricted Cash and Cash Equivalents with Fiscal Agent

Cash of \$14,296,883 is restricted by bond covenants or for specific purposes as follows:

Current debt service:

Nonmajor government funds	4,501,909
Airport fund	1,336,166
Water fund	1,379,076
Wastewater fund	3,399,018
Solid Waste	<u>3,680,714</u>
Total	<u>\$14,296,883</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

B. Receivables

Receivables as of year-end for the City’s individual major funds, nonmajor funds, and internal service funds in the aggregate are presented below. See footnote I, D, 2 regarding the collectability of accounts receivable.

	General Fund	Public Safety Fund	Non-Major Governmental Funds	Internal Service Funds	Governmental Activities Total
Taxes	\$ 629,083	\$ 526,368	\$ 684,426	\$ -	\$ 1,839,877
Accounts	8,201	77,962	81,584	32,025	199,772
Special assessments	46,426	-	6,953,790	-	7,000,216
Accrued interest	47,708	2,780	173,636	46,385	270,509
Notes	-	-	2,184,011	400,000	2,584,011
From other governments	-	-	673,865	-	673,865
TOTAL	\$ 731,418	\$ 607,110	\$ 10,751,312	\$ 478,410	\$ 12,568,250

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Non-Major Enterprise Funds	Business-type Activities Total
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,631	\$ 85,631
Accounts	1,667,928	822,778	6,197,314	2,565,768	7,327	25,736	11,286,851
Accrued interest	45,139	40,073	114,572	134,487	1,328	5,560	341,159
From other governments	-	788,022	-	-	-	59,560	847,582
TOTAL	\$ 1,713,067	\$ 1,650,873	\$ 6,311,886	\$ 2,700,255	\$ 8,655	\$ 176,487	\$ 12,561,223

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable:	
General fund	\$ 158,341
Public safety fund	120,790
Nonmajor governmental funds	314,006
Special assessments not yet due:	
General fund	34,668
Nonmajor governmental funds	6,168,669
Notes receivable not yet due:	
Nonmajor governmental funds	<u>2,184,010</u>
Total	<u>\$ 8,980,484</u>

C. Operating Lease Receivable

The City's Airport leases a portion of its property to commercial airlines, commercial air freight haulers, car rental companies, concessionaires, fixed-base operators who service the aviation industry, private hangar owners, Federal and State governmental agencies whose main function is wildland fire suppression, and the Transportation Security Agency. Lease agreements with the Airlines and certain U.S. Government agencies are cancelable; all other leases are non-cancelable. The Airport's leases consist of the following:

Cancelable:

Operating lease agreements with the airlines for landing fees and terminal building rentals are adjusted annually based on compensatory and residual formulas, which are defined in the lease agreement. The terminal building rents are

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

calculated using a compensatory formula to recover certain operating, capital, and debt service costs. The landing fee rates are calculated based on a residual methodology by which landing fees plus terminal rents plus non-airline revenues cover all of the Airport's costs. Thus, keeping the Airport fiscally whole each year. The lease terms are for the period of July 1, 2013, through June 30, 2019, and allow the lessee to terminate with 180 days' written notice. Fiscal Year 2019 revenues for landing fees and terminal building rents totaled \$1,179,305 and \$2,236,451 respectively.

Operating lease agreements with two U.S. Government agencies consist of leases for ground and building space. Each agreement allows the lessee to terminate with 60 days' written notice. Each lease's term is for a ten-year period – one ending August 31, 2022, and the other ending November 30, 2026. Fiscal Year 2019 payments totaled \$207,558.

Non-cancelable:

Fixed minimum rentals with annual increases based on CPI-U.

Agreements under which the Airport received revenue from the operation of concessions located on Airport property which provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum. Payments contingent on gross receipts that are associated with these non-cancelable leases totaled \$4,804,972 for the fiscal year ended June 30, 2019.

The acquisition costs and accumulated depreciation for the above described leased property follows:

	Acquisition Cost	Accumulated Depreciation
Land	\$ 90,768	\$ -
Building	23,489,970	16,478,690
Improvements other than Buildings	5,650,200	2,561,204
Equipment	2,815,114	1,517,996
Total	<u>\$ 32,046,052</u>	<u>\$20,557,890</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

At June 30, 2019, minimum future rents and fees to be received under the non-cancelable leases or concession agreements for each fiscal year are as follows:

Year Ending June 30:

2020	\$	4,300,886
2021		4,243,974
2022		1,835,962
2023		680,606
2024		654,168
2025-2029		2,131,040
2030-2034		950,416
2035-2039		554,332
2040-2041		19,354
Total	\$	<u>15,370,738</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

D. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

Governmental activities:	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer In/Out</u>	<u>Balance June 30, 2019</u>
Capital assets not being depreciated:					
Land	\$ 44,294,991	\$ 934,814	\$ 25,226	\$ 330,876	\$ 45,535,455
Construction in Progress	14,134,409	23,152,671	467,467	(31,253,874)	5,565,739
Total capital assets, not being depreciated	<u>58,429,400</u>	<u>24,087,485</u>	<u>492,693</u>	<u>(30,922,998)</u>	<u>51,101,194</u>
Capital assets being depreciated:					
Buildings	37,435,684	866,555	-	6,740,514	45,042,753
Improvements other than Buildings	47,123,004	386,837	-	1,180,958	48,690,799
Equipment	43,719,974	1,730,582	659,685	53,995	44,844,866
Infrastructure	304,739,035	223,513	-	23,001,526	327,964,074
Total capital assets, being depreciated	<u>433,017,697</u>	<u>3,207,487</u>	<u>659,685</u>	<u>30,976,993</u>	<u>466,542,492</u>
Less accumulated depreciation for:					
Buildings	13,229,332	1,034,746	-	-	14,264,078
Improvements other than Buildings	17,541,560	1,647,119	-	-	19,188,679
Equipment	28,563,807	3,053,033	641,497	53,995	31,029,338
Infrastructure	150,936,004	13,533,366	-	-	164,469,370
Total accumulated depreciation	<u>210,270,703</u>	<u>19,268,264</u>	<u>641,497</u>	<u>53,995</u>	<u>228,951,465</u>
Total capital assets, being depreciated, net	<u>222,746,994</u>	<u>(16,060,777)</u>	<u>18,188</u>	<u>30,922,998</u>	<u>237,591,027</u>
Governmental activities capital assets, net	<u>\$ 281,176,394</u>	<u>\$ 8,026,708</u>	<u>\$ 510,881</u>	<u>\$ -</u>	<u>\$ 288,692,221</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Business-type activities:	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer In/Out</u>	Balance <u>June 30, 2019</u>
Capital assets not being depreciated:					
Land	\$ 13,755,814	\$ -	\$ -	\$ -	\$ 13,755,814
Construction in Progress	45,814,057	31,362,494	-	(2,780,945)	74,395,606
Total capital assets, not being depreciated	<u>59,569,871</u>	<u>31,362,494</u>	<u>-</u>	<u>(2,780,945)</u>	<u>88,151,420</u>
Capital assets being depreciated:					
Buildings	115,724,420	1,936,155	-	2,506,721	120,167,296
Improvements other than Buildings	125,730,927	1,246,072	-	-	126,976,999
Equipment	72,438,859	3,577,595	1,162,291	274,224	75,128,387
Infrastructure	434,598,377	10,412,330	-	-	445,010,707
Total capital assets, being depreciated	<u>748,492,583</u>	<u>17,172,152</u>	<u>1,162,291</u>	<u>2,780,945</u>	<u>767,283,389</u>
Less accumulated depreciation for:					
Buildings	61,925,165	3,322,027	-	-	65,247,192
Improvements other than Buildings	79,481,154	4,637,704	-	-	84,118,858
Equipment	50,822,561	3,855,106	1,160,826	-	53,516,841
Infrastructure	159,791,184	9,202,541	-	-	168,993,725
Total accumulated depreciation	<u>352,020,064</u>	<u>21,017,378</u>	<u>1,160,826</u>	<u>-</u>	<u>371,876,616</u>
Total capital assets, being depreciated, net	396,472,519	(3,845,226)	1,465	2,780,945	395,406,773
Business-type activities capital assets, net	<u>\$ 456,042,390</u>	<u>\$ 27,517,268</u>	<u>\$ 1,465</u>	<u>\$ -</u>	<u>\$ 483,558,193</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General Government	\$ 44,033
Public Safety	1,432,833
Public Works	14,384,483
Public Health	148,071
Culture & recreation	2,327,779
Housing and community development	76,240
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>854,830</u>
Total depreciation expense - governmental activities	<u>\$ 19,268,270</u>
Business-type activities:	
Solid Waste	\$ 2,617,110
Airport	5,236,605
Water	7,089,996
Wastewater	4,573,433
Parking	821,178
Transit	610,203
Golf Course	<u>68,853</u>
Total depreciation expense - business-type activities	<u>\$ 21,017,378</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Construction Commitments

The City has active construction projects as of June 30, 2019. At year-end, the City's commitments with the contractors, rounded to the nearest thousand, are as follows:

General Fund	\$ 109
Public Safety Fund	290
Solid Waste Fund	22,091
Airport Fund	3,107
Water Fund	9,137
Wastewater Fund	17,423
Nonmajor Enterprise Funds	444
Nonmajor Governmental Funds	11,268
Nonmajor Internal Services Funds	207
	<u>\$64,076</u>

Gas Tax, Storm Sewer assessments, and Arterial Fee assessments fund infrastructure. User fees and bonds finance Water, Wastewater, and Solid Waste projects. Grants, passenger facility charges, and charges for service fund Airport projects.

Other Commitments

At June 30, 2019, the Water fund had commitments of \$3.0 million for Southside Triangle water line replacement.

At June 30, 2019, the Wastewater fund had commitments of \$12.4 million for the Water Reclamation Facility.

At June 30, 2019, the Streets fund had commitments of \$1.2 million for Shiloh roundabouts landscaping.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

E. Interfund Receivables, Payables, and Transfers

The composition of inter-fund balances as of June 30, 2019, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 228,593
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>200,349</u>
Totals		<u>\$ 428,942</u>

During the course of its operation, the City has numerous transactions between funds to finance operations, reimbursable grants, debt service, and capital outlay in advance of loan proceeds.

Interfund transfers:

	<u>Transfers in:</u>							<u>Total</u>
	<u>General Fund</u>	<u>Public Safety Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Solid Waste Fund</u>	<u>Water Fund</u>	<u>Parking Fund</u>	<u>Internal Service</u>	
Transfers Out:								
General	\$ -	\$ 25,666,600	\$ 3,718,933	\$ -	\$ -	\$ -	\$ -	\$ 29,385,533
Public Safety	-	-	1,346,998	-	-	-	-	1,346,998
Nonmajor Governmental Funds	2,022	-	2,719,185	-	-	100,000	396,325	3,217,532
Nonmajor Enterprise Fund	-	-	20,000	-	-	-	-	20,000
Subtotal	<u>2,022</u>	<u>25,666,600</u>	<u>7,805,116</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>396,325</u>	<u>33,970,063</u>
Internal Service Funds	-	-	-	3,300	8,450	-	94,995	106,745
Total	<u>\$2,022</u>	<u>\$ 25,666,600</u>	<u>\$ 7,805,116</u>	<u>\$3,300</u>	<u>\$8,450</u>	<u>\$100,000</u>	<u>\$491,320</u>	<u>\$ 34,076,808</u>

Transfers are made for funding projects, meeting debt service requirements, grant matches, and distributing interest earnings between funds. Public Safety receives funding from the General Fund by a transfer.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

F. Capital Lease Obligations

Governmental Activities:

Capital Lease Payable – Billings Operation Center – On March 1, 2003, the City entered into a capital lease to partially finance the construction of the Billings Operation Center. In 2013, the City paid in full this obligation and issued Certificates of Participation to refinance the Billings Operation Center. The term of the lease ends September 2023.

Business-Type Activities:

Capital Lease Payable – Park II (Business-Type Activities) – On September 1, 2006, the City signed a capital lease obligation to finance the construction of an expansion of the Park II Parking Garage which is a six level parking structure located in the heart of downtown Billings. In September 2012, Park 4 Garage was sold and the proceeds of the sale were applied to reduce the debt of the Park II loan. This reduced the remaining capital lease obligation from \$4,756,651 to \$2,640,384 and reduced interest expense by \$780,057 over the life of the lease.

Capital Lease Payable – Airport (Business-Type Activities) – On September 12, 2011, the City Council approved the Investment Grade energy audit findings. Because of this audit, the City undertook energy efficiency improvements to various buildings and facilities at the Airport and within certain City-owned parking garages. The City entered into an energy performance contract with McKinstry Essention Inc. to complete the improvements and signed a Purchase Lease Agreement with U.S. Bancorp to finance the improvements over the next 10 years.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Assets:		
Buildings	\$ 6,600,000	\$ 5,930,000
Accumulated Depreciation	<u>(1,980,000)</u>	<u>(2,339,056)</u>
Total	<u>\$ 4,620,000</u>	<u>\$ 3,590,944</u>

The following is a schedule, by year, of the future minimum lease payments at June 30, 2019:

<u>Year ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2020	478,025	201,961
2021	475,125	201,961
2022	476,850	201,961
2023	473,200	201,961
2024	213,150	201,961
2025-2029	-	1,009,803
2030-2033	-	807,842
Total minimum lease payments	<u>2,116,350</u>	<u>2,827,450</u>
Less: Amount representing interest	<u>(136,350)</u>	<u>(756,116)</u>
Present value of minimum lease payments	<u>\$ 1,980,000</u>	<u>\$ 2,071,334</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

G. Long-Term Debt

Governmental Activities:

General Obligation Bonds Payable – The City issued general obligation bonds to provide funds for governmental activities for the acquisition and construction of major capital improvements. General obligation bonds are the direct obligations and pledge the full faith and credit of the City. At June 30, 2019, the outstanding general obligation bonded indebtedness of the City, serviced by the City’s debt service funds, was as follows:

General Obligation Bonds Series 2010, issued in the total aggregate amount of \$1,080,000 and interest ranging from 2.00%-3.00%, due July 1, 2020, payable in annual installments of \$105,000 to \$115,000.	\$ 225,000
General Obligation Bonds Series 2004A, issued in the total aggregate amount of \$3,460,000 and interest rate is 3.00%, due July 1, 2024, payable in annual installments of \$245,000 to \$345,000, callable on or after July 1, 2021.	1,895,000
General Obligation Bonds Series 2015, issued in the total aggregate amount of \$6,270,000 and interest ranging from 2.00%-3.50%, due July 1, 2027. These bonds were issued to refund General Obligation Bonds Series 2007A on July 1, 2018.	5,715,000
General Obligation Bonds Series 2012, issued in the total aggregate amount of \$15,460,000 and interest ranging from 2.00% - 4.00%, due July 1, 2032, payable in annual installments of \$620,000 to \$860,000, callable on or after July 1, 2021.	<u>10,740,000</u>
	<u>\$ 18,575,000</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Tax Increment Bonds Payable – At June 30, 2019, the outstanding tax increment bonds indebtedness of the City was as follows:

Tax Increment Revenue Bonds Series 2013, issued in the total aggregate amount of \$13,210,000 and interest ranging from 2.50%-6.50%, due July 1, 2038, payable in annual installments of \$387,813 to \$967,750. The City issued tax increment bonds to provide funds for the construction of the Empire Parking Garage and retail space.	\$ 11,830,000
Tax Increment Refunding Bonds Series 2015, issued in the total aggregate amount of \$5,170,000 and interest ranging from 2.00%-4.38%, due July 1, 2039, payable in annual installments of \$125,000 to \$330,000. These bonds were issued to retire the debt for the Special Improvement District 1385 bonds.	4,740,000
Tax Increment Revenue Bonds Series 2015, issued in the total aggregate amount of \$3,165,000 and interest ranging from 2.00%-4.65%, due July 1, 2039, payable in annual installments of \$85,000 to \$200,000. The bond proceeds were used for improvements in the East Billings Urban Renewal District.	2,890,000
Tax Increment Revenue Bonds Series 2016, issued in the total aggregate amount of \$4,935,000 and interest ranging from 2.00% to 3.75%, due July 1, 2040, payable in annual installments of \$150,000 to \$295,000. The bonds were issued for reconstruct and sewer improvements in the South Billings Urban Renewal District.	4,635,000
Tax Increment Revenue Bonds Series 2018, issued in the total aggregate amount of \$3,405,000 and interest ranging from 3.00% to 5.00%, due July 2038, payable in installments of \$105,000 to \$237,000. The bonds were issued for storm sewer, sidewalk, lighting, and landscaping improvements in the East Billings Urban Renewal District.	<u>3,465,000</u>
	<u>\$27,560,000</u>

Special Assessment Debt With Government Commitment – Special assessment bonds are payable from the collection of special assessments levied against benefited property owners within the special improvement district. State Law states, “To the extent that such special assessment collections are not sufficient to make the required debt service payments, the City is obligated to levy and collect a general property tax on all taxable property in the City to provide additional funding for the debt

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

service payments.” However, since the City of Billings is governed by its Charter, the voters must approve all levy increases. The cash reserve balance in the special improvement districts funds must equal at least 10% of the principal amount of bonds outstanding. The bonds are issued with specified maturity dates, but must be called and repaid earlier, at par value plus accrued interest, if the related special assessments are collected.

The City’s outstanding Special Assessment Debt from direct borrowing and direct placements related to governmental activities of \$3,515,000 secured by the revolving fund. In the event there is no money or insufficient money in the appropriate district fund with which to pay the special improvement district or sidewalk bonds the City shall annually or more often if necessary issue an order authorizing a loan or advance from the Revolving Fund for an amount sufficient to make good on any deficiency.

The various bonds outstanding at June 30, 2019, are as follows:

Special improvement districts, issued in the total aggregate amount of \$7,709,000 and interest ranging from 2.80%-6.00%, payable from the special improvement districts fund in varying installments to 2030.	\$ 3,835,867
Sidewalk and curb districts, issued in the total aggregate amount of \$4,613,000 and interest ranging from 3.25%-5.40%, payable from the sidewalk and curb districts fund in varying installments to 2030.	2,515,000
Storm Sewer Revenue Bonds Series 2013, issued in the total aggregate amount of \$4,270,000 and interest ranging from 3.00%-5.00%, payable from the storm sewer fund in varying installments to 2033, callable on or after July 1, 2023.	3,500,000
Storm Sewer Revenue Bonds Series 2015, issued in the total aggregate amount of \$9,615,000 and interest ranging from 2.00%-5.00%, payable from the Storm Sewer fund in varying installments to 2035, callable on or after July 1, 2025.	<u>8,585,000</u>
	<u>\$ 18,435,867</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Business-Type Activities:

Notes Payable – The Montana Department of Natural Resources and Conservation (DNRC) authorized the issuance of notes payable for various construction and rehabilitation projects related to the water and wastewater systems as noted in the following table. All notes are due in semi-annual installments with terms of 20 years. The covenants of both the water and wastewater notes require that funds be set aside in reserve for the delinquency of the debt. The required reserve is the highest amount of principal and interest for any annual debt service over the 20-year note payable for Wastewater, and half of the highest annual debt service payment for Water. The amounts reserved as of June 30, 2019, are \$1,444,291 for Wastewater and \$1,386,571 for Water.

	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Wastewater:			
Headworks Building	\$ 4,515,000	2.25%	July 1, 2025
Briarwood Sewer	\$ 7,400,000	3.00%	July 1, 2028
Ultra-violet System	\$ 2,900,000	3.00%	July 1, 2030
Ultra-violet System	\$ 816,000	3.00%	July 1, 2030
Wastewater Replacement Lines	\$ 5,387,000	3.00%	July 1, 2029
Wastewater Replacement Lines	\$ 359,300	1.75%	July 1, 2029
5 Mile Lift Station	\$ 3,100,000	3.00%	July 1, 2033
Water:			
Filter Building	\$17,300,000	2.25%	July 1, 2025
Water Replacement Lines	\$ 2,750,000	3.00%	July 1, 2029
Water Replacement Lines	\$ 333,700	1.75%	July 1, 2029
Zone 4 Water Lines	\$ 7,412,000	3.00%	July 1, 2029
2010 Water Replacement Lines	\$ 2,800,000	3.00%	July 1, 2030
Zone 3 Water Lines	\$ 3,100,000	3.00%	July 1, 2032
Zone 3 Chapple Reservoir	\$ 6,100,000	3.00%	July 1, 2034
Briarwood Reservoir	\$ 3,700,000	2.50%	July 1, 2035

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The amounts outstanding as of June 30, 2019, are as follows:

	<u>Due within one year</u>	<u>Due after one year</u>	<u>Total</u>
Wastewater	<u>\$ 1,087,000</u>	<u>\$11,321,000</u>	<u>\$12,408,000</u>
Water	<u>\$ 2,114,000</u>	<u>\$22,085,000</u>	<u>\$24,199,000</u>

Revenue Bonds Payable – At June 30, 2019, the outstanding revenue bonded indebtedness of the City was as follows:

2010A Airport Revenue Refunding Bonds, issued in the total aggregate amount of \$7,640,000 and interest ranging from 2.50%-5.00%, due July 1, 2020, payable in annual installments of \$670,000 to \$895,000. The bonds are not subject to optional redemption prior to their stated maturities.

	\$1,565,000
Deferred amount on bond refunding	<u>(11,076)</u>
	1,553,924
Less current portion	<u>(895,000)</u>
Total	\$ <u>658,924</u>

The 2010A bonds are secured by Airport Net Revenues, which are the Airport's "Gross Revenues" remaining after provision for payment of maintenance and operating expenses. "Gross Revenues" do not include bond proceeds; Airport Improvement Plan (AIP) grants; Customer Facility Charges (CFCs) and Passenger Facility Charges (PFCs) and interest thereon; and proceeds from the sale of Airport assets.

2010B Airport Revenue Refunding Bonds issued in the aggregate amount of \$6,525,000, and interest ranging from 3.00%-4.37% due July 1, 2030, payable in annual installments of \$235,000 to \$475,000, callable on or after July 1, 2021.

	\$ 4,615,000
Less current portion	<u>(310,000)</u>
Total	\$ <u>4,305,000</u>

The 2010B bonds are secured by CFCs, which are charges imposed on the automobile rentals at the Airport and, to the extent CFCs are not sufficient to pay debt service, by Airport Net Revenues on a parity with the 2010A bonds.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The 2010A and 2010B bonds are special, limited obligations of the City, and the owners may not look to the general or any other fund of the City for payment of principal, premium, or interest thereof.

Revenue bond ordinances include various restrictive covenants. The 2010A and 2010B bond covenants require that revenues and CFC collections equal at least 125% of the debt service requirement for each fiscal year. The more significant reserve covenants require reserves for debt service, facilities and equipment replacement, and for operations. The City is in compliance with all covenants as of June 30, 2019.

The revenue bond ordinance restrictions are as follows:

	<u>Airport Fund</u>
2010A Debt Service	\$ 764,000
2010B Debt Service	500,044
Replacement and depreciation	225,000
Operations and Maintenance	<u>1,199,300</u>
	<u>\$ 2,688,344</u>

The City issued Series 2010B revenue bonds to finance its car wash facility and Series 2010A refunding revenue bonds to refund bonds issued to remodel the terminal building. The Airport Fund accounts for all airport activities, which include CFC collections and expenses, PFC collections (\$1,161,426) and expenses, AIP grants, and all other Airport operations. However, investors in the Series 2010B revenue bonds rely on the revenue generated by CFC collections (\$881,223) and investors in the 2010A revenue bonds rely on airport operating revenues net of AIP grants and CFC and PFC collections.

2017 Sewer System Revenue Bonds, issued in the aggregate amount of \$56,505,000 and interest ranging from 2.00% - 5.00%, due July 1, 2036, payable in annual installments of \$1,430,000 to \$5,125,000, callable on or after July 1, 2027.	\$ 52,090,000
Less current portion	<u>(1,475,000)</u>
Total	<u>\$ 50,615,000</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The City will covenant to impose sewer charges on all customers of the system to provide revenues sufficient to pay the principal and interest on the bonds. A surety bond, together with the balance in the reserve account, will satisfy the reserve requirement.

2019 Solid Waste System Revenue Bonds, issued in the aggregate amount of \$21,990,000 and interest ranging from 3.00% to 5.00%, due July 1, 2039, payable in annual installments of \$1,536,425 to \$1,547,825 callable on or after July 1, 2028.	\$ 21,990,000
Less current portion	-
Total	\$ <u>21,990,000</u>

The City will covenant to impose rates, fees, charges, and rentals for all services and facilities furnished to provide revenues sufficient to pay the principal and interest on the bonds. An amount equal to the maximum principal and interest payment has been placed in a reserve account.

Defeased Debt – In prior years, the City defeased certain revenue and special assessment bonds by the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City’s financial statements. At June 30, 2019, there were no bonds.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Summary of Debt Maturities – Annual debt service principal and interest payments required on all outstanding debt at June 30, 2019, are as follows:

GOVERNMENTAL ACTIVITIES

Year ending June 30	General Obligation Bonds		Tax Increment		Special Assessment Bonds		Special Assessment Bonds-Direct Placement	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	1,790,000	613,625	855,000	1,164,238	627,868	541,035	128,000	156,850
2021	1,835,000	554,675	905,000	1,158,094	713,824	504,731	198,000	150,525
2022	1,760,000	501,200	925,000	1,124,709	909,831	508,460	362,500	138,573
2023	1,795,000	447,825	965,000	1,089,044	1,005,892	469,262	426,500	119,728
2024	1,570,000	393,150	1,000,000	1,150,672	972,010	431,884	397,000	101,605
2025-2029	6,565,000	1,112,975	5,720,000	4,548,712	4,436,443	1,644,413	1,527,000	271,258
2030-2034	3,260,000	227,950	7,165,000	3,093,915	4,960,000	667,850	476,000	37,293
2035-2039	-	-	8,915,000	1,277,990	1,295,000	44,128	-	-
2040-2044	-	-	1,110,000	33,807	-	-	-	-
	<u>\$ 18,575,000</u>	<u>\$ 3,851,400</u>	<u>\$27,560,000</u>	<u>\$ 14,641,181</u>	<u>\$ 14,920,868</u>	<u>\$4,811,763</u>	<u>\$3,515,000</u>	<u>\$ 975,832</u>

	InterCap Notes Payable		Capital Lease Payable-BOC	
	Principal	Interest	Principal	Interest
2020	5,366	1,010	425,000	53,025
2021	5,366	861	435,000	40,125
2022	5,366	678	450,000	26,850
2023	5,366	497	670,000	16,350
2024	5,366	316	-	-
2025-2029	5,376	135	-	-
2030-2034	-	-	-	-
2035-2039	-	-	-	-
	<u>\$ 32,206</u>	<u>\$ 3,497</u>	<u>\$ 1,980,000</u>	<u>\$ 136,350</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

BUSINESS TYPE ACTIVITIES

Year ending June 30	Revenue Bonds-Airport		Capital Lease Payable-Airport		Capital Lease Payable-Parking	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	1,205,000	236,038	90,403	38,547	38,689	15,130
2021	990,000	187,394	94,943	34,007	40,491	13,328
2022	335,000	158,972	99,710	29,240	42,378	11,442
2023	345,000	146,431	104,718	24,232	44,351	9,467
2024	360,000	132,988	109,976	18,974	46,419	7,401
2025-2029	2,015,000	428,625	299,713	22,663	125,731	8,818
2030-2034	930,000	41,125	-	-	-	-
	<u>\$ 6,180,000</u>	<u>\$ 1,331,573</u>	<u>\$ 799,463</u>	<u>\$ 167,663</u>	<u>\$ 338,058</u>	<u>\$ 65,586</u>
	Notes Payable-Water		Notes Payable-Wastewater		Capital Lease Payable-Park II	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	2,114,000	644,511	1,087,000	348,853	109,786	92,174
2021	2,178,000	579,088	1,124,000	318,099	114,672	87,289
2022	2,225,000	532,170	1,156,000	286,332	119,775	82,185
2023	2,285,000	473,720	1,190,000	253,666	125,105	76,856
2024	2,346,000	413,670	1,223,000	220,002	130,672	71,289
2025-2029	8,581,000	1,260,624	5,347,000	596,932	745,933	263,869
2030-2034	4,052,000	335,200	1,281,000	74,496	725,387	82,455
2035-2039	418,000	7,135	-	-	-	-
	<u>\$ 24,199,000</u>	<u>\$ 4,246,118</u>	<u>\$12,408,000</u>	<u>\$ 2,098,380</u>	<u>\$ 2,071,330</u>	<u>\$ 756,116</u>
	Revenue Bonds-Wastewater		Revenue Bonds-Solid Waste			
	Principal	Interest	Principal	Interest		
2020	1,475,000	2,382,100	-	744,478		
2021	1,530,000	2,322,000	700,000	844,275		
2022	1,595,000	2,259,500	735,000	808,400		
2023	1,655,000	2,186,225	775,000	770,650		
2024	1,740,000	2,101,350	815,000	730,900		
2025-2029	10,860,000	9,027,500	4,720,000	2,985,875		
2030-2034	18,545,000	5,436,875	5,870,000	1,855,600		
2035-2039	14,690,000	900,800	6,865,000	843,250		
2040-2044	-	-	1,510,000	26,425		
	<u>\$ 52,090,000</u>	<u>\$26,616,350</u>	<u>\$21,990,000</u>	<u>\$ 9,609,853</u>		

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Changes in Long-Term Obligations – During the year ended June 30, 2019, the following changes occurred in liabilities reported in the long-term obligations:

	<u>Balance June 30, 2018</u>	<u>Issued/ Accrued</u>	<u>Refunded/ Redeemed/ Matured</u>	<u>Balance June 30, 2019</u>	<u>Due within one year</u>
Governmental Activities:					
General obligation bonds:					
Series 2010 Parks	\$ 335,000	\$ -	\$ 110,000	\$ 225,000	\$ 110,000
Add: premium received	8,472	-	2,825	5,647	-
Series 2004A Streets	2,170,000	-	275,000	1,895,000	290,000
Add: premium received	133,789	-	19,112	114,677	-
Series 2015 Refunding	6,270,000	-	555,000	5,715,000	565,000
Add: premium received	435,999	-	48,444	387,555	-
Series 2012 Library	11,550,000	-	810,000	10,740,000	825,000
Add: premium received	765,350	-	51,023	714,327	-
Tax Increment 2013	12,155,000	-	325,000	11,830,000	340,000
Add: premium received	38,287	-	3,481	34,806	-
Less: bond discount	(1,777)	-	(162)	(1,615)	-
Tax Increment 2015	4,895,000	-	155,000	4,740,000	155,000
Less: bond discount	(21,817)	-	(1,039)	(20,778)	-
Tax Increment 2015-EBURD	2,990,000	-	100,000	2,890,000	100,000
Less: bond discount	(29,340)	-	(1,397)	(27,943)	-
Tax Increment 2016	4,785,000	-	150,000	4,635,000	155,000
Less: bond discount	(34)	-	(2)	(32)	-
Tax Increment 2018-East	-	3,465,000	-	3,465,000	105,000
Add: premium received	-	95,367	-	95,367	-
Special assessment debt with governmental commitment	14,717,828	1,090,000	886,961	14,920,867	627,868
Less: bond discounts	(38,952)	-	(8,779)	(30,173)	-
Add: premium received	583,718	-	34,992	548,726	-
Direct Placement	3,504,000	535,000	524,000	3,515,000	128,000
Interacap notes payable	37,572	-	5,366	32,206	5,366
Capital lease payable	2,390,000	-	410,000	1,980,000	425,000
Add: premium received	124,688	-	20,782	103,906	-
Compensated absences	8,112,664	8,384,006	7,763,500	8,733,170	7,224,456
Total governmental activities	<u>\$ 75,910,447</u>	<u>\$ 13,569,373</u>	<u>\$ 12,239,107</u>	<u>\$ 77,240,713</u>	<u>\$ 11,055,690</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

	<u>Balance June 30, 2018</u>	<u>Issued/ Accrued</u>	<u>Refunded/ Redeemed/ Matured</u>	<u>Balance June 30, 2019</u>	<u>Due within one year</u>
Business Activities:					
Notes Payable					
Water from DNRC	\$ 7,737,000	\$ -	\$ 958,000	\$ 6,779,000	\$ 980,000
Water from DNRC-ARRA Part B	206,000	-	16,000	190,000	16,000
Water from DNRC-Rehab	1,793,000	-	133,000	1,660,000	137,000
Water from DNRC-Zone 4	4,356,000	-	322,000	4,034,000	332,000
Water from DNRC-Waterlines	1,545,000	-	103,000	1,442,000	107,000
Wastewater from DNRC-Briarwood	3,907,000	-	322,000	3,585,000	328,000
Wastewater from DNRC	2,019,000	-	250,000	1,769,000	256,000
Wastewater from DNRC	221,000	-	18,000	203,000	18,000
Wastewater from DNRC	2,682,000	-	198,000	2,484,000	204,000
Wastewater from DNRC-UV	1,646,000	-	111,000	1,535,000	113,000
Wastewater from DNRC-UV	568,000	-	38,000	530,000	39,000
Wastewater from DNRC-5 Mile	2,427,000	-	125,000	2,302,000	129,000
Water from DNRC-Zone 3	2,276,000	-	127,000	2,149,000	131,000
Water from DNRC-Zone 3 Chapple	5,277,000	-	252,000	5,025,000	259,000
Water from DNRC-Briarwood	3,067,000	-	147,000	2,920,000	152,000
Sewer System Revenue	53,520,000	-	1,430,000	52,090,000	1,475,000
Add: premium received	6,799,776	-	373,988	6,425,788	-
Solid Waste Revenue	-	21,990,000	-	21,990,000	-
Add: premium received	-	1,348,127	-	1,348,127	-
Capital lease payable - Park II	2,176,439	-	105,109	2,071,330	109,786
Capital lease payable - Parking	375,025	-	36,967	338,058	38,689
Airport Series 2010A Refunding	2,425,000	-	860,000	1,565,000	895,000
Add: premium received	4,542	-	3,119	1,423	-
Airport Series 2010B Revenue	4,915,000	-	300,000	4,615,000	310,000
Add: premium received	3,252	-	448	2,804	-
Capital lease payable - Airport	885,543	-	86,080	799,463	90,403
Compensated absences	3,214,089	3,125,832	2,914,764	3,425,157	2,696,719
Total business type activities	<u>\$ 114,045,666</u>	<u>\$ 26,463,959</u>	<u>\$ 9,230,475</u>	<u>\$ 131,279,150</u>	<u>\$ 8,816,597</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Governmental activities include internal service fund liabilities for capital lease payable, compensated absences, and intercap notes payable. Internal service fund compensated absences totaled \$1,314,169 and \$1,130,366 at June 30, 2018 and 2019, respectively and are generally liquidated by the related internal service fund. Compensated absences for the remaining governmental activities are generally liquidated by the general fund and other governmental funds.

Arbitrage – The Tax Reform Act of 1986 (ACT) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt and now requires the City to calculate and remit rebatable arbitrage earnings to the Internal Revenue Service. Certain City debt and interest earned on the proceeds thereof are subject to the requirements of the Act. At June 30, 2019, the City had no arbitrage rebate liability for its governmental and business-type activities.

H. Post-Employment Healthcare Benefits

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 75, the City recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the full liability occurred in fiscal year 2017, the year that GASB 75 was implemented. A separate postemployment benefit plan report is not prepared for the health insurance plan.

Plan Description. The City provides continuous medical insurance coverage for eligible participants enrolled in the City sponsored plan, a single-employer plan, called the City of Billings Employee Benefit Plan (the Plan). Total plan contributions paid by the City in 2019 were 10.0% of total payroll and benefits. The retiree benefits are provided in the form of an implicit rate subsidy where pre 65 retirees and a closed group of post 65 retirees receive health insurance coverage by paying a combined retiree/active rate. Dental and life insurance benefits are also provided on a fully contributory basis. The Plan does not prepare separate financial statements, but is included in the City's CAFR and reported as an internal service fund as City Health Insurance Fund. A Plan Document describing the Plan in its entirety, including contribution rates, eligibility, etc., can be obtained from the Human Resources Department of the City of Billings.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Retirement eligibility is determined based upon the employee’s retirement system and is as follows:

Police and Fire employees:

Must complete a minimum of 20 years of membership service and be actively employed and covered by the City’s medical plan prior to retirement.

All Other Employees:

Must complete a minimum of 25 years of membership service at any age OR complete a minimum of 5 years of membership service at a minimum age of 50, plus the employee must be actively employed and covered by the City’s medical plan prior to retirement.

Eligible retirees receive pre 65 health care coverage through one of two self-insured medical plans: Plan C and Plan D. A closed group of retirees age 65 and older is enrolled in one of the plans.

The number of participants as of July 1, 2018, the effective date of the biennial OPEB valuation, follows. There have been no significant changes in the number covered or the type of coverage since that date.

Active employees	896
Retired employees	<u>92</u>
Total	<u>988</u>

Funding Policy. The City currently pays for post-employment healthcare benefits on a pay-as-you-go basis. Although the City has studied the establishment of trusts that would be used to accumulate and invest assets necessary to pay for any accumulated liability on an actuarial basis, these financial statements assume that pay-as-you-go funding will continue. The amount of covered payroll related to the plan for the year ending June 30, 2018, is \$54,617,000. The ratio of the FY 2019 net OPEB liability to annual covered payroll is 0.16.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Annual OPEB Cost and Net OPEB Liability. The City's other post-employment benefit (OPEB) cost (expense) is calculated based on the Entry Age Normal cost method based on a level percentage of projected salary, in accordance with the parameters of GASB Statement 75. The following table shows sources of changes in the net OPEB liability for the City:

Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Total OPEB Liability – Start of Year	\$10,871,015	\$ -	\$10,871,015
Changes for the year			
Service cost	599,538	-	599,538
Interest cost	435,068	-	435,068
Changes of benefit term	-	-	-
Differences between expected and actual experience	(2,062,008)	-	(2,062,008)
Changes in assumptions or other inputs	(972,358)	-	(972,358)
(Other changes, separately identified if significant)	-	-	-
Contributions – employer	-	-	-
Net Investment Income	-	-	-
Benefit payments	(354,149)	-	(354,149)
Admin Expense	-	-	-
Net change in total OPEB liability	<u>\$(2,353,908)</u>	<u>-</u>	<u>\$(2,353,908)</u>
Total OPEB Liability – End of Year	<u>\$8,517,107</u>	<u>\$-</u>	<u>\$8,517,107</u>

The annual OPEB expense recognized in fiscal year 2019 is as follows:

Service Cost	\$ 599,538
Interest Cost	435,068
Changes of benefit terms	-
Current recognized deferred outflows/(inflows)	
Difference between expected and actual experience	(\$389,737)
Changes in assumptions or other inputs	278,796
(Other changes, separately identified, if significant)	-
Total Expense	<u>\$923,665</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Recognition of the deferred outflows and inflows occur in future periods and, therefore, are reported on the Statement of Net Position as required by GASB Statement 75. The detailed schedule of deferred outflows and inflows related to the OPEB liability is as follows:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between actual and expected experience	-	(\$ 2,334,729)
Changes of assumptions	\$ 1,782,667	<u>(854,352)</u>
Total	<u>\$ 1,782,667</u>	<u>(\$ 3,189,081)</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources:

For Fiscal Year End:	2020	\$ (110,941)
	2021	(110,941)
	2022	(110,941)
	2023	(110,941)
	2024	(283,674)
	Thereafter	(678,976)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of employer contributions to the health insurance plan, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. The City has elected not to fund this liability.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

In the June 30, 2019, actuarial valuation, the liabilities were computed using the entry age normal based on level percentage of projected salary. The actuarial assumptions utilized a 3.86% discount rate. Because the plan is unfunded, the discount rate is based on the index rate for 20-year, tax-exempt, general obligation bonds with an average rating of AA or higher. The valuation assumes a 7% healthcare cost trend increase for fiscal year 2018-2019, reduced each year until an ultimate health care cost trend rate of 4.65% is reached.

The contribution to the Plan by the City is determined annually by the City’s Health Insurance Committee, with the aid of a consultant, and subsequently approved and adopted through the City’s budget process.

The Health Insurance Committee may modify the Plan.

Sensitivity Analysis. Sensitivity measurements of the net OPEB liability based on health care cost trends and discount rates:

Healthcare cost trend sensitivity analysis

	Net OPEB Liability	% Difference
1% Decrease	\$ 7,249,000	-15%
Current Trend	\$8,517,000	0%
1% Increase	\$10,401,000	22%

Discount Rate trend sensitivity analysis

	Net OPEB Liability	% Difference
1% Increase 4.5%	\$ 7,704,000	-10%
Current Trend 0%	\$8,517,000	N/A
1% Decrease 2.5%	\$9,448,000	11%

IV. Other Notes

A. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical insurance costs of employees; pollution liability; and natural disasters.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

For general liability and injuries to employees, the City has elected to participate in the Montana Municipal Interlocal Authority – Liability Coverage (MMIA – Liability Program) and the Montana Municipal Interlocal Authority – Workers’ Compensation (MMIA – Workers’ Compensation) programs. These entities are public entity risk pools currently operating as common risk management and coverage programs, pursuant to their formation by Interlocal Agreements under the Interlocal Cooperation Act. The City pays annual assessments to the MMIA – Liability Program and the MMIA – Workers’ Compensation for its general liability and workers’ compensation coverage. There have been no significant changes to levels of coverage from the previous year.

The MMIA – Liability coverage has specific exclusions for airfield operations; subsequently the City’s airport fund annually purchases a separate general liability insurance policy to provide liability coverage for the airport’s operations. This policy is provided through a private insurance company. It provides coverage up to \$100 million per occurrence.

For damage to and destruction of buildings and facilities, the City has elected to insure its buildings and facilities with insurance purchased from a private carrier. Such insurance has a deductible of \$100,000 per occurrence. The rateable exposure limit is \$659,299,728 (inclusive of Business Income Coverage) with a blanket policy limit of \$500 million, underwritten by Affiliated FM Insurance Company. There have been no significant changes to levels of insurance from the previous year, and settlement payments have not exceeded insurance coverage during the current year or the two previous fiscal years.

In addition, the City also elected to purchase, at various limits, Crime Coverage. The Crime Coverage protects against loss in the event of employee theft, computer fraud, computer program data restoration, funds transfer fraud, claim expense, and faithful performance of duty.

The City has established a medical self-insurance fund to pay medical claims of the City’s employees and their covered dependents. Revenues to the plan from the various funds and employee contributions are recorded as a charge for service in the City health insurance fund, an internal service fund. Medical claims over \$215,000 per individual per calendar year are covered through a private insurance carrier. The fund records health care costs as expenses when claims are incurred; including incurred but not reported (IBNR) claims. The fund establishes claims liabilities, including IBNR, based on the estimated ultimate cost of settling the claims (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that modify past experience. Claims liabilities include only specific, incremental claim adjustment expenses. Estimated recoveries on claims are evaluated in terms of their estimated, realizable value and deducted from the liability for unpaid claims.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Following is a summary of the changes in the balances of health insurance claim liabilities, which are included in accrued liabilities in the Combined Balance Sheet, during fiscal years 2017, 2018, and 2019:

	Beginning-of- fiscal-year <u>liability</u>	Incurred claims and claim administrative <u>expenses</u>	Payments of claims and claim administrative <u>expenses</u>	End-of- fiscal-year <u>liability</u>
2016-2017	1,000,000	11,689,018	11,939,018	750,000
2017-2018	750,000	10,461,124	10,303,328	907,796
2018-2019	907,796	9,797,165	9,937,165	767,796

Retired employees may continue their health care coverage through the City’s group health plan until the month end of their 65th birthday. In compliance with COBRA, the City also allows terminated employees to continue their health care coverage for 18 months past the date of termination.

Approximately 95 retired and terminated employees participated in the City’s health plan. Claims paid in excess of premiums received for these participants totaled approximately \$381,836 for the fiscal year ended June 30, 2019. There have been no material changes in health insurance coverage from the previous year. The City has a two-tiered health insurance plan. The amount of employee contributions is based on the level of coverage chosen from the two tiers. Beginning January 1, 2012, the City implemented a two-tiered health insurance plan and will have only one area hospital in-network. These changes were completed using the RFP process and were approved and implemented by the Health Insurance Committee in order to reduce health care costs and avoid increases in premiums for both the City and employees.

All risk management activities are accounted for in the internal service funds. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. Coverage limits and the deductibles on the commercial policies have not changed materially from the previous year.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

B. Pollution Remediation

Effective July 1, 2008, the City implemented the provisions of GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. The City has determined that the implementation of GASB 49 had no material effect on prior year financial statements.

C. Subsequent Events

Management has evaluated subsequent events through January 22nd, 2020, the date on which the financial statements were available to be issued. There are no subsequent events to report.

D. Claims and Judgments

The City is involved with numerous other lawsuits from other claimants. Based on past claims history and management’s best estimates, the City expects to pay approximately \$1,300,000 for insurance deductibles and amounts not covered by insurance.

Changes in Claims and Judgments:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year</u>	<u>Changes in the Estimate for Claims of Prior Periods</u>	<u>Claims Incurred During Year</u>	<u>Payments of Claims</u>	<u>End of Fiscal Year</u>	<u>Amount Due Within One Year</u>
2017	<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>
2018	<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>
2019	<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

E. Contingent Liabilities

1. Landfill Closure and Post-closure

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on the estimate of landfill capacity used as of each balance sheet date. The \$3,504,776 reported as landfill closure and post-closure care liability at June 30, 2019, represents the cumulative amount reported to date based on the use of approximately 53% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$3.1 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2019. Revised closure costs were completed during fiscal year 2018, which slightly increased the total estimated remaining costs for closure and post-closure care. The City expects to close the landfill in 39 years, in the year 2058. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has established an irrevocable solid waste management financial assurance trust. The City is required to make payments into the trust over the life of the landfill to provide funds for closure and post-closure care. In fiscal year 2019, \$129,196 was paid into, or earned by, the trust. The cumulative amount of payments of \$3,367,124 is reported as restricted investments at June 30, 2019.

	<u>Balance June 30, 2018</u>	<u>Accrual Amount</u>	<u>Balance June 30, 2019</u>
Net change in Landfill Liability	<u>\$ 3,354,572</u>	<u>\$ 150,204</u>	<u>\$ 3,504,776</u>

2. Lawsuits

The City is involved with numerous other lawsuits, from other claimants, which arise out of the normal course of operations by the City. Management has accrued for any deductibles and amounts not covered by the City insurance carriers.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The City of Billings was sued by a group of employed police officers several years ago. The District Court issued a summary judgment, which the plaintiffs believe will result in favor of the officers. MMIA does not offer coverage for this claim. The judgment did not itemize the amount for the claim. Although the City is vigorously defending this claim, the City has estimated that the summary judgment could result in up to \$1,200,000 due to the officers, including attorney fees, penalties, and interest. This amount has been reflected in the Statement of Position and Statement of Activities.

The City of Billings is being sued by a group of citizens. Plaintiffs filed a class action complaint on May 16, 2018 asserting that the franchise fees assessed by the City were illegal sales taxes. The City has filed an answer denying the substance of the Plaintiffs' claims. The District Court stayed further litigation in this case pending resolution of the City's appeal of the Class Certification Order. It is early in this case and the City of Billings cannot predict the outcome at this time.

The City believes that the current accrual for claims and judgments is sufficient in the event of settlements related to these lawsuits.

3. Grants

The City has federal and state grants for specific purposes that are subject to annual audits and other periodic reviews by grantor agencies. Such reviews could result in requests for reimbursement by grantor agencies for costs, which may be disallowed as appropriate expenses under the grant terms. Management of the City believes disallowances, if any, will not be material.

F. **Conduit Debt**

The City has authorized the issuance of certain bonds in its name to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying government-wide financial statements. The only requirement for this type of issue is to request the amount needed for City approval; and when completely paid or called, they must notify the City of this event.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

As of June 30, 2019, there were three series of industrial revenue bonds outstanding. The aggregate principal amount payable for the three series issued was approximately \$8.4 million at June 30, 2019.

G. Pension Plans

The City of Billings contributes to four separate pension plans, which cover substantially all full-time employees. They are the Public Employees' Retirement System-defined benefit retirement plan (PERS-DBRP), Public Employees' Retirement System-defined contribution plan (PERS-DCRP), Firefighters' Unified Retirement System (FURS), and the Municipal Police Officers' Retirement System (MPORS). The PERS-DCRP is a defined contribution plan, and the other plans are defined benefit pension systems. All plans are administered by the Public Employment Retirement Board (PERB). The City's financial statements include on-behalf contributions made by the State of Montana as described in the following plan descriptions.

**CITY OF BILLINGS
PERS-DEFINED BENEFIT
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2018 (MEASUREMENT DATE)
JUNE 30, 2019 (REPORTING DATE)**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using a June 30, 2018 measurement date for the 2019 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements shown in this report but will need to wait for the measurement date as of June 30, 2019.

Summary of Significant Accounting Policies

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and, Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

General Information about the Pension Plan

Plan Description

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, local governments, certain employees of the Montana University System, and school districts.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the defined contribution and defined benefit retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

Benefits Provided

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature.

Service retirement:

- Hired prior to July 1, 2011:
 - Age 60, 5 years of membership service
 - Age 65, regardless of membership service
 - Any age, 30 years of membership service
- Hired on or after July 1, 2011
 - Age 65, 5 years of membership service

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- Age 70, regardless of membership service

Early Retirement:

- Hired prior to July 1, 2011
 - Age 50, 5 years of membership service
 - Any age, 25 years of membership service
- Hired on or after July 1, 2011
 - Age 55, 5 years of membership service

Second Retirement: (requires returning to PERS-covered employer or PERS service)

- Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retired on or after January 1, 2016 and accumulate less than 5 years additional service credit:
 - A refund of member's contributions plus return interest (currently .77% effective July 1, 2017).
 - No service credit for second employment;
 - Start the same benefit amount the month following termination; and
 - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:
 - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:
 - The same retirement as prior to the return to service;
 - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's highest average compensation (HAC)

- Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months;
- Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months;

Compensation Cap

- Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's highest average compensation.

Monthly benefit formula

- Members hired prior to July 1, 2011
 - Less than 25 years of membership service: 1.785% of HAC per year of service credit;
 - 25 years of membership service or more: 2% of HAC per year of service credit.
- Members hired on or after July 1, 2011
 - Less than 10 years of membership service: 1.5% of HAC per year of service credit;

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, **inclusive** of all other adjustments to the member's benefit.

- 3.0% for members hired **prior to** July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
 - a) 1.5% for each year PERS is funded at or above 90%;
 - b) 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
 - c) 0% whenever the amortization period for PERS is 40 years or more.

Contributions

The state Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding

The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as special funding. Those employers who received special funding are all participating employers.

Not Special Funding

Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		State & Universities	Local Government		School Districts	
	Hired <7/01/11	Hired >7/01/11	Employer	Employer	State	Employer	State
	2019	7.9%	7.9%	8.670%	8.570%	0.10%	8.30%
2018	7.9%	7.9%	8.570%	8.470%	0.10%	8.20%	0.370%
2017	7.9%	7.9%	8.470%	8.370%	0.10%	8.10%	0.370%
2016	7.9%	7.9%	8.370%	8.270%	0.10%	8.00%	0.370%
2015	7.9%	7.9%	8.270%	8.170%	0.10%	7.90%	0.370%
2014	7.9%	7.9%	8.170%	8.070%	0.10%	7.80%	0.370%
2012-2013	6.9%	7.9%	7.170%	7.070%	0.10%	6.80%	0.370%
2010-2011	6.9%		7.170%	7.070%	0.10%	6.80%	0.370%
2008-2009	6.9%		7.035%	6.935%	0.10%	6.80%	0.235%
2000-2007	6.9%		6.900%	6.800%	0.10%	6.80%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contributions rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
 - c. The portion of employer contributions allocated to the PCR are included in the employers reporting. The PCR was paid off effective March 2016 and contributions previously directed to the PCR are now directed to member accounts.
3. Non-Employer Contributions

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- a. Special Funding
 - i. The State contributes 0.1% of members' compensation on behalf of local government entities.
 - ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
 - iii. The State contributed a Statutory Appropriation from the General Fund of \$33,454,182.

Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2018 was determined by taking the results of the June 30, 2017 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2018, and 2017, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid.

The employer recorded a liability of \$43,206,812 and the employer's proportionate share was 2.0701 percent.

	Net Pension Liability as of 6/30/2018	Net Pension Liability as of 6/30/2017	Percent of Collective NPL as of 6/30/2018	Percent of Collective NPL as of 6/30/2017	Change in Percent of Collective NPL
City of Billings' Proportionate Share	\$ 43,206,812	\$ 51,226,313	2.0701%	2.6302%	-0.5600%
State of Montana Proportionate Share associated with the Employer	\$ 14,470,254	\$ 681,883	2.7824%	3.4752%	-0.6927%
Total	\$ 57,677,066	\$ 51,908,196	4.8525%	6.1054%	-1.2527%

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer’s reporting date that are expected to have a significant effect on the employer’s proportionate share of the collective NPL.

Pension Expense

The employer recognized its proportionate share of the PERS Pension Expense of \$ 4,040,568. The employer also recognized grant revenue of \$ 965,731 for the support provided by the State of Montana for the proportionate share of the Pension Expense associated with the employer. Additionally, the employer recognized grant revenue from the State Statutory Appropriation from the General Fund of \$0. *(Two years of pension expense are documented in the below table but are not necessary for the employer’s disclosures.)*

	Pension Expense as of 6/30/2018	Pension Expense as of 6/30/2017
City of Billings’ Proportionate Share of PERS	\$ 4,040,568	\$ 6,311,469
State of Montana Proportionate Share associated with the Employer	\$ 965,731	\$ 36,353
Grant Revenue - State of Montana Coal Tax for employer	\$ -	\$ 732,801
Total	\$ 5,006,299	\$ 7,080,623

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Recognition of Deferred Inflows and Outflows

At June 30, 2018, the employer recognized its proportionate share of Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 3,285,588	\$ -
Projected Investment Earnings vs. Actual Investment Earnings	\$ -	\$ 671,001
Changes in Assumptions	\$ 3,674,091	\$ -
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	\$ -	\$ 5,658,364
Employer Contributions subsequent to the measurement date	\$ 2,992,642	\$ -
Total	\$ 9,952,321	\$ 6,329,365

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2019	\$ 2,027,367
2020	\$ 1,440,203
2021	\$ (2,561,548)
2022	\$ (275,708)
2023	\$ -
Thereafter	\$ -

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Stand-Alone Statements

The PERS financial information is reported in the Public Employees' Retirement Board's Comprehensive Annual Financial Report for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena MT 59620-0131, 406-444-3154. <http://mpera.mt.gov/annualReports.shtml>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial evaluation was determined using the following actuarial assumptions:

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.26%
General Wage Growth*	3.50%
*includes Inflation at	2.75%
Merit Increases	0 to 6.3%
Postretirement Benefit Increases	

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months or retirement, the member's benefit increases by the applicable percentage each January, inclusive of other adjustments to the member's benefit.

3% for members hired prior to July 1, 2007

1.5% for members hired between July 1, 2007 and June 30, 2013

Members hired on or after July 1, 2013

- 1.5% for each year PERS is funded at or above 90%;
- 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
- 0% whenever the amortization period for PERS is 40 years or more.

Mortality assumptions among contributing members, service retired members and beneficiaries are based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Mortality Tables with no projections.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Target Allocations

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation (78c & 78f) as of June 30, 2018, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	2.6%	4.00%
Domestic Equity	36.0%	4.55%
Foreign Equity	18.0%	6.35%
Fixed Income	23.4%	1.00%
Private Equity	12.0%	7.75%
Real Estate	8.0%	4.00%
Total	100%	4.37%

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest is contributed monthly and the severance tax is contributed quarterly. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2121. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. A municipal bond rate was not incorporated in the discount rate.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Sensitivity Analysis

The sensitivity of the NPL to the discount rate is shown in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate of 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
Employer's Net Pension Liability	\$62,487,057	\$43,206,812	\$27,374,658

PERS Disclosure for the defined contribution plan

CITY OF BILLINGS contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the *defined benefit* and *defined contribution* retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2018, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 316 employers that have participants in the PERS-DCRP totaled \$746,144.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Pension plan fiduciary net position: The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) *Comprehensive Annual Financial Report (CAFR)* and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/index.shtml>.

CITY OF BILLINGS FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM GASB 68 NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2018 (*MEASUREMENT DATE*) JUNE 30, 2019 (*REPORTING DATE*)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Firefighters' Unified Retirement System (the Plan). Employers are required to record and report their proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. This report provides information for employers who are using a June 30, 2018, measurement date for the 2019 reporting.

Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the NPL; Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable.

Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

General Information about the Pension Plan

Plan Description - The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This system provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature. The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries.

Benefits provided – The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Members' rights are vested after five years of service.

Service retirement and monthly benefit formula:

- Hired on or after July 1, 1981, or has elected to be covered by GABA:
 - 20 years of membership service
 - 2.5% of HAC x years of service credit
- Hired prior to July 1, 1981, and who had not elected to be covered by GABA, the greater of above, or:
 - If membership service is less than 20 years:
 - 2% of the highest monthly compensation (HMC) x years of service credit and
 - If membership services is greater or equal to 20 years:
 - 50% of HMC + 2% of HMC x years of service credit in excess of 20
 - Early retirement: Age 50 with 5 years of membership service – Normal retirement benefit calculated using HAC and service credit.

Second retirement:

Applies to retirement system members re-employed in a FURS position on or after July 1, 2017;

- If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - Is not awarded service credit for the period of re-employment;
 - Is refunded the accumulated contributions associated with the period of re-employment;

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

- Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
- Does not accrue post-retirement benefit adjustments during the term of re-employment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - Is awarded service credit for the period of re-employment;
 - Starting the first month following termination of service, receives;
 - * The same retirement benefit previously paid to the member; and
 - * A second retirement benefit for the period of re-employment calculated based on the laws in effect as of the members' rehire date, and
 - Does not accrue post-retirement benefit adjustments during the term of re-employment but receives a GABA:
 - * On the initial retirement benefit in January immediately following second retirement, and
 - * On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

Member's compensation period used in benefit calculation

- Hired prior to July 1, 1981 and not electing GABA: highest monthly compensation (HMC);
- Hired on or after June 30, 1981 and those electing GABA: highest average compensation (HAC) during any consecutive 36 months.
- Part-time firefighter: 15% of regular compensation of a newly confirmed full-time firefighter.

Compensation Cap

- Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member's highest average compensation.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA – and has been retired for at least 12 months - the member's benefit increases by 3% each January.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Minimum Benefit Adjustment (non-GABA)

If hired before July 1, 1997, and the member did not elect GABA – the monthly benefit adjustment is provided equal to 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a firefighter.

Contributions – The state Legislature has the authority to establish and amend contribution rates to the plan. Member and employer contributions rates are specified by the Montana Statute and are a percentage of the members’ compensation. Contributions are deducted from each member’s salary and remitted by participating employers.

Special Funding: MCA 19-13-604 requires the State of Montana to contribute a percentage of the total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are shown in the table below:

Fiscal Year	Member		Employer	State
	Non-GABA	GABA		
1998 - 2019	9.50%	10.70%	14.36%	32.61%
1997	7.80%		14.36%	32.61%

Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

GASB Statement 68 allows a measurement date of up to 12 months before the employer’s fiscal year-end can be utilized to determine the Plan’s TPL. The basis for the TPL as of June 30, 2018 was determined by taking the results of the June 30, 2017 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer’s and the state of Montana’s NPL for June 30, 2018, and 2017, are displayed below. The employer’s proportionate share equals the ratio of the employer’s contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government’s collective NPL that is associated with the non-state employer. The state’s proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The employer recorded a liability of \$ 7, 279,674 and the employer’s proportionate share was 6.3207 percent.

	Net Pension Liability as of 6/30/2018	Net Pension Liability as of 6/30/2017	Percent of Collective NPL as of 6/30/2018	Percent of Collective NPL as of 6/30/2017	Change in Percent of Collective NPL
City of Billings’ Proportionate Share	\$ 7,279,674	\$ 7,217,811	6.3207%	6.3855%	(0.0648%)
State of Montana Proportionate Share associated with the Employer	\$ 16,645,365	\$ 16,390,864	21.2626%	21.3635%	(0.1009%)
Total	\$ 23,925,039	\$ 23,608,675	27.5833%	27.7490%	(0.1657%)

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer’s reporting date that are expected to have a significant effect on the employer’s proportionate share of the collective NPL.

Pension Expense – At June 30, 2018 measurement date, the employer recognized its proportionate share of the Plan’s pension expense of \$1,039,931. The employer also recognized grant revenue of \$3,350,218 for the support provided by the state of Montana for the proportionate share of the pension expense that is associated with the employer.

	Pension Expense as of 6/30/2018	Pension Expense as of 6/30/2017
City of Billings’ Proportionate Share of FURS	\$ 1,039,931	\$ 1,049,572
Employer Grant Revenue - State of Montana Proportionate Share for the Employer	\$ 3,350,218	\$ 3,112,913
Total	\$ 4,390,149	\$ 4,162,485

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Recognition of deferred inflows and outflows

At June 30, 2018, the employer reported its proportionate share of FURS' deferred outflows of resources and deferred inflows of resources relate to FURS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 817,141	\$ 40,103
Projected Investment Earnings vs. Actual Investment Earnings	\$ -	\$ 88,299
Changes in Assumptions	\$ 712,791	\$ -
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	\$ -	\$ 191,509
Employer Contributions subsequent to the measurement date	\$ 1,498,669	
Total	\$ 3,028,601	\$ 319,911

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Reporting Year ended <u>June 30:</u>	<u>Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense</u>
2019	\$ 436,830
2020	\$ 304,736
2021	\$ 49,796
2022	\$ 273,444
Thereafter	\$ 145,216

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial evaluation was determined using the following actuarial assumptions.

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.23%
General Wage Growth*	3.50%
*includes Inflation at	2.75%
Merit Increases	0% to 6.30%
Post Retirement Increases 1. Guaranteed Annual Benefit Adjustment (GABA) each January <ul style="list-style-type: none"> ● Members hired on or after July 1, 1997 or those electing GABA ● Requires 12 full months of retirement before GABA will be made 2. Minimum Benefit Adjustment (non-GABA) <ul style="list-style-type: none"> ● Members with 10 or more years of membership service and member did not elect GABA 	3.00% The minimum benefit provided should be less than 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a firefighter
Mortality: <ul style="list-style-type: none"> ● Contributing members, Service Retired Members & beneficiaries ● Disabled Members 	RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, set back one year for males PR-2000 Combined Mortality Table with no projections

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation (78c & 78f) as of June 30, 2018, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	2.6%	4.00%
Domestic Equity	36.0%	4.55%
Foreign Equity	18.0%	6.35%
Fixed Income	23.4%	1.00%
Private Equity	12.0%	7.75%
Real Estate	8.0%	4.00%
Total	100%	

Discount Rate - The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board’s funding policy, which established the contractually required rates under the Montana Code Annotated. The State contributed 32.61% of the salaries paid by employers. Based on those assumptions, the Plan’s fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2134. Therefore, the long- term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following presents the employer’s sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change to the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.0% lower or 1.0% higher than the current rate.

As of measurement date	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
CITY OF BILLINGS Net Pension Liability	\$12,476,967.00	\$7,279,674.00	\$3,093,157.00

Pension plan fiduciary net position: The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) *Comprehensive Annual Financial Report* (CAFR) and the GASB 68 Report disclose the Plan’s fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/index.shtml>.

**CITY OF BILLINGS
MUNICIPAL POLICE OFFICERS’ RETIREMENT SYSTEM
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2018 (MEASUREMENT DATE)
JUNE 30, 2019 (REPORTING DATE)**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Municipal Police Officers’ Retirement System (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using June 30, 2018 measurement date for 2019 reporting.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, Pension Expense; the Fiduciary Net Position; and Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Account Standards Board (GASB).

General Information about the Pension Plan

Plan Description: The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1974 and governed by Title 19, chapters 2 & 9, Montana Code Annotated (MCA). This plan provides retirement benefits to all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature.

Deferred Retirement Option Plan (DROP): Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the Board. The DROP is governed by Title 19, Chapter 9, Part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may only participate in the DROP once. A participant remains a member of the MPORS, but will not receive membership service or service credit in the system for the duration of the member's DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to date as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends, they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Benefits provided: MPORS provides, retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and compensation. Member rights are vested after five years of service.

Service retirement

- 20 years of membership service, regardless of age
- Age 50 with 5 years of membership service
- 2.5% of FAC x years of service credit.

Second retirement:

Re-calculated using specific criteria for members who return to covered MPORS employment prior to July 1, 2017.

- Less than 20 years of membership service, upon re-employment, repay benefits and subsequent retirement is based on total MPORS service.
- More than 20 years of membership service, upon re-employment, receives initial benefit and a new retirement benefit based on additional service credit and FAX after re-employment.

Applies to retirement system members re-employed in a MPORS position on or after July 1, 2017.

1. If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - Is not awarded service credit for the period of re-employment;
 - Is refunded the accumulated contributions associated with the period of reemployment;
 - Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - Does not accrue post-retirement benefit adjustments during the term of reemployment, but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
2. If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - a. Is awarded service credit for the period of reemployment;
 - b. Starting the first month following termination of service, receives:
 - * The same retirement benefit previously paid to the member, and
 - * A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - * On the initial retirement benefit in January immediately following second retirement, and
 - * On the second retirement benefit starting in January after receiving that benefit for at least 12 months.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

3. A member who returns to covered service is not eligible for a disability benefit.

Member’s final average compensation (FAC)

- Hired prior to July 1, 1977 – average monthly compensation of final year of service;
- Hired on or after July 1, 1977 – final average compensation (FAC) for last consecutive 36 months.

Compensation Cap

- Hired on or after July 1 2013 – 110% annual cap on compensation considered as a part of a member’s FAC.

Guaranteed Annual Benefit Adjustment (GABA)

- Hired on or after July 1, 1997, or those electing GABA and has been retired for at least 12 months, a GABA will be made each year in January equal to 3%.

Minimum benefit adjustment (non-GABA)

- The minimum benefit provided may not be less than 50% of the compensation paid to a newly confirmed police officer of the employer that last employed the member as a police officer in the current fiscal year.

Contributions – The State Legislature has the authority to establish and amend contribution rates to the plan. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member’s compensation. Contributions are deducted from each member’s salary and remitted by participating employers.

Special Funding – MCA 19-9-702 requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are shown in the table below.

Fiscal Year	Member				Employer	State
	Hired <7/1/75	Hired >6/30/75	Hired >6/30/79	Hired >6/30/97 GABA		
2000-2019	5.80%	7.00%	8.50%	9.00%	14.41%	29.37%
1998-1999	7.80%	9.00%	10.50%	11.00%	14.41%	29.37%
1997	7.80%	9.00%	10.50%		14.36%	29.37%

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. GASB Statement 68 allows a measurement date of up to 12 months before the employer’s fiscal year-end can be utilized to determine the Plan’s TPL. The basis for the TPL as of June 30, 2018 was determined by taking the results of the June 30, 2017 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer’s and the State of Montana’s NPL for June 30, 2018, and 2017, are displayed below. The employer’s proportionate share equals the ratio of the employer’s contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government’s collective NPL that is associated with the non-state employer. The state’s proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid. The employer recorded a liability of \$12,572,529 and employer’s proportionate share was 7.3413 percent.

	Net Pension Liability as of 6/30/2018	Net Pension Liability as of 6/30/2017	Percent of Collective NPL as of 6/30/2018	Percent of Collective NPL as of 6/30/2017	Change in Percent of Collective NPL
City of Billings’ Proportionate Share	\$ 12,572,529	\$ 12,566,878	7.3413%	7.0635%	0.2778%
State of Montana Proportionate Share associated with the Employer	\$ 25,694,029	\$ 25,613,434	22.3512%	21.4601%	0.8911%
Total	\$ 38,266,558	\$ 38,180,312	29.6925%	28.5236%	1.1689%

Changes in actuarial assumptions and methods: There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer’s reporting date that are expected to have a significant effect on the employer’s proportionate share of the collective NPL.

Pension Expense – At June 30, 2018 measurement date, the employer recognized its proportionate share of the Plan’s pension expense of \$1,484,001. The employer also recognized grant revenue of \$3,541,968 for the support provided by the State of Montana for the proportionate share of the pension expense that is associated with the employer. *(Two years of pension expense are documented in the above table, but are not necessary for the employer’s disclosures.)*

As of measurement date	Pension Expense as of 6/30/2018	Pension Expense as of 6/30/2017
City of Billings’ Proportionate Share of MPORS	\$ 1,484,001	\$ 1,458,889
State of Montana Proportionate Share associated with the Employer	\$ 3,541,968	\$ 3,102,334
Total	\$ 5,025,969	\$ 4,561,223

Recognition of Deferred Inflows and Outflows – At June 30, 2018, the employer reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 35,242	\$ 250,756
Projected Investment Earnings vs. Actual Investment Earnings	\$ -	\$ 95,331
Changes in Assumptions	\$ 587,733	\$ -
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	\$ 398,807	\$ -
Employer Contributions subsequent to the measurement date	\$ 1,727,498	\$ -
Total	\$ 2,749,280	\$ 346,088

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Reporting Year ended <u>June 30</u> :	Amount of deferred outflows and deferred inflows recognized in future years as an <u>increase or</u> <u>(decrease) to Pension Expense</u>
2019	\$ 453,509
2020	\$ 395,659
2021	\$ (117,414)
2022	\$ (56,060)
2023	\$ -
Thereafter	\$ -

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions.

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.24%
General Wage Growth*	3.50%
*includes Inflation at	2.75%
Merit Increases	0% to 6.60%
Post Retirement Increases 1. Guaranteed Annual Benefit Adjustment (GABA) each January <ul style="list-style-type: none"> ● Members hired on or after July 1, 1997, or those electing GABA ● Requires 12 full months of retirement before GABA will be made 2. Minimum Benefit Adjustment (non-GABA) <ul style="list-style-type: none"> ● Benefit for a retired member or member's survivor and member did not elect GABA 	3.00% The minimum benefit provided should not be less than 50% of the monthly compensation paid to a newly confirmed police officer of the employer that last employed the member as a police officer
Mortality: <ul style="list-style-type: none"> ● Contributing members, Service Retired Members & beneficiaries ● Disabled Retirees 	RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, set back one year for males PR-2000 Combined Mortality Table with no projects

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation (78c & 78f) as of June 30, 2018, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	2.6%	4.00%
Domestic Equity	36.0%	4.55%
Foreign Equity	18.0%	6.35%
Fixed Income	23.4%	1.00%
Private Equity	12.0%	7.75%
Real Estate	8.0%	4.00%
Total	100.0%	

Discount Rate – The discount rate used to measure the PPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board’s funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 29.37% of the salaries paid by the employers. Based on those assumptions, the Plan’s fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2132. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following presents the employer’s sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change to the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it was calculated using a discount rate 1.0% lower and 1.0% higher than the current rate.

CITY OF BILLINGS, MONTANA

Notes to Financial Statements

	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
City of Billings' Net Pension Liability	\$19,093,365	\$12,572,529	\$7,357,599

Pension plan fiduciary net position – The stand-alone financial statements of the Montana Public Employees Retirement (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the Plan’s fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, 406-444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/index.shtml>.

PERS-defined contributions retirement plan (DCRP)

The City of Billings contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS DBRP or join the PERS DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member’s compensation. Contributions are deducted from each member’s salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership services for the employer’s contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2017, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 300 employers that have participants in the PERS-DCRP totaled \$396,650.

REQUIRED SUPPLEMENTAL INFORMATION

Required Supplemental Information

CITY OF BILLINGS, MONTANA

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual

For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 16,790,920	\$ 16,790,920	\$ 16,846,703	\$ (55,783)
Licenses and permits	2,146,291	2,146,291	2,234,380	(88,089)
Intergovernmental	11,430,866	11,430,866	11,404,984	25,882
Charges for services	4,032,642	4,032,642	4,256,806	(224,164)
Fines and forfeitures	1,656,203	1,656,203	1,271,808	384,395
Special assessments	-	-	189	(189)
Other	217,000	217,000	727,582	(510,582)
Total revenues	<u>36,273,922</u>	<u>36,273,922</u>	<u>36,742,452</u>	<u>(468,530)</u>
Expenditures:				
Current:				
General government	\$ 6,772,214	\$ 7,187,816	\$ 6,958,759	\$ 229,057
Public safety	612,809	697,207	508,379	188,828
Culture and recreation	5,451,134	5,510,321	5,194,880	315,441
Capital outlay	-	-	14,594	(14,594)
Debt service:				
Total expenditures	<u>12,836,157</u>	<u>13,395,344</u>	<u>12,676,612</u>	<u>718,732</u>
Revenues over (under) expenditures	<u>23,437,765</u>	<u>22,878,578</u>	<u>24,065,840</u>	<u>(1,187,262)</u>
Other financing sources (uses):				
Transfers in	6,600	6,600	2,022	4,578
Transfers out	(31,037,603)	(31,855,087)	(29,385,533)	(2,469,554)
Total other financing sources (uses)	<u>(31,031,003)</u>	<u>(31,848,487)</u>	<u>(29,383,511)</u>	<u>(2,464,976)</u>
Net change in fund balances	<u>\$ (7,593,238)</u>	<u>\$ (8,969,909)</u>	<u>(5,317,671)</u>	<u>\$ (3,652,238)</u>
Fund balance, beginning of year			<u>27,717,469</u>	
Fund balance, end of year			<u>\$ 22,399,798</u>	

The notes to the financial statements are an integral part of this statement.

Required Supplemental Information

CITY OF BILLINGS, MONTANA
Major Special Revenue Fund - Public Safety
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 12,938,519	\$ 12,680,422	\$ 12,947,901	\$ (267,479)
Licenses and permits	27,700	23,000	38,922	(15,922)
Intergovernmental	2,815,211	2,955,145	3,095,248	(140,103)
Charges for services	1,482,387	1,622,321	1,778,084	(155,763)
Fines and forfeitures	2,400	2,400	2,540	(140)
Other	29,395	29,395	78,501	(49,106)
Total revenues	<u>17,295,612</u>	<u>17,312,683</u>	<u>17,941,196</u>	<u>(628,513)</u>
Expenditures:				
Current:				
Public safety	40,713,355	42,016,825	41,529,150	487,675
Public health	954,131	964,820	964,431	389
Capital outlay	1,464,000	1,800,604	488,425	1,312,179
Total expenditures	<u>43,131,486</u>	<u>44,782,249</u>	<u>42,982,006</u>	<u>1,800,243</u>
Revenues over (under) expenditures	<u>(25,835,874)</u>	<u>(27,469,566)</u>	<u>(25,040,810)</u>	<u>(2,428,756)</u>
Other financing sources (uses):				
Transfers in	27,223,436	28,040,920	25,666,599	2,374,321
Transfers out	(1,387,562)	(1,387,562)	(1,346,998)	(40,564)
Sale of capital assets	-	-	2,355	(2,355)
Total other financing sources (uses)	<u>25,835,874</u>	<u>26,653,358</u>	<u>24,321,956</u>	<u>2,331,402</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (816,208)</u>	<u>(718,854)</u>	<u>\$ (97,354)</u>
Fund balance, beginning of year			2,190,587	
Fund balance, end of year			<u>\$ 1,471,733</u>	

The notes to the financial statements are an integral part of this statement.

Required Supplemental Information

A. Budgetary Information

Budgets are legally required and are prepared for all the City's governmental funds. Except for on-behalf payments by the State of Montana for pension plan contributions, these budgets are prepared on the same basis and use the same accounting practices as are used to account for and prepare financial reports for the governmental funds, consistent with accounting principles generally accepted in the United States of America.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) On or before June 1st, all departments and agencies of the City submit requests for appropriations to the city administrator so that a budget may be prepared.
- 2) Before June 10th, the proposed budget and tax levy must be submitted to the city clerk and then is presented to the city council for review and approval.
- 3) The council holds public hearings and a final budget and tax levy must be prepared, adopted, and submitted to the county auditor, no later than the first Thursday in September or within 30 calendar days of receiving certified taxable values from the Montana Department of Revenue.

The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The city council may amend the budget at the fund level by reducing appropriations when (1) a shortfall is anticipated and budgeted revenues occur resulting in expenditures for the year exceeding actual revenues and available cash balances or, (2) savings result from unanticipated adjustments in projected expenditures. Amended appropriations are made at the total expenditure, or fund level, and public hearings are required.

Annual appropriated budgets are adopted for all the City's funds, and all annual appropriations lapse at fiscal yearend. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year end will be re-appropriated and honored during the subsequent year. The annual appropriated budget was amended during the year. The major fund amendments were for the General Fund; Public Safety Fund; Nonmajor Special Revenue Funds: Development Services Grants Fund; Library Fund; Storm Sewer; North 27th Street Tax Increment Operating; South Tax Increment Operating; East Tax Increment Operating; Arterial Streets; EOC 911; Fire Grants; Gas Tax; Park District 1; City County Planning; Baseball Field/Stadium Donation for Capital Maintenance; Nonmajor Debt Service Funds: Sidewalk Debt Service; Nonmajor Capital Project Funds: Storm Sewer Construction; Special Improvement Districts; and Sidewalk and Curb

Required Supplemental Information

Districts Fund; Capital Replacement Fund; Enterprise Funds: Water Fund, and Solid Waste Fund; and Internal Service Funds: Facilities Management Fund.

Management can transfer appropriations between and among expenditure classes of salaries and benefits, operations and maintenance, capital outlay, interest and debt redemption, or miscellaneous without city council approval or a public hearing, provided that no salary shall be increased above the amount appropriated. As a matter of management accountability, the city council is informed of all appropriation transfers.

Spending control is established by the total amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item levels. Individual fund budgets are the same as the appropriation amounts.

B. Reconciliation of Budgetary Revenues and Expenditures and GAAP Revenues and Expenditures

	<u>Public Safety Fund</u>
<u>Revenues</u>	
Actual amounts (budgetary basis) "Total revenues" from the budget	\$ 17,941,196
Differences-budget to GAAP:	
On-behalf payments by the State of Montana for pension plan contributions are not a budgetary resource but are revenues for financial reporting purposes	<u>6,924,248</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 24,865,444</u>
<u>Expenditures</u>	
Actual amounts (budgetary basis) "Total expenditures" from the budget	\$ 42,982,006
Differences-budget to GAAP:	
On-behalf payments by the State of Montana for pension plan contributions are not a budgetary outflow but are expenditures for financial reporting purposes	<u>6,924,248</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 49,906,254</u>

Required Supplemental Information

C. Other Post-Employment Benefits Liability

Actuarial Assumptions and Methods

Valuation Date June 30, 2019

Measurement Date June 30, 2019

Discount Rate 3.86% per annum

For unfunded plans: Discount rate is based on index rate for 20-year tax-exempt general obligation bonds with an average rating of AA/Aa or higher [Bond Buyer 20-Bond GO Index]. For fully funded plans: Discount rate is based on expected long-term rate of return on plan investments where assets are projected to cover all future benefit payments.

Salary Increase Rate 3.0% per annum

Inflation Rate 3.0% per annum

Census Data The census was provided by the City as of June 30, 2019.

Marriage Rate The assumed number of eligible spouses is based on the current information in the census provided.

Spouse Age Male spouses are assumed to be three years older than female spouses.

Medicare Eligibility All current and future retirees are assumed to be eligible for Medicare at age 65.

Actuarial Cost Method Entry Age Normal based on level percentage of projected salary.

Amortization Method

Experience gains and losses are amortized over a closed period of 7.7 years starting on the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service). *Investment* gains and losses are amortized over a closed period of five years starting on June 30, 2017. This does not apply to the City.

Mortality Rates

RP-2014 generational table scaled using MP- 18 and applied on a gender-specific basis for the City of Billings.

Required Supplemental Information

Plan Participation Percentage

It is assumed that 50% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time, irrevocable election to participate is made at retirement.

Health Care Cost Trend Rate

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study. The initial trends were set based on a combination of employer history, trend surveys, and professional judgment. The ultimate healthcare trend rate is 4.5%. Administrative costs are assumed to trend at 4.5%. Select trends are reduced at 0.5% each year until reaching the ultimate trend rate.

Per Capita Health Claim Cost

Expected retiree claim costs were developed using 24 months of historical claim experience through March 2019. The annual age 60 and 70 claim costs for retirees and their spouses are as follows:

Per Capita Cost	Age 60
Plan C – Standard Plan	\$ 9,013
Plan D – HDHP	\$ 8,316

Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee. These amounts are provided in the table below and are trended at the levels shown in the “Health Care Cost Trend Rate” table.

Expense Type	Per Retiree per Month
Specific Stop Loss Premium – Single	\$28.52
Specific Stop Loss Premium – Family	\$72.33
Benefit Plan Management Fee	\$23.33

Plan Election Percentage

The percentage of retirees electing each of the plans available is shown in the table below. These estimates are based on the current retiree elections.

Plan Name	% Election
Standard Plan	85%
HDHP Plan	15%

Required Supplemental Information

Age Based Morbidity

The assumed per capita health claim costs are adjusted to reflect expected increases related to age and gender. These increases are based on a 2013 Society of Actuaries study, with sample rates shown below:

Sample Age	Male	Female
45	4.6%	1.6%
50	6.2%	4.2%
55	5.4%	2.4%
60	4.7%	3.6%
65	1.7%	2.4%
70	1.8%	2.0%
75	1.2%	1.3%
80	0.8%	1.1%

Retirement Age

Sample retirement ages and associated probabilities are provided in the table below. These values are based on the 2018 Actuarial Valuations of the Public Employees' Retirement System of the State of Montana, the Municipal Police Officers' Retirement System of the State of Montana, and the Firefighters' Unified Retirement System of the State of Montana.

Age	<30	>30 years or Age 60 and 25 Years	Police	Fire
<50	0%	10%	12%	5%
50-54	3%	10%	15%	10%
55	3%	25%	20%	25%
56	4%	15%	20%	25%
57	5%	15%	20%	25%
58	5%	15%	20%	25%
59	6%	15%	20%	25%
60	8%	15%	20%	50%
61	15%	15%	20%	50%
62	25%	25%	100%	50%
63-64	15%	15%	100%	100%
65-66	30%	30%	100%	100%
67-69	25%	25%	100%	100%
70	100%	100%	100%	100%

Required Supplemental Information

Termination

The rate of withdrawal is based on the withdrawal assumption used in the 2018 Actuarial Valuations of the Public Employees' Retirement System of the State of Montana, the Municipal Police Officers' Retirement System of the State of Montana, and the Firefighters' Unified Retirement System of the State of Montana. The rate of withdrawal for reasons other than death and retirement is dependent on an employee's age and years of service. Sample rates are provided below:

Years of Service	Police	Fire	Other
0	16%	4.3%	30%
1	13%	4.3%	22.5%
2	11%	4.3%	15%
3	9%	4.3%	12.5%
4-5	7%	3%	10%
6	7%	3%	8%
7	7%	2%	6%
8-9	5%	2%	6%
10	2%	2%	6%
11-14	2%	1%	4%
15+	2%	1%	2%

Valuation of Excise Tax

An active/retiree blended pre-65 plan cost is projected at health care cost trend and compared to the excise tax cost threshold beginning in 2022 and continuing thereafter. The City will be liable for 40% of the difference between plan costs and the cost threshold, when the plan costs are greater than the cost threshold. Excise tax is not applied to Medicare retiree coverage.

Excise Tax Thresholds

The 2018 annual threshold costs for excise tax are as follows:

Pre-65 Retiree Single	\$11,850
Pre-65 Retiree Family	\$30,950

On December 18, 2015, a bill was signed delaying the excise tax for two years. On January 22, 2018, a bill was signed delaying the implementation for an additional two years. The above thresholds will soon be updated to reflect this four-year delay. The active and pre-65 retiree thresholds have been weighted.

Required Supplemental Information

Required Supplemental OPEB Information
Other Post Employment Benefits Liability
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Present Value of Future Benefits			
Actives	\$ 12,984	\$ 13,457	\$ 10,046
Retirees	<u>2,797</u>	<u>2,350</u>	<u>2,470</u>
Total	\$ 15,781	\$ 15,807	\$ 12,516
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB Liability			
Actives	\$ 7,665	\$ 7,964	\$ 6,047
Retirees	2,797	2,907	2,470
Total OPEB Liability (TOL)	10,462	10,871	8,517
Fiduciary Net Position (FNP)	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability (NOL)	\$ 10,462	\$ 10,871	\$ 8,517
Covered-employee payroll	49,636	51,621	54,617
NOL as a % of covered-employee payroll	21.1%	21.1%	15.6%
Total OPEB Expense	<u>2017</u>	<u>2018</u>	<u>2019</u>
Service cost	\$ 556	\$ 577	\$ 600
Interest cost	320	416	435
Changes of benefit terms	-	-	-
Current recognized deferred outflows/(inflows)			
Difference between actual and expected experience	(123)	(123)	(390)
Changes in assumptions or other inputs	406	405	279
Other changes, separately identified, if significant	<u>-</u>	<u>-</u>	<u>-</u>
Total Expense	\$ 1,159	\$ 1,275	\$ 924

¹ In FY2017, The City of Billings adopted GASB 75. See Notes to Financial Statements.

Required Supplemental Information

D. Schedules of the City's Proportionate Share of the Net Pension Liability

**Schedule of the City's Proportionate Share of the Net Pension Liability
Public Employees Retirement System (PERS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)**

As of measurement date	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	43,207	51,226	41,741	34,676	30,549
Employer's proportion of the net pension liability (percentage)	2.07%	2.63%	2.45%	2.48%	2.45%
State's net pension liability	14,470	682	510	426	373
Total	<u>57,677</u>	<u>51,908</u>	<u>42,251</u>	<u>35,102</u>	<u>30,922</u>
Employer's covered payroll	34,044	32,627	29,353	28,950	27,980
Employer's proportionate share as a percent of covered payroll	126.91%	157.01%	142.20%	119.78%	110.07%
Plan fiduciary net position as a percent of total pension liability	73.47%	73.75%	74.71%	78.40%	79.90%

¹ In FY2015, The City of Billings adopted GASB 68. See Notes to Financial Statements.

Required Supplemental Information

**Schedule of the City's Proportionate Share of the Net Pension Liability
Firefighters' Unified Retirement System (FURS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)**

As of measurement date	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	7,280	7,218	7,367	6,829	6,450
Employer's proportion of the net pension liability (percentage)	6.32%	6.39%	6.45%	6.68%	6.61%
State's net pension liability	16,645	16,391	16,690	15,210	14,551
Total	23,925	23,609	24,057	22,039	21,001
Employer's covered payroll	9,955	9,546	9,083	8,973	8,583
Employer's proportionate share as a percent of covered payroll	73.13%	75.61%	81.11%	76.11%	75.15%
Plan fiduciary net position as a percent of total pension liability	79.03%	77.77%	75.48%	76.90%	76.70%

¹ In FY2015, The City of Billings adopted GASB 68. See Notes to Financial Statements.

**Schedule of the City's Proportionate Share of the Net Pension Liability
Municipal Police Officers' Retirement System (MPORS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)**

As of measurement date	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	12,573	12,567	12,571	11,661	11,275
Employer's proportion of the net pension liability (percentage)	7.34%	7.06%	6.98%	7.05%	7.18%
State's net pension liability	25,694	25,613	24,955	23,627	22,778
Total	38,267	38,180	37,526	35,288	34,053
Employer's covered payroll	11,585	10,538	9,859	9,757	9,628
Employer's proportionate share as a percent of covered payroll	108.53%	119.25%	127.52%	119.52%	117.11%
Plan fiduciary net position as a percent of total pension liability	70.95%	68.34%	65.62%	66.90%	67.00%

¹ In FY2015, The City of Billings adopted GASB 68. See Notes to Financial Statements.

Required Supplemental Information

E. Schedules of the City's Contributions

**Schedule of the City's Contributions
Public Employees Retirement System (PERS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)**

As of most recent FYE (reporting date)	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required DB contributions	2,993	2,884	2,731	2,453	2,386
Plan choice rate required contributions	-	-	-	83	125
Contributions in relation to the contractually required contributions	2,993	2,884	2,731	2,536	2,510
Contribution deficiency (excess)	-	-	-	-	-
Employer's covered payroll	34,920	34,044	32,627	29,353	28,950
Contributions of covered payroll (as a percentage)	8.57%	8.47%	8.37%	8.64%	8.67%

¹ In FY2015, The City of Billings adopted GASB 68. See Notes to Financial Statements.

**Schedule of the City's Contributions
Firefighters' Unified Retirement System (FURS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)**

As of most recent FYE (reporting date)	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	1,499	1,465	1,371	1,299	1,314
Contributions in relation to the contractually required contributions	1,499	1,465	1,371	1,299	1,314
Contribution deficiency (excess)	-	-	-	-	-
Employer's covered payroll	10,436	9,955	9,546	9,083	8,973
Contributions as a percent of covered payroll	14.36%	14.72%	14.36%	14.30%	14.64%

¹ In FY2015, The City of Billings adopted GASB 68. See Notes to Financial Statements.

Required Supplemental Information

**Schedule of the City's Contributions
Municipal Police Officers' Retirement System (MPORS)
Last Ten Fiscal Years ¹
(Dollar amounts in Thousands)**

As of most recent FYE (reporting date)	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	1,727	1,733	1,522	1,444	1,414
Contributions in relation to the contractually required contributions	1,727	1,733	1,522	1,444	1,414
Contribution deficiency (excess)	-	-	-	-	-
Employer's covered payroll	11,988	11,585	10,538	9,859	9,757
Contributions as a percent of covered payroll	14.41%	14.96%	14.44%	14.65%	14.50%

¹ In FY2015, The City of Billings adopted GASB 68. See Notes to Financial Statements.

**Notes to Required Supplementary Information
for the year ended June 30, 2018 (as of Measurement Date)**

Changes of Benefit Terms

The following changes to the PERS plan provisions were made as identified:

2017:

Working Retiree Limitations – for PERS

If a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest credited to member accounts – Effective July 1, 2017, the interest rate credited to member accounts increase from 0.25% to 0.77%.

Required Supplemental Information

Lump-Sum payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions.

The following Actuarial Assumptions were adopted from June 2016 Experience Study:

General Wage Growth*	3.5%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 6.30%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as % of payroll	0.26%

Administrative expense are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

Changes of Benefit Terms

The following changes to the MPORS plan provisions were made as identified:

2017:

Working Retiree Limitations – For MPORS

- 1) Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.

Required Supplemental Information

- 2) Members who return for less than 480 hours in a calendar year:
 - a. May not become an active member in the system; and
 - b. Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.
- 3) Members who return for 480 or more hours in a calendar year:
 - a. Must become an active member of the system;
 - b. Will stop receiving a retirement benefit from the system; and
 - c. Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- 4) Employee, employer and state contributions, if any, apply as follows:
 - a. Employer contributions and state contributions (if any) must be paid on all working retirees;
 - b. Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit – for MPORS

- 1) Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- 2) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - a. Is not awarded service credit for the period of reemployment;
 - b. Is refunded the accumulated contributions associated with the period of reemployment;
 - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- 3) If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - a. Is awarded service credit for the period of reemployment;
 - b. Starting the first month following termination of service, receives:
 - i. The same retirement benefit previously paid to the member, and
 - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - i. On the initial retirement benefit in January immediately following second retirement, and
 - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 4) A member who returns to covered service is not eligible for a disability benefit.

Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.

Required Supplemental Information

- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest Credited to member accounts

- 1) Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-sum payouts

- 1) Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of member's benefit.

Changes in Actuarial Assumptions and Methods

Method and Actuarial Assumptions were adopted from the June 30, 2017 actuarial valuation:

General Wage Growth*	3.5%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 6.60%
Asset Valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.24%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate of the System. This amount varies from year to year based on the prior year's actual administrative expenses.

Changes of Benefit Terms

The following changes to the FURS plan provision were made as identified:

2017:

Working Retiree Limitations – for FURS

- 1) Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.
- 2) Members who return for less than 480 hours in a calendar year:

Required Supplemental Information

- a. May not become an active member in the system; and
 - b. Are subject to a \$1 reduction in their retirement benefit for each \$3 earned in excess of \$5,000 in the calendar year.
- 3) Members who return for 480 or more hours in a calendar year:
- a. Must become an active member of the system;
 - b. Will stop receiving a retirement benefit from the system; and
 - c. Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- 4) Employee, employer and state contributions, if any, apply as follows:
- a. Employer contributions and state contributions (if any) must be paid on all working retirees;
 - b. Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit – for FURS

1. Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
2. If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - a. Is not awarded service credit for the period of reemployment;
 - b. Is refunded the accumulated contributions associated with the period of reemployment;
 - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit adjustment (GABA) in January immediately following second retirement.
3. If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - a. Is awarded service credit for the period of reemployment;
 - b. Starting the first month following termination of service, receives:
 - i. The same retirement benefit previously paid to the member, and
 - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - i. On the initial retirement benefit in January immediately following second retirement, and
 - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
4. A member who returns to covered service is not eligible for a disability benefit.

Required Supplemental Information

Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest credited to member accounts

- 1) Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-sum payouts

- 1) Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2017, actuarial valuation:

General Wage Growth*	3.5%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 6.3%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.23%

SUPPLEMENTAL INFORMATION

MAJOR FUNDS
BUDGET AND ACTUAL SCHEDULES

CITY OF BILLINGS, MONTANA

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual

For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 16,790,920	\$ 16,790,920	\$ 16,846,703	\$ (55,783)
Licenses and permits	2,146,291	2,146,291	2,234,380	(88,089)
Intergovernmental	11,430,866	11,430,866	11,404,984	25,882
Charges for services	4,032,642	4,032,642	4,256,807	(224,165)
Fines and forfeitures	1,656,203	1,656,203	1,271,808	384,395
Special assessments	-	-	189	(189)
Other	217,000	217,000	727,579	(510,579)
Total revenues	<u>36,273,922</u>	<u>36,273,922</u>	<u>36,742,450</u>	<u>(468,528)</u>
Expenditures:				
Current:				
Salaries and benefits	8,453,625	8,611,820	8,356,983	254,837
Operations and maintenance	4,382,532	4,783,524	4,305,034	478,490
Capital outlay	-	-	14,594	(14,594)
Total expenditures	<u>12,836,157</u>	<u>13,395,344</u>	<u>12,676,611</u>	<u>718,733</u>
Revenues over (under) expenditures	<u>23,437,765</u>	<u>22,878,578</u>	<u>24,065,839</u>	<u>(1,187,261)</u>
Other financing sources (uses):				
Transfers in	6,600	6,600	2,022	4,578
Transfers out	<u>(31,037,603)</u>	<u>(31,855,087)</u>	<u>(29,385,533)</u>	<u>(2,469,554)</u>
Total other financing sources (uses)	<u>(31,031,003)</u>	<u>(31,848,487)</u>	<u>(29,383,511)</u>	<u>(2,464,976)</u>
Net change in fund balances	<u>\$ (7,593,238)</u>	<u>\$ (8,969,909)</u>	<u>(5,317,672)</u>	<u>\$ (3,652,237)</u>
Fund balance, beginning of year			<u>27,717,469</u>	
Fund balance, end of year			<u>\$ 22,399,797</u>	

CITY OF BILLINGS, MONTANA
Major Special Revenue Fund - Public Safety
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 12,938,519	\$ 12,680,422	\$ 12,947,901	\$ (267,479)
Licenses and permits	27,700	23,000	38,922	(15,922)
Intergovernmental	2,815,211	2,955,145	3,095,248	(140,103)
Charges for services	1,482,387	1,622,321	1,778,084	(155,763)
Fines and forfeitures	2,400	2,400	2,540	(140)
Other	29,395	29,395	78,501	(49,106)
Total revenues	<u>17,295,612</u>	<u>17,312,683</u>	<u>17,941,196</u>	<u>(628,513)</u>
Expenditures:				
Current:				
Salaries and benefits	36,243,588	37,385,118	36,675,224	709,894
Operations and maintenance	5,423,898	5,596,527	5,818,357	(221,830)
Capital outlay	1,464,000	1,800,604	488,425	1,312,179
Total expenditures	<u>43,131,486</u>	<u>44,782,249</u>	<u>42,982,006</u>	<u>1,800,243</u>
Revenues over (under) expenditures	<u>(25,835,874)</u>	<u>(27,469,566)</u>	<u>(25,040,810)</u>	<u>(2,428,756)</u>
Other financing sources (uses):				
Transfers in	27,223,436	28,040,920	25,666,599	2,374,321
Transfers out	(1,387,562)	(1,387,562)	(1,346,998)	(40,564)
Sale of capital assets	-	-	2,355	(2,355)
Total other financing sources (uses)	<u>25,835,874</u>	<u>26,653,358</u>	<u>24,321,956</u>	<u>2,331,402</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (816,208)</u>	<u>(718,854)</u>	<u>\$ (97,354)</u>
Fund balance, beginning of year			2,190,587	
Fund balance, end of year			<u>\$ 1,471,733</u>	

NONMAJOR GOVERNMENT FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources that are administratively or legally restricted to expenditures for specified purposes.

NONMAJOR DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources for, and payment of, interest, principal and related costs on bonded general long-term debt.

NONMAJOR CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds) and the construction of public improvements that are financed through assessments to individual property owners.

NONMAJOR PERMANENT FUND

The Permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

CITY OF BILLINGS, MONTANA
Nonmajor Government Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ 22,642,598	\$ 1,858,017	\$ 3,807,625	\$ 303,297	\$ 28,611,537
Cash with fiscal agent	1,455,616	3,046,293	-	-	4,501,909
Investments	32,683,058	2,688,607	5,527,538	439,036	41,338,239
Receivables:					
Property taxes	591,175	93,251	-	-	684,426
Accounts and unbilled usage	64,945	-	16,639	-	81,584
Delinquent special assessments	1,176,911	48,568	-	-	1,225,479
Special assessments receivable	-	5,728,311	-	-	5,728,311
Accrued interest	126,149	12,740	32,751	1,996	173,636
Notes	2,184,011	-	-	-	2,184,011
Due from other funds	200,349	-	-	-	200,349
Due from other governments	673,865	-	-	-	673,865
Inventories	161,238	-	-	-	161,238
Property held for resale	35,000	155,997	187,828	-	378,825
Total assets	\$ 61,994,915	\$ 13,631,784	\$ 9,572,381	\$ 744,329	\$ 85,943,409
Liabilities, Deferred Inflows and Fund Balances					
Liabilities:					
Accounts payable	\$ 3,822,517	\$ -	\$ 195,394	\$ -	\$ 4,017,911
Accrued wages & benefits	420,466	-	-	-	420,466
Unearned Revenue	748,237	-	-	-	748,237
Other liabilities	-	73,350	-	-	73,350
Due to other funds	228,593	-	200,350	-	428,943
Total liabilities	5,219,813	73,350	395,744	-	5,688,907
Deferred inflows:					
Unavailable Revenue	2,882,599	5,760,292	-	-	8,642,891
Fund balance:					
Unspendable	161,238	-	-	744,329	905,567
Restricted	44,544,328	7,798,142	9,368,244	-	61,710,714
Committed	9,241,420	-	-	-	9,241,420
Unassigned	(54,483)	-	(191,607)	-	(246,090)
Total fund balances	53,892,503	7,798,142	9,176,637	744,329	71,611,611
Total liabilities, deferred inflows and fund balances	\$ 61,994,915	\$ 13,631,784	\$ 9,572,381	\$ 744,329	\$ 85,943,409

CITY OF BILLINGS, MONTANA
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 7,838,416	\$ 2,154,455	\$ -	\$ -	\$ 9,992,871
Licenses and permits	1,800,892	-	-	-	1,800,892
Intergovernmental	10,707,976	-	-	-	10,707,976
Charges for services	9,599,149	-	-	19,725	9,618,874
Fines and forfeitures	476,480	-	-	-	476,480
Special assessments	23,395,177	1,478,412	-	-	24,873,589
Other	2,793,724	426,216	263,703	18,075	3,501,718
Total revenues	<u>56,611,814</u>	<u>4,059,083</u>	<u>263,703</u>	<u>37,800</u>	<u>60,972,400</u>
Expenditures:					
Current:					
General government	2,520,238	18,958	1,284	-	2,540,480
Public safety	3,810,302	-	395,800	-	4,206,102
Public works	22,899,821	39,100	267,876	-	23,206,797
Culture and recreation	5,188,958	-	-	-	5,188,958
Housing and economic development	4,572,631	-	8,957	-	4,581,588
Capital outlay	21,244,911	-	4,796,260	-	26,041,171
Debt service:					
Principal	730,000	3,166,327	-	-	3,896,327
Interest and fiscal charges	1,124,424	1,405,450	-	-	2,529,874
Bond issuance costs	-	-	75,300	-	75,300
Total expenditures	<u>62,091,285</u>	<u>4,629,835</u>	<u>5,545,477</u>	<u>-</u>	<u>72,266,597</u>
Revenues over (under) expenditures	<u>(5,479,471)</u>	<u>(570,752)</u>	<u>(5,281,774)</u>	<u>37,800</u>	<u>(11,294,197)</u>
Other financing sources (uses):					
Transfers in	2,755,381	1,014,544	4,035,191	-	7,805,116
Transfers out	(3,213,466)	(2,044)	-	(2,022)	(3,217,532)
Issuance of debt	3,465,000	-	-	-	3,465,000
Premium on bond debt	95,367	-	-	-	95,367
Special assessment bonds issued	-	-	1,625,000	-	1,625,000
Sale of capital assets	37,886	-	17,563	-	55,449
Total other financing sources (uses)	<u>3,140,168</u>	<u>1,012,500</u>	<u>5,677,754</u>	<u>(2,022)</u>	<u>9,828,400</u>
Net change in fund balances	<u>(2,339,303)</u>	<u>441,748</u>	<u>395,980</u>	<u>35,778</u>	<u>(1,465,797)</u>
Fund balance, beginning of year	56,231,806	7,356,394	8,780,657	708,551	73,077,408
Fund balance, end of year	<u>\$ 53,892,503</u>	<u>\$ 7,798,142</u>	<u>\$ 9,176,637</u>	<u>\$ 744,329</u>	<u>\$ 71,611,611</u>

NONMAJOR SPECIAL REVENUE FUNDS

The City's non-major special revenue funds and their purposes are:

- The Gas Tax Fund accounts for revenues received from the State of Montana gasoline tax.
- The EOC 911 Fund accounts for monies received from the State of Montana 911 program.
- The Animal Shelter Donations Fund accounts for donations to the Animal Shelter for specific purposes.
- The Development Services Grants Fund accounts for revenues from the Federal government for community and housing related programs.
- The Library Fund accounts for operations of the Billings Library.
- The Cemetery Improvements Fund accounts for expansion projects at the cemetery.
- The Street Maintenance Districts Fund accounts for various street programs.
- The Road Maintenance District Fund accounts for special assessments that support maintenance for an emergency route in and out of Briarwood Subdivision.
- The Light Maintenance Districts Fund accounts for the maintenance of street lighting systems within several such districts in the City.
- The Park Maintenance Districts Fund accounts for revenues and expenditures which are related to parks maintenance within the various districts of the City.
- The Storm Sewer Fund accounts for the operation and maintenance of the storm sewer system.
- The North 27th Street Tax Increment Operating Fund accounts for revenues from property tax levies on increased taxable values in the North 27th Street Tax Increment District. Amounts collected are used for the benefit of the tax increment district from which collections were assessed. Major revenue sources include property tax and revenue bond proceeds.

- The South Tax Increment Operating Fund accounts for revenues from property tax levies in the South Tax Increment District, not including the Miller Crossing properties, on increased values. Amounts collected are used for the benefit of the tax increment district from which collections were assessed.
- The East Tax Increment Operating Fund accounts for revenues from property tax levies on increased taxable values in the East Tax Increment District. Amounts collected are used for the benefit of the tax increment district from which collections were assessed.
- The Parks Program Fund accounts for revenues and expenditures related to park acquisitions and park improvements.
- The Police Programs Fund accounts for the following programs: Montana Board of Crime Control, Justice Assistant Grants, High Intensity Drug Traffic Area, Technology Grants, Homeland Security Grants, Internet Crimes Against Children, Highway Traffic Safety Grants, Community Police Officer, and other law enforcement related programs.
- The Amend Park Fund accounts for funds designated for the maintenance of Amend Park.
- The Sidewalk Hazard Repair fund was established to repair sidewalk defects. Repairs are completed without bond financing and are charged to the real property owner.
- The City-County Planning Fund, through an inter-local agreement, accounts for the operation of the Planning Department, which promotes the health, safety, convenience, and welfare of the Community.
- The Building Inspection Fund accounts for building permits and inspections for private construction in the City.
- The Street & Traffic Fund accounts for street cleaning, snow removal, minor street repairs, signage, street striping, forestry, and traffic signal maintenance.
- The City Attorney Grants Fund accounts for grants from the Montana Board of Crime Control that includes the Victim/Witness Grant and Domestic Violence Unit Grant to supplement the City Attorney's efforts.
- The Fire Programs Fund accounts for the Regional HazMat Team, grants, donations, and other fire related programs.
- The Municipal Court Grants Fund is funded by grants.
- The Downtown Revolving Loan Program Fund accounts for low-interest loans to qualified property owners located in downtown Billings. Loans are funded by local banks and the City of Billings.

- Baseball Field/Stadium Donations for Capital Maintenance Fund accounts for donations to fund future capital maintenance for the new baseball field/stadium.
- The Arterial Fees Fund complements other funds in the construction of arterial streets within the City.
- The Ballpark Repair Fund accounts for minor repairs at the ballpark facility.
- The Park District 1 Fund accounts for the city-wide park assessment, maintenance, and improvements.

CITY OF BILLINGS, MONTANA
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2019
 (Page 1 of 4)

	Gas Tax Fund	EOC 911 Fund	Animal Shelter Donations Fund	Development Services Grants Fund	Library Fund	Cemetery Improvements Fund	Street Maintenance Districts Fund	Road Maintenance District 6 Fund
Assets								
Cash and cash equivalents	\$ 2,934,166	\$ 1,270,244	\$ 15,786	\$ 130,195	\$ 1,231,494	\$ 68,140	\$ 1,532,858	\$ 4,508
Cash with fiscal agent	-	-	-	-	-	-	-	-
Investments	4,232,493	1,734,684	23,280	189,029	1,774,246	98,812	2,227,874	6,573
Receivables:								
Property taxes	-	-	-	-	39,934	-	-	-
Accounts and unbilled usage	-	-	-	-	-	-	-	-
Delinquent special assessments	-	-	-	-	-	-	494,137	422
Accrued interest	11,931	8,310	104	698	6,493	444	11,454	29
Notes	-	-	-	165,195	-	-	-	-
Due from other funds	200,349	-	-	-	-	-	-	-
Due from other governments	-	-	-	172,421	62,095	-	-	-
Inventories	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	35,000	-	-	-	-
Total assets	\$ 7,378,939	\$ 3,013,238	\$ 39,170	\$ 692,538	\$ 3,114,262	\$ 167,396	\$ 4,266,323	\$ 11,532
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	\$ 311,872	\$ 33,029	\$ -	\$ 10,346	\$ 87,966	\$ -	\$ -	\$ -
Accrued wages & benefits	2,383	1,204	-	15,905	79,365	-	-	-
Due to other funds	-	-	-	178,820	-	-	-	-
Unearned Revenue	748,237	-	-	-	-	-	-	-
Total liabilities	1,062,492	34,233	-	205,071	167,331	-	-	-
Deferred inflows:								
Unavailable Revenue	-	-	-	165,195	7,687	-	176,532	8
Fund balances:								
Unspendable	-	-	-	-	-	-	-	-
Restricted	6,316,447	2,979,005	-	322,272	1,557,799	167,396	4,089,791	11,524
Committed	-	-	39,170	-	1,381,445	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	6,316,447	2,979,005	39,170	322,272	2,939,244	167,396	4,089,791	11,524
Total liabilities, deferred inflows and fund balances	\$ 7,378,939	\$ 3,013,238	\$ 39,170	\$ 692,538	\$ 3,114,262	\$ 167,396	\$ 4,266,323	\$ 11,532

(continued)

CITY OF BILLINGS, MONTANA
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2019
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	Light Maintenance Districts Fund	Park Maintenance Districts Fund	Storm Sewer Fund	North 27th Street Tax Increment Operating Fund	South Tax Increment Operating Fund	East Tax Increment Operating Fund	Parks Program Fund
Assets							
Cash and cash equivalents	\$ 737,833	\$ 421,154	\$ 1,017,732	\$ 912,145	\$ 2,653,812	\$ 921,764	\$ 885,003
Cash with fiscal agent	-	-	-	647,761	478,447	329,408	-
Investments	1,070,952	612,692	1,470,461	1,319,063	3,836,039	1,343,529	1,282,778
Receivables:							
Property taxes	-	-	-	303,521	212,964	34,756	-
Accounts and unbilled usage	-	-	-	-	-	-	-
Delinquent special assessments	106,847	40,056	232,115	-	-	-	-
Accrued interest	5,586	2,237	7,765	2,377	14,263	4,917	5,872
Notes	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 1,921,218</u>	<u>\$ 1,076,139</u>	<u>\$ 2,728,073</u>	<u>\$ 3,184,867</u>	<u>\$ 7,195,525</u>	<u>\$ 2,634,374</u>	<u>\$ 2,173,653</u>
Liabilities, Deferred Inflows and Fund Balances							
Liabilities:							
Accounts payable	\$ 151,544	\$ 27,309	\$ 610,284	\$ 23,287	\$ 232,403	\$ 912,599	\$ 63,201
Accrued wages & benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total liabilities	<u>151,544</u>	<u>27,309</u>	<u>610,284</u>	<u>23,287</u>	<u>232,403</u>	<u>912,599</u>	<u>63,201</u>
Deferred inflows:							
Unavailable Revenue	<u>28,732</u>	<u>19,113</u>	<u>81,652</u>	<u>234,285</u>	<u>42,949</u>	<u>11,351</u>	<u>-</u>
Fund balances:							
Unspendable	-	-	-	-	-	-	-
Restricted	1,740,942	1,029,717	2,036,137	2,927,295	6,920,173	1,710,424	-
Committed	-	-	-	-	-	-	2,110,452
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,740,942</u>	<u>1,029,717</u>	<u>2,036,137</u>	<u>2,927,295</u>	<u>6,920,173</u>	<u>1,710,424</u>	<u>2,110,452</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,921,218</u>	<u>\$ 1,076,139</u>	<u>\$ 2,728,073</u>	<u>\$ 3,184,867</u>	<u>\$ 7,195,525</u>	<u>\$ 2,634,374</u>	<u>\$ 2,173,653</u>

(continued)

CITY OF BILLINGS, MONTANA
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2019
 (Page 3 of 4)

	Police Programs Fund	Amend Park Fund	Sidewalk Hazard Repair Fund	City-County Planning Fund	Building Inspection Fund	Street & Traffic Fund	City Attorney Grants Fund	Fire Programs Fund
Assets								
Cash and cash equivalents	\$ 554,357	\$ 98,898	\$ 37,390	\$ 209,623	\$ 1,016,280	\$ 1,871,300	\$ 232	\$ 106,741
Cash with fiscal agent	-	-	-	-	-	-	-	-
Investments	805,814	143,226	54,094	304,296	1,471,074	2,701,076	174	154,775
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Accounts and unbilled usage	36,835	-	3,134	-	24,976	-	-	-
Delinquent special assessments	-	-	-	-	-	-	-	-
Accrued interest	3,670	653	-	1,321	6,690	8,224	6	649
Notes	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	154,195	-	-	268,768	-	301	14,985	-
Inventories	-	-	-	-	-	161,238	-	-
Property held for resale	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,554,871</u>	<u>\$ 242,777</u>	<u>\$ 94,618</u>	<u>\$ 784,008</u>	<u>\$ 2,519,020</u>	<u>\$ 4,742,139</u>	<u>\$ 15,397</u>	<u>\$ 262,165</u>
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	\$ 171,434	\$ -	\$ 3,272	\$ 65,885	\$ 498	\$ 115,436	\$ -	\$ 1,424
Accrued wages & benefits	10,631	-	-	39,933	55,280	183,653	10,815	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>182,065</u>	<u>-</u>	<u>3,272</u>	<u>105,818</u>	<u>55,778</u>	<u>299,089</u>	<u>10,815</u>	<u>1,424</u>
Deferred inflows:								
Unavailable Revenue	-	-	-	-	-	-	-	-
Fund balances:								
Unspendable	-	-	-	-	-	161,238	-	-
Restricted	1,372,806	-	91,346	678,190	2,463,242	4,281,812	4,582	260,741
Committed	-	242,777	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>1,372,806</u>	<u>242,777</u>	<u>91,346</u>	<u>678,190</u>	<u>2,463,242</u>	<u>4,443,050</u>	<u>4,582</u>	<u>260,741</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,554,871</u>	<u>\$ 242,777</u>	<u>\$ 94,618</u>	<u>\$ 784,008</u>	<u>\$ 2,519,020</u>	<u>\$ 4,742,139</u>	<u>\$ 15,397</u>	<u>\$ 262,165</u>

(continued)

CITY OF BILLINGS, MONTANA
 Nonmajor Special Revenue Funds
 Combining Balance Sheet

June 30, 2019

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	Municipal Court Grant Fund	Downtown Revolving Loan Fund	Baseball Field/Stadium Donations for Capital Maintenance Fund	Arterial Fees Fund	Ballpark Repair Fund	Park District 1 Fund	Total Nonmajor Special Revenue Funds
Assets							
Cash and cash equivalents	\$ 5,718	\$ 226,977	210,100	\$ 2,071,066	\$ 24,543	\$ 1,472,539	\$ 22,642,598
Cash with fiscal agent	-	-	-	-	-	-	1,455,616
Investments	8,519	326,550	304,187	3,018,272	35,782	2,132,714	32,683,058
Receivables:							
Property taxes	-	-	-	-	-	-	591,175
Accounts and unbilled usage	-	-	-	-	-	-	64,945
Delinquent special assessments	-	-	-	210,905	-	92,429	1,176,911
Accrued interest	111	-	1,417	11,375	803	8,750	126,149
Notes	-	2,018,816	-	-	-	-	2,184,011
Due from other funds	-	-	-	-	-	-	200,349
Due from other governments	-	-	-	1,100	-	-	673,865
Inventories	-	-	-	-	-	-	161,238
Property held for resale	-	-	-	-	-	-	35,000
Total assets	\$ 14,348	\$ 2,572,343	515,704	\$ 5,312,718	\$ 61,128	\$ 3,706,432	\$ 61,994,915
Liabilities, Deferred Inflows and Fund Balances							
Liabilities:							
Accounts payable	\$ 13,528	\$ -	246,975	\$ 655,440	\$ -	\$ 84,785	\$ 3,822,517
Accrued wages & benefits	5,530	-	-	-	-	15,767	420,466
Due to other funds	49,773	-	-	-	-	-	228,593
Unearned Revenue	-	-	-	-	-	-	748,237
Total liabilities	68,831	-	246,975	655,440	-	100,552	5,219,813
Deferred inflows:							
Unavailable Revenue	-	2,018,815	-	73,087	-	23,193	2,882,599
Fund balances:							
Unspendable	-	-	-	-	-	-	161,238
Restricted	-	-	-	-	-	3,582,687	44,544,328
Committed	-	553,528	268,729	4,584,191	61,128	-	9,241,420
Unassigned	(54,483)	-	-	-	-	-	(54,483)
Total fund balances	(54,483)	553,528	268,729	4,584,191	61,128	3,582,687	53,892,503
Total liabilities, deferred inflows and fund balances	\$ 14,348	\$ 2,572,343	515,704	\$ 5,312,718	\$ 61,128	\$ 3,706,432	\$ 61,994,915

CITY OF BILLINGS, MONTANA
 Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2019
 (Page 1 of 4)

	Gas Tax Fund	EOC 911 Fund	Animal Shelter Donations Fund	Development Services Grants Fund	Library Fund	Cemetery Improvements Fund	Street Maintenance Districts Fund	Road Maintenance District 6 Fund
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,139,977	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	3,232,306	1,085,619	-	1,307,294	1,751,471	-	-	-
Charges for services	-	-	-	23,467	17,254	21,526	-	-
Fines and forfeitures	-	-	-	-	57,817	-	-	-
Special assessments	-	-	-	-	-	-	8,999,136	2,847
Other	145,006	84,308	950	781,119	137,550	4,099	107,146	214
Total revenues	3,377,312	1,169,927	950	2,111,880	3,104,069	25,625	9,106,282	3,061
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	563,780	-	-	-	-	-	108
Public works	1,907,776	-	-	-	-	-	7,406,413	-
Culture and recreation	-	-	-	-	3,392,241	26,000	-	-
Housing and economic development	-	-	-	2,060,438	-	-	-	-
Capital outlay	2,129,338	722,085	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	4,037,114	1,285,865	-	2,060,438	3,392,241	26,000	7,406,413	108
Revenues over (under) expenditures	(659,802)	(115,938)	950	51,442	(288,172)	(375)	1,699,869	2,953
Other financing sources (uses):								
Transfers in	1,318,000	-	-	62,004	1,035,382	-	-	-
Transfers out	(91,500)	-	-	-	(20,705)	-	(1,318,000)	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	37,786	-	-	-	-	-	-	-
Total other financing sources (uses)	1,264,286	-	-	62,004	1,014,677	-	(1,318,000)	-
Net change in fund balances	604,484	(115,938)	950	113,446	726,505	(375)	381,869	2,953
Fund balance, beginning of year	5,711,963	3,094,943	38,220	208,826	2,212,739	167,771	3,707,922	8,571
Fund balance, end of year	\$ 6,316,447	\$ 2,979,005	\$ 39,170	\$ 322,272	\$ 2,939,244	\$ 167,396	\$ 4,089,791	\$ 11,524

(continued)

CITY OF BILLINGS, MONTANA
 Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2019
 (Page 2 of 4)

	Light Maintenance Districts Fund	Park Maintenance Districts Fund	Storm Sewer Fund	North 27th Street Tax Increment Operating Fund	South Tax Increment Operating Fund	East Tax Increment Operating Fund	Parks Program Fund
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ 2,282,884	\$ 3,184,108	\$ 730,149	\$ -
Licenses and permits	-	-	5,200	-	-	-	-
Intergovernmental	-	-	-	211,821	256,218	146,654	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Special assessments	2,452,312	1,174,459	4,442,418	-	-	-	-
Other	68,184	14,275	171,511	21,050	138,335	52,982	252,792
Total revenues	<u>2,520,496</u>	<u>1,188,734</u>	<u>4,619,129</u>	<u>2,515,755</u>	<u>3,578,661</u>	<u>929,785</u>	<u>252,792</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	2,433,632	-	1,474,182	-	-	-	-
Culture and recreation	-	813,359	-	489	-	99,520	38,944
Housing and economic development	-	-	-	1,063,212	728,043	487,582	-
Capital outlay	-	-	6,497,854	-	2,950,621	3,141,855	-
Debt service:							
Principal	-	-	-	325,000	305,000	100,000	-
Interest and fiscal charges	-	-	-	622,852	340,994	160,578	-
Total expenditures	<u>2,433,632</u>	<u>813,359</u>	<u>7,972,036</u>	<u>2,011,553</u>	<u>4,324,658</u>	<u>3,989,535</u>	<u>38,944</u>
Revenues over (under) expenditures	<u>86,864</u>	<u>375,375</u>	<u>(3,352,907)</u>	<u>504,202</u>	<u>(745,997)</u>	<u>(3,059,750)</u>	<u>213,848</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	19,389
Transfers out	-	-	(1,012,500)	(100,000)	-	-	(460,000)
Issuance of debt	-	-	-	-	-	3,465,000	-
Premium on bond debt	-	-	-	-	-	95,367	-
Sale of capital assets	-	-	-	-	-	-	100
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,012,500)</u>	<u>(100,000)</u>	<u>-</u>	<u>3,560,367</u>	<u>(440,511)</u>
Net change in fund balances	<u>86,864</u>	<u>375,375</u>	<u>(4,365,407)</u>	<u>404,202</u>	<u>(745,997)</u>	<u>500,617</u>	<u>(226,663)</u>
Fund balance, beginning of year	<u>1,654,078</u>	<u>654,342</u>	<u>6,401,544</u>	<u>2,523,093</u>	<u>7,666,170</u>	<u>1,209,807</u>	<u>2,337,115</u>
Fund balance, end of year	<u>\$ 1,740,942</u>	<u>\$ 1,029,717</u>	<u>\$ 2,036,137</u>	<u>\$ 2,927,295</u>	<u>\$ 6,920,173</u>	<u>\$ 1,710,424</u>	<u>\$ 2,110,452</u>

(continued)

CITY OF BILLINGS, MONTANA
 Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2019
 (Page 3 of 4)

	Police Programs Fund	Amend Park Fund	Sidewalk Hazard Repair Fund	City-County Planning Fund	Building Inspection Fund	Street & Traffic Fund	City Attorney Grants Fund	Fire Programs Fund
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ 501,298	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	34,622	1,761,070	-	-	-
Intergovernmental	534,403	-	-	1,003,520	-	692,769	72,927	-
Charges for services	178,322	7,808	830	265,712	-	8,774,966	-	309,264
Fines and forfeitures	364,874	-	-	-	-	-	53,789	-
Special assessments	-	-	2,304	-	-	-	-	-
Other	71,432	5,938	-	15,924	72,452	86,382	97	43,950
Total revenues	<u>1,149,031</u>	<u>13,746</u>	<u>3,134</u>	<u>1,821,076</u>	<u>1,833,522</u>	<u>9,554,117</u>	<u>126,813</u>	<u>353,214</u>
Expenditures:								
Current:								
General government	-	-	-	1,781,245	-	-	298,482	-
Public safety	1,107,871	-	-	-	1,845,667	-	-	292,876
Public works	-	-	3,288	-	-	8,136,623	-	-
Culture and recreation	-	2,119	-	-	-	-	-	-
Housing and economic development	-	-	-	-	-	-	-	-
Capital outlay	54,540	-	-	-	-	939,233	-	60,000
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>1,162,411</u>	<u>2,119</u>	<u>3,288</u>	<u>1,781,245</u>	<u>1,845,667</u>	<u>9,075,856</u>	<u>298,482</u>	<u>352,876</u>
Revenues over (under) expenditures	<u>(13,380)</u>	<u>11,627</u>	<u>(154)</u>	<u>39,831</u>	<u>(12,145)</u>	<u>478,261</u>	<u>(171,669)</u>	<u>338</u>
Other financing sources (uses):								
Transfers in	173	-	91,500	26,031	-	-	172,902	-
Transfers out	-	-	-	(3,259)	-	(207,502)	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>173</u>	<u>-</u>	<u>91,500</u>	<u>22,772</u>	<u>-</u>	<u>(207,502)</u>	<u>172,902</u>	<u>-</u>
Net change in fund balances	<u>(13,207)</u>	<u>11,627</u>	<u>91,346</u>	<u>62,603</u>	<u>(12,145)</u>	<u>270,759</u>	<u>1,233</u>	<u>338</u>
Fund balance, beginning of year	1,386,013	231,150	-	615,587	2,475,387	4,172,291	3,349	260,403
Fund balance, end of year	<u>\$ 1,372,806</u>	<u>\$ 242,777</u>	<u>\$ 91,346</u>	<u>\$ 678,190</u>	<u>\$ 2,463,242</u>	<u>\$ 4,443,050</u>	<u>\$ 4,582</u>	<u>\$ 260,741</u>

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2019

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	Municipal Court Grant Fund	Downtown Revolving Loan Fund	Baseball Field/Stadium Donations for Capital Maintenance Fund	Arterial Fees Fund	Ballpark Repair Fund	Park District 1 Fund	Total Nonmajor Special Revenue Funds
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,838,416
Licenses and permits	-	-	-	-	-	-	1,800,892
Intergovernmental	408,300	-	-	4,674	-	-	10,707,976
Charges for services	-	-	-	-	-	-	9,599,149
Fines and forfeitures	-	-	-	-	-	-	476,480
Special assessments	-	-	-	4,317,064	-	2,004,637	23,395,177
Other	900	216,131	93,665	110,862	1,128	95,342	2,793,724
Total revenues	<u>409,200</u>	<u>216,131</u>	<u>93,665</u>	<u>4,432,600</u>	<u>1,128</u>	<u>2,099,979</u>	<u>56,611,814</u>
Expenditures:							
Current:							
General government	440,511	-	-	-	-	-	2,520,238
Public safety	-	-	-	-	-	-	3,810,302
Public works	-	-	-	1,537,907	-	-	22,899,821
Culture and recreation	-	-	352,321	-	-	463,965	5,188,958
Housing and economic development	-	233,356	-	-	-	-	4,572,631
Capital outlay	-	-	-	4,244,950	-	504,435	21,244,911
Debt service:							
Principal	-	-	-	-	-	-	730,000
Interest and fiscal charges	-	-	-	-	-	-	1,124,424
Total expenditures	<u>440,511</u>	<u>233,356</u>	<u>352,321</u>	<u>5,782,857</u>	<u>-</u>	<u>968,400</u>	<u>62,091,285</u>
Revenues over (under) expenditures	<u>(31,311)</u>	<u>(17,225)</u>	<u>(258,656)</u>	<u>(1,350,257)</u>	<u>1,128</u>	<u>1,131,579</u>	<u>(5,479,471)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	30,000	-	2,755,381
Transfers out	-	-	-	-	-	-	(3,213,466)
Issuance of debt	-	-	-	-	-	-	3,465,000
Premium on bond debt	-	-	-	-	-	-	95,367
Sale of capital assets	-	-	-	-	-	-	37,886
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>3,140,168</u>
Net change in fund balances	<u>(31,311)</u>	<u>(17,225)</u>	<u>(258,656)</u>	<u>(1,350,257)</u>	<u>31,128</u>	<u>1,131,579</u>	<u>(2,339,303)</u>
Fund balance, beginning of year	<u>(23,172)</u>	<u>570,753</u>	<u>527,385</u>	<u>5,934,448</u>	<u>30,000</u>	<u>2,451,108</u>	<u>56,231,806</u>
Fund balance, end of year	<u>\$ (54,483)</u>	<u>\$ 553,528</u>	<u>\$ 268,729</u>	<u>\$ 4,584,191</u>	<u>\$ 61,128</u>	<u>\$ 3,582,687</u>	<u>\$ 53,892,503</u>

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Gas Tax Fund				EOC 911 Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	3,729,490	3,729,490	3,232,306	497,184	984,000	984,000	1,085,619	(101,619)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	40,000	40,000	145,006	(105,006)	54,000	54,000	84,310	(30,310)
Total revenues	<u>3,769,490</u>	<u>3,769,490</u>	<u>3,377,312</u>	<u>392,178</u>	<u>1,038,000</u>	<u>1,038,000</u>	<u>1,169,929</u>	<u>(131,929)</u>
Expenditures:								
Current:								
Salaries and benefits	71,133	72,856	66,070	6,786	31,771	32,552	32,467	85
Operations and maintenance	287,954	477,571	1,841,706	(1,364,135)	876,170	925,954	531,314	394,640
Capital outlay	3,400,000	6,296,971	2,129,338	4,167,633	-	423,395	722,086	(298,691)
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>3,759,087</u>	<u>6,847,398</u>	<u>4,037,114</u>	<u>2,810,284</u>	<u>907,941</u>	<u>1,381,901</u>	<u>1,285,867</u>	<u>96,034</u>
Revenues over (under) expenditures	<u>10,403</u>	<u>(3,077,908)</u>	<u>(659,802)</u>	<u>(2,418,106)</u>	<u>130,059</u>	<u>(343,901)</u>	<u>(115,938)</u>	<u>(227,963)</u>
Other financing sources (uses):								
Transfers in	1,318,000	1,500,000	1,318,000	182,000	-	-	-	-
Transfers out	-	(91,500)	(91,500)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	37,786	(37,786)	-	-	-	-
Total other financing sources (uses)	<u>1,318,000</u>	<u>1,408,500</u>	<u>1,264,286</u>	<u>144,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$1,328,403</u>	<u>\$(1,669,408)</u>	<u>604,484</u>	<u>\$(2,273,892)</u>	<u>\$ 130,059</u>	<u>\$(343,901)</u>	<u>(115,938)</u>	<u>(227,963)</u>
Fund balance, beginning of year			5,711,963				3,094,943	
Fund balance, end of year			<u>\$6,316,447</u>				<u>2,979,005</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Animal Shelter Donation Fund				Development Services Grant Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,320,000	1,426,646	1,307,294	119,352
Charges for services	-	-	-	-	20,000	20,000	25,541	(5,541)
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	750	750	950	(200)	201,100	201,100	779,045	(577,945)
Total revenues	<u>750</u>	<u>750</u>	<u>950</u>	<u>(200)</u>	<u>1,541,100</u>	<u>1,647,746</u>	<u>2,111,880</u>	<u>(464,134)</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	385,680	987,286	389,105	598,181
Operations and maintenance	6,000	6,000	-	6,000	841,320	2,163,723	1,671,333	492,390
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>1,227,000</u>	<u>3,151,009</u>	<u>2,060,438</u>	<u>1,090,571</u>
Revenues over (under) expenditures	<u>(5,250)</u>	<u>(5,250)</u>	<u>950</u>	<u>(6,200)</u>	<u>314,100</u>	<u>(1,503,263)</u>	<u>51,442</u>	<u>(1,554,705)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	62,000	60,000	62,004	(2,004)
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,000</u>	<u>60,000</u>	<u>62,004</u>	<u>(2,004)</u>
Net change in fund balances	<u>\$ (5,250)</u>	<u>\$ (5,250)</u>	<u>950</u>	<u>\$ (6,200)</u>	<u>\$ 376,100</u>	<u>\$(1,443,263)</u>	<u>113,446</u>	<u>\$(1,556,709)</u>
Fund balance, beginning of year			38,220				208,826	
Fund balance, end of year			<u>\$ 39,170</u>				<u>\$ 322,272</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Library Fund				Cemetery Improvements Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$1,134,648	\$1,134,648	\$ 1,139,977	\$ (5,329)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,310,533	1,310,533	1,751,471	(440,938)	-	-	-	-
Charges for services	13,825	13,825	17,254	(3,429)	12,000	12,000	21,526	(9,526)
Fines and forfeitures	76,900	76,900	57,817	19,083	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	123,062	123,062	137,549	(14,487)	1,800	1,800	4,099	(2,299)
Total revenues	<u>2,658,968</u>	<u>2,658,968</u>	<u>3,104,068</u>	<u>(445,100)</u>	<u>13,800</u>	<u>13,800</u>	<u>25,625</u>	<u>(11,825)</u>
Expenditures:								
Current:								
Salaries and benefits	2,373,252	2,427,974	2,298,984	128,990	-	-	-	-
Operations and maintenance	1,300,131	1,301,631	1,093,257	208,374	45,000	45,000	26,000	19,000
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>3,673,383</u>	<u>3,729,605</u>	<u>3,392,241</u>	<u>337,364</u>	<u>45,000</u>	<u>45,000</u>	<u>26,000</u>	<u>19,000</u>
Revenues over (under) expenditures	<u>(1,014,415)</u>	<u>(1,070,637)</u>	<u>(288,173)</u>	<u>(782,464)</u>	<u>(31,200)</u>	<u>(31,200)</u>	<u>(375)</u>	<u>(30,825)</u>
Other financing sources (uses):								
Transfers in	1,021,183	1,021,183	1,035,382	(14,199)	-	-	-	-
Transfers out	(20,705)	(20,705)	(20,705)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,000,478</u>	<u>1,000,478</u>	<u>1,014,677</u>	<u>(14,199)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (13,937)</u>	<u>\$ (70,159)</u>	<u>726,504</u>	<u>\$ (796,663)</u>	<u>\$ (31,200)</u>	<u>\$ (31,200)</u>	<u>(375)</u>	<u>\$ (30,825)</u>
Fund balance, beginning of year			2,212,739				167,771	
Fund balance, end of year			<u>\$ 2,939,243</u>				<u>\$ 167,396</u>	

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Street Maintenance Districts Fund				Road Maintenance Dist. 6 Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	8,717,000	8,717,000	8,999,136	(282,136)	2,875	2,875	2,847	28
Other	20,600	20,600	107,144	(86,544)	-	-	214	(214)
Total revenues	<u>8,737,600</u>	<u>8,737,600</u>	<u>9,106,280</u>	<u>(368,680)</u>	<u>2,875</u>	<u>2,875</u>	<u>3,061</u>	<u>(186)</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	7,406,410	7,406,410	7,406,413	(3)	112	112	108	4
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>7,406,410</u>	<u>7,406,410</u>	<u>7,406,413</u>	<u>(3)</u>	<u>112</u>	<u>112</u>	<u>108</u>	<u>4</u>
Revenues over (under) expenditures	<u>1,331,190</u>	<u>1,331,190</u>	<u>1,699,867</u>	<u>(368,677)</u>	<u>2,763</u>	<u>2,763</u>	<u>2,953</u>	<u>(190)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,318,000)	(1,318,000)	(1,318,000)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,318,000)</u>	<u>(1,318,000)</u>	<u>(1,318,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 13,190</u>	<u>\$ 13,190</u>	<u>381,867</u>	<u>\$ (368,677)</u>	<u>\$ 2,763</u>	<u>\$ 2,763</u>	<u>2,953</u>	<u>\$ (190)</u>
Fund balance, beginning of year			3,707,922				8,571	
Fund balance, end of year			<u>\$4,089,789</u>				<u>\$ 11,524</u>	

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Light Maintenance Districts Fund				Park Maintenance Districts Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	2,350,000	2,350,000	2,452,312	(102,312)	1,050,336	1,050,336	1,174,459	(124,123)
Other	10,000	10,000	68,186	(58,186)	1,200	1,200	14,273	(13,073)
Total revenues	<u>2,360,000</u>	<u>2,360,000</u>	<u>2,520,498</u>	<u>(160,498)</u>	<u>1,051,536</u>	<u>1,051,536</u>	<u>1,188,732</u>	<u>(137,196)</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	2,525,499	2,525,499	2,433,632	91,867	1,078,102	1,078,102	813,359	264,743
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>2,525,499</u>	<u>2,525,499</u>	<u>2,433,632</u>	<u>91,867</u>	<u>1,078,102</u>	<u>1,078,102</u>	<u>813,359</u>	<u>264,743</u>
Revenues over (under) expenditures	<u>(165,499)</u>	<u>(165,499)</u>	<u>86,866</u>	<u>(252,365)</u>	<u>(26,566)</u>	<u>(26,566)</u>	<u>375,373</u>	<u>(401,939)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (165,499)</u>	<u>\$ (165,499)</u>	<u>86,866</u>	<u>\$ (252,365)</u>	<u>\$ (26,566)</u>	<u>\$ (26,566)</u>	<u>375,373</u>	<u>\$ (401,939)</u>
Fund balance, beginning of year			1,654,078				654,342	
Fund balance, end of year			<u>\$ 1,740,944</u>				<u>\$1,029,715</u>	

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Storm Sewer Fund				North 27th Street Tax Increment Operating Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,473,377	\$ 2,473,377	\$2,282,884	\$ 190,493
Licenses and permits	8,000	8,000	5,200	2,800	-	-	-	-
Intergovernmental	-	-	-	-	211,821	211,821	211,821	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	4,320,000	4,320,000	4,442,418	(122,418)	-	-	-	-
Other	47,452	47,452	171,510	(124,058)	5,500	5,500	21,049	(15,549)
Total revenues	<u>4,375,452</u>	<u>4,375,452</u>	<u>4,619,128</u>	<u>(243,676)</u>	<u>2,690,698</u>	<u>2,690,698</u>	<u>2,515,754</u>	<u>174,944</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	1,487,479	1,484,692	1,474,182	10,510	3,017,557	3,109,145	1,063,701	2,045,444
Capital outlay	2,965,000	7,510,879	6,497,854	1,013,025	-	-	-	-
Debt service:								
Principal	-	-	-	-	325,000	325,000	325,000	-
Interest and fiscal charges	-	-	-	-	623,652	623,652	622,852	800
Total expenditures	<u>4,452,479</u>	<u>8,995,571</u>	<u>7,972,036</u>	<u>1,023,535</u>	<u>3,966,209</u>	<u>4,057,797</u>	<u>2,011,553</u>	<u>2,046,244</u>
Revenues over (under) expenditures	<u>(77,027)</u>	<u>(4,620,119)</u>	<u>(3,352,908)</u>	<u>(1,267,211)</u>	<u>(1,275,511)</u>	<u>(1,367,099)</u>	<u>504,201</u>	<u>(1,871,300)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,015,000)	(1,015,000)	(1,012,500)	(2,500)	(100,000)	(100,000)	(100,000)	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,015,000)</u>	<u>(1,015,000)</u>	<u>(1,012,500)</u>	<u>(2,500)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balances	<u>\$(1,092,027)</u>	<u>\$(5,635,119)</u>	<u>(4,365,408)</u>	<u>\$(1,269,711)</u>	<u>\$(1,375,511)</u>	<u>\$(1,467,099)</u>	<u>404,201</u>	<u>\$(1,871,300)</u>
Fund balance, beginning of year			6,401,544				2,523,093	
Fund balance, end of year			<u>\$ 2,036,136</u>				<u>\$2,927,294</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	South Tax Increment Operating Fund				East Tax Increment Operating Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 2,924,975	\$ 2,924,975	\$ 3,184,108	\$ (259,133)	\$ 764,500	\$ 764,500	\$ 730,149	\$ 34,351
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	256,218	256,218	256,218	-	146,000	146,000	146,654	(654)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	44,000	44,000	138,333	(94,333)	3,606,500	3,606,500	52,982	3,553,518
Total revenues	<u>3,225,193</u>	<u>3,225,193</u>	<u>3,578,659</u>	<u>(353,466)</u>	<u>4,517,000</u>	<u>4,517,000</u>	<u>929,785</u>	<u>3,587,215</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	312,800	312,800	728,043	(415,243)	400,166	400,166	587,102	(186,936)
Capital outlay	4,000,000	5,594,463	2,950,621	2,643,842	4,550,000	4,819,608	3,141,855	1,677,753
Debt service:								
Principal	310,000	310,000	305,000	5,000	260,000	260,000	100,000	160,000
Interest and fiscal charges	342,444	342,444	340,994	1,450	184,138	184,138	160,578	23,560
Total expenditures	<u>4,965,244</u>	<u>6,559,707</u>	<u>4,324,657</u>	<u>2,235,050</u>	<u>5,394,304</u>	<u>5,663,912</u>	<u>3,989,535</u>	<u>1,674,377</u>
Revenues over (under) expenditures	<u>(1,740,051)</u>	<u>(3,334,514)</u>	<u>(745,999)</u>	<u>(2,588,515)</u>	<u>(877,304)</u>	<u>(1,146,912)</u>	<u>(3,059,750)</u>	<u>1,912,838</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	3,465,000	(3,465,000)
Premium on bond debt	-	-	-	-	-	-	95,367	(95,367)
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	3,560,367	(3,560,367)
Net change in fund balances	<u><u>\$(1,740,051)</u></u>	<u><u>\$(3,334,514)</u></u>	<u><u>(745,999)</u></u>	<u><u>\$(2,588,515)</u></u>	<u><u>\$ (877,304)</u></u>	<u><u>\$(1,146,912)</u></u>	<u><u>500,617</u></u>	<u><u>\$(1,647,529)</u></u>
Fund balance, beginning of year			7,666,170				1,209,807	
Fund balance, end of year			<u><u>\$ 6,920,171</u></u>				<u><u>\$1,710,424</u></u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Park Program Fund				Police Program Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	382,689	382,689	534,403	(151,714)
Charges for services	-	-	-	-	152,059	152,059	178,322	(26,263)
Fines and forfeitures	-	-	-	-	81,000	81,000	364,874	(283,874)
Special assessments	-	-	-	-	-	-	-	-
Other	179,160	179,160	252,792	(73,632)	383,697	383,697	71,430	312,267
Total revenues	<u>179,160</u>	<u>179,160</u>	<u>252,792</u>	<u>(73,632)</u>	<u>999,445</u>	<u>999,445</u>	<u>1,149,029</u>	<u>(149,584)</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	563,875	567,269	264,616	302,653
Operations and maintenance	68,288	72,138	38,944	33,194	474,406	462,957	843,254	(380,297)
Capital outlay	-	-	-	-	-	-	54,540	(54,540)
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>68,288</u>	<u>72,138</u>	<u>38,944</u>	<u>33,194</u>	<u>1,038,281</u>	<u>1,030,226</u>	<u>1,162,410</u>	<u>(132,184)</u>
Revenues over (under) expenditures	<u>110,872</u>	<u>107,022</u>	<u>213,848</u>	<u>(106,826)</u>	<u>(38,836)</u>	<u>(30,781)</u>	<u>(13,381)</u>	<u>(17,400)</u>
Other financing sources (uses):								
Transfers in	5,000	5,000	19,389	(14,389)	-	-	173	(173)
Transfers out	(460,000)	(460,000)	(460,000)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	100	(100)	-	-	-	-
Total other financing sources (uses)	<u>(455,000)</u>	<u>(455,000)</u>	<u>(440,511)</u>	<u>(14,489)</u>	<u>-</u>	<u>-</u>	<u>173</u>	<u>(173)</u>
Net change in fund balances	<u>\$ (344,128)</u>	<u>\$ (347,978)</u>	<u>(226,663)</u>	<u>\$ (121,315)</u>	<u>\$ (38,836)</u>	<u>\$ (30,781)</u>	<u>(13,208)</u>	<u>\$ (17,573)</u>
Fund balance, beginning of year			2,337,115				1,386,013	
Fund balance, end of year			<u>\$2,110,452</u>				<u>\$1,372,805</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Amend Park Fund				Sidewalk Hazard Repair Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	57,000	57,000	7,808	49,192	-	-	830	(830)
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	2,304	(2,304)
Other	2,600	2,600	5,937	(3,337)	-	-	-	-
Total revenues	<u>59,600</u>	<u>59,600</u>	<u>13,745</u>	<u>45,855</u>	<u>-</u>	<u>-</u>	<u>3,134</u>	<u>(3,134)</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	181,506	181,506	2,119	179,387	-	91,500	3,288	88,212
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>181,506</u>	<u>181,506</u>	<u>2,119</u>	<u>179,387</u>	<u>-</u>	<u>91,500</u>	<u>3,288</u>	<u>88,212</u>
Revenues over (under) expenditures	<u>(121,906)</u>	<u>(121,906)</u>	<u>11,626</u>	<u>(133,532)</u>	<u>-</u>	<u>(91,500)</u>	<u>(154)</u>	<u>(91,346)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	91,500	91,500	-
Transfers out	(1,000)	(1,000)	-	(1,000)	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>91,500</u>	<u>91,500</u>	<u>-</u>
Net change in fund balances	<u>\$ (122,906)</u>	<u>\$ (122,906)</u>	<u>11,626</u>	<u>\$(134,532)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>91,346</u>	<u>\$ (91,346)</u>
Fund balance, beginning of year			231,150				-	
Fund balance, end of year			<u>\$ 242,776</u>				<u>\$ 91,346</u>	

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	City-County Planning Fund				Building Inspection Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 472,000	\$ 472,000	\$ 501,298	\$ (29,298)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	27,400	27,400	34,622	(7,222)	1,185,850	1,185,850	1,761,070	(575,220)
Intergovernmental	844,469	844,469	1,003,520	(159,051)	-	-	-	-
Charges for services	234,963	234,963	265,712	(30,749)	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	2,600	2,600	15,925	(13,325)	21,000	21,000	72,453	(51,453)
Total revenues	<u>1,581,432</u>	<u>1,581,432</u>	<u>1,821,077</u>	<u>(239,645)</u>	<u>1,206,850</u>	<u>1,206,850</u>	<u>1,833,523</u>	<u>(626,673)</u>
Expenditures:								
Current:								
Salaries and benefits	1,038,836	1,064,554	1,066,906	(2,352)	1,345,832	1,378,661	1,333,422	45,239
Operations and maintenance	737,655	985,619	714,338	271,281	599,180	611,280	512,245	99,035
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>1,776,491</u>	<u>2,050,173</u>	<u>1,781,244</u>	<u>268,929</u>	<u>1,945,012</u>	<u>1,989,941</u>	<u>1,845,667</u>	<u>144,274</u>
Revenues over (under) expenditures	<u>(195,059)</u>	<u>(468,741)</u>	<u>39,833</u>	<u>(508,574)</u>	<u>(738,162)</u>	<u>(783,091)</u>	<u>(12,144)</u>	<u>(770,947)</u>
Other financing sources (uses):								
Transfers in	26,031	26,031	26,031	-	-	-	-	-
Transfers out	(3,259)	(3,259)	(3,259)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>22,772</u>	<u>22,772</u>	<u>22,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (172,287)</u>	<u>\$ (445,969)</u>	<u>62,605</u>	<u>\$ (508,574)</u>	<u>\$ (738,162)</u>	<u>\$ (783,091)</u>	<u>(12,144)</u>	<u>\$ (770,947)</u>
Fund balance, beginning of year			615,587				2,475,387	
Fund balance, end of year			<u>\$ 678,192</u>				<u>\$2,463,243</u>	

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Street & Traffic Fund				City Attorney Grants Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	683,000	683,000	692,769	(9,769)	75,000	75,000	72,927	2,073
Charges for services	8,547,500	8,547,500	8,774,966	(227,466)	-	-	-	-
Fines and forfeitures	-	-	-	-	60,000	60,000	53,789	6,211
Special assessments	-	-	-	-	-	-	-	-
Other	40,000	40,000	86,383	(46,383)	-	-	95	(95)
Total revenues	<u>9,270,500</u>	<u>9,270,500</u>	<u>9,554,118</u>	<u>(283,618)</u>	<u>135,000</u>	<u>135,000</u>	<u>126,811</u>	<u>8,189</u>
Expenditures:								
Current:								
Salaries and benefits	3,979,184	4,120,177	4,117,915	2,262	390,197	399,703	295,139	104,564
Operations and maintenance	3,866,170	4,002,694	4,018,708	(16,014)	1,800	1,800	3,343	(1,543)
Capital outlay	3,246,906	3,246,906	939,233	2,307,673	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>11,092,260</u>	<u>11,369,777</u>	<u>9,075,856</u>	<u>2,293,921</u>	<u>391,997</u>	<u>401,503</u>	<u>298,482</u>	<u>103,021</u>
Revenues over (under) expenditures	<u>(1,821,760)</u>	<u>(2,099,277)</u>	<u>478,262</u>	<u>(2,577,539)</u>	<u>(256,997)</u>	<u>(266,503)</u>	<u>(171,671)</u>	<u>(94,832)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	257,978	257,978	172,903	85,075
Transfers out	(207,502)	(207,502)	(207,502)	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(207,502)</u>	<u>(207,502)</u>	<u>(207,502)</u>	<u>-</u>	<u>257,978</u>	<u>257,978</u>	<u>172,903</u>	<u>85,075</u>
Net change in fund balances	<u><u>\$(2,029,262)</u></u>	<u><u>\$(2,306,779)</u></u>	<u><u>270,760</u></u>	<u><u>\$(2,577,539)</u></u>	<u><u>\$ 981</u></u>	<u><u>\$(8,525)</u></u>	<u><u>1,232</u></u>	<u><u>\$(9,757)</u></u>
Fund balance, beginning of year			4,172,291				3,349	
Fund balance, end of year			<u><u>\$4,443,051</u></u>				<u><u>\$ 4,581</u></u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019
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	Fire Program Fund				Municipal Court Grant Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	309,264	(309,264)	433,225	433,225	408,300	24,925
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	6,675	6,675	43,950	(37,275)	-	-	899	(899)
Total revenues	<u>6,675</u>	<u>6,675</u>	<u>353,214</u>	<u>(346,539)</u>	<u>433,225</u>	<u>433,225</u>	<u>409,199</u>	<u>24,026</u>
Expenditures:								
Current:								
Salaries and benefits	7,000	7,000	3,734	3,266	211,616	216,370	161,378	54,992
Operations and maintenance	62,000	62,000	289,142	(227,142)	222,509	222,509	279,132	(56,623)
Capital outlay	-	300,000	60,000	240,000	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>69,000</u>	<u>369,000</u>	<u>352,876</u>	<u>16,124</u>	<u>434,125</u>	<u>438,879</u>	<u>440,510</u>	<u>(1,631)</u>
Revenues over (under) expenditures	<u>(62,325)</u>	<u>(362,325)</u>	<u>338</u>	<u>(362,663)</u>	<u>(900)</u>	<u>(5,654)</u>	<u>(31,311)</u>	<u>25,657</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (62,325)</u>	<u>\$ (362,325)</u>	<u>338</u>	<u>\$ (362,663)</u>	<u>\$ (900)</u>	<u>\$ (5,654)</u>	<u>(31,311)</u>	<u>\$ 25,657</u>
Fund balance, beginning of year			260,403				(23,172)	
Fund balance, end of year			<u>\$ 260,741</u>				<u>\$ (54,483)</u>	

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual

For the Fiscal Year Ended June 30, 2019

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	Downtown Revolving Loan Fund				Baseball Field / Stadium Donation For Capital Maintenance Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	246,600	246,600	216,130	30,470	64,200	64,200	93,666	(29,466)
Total revenues	<u>246,600</u>	<u>246,600</u>	<u>216,130</u>	<u>30,470</u>	<u>64,200</u>	<u>64,200</u>	<u>93,666</u>	<u>(29,466)</u>
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	408,833	408,833	233,356	175,477	100,784	101,501	352,321	(250,820)
Capital outlay	-	-	-	-	-	250,000	-	250,000
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>408,833</u>	<u>408,833</u>	<u>233,356</u>	<u>175,477</u>	<u>100,784</u>	<u>351,501</u>	<u>352,321</u>	<u>(820)</u>
Revenues over (under) expenditures	<u>(162,233)</u>	<u>(162,233)</u>	<u>(17,226)</u>	<u>(145,007)</u>	<u>(36,584)</u>	<u>(287,301)</u>	<u>(258,655)</u>	<u>(28,646)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (162,233)</u>	<u>\$ (162,233)</u>	<u>(17,226)</u>	<u>\$ (145,007)</u>	<u>\$ (36,584)</u>	<u>\$ (287,301)</u>	<u>(258,655)</u>	<u>\$ (28,646)</u>
Fund balance, beginning of year			570,753				527,385	
Fund balance, end of year			<u>\$ 553,527</u>				<u>\$ 268,730</u>	

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019
(Page 14 of 15)

	Arterial Fees Fund				Ballpark Repair Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	4,674	(4,674)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	4,215,000	4,215,000	4,317,064	(102,064)	-	-	-	-
Other	40,000	40,000	110,863	(70,863)	-	-	1,128	(1,128)
Total revenues	4,255,000	4,255,000	4,432,601	(177,601)	-	-	1,128	(1,128)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	140,510	140,510	1,537,907	(1,397,397)	-	-	-	-
Capital outlay	3,974,000	8,753,788	4,244,950	4,508,838	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	4,114,510	8,894,298	5,782,857	3,111,441	-	-	-	-
Revenues over (under) expenditures	140,490	(4,639,298)	(1,350,256)	(3,289,042)	-	-	1,128	(1,128)
Other financing sources (uses):								
Transfers in	-	-	-	-	30,000	30,000	30,000	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on bond debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	30,000	30,000	30,000	-
Net change in fund balances	\$ 140,490	\$(4,639,298)	(1,350,256)	\$(3,289,042)	\$ 30,000	\$ 30,000	31,128	\$ (1,128)
Fund balance, beginning of year			5,934,448				30,000	
Fund balance, end of year			<u>\$4,584,192</u>				<u>\$ 61,128</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019
(Page 15 of 15)

	Park District 1 Fund				Total Nonmajor Special Revenue Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,769,500	\$ 7,769,500	\$ 7,838,416	\$ (68,916)
Licenses and permits	-	-	-	-	1,221,250	1,221,250	1,800,892	(579,642)
Intergovernmental	-	-	-	-	10,376,445	10,483,091	11,017,240	(534,149)
Charges for services	-	-	-	-	9,037,347	9,037,347	9,291,959	(254,612)
Fines and forfeitures	-	-	-	-	217,900	217,900	476,480	(258,580)
Special assessments	2,000,000	2,000,000	2,004,637	(4,637)	22,655,211	22,655,211	23,395,177	(739,966)
Other	16,000	16,000	95,343	(79,343)	5,158,496	5,158,496	2,791,644	2,366,852
Total revenues	<u>2,016,000</u>	<u>2,016,000</u>	<u>2,099,980</u>	<u>(83,980)</u>	<u>56,436,149</u>	<u>56,542,795</u>	<u>56,611,808</u>	<u>(69,013)</u>
Expenditures:								
Current:								
Salaries and benefits	328,379	334,175	281,446	52,729	10,726,755	11,608,577	10,311,182	1,297,395
Operations and maintenance	336,838	338,729	179,518	159,211	26,785,179	28,920,381	28,677,765	242,616
Capital outlay	1,300,000	1,495,346	507,435	987,911	23,435,906	38,691,356	21,247,912	17,443,444
Debt service:								
Principal	-	-	-	-	895,000	895,000	730,000	165,000
Interest and fiscal charges	-	-	-	-	1,150,234	1,150,234	1,124,424	25,810
Total expenditures	<u>1,965,217</u>	<u>2,168,250</u>	<u>968,399</u>	<u>1,199,851</u>	<u>62,993,074</u>	<u>81,265,548</u>	<u>62,091,282</u>	<u>19,174,266</u>
Revenues over (under) expenditures	<u>50,783</u>	<u>(152,250)</u>	<u>1,131,581</u>	<u>(1,283,831)</u>	<u>(6,556,925)</u>	<u>(24,722,753)</u>	<u>(5,479,475)</u>	<u>(19,243,278)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	2,720,192	2,991,692	2,755,382	236,310
Transfers out	-	-	-	-	(3,125,466)	(3,216,966)	(3,213,466)	(3,500)
Issuance of debt	-	-	-	-	-	-	3,465,000	(3,465,000)
Premium on bond debt	-	-	-	-	-	-	95,367	(95,367)
Sale of capital assets	-	-	-	-	-	-	37,886	(37,886)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(405,274)</u>	<u>(225,274)</u>	<u>3,140,169</u>	<u>(3,365,443)</u>
Net change in fund balances	<u>\$ 50,783</u>	<u>\$ (152,250)</u>	<u>1,131,581</u>	<u>\$(1,283,831)</u>	<u>\$ (6,839,293)</u>	<u>\$(24,825,121)</u>	<u>(2,339,306)</u>	<u>\$ (22,474,189)</u>
Fund balance, beginning of year			2,451,108				56,231,806	
Fund balance, end of year			<u>\$ 3,582,689</u>				<u>\$53,892,500</u>	

NONMAJOR DEBT SERVICE FUNDS

The City's non-major debt service funds are their purposes are:

- The Series 2012 Library Fund accounts for the payment of debt issued for the construction of the new library building.
- The Storm Sewer Fund accounts for the payment of debt used for the construction of storm sewers.
- The Series 2010 Parks Fund accounts for payment of debt used for City-wide park improvements.
- The Series 2004A Street Improvements Fund accounts for payment of debt used for City-wide street improvements.
- The Series 2015 GO Refunding Fund accounts for the payment of the 2007A Baseball Field & Stadium Fund. A crossover refunding was done in 2015 to retire the debt on 7/1/2017.
- The Special Improvement Districts Fund accounts for the accumulation for and payment of special assessment debt used for the construction of projects within special improvement districts.
- The Sidewalk and Curb Districts Fund accounts for the accumulation for and payment of special assessment debt used for the construction of sidewalks and curbs.

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2019

	Series 2012 Library Fund	Storm Sewer Fund	Series 2010 Parks Fund	Series 2004A Street Improvements Fund	Series 2015 G.O. Refunding Fund	Special Improvement Districts Fund	Sidewalk Curb Districts Fund	Total Nonmajor Debt Service Funds
Assets								
Cash and cash equivalents	\$ 21,332	\$ 420,534	\$ 3,954	\$ 22,262	\$ 98,641	\$ 1,130,077	\$ 161,217	\$ 1,858,017
Cash with fiscal agent	1,018,825	785,247	113,375	318,425	659,975	144,622	5,824	3,046,293
Investments	30,951	607,534	4,092	32,350	149,099	1,625,462	239,119	2,688,607
Receivables:								
Property taxes	39,366	-	5,012	16,122	32,751	-	-	93,251
Delinquent special assessments	-	-	-	-	-	29,081	19,487	48,568
Special assessments receivable	-	-	-	-	-	3,499,186	2,229,125	5,728,311
Accrued interest	1,184	2,768	134	416	1,249	6,843	146	12,740
Property held for resale	-	-	-	-	-	155,997	-	155,997
Total assets	\$ 1,111,658	\$ 1,816,083	\$ 126,567	\$ 389,575	\$ 941,715	\$ 6,591,268	\$ 2,654,918	\$ 13,631,784
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Other liabilities	-	-	-	-	-	63,350	10,000	73,350
Total liabilities	-	-	-	-	-	63,350	10,000	73,350
Deferred Inflows:								
Unavailable Revenue	8,923	-	1,142	3,494	7,150	3,504,236	2,235,347	5,760,292
Fund balances:								
Restricted	1,102,735	1,816,083	125,425	386,081	934,565	3,023,682	409,571	7,798,142
Total fund balances	1,102,735	1,816,083	125,425	386,081	934,565	3,023,682	409,571	7,798,142
Total liabilities, deferred inflows and fund balances	\$ 1,111,658	\$ 1,816,083	\$ 126,567	\$ 389,575	\$ 941,715	\$ 6,591,268	\$ 2,654,918	\$ 13,631,784

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	<u>Series 2012 Library Fund</u>	<u>Storm Sewer Fund</u>	<u>Series 2010 Parks Fund</u>	<u>Series 2004A Street Improvements Fund</u>	<u>Series 2015 G.O. Refunding Fund</u>	<u>Special Improvement Districts Fund</u>	<u>Sidewalk and Curb Districts Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
Revenues:								
Taxes	\$ 904,969	\$ -	\$ 115,032	\$ 375,545	\$ 758,909	\$ -	\$ -	\$ 2,154,455
Special assessments	-	-	-	-	-	953,736	524,676	1,478,412
Other	313,421	25,696	1,298	3,673	8,980	60,778	12,370	426,216
Total revenues	<u>1,218,390</u>	<u>25,696</u>	<u>116,330</u>	<u>379,218</u>	<u>767,889</u>	<u>1,014,514</u>	<u>537,046</u>	<u>4,059,083</u>
Expenditures:								
Current:								
General government	8,860	4,800	-	-	5,298	-	-	18,958
Public works	-	-	-	-	-	24,800	14,300	39,100
Principal	810,000	545,000	110,000	275,000	555,000	565,327	306,000	3,166,327
Interest and fiscal charges	396,100	463,281	11,271	65,069	195,500	177,266	96,963	1,405,450
Total expenditures	<u>1,214,960</u>	<u>1,013,081</u>	<u>121,271</u>	<u>340,069</u>	<u>755,798</u>	<u>767,393</u>	<u>417,263</u>	<u>4,629,835</u>
Revenues over (under) expenditures	<u>3,430</u>	<u>(987,385)</u>	<u>(4,941)</u>	<u>39,149</u>	<u>12,091</u>	<u>247,121</u>	<u>119,783</u>	<u>(570,752)</u>
Other financing sources:								
Transfers in	-	1,012,500	-	-	-	2,044	-	1,014,544
Transfers out	-	-	-	-	-	-	(2,044)	(2,044)
Total other financing sources (uses)	<u>-</u>	<u>1,012,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,044</u>	<u>(2,044)</u>	<u>1,012,500</u>
Net change in fund balances	3,430	25,115	(4,941)	39,149	12,091	249,165	117,739	441,748
Fund balance, beginning of year	<u>1,099,305</u>	<u>1,790,968</u>	<u>130,366</u>	<u>346,932</u>	<u>704,120</u>	<u>2,774,517</u>	<u>291,832</u>	<u>7,138,040</u>
Fund balance, end of year	<u>\$ 1,102,735</u>	<u>\$ 1,816,083</u>	<u>\$ 125,425</u>	<u>\$ 386,081</u>	<u>\$ 716,211</u>	<u>\$ 3,023,682</u>	<u>\$ 409,571</u>	<u>\$ 7,579,788</u>

CITY OF BILLINGS, MONTANA

Nonmajor Debt Service Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual

For the Fiscal Year Ended June 30, 2019

(Page 1 of 4)

	Series 2012 Library Fund				Storm Sewer Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 902,444	\$ 902,444	\$ 904,969	\$ (2,525)	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Other	303,000	303,000	313,421	(10,421)	2,100	2,100	25,696	(23,596)
Total revenues	<u>1,205,444</u>	<u>1,205,444</u>	<u>1,218,390</u>	<u>(12,946)</u>	<u>2,100</u>	<u>2,100</u>	<u>25,696</u>	<u>(23,596)</u>
Expenditures:								
Current:								
Operations and maintenance	8,851	8,851	8,860	(9)	10,109	10,109	8,712	1,397
Debt service:								
Principal	810,000	810,000	810,000	-	545,000	545,000	545,000	-
Interest and fiscal charges	396,100	396,100	396,100	-	459,369	459,369	459,369	-
Total expenditures	<u>1,214,951</u>	<u>1,214,951</u>	<u>1,214,960</u>	<u>(9)</u>	<u>1,014,478</u>	<u>1,014,478</u>	<u>1,013,081</u>	<u>1,397</u>
Revenues over (under) expenditures	<u>(9,507)</u>	<u>(9,507)</u>	<u>3,430</u>	<u>(12,937)</u>	<u>(1,012,378)</u>	<u>(1,012,378)</u>	<u>(987,385)</u>	<u>(24,993)</u>
Other financing sources:								
Transfers in	-	-	-	-	1,015,000	1,015,000	1,012,500	2,500
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,015,000</u>	<u>1,015,000</u>	<u>1,012,500</u>	<u>2,500</u>
Net change in fund balances	<u>\$ (9,507)</u>	<u>\$ (9,507)</u>	<u>3,430</u>	<u>\$ (12,937)</u>	<u>\$ 2,622</u>	<u>\$ 2,622</u>	<u>25,115</u>	<u>\$ (22,493)</u>
Fund balance, beginning of year			1,099,305				1,790,968	
Fund balance, end of year			<u>\$ 1,102,735</u>				<u>\$ 1,816,083</u>	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Debt Service Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual

For the Fiscal Year Ended June 30, 2019

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	Series 2010 Parks Fund				Series 2004A Street Improvements Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 114,717	\$ 114,717	\$ 115,032	\$ (315)	\$ 374,743	\$ 374,743	\$ 375,545	\$ (802)
Special assessments	-	-	-	-	-	-	-	-
Other	300	300	1,298	(998)	600	600	3,673	(3,073)
Total revenues	<u>115,017</u>	<u>115,017</u>	<u>116,330</u>	<u>(1,313)</u>	<u>375,343</u>	<u>375,343</u>	<u>379,218</u>	<u>(3,875)</u>
Expenditures:								
Current:								
Operations and maintenance	5,900	5,900	2,796	3,104	6,556	6,556	3,744	2,812
Debt service:								
Principal	110,000	110,000	110,000	-	275,000	275,000	275,000	-
Interest and fiscal charges	8,480	8,480	8,475	5	61,350	61,350	61,325	25
Total expenditures	<u>124,380</u>	<u>124,380</u>	<u>121,271</u>	<u>3,109</u>	<u>342,906</u>	<u>342,906</u>	<u>340,069</u>	<u>2,837</u>
Revenues over (under) expenditures	<u>(9,363)</u>	<u>(9,363)</u>	<u>(4,941)</u>	<u>(4,422)</u>	<u>32,437</u>	<u>32,437</u>	<u>39,149</u>	<u>(6,712)</u>
Other financing sources:								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (9,363)</u>	<u>\$ (9,363)</u>	<u>(4,941)</u>	<u>\$ (4,422)</u>	<u>\$ 32,437</u>	<u>\$ 32,437</u>	<u>39,149</u>	<u>\$ (6,712)</u>
Fund balance, beginning of year			130,366				346,932	
Fund balance, end of year			<u>\$ 125,425</u>				<u>\$ 386,081</u>	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Debt Service Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual

For the Fiscal Year Ended June 30, 2019

(Page 3 of 4)

	Series 2015 G.O. Refunding Fund				Special Improvement Districts Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ 757,135	\$ 757,135	\$ 758,909	\$ (1,774)	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	1,350,000	1,350,000	953,736	396,264
Other	300	300	8,980	(8,680)	2,200	2,200	60,778	(58,578)
Total revenues	<u>757,435</u>	<u>757,435</u>	<u>767,889</u>	<u>(10,454)</u>	<u>1,352,200</u>	<u>1,352,200</u>	<u>1,014,514</u>	<u>337,686</u>
Expenditures:								
Current:								
Operations and maintenance	3,218	4,518	5,298	(780)	9,300	9,300	54,700	(45,400)
Debt service:								
Principal	555,000	555,000	555,000	-	1,340,000	1,340,000	565,327	774,673
Interest and fiscal charges	196,350	196,350	195,500	850	176,700	176,700	147,366	29,334
Total expenditures	<u>754,568</u>	<u>755,868</u>	<u>755,798</u>	<u>70</u>	<u>1,526,000</u>	<u>1,526,000</u>	<u>767,393</u>	<u>758,607</u>
Revenues over (under) expenditures	<u>2,867</u>	<u>1,567</u>	<u>12,091</u>	<u>(10,524)</u>	<u>(173,800)</u>	<u>(173,800)</u>	<u>247,121</u>	<u>(420,921)</u>
Other financing sources:								
Transfers in	-	-	-	-	-	-	2,044	(2,044)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,044</u>	<u>(2,044)</u>
Net change in fund balances	<u>\$ 2,867</u>	<u>\$ 1,567</u>	<u>12,091</u>	<u>\$ (10,524)</u>	<u>\$ (173,800)</u>	<u>\$ (173,800)</u>	<u>249,165</u>	<u>\$ (422,965)</u>
Fund balance, beginning of year			704,120				2,774,517	
Fund balance, end of year			<u>\$ 716,211</u>				<u>\$ 3,023,682</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019

(Page 4 of 4)

	Sidewalk and Curb Districts Fund				Total Nonmajor Debt Service Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,149,039	\$ 2,149,039	\$ 2,154,455	\$ (5,416)
Special assessments	340,000	340,000	524,676	(184,676)	1,690,000	1,690,000	1,478,412	211,588
Other	400	400	12,370	(11,970)	308,900	308,900	426,216	(117,316)
Total revenues	<u>340,400</u>	<u>340,400</u>	<u>537,046</u>	<u>(196,646)</u>	<u>4,147,939</u>	<u>4,147,939</u>	<u>4,059,083</u>	<u>88,856</u>
Expenditures:								
Current:								
Operations and maintenance	-	12,400	14,300	(1,900)	43,934	57,634	98,410	(40,776)
Debt service:								
Principal	300,000	300,000	306,000	(6,000)	3,935,000	3,935,000	3,166,327	768,673
Interest and fiscal charges	86,750	119,750	96,963	22,787	1,385,099	1,418,099	1,365,098	53,001
Total expenditures	<u>386,750</u>	<u>432,150</u>	<u>417,263</u>	<u>14,887</u>	<u>5,364,033</u>	<u>5,410,733</u>	<u>4,629,835</u>	<u>780,898</u>
Revenues over (under) expenditures	<u>(46,350)</u>	<u>(91,750)</u>	<u>119,783</u>	<u>(211,533)</u>	<u>(1,216,094)</u>	<u>(1,262,794)</u>	<u>(570,752)</u>	<u>(692,042)</u>
Other financing sources:								
Transfers in	-	-	-	-	1,015,000	1,015,000	1,014,544	456
Transfers out	-	-	(2,044)	2,044	-	-	(2,044)	2,044
Total other financing sources	<u>-</u>	<u>-</u>	<u>(2,044)</u>	<u>2,044</u>	<u>1,015,000</u>	<u>1,015,000</u>	<u>1,012,500</u>	<u>2,500</u>
Net change in fund balances	<u>\$ (46,350)</u>	<u>\$ (91,750)</u>	<u>117,739</u>	<u>\$ (209,489)</u>	<u>\$ (154,744)</u>	<u>\$ (247,794)</u>	<u>441,748</u>	<u>\$ (694,542)</u>
Fund balance, beginning of year			291,832				7,138,040	
Fund balance, end of year			<u>\$ 409,571</u>				<u>\$ 7,579,788</u>	

NONMAJOR CAPITAL PROJECTS FUNDS

The City's non-major capital projects funds and their purposes are:

- The Urban Renewal Property Acquisition Fund is used to account for the local urban renewal projects.
- The Sidewalk and Curb Districts Fund accounts for the construction of sidewalks and curbs.
- The Special Improvement Districts Fund accounts for the construction of streets, water, and wastewater trunk lines.
- The Capital Replacement Fund is used for capital replacement for governmental funds.
- The Park Construction Fund is used for the construction of parks.
- The Dog Park Construction Fund accounts for the construction of the new dog parks in Billings.

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2019

	Urban Renewal Property Acquisition Fund	Sidewalk and Curb Districts Fund	Special Improvements Districts Fund	Capital Replacement Fund	Park Construction Fund	Dog Park Construction Fund	Total Nonmajor Capital Projects Funds
Assets							
Cash and cash equivalents	\$ 22,831	\$ 16,047	\$ 35,863	\$ 2,824,527	\$ 906,465	\$ 1,892	\$ 3,807,625
Investments	33,220	24,062	55,153	4,095,692	1,316,674	2,737	5,527,538
Receivables:							
Accounts and unbilled usage	-	16,639	-	-	-	-	16,639
Accrued interest	151	102	452	17,695	14,351	-	32,751
Property held for resale	187,828	-	-	-	-	-	187,828
Total assets	\$ 244,030	\$ 56,850	\$ 91,468	\$ 6,937,914	\$ 2,237,490	\$ 4,629	\$ 9,572,381
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ 48,107	\$ 37,521	\$ -	\$ 109,766	\$ -	\$ 195,394
Due to other funds	-	200,350	-	-	-	-	200,350
Total Liabilities	-	248,457	37,521	-	109,766	-	395,744
Fund balance (deficit)							
Restricted	244,030	-	53,947	6,937,914	2,127,724	4,629	9,368,244
Unassigned	-	(191,607)	-	-	-	-	(191,607)
Total fund balance (deficit)	244,030	(191,607)	53,947	6,937,914	2,127,724	4,629	9,176,637
Total liabilities and fund balances	\$ 244,030	\$ 56,850	\$ 91,468	\$ 6,937,914	\$ 2,237,490	\$ 4,629	\$ 9,572,381

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Urban Renewal Property Acquisition Fund	Sidewalk and Curb Districts Fund	Special Improvements Districts Fund	Capital Replacement Fund	Park Construction Fund	Dog Park Construction Fund	Total Nonmajor Capital Projects Funds
Revenues:							
Other	\$ 1,502	\$ 21,875	\$ 14,447	\$ 203,780	\$ 22,069	\$ 30	\$ 263,703
Total revenues	<u>1,502</u>	<u>21,875</u>	<u>14,447</u>	<u>203,780</u>	<u>22,069</u>	<u>30</u>	<u>263,703</u>
Expenditures:							
Current:							
General government	-	-	-	1,284	-	-	1,284
Public safety	-	-	-	395,800	-	-	395,800
Public works	-	209,249	58,627	-	-	-	267,876
Housing and economic development	8,957	-	-	-	-	-	8,957
Capital outlay	-	1,001,393	1,875,998	1,536,508	382,361	-	4,796,260
Debt service:							
Bond issuance costs	-	-	75,300	-	-	-	75,300
Total expenditures	<u>8,957</u>	<u>1,210,642</u>	<u>2,009,925</u>	<u>1,933,592</u>	<u>382,361</u>	<u>-</u>	<u>5,545,477</u>
Revenues over (under) expenditures	<u>(7,455)</u>	<u>(1,188,767)</u>	<u>(1,995,478)</u>	<u>(1,729,812)</u>	<u>(360,292)</u>	<u>30</u>	<u>(5,281,774)</u>
Other financing sources (uses):							
Transfers in	-	-	-	1,575,191	2,460,000	-	4,035,191
Special assessment bonds issued	-	-	1,625,000	-	-	-	1,625,000
Sale of capital assets	-	-	-	17,563	-	-	17,563
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,625,000</u>	<u>1,592,754</u>	<u>2,460,000</u>	<u>-</u>	<u>5,677,754</u>
Net change in fund balances	<u>(7,455)</u>	<u>(1,188,767)</u>	<u>(370,478)</u>	<u>(137,058)</u>	<u>2,099,708</u>	<u>30</u>	<u>395,980</u>
Fund balance (deficit), beginning of year	<u>251,485</u>	<u>997,160</u>	<u>424,425</u>	<u>7,074,972</u>	<u>28,016</u>	<u>4,599</u>	<u>8,780,657</u>
Fund balance (deficit), end of year	<u>\$ 244,030</u>	<u>\$ (191,607)</u>	<u>\$ 53,947</u>	<u>\$ 6,937,914</u>	<u>\$ 2,127,724</u>	<u>\$ 4,629</u>	<u>\$ 9,176,637</u>

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019

(Page 1 of 4)

	<u>Urban Renewal Property Acquisition Fund</u>				<u>Sidewalk and Curb Districts Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:								
Other	\$ 440	\$ 440	\$ 1,503	\$ (1,063)	\$ 467,000	\$ 467,000	\$ 21,875	\$ 445,125
Total revenues	<u>440</u>	<u>440</u>	<u>1,503</u>	<u>(1,063)</u>	<u>467,000</u>	<u>467,000</u>	<u>21,875</u>	<u>445,125</u>
Expenditures:								
Current:								
Operations and maintenance	9,997	9,997	8,957	1,040	-	-	209,249	(209,249)
Capital outlay	50,000	50,000	-	50,000	455,000	1,543,320	1,001,393	541,927
Debt service:								
Bond issuance costs	-	-	-	-	12,000	12,000	-	12,000
Total expenditures	<u>59,997</u>	<u>59,997</u>	<u>8,957</u>	<u>51,040</u>	<u>467,000</u>	<u>1,555,320</u>	<u>1,210,642</u>	<u>344,678</u>
Revenues over (under) expenditures	<u>(59,557)</u>	<u>(59,557)</u>	<u>(7,454)</u>	<u>(52,103)</u>	<u>-</u>	<u>(1,088,320)</u>	<u>(1,188,767)</u>	<u>100,447</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Special assessment bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (59,557)</u>	<u>\$ (59,557)</u>	<u>(7,454)</u>	<u>\$ (52,103)</u>	<u>\$ -</u>	<u>\$(1,088,320)</u>	<u>(1,188,767)</u>	<u>\$ 100,447</u>
Fund balance (deficit), beginning of year			251,485				997,160	
Fund balance (deficit), end of year			<u>\$ 244,031</u>				<u>\$ (191,607)</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019
(Page 2 of 4)

	<u>Special Improvement Districts Fund</u>				<u>Capital Replacement Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:								
Other	\$1,137,500	\$1,137,500	\$ 14,447	\$1,123,053	\$ 47,080	\$ 47,080	\$ 221,342	\$ (174,262)
Total revenues	<u>1,137,500</u>	<u>1,137,500</u>	<u>14,447</u>	<u>1,123,053</u>	<u>47,080</u>	<u>47,080</u>	<u>221,342</u>	<u>(174,262)</u>
Expenditures:								
Current:								
Operations and maintenance	-	-	58,627	(58,627)	389,557	389,557	397,084	(7,527)
Capital outlay	1,100,000	3,661,399	1,875,998	1,785,401	1,733,201	1,813,099	1,536,508	276,591
Debt service:								
Bond issuance costs	37,500	37,500	75,300	(37,800)	-	-	-	-
Total expenditures	<u>1,137,500</u>	<u>3,698,899</u>	<u>2,009,925</u>	<u>1,688,974</u>	<u>2,122,758</u>	<u>2,202,656</u>	<u>1,933,592</u>	<u>269,064</u>
Revenues over (under) expenditures	<u>-</u>	<u>(2,561,399)</u>	<u>(1,995,478)</u>	<u>(565,921)</u>	<u>(2,075,678)</u>	<u>(2,155,576)</u>	<u>(1,712,250)</u>	<u>(443,326)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	1,564,716	1,564,716	1,575,191	(10,475)
Special assessment bonds issued	-	-	1,625,000	(1,625,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,625,000</u>	<u>(1,625,000)</u>	<u>1,564,716</u>	<u>1,564,716</u>	<u>1,575,191</u>	<u>(10,475)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$(2,561,399)</u>	<u>(370,478)</u>	<u>\$(2,190,921)</u>	<u>\$ (510,962)</u>	<u>\$ (590,860)</u>	<u>(137,059)</u>	<u>\$ (453,801)</u>
Fund balance (deficit), beginning of year			424,425				7,074,972	
Fund balance (deficit), end of year			<u>\$ 53,947</u>				<u>\$ 6,937,913</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual

For the Fiscal Year Ended June 30, 2019

(Page 3 of 4)

	Park Construction Fund				Dog Park Construction Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Other	\$ -	\$ -	\$ 22,069	\$ (22,069)	\$ 500	\$ 500	\$ 30	\$ 470
Total revenues	<u>-</u>	<u>-</u>	<u>22,069</u>	<u>(22,069)</u>	<u>500</u>	<u>500</u>	<u>30</u>	<u>470</u>
Expenditures:								
Current:								
Operations and maintenance	-	-	-	-	-	-	-	-
Capital outlay	2,460,000	2,467,802	382,361	2,085,441	500	500	-	500
Debt service:								
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>2,460,000</u>	<u>2,467,802</u>	<u>382,361</u>	<u>2,085,441</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Revenues over (under) expenditures	<u>(2,460,000)</u>	<u>(2,467,802)</u>	<u>(360,292)</u>	<u>(2,107,510)</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>(30)</u>
Other financing sources (uses):								
Transfers in	2,460,000	2,460,000	2,460,000	-	-	-	-	-
Special assessment bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,460,000</u>	<u>2,460,000</u>	<u>2,460,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (7,802)</u>	<u>2,099,708</u>	<u>\$(2,107,510)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>30</u>	<u>\$ (30)</u>
Fund balance (deficit), beginning of year			28,016				4,599	
Fund balance (deficit), end of year			<u>\$ 2,127,724</u>				<u>\$ 4,629</u>	

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget to Actual
For the Fiscal Year Ended June 30, 2019

(Page 4 of 4)

Total Nonmajor Capital Project Funds				
	Original Budget	Final Budget	Actual	Variance
Revenues:				
Other	\$ 1,652,520	\$1,652,520	\$ 281,266	\$1,371,254
Total revenues	1,652,520	1,652,520	281,266	1,371,254
Expenditures:				
Current:				
Operations and maintenance	399,554	399,554	673,917	(274,363)
Capital outlay	5,798,701	9,536,120	4,796,260	4,739,860
Debt service:				
Bond issuance costs	49,500	49,500	75,300	(25,800)
Total expenditures	6,247,755	9,985,174	5,545,477	4,439,697
Revenues over (under) expenditures	(4,595,235)	(8,332,654)	(5,264,211)	(3,068,443)
Other financing sources (uses):				
Transfers in	4,024,716	4,024,716	4,035,191	(10,475)
Special assessment bonds issued	-	-	1,625,000	(1,625,000)
Total other financing sources (uses)	4,024,716	4,024,716	5,660,191	(1,635,475)
Net change in fund balances	\$ (570,519)	\$(4,307,938)	395,980	\$(4,703,918)
Fund balance (deficit), beginning of year			8,780,657	
Fund balance (deficit), end of year			\$ 9,176,637	

NONMAJOR PERMANENT FUND

The City's non-major permanent fund is:

- The Cemetery Perpetual Care Fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the City's cemeteries.

CITY OF BILLINGS, MONTANA
Nonmajor Permanent Fund
Balance Sheet
June 30, 2019

	Cemetery Perpetual Care Fund
Assets	
Cash and cash equivalents	\$ 303,297
Investments	439,036
Accrued interest receivable	1,996
Total assets	\$ 744,329
Fund Balance	
Liabilities:	
Total liabilities	-
Fund balance:	
Unspendable	\$ 744,329
Total fund balance	\$ 744,329

CITY OF BILLINGS, MONTANA
Nonmajor Permanent Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Charges for services	\$ 12,300	\$ 12,300	\$ 19,725	\$ 7,425
Other	5,600	5,600	18,075	12,475
Total revenues	<u>17,900</u>	<u>17,900</u>	<u>37,800</u>	<u>19,900</u>
Expenditures:				
Total expenditures	<u>5,600</u>	<u>5,600</u>	<u>-</u>	<u>(5,600)</u>
Revenues over (under) expenditures	<u>12,300</u>	<u>12,300</u>	<u>37,800</u>	<u>25,500</u>
Other financing sources (uses):				
Transfers out	-	-	(2,022)	(2,022)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,022)</u>	<u>(2,022)</u>
Net change in fund balances	<u>\$ 12,300</u>	<u>\$ 12,300</u>	<u>\$ 35,778</u>	<u>\$ 23,478</u>
Fund balance, beginning of year			<u>708,551</u>	
Fund balance, end of year			<u>\$ 744,329</u>	

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government’s council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government’s council has decided that periodic determination of net income is appropriate for accountability purposes. The City’s nonmajor enterprise funds and their purposes are:

- The Transit Fund accounts for the operation of the City’s public transportation system.
- The Golf Course Fund accounts for the operation of the Par-3 Golf Course.

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2019
(Page 1 of 2)

Assets	Transit Fund	Golf Course	Total
Current assets:			
Cash and cash equivalents	\$ 900,831	\$ 195,376	\$ 1,096,207
Investments	1,298,557	-	1,298,557
Receivables:			
Property taxes	85,631	-	85,631
Accounts and unbilled usage	25,736	-	25,736
Accrued interest	5,560	-	5,560
Receivables from other governments	59,560	-	59,560
Inventories	147,289	660	147,949
Prepaid items	-	5,886	5,886
Total current assets	<u>2,523,164</u>	<u>201,922</u>	<u>2,725,086</u>
Noncurrent assets:			
Property and equipment:			
Land	1,435,291	-	1,435,291
Buildings	8,204,968	1,530,865	9,735,833
Improvements other than buildings	1,005,756	-	1,005,756
Equipment and vehicles	9,279,962	-	9,279,962
Construction in progress	210,608	-	210,608
Less: accumulated depreciation	<u>(12,987,599)</u>	<u>(1,137,439)</u>	<u>(14,125,038)</u>
Total noncurrent assets	<u>7,148,986</u>	<u>393,426</u>	<u>7,542,412</u>
Total assets	<u>9,672,150</u>	<u>595,348</u>	<u>10,267,498</u>
Deferred Outflows			
Other post employment benefits	166,384	-	166,384
Pensions	697,181	-	697,181
Total assets and deferred outflows	<u>\$ 10,535,715</u>	<u>\$ 595,348</u>	<u>\$ 11,131,063</u>

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2019
(Page 2 of 2)

	<u>Transit Fund</u>	<u>Golf Course</u>	<u>Total</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 110,463	\$ 8,191	\$ 118,654
Accrued wages and benefits	164,870	42,906	207,776
Compensated absences	410,448	-	410,448
Total current liabilities	<u>685,781</u>	<u>51,097</u>	<u>736,878</u>
Noncurrent liabilities:			
Compensated absences	110,871	-	110,871
Other post employment benefits	556,360	-	556,360
Net pension liability	3,026,730	-	3,026,730
Total noncurrent liabilities	<u>3,693,961</u>	<u>-</u>	<u>3,693,961</u>
Total liabilities	<u>4,379,742</u>	<u>51,097</u>	<u>4,430,839</u>
Deferred Inflows			
Other post employment benefits	195,992	-	195,992
Pensions	443,386	-	443,386
Total deferred inflows of resources	<u>639,378</u>	<u>-</u>	<u>639,378</u>
Net Position			
Net investment in capital assets	7,148,986	393,426	7,542,412
Restricted for:			
Unrestricted	<u>(1,632,391)</u>	<u>150,825</u>	<u>(1,481,566)</u>
Total net position	<u>5,516,595</u>	<u>544,251</u>	<u>6,060,846</u>
Total liabilities, deferred inflows, and net position	<u>\$ 10,535,715</u>	<u>\$ 595,348</u>	<u>\$ 11,131,063</u>

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019

	<u>Transit Fund</u>	<u>Golf Course Fund</u>	<u>Total Nonmajor Enterprise Fund</u>
Operating revenues:			
Charges for services and use of facilities	\$ 734,742	\$ 449,932	\$ 1,184,674
Operating expenses:			
Salaries and benefits	4,170,530	229,879	4,400,409
Supplies	807,722	54,858	862,580
Contracted services	344,719	11,074	355,793
Utilities	97,439	25,441	122,880
Other	115,415	75,963	191,378
Depreciation	610,203	68,853	679,056
Total operating expenses	<u>6,146,028</u>	<u>466,068</u>	<u>6,612,096</u>
Operating income (loss)	<u>(5,411,286)</u>	<u>(16,136)</u>	<u>(5,427,422)</u>
Nonoperating revenues (expenses):			
Taxes	2,264,225	-	2,264,225
Intergovernmental	1,001,016	-	1,001,016
Interest and investment income	60,420	-	60,420
Gain (loss) on sale of capital assets	15,061	-	15,061
Other	41,228	1,500	42,728
Total nonoperating revenue (expense)	<u>3,381,950</u>	<u>1,500</u>	<u>3,383,450</u>
Income (loss) before capital contributions and transfers	<u>(2,029,336)</u>	<u>(14,636)</u>	<u>(2,043,972)</u>
Transfers out	-	(20,000)	(20,000)
Change in net position	<u>(2,029,336)</u>	<u>(34,636)</u>	<u>(2,063,972)</u>
Net position, beginning of year	<u>7,545,931</u>	<u>578,887</u>	<u>8,124,818</u>
Net position, end of year	<u>\$ 5,516,595</u>	<u>\$ 544,251</u>	<u>\$ 6,060,846</u>

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019
(Page 1 of 2)

	Transit Fund	Golf Course Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from customers and users	\$ 747,096	\$ 449,776	\$ 1,196,872
Cash received from other sources	-	1,500	1,500
Cash paid to employees for services	(4,809,749)	(229,879)	(5,039,628)
Cash paid to suppliers and contracted services	(697,750)	(181,985)	(879,735)
Net cash provided (used) by operating activities	<u>(4,760,403)</u>	<u>39,412</u>	<u>(4,720,991)</u>
Cash flows from noncapital financing activities:			
Cash received from tax revenues	2,311,052	-	2,311,052
Cash received from intergovernmental revenues	2,795,919	-	2,795,919
Transfers to other funds	-	(20,000)	(20,000)
Net cash provided (used) by noncapital financing activities	<u>5,106,971</u>	<u>(20,000)</u>	<u>5,086,971</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(298,388)	(34,735)	(333,123)
Proceeds from sales of capital assets	15,061	-	15,061
Net cash provided (used) by capital and related financing activities	<u>(283,327)</u>	<u>(34,735)</u>	<u>(318,062)</u>
Cash flows from investing activities:			
Cash received from interest	46,444	-	46,444
Sale of investments	1,217,365	30,107	1,247,472
Purchase of investments	(1,065,465)	-	(1,065,465)
Net cash provided (used) by investing activities	<u>198,344</u>	<u>30,107</u>	<u>228,451</u>
Net increase (decrease) in cash and cash equivalents	261,585	14,784	276,369
Cash and cash equivalents, beginning of year	<u>639,246</u>	<u>180,592</u>	<u>819,838</u>
Cash and cash equivalents, end of year	<u>\$ 900,831</u>	<u>\$ 195,376</u>	<u>\$ 1,096,207</u>
Cash and cash equivalents consists of:			
Cash and cash equivalents	\$ 900,831	\$ 195,376	\$ 1,096,207
Cash and cash equivalents, end of year	<u>\$ 900,831</u>	<u>\$ 195,376</u>	<u>\$ 1,096,207</u>

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019
(Page 2 of 2)

	Transit Fund	Golf Course Fund	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (5,411,286)	\$ (16,136)	\$ (5,427,422)
Other nonoperating income (expense)	56,289	1,500	57,789
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	610,203	68,853	679,056
(Increase) decrease in receivables	(5,140)	-	(5,140)
(Increase) decrease in inventories	17,494	-	17,494
(Increase) decrease in prepaid items	-	(156)	(156)
Increase (decrease) in accounts payable	46,323	67	46,390
Increase (decrease) in accrued liabilities	(74,286)	(14,716)	(89,002)
Net cash provided (used) by operating activities	\$ (4,760,403)	\$ 39,412	\$ (4,720,991)
Noncash investing, capital and financing activities:			
Increase (decrease) in investment market value	13,976	-	13,976

INTERNAL SERVICE FUNDS

The City's internal service funds and their purposes are:

- The Fleet Services Fund accounts for the maintenance and repair of vehicles used in the operation of City services.
- The Central Services Fund accounts for postage and copying services used in the operation of the City services.
- The Information Technology Fund accounts for technology services used in the operation of the City services.
- The City Health Insurance Fund accounts for the accumulation and allocation of costs associated with health benefits of City employees, enrolled dependents, and retired employees under 66 years of age.
- The Central Telephone Services Fund accounts for the maintenance and operation of the City-wide telephone system.
- The Property Insurance Fund accounts for property and liability insurance costs.
- The Radio Communications Fund accounts for the maintenance and operation of the City-wide 800 MHz radio system.
- The Facilities Management Fund accounts for amounts received for paying facility management costs.
- The Public Works Administration Fund provides administration services to the Public Works operational divisions.
- The Public Works Engineering Fund provides engineering services to the Public Works projects.

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2019
(Page 1 of 4)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Assets						
Current assets:						
Cash and cash equivalents	\$ 564,945	\$ 86,281	\$ 397,346	\$ 3,870,569	\$ 268,210	\$ 812,004
Investments	817,974	125,184	580,446	5,617,605	389,076	1,181,235
Receivables:						
Accounts and unbilled usage	-	-	-	-	-	-
Accrued interest	3,606	558	2,595	25,455	1,745	5,497
Notes	120,000	-	-	-	-	-
Inventories	230,966	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total current assets	<u>1,737,491</u>	<u>212,023</u>	<u>980,387</u>	<u>9,513,629</u>	<u>659,031</u>	<u>1,998,736</u>
Noncurrent assets:						
Notes receivable	280,000	-	-	-	-	-
Property and equipment:						
Land	-	-	-	-	-	-
Buildings	32,091	-	-	-	-	-
Improvements other than buildings	-	-	87,575	-	-	-
Equipment and vehicles	880,165	237,336	2,209,210	-	879,174	-
Construction in progress	-	-	-	-	-	-
Less: accumulated depreciation	(866,805)	(225,070)	(1,786,385)	-	(749,898)	-
Total noncurrent assets	<u>325,451</u>	<u>12,266</u>	<u>510,400</u>	<u>-</u>	<u>129,276</u>	<u>-</u>
Total assets	<u>2,062,942</u>	<u>224,289</u>	<u>1,490,787</u>	<u>9,513,629</u>	<u>788,307</u>	<u>1,998,736</u>
Deferred Outflows						
Other post employment benefits	54,285	-	52,579	-	3,276	2,920
Pensions	255,235	-	386,939	-	25,930	22,138
Total assets and deferred outflows	<u>\$2,372,462</u>	<u>\$ 224,289</u>	<u>\$1,930,305</u>	<u>\$9,513,629</u>	<u>\$ 817,513</u>	<u>\$2,023,794</u>

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2019
(Page 2 of 4)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 240,641	\$ 466,612	\$ 154,948	\$ 226,737	\$ 7,088,293
Investments	349,795	682,526	224,096	326,607	10,294,544
Receivables:					
Accounts and unbilled usage	-	4,264	-	27,761	32,025
Accrued interest	1,572	3,356	960	1,041	46,385
Notes	-	-	-	-	120,000
Inventories	-	-	-	-	230,966
Prepaid items	-	-	2,886	11,544	14,430
Total current assets	592,008	1,156,758	382,890	593,690	17,826,643
Noncurrent assets:					
Notes receivable	-	-	-	-	280,000
Property and equipment:					
Land	-	1,989,883	-	-	1,989,883
Buildings	385,655	8,963,489	-	-	9,381,235
Improvements other than buildings	19,692	2,277,525	-	-	2,384,792
Equipment and vehicles	3,395,791	364,200	50,358	399,319	8,415,553
Construction in progress	-	173,179	-	-	173,179
Less: accumulated depreciation	(3,186,235)	(4,608,997)	(37,120)	(311,074)	(11,771,584)
Total noncurrent assets	614,903	9,159,279	13,238	88,245	10,853,058
Total assets	1,206,911	10,316,037	396,128	681,935	28,679,701
Deferred Outflows					
Other post employment benefits	-	17,831	30,752	61,801	223,444
Pensions	-	81,299	247,259	472,694	1,491,494
Total assets and deferred outflows	\$ 1,206,911	\$ 10,415,167	\$ 674,139	\$ 1,216,430	\$30,394,639

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2019
(Page 3 of 4)

	Fleet Services Fund	Central Service Fund	Information Techology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Liabilities						
Current liabilities:						
Accounts payable	\$ 110,385	\$ 11,952	\$ 54,646	\$ 161,112	\$ 894	\$ 30,352
Accrued wages and benefits	53,356	-	68,140	1,527	4,608	3,909
Compensated absences	253,818	-	270,457	-	7,064	24,677
Accrued interest payable	-	-	-	-	-	-
Incurred but not reported health benefits	-	-	-	767,796	-	-
Notes payable	-	-	-	-	-	-
Unearned Revenue	-	-	-	4,145	-	-
Total current liabilities	<u>417,559</u>	<u>11,952</u>	<u>393,243</u>	<u>934,580</u>	<u>12,566</u>	<u>58,938</u>
Noncurrent liabilities:						
Compensated absences	68,562	-	73,056	-	1,908	6,666
Other post employment benefits	171,266	-	170,736	-	10,993	9,960
Net pension liability	1,108,071	-	1,679,850	-	112,574	96,107
Notes payable	-	-	-	-	-	-
Total noncurrent liabilities	<u>1,347,899</u>	<u>-</u>	<u>1,923,642</u>	<u>-</u>	<u>125,475</u>	<u>112,733</u>
Total liabilities	<u>1,765,458</u>	<u>11,952</u>	<u>2,316,885</u>	<u>934,580</u>	<u>138,041</u>	<u>171,671</u>
Deferred Inflows						
Other post employment benefits	62,186	-	69,036	-	4,212	3,569
Pensions	162,321	-	246,081	-	16,491	14,079
Total deferred inflows of resources	<u>224,507</u>	<u>-</u>	<u>315,117</u>	<u>-</u>	<u>20,703</u>	<u>17,648</u>
Net Position						
Net investment in capital assets	45,451	12,266	510,400	-	129,276	-
Unrestricted	337,046	200,071	(1,212,097)	8,579,049	529,493	1,834,475
Total net position	<u>382,497</u>	<u>212,337</u>	<u>(701,697)</u>	<u>8,579,049</u>	<u>658,769</u>	<u>1,834,475</u>
Total liabilities, deferred inflows, and net position	<u>\$ 2,372,462</u>	<u>\$ 224,289</u>	<u>\$ 1,930,305</u>	<u>\$ 9,513,629</u>	<u>\$ 817,513</u>	<u>\$ 2,023,794</u>

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2019
(Page 4 of 4)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Liabilities					
Current liabilities:					
Accounts payable	\$ 1,395	\$ 134,693	\$ 24,433	\$ 28,870	\$ 558,732
Accrued wages and benefits	-	16,154	39,618	83,801	271,113
Compensated absences	-	51,312	196,679	326,359	1,130,366
Accrued interest payable	-	19,800	-	-	19,800
Incurred but not reported health benefits	-	-	-	-	767,796
Notes payable	-	425,000	-	-	425,000
Unearned Revenue	-	-	-	1,442	5,587
Total current liabilities	1,395	646,959	260,730	440,472	3,178,394
Noncurrent liabilities:					
Compensated absences	-	13,861	53,127	88,157	305,337
Other post employment benefits	-	56,183	70,574	194,994	684,706
Net pension liability	-	352,950	1,073,445	2,052,145	6,475,142
Notes payable	-	1,658,908	-	-	1,658,908
Total noncurrent liabilities	-	2,081,902	1,197,146	2,335,296	9,124,093
Total liabilities	1,395	2,728,861	1,457,876	2,775,768	12,302,487
Deferred Inflows					
Other post employment benefits	-	21,499	43,058	76,413	279,973
Pensions	-	51,704	157,249	300,619	948,544
Total deferred inflows of resources	-	73,203	200,307	377,032	1,228,517
Net Position					
Net investment in capital assets	614,903	7,075,371	13,238	88,245	8,489,150
Unrestricted	590,613	537,732	(997,282)	(2,024,615)	8,374,485
Total net position	1,205,516	7,613,103	(984,044)	(1,936,370)	16,863,635
Total liabilities, deferred inflows, and net position	\$ 1,206,911	\$ 10,415,167	\$ 674,139	\$ 1,216,430	\$ 30,394,639

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019
(Page 1 of 2)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Operating revenues:						
Charges for services and use of facilities	\$ 1,792,938	\$ 114,115	\$ 2,301,491	\$ 13,049,339	\$ 417,858	\$ 1,504,677
Operating expenses:						
Salaries and benefits	1,488,352	-	1,983,615	38,700	134,765	109,766
Supplies	44,227	8,742	72,401	-	4,311	15
Contracted services	139,912	82,611	217,436	10,759,897	36,857	44,110
Utilities	7,560	-	47,348	-	167,755	-
Other	65,040	-	93,439	69,618	487	1,975,898
Depreciation	23,416	2,534	171,198	-	27,879	-
Total operating expenses	<u>1,768,507</u>	<u>93,887</u>	<u>2,585,437</u>	<u>10,868,215</u>	<u>372,054</u>	<u>2,129,789</u>
Operating income (loss)	<u>24,431</u>	<u>20,228</u>	<u>(283,946)</u>	<u>2,181,124</u>	<u>45,804</u>	<u>(625,112)</u>
Nonoperating revenues (expenses):						
Taxes	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Interest and investment income	30,574	4,900	23,937	207,509	14,978	44,215
Gain (loss) on sale of capital assets	-	-	1,630	-	-	-
Other	44,030	-	37,545	807	2,515	6,963
Total nonoperating revenue (expense)	<u>74,604</u>	<u>4,900</u>	<u>63,112</u>	<u>208,316</u>	<u>17,493</u>	<u>51,178</u>
Income (loss) before capital contributions and transfers	<u>99,035</u>	<u>25,128</u>	<u>(220,834)</u>	<u>2,389,440</u>	<u>63,297</u>	<u>(573,934)</u>
Transfers in	-	-	-	-	-	-
Transfers out	<u>(99,770)</u>	<u>-</u>	<u>(3,975)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(735)</u>	<u>25,128</u>	<u>(224,809)</u>	<u>2,389,440</u>	<u>63,297</u>	<u>(573,934)</u>
Net position, beginning of year	<u>383,232</u>	<u>187,209</u>	<u>(476,888)</u>	<u>6,189,609</u>	<u>595,472</u>	<u>2,408,409</u>
Net position, end of year	<u>\$ 382,497</u>	<u>\$ 212,337</u>	<u>\$ (701,697)</u>	<u>\$ 8,579,049</u>	<u>\$ 658,769</u>	<u>\$ 1,834,475</u>

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019
(Page 2 of 2)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Operating revenues:					
Charges for services and use of facilities	\$ 288,006	\$ 1,276,945	\$ 1,457,639	\$ 2,976,728	\$ 25,179,736
Operating expenses:					
Salaries and benefits	-	464,757	1,384,290	2,442,641	8,046,886
Supplies	51	137,890	28,811	36,198	332,646
Contracted services	217,939	308,451	178,192	368,752	12,354,157
Utilities	15,262	277,652	13,877	40,942	570,396
Other	-	16,231	40,053	180,997	2,441,763
Depreciation	260,654	325,031	5,734	38,384	854,830
Total operating expenses	493,906	1,530,012	1,650,957	3,107,914	24,600,678
Operating income (loss)	(205,900)	(253,067)	(193,318)	(131,186)	579,058
Nonoperating revenues (expenses):					
Taxes	-	-	-	25,127	25,127
Interest expense	-	(42,319)	-	-	(42,319)
Interest and investment income	13,804	34,428	8,144	7,953	390,442
Gain (loss) on sale of capital assets	-	1,411	-	-	3,041
Other	76	37,233	23,992	45,867	199,028
Total nonoperating revenue (expense)	13,880	30,753	32,136	78,947	575,319
Income (loss) before capital contributions and transfers	(192,020)	(222,314)	(161,182)	(52,239)	1,154,377
Transfers in	-	491,320	-	-	491,320
Transfers out	-	(3,000)	-	-	(106,745)
Change in net position	(192,020)	266,006	(161,182)	(52,239)	1,538,952
Net position, beginning of year	1,397,536	7,347,097	(822,862)	(1,884,131)	15,324,683
Net position, end of year	\$ 1,205,516	\$ 7,613,103	\$ (984,044)	\$ (1,936,370)	\$ 16,863,635

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019
(Page 1 of 4)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Cash flows from operating activities:						
Cash received from customers and users	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash received from interfund services provided	1,811,167	114,115	2,334,562	13,050,313	417,857	1,504,677
Cash received from other sources	44,030	-	39,175	807	-	6,963
Cash paid to employees for services	(1,390,333)	-	(2,031,089)	-	(122,834)	(107,116)
Cash paid to suppliers and contracted services	(233,138)	(87,007)	(386,920)	(10,959,477)	(215,311)	(2,044,899)
Net cash provided (used) by operating activities	<u>231,726</u>	<u>27,108</u>	<u>(44,272)</u>	<u>2,091,643</u>	<u>79,712</u>	<u>(640,375)</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(95,770)	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>(95,770)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(5,209)	-	(117,557)	-	(31,350)	-
Proceeds from sales of capital assets	70,000	-	1,630	-	-	-
Cash paid for interest	-	-	-	-	-	-
Principal paid on notes payable and capital lease payable	-	-	-	-	-	-
Transfers to other funds	(4,000)	-	(3,975)	-	-	-
Transfers from other funds	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>60,791</u>	<u>-</u>	<u>(119,902)</u>	<u>-</u>	<u>(31,350)</u>	<u>-</u>
Cash flows from investing activities:						
Cash received from interest	22,852	3,580	17,836	147,384	11,071	36,234
Sale of investments	857,047	119,083	657,621	4,775,925	393,297	1,703,970
Purchase of investments	(966,154)	(126,035)	(463,830)	(5,649,758)	(391,472)	(1,185,919)
Net cash provided (used) by investing activities	<u>(86,255)</u>	<u>(3,372)</u>	<u>211,627</u>	<u>(726,449)</u>	<u>12,896</u>	<u>554,285</u>
Net increase (decrease) in cash and cash equivalents	110,492	23,736	47,453	1,365,194	61,258	(86,090)
Cash and cash equivalents, beginning of year	<u>454,453</u>	<u>62,545</u>	<u>349,893</u>	<u>2,505,375</u>	<u>206,952</u>	<u>898,094</u>
Cash and cash equivalents, end of year	<u>\$ 564,945</u>	<u>\$ 86,281</u>	<u>\$ 397,346</u>	<u>\$ 3,870,569</u>	<u>\$ 268,210</u>	<u>\$ 812,004</u>

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019
(Page 2 of 4)

	Radio Communica- tions Fund	Facilities Manage- ment Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Cash flows from operating activities:					
Cash received from customers and users	\$ -	\$ 582,173	\$ -	\$ 135,725	\$ 717,898
Cash received from interfund services provided	288,006	677,583	1,457,639	2,872,304	24,528,223
Cash received from other sources	76	40,055	-	45,867	176,973
Cash paid to employees for services	-	(465,118)	(1,441,118)	(2,358,971)	(7,916,579)
Cash paid to suppliers and contracted services	(232,318)	(649,228)	(219,160)	(621,674)	(15,649,132)
Net cash provided (used) by operating activities	<u>55,764</u>	<u>185,465</u>	<u>(202,639)</u>	<u>73,251</u>	<u>1,857,383</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	(95,770)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(95,770)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	-	(358,532)	-	-	(512,648)
Proceeds from sales of capital assets	-	1,411	-	-	73,041
Cash paid for interest	-	(67,201)	-	-	(67,201)
Principal paid on notes payable and capital lease payable	-	(409,999)	-	-	(409,999)
Transfers to other funds	-	(3,000)	-	-	(10,975)
Transfers from other funds	-	491,320	-	-	491,320
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(346,001)</u>	<u>-</u>	<u>-</u>	<u>(436,462)</u>
Cash flows from investing activities:					
Cash received from interest	10,134	24,805	5,901	5,189	284,986
Sale of investments	345,877	896,015	445,270	332,414	10,526,519
Purchase of investments	(352,870)	(659,198)	(226,339)	(331,203)	(10,352,778)
Net cash provided by investing activities	<u>3,141</u>	<u>261,622</u>	<u>224,832</u>	<u>6,400</u>	<u>458,727</u>
Net increase (decrease) in cash and cash equivalents	58,905	101,086	22,193	79,651	1,783,878
Cash and cash equivalents, beginning of year	<u>181,736</u>	<u>365,526</u>	<u>132,755</u>	<u>147,086</u>	<u>5,304,415</u>
Cash and cash equivalents, end of year	<u>\$ 240,641</u>	<u>\$ 466,612</u>	<u>\$ 154,948</u>	<u>\$ 226,737</u>	<u>\$ 7,088,293</u>

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019
(Page 3 of 4)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 24,431	\$ 20,228	\$ (283,946)	\$ 2,181,124	\$ 45,804	\$ (625,112)
Other nonoperating income (expense)	44,030	-	39,175	807	2,515	6,963
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	23,416	2,534	171,198	-	27,879	-
(Increase) decrease in receivables	-	-	-	974	-	-
(Increase) decrease in inventories	3,637	-	-	-	-	-
(Increase) decrease in prepaid items and deposits	-	-	-	-	-	-
Increase (decrease) in accounts payable	19,964	4,346	43,704	47,211	(5,901)	(24,876)
Increase (decrease) in accrued liabilities	116,248	-	(14,403)	(138,473)	9,415	2,650
Net cash provided (used) by operating activities	<u>\$ 231,726</u>	<u>\$ 27,108</u>	<u>\$ (44,272)</u>	<u>\$ 2,091,643</u>	<u>\$ 79,712</u>	<u>\$ (640,375)</u>
Noncash investing, capital and financing activities:						
Increase (decrease) in investment market value	7,272	1,168	5,770	49,796	3,532	10,484

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2019
(Page 4 of 4)

	Radio Communica- tions Fund	Facilities Manage- ment Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (205,900)	\$ (253,067)	\$ (193,318)	\$ (131,186)	\$ 579,058
Other nonoperating income (expense)	76	38,644	23,992	70,994	227,196
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	260,654	325,031	5,734	38,384	854,830
(Increase) decrease in receivables	-	-	-	6,174	7,148
(Increase) decrease in inventories	-	-	-	-	3,637
(Increase) decrease in prepaid items and deposits	-	-	(3)	(12)	(15)
Increase (decrease) in accounts payable	934	90,996	17,784	5,227	199,389
Increase (decrease) in accrued liabilities	-	(16,139)	(56,828)	83,670	(13,860)
Net cash provided (used) by operating activities	<u>\$ 55,764</u>	<u>\$ 185,465</u>	<u>\$ (202,639)</u>	<u>\$ 73,251</u>	<u>\$ 1,857,383</u>
Noncash investing, capital and financing activities:					
Increase (decrease) in investment market value	3,298	8,243	2,009	2,039	93,611

AGENCY FUNDS

The City's agency funds and their purposes are:

- The Downtown Business Improvement District Fund accounts for amounts the City receives from Yellowstone County for Billings Business Improvement District (BID) assessments and remits the same to the BID as required by State Statutes.
- The Tourism Business Improvement District Fund accounts for amounts the City receives from Yellowstone County for Billings Tourism Business Improvement District (TBID) assessments and remits the same to the TBID as required by State Statutes.
- The License Plate Fund accounts for amounts the City receives from Yellowstone County for license plate assessments and remits the same to the License Plate Fund as required by State Statutes.

CITY OF BILLINGS
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For The Fiscal Year Ended June 30, 2019
(Page 1 of 2)

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Downtown Business Improvement District				
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 351,680	\$ 351,680	\$ -
Total assets	<u>\$ -</u>	<u>\$ 351,680</u>	<u>\$ 351,680</u>	<u>\$ -</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 351,680	\$ 351,680	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 351,680</u>	<u>\$ 351,680</u>	<u>\$ -</u>
Tourism Business Improvement District				
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 1,889,439	\$ 1,889,439	\$ -
Total assets	<u>\$ -</u>	<u>\$ 1,889,439</u>	<u>\$ 1,889,439</u>	<u>\$ -</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 1,889,439	\$ 1,889,439	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 1,889,439</u>	<u>\$ 1,889,439</u>	<u>\$ -</u>
License Plate Fund				
<u>Assets</u>				
Cash and cash equivalents	\$ 11,066	\$ 10,436	\$ 20,900	\$ 602
Total assets	<u>\$ 11,066</u>	<u>\$ 10,436</u>	<u>\$ 20,900</u>	<u>\$ 602</u>
<u>Liabilities</u>				
Accounts payable	\$ 11,066	\$ 10,436	\$ 20,900	\$ 602
Total liabilities	<u>\$ 11,066</u>	<u>\$ 10,436</u>	<u>\$ 20,900</u>	<u>\$ 602</u>

(continued)

CITY OF BILLINGS
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For The Fiscal Year Ended June 30, 2019
(Page 2 of 2)

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Totals - All Agency Funds				
<u>Assets</u>				
Cash and cash equivalents	\$ 11,066	\$ 2,251,555	\$ 2,262,019	\$ 602
Total assets	<u>\$ 11,066</u>	<u>\$ 2,251,555</u>	<u>\$ 2,262,019</u>	<u>\$ 602</u>
<u>Liabilities</u>				
Accounts payable	\$ 11,066	\$ 2,251,555	\$ 2,262,019	\$ 602
Total liabilities	<u>\$ 11,066</u>	<u>\$ 2,251,555</u>	<u>\$ 2,262,019</u>	<u>\$ 602</u>

STATISTICAL SECTION (UNAUDITED)

This part of the City of Billings' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	186-194
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	195-198
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	199-208
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	209-210
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within the City of Billings.</i>	
Operating Information	211-215
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

CITY OF BILLINGS, MONTANA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities										
Net invested in capital assets	\$137,282	\$156,927	\$185,242	\$197,845	\$196,250	\$173,274	\$201,511	\$208,499	\$213,236	\$219,975
Restricted	58,567	56,725	58,125	67,391	71,418	61,917	62,749	53,672	64,435	57,055
Unrestricted	<u>17,550</u>	<u>20,350</u>	<u>23,962</u>	<u>21,213</u>	<u>24,885</u>	<u>25,416</u>	<u>5,297</u>	<u>11,293</u>	<u>1,067</u>	<u>2,785</u>
Total governmental activities net position	<u>\$213,399</u>	<u>\$234,002</u>	<u>\$267,329</u>	<u>\$286,449</u>	<u>\$292,553</u>	<u>\$260,607</u>	<u>\$269,557</u>	<u>\$273,464</u>	<u>\$278,738</u>	<u>\$279,815</u>
Business-type activities										
Net invested in capital assets	\$271,666	\$285,474	\$286,328	\$304,407	\$321,736	\$337,910	\$353,451	\$309,890	\$325,091	\$372,952
Restricted	5,175	5,977	5,657	6,142	9,667	7,412	4,930	55,101	28,198	26,771
Unrestricted	<u>45,927</u>	<u>48,090</u>	<u>57,552</u>	<u>60,613</u>	<u>70,894</u>	<u>60,588</u>	<u>73,261</u>	<u>87,687</u>	<u>117,362</u>	<u>90,415</u>
Total business-type activities net position	<u>\$322,768</u>	<u>\$339,541</u>	<u>\$349,537</u>	<u>\$371,162</u>	<u>\$402,297</u>	<u>\$405,910</u>	<u>\$431,642</u>	<u>\$452,678</u>	<u>\$470,651</u>	<u>\$490,138</u>
Primary government										
Net invested in capital assets	\$408,948	\$442,401	\$471,570	\$502,252	\$517,986	\$511,184	\$554,962	\$518,389	\$538,327	\$592,927
Restricted	63,742	62,702	63,782	73,533	81,085	69,329	67,679	108,773	92,633	83,826
Unrestricted	<u>63,477</u>	<u>68,440</u>	<u>81,514</u>	<u>81,826</u>	<u>95,779</u>	<u>86,004</u>	<u>78,558</u>	<u>98,980</u>	<u>118,429</u>	<u>93,200</u>
Total primary government net position	<u>\$536,167</u>	<u>\$573,543</u>	<u>\$616,866</u>	<u>\$657,611</u>	<u>\$694,850</u>	<u>\$666,517</u>	<u>\$701,199</u>	<u>\$726,142</u>	<u>\$749,389</u>	<u>\$769,953</u>

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 1 of 3)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 7,240	\$ 7,397	\$ 7,543	\$ 7,249	\$ 8,319	\$ 9,533	\$ 8,166	\$ 8,801	\$ 9,167	\$ 8,679
Public safety	40,841	42,735	37,410	47,884	43,124	43,085	43,855	45,516	52,599	39,965
Public works	17,531	19,284	21,609	26,939	30,322	31,320	32,695	38,203	37,156	40,942
Public health	816	865	851	871	905	1,059	957	1,002	1,038	1,449
Culture and recreation	8,118	8,133	8,312	8,799	9,577	11,212	10,867	11,269	11,458	17,397
Housing and economic development	5,879	3,709	3,561	3,212	3,475	4,612	4,475	5,890	5,338	4,984
Interest on long-term debt	<u>2,377</u>	<u>2,216</u>	<u>2,212</u>	<u>2,083</u>	<u>2,602</u>	<u>2,779</u>	<u>2,939</u>	<u>2,775</u>	<u>2,830</u>	<u>2,560</u>
Total governmental activities expenses	<u>82,802</u>	<u>84,339</u>	<u>81,498</u>	<u>97,037</u>	<u>98,324</u>	<u>103,600</u>	<u>103,954</u>	<u>113,456</u>	<u>119,586</u>	<u>115,976</u>
Business-type activities:										
Solid waste	8,510	9,996	10,296	10,482	11,314	11,823	11,988	12,117	13,753	14,163
Airport	11,613	12,038	13,098	12,763	12,711	12,616	12,538	12,907	14,067	13,088
Water	15,610	16,420	16,481	17,876	17,497	17,652	18,534	19,534	20,673	20,096
Wastewater	10,050	10,168	10,831	12,291	12,232	12,314	12,953	14,750	14,975	15,751
Parking	2,784	2,616	3,166	2,057	2,095	2,538	2,425	2,401	2,503	2,431
Transit	5,564	5,737	6,017	6,021	6,264	6,170	5,715	5,667	5,993	6,146
Golf course	<u>423</u>	<u>428</u>	<u>434</u>	<u>453</u>	<u>443</u>	<u>436</u>	<u>450</u>	<u>478</u>	<u>435</u>	<u>466</u>
Total business-type activities expenses	<u>54,554</u>	<u>57,403</u>	<u>60,323</u>	<u>61,943</u>	<u>62,556</u>	<u>63,549</u>	<u>64,603</u>	<u>67,854</u>	<u>72,399</u>	<u>72,141</u>
Total primary government expenses	<u>\$ 137,356</u>	<u>\$ 141,742</u>	<u>\$ 141,821</u>	<u>\$ 158,980</u>	<u>\$ 160,880</u>	<u>\$ 167,149</u>	<u>\$ 168,557</u>	<u>\$ 181,310</u>	<u>\$ 191,985</u>	<u>\$ 188,117</u>

(continued)

CITY OF BILLINGS, MONTANA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 2 of 3)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,291	\$ 2,365	\$ 2,788	\$ 2,611	\$ 2,463	\$ 2,855	\$ 3,286	\$ 3,414	\$ 3,560	\$ 3,439
Public safety	6,172	6,630	5,982	5,847	4,900	5,857	5,627	5,200	5,166	5,362
Public works	18,238	18,933	21,221	21,433	22,427	23,271	24,763	25,476	27,892	29,006
Culture and recreation	45	46	45	36	59	42	50	48	56	48
Other activities	1,772	1,838	1,887	1,948	2,074	2,326	2,472	2,411	2,301	2,492
Operating grants and contributions	13,125	12,229	7,006	12,503	13,648	16,554	11,713	12,034	18,856	7,914
Capital grants and contributions	<u>7,555</u>	<u>14,133</u>	<u>26,658</u>	<u>28,524</u>	<u>13,626</u>	<u>7,884</u>	<u>9,568</u>	<u>11,036</u>	<u>7,118</u>	<u>6,060</u>
Total governmental activities program revenues	<u>49,198</u>	<u>56,174</u>	<u>65,587</u>	<u>72,902</u>	<u>59,197</u>	<u>58,789</u>	<u>57,479</u>	<u>59,619</u>	<u>64,949</u>	<u>54,321</u>
Business-type activities:										
Charges for services:										
Solid waste	9,144	9,801	10,731	10,161	11,024	13,925	13,888	14,715	15,407	15,474
Airport	8,278	8,483	9,568	9,841	9,046	9,536	9,915	10,078	12,356	12,887
Water	21,099	19,538	23,569	25,904	22,928	24,740	25,914	24,686	27,995	25,326
Wastewater	10,282	10,919	14,144	16,123	18,054	18,469	18,915	19,798	19,518	23,970
Other activities	2,850	2,810	2,902	3,071	2,758	2,752	2,496	2,675	2,856	3,002
Operating grants and contributions	2,384	2,224	2,260	2,533	2,815	2,195	3,894	4,024	3,721	1,462
Capital grants and contributions	<u>9,247</u>	<u>15,707</u>	<u>6,041</u>	<u>8,426</u>	<u>15,274</u>	<u>4,366</u>	<u>12,326</u>	<u>9,163</u>	<u>3,745</u>	<u>3,170</u>
Total business-type activities program revenues	<u>63,284</u>	<u>69,482</u>	<u>69,215</u>	<u>76,059</u>	<u>81,899</u>	<u>75,983</u>	<u>87,348</u>	<u>85,139</u>	<u>85,598</u>	<u>85,291</u>
Total primary government program revenues	<u>\$ 112,482</u>	<u>\$ 125,656</u>	<u>\$ 134,802</u>	<u>\$ 148,961</u>	<u>\$ 141,096</u>	<u>\$ 134,772</u>	<u>\$ 144,827</u>	<u>\$ 144,758</u>	<u>\$ 150,547</u>	<u>\$ 139,612</u>
Net (expense)/revenue										
Governmental activities	\$ (33,604)	\$ (25,324)	\$ (31,450)	\$ (24,135)	\$ (39,127)	\$ (44,811)	\$ (46,475)	\$ (53,837)	\$ (54,637)	\$ (61,655)
Business-type activities	<u>8,730</u>	<u>9,159</u>	<u>7,272</u>	<u>14,116</u>	<u>19,343</u>	<u>12,434</u>	<u>22,745</u>	<u>17,285</u>	<u>13,199</u>	<u>13,150</u>
Total primary government	<u>\$ (24,874)</u>	<u>\$ (16,165)</u>	<u>\$ (24,178)</u>	<u>\$ (10,019)</u>	<u>\$ (19,784)</u>	<u>\$ (32,377)</u>	<u>\$ (23,730)</u>	<u>\$ (36,552)</u>	<u>\$ (41,438)</u>	<u>\$ (48,505)</u>

(continued)

CITY OF BILLINGS, MONTANA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 3 of 3)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 28,106	\$ 31,642	\$ 31,165	\$ 32,686	\$ 36,507	\$ 32,198	\$ 36,636	\$ 37,269	\$ 38,684	\$ 39,670
Franchise fees	2,786	2,946	3,348	3,598	2,770	3,808	3,946	3,833	3,852	1,458
Business license tax	643	744	706	701	740	759	755	763	762	766
Unrestricted federal/state shared revenue	12,707	13,247	13,544	14,023	15,117	15,550	15,878	16,408	17,139	18,109
Unrestricted investment earnings	229	129	133	77	151	196	332	228	428	2,314
Gain on sale of property and equipment	(273)	(13)	139	465	411	949	(2,212)	267	140	58
Miscellaneous	53	77	59	78	(201)	221	194	144	(783)	441
Transfers	206	(1,561)	146	(4,409)	(9,046)	(4,144)	(101)	(502)	(309)	(85)
Total governmental activities	44,457	47,211	49,240	47,219	46,449	49,537	55,428	58,410	59,913	62,731
Business-type activities:										
Property taxes	1,774	1,833	1,880	1,864	1,992	1,865	1,981	2,054	2,230	2,264
Unrestricted federal/state shared revenue	324	341	341	341	-	421	-	-	-	-
Unrestricted investment earnings	641	436	419	226	400	445	752	657	1,498	3,596
Gain on sale of property and equipment	20	(24)	(547)	468	285	61	-	28	24	170
Miscellaneous	205	150	742	200	273	353	153	835	711	219
Transfers	(206)	1,561	(146)	4,409	9,046	4,144	101	502	309	85
Total business-type activities	2,758	4,297	2,689	7,508	11,996	7,289	2,987	4,076	4,772	6,334
Total primary government	\$ 47,215	\$ 51,508	\$ 51,929	\$ 54,727	\$ 58,445	\$ 56,826	\$ 58,415	\$ 62,486	\$ 64,685	\$ 69,065
Change in Net Position										
Governmental activities	\$ 10,853	\$ 21,887	\$ 17,790	\$ 23,084	\$ 7,322	\$ 4,726	\$ 8,953	\$ 4,573	\$ 5,276	\$ 1,076
Business-type activities	11,488	13,456	9,961	21,624	31,339	19,723	25,732	21,361	17,971	19,484
Total primary government net position	\$ 22,341	\$ 35,343	\$ 27,751	\$ 44,708	\$ 38,661	\$ 24,449	\$ 34,685	\$ 25,934	\$ 23,247	\$ 20,560

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

Fiscal Year	Property Tax	Business License Tax	Total
2010	\$ 28,106	\$ 643	\$ 28,749
2011	31,642	744	32,386
2012	31,165	706	31,871
2013	32,686	701	33,387
2014	36,507	739	37,246
2015	32,198	759	32,957
2016	36,636	755	37,391
2017	37,269	763	38,032
2018	38,684	762	39,446
2019	39,670	766	40,436

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Fund Balances of Governmental Funds
Last Ten Fiscal Years ¹
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Years									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Unspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	8,186	8,610	9,726	8,603	9,890	9,952	10,638	11,651	11,858	12,723
Unassigned	<u>5,007</u>	<u>8,131</u>	<u>10,285</u>	<u>11,612</u>	<u>13,245</u>	<u>14,928</u>	<u>16,553</u>	<u>16,621</u>	<u>15,860</u>	<u>9,676</u>
Total	<u>\$13,193</u>	<u>\$16,741</u>	<u>\$20,011</u>	<u>\$20,215</u>	<u>\$23,135</u>	<u>\$24,880</u>	<u>\$27,191</u>	<u>\$28,272</u>	<u>\$27,718</u>	<u>\$22,399</u>
All other governmental funds										
Unspendable	\$ 601	\$ 614	\$ 626	\$ 637	\$ 751	\$ 760	\$ 800	\$ 808	\$ 859	\$ 906
Restricted	40,044	39,936	43,818	64,363	56,291	72,549	71,238	72,033	63,728	63,182
Committed	9,477	8,547	7,958	8,681	7,842	10,817	10,258	9,022	10,709	9,242
Unassigned	<u>(243)</u>	<u>(496)</u>	<u>(906)</u>	<u>(470)</u>	<u>(376)</u>	<u>(396)</u>	<u>(275)</u>	<u>(118)</u>	<u>(23)</u>	<u>(246)</u>
Total	<u>\$49,879</u>	<u>\$48,601</u>	<u>\$51,496</u>	<u>\$73,211</u>	<u>\$64,508</u>	<u>\$83,730</u>	<u>\$82,021</u>	<u>\$81,745</u>	<u>\$75,273</u>	<u>\$73,084</u>

Source: City of Billings, Montana

¹ In FY2010, The City of Billings adopted GASB 54. See Notes to Financial Statements.

CITY OF BILLINGS, MONTANA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 1 of 2)

	Fiscal Years									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 27,841	\$ 32,062	\$ 30,654	\$ 32,131	\$ 36,457	\$ 33,763	\$ 37,286	\$ 37,213	\$ 38,619	\$ 39,787
Licenses and permits	4,759	5,126	5,611	6,513	5,489	6,984	6,879	6,596	6,456	4,074
Intergovernmental	27,219	27,704	20,698	25,518	27,768	28,279	30,061	28,991	30,225	32,132
Charges for services	9,743	10,725	11,128	10,782	11,512	11,966	13,144	13,565	14,613	15,654
Fines and forfeitures	1,809	2,035	2,052	2,393	2,064	2,079	1,964	1,754	1,838	1,751
Special assessments	17,984	18,635	20,276	21,394	21,548	22,303	22,515	22,921	24,319	24,874
Other	2,761	1,918	1,674	2,337	3,394	3,247	3,569	4,200	4,097	4,308
Total revenues	<u>92,116</u>	<u>98,205</u>	<u>92,093</u>	<u>101,068</u>	<u>108,232</u>	<u>108,621</u>	<u>115,418</u>	<u>115,240</u>	<u>120,167</u>	<u>122,580</u>
Expenditures										
Current:										
General government	7,147	7,208	7,323	7,335	8,288	7,869	8,074	8,331	8,859	9,499
Public safety	38,801	40,529	36,145	43,716	42,386	43,924	45,669	47,106	50,111	53,168
Public works	12,402	13,514	14,133	16,415	18,861	18,472	19,059	21,862	21,926	23,207
Public health	727	766	769	787	814	843	856	821	854	964
Culture and recreation	6,944	6,981	7,133	7,633	8,163	8,374	8,920	8,201	8,911	10,384
Housing and economic development	5,860	3,599	3,478	3,129	3,407	4,423	4,418	5,718	5,217	4,582
Capital outlay	8,313	17,007	13,980	21,874	30,294	18,893	25,726	14,445	17,818	26,544
Debt service:										
Principal	4,590	5,934	6,967	13,153	4,811	9,157	4,322	4,801	11,481	3,896
Interest and fiscal charges	2,172	1,942	1,752	2,688	2,349	2,492	2,551	2,734	2,951	2,530
Bond issuance costs	9	64	135	769	133	464	136	69	28	75
Total expenditures	<u>86,965</u>	<u>97,544</u>	<u>91,815</u>	<u>117,499</u>	<u>119,506</u>	<u>114,911</u>	<u>119,731</u>	<u>114,088</u>	<u>128,156</u>	<u>134,849</u>
Excess of revenues over (under) expenditures	<u>\$ 5,151</u>	<u>\$ 661</u>	<u>\$ 278</u>	<u>\$(16,431)</u>	<u>\$(11,274)</u>	<u>\$ (6,290)</u>	<u>\$ (4,313)</u>	<u>\$ 1,152</u>	<u>\$ (7,989)</u>	<u>\$(12,269)</u>

(continued)

CITY OF BILLINGS, MONTANA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)
(Page 2 of 2)

	Fiscal Years									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Other financing sources (uses)										
Transfers in	\$ 21,267	\$ 25,054	\$ 24,532	\$ 26,535	\$ 24,086	\$ 28,504	\$ 26,615	\$ 28,252	\$ 34,501	\$ 33,474
Transfers out	(21,982)	(25,730)	(24,886)	(28,260)	(24,773)	(29,094)	(27,194)	(29,023)	(35,098)	(33,950)
Issuance of debt	881	1,125	3,630	33,055	-	6,270	-	-	-	3,465
Special assessment bonds issued	988	945	2,325	6,120	4,820	18,655	5,375	226	1,415	1,625
Premium on bonds issued	-	31	-	1,435	233	1,130	-	-	-	95
Bond discounts	-	(30)	(57)	(2)	-	(61)	-	-	-	-
Sale of capital assets	342	213	343	468	124	1,852	119	267	140	58
Total other financing sources (uses)	<u>1,496</u>	<u>1,608</u>	<u>5,887</u>	<u>39,351</u>	<u>4,490</u>	<u>27,256</u>	<u>4,915</u>	<u>(278)</u>	<u>958</u>	<u>4,767</u>
 Net change in fund balances	 <u>\$ 6,647</u>	 <u>\$ 2,269</u>	 <u>\$ 6,165</u>	 <u>\$ 22,920</u>	 <u>\$ (6,784)</u>	 <u>\$ 20,966</u>	 <u>\$ 602</u>	 <u>\$ 874</u>	 <u>\$ (7,031)</u>	 <u>\$ (7,502)</u>
 Debt service as a percentage of noncapital expenditures	 8.6%	 9.8%	 11.2%	 16.6%	 8.0%	 12.1%	 7.3%	 7.6%	 13.1%	 5.9%

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
General Government Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

Fiscal Year	Property Tax	Business License Tax	Total
2010	\$ 27,841	\$ 643	\$ 28,484
2011	32,062	744	32,806
2012	30,654	706	31,360
2013	32,131	701	32,832
2014	36,457	740	37,197
2015	33,763	759	34,522
2016	37,286	755	38,041
2017	37,213	763	37,976
2018	38,684	762	39,446
2019	39,787	766	40,553

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Taxable and Estimated Market Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property ^{3,4}		Personal Property		Total ⁵		Direct Tax Rate	Ratio of Taxable Value to Estimated Market
	Estimated Market Value	Taxable Value	Estimated Market Value	Taxable Value	Estimated Market Value ¹	Taxable Value ²		
2010	4,846,545,852	150,316,617	289,007,798	8,596,230	5,135,553,650	158,912,847	169.44	3.1%
2011	6,045,049,971	158,774,355	261,866,181	7,680,497	6,306,916,152	166,454,852	171.42	2.6%
2012	5,391,987,991	160,074,588	253,361,134	7,357,320	5,645,349,125	167,431,908	168.73	3.0%
2013	5,578,809,490	159,681,901	257,791,168	5,720,433	5,836,600,658	165,402,334	174.58	2.8%
2014	5,867,349,504	161,755,976	272,813,412	6,008,199	6,140,162,916	167,764,175	178.70	2.7%
2015	6,141,298,543	163,095,567	209,710,048	3,762,699	6,351,008,591	166,858,266	168.12	2.6%
2016	11,372,527,592 ⁷	187,958,670	254,824,924	4,087,311	11,627,352,516	192,045,981	158.84	1.7%
2017	11,491,184,706	191,197,155	252,088,832	3,979,017	11,743,273,538	195,176,172	160.40	1.7%
2018	12,191,541,683	199,511,334	279,769,621	4,331,658	12,471,311,304	203,842,992	159.00	1.6%
2019	12,273,523,077	200,187,216	282,104,998	4,354,464	12,555,628,075	204,541,680	163.12	1.6%

¹ State of Montana Department of Revenue (both real and personal property).

² Yellowstone County, Montana, Assessors Office (both real and personal property).

³ Market value and taxable value includes Utilities category.

⁴ Breakdown of commercial and residential property values is not available.

⁵ Market value and taxable value for fiscal years beginning in 2006 include incremental increases to the Tax Increment District.

⁶ For Fiscal Year 2009 State of Montana Department of Revenue did not include exempt properties.

⁷ The 6 year appraisal cycle was done by the State.

CITY OF BILLINGS, MONTANA
Property Tax Rates – Direct and Overlapping Governments
(Per \$1000 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	City						School County	School Education ¹	School District	Big Sky Economic Development Authority	State	Total Direct and Overlapping Total
	General ⁴	Library ⁴	Public Safety ²	Transit ⁴	General Obligation							
					Bonds	Total ³						
2010	74.00	5.00	71.92	10.00	8.52	169.44	106.89	102.50	193.87	3.05	47.98	623.73
2011	74.00	5.00	73.82	10.00	8.60	171.42	114.36	102.50	199.73	3.05	49.34	640.40
2012	74.00	5.00	70.75	10.00	8.98	168.73	114.44	102.50	199.19	3.05	49.96	637.87
2013	74.00	5.00	71.11	10.00	14.47 ⁵	160.11	117.19	102.50	204.53	3.09	52.09	639.51
2014	74.00	5.00	74.36	10.00	15.34	178.70	118.33	102.50	215.54	3.09	49.36	667.52
2015	74.00	5.00	64.59	10.00	14.53	168.12	117.10	102.50	249.75	3.09	46.10	686.66
2016	67.64	4.57	64.41	9.17	13.05	158.84	109.58	102.50	253.28	2.87	42.95	670.02
2017	70.61	4.77	64.30	9.54	11.18	160.40	113.71	102.50	255.52	2.95	50.61	685.69
2018	70.61	5.00	62.40	10.00	10.99	159.00	112.09	102.50	263.96	3.17	51.64	692.36
2019	74.00	5.00	62.88	10.00	11.24	163.12	124.76	102.50	272.73	3.29	47.87	714.27

Source: Yellowstone County, Montana, Treasurer

¹ Includes School Equalization Levy and other Education Levies.

² Tax payers approved additional public safety mills increase annually for fiscal years 2006 through 2010.

³ Under State Law, voter approval is required for additional tax rate increases.

⁴ General mills are fixed by charter, increases require an amendment to the charter.

⁵ General Obligation Library Bond for 6.12 mills was issued.

CITY OF BILLINGS, MONTANA
Principal Property Taxpayers
June 30, 2019 and Ten Years Ago
(Unaudited)

Taxpayer	Tax Year 2018			Tax Year 2009		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Northwestern Energy	\$ 10,480,820	1	5.1%	\$ 6,362,465	1	4.2%
Montana Dakota Utilities	3,846,485	2	1.9%	1,514,241	3	1.0%
Charter Communications	2,214,783	3	1.1%	-		0.0%
Centurylink Inc	1,418,407	4	0.7%	-		0.0%
AT&T Communications	1,237,709	5	0.6%	580,004	6	0.4%
Rimrock Owner LP	814,512	6	0.4%	-		0.0%
Wal-Mart Real Estate	599,407	7	0.3%	692,655	4	0.5%
Scheels All Sports Inc	654,655	8	0.3%	-		0.0%
Billings 401 LLC	538,665	9	0.3%	-		0.0%
Jela LLC	533,221	10	0.3%	-		0.0%
Verizon Wireless	-		0.0%	538,832	8	0.4%
Wells Fargo Corporate Prop.	-		0.0%	439,261	9	0.3%
Qwest Corp	-		0.0%	3,127,106	2	2.1%
Macerich Rimrock Limited Partner	-		0.0%	682,518	5	0.5%
Bresnan Broadband	-		0.0%	425,955	10	0.3%
Western Sugar Co.	-		0.0%	564,287	7	0.4%
Total	\$ 22,338,664		10.9%	\$ 14,927,324		9.9%
 Total taxable value	 \$ 204,836,165			 \$ 150,160,353		

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Property Tax Levies and Collections ¹
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy¹ for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Delinquent
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2010	25,249,468	23,902,572	94.7%	723,714	24,626,286	97.5%	1,346,896
2011	26,450,937	24,813,236	93.8%	1,330,906	26,144,142	98.8%	1,637,701
2012	26,003,866	23,934,858	92.0%	1,051,668	24,986,526	96.1%	2,069,008
2013	26,886,158	25,426,270	94.6%	642,009	26,068,279	97.0%	1,459,888
2014	27,818,662	26,310,736	94.6%	658,806	26,969,542	96.9%	1,507,926
2015	26,391,143	25,590,811	97.0%	4,894,272	30,485,083	115.5%	800,332
2016	28,231,663	27,220,145	96.4%	1,041,105	28,261,250	100.1%	1,011,518
2017	28,795,414	27,087,538	94.1%	770,715	27,858,253	96.7%	1,707,876
2018	30,101,821	28,340,613	94.1%	1,644,651	29,985,264	99.6%	1,761,208
2019	31,249,233	29,999,888	96.0%	1,699,576	31,699,464	101.4%	1,249,345

Source: City of Billings, Montana

¹ The total tax levy, collections and outstanding delinquent taxes are net of tax increment amounts.

CITY OF BILLINGS, MONTANA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)
(Unaudited)

Fiscal Year	Governmental Activities					
	General Obligation	Tax Increment	Special Assessment	Intercap Notes	Notes Payable	Capital Leases Payable
	Bonds	Bonds	Bonds	Payable	Payable	Payable
2010	16,845	-	18,882	81	4,114	5,154
2011	15,975	-	17,068	75	3,046	4,768
2012	15,080	-	17,230	70	2,821	4,428
2013	30,557	13,263	16,156	64	2,287	4,100
2014	28,717	13,260	17,645	59	1,732	4,128
2015	26,921	20,376	22,737	54	1,153	3,737
2016	32,094	26,032	21,363	48	712	3,362
2017	30,109	25,516	19,585	43	249	2,935
2018	21,669	24,810	18,767	38	-	2,515
2019	19,797	27,640	18,954	32	-	2,084

Fiscal Year	Business-Type Activities								
	Revenue Bonds	Revenue Bonds	Rev Bonds/ Notes Payable	Rev Bonds/ Notes Payable	Revenue Bonds	Capital Lease Payable	Capital Lease Payable	Total Primary	Percentage of Personal
	Airport	Wastewater	Water	Wastewater	Solid Waste	Parking	Airport	Government	Income
2010	8,120	-	20,206	14,609	-	5,390	-	93,401	1.58%
2011	14,165	-	23,922	16,765	-	5,190	-	100,974	1.67%
2012	13,465	-	24,026	16,212	-	5,544	1,322	100,198	1.59%
2013	12,540	-	23,214	16,458	-	3,177	1,258	123,074	1.82%
2014	11,382	-	24,510	17,470	-	3,061	1,191	123,155	1.76%
2015	10,437	-	28,446	16,514	-	2,942	1,120	134,437	1.89%
2016	9,559	-	30,049	15,506	-	2,818	1,045	142,588	1.84%
2017	8,473	63,305	28,264	14,503	-	2,687	968	196,637	2.46%
2018	7,348	59,980	28,257	13,470	-	2,551	886	180,291	2.13%
2019	6,184	58,532	24,199	12,408	23,338	2,409	799	196,376	2.09%

Source: City of Billings, Montana

CITY OF BILLINGS, MONTANA
Ratio of General Obligation Bonded Debt Outstanding
To Taxable Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ¹	Taxable Value ²	General Obligation Bonds ³	Less: Amounts Available in Debt Service Funds ⁴	Net	Percentage of Estimated Actual Taxable Value of Property	Net Bonded Debt Per Capita
2010	105,845	158,912,847	16,845,000	1,720,203	15,124,797	9.5%	142.90
2011	104,170	166,454,852	15,975,000	1,549,809	14,425,191	8.7%	138.48
2012	104,170	167,431,908	15,080,000	1,233,678	13,846,322	8.3%	132.92
2013	106,954	165,402,334	30,556,896	2,465,881	28,091,015	17.0%	262.65
2014	109,059	167,764,175	28,716,650	2,310,101	26,406,549	15.7%	242.13
2015	108,869	166,858,266	26,921,315	2,653,784	24,267,531	14.5%	222.91
2016	110,263	181,997,580	32,093,610	2,852,317	29,241,293	16.1%	265.20
2017	110,323	185,589,273	30,109,235	2,505,033	27,604,202	14.9%	250.21
2018	109,642	193,797,788	21,668,610	2,392,468	19,276,142	9.9%	175.81
2019	109,544	195,708,313	19,797,206	2,468,288	17,328,918	8.9%	158.19

Sources and other information:

¹ Census taken every ten years. Actual census figures given for 2011.

All other years are estimated by City/County Planning, Yellowstone County, Montana.

² Yellowstone County, Montana, Assessors Office (these amounts do not include the incremental increases to the Tax Increment District).

³ Amount does not include Special Assessment, tax increment or revenue bonds. In 2013, 2014, 2015 and 2016 recorded net of adjustments.

⁴ Amount does not include Special Assessment, tax increment debt service funds

CITY OF BILLINGS, MONTANA
Direct and Overlapping General Obligation Bonded Debt
June 30, 2019
(Unaudited)

Governmental Unit	Debt Outstanding	Percent Applicable to City ²	Estimated Share of Overlapping Debt
Overlapping:			
Yellowstone County	\$ 10,435,500 ¹	55.62%	\$ 5,804,225
School Districts			
School District #2	\$ 133,609,940 ¹	43.44%	\$ 58,040,158
Elder Grove SD #4	18,745,000 ¹	0.10%	\$ 18,745
Elysian SD #23	7,615,000 ¹	5.43%	\$ 413,495
Canyon Creek SD #44	410,000 ¹	0.31%	\$ 1,271
<u>Independent SD #52</u>	<u>2,240,000 ¹</u>	0.31%	<u>\$ 6,944</u>
Total School Districts	162,619,940		58,480,612
Total Overlapping Debt	<u>173,055,440</u>		<u>64,284,838</u>
Direct:			
City of Billings			
General Obligation	\$ 19,797,206		
Tax Increment	27,639,805		
Special Assesment	18,954,420		
Intercap Notes	32,206		
Notes Payable	-		
<u>Capital Lease</u>	<u>2,083,906</u>		
Total Direct Debt	<u>\$ 68,507,543</u>	100.0%	<u>\$ 68,507,543</u>
Total Direct and Overlapping Debt	<u>241,562,983</u>		<u>132,792,381</u>

Source and other information:

¹ Finance Department, Yellowstone County, Montana.

² The percentage of overlapping debt applicable to the City is estimated using taxable property values.

Applicable percentages were estimated by determining the portion of the other government's taxable value that is within the City's boundaries and dividing it by the other government total taxable value.

CITY OF BILLINGS, MONTANA
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in 000's)
(Unaudited)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 126,264	\$ 110,757	\$ 125,971	\$ 145,915	\$ 153,504	\$ 158,762	\$ 289,112	\$ 291,981	\$ 311,783	\$ 313,872
Total net debt applicable to limit	<u>20,030</u>	<u>19,343</u>	<u>13,846</u>	<u>27,875</u>	<u>26,407</u>	<u>23,326</u>	<u>27,260</u>	<u>32,622</u>	<u>23,758</u>	<u>21,887</u>
Legal debt margin	<u>\$ 106,234</u>	<u>\$ 91,414</u>	<u>\$ 112,125</u>	<u>\$ 118,040</u>	<u>\$ 127,098</u>	<u>\$ 135,436</u>	<u>\$ 261,852</u>	<u>\$ 259,360</u>	<u>\$ 288,024</u>	<u>\$ 291,985</u>
Total net debt applicable to the limit as a percentage of debt limit	15.86%	17.46%	10.99%	19.10%	17.20%	14.69%	9.43%	11.17%	7.62%	6.97%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed market value:		
Real property	\$ 11,973,868,035	
Personal property	281,342,145	
Utilities	299,655,042	
Total assessed value	<u>\$ 12,554,865,222</u>	
Debt amount limited to 2.5% of total assessed value		\$ 313,871,631
Less:		
General obligation bonded debt outstanding	19,797,206	
Total net debt applicable to limit		19,797,206
Plus:		
Amount set aside for repayment of GO debt		<u>(2,089,750)</u>
Total net debt applicable to limit		<u>17,707,456</u>
Legal debt margin		<u>\$ 291,984,675</u>

Source: City of Billings, Montana

Note: Under state law, the City of Billings, Montana's outstanding general obligation debt was not to exceed 1.51% prior to FY 08 and 2.50% starting in FY 08 of total assessed market value.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Water and Wastewater Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenue ¹	Less: Operating Expense ²	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 31,671,419	\$ 16,516,713	\$ 15,154,706	\$ 1,389,000	\$ 1,155,659	\$ 2,544,659	596%
2011	30,683,732	16,666,260	14,017,472	1,926,000	1,415,188	3,341,188	420%
2012	37,852,987	17,146,622	20,706,365	1,938,000	1,493,738	3,431,738	603%
2013	41,905,740	19,526,272	22,379,468	2,417,119	1,473,370	3,890,489	575%
2014	40,923,714	18,809,342	22,114,372	2,345,000	1,059,745	3,404,745	650%
2015	43,267,946	18,684,310	24,583,636	2,572,407	1,196,733	3,769,140	652%
2016	44,906,310	19,688,620	25,217,690	2,924,000	1,232,897	4,156,897	607%
2017	46,152,358	21,104,769	25,047,589	2,957,000	1,229,859	4,186,859	598%
2018	48,671,532	21,804,167	26,867,365	6,025,000	3,572,904	9,597,904	280%
2019	51,824,655	21,032,368	30,792,287	4,550,000	3,447,181	7,997,181	385%

Source: City of Billings, Montana

¹ Includes operating revenue and interest income.

² Total operating expenses exclusive of depreciation.

³ SRF Loan proceeds began in FY 05-06 as well as the related principal and interest payments.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Airport Revenue Bonds
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenue ¹	Add:CFC revenue not to exceed 2010B Debt Serv	Less: Operating Expense ²	Net Revenue Available for Debt Service	Debt Service Requirements				Total	Coverage
					2000/2010A Principal	2000/2010A Interest	2010B Principal	2010B Interest		
2010	\$ 8,400,519	\$ -	\$ 6,455,160	\$ 1,945,359	\$ 515,000	\$ 538,455	\$ -	\$ -	\$ 1,053,455	185%
2011	8,725,159	170,796	6,589,404	2,306,551 ^{3,4}	550,000	349,642	-	170,796	1,070,438	215%
2012	9,792,472	292,793	7,229,282	2,855,983	700,000	295,068	-	292,793	1,287,861	222%
2013	9,997,736	475,469	7,156,337	3,316,868	690,000	275,968	235,000	240,469	1,441,437	230%
2014	9,159,665	483,194	7,306,389	2,336,470	710,000	254,968	250,000	233,194	1,448,162	161%
2015	9,683,881	495,394	7,198,727	2,980,548	730,000	229,719	270,000	225,394	1,455,113	205%
2016	10,279,572	492,219	7,095,930	3,675,861	765,000	199,818	275,000	217,219	1,457,037	252%
2017	10,556,892	493,819	7,453,340	3,597,371	795,000	166,631	285,000	208,819	1,455,450	247%
2018	11,761,416	495,119	8,618,384	3,638,151	825,000	131,728	295,000	200,119	1,451,847	251%
2019	11,396,600	491,006	7,526,174	4,361,432	860,000	95,362	300,000	191,006	1,446,368	302%

Source: City of Billings, Montana

¹ Includes operating revenue, intergovernmental revenue, other revenue, interest income net of CFC and PFC interest.

² Total operating expense exclusive of depreciation.

³ The 2000 series bonds were refunded in July of 2010 in exchange for 2010A revenue bonds.

⁴ In Fiscal year 2011, Airport series 2010B revenue bonds were issued for the CFC project.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Special Assessment Bonds
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Gross¹ Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2010	2,519,745	2,090,111	1,060,094	3,150,205	80.0%
2011	2,984,730	1,803,815	970,296	2,774,111	107.6%
2012	5,581,675	4,614,070	915,622	5,529,692	100.9%
2013	6,665,868	7,013,621	1,539,100	8,552,721	77.9%
2014	2,623,645	2,085,862	690,009	2,775,871	94.5%
2015	7,183,892	6,593,709	613,603	7,207,312	99.7%
2016	1,855,339	1,641,069	343,342	1,984,411	93.5%
2017	1,676,582	1,527,648	308,749	1,836,397	91.3%
2018	1,774,099	1,686,466	257,392	1,943,858	91.3%
2019	1,551,560	871,327	274,229	1,145,556	135.4%

Source: City of Billings, Montana

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Gross Revenue includes special assessments and investment earnings on reserves.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Storm Sewer Bonds²
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross¹ Revenue	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	3,318,326	2,156,315	1,162,011	935,000	57,961	992,961	117.0%
2011	3,289,314	4,186,201	(896,887)	960,000	35,449	995,449	-90.1%
2012	3,377,947	1,542,725	1,835,222	180,000	20,000	200,000	917.6%
2013	3,429,004	2,335,753	1,093,251	185,000	16,311	201,311	543.1%
2014	3,579,824	3,003,616	576,208	385,000	30,797	415,797	138.6%
2015	3,747,959	3,505,136	242,823	100,000	173,094	273,094	88.9%
2016	4,038,829	3,538,658	500,171	160,000	389,450	549,450	91.0%
2017	4,239,414	2,508,407	1,731,007	465,000	487,220	952,220	181.8%
2018	4,359,288	2,926,665	1,432,623	530,000	476,528	1,006,528	142.3%
2019	4,619,127	7,972,036	(3,352,909) ³	545,000	459,369	1,004,369	-333.8%

Source: City of Billings, Montana

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Gross revenue includes assessments and investment earnings.

² Included in special assessment bonds in the financial statements and related notes.

³ Storm Sewer reserves were used in FY2019 to fund capital projects.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Parking Notes Payable ³
Last Ten Fiscal Years ⁴
(Unaudited)

Fiscal Year	Gross ¹ Revenue	Less: Operating Expense ²	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest ⁶	Total	
2010	\$ 1,764,693	\$ 1,678,525	\$ 86,168	\$ 189,622	\$ 305,773	\$ 495,395	17%
2011	1,732,269	1,551,195	181,074	200,014	295,381	495,395	37%
2012	1,724,876	2,110,306	(385,430)	210,974	284,421	495,395	-78%
2013	1,755,582	1,220,805	534,777 ⁵	222,536	272,859	495,395	108%
2014	1,525,125	1,455,807	69,318	115,863	139,917	255,780	27%
2015	1,519,591	1,717,715	(198,124)	119,120	136,660	255,780	-77%
2016	1,590,253	1,520,808	69,445	124,485	131,295	255,780	27%
2017	1,636,217	1,538,722	97,495	130,092	125,688	255,780	38%
2018	1,673,213	1,673,343	(130)	135,952	119,828	255,780	0%
2019	1,755,684	1,608,964	146,720	142,076	113,704	255,780	57%

Source: City of Billings, Montana

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Gross revenue includes operating revenue and interest income.

² Total operating expense exclusive of depreciation

³ Included in note payable in the financial statements and related notes.

⁴ Note payable was issued in fiscal year 2007. Prior to 2007, there was no pledged revenue debt for Parking.

⁵ The Capital lease for Parking was refinanced in FY2013. The debt service requirements will decrease in subsequent years.

⁶ This interest reported is cash basis. However, the interest reported in the Government-Wide financial statement is accrued.

**CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Solid Waste Revenue Bonds
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Gross Revenue ¹	Less: Operating Expense ²	Net Revenue Available for Debt Service	Debt Service Requirements ³			Coverage
				Principal	Interest	Total	
2019	15,905,395	11,232,020	4,673,375	-	313,590	313,590	1490%

Source: City of Billings, Montana

¹ Includes operating revenue, other revenue, and interest income.

² Total operating expense exclusive of depreciation.

³ The Solid Waste revenue bonds were sold in FY2019 and the first principal payment occurs in FY2020.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF BILLINGS, MONTANA
Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ¹	Total Personal Income ⁵ <i>(In thousands)</i>	Per Capita Personal Income ⁵	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
2010	105,845	5,900,362	38,737	38.1	15,608	5.5%
2011	104,170	6,060,376	39,212	39.0	15,715	5.2%
2012	104,170	6,308,626	38,488	39.0	16,223	4.3%
2013	106,954	6,765,732	41,546	37.0	16,238	3.7%
2014	109,059	7,014,133	42,417	36.8	16,328	2.9%
2015	108,869	7,110,250	42,606	38.3	16,120	2.9%
2016	110,263	7,749,711	46,052	38.1	16,644	3.2%
2017	110,323	8,002,260	47,148	38.1	16,648	3.2%
2018	109,642	8,484,100	49,760	38.3	16,649	3.0%
2019	109,544	9,383,500	52,019	37.6	16,649	2.9%

Sources and other information:

¹ Census taken every ten years. Actual census figures given for 2011.

All other years are estimated by City/County Planning, Yellowstone County, Montana.

² Census and Economic Information Center (CEIC), Montana Department of Commerce

³ Billings School District #2.

⁴ State of Montana Research & Analysis Bureau.

⁵ Bureau of Economic Analysis. Current Fiscal Year given as estimate only.

**CITY OF BILLINGS, MONTANA
Principal Employers
Current Year and Ten Years Ago
(Unaudited)**

Employer	2019			2010		
	<u>Number of Employees</u>¹	<u>Rank</u>	<u>Percentage of Total City Employment</u>²	<u>Number of Employees</u>¹	<u>Rank</u>	<u>Percentage of Total City Employment</u>³
Billings Clinic	4,116	1	5.09%	3,508	1	4.37%
School District #2	3,000	2	3.71%	2,209	2	2.75%
St. Vincent Healthcare	2,213	3	2.74%	2,150	3	2.68%
Stillwater Mining Company	1,781	4	2.20%	1,315	4	1.64%
City of Billings	922	5	1.14%	872	7	1.09%
Wells Fargo	848	6	1.05%	N/A	-	-
Yellowstone County	757	7	0.94%	760	8	0.95%
Wal Mart	723	8	0.89%	966	6	1.20%
St John's Lutheran Home	699	9	0.86%	600	9	0.75%
Montana State University-Billings	577	10	0.71%	580	10	0.72%
Avitus Group	N/A	-	-	1,003	5	1.25%
Total	15,636		19.34%	13,963		17.38%

Sources and other information:

¹ Information obtained from each individual company. Numbers given may be estimates.

² Montana Research and Analysis Bureau, State of Montana. Based on 80,854 employees in the greater Billings Metro Area.

³ Based on 80,358 employees in the greater Billings Metro Area.

CITY OF BILLINGS, MONTANA
Full-Time Equivalent City of Billings Employees by Function
Last Ten Fiscal Years
(Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government	83.0	83.5	84.8	87.8	90.6	84.6	84.6	85.9	88.9	86.9
Planning and community services	28.0	31.0	31.6	31.6	31.8	38.8	39.5	40.3	44.6	42.1
Library	30.7	31.7	31.7	31.7	31.7	31.9	31.8	32.8	32.8	32.8
Public safety										
Police	167.0	167.0	167.0	165.0	166.0	166.0	167.3	173.3	170.3	171.3
Animal shelter	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Police Grants	-	-	-	-	-	-	-	-	-	4.0
Fire	148.0	146.0	146.0	146.5	146.5	146.5	147.1	157.1	156.8	158.8
Emergency Operating Center	-	-	-	-	-	-	-	-	-	0.3
Streets/Traffic	43.0	43.0	45.0	45.0	45.0	45.0	47.0	47.0	48.0	48.0
Water and Wastewater	104.0	104.0	103.0	103.0	103.0	103.0	103.0	104.1	104.0	103.0
Sanitation	62.5	63.5	63.5	63.5	64.5	64.5	63.5	63.5	63.5	64.5
Parking	15.3	15.3	15.3	12.3	12.0	12.0	12.0	12.5	12.5	12.5
Aviation	56.0	56.0	56.0	56.0	56.0	56.0	56.0	55.6	54.4	54.4
Transit	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.7	55.9	55.9
Internal services	72.0	74.0	75.0	75.0	75.0	75.0	78.0	77.0	78.0	79.0
Total	<u>871.8</u>	<u>877.3</u>	<u>881.2</u>	<u>879.7</u>	<u>884.4</u>	<u>885.6</u>	<u>892.1</u>	<u>911.8</u>	<u>916.7</u>	<u>920.5</u>

Source: City of Billings Annual Budget

FY 2015 Grant positions moved out of general government

City of Billings
Operating Indicators by Activity
Last Ten Years
(Unaudited)

Activity	Report Period¹	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police											
Dispatched Calls	FY	59,840	60,686	63,915	66,510	66,111	68,817	78,484	88,447	95,214	92,912
Arrests	CY	6,815	7,324	9,116	9,265	10,214	10,064	11,942	12,084	11,011	11,026
Traffic Violations	CY	24,024	27,240	30,473	26,478	24,813	15,460	17,068	24,463	23,973	27,149
Traffic Accidents	CY	2,912	3,623	3,524	3,329	3,988	3,845	2,518	2,521	2,395	2,610
Fire											
Dispatched Calls	FY	10,499	10,841	11,228	11,194	11,989	Not Available ²	13,263	13,880	14,441	15,810
Inspections	CY	1,021	1,972	1,191	1,209	1,553	2,027	1,043	2,516	1,058	1,497
Solid Waste											
Residential Customers	FY	31,554	31,800	32,359	32,772	33,127	35,623	31,721	31,874	32,055	32,413
Commerical Customers	FY	3,704	3,889	3,982	4,071	4,136	2,900	2,559	2,624	2,603	2,586
Landfill trips	FY	143,046	153,010	164,667	166,777	165,729	146,635	140,007	154,894	151,795	174,773
Water											
Customers	FY	29,248	29,309	29,537	29,811	30,113	30,326	30,651	30,311	31,435	32,811
Average Daily Consumption (millions of gallons)	FY	20	19	23	23	21	21	21.5	21.3	22	19
Wastewater											
Customers	FY	32,193	32,390	32,586	32,951	33,357	33,894	34,292	34,543	35,302	35,292
Average Daily Treatment (millions of gallons)	FY	16	16	16	16	16	16	15	16	18.7	19

Source: City of Billings Operating Budget, Billings, Montana

¹ CY represents a Calendar Year, FY represents a Fiscal Year (July 1-June 30). Calendar Year stats are to date at the time of data inquiry (typically end of November).

² A new system was implemented, so an accurate number cannot be given for FY15.

City of Billings
Capital Asset Statistics by Activity
Last Ten Years
(Unaudited)
(Page 1 of 2)

Date of Incorporation - 1882	Report Period ¹	Years									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Form of Government - Council/Administrator											
Area in Square Miles	FY	40.1	42.0	42.0	42.0	42.0	42.5	43.0	42.9	43.0	43.0
Activity											
Public Safety											
Police											
Stations	FY	1	1	1	1	1	1	1	1	1	1
Police Officers	FY	143	142	141	140	141	141.4	142	150	145	154*
Fire											
Stations	FY	7	7	7	7	7	7	7	7	7	7
Firefighters/Officers/Dispatchers	FY	148	148	148	144	144.5	145.1	144.8	153.8	155.8	155.8
Streets											
Streets (miles)	CY	523	523.4	526.2	530.0	530.0	537.8	545.1	545.6	545.6	545.6
Streetlights	FY	8,000	8,179	8,202	8,202	8,239	8,376	8,480	8,202	8,533	8,796
Street Light Maintenance Districts	FY	181	184	185	185	186	187	192	185	194	193
City Parks											
Developed Acres	FY	1,183	1,183	1,183	1,183	1,183	1,183	1,201	1,204	1,204	1,223
Undeveloped Acres	FY	290	290	290	290	290	290	282	279	279	268
Natural Park Acres	FY	1,107	1,107	1,107	1,107	1,107	1,107	1,167	1,213	1,213	1,213
Parking											
Garages	FY	4	4	4	4	3	3	4	4	4	4

(continued)

Source: City of Billings Operating Budget, Billings, Montana
¹ CY represents a Calendar Year, FY represents a Fiscal Year

City of Billings
Capital Asset Statistics by Activity
Last Ten Years
(Unaudited)
(Page 2 of 2)

	Report Period¹	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Years		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water													
Water Mains (miles)	FY	447	447	465	467	468	476	468	481	487	492		
Fire Hydrants	FY	4,145	4,204	4,211	4,242	4,357	4,392	4,405	4,211	4,517	4,645		
Maximum Daily Capacity (millions of gallons)	FY	60	60	60	60	60	60	60	60	60	60		
Wastewater													
Storm Sewers (miles)	FY	149	149.2	149.2	149.2	213.8	232.0	219	264	270	272		
Sanitary Sewers (miles)	FY	466	473	461	486	488	497	494.5	499	502	507		
Maximum Daily Capacity (millions of gallons)	FY	26	26	26	26	26	26	26	26	26	30		

CITY OF BILLINGS, MONTANA
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Construction</u> ¹		<u>Residential</u> ²		<u>Bank Deposits</u> <u>(in thousands)</u> ³	<u>Property Value</u> ^{4,6}
	<u>Commercial</u>					
	<u>Number of</u> <u>Permits</u>	<u>Value</u>	<u>Number of</u> <u>Permits</u>	<u>Value</u>		
2010	67	61,242,125	278	51,019,706	3,737,755	5,135,553,650
2011	99	69,548,962	230	47,522,702	3,799,467	6,306,916,152
2012	62	44,776,009	265	53,596,078	4,091,359	5,645,349,125
2013	74	109,879,817 ⁹	434	97,412,566	4,315,837	5,836,600,658
2014	79	52,150,771	333	78,673,385	4,597,034	6,140,162,916
2015	76	75,258,982	419	100,954,761	4,886,513	6,350,470,915
2016	84	79,697,699	503	93,464,621	4,904,589	11,626,879,232
2017	67	78,801,883	294	69,702,982	5,019,961	11,743,014,785
2018	55	59,259,933	308	71,519,348	5,169,216	12,470,840,779
2019	69	67,294,314	304	77,974,865	5,207,328	12,559,773,345

Sources and other information:

¹ Building Department (new construction permits), City of Billings, Montana.

² Single family only.

³ Individual banks and credit unions.

⁴ State of Montana Department of Revenue.

⁵ Commercial values increased although the number of permits issued decreased because a new commercial area is being developed, which includes hotels, a hospital, and an educational facility. Other large projects in the City include a new parking garage and trauma care center.

⁶ For fiscal years beginning in 2006 the property value includes the Tax Increment District.

⁷ Medical facilities had permits that totaled \$27 million. Other large projects included a senior living center, motel, office building, retail stores, bank processing center and church additions.

⁸ For Fiscal Year 2009 the State of Montana Department of Revenue did not include exempt properties.

⁹ Commercial values increased due to several large projects, including a new library, parking garage, a large sporting goods retailer and a VA clinic.

SINGLE AUDIT SECTION



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Honorable Mayor, Members of the City Council and and City Administrator
City of Billings, Montana**

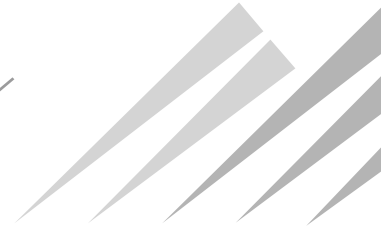
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Billings, Montana as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Billings, Montana's basic financial statements and have issued our report thereon dated January 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Billings, Montana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Billings, Montana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Billings, Montana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2019-1 that we consider to be a significant deficiency.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Billings, Montana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Billings, Montana's Response to Findings

The City of Billings, Montana's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Billings, Montana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Junkermier, Clark, Campanella, Stevens, P.C.

Great Falls, Montana
January 22, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

**To the Honorable Mayor, Members of the City Council and and City Administrator
City of Billings, Montana**

Report on Compliance for Each Major Federal Program

We have audited the City of Billings, Montana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Billings, Montana's major federal programs for the year ended June 30, 2019. The City of Billings, Montana's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Billings, Montana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Billings, Montana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Billings, Montana's compliance.



Opinion on Each Major Federal Program

In our opinion, the City of Billings, Montana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the City of Billings, Montana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Billings, Montana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Billings, Montana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as finding 2019-1 that we consider to be a significant deficiency.

The City of Billings, Montana's Response to Findings

The City of Billings, Montana's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Billings, Montana's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Junkermier, Clark, Campanella, Stevens, P.C.

Great Falls, Montana
January 22, 2020

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019
(Page 1 of 3)

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Program Amount or Grant Award</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants and Entitlement Grants:	14.218			
Grant entitlement B-17-MC-30-001		-	597,181	371,011
Grant entitlement B-18-MC-30-001		-	663,860	458,747
CFDA and Cluster subtotal		-	<u>1,261,041</u>	<u>829,758</u>
Home Investment Partnerships Program:	14.239			
Grant entitlement M 17 MC 300213		-	273,573	300,058
Grant entitlement M 18 MC 300213		-	378,067	366,813
CFDA subtotal		-	<u>651,640</u>	<u>666,871</u>
<u>Corporation for National and Community Service</u>				
AmeriCorps VISTA - VISTA State Support Grant 14-VSP-MT-001/10-VS-120761	94.013	-	384,719	368,219
CFDA subtotal		-	<u>384,719</u>	<u>368,219</u>
<u>U.S. Department of Transportation</u>				
Airport Improvement Program:	20.106			
AIP3-30-008-53-2016		-	1,362,586	40,783
AIP3-30-008-55-2017		-	1,708,386	51,215
AIP3-30-008-56-2017		-	1,573,454	1,110,954
AIP3-30-008-57-2018		-	559,419	546,975
AIP3-30-008-58-2018		-	2,318,410	791,178
AIP3-30-008-59-2018		-	193,165	193,165
CFDA subtotal		-	<u>7,715,420</u>	<u>2,734,270</u>
Federal Transit Metropolitan Planning Grants	20.505			
FTA Section 5303-Operating-Passed Through the State of Montana Contract # 109756		-	188,431	33,183
FTA Section 5303-Operating-Passed Through the State of Montana Contract # 110447		-	200,156	162,288
CFDA subtotal		-	<u>388,587</u>	<u>195,471</u>
<i>Transit Services Programs Cluster</i>				
Federal Transit Metropolitan Planning Grants	20.513			
FTA Section 5310-Capital-Passed Through the State of Montana Contract #108974		-	67,320	67,320
CFDA and Cluster subtotal		-	<u>67,320</u>	<u>67,320</u>

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019
(Page 2 of 3)

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Program Amount or Grant Award</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation (continued)</u>				
<i>Federal Transit Cluster</i>				
Federal Transit Metropolitan Planning Grants	20.526			
FTA Section 5339-Capital-Passed Through the State of Montana Contract #109777		-	107,030	107,030
CFDA and Cluster subtotal		-	107,030	107,030
<i>Highway Safety Cluster</i>				
State and Community Highway Safety: Passed through the State of Montana:	20.600			
STEP OT Contract #109544		-	6,400	4,343
CFDA and Cluster subtotal		-	6,400	4,343
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction: Passed through the State of Montana	20.205			
STPU-MT UPN 6040		-	80,000	4,675
Metropolitan Planning Funds SPR-PL-1 (57) Contract #110611		-	1,121,500	984,051
CFDA and Cluster subtotal		-	1,201,500	988,726
<u>U.S. Department of Interior</u>				
Historic Preservation Fund Grants-In-Aid: Passed through the Montana Historic Society;	15.904			
MT-18-011		-	5,500	5,500
CFDA subtotal		-	5,500	5,500
<u>U.S. Department of Justice</u>				
Office of Juvenile Justice Delinquency Program	16.543			
Internet Crimes Against Children 2016-MC-FX-K038		108,322	513,294	111,928
CFDA subtotal		108,322	513,294	111,928
Equitable Sharing Program	16.922			
Asset Forfeiture		5,262	61,770	61,770
CFDA subtotal		5,262	61,770	61,770
Billings Adult Misdemeanor Treatment Court-DUI Grant	16.585			
2017DCBX0023		-	399,956	68,986
CFDA subtotal		-	399,956	68,986

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019
(Page 3 of 3)

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Program Amount or Grant Award</u>	<u>Expenditures</u>
<u>U.S. Department of Justice (continued)</u>				
Billings Supportive Housing & Reentry Project passed through State of Montana Board of Crime Control Supportive Housing 18-HG01-92216	16.U01			
		125,873	198,065	125,873
CFDA subtotal		125,873	198,065	125,873
Violence Against Women Formula Grants passed through State of Montana Board of Crime Control	16.588			
Domestic Violence Unit 18-W03-92246		-	34,000	25,279
Domestic Violence Unit 17-W02-92092		-	24,877	7,350
CFDA subtotal		-	58,877	32,629
Justice Assistance Grants:	16.738			
2016-DJ-BX-0844		-	75,590	41,322
2015-DJ-BX-0684		-	77,820	24,552
2017-DJ-BX-0534		-	86,119	3,501
CFDA subtotal		-	239,529	69,375
Billings Adult Misdemeanor Treatment Court-Mental Health Grant	16.745			
2016-DC-BX-0099		-	349,253	57,422
CFDA subtotal		-	349,253	57,422
<u>Department of Health and Human Services</u>				
Substance Abuse and Mental Health Services	93.243			
Billings Adult Misdemeanor Drug Court-SAMHSA SAMHSA 12TI24208A		-	971,630	108,012
CFDA subtotal		-	971,630	108,012
<u>Department of Homeland Security</u>				
Homeland Security Grant Program	97.067			
EMW-2018-SS-00021		-	89,982	71,927
CFDA subtotal		-	89,982	71,927
<u>Office of National Drug Control Policy</u>				
High Intensity Drug Traffic Area Award:	95.001			
2018 HIDTA #G18RM0038A		-	223,812	87,630
2019 HIDTA #G19RM0038A		-	231,796	142,669
CFDA subtotal		-	455,608	230,299
		239,457	15,127,121	6,905,729

CITY OF BILLINGS, MONTANA
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Billings, Montana for the year ended June 30, 2019. The City's reporting entity is described in Note 1 in the City's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, is included in the schedule. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

(2) Significant Accounting Policies

Amounts reported in the schedule of expenditures of federal awards are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis, at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund. Such expenditures are recognized following the cost principles in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City has elected not to use the 10% De Minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF BILLINGS, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019**

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	Yes
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Audit findings that are required to be reported in accordance with the Uniform Guidance Section 200.516 in Part III are reported in this schedule.	Yes
Identification of major programs:	
Community Development Block Grants and Entitlement Grants - CFDA 14.218	
Home Investment Partnerships Program- CFDA 14.239	
Airport Improvement Program- CFDA 20.106	
Dollar threshold used to distinguish between Type A and Type B	\$750,000
Auditee qualified as low-risk auditee?	Yes

**CITY OF BILLINGS, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019**

FINDINGS:

Program Income not Included on SEFA (Significant Deficiency)

2019-1 **Criteria:** Program income is required to be included in the Schedule of Expenditures of Federal Awards (SEFA) for a complete presentation and for purposes of determining major programs.

Condition: The City did not identify and include program income on the SEFA provided for audit.

Effect: The SEFA was misstated, initial single audit procedures had to be reperformed, and expansion of major program testing was required.

Cause: The City's compliance responsibility is decentralized among various departments. While personnel in the respective departments are skilled at managing the funds as required by the federal government, they often do not understand the full related reporting requirements for the CAFR and SEFA. Those responsibilities fall to personnel in the Finance department, who may not be familiar enough with program operations and how they affect reporting requirements.

Recommendation: The City should implement specific federal funds training for all Finance staff involved in the reporting process in order to obtain a greater understanding of the reporting requirements.

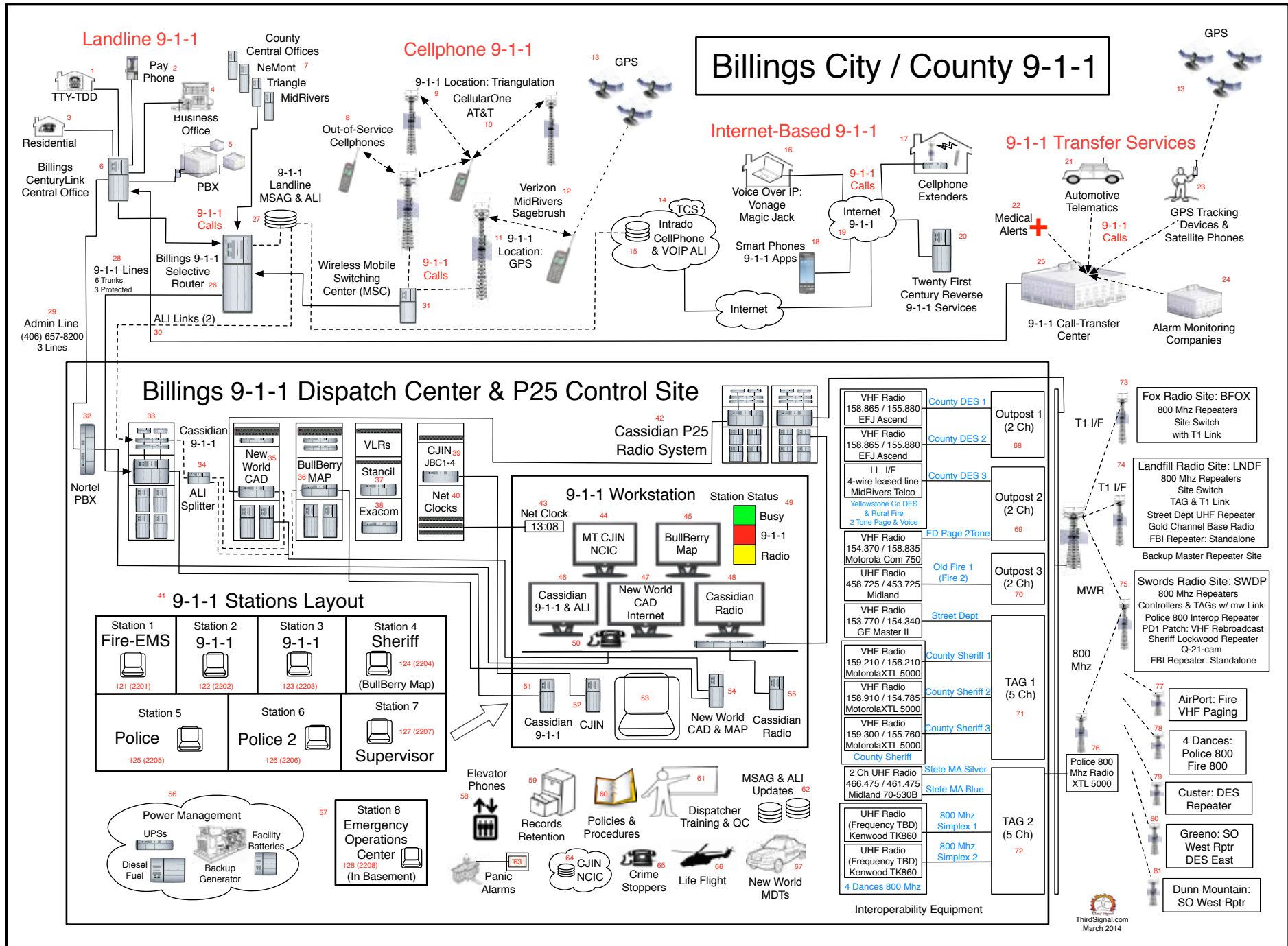
Management Response: The City agrees with the finding and will identify training for Finance staff to attend.

**CITY OF BILLINGS, MONTANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2019**

FINDINGS - NONE



City of Billings, Montana



Council Work Session

2.

Meeting Date: 03/02/2020

TITLE: Coulson Park Master Plan

Department: Parks/Rec/Public Lands

Presentation: Yes

PROBLEM/ISSUE STATEMENT

In January of 2019 the Parks and Recreation Department began the Coulson Park Master Plan with our consultant DHM Design out of Bozeman. A Steering Committee was formed along with Stakeholder Groups to guide and inform the project as it moved forward. Five meetings were held with them. There were 15 public outreach meetings and events, 2 on line surveys and a project website that is currently maintained. We received over 500 responses that have helped to guide and shape the plan to be reflective of the desires of the citizens of Billings.

The Parks, Recreation and Cemetery Board in their February meeting voted to recommend that Council adopt the Coulson Park Master Plan.

RECOMMENDATION

Staff recommends Council Adopt the Coulson Park Master Plan.

Attachments

Master Plan Final

Coulson Park Master Plan PP



CITY OF BILLINGS COULSON PARK FINAL MASTER PLAN

PREPARED BY DHM DESIGN | MARCH 2nd, 2020

COULSON PARK: FINAL DRAFT MASTER PLAN

JANUARY 2020

Prepared for:

The City of Billings

Department of Parks, Recreation and Public Lands

Michael Whitaker, Director

Mark Jarvis, Park Planner

Prepared by:

DHM DESIGN

27 East Main Street, Suite D

Bozeman, MT, 59715

In Collaboration with:

Stahly Engineering

For further information:

WWW.COULSONPARK.COM



Aerial view of cliffs from Coulson Park



COULSON PARK STEERING COMMITTEE & STAKEHOLDER GROUPS

STEERING COMMITTEE:

Michael Whitaker – City of Billings Parks & Recreation
Mark Jarvis – City of Billings Parks & Recreation
Scott Walker – City of Billings Planning Division
Mike Pigg – City of Billings Parks & Recreation
Penny Ronning – Billings City Council Member
Kory Thompson – City of Billings Parks & Recreation
Jim Ronquillo – Parks & Recreation Board Member
Terri Walters – Montana Fish, Wildlife and Parks
Chuck Platt – Parks & Recreation Board Member
Steve Arveschoug – Big Sky Economic Development
Shelli Mann – Yellowstone County Lodging Association
Kris Carpenter – BillingsNOW
Boris Krizek – City of Billings Environmental Affairs
Patrick Klugman – Big Sky Economic Development

STAKEHOLDER GROUPS:

Scott Family Trust	Yellowstone County Museum
Downtown Billings Alliance	Yellowstone County Commissioners
Billings Clinic	ExxonMobil
Riverstone Health	Phillips 66
Billings Chamber of Commerce	Montana Sulphur and Chemical
Yellowstone Valley Citizens Council	CHS / Cenex
Billings Trail Net	Montana Dakota Utilities
Billings Parks and Recreation Board	Northwestern Energy
Friends of Billings Dog Parks	Native American Development Corporation
Our Montana Inc.	American Indian Higher Education Consortium
Yellowstone River Parks Association	American Indian Coalition Committee
Buchanan Capital Inc.	Big Sky Pepsi
Yellowstone Historical Society	Montana Department of Transportation
Western Heritage Center	



Design team members present to Parks and Recreation Board at August 14, 2019 meeting

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Main Street of Historic Coulson Townsite (photo courtesy of Western Heritage Museum, Billings, MT)

1.1 COULSON PARK MASTER PLAN

INTRODUCTION

In the summer of 2011 an ExxonMobil oil pipeline ruptured near Laurel, MT, approximately 10 miles west of Billings, resulting in 85 miles of adversely affected natural resources along the Yellowstone River and adjoining shorelines and floodplain lands. The current site of Coulson Park was impacted by the spill resulting in the need to repair, replace, and rehabilitate natural resources affected by the oil discharged into the Yellowstone River.

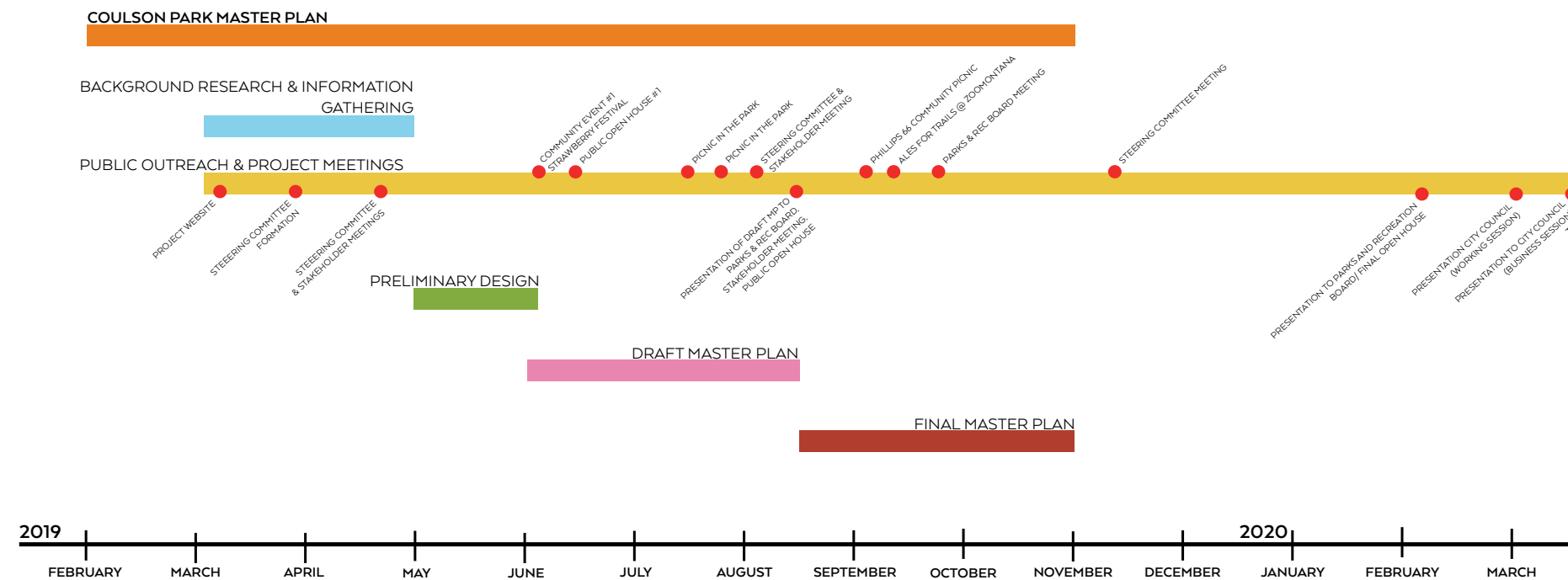
The State of Montana through the Department of Justice Natural Resource Damage Program and the U.S. Department of the Interior worked with ExxonMobil to develop a Final Programmatic Damage Assessment and Restoration Plan and Final Programmatic Environmental Assessment, issued in January 2017, which led to \$9.5 million in restoration projects on the Yellowstone River. In 2017 the State of Montana created a Yellowstone River Recreation Project Advisory Committee to prioritize recreation projects in areas along the river impacted by the oil spill. The advisory committee and the State of Montana Natural Resource Damage Program prepared the Final Yellowstone River Recreation Project Priority Plan issued in May of 2018. The result of the Plan was to identify how \$2.3 million in settlement funds would be appropriated to recreation human use services losses identified as general recreation activities, water based recreational activities, and loss of access to the river, river access sites, and parks. The objectives of the selected projects were to identify preferred projects to meet the restoration plan goal of providing additional opportunities to offset existing locations lost due to the spill.

In 2017 the City of Billings, working in conjunction with Big Sky Economic Development Authority, submitted a project abstract application to the Yellowstone River Recreation Project Advisory Committee and were awarded funds for the development of a master plan for Coulson Park. The City of Billings Parks and Recreation Department lead an RFP process for the master planning and community outreach efforts for Coulson Park, from which DHM Design and Stahly Engineering were selected.

The following pages document the culmination of the master planning and public outreach efforts for Coulson Park over the course of 2019 and 2020. The Final Master Plan is the first milestone in the process of re-imagining and projecting a new future for Coulson Park. The following report describes a vision and framework for review, discussion, and decision making. The objectives of the Final Master Plan are to:

- Outline the goals and vision for Coulson Park;
- Provide insight into the community outreach process and how that lead the park design;
- Showcase the Final Master Plan park design and discuss phasing opportunities

PROJECT TIMELINE



Picnic in the Park community meeting August 1st, 2019



2.1 SUMMARY OF THE MASTER PLAN

The final park master plan is a visible statement of current site conditions, future park improvements and supporting information needed to make a successful, realistic transition.

Every master planning process is unique, owing to the fact that each region, city, and park has a different story to tell. This master plan is a flexible framework for breathing life into the Coulson Park site, one rich in historical, cultural and ecological significance. Master plans are most successful when they represent a vision that brings together the concerns of invested interest groups. Together, their participation creates a ground swell of community and political support.

The completion of this master plan was possible through a robust engagement process, where multiple groups of diverse backgrounds, ages and interests came together and let it be known that they care about the future of Coulson Park. Good master plans involve the community and other stakeholders from the outset, giving the plan a legitimate base and a better chance to come to fruition. While circumstances vary from place to place, the decision to develop a master plan is often determined by the need to understand the current conditions of the park, to generate and build community interest and participation, to create a new and common vision for the parks future, and to develop a clear set of recommendations and implementation strategies.

The design committed its efforts to drawing out Billings' dream for Coulson Park, envisioning a healthy, vibrant riverfront experience for generations of community members and visitors to enjoy. From the start of the process of completing this master plan, the design team set goals for themselves, for the master plan and for everyone who was involved in the master planning process to gather behind. These goals: to re-live history; revive riverfront land use; re-connect Billings to the river; re-store riverine ecology and re-envision the gateway to Billings, comprise the ultimate vision of the master plan - a guiding document intended to help the Billings Parks and Recreation Department re-imagine the future of Coulson Park.



Coulson Park present day



Coulson Park future day



MAPS YIELD FACTS ABOUT EARLY-DAY

Land Office Has Record Of First Survey Made in This Area 60 Years Ago

Chart Prepared by W. W. de Lacy in 1878 Shows Few Homes That Had Been Established North and West of Yellowstone.

By WAYNE FARLEY.

ONE of the first homesteads granted by the federal government, through the United States general land office, in the area now included as a part of Billings was to Perry W. McAdow in 1879, three years before Billings was founded.

McAdow filed March 8 on all of that portion of section 2, of 18-26E, which lies west of the Yellowstone river, containing 457.86 acres, and which now is included as a part of the McAdow addition to the city of Billings.

Earlier that year Thomas McGill had filed on a homestead near the present location of Huntley, which subsequently became known as the Charles O'Donnell place, and later in the same year several other early-day settlers in the region filed on various acreages.

These filings were the first possible because previous to the fall of 1878 the entire area was merely a portion of the vast, unsurveyed regions of the west.

It was not until the late summer and early fall of 1878 that the first surveys were undertaken and completed in the immediate vicinity of where Billings now stands.

The maps drawn by those first early-day surveyors, somewhat the worse for wear during frequent handling in the last 60 years, and records of homestead filings are to be found in the district land office in the federal building in Billings.

These maps and records reveal an interesting story of the settlement of the region to a floor familiar with them, but are somewhat forbidding to the ordinary layman.

They reveal how, as more and more people moved into eastern and south central Montana, settlements were extended to take in more and more territory, farm and grazing lands were taken up in the then isolated areas, and the white man extended his domination in an ever-widening circle to take in, finally, most of the area formerly occupied by the Indians.

Makes First Survey.
The first survey of the area was made by W. W. de Lacy, under government contract, and included portions of townships 18-26E and 21-26E, both of which now are partly occupied by Billings.

At that time, all of the area south of the Yellowstone river was included in the Crow Indian reservation, as de Lacy's survey of 18-26E included only that portion of the township lying north and west of the river, a total of 8,589.60 acres and Blankley's island in the Yellowstone river, which was located at a point near the present south bridge.

Although Billings was not to be founded until three years later, in 1882, Coulson was a flourishing little settlement at the time of this first survey, and the map shows the old wagon road leading to that community. Another road, running north and almost parallel to the Coulson road, is shown leading to Tongue river.

There were few settlers in the region in 1878, and the homes of those who had settled in the township surveyed were located by small black squares (see accompanying tracing of survey map).

De Lacy completed the survey in the fall of 1878 and sent it in to the general land office in Washington, D. C., for approval, necessary before homesteads could be filed. Although the map officially was not filed with

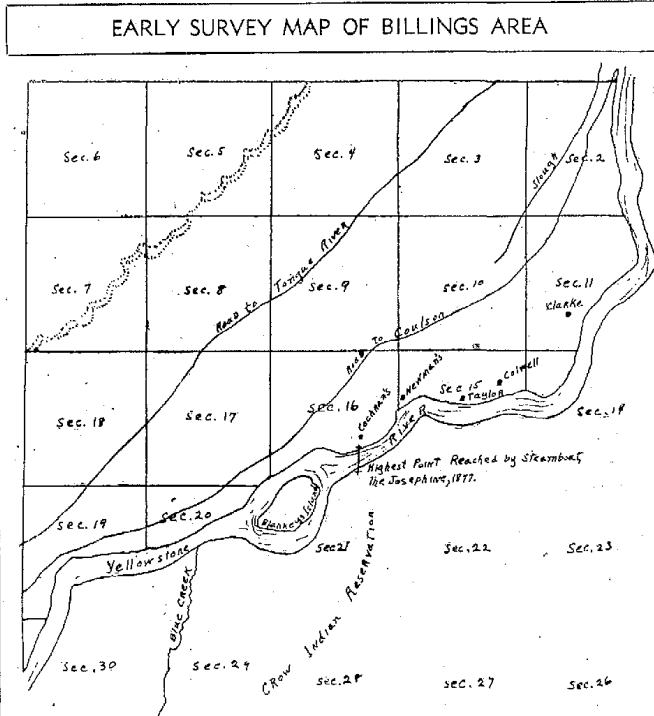
point allowing the reservation to still include portions of what now are Carbon and Sweet Grass counties.

The second session came in 1881, on March 3, the ceded portion including an area defined as follows in the March 6, 1881, edition of The Gazette: "beginning in midchannel of the Yellowstone river at the north-west corner of township 2N-27E and proceeding in a southerly direction following the top of the natural divide between the waters flowing into the Yellowstone and Clark's Fork rivers upon the west, and those flowing into Pryor creek and West Pryor creek on the east of the base of West Pryor mountain, on a true meridian line to a point 16 miles due north of the established Montana-Wyoming boundary line, then east to the mid-channel of the Big Horn river, then follow the Big Horn river to the Montana-Wyoming boundary line."

Railroad Sets Odd Sections.
The odd numbered sections of land in townships along the right-of-way were granted to the Northern Pacific railroad, but when many of the early surveys were made, the law provided that settlers on the land before it was surveyed had the privilege of filing later, even though they happened to be located on the odd numbered sections.

Hence a number of the early filings were on odd numbered sections. Among those early settlers (noted on the accompanying map) were Henry Cotwell, whose claims were situated near the Yellowstone river and who filed May 8, 1879, on a portion of sections 14 and 15; Geom M. Newman, who filed May 15, 1879, on a portion of sections 15 and 16; and Aaron T. Ford, who filed on May 17, 1879, on the southwest corner of section 10.

Other pioneer residents who filed were Charles H. Newman, who filed on the southeast half of the southeast quarter of section 10 on Dec. 16, 1881; Peter Cooper, who filed July 17, 1880, on an old Indian allotment in section 9; and Benjamin Hogan, who filed on a portion of section 18, in 1881.



The first survey of the area where Billings now is located was made in 1878 by W. W. de Lacy, under government contract. The survey was of 8,589.60 acres of township 18-26E, lying north and west of the Yellowstone river, upon which a large portion of the city of Billings now is located. The above tracing of that survey shows the locations of the houses of the few settlers then in the area. The top line of the map, the base line, passes through the point where the courthouse now is located. That portion of the township lying south and east of the river, then a part of the Crow reservation, was surveyed first in 1904 by Henry B. Davis.

BATHHOUSE BEING CONSTRUCTED AT SOUTH PARK POOL TO PROVIDE MODERN FACILITIES FOR SWIMMERS

By PAUL J. MALONE.

Billings swimmers are to get a new bathhouse at South park pool to replace the structure which has served as a change house since the pool was constructed 24 years ago.

Work on the new building has already started and it is expected to be completed in time for the opening of the 1939 swimming season. Fifteen thousand dollars will be expended for the new bathhouse and for swimming pool equipment.

This is the first major change that has been made at the pool since it was opened in 1914. In addition to the erection of the bathhouse, a circulating system is to be installed at the pool so that fresh water will fill the pool at all times. Kenneth Chrysler of the city engineer's office, supervisor of the pool work, said:

"The new building is to be 28 feet wide and 168 feet long and will run along the south side of the pool. It will include an office and two change rooms, each being capable of accom-

modating 300 persons. The facilities for men and boys will be in one large room while the change room for women and girls will have separate dressing booths. A feature of the new bathhouse is to be the continuous shower and foot bath through which all swimmers must pass before they can enter the pool. Swimmers will enter the house from the south side, receive a basket at the attendant's desk, enter the locker room, change clothes, return the basket containing their clothes to the attendant and then walk through the shower and foot bath en route to the pool. There will be separate entrances and exits for men and women.

Finished in Success.
The outside of the house is to be finished in success. The building will include rest rooms for both men and women in the east end of the structure. These will be for the use of park patrons during the summer, Chrysler said.

The works progress administration is supplying all labor for the project and a portion of the materials. The \$15,000 is to be used entirely for equipment and materials.

(Continued on Page 6, Column 8.)

Friends Plan Rites in Honor Of Petzoldt

Testimonial rites and a dinner in recognition of their distinguished missionary service on the Crow Indian reservation will be given in honor of Dr. and Mrs. William A. Petzoldt of Lodge Grass on Sunday, December 11.

Dr. and Mrs. Petzoldt complete their thirty-fifth year of missionary work among the Indians of the reservation last Thursday, December, and during that period have rendered a valuable service to the Baptist denomination, of which they are members, and to the Indians.

The testimonial service will take place in the Chivers memorial chapel at Lodge Grass, starting at 10:30 a. m., with the Rev. Chester A. Bente missionary pastor, at Lodge Grass, presiding as minister of ceremonies; the service and at the least which will follow.

Studies Indian Life.
During his career with the Indian Dr. Petzoldt has made an exhaustive study of Indian life and customs and has become widely known as an authority on such subjects. He also has gained prominence as a contributor to religious and other publications and is listed in "Who's Who in America."

Both Dr. and Mrs. Petzoldt have spoken at national and state Baptist conventions and in churches in every state of the Northern Baptist convention. They have made Lodge Grass familiar names to Baptist circles.

Possessing outstanding speaking ability, they have come to be in demand outside of denominational circles, and frequently speak to colleges and high schools, commercial organizations, women's clubs and to professional and service clubs.

Born in New York, Dr. Petzoldt is the son of Mr. and Mrs. William Frederick Petzoldt, the pastor of the Methodist church at the University of Rochester in 1897, and received the bachelor's degree of divinity from Linfield college, McMinnville, Ore., in 1928.

He was married to Anna F. Kite of Carroll, Iowa, on April 26, 1899 and was ordained to the Baptist ministry the same year.

After being ordained, he and Mr. Petzoldt moved to Sheridan, Wyo., where they served from 1899 to 1900 then moving to Lodge Grass at the time the Indians had held a council at that place for "this teacher of the Jesus Road."

When they first arrived on the reservation, there were no Protestant churches there. Since that time, 37 years ago, they have held more than 700 baptisms, organized six Indian churches, and have seen white Baptist churches established at Harvi Wyoala and Lodge Grass as by-products of the Indian mission.

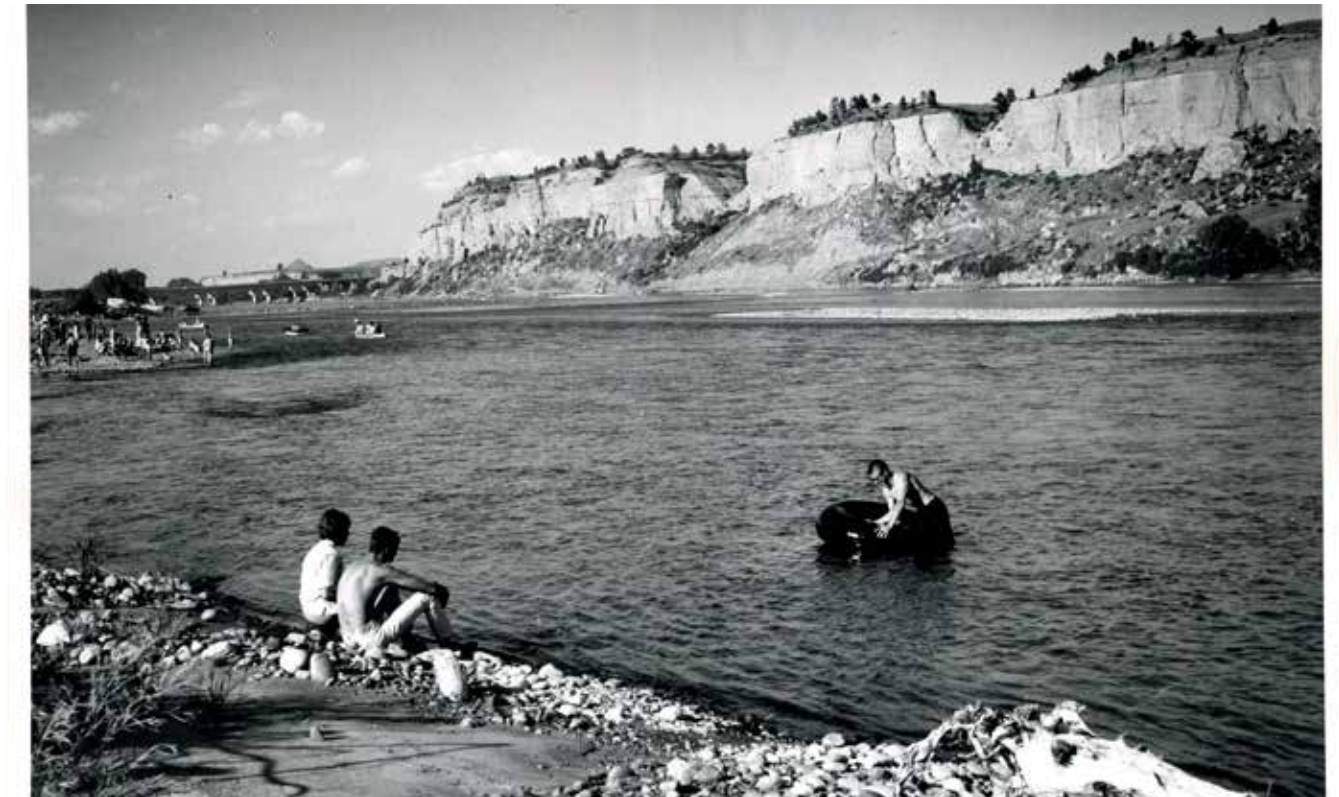
Adopted by Crow Tribe.
Dr. Petzoldt is the only missionary ever appointed by the Home Mission society as a pioneer missionary to a tribe of Indians and continuing with that tribe throughout his missionary career. Through the work that he and his wife have done they have endeared themselves to the Crow and have been adopted by the tribe.

At the testimonial service on expected representatives of the Baptist home societies, the federal government, the Indian office at Washington, D. C., the state of Montana, Big Horn county, the Montana Baptist state convention, the Burlington railroad, church, business and service groups of Billings, Sheridan Wyo., Harvi, Crow Agency, St. Xavier, Wyoala and Lodge Grass, and Indians from the near-by Cheyenne reservation.

Special music will be furnished by people from Sheridan, the Lodge



Yellowstone River - December 1951 (photo courtesy Western Heritage Center, Billings, MT)



Yellowstone River - Summer 1966 (photo courtesy Western Heritage Center, Billings, MT)



2.2 MASTER PLAN GOALS

The transformation of Coulson Park represents an opportunity for Billings to re-imagine the park's future and in turn reflect the values and principles held by the community moving forward.

1. HISTORY

Coulson Park occupies a portion of the original town site of Coulson, which existed approximately from 1877- 1882. The park presents an opportunity to tell not just the town's story, but the history of all peoples who called the Clark's Fork Bottom and Yellowstone Valley home. There is significant interest in providing a variety of cultural and educational opportunities in the park on the banks of the infamous Yellowstone River.

2. LAND USE

The land on which the park resides has been subjected to a range of damaging activities and uses since the early 1900's. The annexation of the site into the city parks system allows for an opportunity to demonstrate the value of park space and become a recreational asset to the community at-large. A range of park amenities is presented within the master plan, ranging from passive park experiences to activity based opportunities, the majority of which respond to the river.

3. CONNECTIONS

The location of Coulson Park presents an opportunity to provide a feasible connection between downtown Billings and the Yellowstone River. Efforts are underway to strengthen bicycle and pedestrian connections to the park, leveraging the presence of the heritage trail currently passing through the site. The development of the park also presents an opportunity to consider additional access points to the river and across the river, linking up with the Four Dances Recreation Area.

4. ECOLOGY

Coulson Park provides an opportunity to improve, enhance, and expand the ecological and natural resources found along the Yellowstone River and associated floodplain. Proposed park improvements are opportunities for habitat and riparian connections and restoration efforts. The park will showcase native trees and plants, lending a high degree of natural character and aesthetic to the final park design.

5. GATEWAY

The park location is one which many people, Billings residents and travelers alike, pass by on a daily basis, with unobstructed views of the park, river, and cliffs beyond. Due to the high visibility of the site it presents the opportunity to act as a gateway into Billings and showcase the values held by the community.



The five goals of Coulson Park as identified by the Billings community



2.3 RELIVE YELLOWSTONE RIVER HISTORY

Coulson Park presents an opportunity to showcase the rich history of the site and various peoples throughout time that have called the Yellowstone Valley and Clark's Fork Bottom home.

The Coulson Park site occupies land once a part of the original town site of Coulson. In the late nineteenth century with the railroad progressing westward and economic activity expanding, merchants and traders from the Bozeman area had their sights set on settling the Clark's Fork Bottom area. With an already established river navigation system in place the Yellowstone Valley was viewed as a critical hub for hauling freight north to the Judith and Musselshell Basins, some of the most productive areas within the Montana Territory at the time. The town of Coulson was strategically located to potentially take advantage of both forms of transit and trade.

The area had long been at the crossroads of trade, dating to the centuries of barter, subsistence transactions between the region's prehistoric inhabitants. Bands of Mountain and River Crows once traversed the lands, traveling hundreds of miles to established trading centers, where they would exchange goods and materials from far away lands. Soon after these trading patterns expanded to include American and Canadian trappers during the fur trade era. This era of economic dependence and exchange of cultures lasted until more permanent settlements were established in the area, including the park namesake - the town of Coulson.

During the last third of the nineteenth century more permanent settlements started to shape the Yellowstone Valley. In 1870's various settlers were determined to establish a solidified transportation base along the banks of the Yellowstone River. Additionally the beginning of the valley's agriculture cultivation and associated activities were beginning to take root. It was the combination of market access, good quality land, and traffic flow that lead to the establishment of settlements at Canyon Creek, Young's Point, and Coulson. The majority of these communities early settlers came from Bozeman and the Gallatin Valley. These early entrepreneurs utilized existing homesteading laws and the presence of the region's military posts to leverage business ventures and opportunities in the valley.

P.W. "Bud" McAdow of Bozeman, had made money mining for gold, and used those funds to establish a wholesale business in the Gallatin Valley. His early interest in the Yellowstone focused on producing means for transporting goods and provisions to the Crow agency, recognizing that transportation was key to the settlement and development of the valley. After a series of attempts to establish a settlement along the banks of the Yellowstone, in 1877 McAdow went all in and named the location "Coulson" in honor of S.B. Coulson and the Coulson Line steamboat company. Over the next five years Coulson expanded, with historic records reporting that at it's height it had a post office, three general stores, brewery, hotel, five saloons, a saw mill, and up to 30 other buildings by 1882.

Unfortunately for the town of Coulson and its residents, when the railroad did arrive in 1882, an opportunity to claim two side by side sections two miles west lead to the establishment of Billings. For a short time the two towns existed in tandem, connected by a trolley, but over time the economic opportunities of Billings prevailed and in the end Coulson faded away.



Town of Coulson April 1882 (photo courtesy Western Heritage Center, Billings, MT)



Main Street in town of Coulson 1882 (photo courtesy Western Heritage Center, Billings, MT)

COULSON PARK RELIVE

RIVERFRONT HISTORY

GOALS

- SHOW HISTORIC TOWN SITE WITHIN PARK
- LEVERAGE INFORMATION FROM ALL GROUPS THAT CALLED CLARK'S FORK BOTTOM HOME
- FEATURE INTERPRETIVE SIGNAGE, TIMELINE, STORYBOARDS TO FACILITATE EDUCATION



CRAM'S 1880 MAP



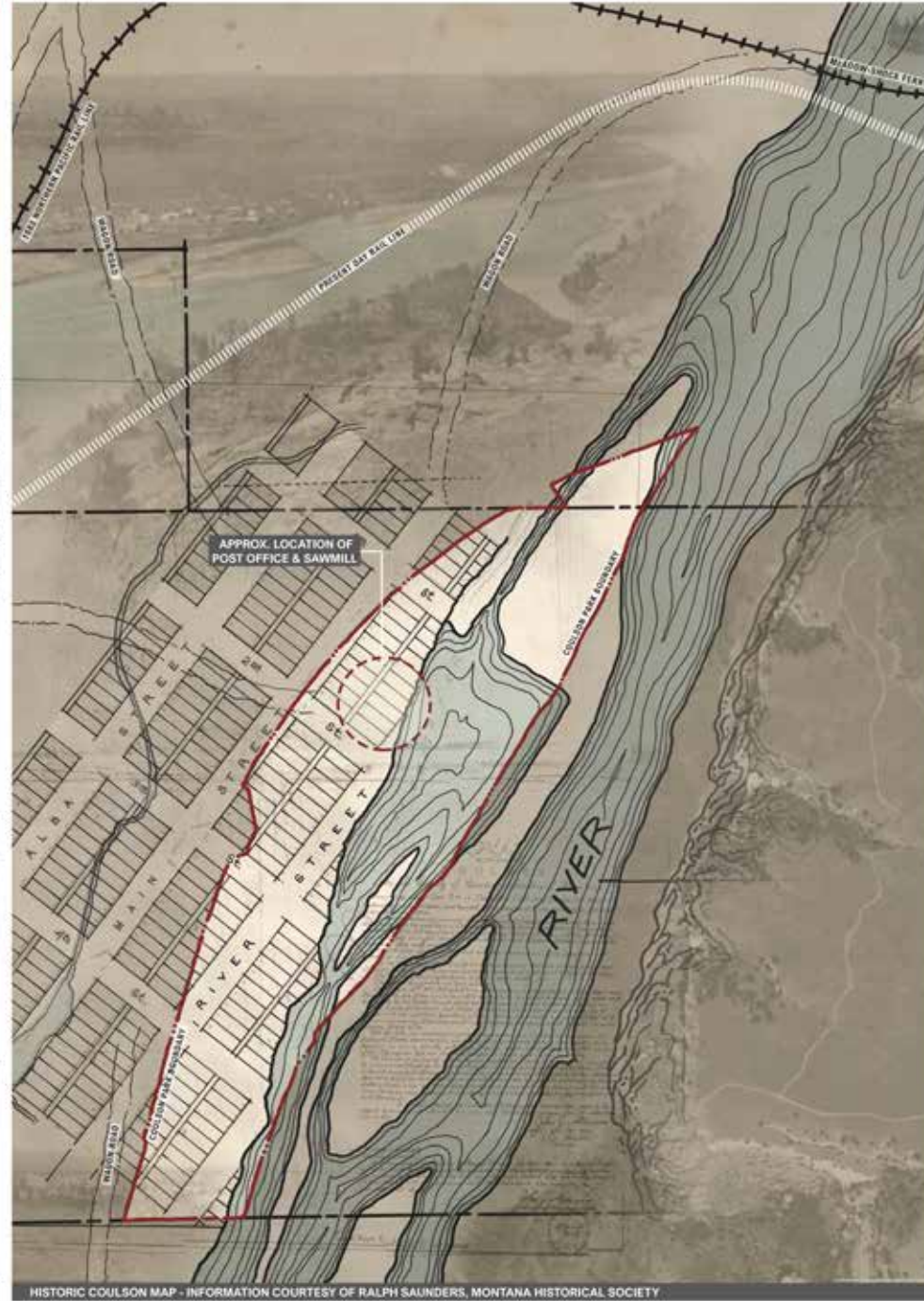
PLAT MAP OF COULSON



1882 CUSTER COUNTY EARLY BILLINGS PLAT



OLD ROAD TO COULSON DeLACY MAP



HISTORIC COULSON MAP - INFORMATION COURTESY OF RALPH SAUNDERS, MONTANA HISTORICAL SOCIETY



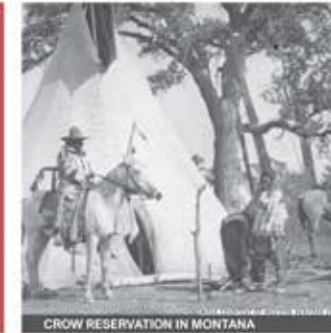
1600-1800 NATIVE INHABITANTS TRAVEL YELLOWSTONE VALLEY SEASONALLY
1806 LEWIS & CLARK EXPEDITIONS ARRIVES IN YELLOWSTONE VALLEY
1809 MISSOURI FUR COMPANY ARRIVES
1823 AMERICAN FUR COMPANY EXPANDS INTO VALLEY

COULSON PARK RELIVE

RIVERFRONT HISTORY

GOALS

- SHOW HISTORIC TOWN SITE WITHIN PARK
- LEVERAGE INFORMATION FROM ALL GROUPS THAT CALLED CLARK'S FORK BOTTOM HOME
- FEATURE INTERPRETIVE SIGNAGE, TIMELINE, STORYBOARDS TO FACILITATE EDUCATION



CROW RESERVATION IN MONTANA



CROW TRIBE CARRYING TIFI



STEAMER JOSEPHINE 1874



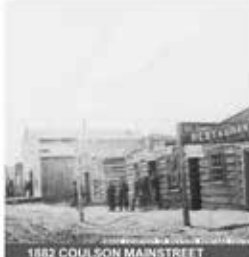
WAGON ROADS LEAD TO AND FROM COULSON



VIEW OF COULSON SETTLEMENT FROM THE NORTH



1882 COULSON STREETSCAPE



1882 COULSON MAINSTREET



1880'S COULSON MAINSTREET



FREIGHTERS OUTFIT COULSON LATE MAY 1882



COULSON FROM RIMROCKS



COULSON FROM RIMROCKS



MRS. BAUMGARTNER STANDING ON TOP OF RIMROCKS 1910



Photo courtesy of Montana Historical Society



PICNIC IN COULSON



RAILROAD BRIDGE



BRIDGE CROSSING NORTH OF COULSON

1868 FORT LARAMIE TREATY BETWEEN U.S AND CROW MOVES NATIVES ONTO RESERVED CROW TRIBAL LAND.
1876 BATTLE OF LITTLE BIGHORN
1877 SETTLERS ARRIVE TO CLARK'S FORK BOTTOM ; TOWN OF COULSON FOUNDED
1935 BILLINGS GROWS AS COULSON DECAYS INTO A FORGOTTEN GHOST TOWN



Presentation boards highlighting early history of site and town of Coulson

COULSON PARK MASTER PLAN

2.4 REVIVE RIVER FRONT LAND USE

The land on which Coulson Park resides has long suffered due to industrial, mining, and other harmful utilizations of the land. Understanding these past and present day activities is critical when considering the future of Coulson Park.

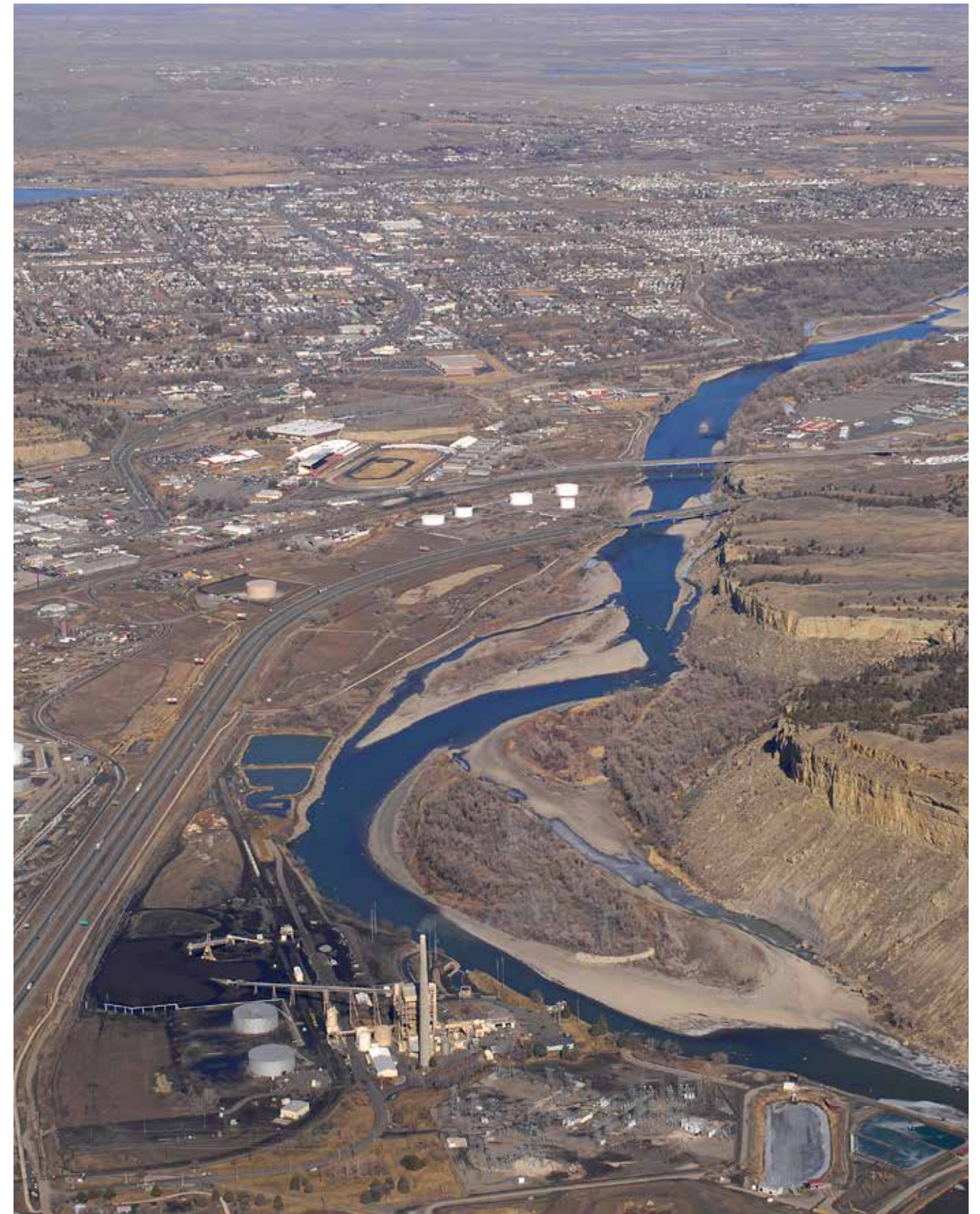
In the early twentieth century, with Billings firmly established as the regional economic and transportation center within the Yellowstone Valley, the town of Coulson and the land it occupied along the river, shifted into a pattern of industrial uses and neglect. Historical records indicate that the Yegen Brothers Power Plant was constructed on site over the course of the years spanning 1902 - 1908. The power plant was shown on the city of Billings maps until 1935, but by 1940 aerial photography shows that only the foundation of the plant remained.

In the year 1940 the Coulson site was officially used as the City of Billings landfill (though it had likely operated as a local dump for the decades leading up to this official designation). Over the course of nearly a twenty year period landfill operations took place on site. Car bodies were used as rip rap to embank the river. Garbage was brought into the site over the course of a work day and then burned at the end of the day and pushed into the river. During this time period it has also been documented that the City of Billings operated a sand and mining operation in the area. In 1959 the landfill officially closed and sometime during the 1960's became a city park.

Around the same period of time some of the surrounding industrial landowners constructed pipelines through the Coulson Park site, many of which are still active today. At present Cenex, Montana Dakota Utilities, and Phillips66 operate active pipelines within the Coulson Park boundaries. These pipelines are largely routed along Charlene Street on the westside of the park. Montana Sulphur and Chemical has a decommissioned line on site, which does at times cut through more of a central portion of the park.

The design team has met with the different pipeline company representatives to gain an understanding of some of their ongoing maintenance and operations needs on the active pipelines. Based upon these conversations and historical landfill data presented above the design team makes the following recommendations as applies to the master planning of Coulson Park:

- Map extents of former landfill; minimize excavation operations within landfill zone
- Maintain minimum 48" earth cover on top of pipelines
- Keep all trees minimum 25' distance away from pipelines
- Keep all structures minimum 50' distance away from pipelines
- Notify companies prior to any construction work



2007 aerial of Coulson Park and surrounding area (photo courtesy Western Heritage Museum, Billings, MT)

COULSON PARK REVIVE

RIVERFRONT LAND USE

- GOALS:
- PROVIDE SPACE THAT IS FLEXIBLE AND RESILIENT TO CHANGE
 - OFFER PARK AMENITIES FOR YEAR-ROUND USE
 - PRESERVE NATURAL QUALITIES OF THE SITE



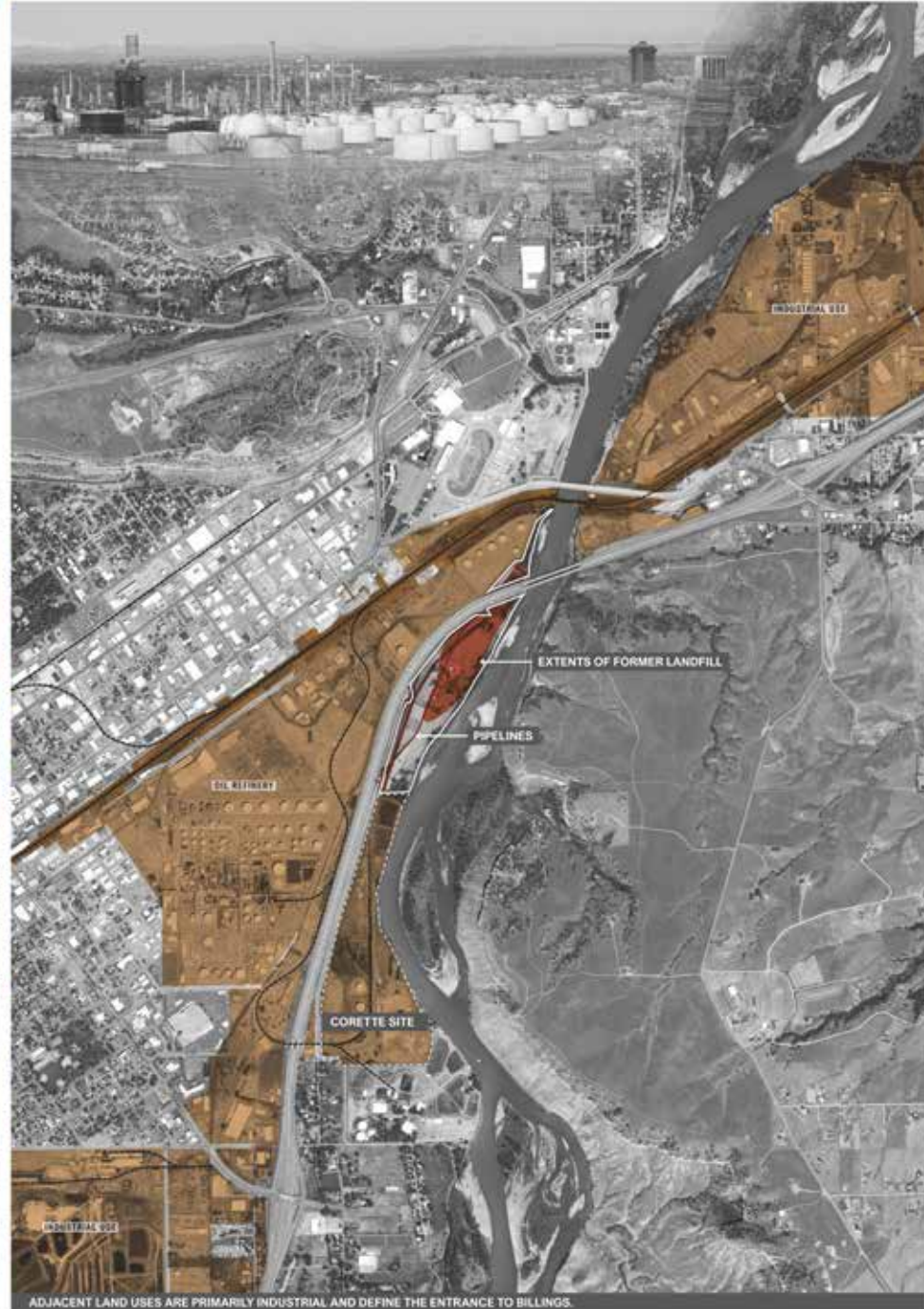
COULSON PARK SITE USED AS BILLINGS DUMP



COAL FREIGHT MOVING THROUGH BILLINGS



THE CORETTE SITE SOUTH OF COULSON PARK



EXTENTS OF FORMER LANDFILL

PIPELINES

CORETTE SITE

ADJACENT LAND USES ARE PRIMARILY INDUSTRIAL AND DEFINE THE ENTRANCE TO BILLINGS.



1940 COULSON SITE BECOMES OFFICIAL BILLINGS DUMP RESTRICTED TO EAST-CENTRAL PART OF PARK. RIVER CHANNEL EXTENDS INTO PRESENT DAY PARKING.

1950 CITY DUMP EXTENDS FROM MAIN ENTRANCE EAST TO PRESENT DAY I-90. GARBAGE PUSHED INTO RIVER CHANNEL.

1959 LAST YEAR OF CITY DUMP LANDFILL MOVES EAST TOWARD TANK FARM. BILLINGS RUNS A SAND & GRAVEL OPERATION IN LOW AREAS.

COULSON PARK REVIVE

RIVERFRONT LAND USE

- GOALS:
- PROVIDE SPACE THAT IS FLEXIBLE AND RESILIENT TO CHANGE
 - OFFER PARK AMENITIES FOR YEAR-ROUND USE
 - PRESERVE NATURAL QUALITIES OF THE SITE



SIGN ON RIMROCKS BEYOND FAIRGROUNDS



VIEW OF FAIRGROUNDS



RIVER RECREATION IN THE 1960'S



VIEW OF FAIRGROUNDS



CORETTE FROM ABOVE



RIVER INTAKE



BILLINGS FROM ABOVE



FAIRGROUNDS FROM ABOVE



VIEW ACROSS RIVER FROM CORETTE SITE



COULSON LANDFILL 1961



AERIAL VIEW 2007



1966 FORMER SAND AND GRAVEL AREA SUBMERGED UNDER WATER. NO EVIDENCE OF LANDFILL AREA.

1987 RIVER CHANNEL BERMED AND REDIRECTED WEST OF PRESENT DAY COULSON PARK. MONTANA POWER COOLING PONDS CONSTRUCTED IN FORMER STREAM.

1996 50 YEAR FLOOD EVENT SEES HIGH WATER ERODE INTO FORMER LANDFILL.



2.5 RECONNECT BILLINGS TO THE RIVER

The proximity to downtown Billings presents an opportunity to establish a meaningful connection between the city and the Yellowstone River. It is also encouraged to examine potential connections across the river to the Four Dances Recreation Area and how Coulson Park can enhance the bike and pedestrian networks.

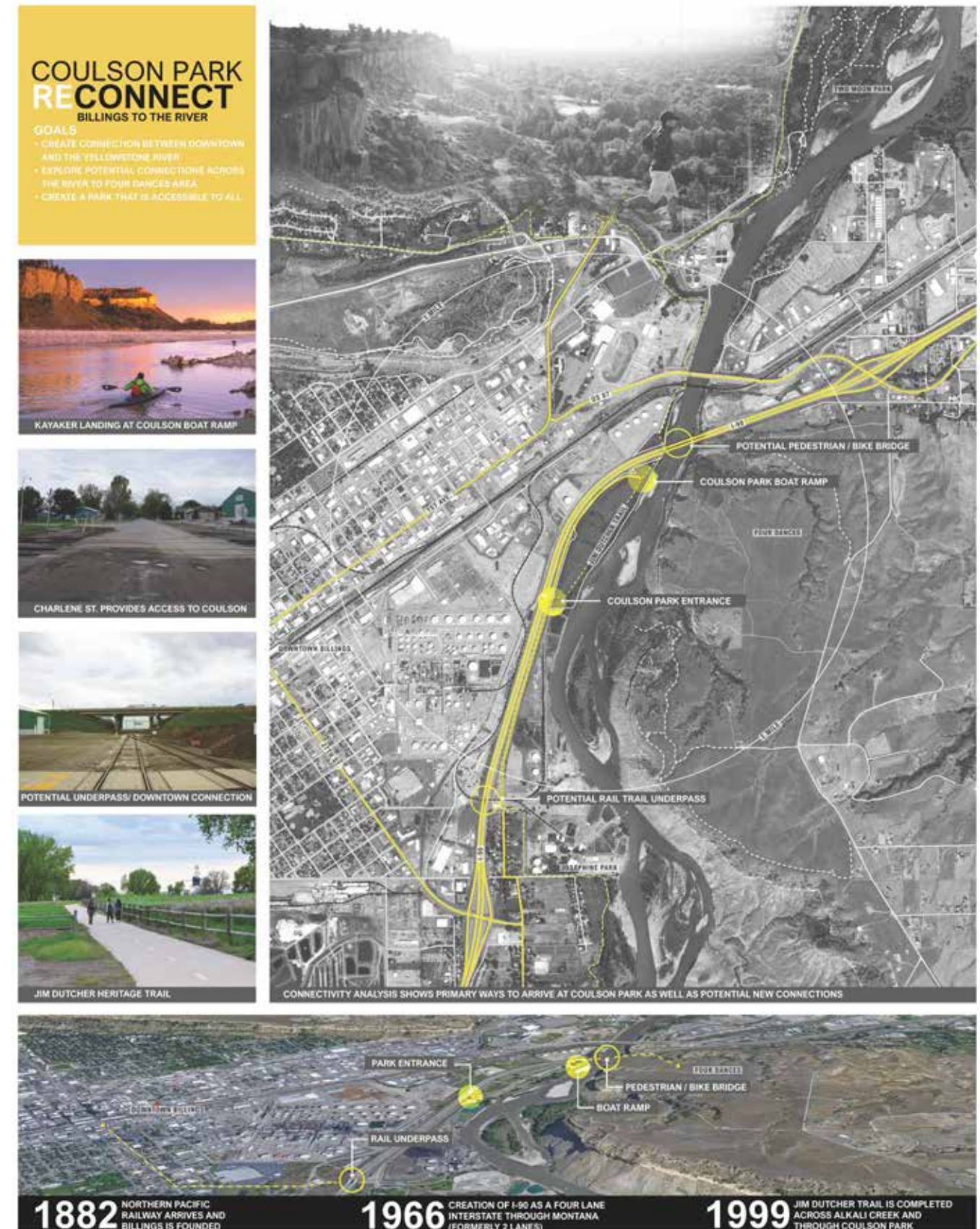
Coulson Park occupies a wedge of land positioned between the Yellowstone River to the east and I-90 to the west. While the site is highly visible from those traveling on the interstate, vehicle access to the park is challenging. Presently the park is accessed by vehicle from South 27th Street, turning north onto Garden St, west onto Belknap St, and then north onto Charlene St. Visitors continue on Charlene St past the old PPL Corette Power Plant site and eventually arrive at the southern Coulson Park parking lot. Unfortunately because of the park's unique location there are no financially feasible options available to provide an additional vehicle access point to the park. This constraint is a factor which must be considered when thinking about future park programming and activities.

Bike and pedestrian users arriving to the park are most likely to use the Jim Dutcher Heritage Trail which passes through the site. The 10-foot wide concrete paved trail provides access south to Mystic Park and north into backside of MetraPark, with further connections to Two Moon Park and up into the Billings Heights neighborhood. There are a number of additional informal unpaved trails throughout the park, in particular along the bank of the river.

One must also consider the river as a means of transportation and arrival or departure from the park site. Presently there is a boat ramp and launch for boat put-in and take-out related river activities.

Based on some of the opportunities and constraints mentioned above, the project design team makes the following recommendations as applies to the master planning of Coulson Park:

- Continue conversation with necessary parties re: providing vehicular and/or bicycle and pedestrian access point at Lillian Ave / Erie Dr railroad spur underpass; this would provide means for those visiting Coulson Park to bypass residential neighborhood and is a more direct connection to downtown Billings
- Work with Montana Department of Transportation in design of replacement bridge over Yellowstone River; this is a near-term project for MDT and the project team strongly recommends continued conversations with them obtain a bike / ped separated bridge, linking Coulson Park with the Four Dances Recreation Area and areas east
- Support Marathon Loop trail network efforts to complete gaps of missing trail segments; completion of the loop trail will provide access to a wide range of citizens
- Provide access / connection points to Corette site for future expansion





I-90 Bridge crossing over Yellowstone River - slated for replacement by MDT



Existing Jim Dutcher Heritage Trail supports many user different user types



Existing rail spur underpass below I-90 - new connection potential to downtown Billings



Proximity of Coulson Park and Downtown Billings



2.6 RESTORE RIPARIAN AND RIVERINE ECOLOGY

Coulson Park provides an opportunity to improve, enhance, and expand the ecological and natural resources found along the Yellowstone River and associated floodplain.

The Yellowstone River is the main hydrological feature near Coulson Park. A U.S. Geological Service (USGS) gaging station is located approximately one mile down gradient from the site. The station number is 6214500, and has been used intermittently since 1904. The Yellowstone River at the point of the gaging station (river mile 360.3) drains 11,795 square miles. The Yellowstone River has an average flow of approximately 7,000 cubic feet per second (cfs) and a base flow of 27,500 cfs. The legal description of the gaging station is Southeast ¼, Southeast ¼, Southeast ¼, Section 27, Township 1 North, Range 26 East of the Montana Principle Meridian. The station has been surveyed on NAD 27 horizontal datum and NA VD 29 elevation datum.

Regional Geology

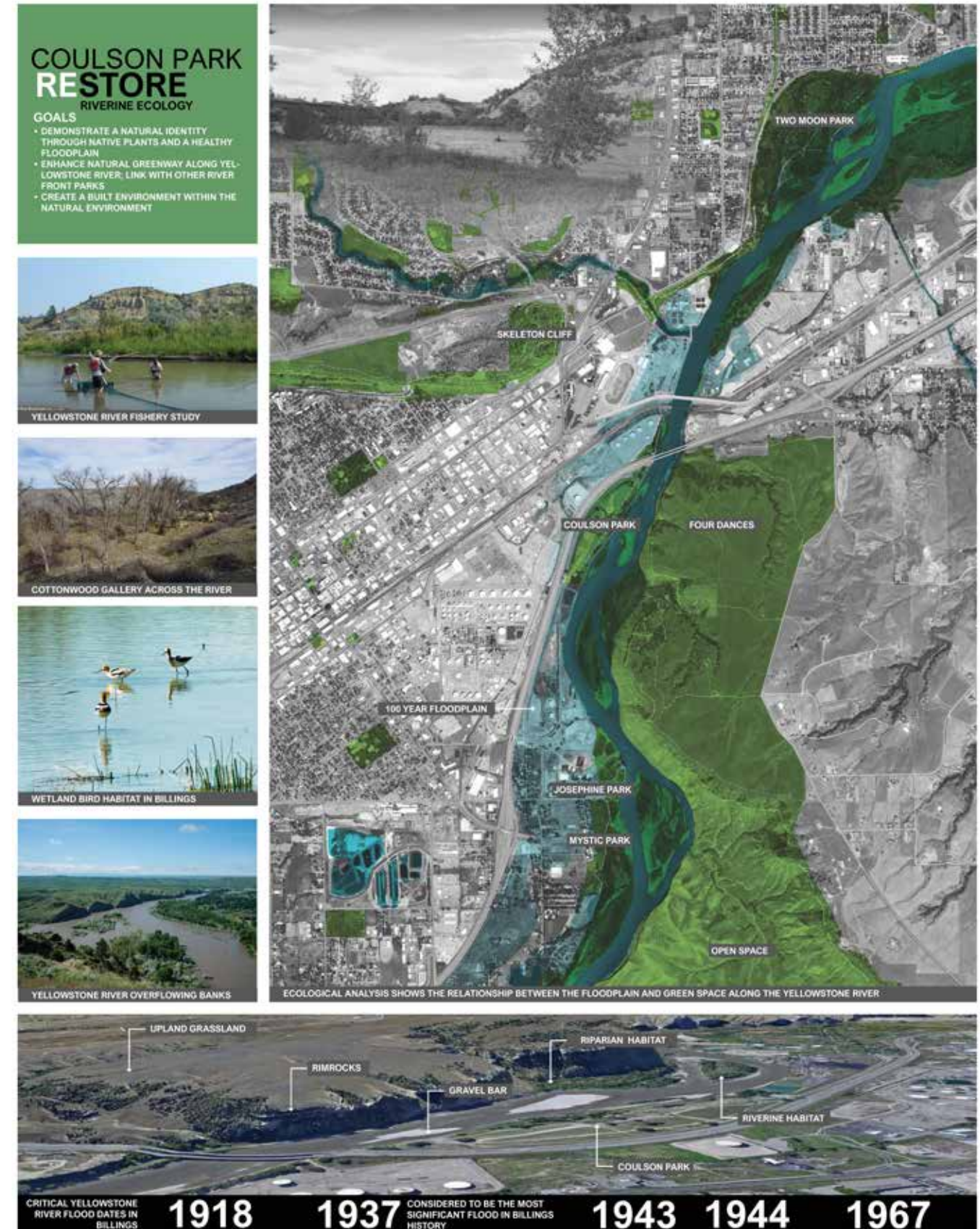
The main geologic formations that are present at Coulson Park are Quaternary Alluvium and Holocene and Pleistocene alluvial terrace gravels. These geologic units have been described on the USGS Geologic Map (Lopez, 2000) as follows:

- Quaternary Alluvium (Holocene): gravel, sand, silt, and clay along active channels of rivers, creeks, and tributaries. Coarse, well-rounded gravel restricted mainly to the Yellowstone River drainage.
- Alluvial Gravel, Terrace Level 1: (Holocene and Pleistocene): gravel underlying terraces about 1 to 20 feet above present altitude of the Yellowstone River. Mostly cobbles and pebbles with minor amounts of sand and silt. Clasts are mainly granitic igneous rocks, granitic gneiss, schist, and quartzite, with much less limestone and sandstone 20 to 40 feet thick (Gosling and Pashley, 1973).

Ecological Communities

Forested Riparian - This vegetative zone includes mature trees over 6 meters (20 feet) tall and is found mostly along the periphery and intermittently throughout the Project Area. The dominant tree species within the Project Area includes: Plains Cottonwood (*Populus deltoides*) and Narrowleaf Cottonwood (*Populus angustifolia*).

The Riparian Scrubland / Scrub Shrub Wetland zone within the Project Area is dominated by woody vegetation less than 6 m (20 feet) tall. The species include true shrubs, young trees, and trees or shrubs that are small or stunted because of environmental conditions. The most dominant vegetative class of within the Project Area, this system occurs on both sides of the river and includes the following dominant vegetation types: Sandbar willow (*Salix exigua*), Mountain willow (*Salix monticola*), Bebs willow (*Salix bebbiana*), Geyer willow (*Salix geyeriana*), Whiplash willow (*Salix lucida*), Wax current (*Ribes cereum*), Shrubby cinquefoil (*Dasiphora fruticosa*) and Silver sage (*Salvia argeneae*).



Presentation board highlighting surrounding parks, open spaces, and natural areas adjacent Coulson Park



Wildlife

A review of Montana Fish, Wildlife and Parks GIS database was conducted to understand wildlife usage on the property. There are no mapped habitats, game management units, or access points located within the project area. On site investigations and review of aerial imagery suggest that there is potential raptor habitat located within and adjacent to the project area. Additionally, a review of U.S. Fish and Wildlife's Information, Planning, and Consultation (IPAC System) was conducted to evaluate potential habitat for Threatened and Endangered Species (T&E). There is no mapped critical habitat located within the project area. A list of potential migratory birds that are protected under the Migratory Bird Treaty Act and Bald and Golden Eagle Protection Act are included in Table X below.

Game fish species in the Yellowstone River within the project area include the following species: Rainbow trout (*Oncorhynchus mykiss*), brown trout (*Salmo trutta*), channel catfish (*Ictalurus punctatus*), smallmouth bass (*Micropterus dolomieu*), Sauger (*Sander canadensis*), and walleye (*Sander vitreus*).

Common Name	Scientific Name	Breeding Timeframe	Notes
Bald Eagle	<i>Haliaeetus leucocephalus</i>	12/1 - 08/31	This is not a Bird of Conservation Concern (BCC) in this area, but warrants attention because of the Eagle Ace or for the potential susceptibilities in onshore areas from certain types of development or activities.
Golden Eagle	<i>Aquila chrysaetos</i>	01/01 - 08/31	This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCR) in the continental USA.
Brewer's Sparrow	<i>Spizella breweri</i>	05/15 - 08/10	This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCR) in the continental USA.
Clark's Grebe	<i>Aechmorphus clarkii</i>	01/01- 12/31	This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska
Lewis's Woodpecker	<i>Melanerpes lewis</i>	04/20 - 10/30	This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska
Pinon Jay	<i>Gymnohinus cyanocephalus</i>	02/15 - 07/15	This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska



Presentation board highlighting ecological communities and floodplain boundaries on site



Brownsfield Study Review
Phase II Environmental Review – Final
Site Lithology – Dump Site

Soil sampling was conducted as part of a Brownsfield Study on the site in 1998 / 1999. The lithology encountered in the three boreholes was fairly consistent. Lithology generally consisted of silty and clayey sand containing wood, brick, glass and metal fragments (fill) to a depth of 8 to 11 feet below ground surface (bgs) underlain by alluvial sands and gravels to 15 feet bgs. Groundwater was encountered in the alluvial sands and gravels at the depth of 9 to 11 feet bgs.

In a review of field results and analytical data, petroleum hydrocarbons were present in soil and groundwater samples collected from each monitoring well location. Dissolved metal concentrations of iron and manganese, exceeding WQB-7 secondary standards, were also detected in groundwater samples from all three wells. Additionally, upon review of PID readings and observations during drilling, the vadose zone soils appear to have lower hydrocarbon concentrations than the soils below the water table. This would suggest that the soil and dump fill materials encountered in the wells above the water table are not the contributing source to the groundwater hydrocarbon impact. According to the report, the analytical data and the measured groundwater gradient, it appeared that the petroleum hydrocarbons present in the three monitor well locations are being transported by groundwater from a source area located up-gradient of, or very near monitor well MW-3. As expected in this scenario, groundwater concentrations for BTEX/GRO decrease in monitoring wells towards the Yellowstone River. Additionally, review of the chromatogram of the groundwater sample collected from MW-3 indicates that the gasoline constituents appear to be composed of fresh, unweathered gasoline. Potential sources of the hydrocarbon impacts may be from one or more of the underground petroleum pipelines buried up-gradient of MW-3, or some other unidentified source(s).

Phase I Findings 2005

In 2005 Pioneer performed a Phase I Brownfields Site Assessment for the Coulson Park Site located in Billings, Montana. This was completed in conformance with the scope and limitations of ASTM Practice E 1527-00 (ASTM 2000a) and applicable EPA rules and guidance. The Coulson Park Site is located over a historic city landfill and adjacent to industrial properties. Numerous known and/or potentially contaminated sites are located in close proximity to the Coulson Park Site. The following list summarizes the recognized potential adverse environmental conditions in connection with the Coulson Park Site:

- Residual hydrocarbon contaminated groundwater and soils along the Conoco Phillips pipeline leak site;
- Potential for contaminated groundwater to migrate from the up-gradient sites to and across the Coulson Park Site;
- Potential for unknown pockets of contamination to exist in the historic landfill debris;
- Potential unknown leaks or spills of petroleum hydrocarbons along pipelines, which travel through the Coulson Park Site;
- Potential for landfill debris to surface in areas with inadequate soil cap and pose health and or safety risks;

- Potential for contaminated groundwater seepage to surface along the bank of the Coulson Park Site; and
- Potential for the surface water quality to pose a health risk along the side channel to be degraded from the historic activities at the Coulson Park Site and/or up-gradient properties.

Bank Erosion Potential

Bank erodibility factors and hazard ratings have been identified by Rosgen (1996) (Appendix E). Streambank erodibility factors include:

- Bank Height vs. Backfill Depth
- Bank Angle
- Density of Roots, Bank Surface Protection, Percent of Total Bank Height with Roots
- Soil Stratification
- Particle Size

With the exception of a limited area with a low bank angle and small areas with significant vegetation, the streambank along Coulson Park exhibits high or high/moderate erosion potential in all categories and needs protection.



Aerial of the Yellowstone River



Conclusions

Based on the findings from the Phase I and Phase II study's, and according to the finding opinion from Pioneer, the Coulson Park Site may contain any or all of the potential adverse environmental conditions listed in their Phase I report.

The research that was conducted by Pioneer indicates that known adverse environmental conditions caused by the pipeline leak have been monitored and the data indicates improved groundwater quality in conjunction with the known hydrocarbon leak; however, non-hydrocarbon analytes such as nitrate/nitrite, sulfate, ammonia, phosphorus, and heavy metals may continue to be present at the site and should be evaluated to determine if the concentration level of these analytes pose any risks to the environment and/or public health and safety. In addition, due to presence of nitrate/nitrite, sulfate, and ammonia in previous groundwater seepage samples and the nature of up gradient property uses, Pioneer recommended any future sampling of groundwater seepage along the eastern bank of Coulson Park should include analysis for coliform.

The bank of the Yellowstone River adjacent to Coulson Park has experienced erosion. Changes in the Yellowstone River over time have resulted both from natural flood events and the activities of man. The erosion has resulted in loss of park area and the exposure of fill from the historic Billings landfill. It is recommended that the bank be protected with rip-rap to prevent further erosion.

Restoration Concept

The Project Area restoration concept focuses on two main ecologic communities, riparian and wetland. For the purpose of this report and based on stakeholder goals, upland communities are reserved for future restoration opportunities. The surveyed riparian and wetland communities are recommended for preservation, enhancement or creation.

- Preservation - The protection of intact and functioning wetland or riparian habitat through ecologic and landscape planning and site development.
- Enhancement - The restoration of partially functioning healthy wetlands and riparian areas. This can include noxious weed elimination, planting, seeding, and other restoration techniques.
- Creation - Identifying and re-establishing areas that are heavily degraded but have the opportunity due to location and surrounding vegetation for full restoration activities resulting in the creation of a new wetland or riparian area.

These opportunities are mapped on and shown on page 15. All priorities and decisions about restoration actions should be guided by stakeholder goals and values.

Riparian Restoration Opportunities

As discussed in the existing conditions section, the health and quality of the riparian environment within the Project Area is good.

Riparian Preservation

Riparian preservation includes developing a regular monitoring and maintenance plan to preserve the existing high quality riparian habitat. Monitoring noxious and native vegetation will preserve and sustain current riparian conditions. By limiting access to sensitive areas and minimizing disturbance by directing human traffic through way-finding and the creation of designated, formalized paths can greatly reduce impact to these areas.

Riparian Enhancement

Riparian enhancement will improve exiting conditions to increase habitat value. This is done through the development and implementation of a weed management plan to control noxious vegetation, identifying aboricultural maintenance needs/plans and increasing plant diversity through planting and seeding. The resulting enhancement will provide increased habitat value for wildlife and improve overall ecological conditions.

Riparian Creation

Riparian creation is the most intensive of the three types of restoration. This involves grading the topography to create elevations with the appropriate available water to support native riparian vegetation plantings. Areas identified within the report are immediately adjacent to the river bank and are located in close proximity to the river water table. Areas identified for bank stabilization as part of river improvements are ideal locations for this recommended intervention as bank stabilization and riparian creation are both interventions with overlapping goals.



Recreationalists enjoying the Yellowstone River



2.7 RE-ENVISION THE GATEWAY TO BILLINGS

Coulson Park provides an opportunity to act as an eastern gateway into Billings, and showcase community values and principles as they relate to recreation and natural amenities within the City parks system.

Coulson Park is approximately 56 acres in total size, wedged between the Yellowstone River to the east and northeast and Interstate 90 to the west and northwest. To the south it is bordered by the former Corette Power Plant site. It is designated a community park within the Billings Parks and Recreation Department system. A park of this size is meant to meet community based recreational needs and provide recreational opportunities to a range of user types, while also preserving unique landscapes and open spaces.

The park is undeveloped except for two vault restrooms, located in the central portion of the property, and a billboard sign, located next to the interstate in the northern portion of the site. A boat ramp / launch is also located at the north end of site, just prior to the interstate bridge river crossing. Several underground pipelines transverse the western portion of the site, and a series of unimproved roads criss-cross the park property. The site is fairly level with a gentle slope down to the northeast. The park supports grass cover and scattered tree areas. The banks along the river shore line are moderately to deeply eroded and range in height from a few feet in the northern portion of the park to approximately 8 feet in the southern portion. A large portion of Coulson Park, approximately 44 acres, is within the 100-year floodplain as mapped by the Federal Emergency Management Act (FEMA). The areas outside of the floodplain run up a central spine of land within the park, and as a result can be more fully developed as this land is not subject to floodplain regulations.

Due the high visibility of the site from the interstate there is an excellent opportunity to showcase the community's values as it relates to recreation and natural amenities. It offers the community an opportunity to highlight the many different cultures present in Billings and provide education and learning opportunities on a range of subjects from history to the environment. Based on some of the opportunities and constraints mentioned above, the project design team makes the following recommendations as applies to the master planning of Coulson Park:

- Activate the park with a mix of programming to meet a range of different user types and user groups; reference 2017 Parks and Recreation Comprehensive Master Plan to understand what types of amenities are missing from the parks systems and what the community desires in terms of potential facilities
- Improve river access through additional trails and other bank improvements to facilitate a variety of river based activities or means for enjoying the river

Develop Coulson Park in manner to act as an entry gateway into Billings



Aerial view of Coulson Park, May 2019



Aerial view of Coulson Park, May 2019



Aerial view of Coulson Park, May 2019



COULSON PARK PRESENT DAY



Presentation boards highlighting current park site conditions and uses



3.1 COMMUNITY OUTREACH

At the outset of the project the design team, along with the City of Billings Parks and Recreation Department, have embraced an open dialogue with the community and developed a design that is responsive to diverse public needs and desires.

At the outset of the project the design team, along with the City of Billings Parks and Recreation Department, have embraced an open and robust dialogue with the community and developed a design that is responsive to diverse public needs and desires. The team has developed the design of the Master Plan around how the programs can best service the community in order to activate the park for current and future generations. In order to align the community’s vision with the final plan, four Draft Master Plan options were presented to the public for transparent and open feedback.

Working with the Parks and Recreation Department team a Coulson Park Steering Committee was formed at the beginning of a project to provide focused guidance and strategic direction throughout the course of the project. Key stakeholder groups and organizations were identified and invited to a series of park design discussions over the course of 2019. It was critical to the project team, and the City, that the stakeholders represent a wide range of community interests so that all visions and needs could be captured and incorporated into the final design.

The project team also engaged with the community directly through five (5) Steering Committee and Stakeholder Group meetings, six (6) public open houses, and three (3) local community events. Additionally a project website was established, and regularly updated, to contain all relevant project design information and exhibits for those that were unable to attend the open houses or be engaged with at a community event. As a result 1,951 people, 65% from Montana cities such as Bozeman, Helena, Red Lodge, Missoula, and Butte, and 50% specifically from Billings viewed the website to learn more about the park. Two on-line surveys were developed to provide additional feedback during the Preliminary Design and Draft Master Plan phases to reach a wider audience and user groups within Billings and beyond. The first survey posted on June 7th, 2019 resulted in 34 responses, and the second survey posted on July 30th, 2019 resulted in 118 responses.

These public outreach efforts made the future of Coulson Park a reality. The following list represents the Coulson Park meetings, events, and surveys the community participated in over the duration of the park master planning process:

2019	MEETING/ EVENT	# OF PEOPLE	# OF COMMENTS
April 18th & 19th	Master Plan Kickoff (Steering Committee @ Stakeholder Group	36	36
June 7th	Steering Committee & Stakeholder Group (Preliminary Design options presented)	30	30
June 7th	Opportunities & Constraints survey posted to website		
June 8th	Downtown Billings Strawberry Festival (Open to General Public, Preliminary Design options presented)	500+	75
June 13th	Public Open House (Preliminary Design options presented)	15	12
July 25th	Picnic in the Park (Draft MP Design options presented)	12	12
July 26th	Picnic in the Park (Draft MP Design options presented)	12	12
July 30th	Design Options survey posted to website		
August 1st	Steering Committee & Stakeholder Groups, Picnic in the Park (Draft MP Design options presented)	45	35
August 14th	Parks & Rec. Board Meeting (Public), Stakeholder Group Meeting, Public Open House	50	25
September 5th	Steering Committee & Stakeholder Group Meeting, Phillips 66 Community Picnic	250+	50
September 6th	Ales for Trails @ ZooMontana	500+	100
September 11th	Parks & Rec. Board (Open to General Public)		
November 13th	Steering Commitee Meeting	12	12
2020			
February 4th	Public Open House	44	27
February 12th	Parks & Rec. Board Meeting (Open to General Public)	20	12
March 2nd	Billings City Council Presentation - Working Session (Open to General Public)	TBD	TBD



Master Planning Kickoff, April 18th, 2019





View of the Sacrifice Cliffs from Coulson Park site



Coulson Park Public Open House, June 13th, 2019



Image boards used to determine desired park programs



Downtown Billings Strawberry Festival, June 8th, 2019



Goals for the future park site, presented at the Public Open House on June 13th, 2019



3.2 PRELIMINARY DESIGN

Early discussions in the design process for Coulson Park focused on the types of programming desired at the site, level of activity, and character of the improvements.

After the April 18th and 19th, 2019 Kickoff meeting with the Billings Parks and Recreation team, Stakeholders, and Steering Committee the design team started the Preliminary Design Process through a survey asking general questions about current uses within the park and future programmatic priorities. The results, based on 34 responses shown in graph form on the right, provided direction in three key areas:

- Pedestrian, bicycle, and river access users
- Improved vehicular circulation and access
- Active and passive recreational uses

With these concepts the design team began to collect character imagery and generate diagrams with preliminary ideas that drove the overall spatial programming and layout of the park site. The programs were layered with known site constraints and opportunities including the existing floodplain, underground pipelines, access limitations, and historic uses of the site.

- Program "A": Active Program

The Active Program space focused on increasing recreational opportunities throughout the middle core sections of the park with vegetative screening along Charlene Street and the river front area. Active uses such as a bike park, dog park, bouldering areas, sports courts, rope course, rock climbing, youth and tot lot playgrounds were introduced as options to activate the spaces. Access throughout the park was increased with the placement of four parking and/or drop off areas connected by an interior trail network. River access points at the north and south ends of the park provide boat, rescue, and swimming entrances. Terraced seating along the river provides visual and passive opportunities at multiple locations. A central event space provided opportunity for larger gatherings, community activities, or historical interpretations.

- Program "B": Passive Program

The Passive program focuses on maintaining a naturalized, passive program developed in three layers. The first layer is a screening and buffer layer running parallel to Charlene Street, moving into vegetated open space, then a riparian forest along the riverfront. An interior trail network connected the River South Node to the River North node and with a larger multi-modal trail that tied into the southern trail head. Focus was made on developing vegetative screening, upland grasslands, and maintaining more natural systems throughout the park for passive uses.

- Program "C": Hybrid Program Active Program

The Hybrid Program, which was the preferred program by the community, was a unique balance between the Active and Passive programs. Large systems of active recreational uses were integrated within the expanses of open and naturalized spaces. This allowed the program to focus on developing a natural buffer between Charlene Street and increase habitat areas along the river front while providing diverse uses throughout the park. Three parking and/or drop off areas were placed at key entry points along Charlene to increase all-age access to nodes such as the River South and North nodes, and the central event space. Pedestrian and bicycle systems were developed through an internal trail system linking the northern and southern areas, with a wider multi-modal path connecting the exiting trail system to the future bike and pedestrian bridge proposed along Interstate 90.

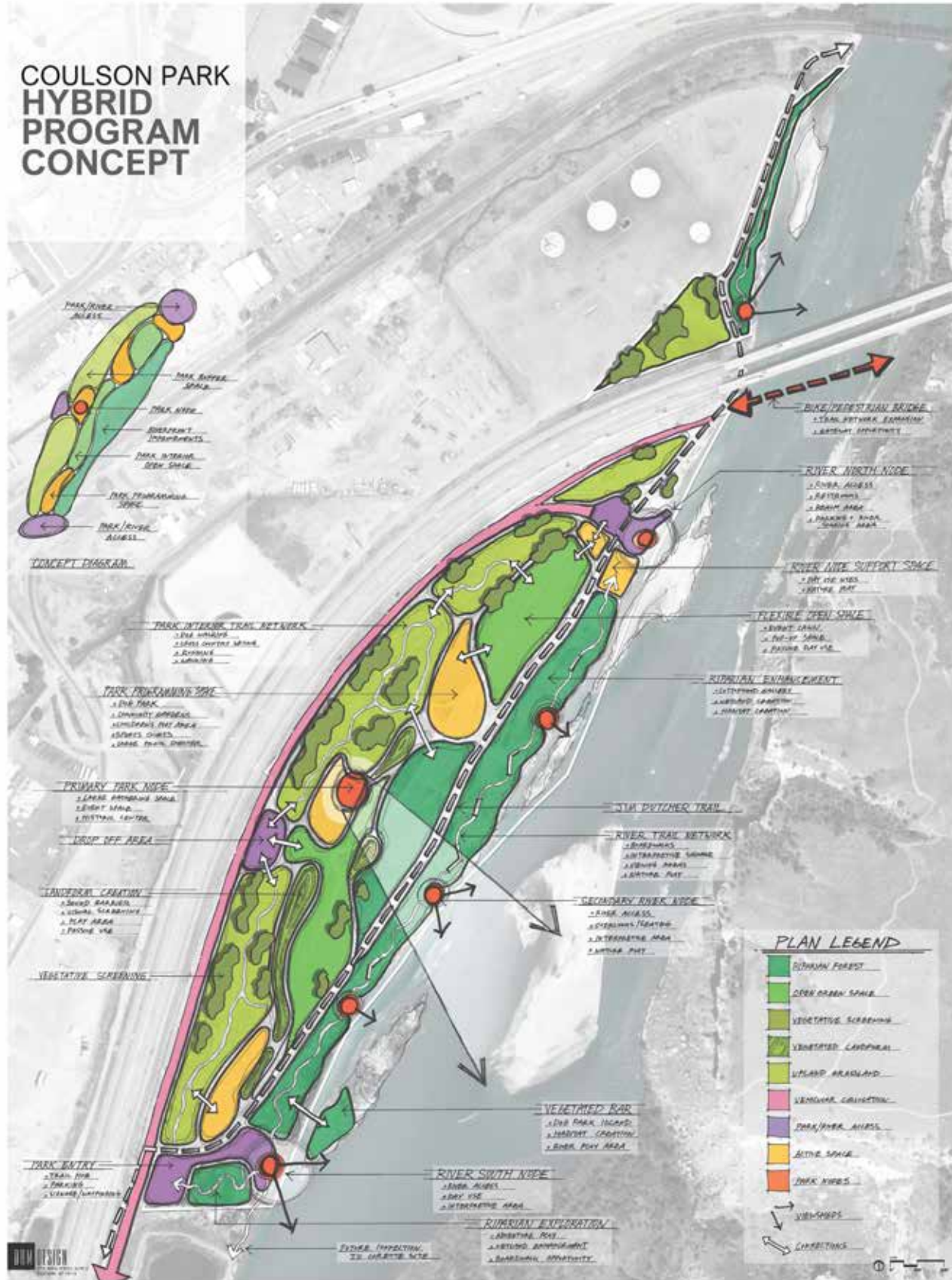
The three diagrams, along with supplementary photo boards and outreach surveys were brought to the annual Strawberry Festival on June 8th, 2019, and the June 13th Public Open House. The results of the outreach discussions resulted in a strong preference for the Hybrid Program. Within each concept there was a resounding need for specific programs such as a dog park, bike park, natural play areas, and larger gathering spaces for arts, history, and culture. Furthermore the design team was able to gain insight on how to address and plan for passive use programming throughout the park that would maintain views to the Yellowstone River and allow better access through the riparian corridor.



Downtown Billings Strawberry Festival, June 8th, 2019



COULSON PARK HYBRID PROGRAM CONCEPT



Preliminary park concept design diagram - hybrid scenario

COULSON PARK PASSIVE PROGRAM CONCEPT



Preliminary park concept design diagram - passive scenario



3.3 DRAFT MASTER PLAN DESIGN

Preliminary design efforts spurred the development of four draft masterplan options to expand upon the spatial hierarchy of the site and arrive at park programming solutions.

Building upon the active and hybrid program concepts selected during the preliminary design phase, the design team worked out programming solutions for the entire park site. Providing a level of spatial hierarchy was necessary to define areas of active use within the context of site circulation and larger passive natural areas. Four different draft masterplan options looked at ways of spatially achieving the overall project goals defined by the community while showcasing the range of design options possible on site.

The design team generated four design solutions at a level of detail necessary to help the public provide further feedback on the teams direction. Each site plan solution contained a unique combination of compatible park programs that told a different story of what an experience in Coulson Park could be like.

The four draft masterplans, along with supporting vignettes of the park were taken back to Billings for another round of stakeholder meetings and participation in community events. These meetings provided insights and feedback about which draft masterplan, or parts there of, were viewed most favorably. Survey responses showed that people preferred options A, B and C above option D, with option A being the favorite option. There was a particular interest in a bike park and outdoor community gathering space. Along with this, community members were asked how often they would use the programs in Coulson Park. Over 50 percent of survey responders indicated that they would use the park programs shown in their selected draft masterplan multiple times a month.

The creation and public review of four draft masterplans helped ensure the design process was moving in a direction that would be supported and adopted by the public. Moreover, providing multiple masterplan options and going through another round of outreach gave the community more time to come forward and rally together to let the design team know what programs worked best for the Billings community.

The draft masterplan phase culminated with the preparation and presentation of a singular draft site plan. Along with three perspective renderings, the draft plan was presented to the Steering Committee, stakeholder groups, and at a annual community event (Ales for Trails at ZooMontana). Once again the design team engaged with the community to gain insights and feedback on their views and opinions of the draft park plan.

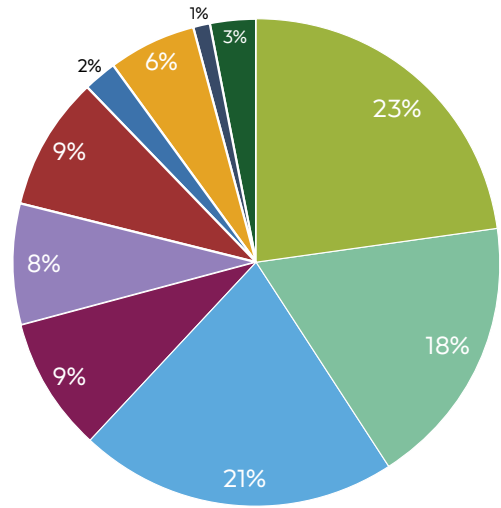


Four different park design site plans presented to community during draft phase



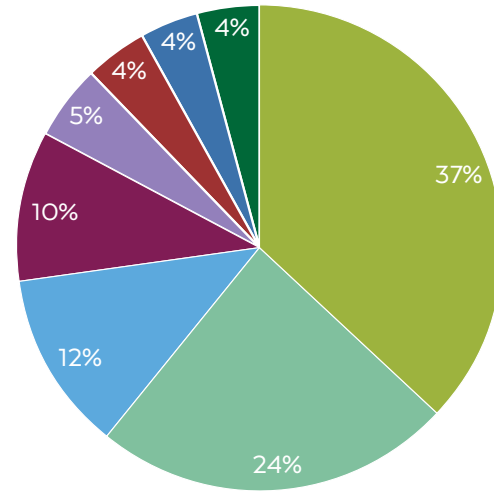
WHAT IS YOUR PREFERRED DESIGN OPTION?

- OPTION A OPTION A & B OPTION B & C
- OPTION B OPTION A & C OPTION B & D
- OPTION C OPTION A & D OPTION C & D
- OPTION D



HOW OFTEN WOULD YOU USE YOUR FAVORITE FEATURE OF THE PARK?

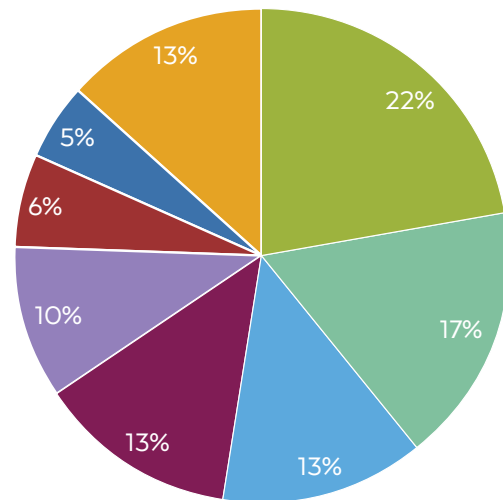
- SEVERAL TIMES A MONTH COUPLE TIMES A YEAR
- ONCE A WEEK A FEW TIMES A WEEK
- ONCE A MONTH DAILY
- SEVERAL TIMES A YEAR SEASONALLY



Perspective renderings at draft plan phase

WHAT IS YOUR FAVORITE ELEMENT OF ALL THE SITE PLANS?

- BIKE PARK RIVER ACCESS
- OUTDOOR GATHERING SPACE DOG PARK
- CHILDREN'S PLAY AREA FRISBEE GOLF
- PATHS/TRAILS OTHER



Survey results from draft masterplan phase



Draft site plan presented to the Steering Committee



Draft park site plan

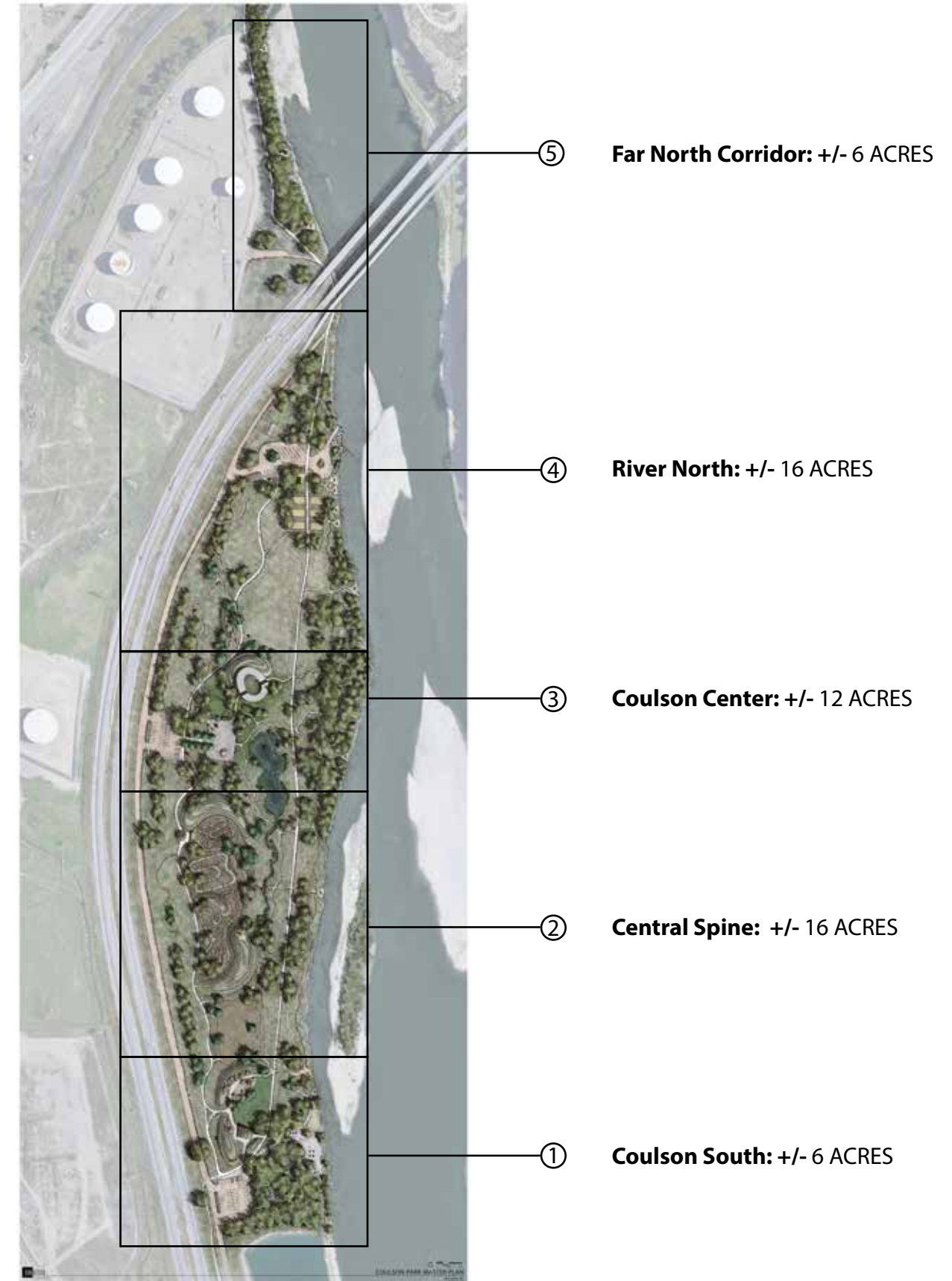


4.1 FINAL MASTER PLAN: FIVE AREAS OF THE PARK

The park has five main areas: Coulson South, the Central Spine, Coulson Center, River North and the Far North Corridor, each contains unique programs and amenities.

This section outlines the specific features found in each main area of Coulson Park. All five areas contain unique landscape characteristics and programming solutions. Careful analysis of existing site opportunities and constraints has been complimented by robust public outreach initiatives and stakeholder involvement to define the programming objectives for each area. The five areas are linked together by the existing Jim Dutcher Heritage Trail as well as a proposed accessible loop trail. The interconnectivity and compatibility of programs and amenities in all five areas of the park is the result of a robust master planning process.

The master planning process for Coulson Park has resulted in a cohesive and phased approach to development across the site. Compatible program opportunities are widespread throughout the park and are connected by a hierarchy of accessible routes that transport park visitors through a restored riparian corridor. Within the first 5-10 years, visitors will enjoy improved access to the river at the Coulson South park entrance and the River North boat ramp area. Providing access to amenities and programs for all ages and physical abilities will draw people from Billings to the Yellowstone River, which will result in an increased interest in the park. As specific interest groups garner community support and funding, the full spectrum of park programs will come together resulting in a rich community gathering destination at the rivers edge.



Final Coulson Park masterplan



See plan at left



See plan at right

LEGEND

- 1 SOUTH PARKING
+/- 50 PARKING SPACES
- 2 RAMBLE
NATURE PLAY AREA IN RIPARIAN FOREST
- 3 ARTISTS POINT
RIVER ACCESS POINT WITH SEATING
AREAS FOR RIMROCK VIEWING
- 4 LARGE SHELTER
40x60 RENTABLE EVENT SHELTER
- 5 NATURE PLAY
YOUNGER AGES ADVENTURE PLAY AREA
- 6 HARMONY PARK
EXPERIENTIAL MUSIC AND SOUND PARK
- 7 DOG PARK
FENCED AND MULCHED AREA FOR
LARGE AND SMALL DOG ACTIVITIES
- 8 LOOKOUT POINT
SEATING AREA ON BERM WITH VIEWS TO
RIVER AND BIKE PARK
- 9 SKILLS TRACK
SPECIAL FEATURES COURSE DESIGNED FOR
ADVANCED RIDERS
- 10 PUMP TRACK
STANDARD COMPETITION-RATED COURSE
- 11 KIDS TRACK
SMALL SCALE COURSE DESIGNED FOR
YOUNGER AGES
- 12 COULSON POND
FLOW THROUGH POND WITH ADJACENT
LAWN SPACE
- 13 COULSON SQUARE
HISTORICAL & CULTURAL INTERPRETIVE
ELEMENTS; COMMUNITY GATHERING SPACE;
POP-UP AND FOOD TRUCK ACCESS
- 14 CENTRAL PARKING
+/- 50 PARKING SPACES
- 15 EVENT OVERFLOW PARKING
+/- 300 COMBINED INFORMAL PARKING SPACES
- 16 COULSON PAVILION
+/- 750 SEAT CAPACITY AMPHITHEATER
AND MULTI-USE GATHERING SPACE
- 17 NATURE PLAY
OLDER AGES ADVENTURE PLAY AREA
- 18 SCULPTURE PARK
OUTDOOR GALLERY FOR LOCAL/NATIONAL
ART INSTALLATIONS AND EXHIBITS
- 19 GAMES AREA
SAND VOLLEYBALL; HORSESHOES; FIELD GAMES
- 20 RIVER DAY USE SITES
+/- 4 SITES WITH PICNIC TABLES
- 21 NORTH PARKING
+/- 5 PULL THROUGH TRAILER PARKING
STALLS AND +/- 15 PARKING SPACES
- 22 BOAT RAMP
YEAR-ROUND BOAT PUT IN AND TAKE OUT;
IN STREAM SAFETY IMPROVEMENTS
- 23 INSPIRATION POINT
RIVERFRONT VIEW TO HISTORIC FERRY RINGS



4.2 COULSON SOUTH

The Coulson South area is a natural entrance to the site defined by a large cottonwood gallery that opens up to incredible views of the Rim Rocks.

The Coulson South area is the primary gateway and entry experience for Coulson Park. Park visitors driving up Charlene street from the south are greeted with park entry signage, easy access to parking, restrooms, and amenities. Wide accessible paths lead directly from the entrance toward a large shelter with adjacent lawn and nature play area, or down a tree lined walk opening up to Artists Point.

A large picnic shelter points toward the river and will be available for events, parties and celebrations. An open lawn space spills out of the shelter and creates a visual connection to a natural play area where parents can easily supervise their children during an event. Two large landscaped berms planted with native grasses buffer the shelter and playground from the sound and presence of vehicles driving on I-90. The winged shape of the berms are designed to embrace the shelter and natural play area with slides and climbing boulders built into the sides of the landforms.

The Coulson South area is intended to be a gateway for both vehicular and pedestrian use. The parking lot can accommodate approximately 50 vehicles and also serves as a trail head for those arriving to access the Jim Dutcher Heritage Trail. Trail signage and bike amenities will help Coulson Park visitors feel connected to Billings' greater park system. Accessible restrooms located near the parking area compliment the shelter, bike trail-head and day use at the Artists Point.

To reach Artists Point visitors may easily stroll down the wide accessible route toward the river, or wander through the Ramble where paths navigate through dense riparian vegetation underneath large cottonwood trees. Upon reaching the point, visitors will witness a dramatic view of the South Rim Rocks across the river. A protected beach area is ideal for spending a day in the sun while boulders provide access to the rivers edge for kayakers and floaters. Walking north along the river from Artists Point visitors will reach the Harmony Park, where they can express themselves through sound and music.

Six primary areas define Coulson South:

- ① South Parking (+/- 50 spaces)
- ② Large Shelter
- ③ Play Lawn
- ④ Kids Nature Playground
- ⑤ Ramble
- ⑥ Artists Point and Beach
- ⑦ Harmony Park



Coulson Park Final Site Plan: Coulson South





Coulson Park south entry



South Park berms, turf lawn, play area and large picnic shelter



Artist Point and view of river and cliffs



River get-down access at Artist Point



4.3 CENTRAL SPINE

The Central Spine is characterized by large open settings and active recreational spaces including a dog park and bike park.

The Central Spine area of Coulson Park connects Coulson South to Coulson Center. The area contains a large expanse of flat grassland outside of the floodplain to accommodate large scale recreational opportunities. Lowlands along the Jim Dutcher trail are interwoven with a creek and passive use trails.

Arrival from the south parking area will take visitors past a 1.5 acre fenced in dog park. The dog park is a large open expanse with a trail around the perimeter and two shelters for escaping the heat of summer or a rainy day. The area inside the perimeter trail will be a soft mulched surface to reduce maintenance costs.

North of the dog park a large landscaped berm rises up. At the top, Lookout Point provides park visitors with a place to view the dog park, bike park and creek as it winds its way toward Coulson Pond. The creek is designed to foster wetland creation across the park and provide safe opportunities for park visitors to interact with water. The creek will also act to further buffer the active uses going on at the Bike Park from the more passive riverfront experiences. Functionally the creek is part of the park irrigation system design. Water will be pulled from the nearby river via an in-stream intake structure. From this structure it will be pumped underground in piping and will daylight at a source point at the head of the creek. From here water will meander down the creek channel, eventually arriving at the pond. Visitors crossing over the creek from the bike park will be directed through productive riparian wetlands towards a river overlook.

Overwhelming input from community members during public outreach events helped spur the development of a 4 acre bike park within the Central Spine. The Bike Park is broken into four specific areas in order to accommodate all types of riders with varying levels of experience. A kids pump track at the far north of the site is located directly adjacent to a large shade shelter where parents can supervise their kids as they learn to ride. A larger central pump track is designed to accommodate competitions that will help the bike park generate revenue. A flow track and skills course winds its way from the bike park shelter, around the Central Spine at the toe of the berm and next to the creek. And finally an all ages, all users perimeter trail circumnavigates the entire bike park - providing users opportunities to travel between the pump tracks, skills course or watch the users enjoy the biking amenities.

Five primary areas define the Central Spine:

- ① Dog Park
- ② Bike Park
- ③ Landscape Berm and Lookout Point
- ④ Creek and wetland creation
- ⑤ Shade Structure





View east into dog park



View west over creek, wetlands, and bike park



View of bike park pump track



4.4 COULSON CENTER

The Coulson Center area is a dynamic historic and cultural gathering place for visitors to re-imagine and re-envision the Billings riverfront.

Coulson Center is planned as the nucleus of Coulson Park. The Coulson Center site marks the location of the historic Coulson town-site and draws attention to Billings past while becoming a gateway experience for the city. This portion of the site is highly visible from I-90 as it crosses the Yellowstone River and enters Billings. Because of this high visibility and historic significance a large multipurpose performance pavilion is proposed for this area. The pavilion and supporting spaces are planned to accommodate all types of events and will serve as a cultural and education hub for the park.

Visitors arriving to this central area of the park will be able to park in a new +/- 50 vehicle capacity lot. For larger occasions the fields adjacent this lot can be used for overflow parking. Park guests will then proceed through a formal promenade aligned with the former street layout of the town of Coulson. Visitors then emerge into Coulson Square, a flexible open space with amenities that foster education, community and cultural identity. Interpretive exhibits, signage and visual aids will help visitors re-imagine the historic uses of the site, while large flexible spaces and boulder outcrops create places for playing, eating, and enjoying views to the southern rim rocks over Coulson Pond. The square is planned to have restroom facilities and amenities to accommodate pop up events, food trucks, and other temporary uses. Coulson Square also serves as a platform to facilitate large cultural events taking place to the east at the performance pavilion.

While the location of the Pavilion is optimal for iconic, riverfront programs, the process of locating and designing the pavilion structure relied on feedback and involvement from the community. Through stakeholder meetings and conversations with many groups representing the Native American communities in Billings it became apparent that a place to host pow wows and other cultural events was critically needed. The design of the pavilion reflects a traditional pow wow dance arbor while also speaking to a new generation of arts and culture in the city. The Pavilion is built into a large berm that provides amphitheater style seating that faces out to views of the rim rocks. Special spatial consideration has been taking into consideration for locating bleachers and pop up tents inside and around the Pavilion while operating as a dance arbor. The roofs angle allows the pavilion to be lit up at night for music, dance and theater performances, all while capturing spectacular views of the southern rim rocks and cliffs.

Looking out from Coulson square visitors will be greeted with views of the southern rim rocks over Coulson Pond. The pond and adjacent wetlands will help the site be resilient during frequent and widespread flooding that occurs in the Yellowstone River floodplain. Summertime visitors might birdwatch or fish and winter visitors can skate the ice. The pond, designed within the floodplain will further tell the history of the Yellowstone River's ever changing course through the Clark's Fork Bottom. The pond will also serve as the irrigation source for all new park plantings. Fed by the meandering creek, water will be pulled from the pond as needed via an intake line and pump and dispersed to the rest of the site. An exit structure will allow water to return to the river thus creating a flow through system, only using water when needed and helping address water quality. Passive trails meander across bridges and through restored riparian forest toward the river.

Seven primary areas define Coulson Center:

- | | |
|--------------------|-------------------------------|
| ① Central Parking | ⑤ Pavilion |
| ② Overflow Parking | ⑥ Berm + Amphitheater Seating |
| ③ Promenade | ⑦ Coulson Pond |
| ④ Coulson Square | |





View of Coulson Square



View of Coulson Pond with Coulson Square in foreground



View of performance pavilion during cultural event



View of pavilion during evening concert



4.5 RIVER NORTH

River North revives riverfront land use and provides passive and active recreational opportunities.

River North is envisioned as a revival of the Coulson Park boat ramp and river access location. The site serves as a put-in / take-out for local river recreationalists including fishermen, rafters and kayakers. Improved access and amenities will encourage better, more consistent use of the River North Area. Compatible uses adjacent to the boat ramp and within the floodplain include four day use picnic sites and a large games area (sand volleyball courts on the plan). The interior of this northern portion of the park is almost wholly located within the floodplain and a result more passive use is programmed for this space. Trails provide access through this ecological restoration zone with the potential for a land art themed sculpture walk. At the south end, near the performance pavilion berm, another nature play themed boulder-field area is proposed for kids enjoyment.

The Yellowstone River flows above its banks in the spring and below its banks in the fall. This dynamic riverine system requires the implementation of in-stream improvements to improve safe year round use of the boat ramp. An in-stream structure located upstream of the boat ramp will create an eddy moment that will allow users improved water flow conditions and safer conditions for boat launching or take-out related activities.

Tree plantings at the western edge of the site will provide separation between I-90 and an open restored grassland located within the floodplain. These plantings will serve as a backdrop for the sculpture park containing environmental art installations. Walking south from the sculpture park visitors will find another nature play area embedded into a berm facing the river.

Six primary areas define River North:

- ① North Parking
- ② Improved Boat Ramp and In-Stream Structure
- ③ Day-Use Picnic Sites
- ④ Games Area (sand volleyball courts shown)
- ⑤ Sculpture Park
- ⑥ Nature Play Area





View of River North boat ramp, in-stream structure, and day-use picnic sites



View of sculpture park

4.6 FAR NORTH CORRIDOR

The Far North Corridor is a narrow stretch of parkland north of I-90 bound by an industrial tank farm facility to the west and the Yellowstone River to the East.

In this sense the Far North Corridor is the least developable portion of the park. The site is unique in that it is only accessed via the Jim Dutcher Heritage Trail. The narrow corridor provides excellent views to the river, and a number of smaller river overlooks with bench seating or picnic tables are proposed. A larger river overlook is strategically located - called Inspiration Point. Here visitors will be provided visual cues and interpretive signage to the location of the historic ferry rings embedded in the cliff faces across the river.

Two primary areas define Far North Corridor:

- ① River Overlook
- ② Inspiration Point



5.1 SITE PLAN OVERLAY ANALYSIS

This diagram overlays site constraints and opportunities with the final masterplan to show how the design works within Coulson Park's existing conditions and context.

Existing site conditions influenced specific siting of programs and amenities in Coulson Park. Underground pipelines and the Yellowstone River floodplain limit where certain types of improvements, such as grading + cut / fill activities and permanent structures, may be completed within the park boundaries. Furthermore, the site contains large cottonwood stands that are of ecological and aesthetic importance. Throughout the design process, consideration of existing site opportunities and constraints have influenced the design teams efforts and been key talking points with community members and stakeholders.

Routine inspection and access of underground pipelines requires that permanent structures be constructed at least 50' offset of pipeline infrastructure / centerlines. Moreover, trees may not be planted within a 25' offset of pipeline alignments.

Of Coulson Park's 56 acres, roughly 11 of them occur outside of the floodplain. The buildable zone extends north from the South Park area of the park, up a central spine and contains the majority of activity based park improvements. With the exception of the River North area, all significant earthwork, hardscape and built improvements are to be constructed within the buildable zone.

Large existing trees and shrubs are to be preserved to the greatest extent possible. The large existing cottonwood trees within the park provide excellent shade and buffer from I-90. The final master plan of Coulson park will expand the native mixed cottonwood floodplain ecosystem already occurring within the park.



Site Conditions Overlay Analysis Plan



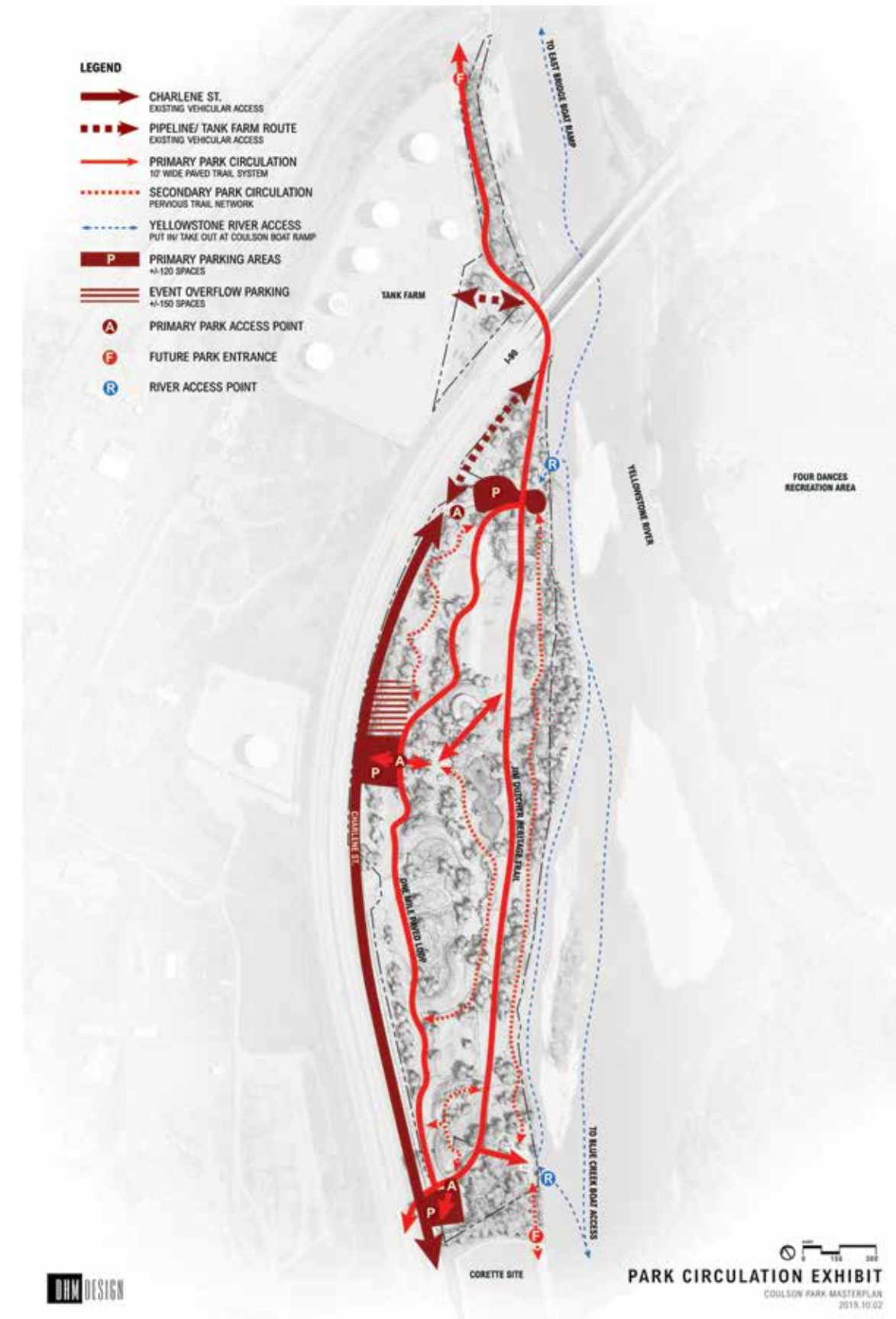
5.2 CIRCULATION ANALYSIS

This diagram shows park circulation and indicates points of access and connection across the site.

Coulson Park is accessible via the Jim Dutcher Heritage Trail, Charlene St. as well as the Yellowstone River. A goal of the master plan is to re-connect Billings with the river. Providing and maintaining safe access to the park is key for the long term success of the master plan. The potential of forming future connections upstream and downstream of the park has been considered as a part of the master plan process. The master plan builds upon all major access points, while considering how to better move visitors throughout the park.

Three parking areas inside the park allow for access to key park amenities including restroom facilities. The three parking areas are linked by a one mile paved loop trail that navigates through all major programmed areas of the park. This primary circulation route utilizes the existing bike trail and establishes a major arterial pathway along the western portion of the park. Primary circulation connections from the loop trail toward the river are critical in the South Park and Coulson Center areas of the park. Secondary circulation provides visitors with opportunities to get deep into the site and navigate through the more natural and ecologically rich areas.

Access to and from the river was taken into consideration throughout the design process. Bank stabilization and in-stream improvements compliment improvements to the boat ramp and river view areas to create a park that is better accessed from the Yellowstone river.



Park Circulation Plan



5.3 ECOLOGICAL ANALYSIS

This diagram classifies ecological intervention within Coulson park.

A large portion Coulson Park is located within the Yellowstone River floodplain. The design team has analyzed existing site ecology in order design the master plan in a way that ties Coulson Park into its greater ecological context. The dynamic seasonal flows of the Yellowstone require that the park be designed to demonstrate resilience when water rises above the rivers banks. The master plan provides improvements to the riparian areas of the site, as well as the creation of new riparian areas. At the rivers edge, riverine improvements will help stabilize banks and improve access to the river.

The master plan calls for roughly 500 trees to be planted throughout the park, the majority of these plantings are to occur west of the Jim Dutcher Heritage Trail. This area of riparian creation will address gaps and re-connect the floodplain across the park. The existing riparian corridor east of the trail will benefit from enhancement of its existing ecological conditions. Removal of noxious vegetation while seeding and planting native vegetation will help Coulson Park to the greater mixed cottonwood floodplain ecosystems found within the Yellowstone River Valley.



Park Ecological Analysis Plan



6.1 SITE PHASING

The parks large scale and complexity of the site's conditions and transformation means that the process of implementing the final design will transpire over a multi-year time frame.

It will be years before the park is complete, and it's build-out and growth is anticipated to be implemented in a phased approach as funding and other priorities dictate. The process will take time as new vegetation and ecological communities establish and as pathways and trails expand to provide access to new park amenities and features over time. Throughout this growth process it is important that design and implementation happen in a dedicated and focused manner, not ad hoc or piecemeal. It is crucial that the early phases of development be compelling and exciting to the Billings community in order to activate the park site and provide clear design qualities and principles to be upheld in future construction phases.

Early investments will need to transform the identity of the site from one of being undeveloped and un-utilized to one primed for use and activity. Critical infrastructure for future park phases are mandatory at these early stages of the park in order to prepare the site for future programming and build out. At Coulson Park this specifically would be execution of the pond, creek, water infrastructure, and electrical infrastructure necessary for future park irrigation and electrical needs. It is anticipated that civic, cultural and recreation groups along with private investors will respond, investing in additional facilities and programs that further help to activate and sustain the park.

The master plan envisions steady, intelligent, and flexible growth over the course of the park development. The site phasing strategy has three main objectives:

- Create a compelling and achievable first phase of development that will initiate broad based use of the park. Capturing a wide range of community user groups will generate enthusiasm and commitment on the part of stakeholders and attract investment.
- Establish a physical landscape framework that is flexible in order to respond to unforeseen change but coherent enough to help shape park development and form. It is important in early stages of park development to define spatial structure that can be further defined and filled in over time. Implementation should to the greatest degree possible be choreographed as a series of harmonious and complimentary projects.
- Plan for steady growth with continued community participation. While the master plan defines specific park programming in designated areas on site there is still design work to be done. There are future choices related to the character and intensity of proposed park uses and it is important that the community stay involved in the decision making process in order to generate sustained interest and success.

Organization of Phases:

The phasing plan suggests a set of initial targets for the growth and development of the park. In each phase particular focus has been paid to program, circulation, and ecological goals in order to suggest meaningful park projects. This proposed framework certainly merits ongoing study and evaluation in order to meet evolving parks system wide needs and community expectations.

Phase 1: River North - first phase

The first phase of park development is linked to specific improvements associated with the funding awarded to the city + project by the Yellowstone River Recreation Project Advisory Committee. The funding stipulations require the money to be spent on restrooms, upgrades to the existing boat ramp, and improvements to river recreation access. As a result of these requirements it is suggested that Phase 1 of the park focus on the master plan improvements proposed in and around the existing boat ramp. Other suggested amenities would include day use picnic sites and the games area.

Phase 2: Site Infrastructure + Pond and Creek

It is critical in the early phase of the park development that necessary infrastructure related to future park projects be installed in order to establish the required framework once those respective improvements are constructed. For Coulson Park this would pertain to all aspects of the irrigation and electrical infrastructure. Specific site elements related to this phase includes: river intake structure, piping, creek, pond, irrigation intake structure and pump, exit structure and piping, and any electrical infrastructure.

Phase 3 - 7: With the required park infrastructure in place Phases 3 - 7 enhance the park program offerings and plantings. The order of these improvements can shift around in response to different funding opportunities or community priorities. It is recommended that the first phases address river access and a diversity of uses to attract a wide variety of the community and generate interest and excitement.

Phase 3 - Coulson South

Phase 4 - River North - second phase

Phase 5 - Coulson Center

Phase 6 - Bike Park

Phase 7 - Dog Park

Phase 8: Far North Corridor

It is recommended this portion of the park come at the end of the park development. The design team recommends continued coordination with the Montana Department of Transportation on the re-design of the bridge crossing over the Yellowstone River and work towards getting a bike + pedestrian specific bridge incorporated into the design. In order to maintain maximum spatial flexibility in the park to accommodate this need all work in this portion of the site should be held off until that design is fully resolved.





⑧ Far North Corridor

river trails
overlooks w site furnishings
interpretive signage

① River North

boat ramp improvements (1)
in-stream structure + bank stabilization (1)
restrooms (1)

④ River North

parking lot (1)
day use sites (1 / 2)
games area (1 / 2)
pathways and trails (1 / 2)
kids play area (2)
trees and plantings (2)

⑤ Coulson Center

restrooms	Performance Pavilion	site furnishings
parking lot	amphitheater seating	site lighting
Promenade	pathways and trails	
Coulson Sqaure	trees and plantings	
interpretive elements	landscape berms	

② Site Infrastructure + Pond & Creek

river intake structure + piping	irrigation intake structure
creek	electrical infrastructure
pond	

⑥ Bike Park

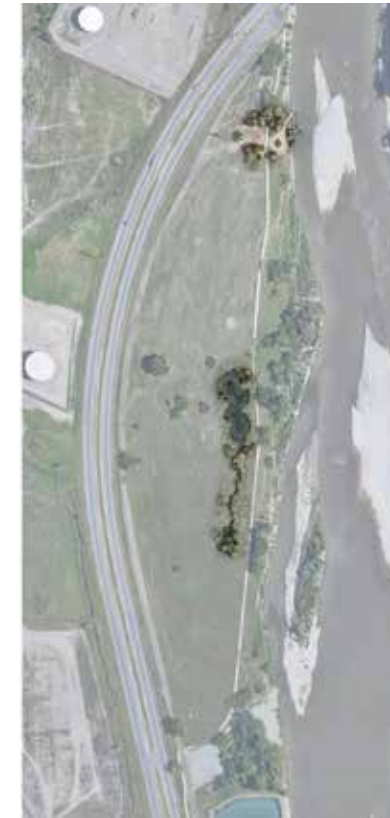
kids pump track	perimeter trail	shade structure
regulation pump track	landscape berms	pathways and trails
skills course	site furnishings	trees and plantings

⑦ Dog Park

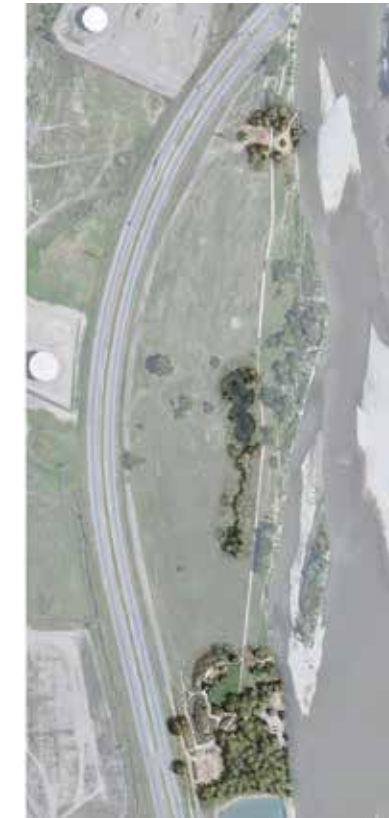
small park shelter
pathways and trails
fences and gates
site furnishings
trees and plantings

③ Coulson South

restrooms	Harmony Park	entry signage
large park shelter	pathways and trails	site furnishings
Artist's Point	kids play area	
turf lawn	trees and plantings	
kids play area	landscape berms	



Phase 1 + 2



Phases 1 - 3



Phases 1 - 4



Phases 1 - 5



Phases 1 - 6



Phases 1 - 7

Coulson Park - Implementation Plan Series based on proposed phasing

Coulson Park - Phasing Plan



7.1 Appendices

Coulson Park Cost Summary

SUMMARY	
Project Start-up	\$3,118,966
Demo	\$230,750
Site Infrastructure + Pond & Creek	\$1,687,847
Coulson South	\$1,759,729
Dog Park	\$581,643
Bike Park	\$2,171,710
Coulson Center	\$2,075,948
River North	\$1,053,814
Subtotal	\$12,680,407

CONTINGENCIES	
Design Range 10%	\$1,268,041
20%	\$2,536,081
Construction Range 10%	\$1,268,041
20%	\$2,536,081
Total Project Cost at 10%	\$15,216,488
Total Project Cost at 20%	\$17,752,570

POTENTIAL SAVINGS	
Earthwork (On-Site Soil for Berming)	(\$744,920)

FUNDING & POTENTIAL FUNDING AVAILABLE	
State (River North- Restroom)	(\$110,000)
State Grant	(\$250,000)
State Grant Fundraising Match	(\$250,000)
Cost Range After Savings/Funding (10%)	\$13,861,568
Cost Range After Savings/Funding (20%)	\$16,397,650

*To be completed prior to Site Infrastructure + Pond & Creek. YRRPPP funding
YRRPPP funding
full amount required to be fund raised in order to
to get state grant funds*

NOTE:

- The estimate is based on conceptual level of planning and design that is in support of this opinion of probable cost. At the Master Plan level of design, it is difficult to determine the complete scope of the project in detail. Further Design Development and Construction Documentation will be required to develop a specific program with a more defined cost estimate.
- The estimate should be used for preliminary budgeting purposes only.
- The preliminary unit quantities are assumptions based on the Master Plan programming as well as assumptions based in similar project experiences.
- All costs are given in 2019 construction dollars. A yearly inflation factor has not been added.
- Costs/fees for planning, design, environmental studies, site surveying, testing, and other consultant or project overhead fees are not included.
- Estimates given assume all designs and improvements will be made with qualified professionals, and a qualified contractor through a public bid process.
- Yellowstone River Recreation Project Priority Plan (YRRPPP)



Opinion of Probable Cost - Coulson Park - City of Billings, Montana

Opinion of Probable Costs Based Upon Master Plan of Approximate 56 Acre Site

Prepared By: DHM Design

October 7, 2019

Category	Unit	Qty	Unit Cost	Total Cost	Comments
Project Start-Up					
Project Start Up and Preparation	LS	\$11,026,440.85	15.00%	\$1,653,966.13	
- Mobilization					
- Permits					
- Vehicle Tracking					
- Dust Control (Water)					
Potholing Utilities (Non-Destructive)	EA	50	\$500.00	\$25,000.00	Allowance
Erosion Control & Stormwater Management	LS	1	\$125,000.00	\$125,000.00	Allowance
Construction Staking / Surveying	LS	1	\$45,000.00	\$45,000.00	Allowance
Traffic Control	LS	1	\$20,000.00	\$20,000.00	Allowance
Environmental Remediation, Extents of Impact Not Yet Known	LS	1	\$1,250,000.00	\$1,250,000.00	Allowance
Section Subtotal				\$3,118,966.1	
Demolition					
Vegetation					
Tree Protection	LF	12,500	\$1.50	\$18,750.00	Allowance
Tree / Shrub Removal	EA	10	\$1,200.00	\$12,000.00	



Category	Unit	Qty	Unit Cost	Total Cost	Comments	
Site Infrastructure + Pond and Creek						
Earthwork						
Topsoil Strip and Stockpile Existing, 6" depth	CY	2,560	\$4.25	\$10,880.00		
Rough Grading	CY	5,119	\$20.00	\$102,380.00		
Topsoil Placing	CY	1,111	\$4.25	\$4,721.75		
Export from excavation of pond and stream	CY	9,600	\$20.00	\$192,000.00		
Water Infrastructure						
River intake structure	LS	1	\$350,000.00	\$350,000.00	Allowance	
Piping to creek source	LF	300	\$50.00	\$15,000.00	Allowance	
Wet Well (intake line, structure, labor)	LS	1	\$80,000.00	\$80,000.00	Allowance	
Pump Station (includes standard enclosure)	LS	1	\$150,000.00	\$150,000.00	Allowance	
Irrigation Controller	LS	1	\$45,000.00	\$45,000.00		
Pond						
Compacted Clay, 12" depth, fine-graded, as pond subgrade	CY	1,150	\$20.00	\$23,000.00		
Liner System	LS	1	\$25,000.00	\$25,000.00		
Pond Overflow Drain Structure	LS	1	\$10,000.00	\$10,000.00	Allowance	
Pond Overflow Outfall (Hard Pipe or Surface TBD)	LS	1	\$50,000.00	\$50,000.00	Allowance	
Boulders, to match Yellowstone River	EA	40	\$530.00	\$21,200.00	Aesthetic Purposes	
Cobble	TON	900	\$55.00	\$49,500.00	6" depth	
Creek						
Compacted Clay, 12" depth, fine-graded, as creek subgrade	CY	500	\$20.00	\$10,000.00		
Liner System	LS	1	\$25,000.00	\$25,000.00		
Boulders, to match Yellowstone River	EA	70	\$530.00	\$37,100.00	Aesthetic Purposes	
Cobble	TON	720	\$55.00	\$39,600.00	12" depth	
Structures						
Footbridge, across constructed creek	EA	2	\$20,000.00	\$40,000.00		
Electrical Infrastructure						
Transformer, Distribution, Meter, etc	LS	1	\$250,000.00	\$250,000.00	Allowance	
Planting						
Deciduous Shade Tree, 2" caliper	EA	20	\$550.00	\$11,000.00		
Wetland Sod	SF	9,248	\$1.00	\$9,248.00		
Native Seed	SF	87,872	\$0.18	\$15,816.96		
Irrigation						
irrigated Area	SF	97,120	\$1.25	\$121,400.00		
				Section Subtotal	\$1,687,847	
				20% Design Contingency	\$337,569	<i>Will Reduce w/ drawing advancement</i>
				20% Construction Contingency	\$337,569	<i>Will Reduce w/ drawing advancement</i>
				Section Total	\$2,362,985	



Category	Unit	Qty	Unit Cost	Total Cost	Comments
Coulson South					
Earthwork					
Topsoil - Strip & Stockpile Existing, 6" depth	CY	1,270	\$4.25	\$5,397.50	
Rough Grading	CY	1,000	\$20.00	\$20,000.00	
Topsoil Placing	CY	1,000	\$4.25	\$4,250.00	
Import for Berming	CY	6,700	\$20.00	\$134,000.00	(Potential Savings if by City)
Parking Lot					
South Lot, Compacted Roadbase	SF	19,325	\$5.00	\$96,625.00	
South Lot, 6" Depth Concrete @ Accessible Stalls	SF	850	\$7.25	\$6,162.50	
South Lot, 6ft Concrete Wheel Stops	EA	43	\$150.00	\$6,450.00	
Surfaces					
Park Loop Trail (10' wide concrete)	SF	4,500	\$7.25	\$32,625.00	
Concrete at Shade Structure & Restroom Pad	SF	2,400	\$7.25	\$17,400.00	
Concrete Pathways	SF	9,575	\$7.25	\$69,418.75	
ADA Accessible Stabilized Pathway	SF	24,246	\$5.00	\$121,230.00	
Artist Point (Beamstone boulders, get-down / planting pockets, river access)	LS	1	\$450,000.00	\$450,000.00	Allowance
Play Areas					
Concrete Playpit Wall	LF	300	\$42.00	\$12,600.00	
EWf Surfacing, 18" Min. Depth	CY	450	\$36.00	\$16,200.00	
Underdrain - Inlets, Piping, Crushed Rock, Outfall	LS	1	\$8,500.00	\$8,500.00	
Play Features - Installed	LS	1	\$300,000.00	\$300,000.00	Allowance
Harmony Park, Musical Equipment	LS	1	\$80,000.00	\$80,000.00	Allowance
Structures					
Shade Shelter, Large (40x60), @ South End	EA	1	\$120,000.00	\$120,000.00	Allowance
Restroom (includes concrete pad)	LS	1	\$55,000.00	\$55,000.00	
Signage					
Custom Entry Sign, Wall integrated into berm	LS	1	\$30,000.00	\$30,000.00	Allowance
Planting					
Deciduous Shade Tree, 2" caliper	EA	40	\$550.00	\$22,000.00	
Shrub	EA	100	\$37.00	\$3,700.00	
Native Seed	SF	30,154	\$0.18	\$5,427.72	
Turf Lawn	SF	22,000	\$0.85	\$18,700.00	
Irrigation					
Irrigated Area	SF	52,154	\$1.25	\$65,192.50	
Tree (Drip Line)	EA	23	\$150.00	\$3,450.00	
Site Furnishings					
Picnic Tables	EA	14	\$1,600.00	\$22,400.00	Allowance
Benches	EA	12	\$1,500.00	\$18,000.00	Allowance
Trash Receptacle	EA	12	\$1,000.00	\$12,000.00	Allowance
Bike Rack	EA	6	\$500.00	\$3,000.00	Allowance
Section Subtotal				\$1,759,729	
20% Design Contingency				\$351,946	Will Reduce w/ drawing advancement
20% Construction Contingency				\$351,946	Will Reduce w/ drawing advancement
Section Total				\$2,463,621	



Category	Unit	Qty	Unit Cost	Total Cost	Comments
River North					
Earthwork					
Topsoil Strip and Stockpile Existing, 6" depth	CY	2,109	\$4.25	\$8,963.25	
Rough Grading	CY	1,894	\$20.00	\$37,880.00	
Topsoil Placing	CY	740	\$4.25	\$3,145.00	
Import for Berming	CY	1,275	\$20.00	\$25,500.00	(Potential Savings if by City)
Parking Lot					
North Lot, Compacted Roadbase	SF	26,350	\$5.00	\$131,750.00	
North Lot, 6ft Concrete Wheel Stops	EA	20	\$150.00	\$3,000.00	
North Lot, 6" Depth Concrete @ Accessible Stalls	SF	850	\$7.25	\$6,162.50	
Surfaces					
Park Loop Trail (10' wide concrete)	SF	7,620	\$7.25	\$55,245.00	
ADA Accessible Stabilized Pathway	SF	8,825	\$5.00	\$44,125.00	
Crusher Fines Trails	SF	13,595	\$4.25	\$57,778.75	
Riverbank Stabilization + Boat Ramp Improvements	LS	1	\$200,000.00	\$200,000.00	Allowance
Play Areas					
Concrete Play Pit Wall	LF	400	\$42.00	\$16,800.00	
EWf Surfacing, 18" Min Depth	CY	322	\$36.00	\$11,592.00	
Underdrain - Inlets, Piping, Crushed Rock, Outfall	LS	1	\$8,000.00	\$8,000.00	
Play Equipment - Installed	LS	1	\$150,000.00	\$150,000.00	Allowance
Games Area	LS	1	\$30,000.00	\$30,000.00	Allowance
Fences					
3-Rail Wood Fencing - At Parking Areas & Pedestrian Entry's	LF	345	\$43.00	\$14,835.00	Allowance
Planting					
Deciduous Shade Tree, 2" caliper	EA	130	\$550.00	\$71,500.00	
Shrub	EA	100	\$37.00	\$3,700.00	
Native Seed	SF	36,320	\$0.18	\$6,537.60	
Structures					
Restroom (includes concrete pad, completed in Phase 1 with State grant funding, NRDP)	LS	1	\$55,000.00	\$55,000.00	Allowance
Irrigation					
Irrigated Area	SF	40,000	\$1.25	\$50,000.00	
Trees (Drip Line)	EA	110	\$150.00	\$16,500.00	
Site Furnishings					
Picnic Tables	EA	8	\$1,600.00	\$12,800.00	Allowance
Benches	EA	12	\$1,500.00	\$18,000.00	Allowance
Trash Receptacle	EA	12	\$1,000.00	\$12,000.00	Allowance
Bike Rack	EA	6	\$500.00	\$3,000.00	Allowance

Section Subtotal	\$1,053,814
20% Design Contingency	\$210,763
20% Construction Contingency	\$210,763
Section Total	\$1,475,340

Will Reduce w/ drawing advancement
Will Reduce w/ drawing advancement



Category	Unit	Qty	Unit Cost	Total Cost	Comments
Coulson Central					
Earthwork					
Topsoil Strip and Stockpile Existing, 6" depth	CY	2,127	\$4.25	\$9,039.75	
Rough Grading	CY	2,453	\$20.00	\$49,060.00	
Topsoil Placing	CY	979	\$4.25	\$4,160.75	
Import for Berming	CY	3,471	\$20.00	\$69,420.00	(Potential Savings if by City)
Parking Lot					
Central Lot, Compacted Roadbase	SF	22,500	\$5.00	\$112,500.00	
Central Lot, 6" Depth Concrete @ Accessible Stalls	SF	850	\$7.25	\$6,162.50	
Central Lot, 6ft Concrete Wheel Stops	EA	57	\$150.00	\$8,550.00	
Surfaces					
Park Loop Trail (10' wide concrete)	SF	7,000	\$7.25	\$50,750.00	
Coulson Square & Promenade Decorative Concrete, 6" Depth	SF	19,000	\$12.00	\$228,000.00	
Concrete Pathways and Flatwork	SF	8,490	\$7.25	\$61,552.50	
Amphitheater at Pavilion - Structural Concrete	CY	123	\$1,500.00	\$184,500.00	
ADA Accessible Stabilized Pathway	SF	3,480	\$5.00	\$17,400.00	
Crusher Fines Trails	SF	14,720	\$4.25	\$62,560.00	
Structures					
Coulson Park Performance Pavilion (Includes Lighting)	EA	1	\$750,000.00	\$750,000.00	Allowance
Restroom (includes concrete pad)	LS	1	\$55,000.00	\$55,000.00	
Interpretive Elements / Signage					
Coulson Square Cultural & Historic Elements	LS	1	\$40,000.00	\$40,000.00	Allowance
Sawmill Feature @ Coulson Square (Interpretive Signage)	LS	1	\$2,000.00	\$2,000.00	Allowance
Post Office Feature @ Coulson Square (Interpretive Signage)	LS	1	\$2,000.00	\$2,000.00	Allowance
Lighting					
Pedestrian Lights, @ Coulson Square, along 10' wide trail	EA	14	\$7,000.00	\$98,000.00	
Electrical Infrastructure @ Stage/Dance Arbor	LS	1	\$25,000.00	\$25,000.00	Allowance
Parking Lot Lighting	EA	8	\$3,000.00	\$24,000.00	
Planting					
Deciduous Shade Tree, 2" caliper	EA	105	\$550.00	\$57,750.00	
Shrub	EA	100	\$37.00	\$3,700.00	
Native Seed	SF	24,759	\$0.18	\$4,456.62	
Turf Lawn	SF	28,113	\$0.85	\$23,896.05	
Irrigation					
Irrigated Area	SF	52,872	\$1.25	\$66,090.00	
Trees (Drip Line)	EA	40	\$150.00	\$6,000.00	
Site Furnishings					
Picnic Tables	EA	14	\$1,600.00	\$22,400.00	Allowance
Benches	EA	12	\$1,500.00	\$18,000.00	Allowance
Trash Receptacles	EA	12	\$1,000.00	\$12,000.00	Allowance
Bike Rack	EA	4	\$500.00	\$2,000.00	Allowance
Section Subtotal				\$2,075,948	
20% Design Contingency				\$415,190	Will Reduce w/ drawing advancement
20% Construction Contingency				\$415,190	Will Reduce w/ drawing advancement
Section Total				\$2,906,327	



Category	Unit	Qty	Unit Cost	Total Cost	Comments	
Bike Park						
Earthwork						
Topsoil Strip and Stockpile Existing, 6" depth	CY	3,536	\$4.25	\$15,028.00		
Rough Grading	CY	7,530	\$20.00	\$150,600.00		
Topsoil Placing	CY	1,307	\$4.25	\$5,554.75		
Import for Berming	CY	25,800	\$20.00	\$516,000.00	(Potential Savings if by City)	
Surfaces						
Park Loop Trail (10' wide concrete)	SF	7,000	\$7.25	\$50,750.00		
Concrete Flatwork (under shade structure and misc. pathways)	SF	2,000	\$7.25	\$14,500.00		
Crusher Fines Trails	SF	14,050	\$4.25	\$59,712.50		
Structures						
Shade Shelter, Large, @ Bike Park	EA	1	\$60,000.00	\$60,000.00		
Bike Park						
Pump Track	LS	1	\$300,000.00	\$300,000.00	Allowance	
Intermediate Track	LS	1	\$350,000.00	\$350,000.00	Allowance	
Advanced Track	LS	1	\$350,000.00	\$350,000.00	Allowance	
All Ages Perimeter Trail	LS	1	\$100,000.00	\$100,000.00	Allowance	
Planting						
Deciduous Shade Tree, 2" caliper	EA	100	\$550.00	\$55,000.00		
Shrub				\$0.00		
Native Seed	SF	70,605	\$0.18	\$12,708.90		
Irrigation						
Irrigated Area	SF	70,605	\$1.25	\$88,256.25		
Trees (Drip Line)	EA	60	\$150.00	\$9,000.00		
Site Furnishings						
Picnic Tables	EA	6	\$1,600.00	\$9,600.00	Allowance	
Benches	EA	10	\$1,500.00	\$15,000.00	Allowance	
Trash Receptacles	EA	10	\$1,000.00	\$10,000.00	Allowance	
				Section Subtotal	\$2,171,710	
				20% Design Contingency	\$434,342	Will Reduce w/ drawing advancement
				20% Construction Contingency	\$434,342	Will Reduce w/ drawing advancement
				Section Total	\$3,040,395	

Category	Unit	Qty	Unit Cost	Total Cost	Comments	
Dog Park						
Earthwork						
Topsoil Strip and Stockpile Existing, 6" depth	CY	1,430	\$4.25	\$6,077.50		
Rough Grading	CY	2,859	\$20.00	\$57,180.00		
Surfaces						
Park Loop Trail (10' wide concrete)	SF	2,750	\$7.25	\$19,937.50		
(4) Entry Points @ Dog Park, 6" Depth, Grey	SF	900	\$7.25	\$6,525.00		
ADA Accessible Stabilized Pathway	SF	7,422	\$5.00	\$37,110.00		
Dog Park Surfacing, 12" Depth	CY	2,365	\$50.00	\$118,250.00	(Potential Savings if by City)	
Underdrain: Inlets, Perf. Piping, Filter Fabric, Outfall	LS	1	\$16,000.00	\$16,000.00		
Crusher Fines Trails	SF	14,050	\$4.25	\$59,712.50		
Fencing and Gates						
Concrete Curb, Perimeter & Fence Mount	LF	1,150	\$20.00	\$23,000.00		
5'-0" Height Perimeter Chainlink Fence, Black Vinyl-Coated	LF	1,150	\$50.00	\$57,500.00		
4'-0" Wide Pedestrian Gates	EA	8	\$500.00	\$4,000.00		
10'-0" Wide Maintenance/Pedestrian Gates	EA	2	\$1,200.00	\$2,400.00		
Structures						
Shade Shelter, Small, @ Dog Park	EA	2	\$40,000.00	\$80,000.00		
Planting						
Deciduous Shade Tree, 2" caliper	EA	65	\$550.00	\$35,750.00		
Shrub	EA	50	\$37.00	\$1,850.00		
Native Seed	SF	10,000	\$0.18	\$1,800.00		
Irrigation						
Irrigated Area	SF	20,000	\$1.25	\$25,000.00		
Tree (Drip Line)	EA	65	\$150.00	\$9,750.00		
Site Furnishings						
Picnic Tables	EA	3	\$1,600.00	\$4,800.00	Allowance	
Benches	EA	8	\$1,500.00	\$12,000.00	Allowance	
Dog Waste Station	EA	6	\$500.00	\$3,000.00	Allowance	
				Section Subtotal	\$581,643	
				20% Design Contingency	\$116,329	Will Reduce w/ drawing advancement
				20% Construction Contingency	\$116,329	Will Reduce w/ drawing advancement
				Section Total	\$814,300	

Project Construction Subtotal:	\$12,680,407
20% Design Contingency	\$2,536,081
20% Construction Contingency	\$2,536,081
<i>*does not include design fees</i>	
Project Construction Total:	\$17,752,570

Note: Opinion of Probable Costs does not account for City regulated costs towards tap fees of any type.



8.1 Credits

Coulson Park Master Plan

Billings, Montana

Project Team:

DHM Design

Eric Meadows
Griffin Foster
Henry Herman
Sarah Fontana
Stephen Ellsperman
Jeremy Allison

Stahly Engineering

Dax Simek
Ryan Harbach

Department of Parks and Recreation:

Michael Whitaker, Director
Mark Jarvis, Park Planner
Mike Pigg, Superintendent of Parks
Korey Thompson, Superintendent of Recreation





COULSON PARK MASTER PLAN

MARCH 02, 2020

Billings Parks and Recreation:

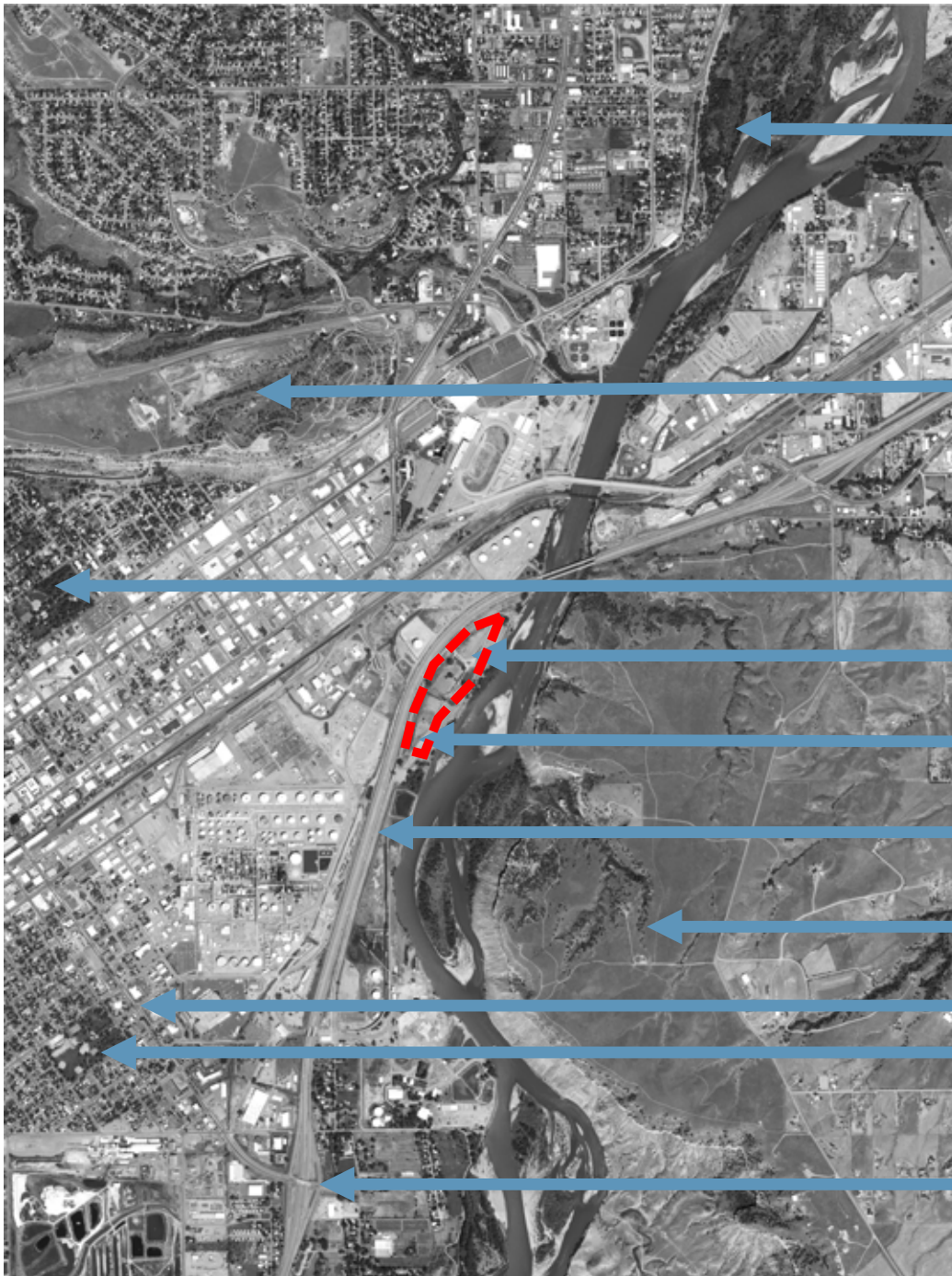
Michael Whitaker, Director and Mark Jarvis, Park Planner

Presented By:

Eric Meadows, DHM Design



PARK LOCATION



TWO MOON PARK

SKELETON CLIFF

NORTH PARK

COULSON PARK

JIM DUTCHER HERITAGE TRAIL

ACCESS VIA CHARLENE ST.

FOUR DANCES TRAILHEAD

DOWNTOWN SKATEPARK
SOUTH PARK

ACCESS VIA I-90

VALUE OF A MASTER PLAN PROCESS



- **A Master Plan provides vision and guidance for the design of a park.**
- **Builds support, credibility, and consensus from community members and stakeholders.**
- **Informs citizens about a park's needs and its community assets.**
- **Identifies capital improvement goals that are needed to assess fiscal requirements and fundraising needs.**
- **Develops recommendations and an implementation strategy.**



COULSON PARK STEERING COMMITTEE & STAKEHOLDER GROUPS

STEERING COMMITTEE:

Michael Whitaker – City of Billings Parks & Recreation
Mark Jarvis – City of Billings Parks & Recreation
Scott Walker – City of Billings Planning Division
Mike Pigg – City of Billings Parks & Recreation
Penny Ronning – Billings City Council Member
Kory Thompson – City of Billings Parks & Recreation
Jim Ronquillo – Parks & Recreation Board Member
Terri Walters – Montana Fish, Wildlife and Parks
Chuck Platt – Parks & Recreation Board Member
Steve Arveschoug – Big Sky Economic Development
Shelli Mann – Yellowstone County Lodging Association
Kris Carpenter – BillingsNOW
Boris Krizek – City of Billings Environmental Affairs
Patrick Klugman – Big Sky Economic Development

STAKEHOLDER GROUPS:

Scott Family Trust
Downtown Billings Alliance
Billings Clinic
Riverstone Health
Billings Chamber of Commerce
Yellowstone Valley Citizens Council
Billings Trail Net
Billings Parks and Recreation Board
Friends of Billings Dog Parks
Our Montana Inc.
Yellowstone River Parks Association
Buchanan Capital Inc.
Yellowstone Historical Society
Western Heritage Center

Yellowstone County Museum
Yellowstone County Commissioners
ExxonMobil
Phillips 66
Montana Sulphur and Chemical
CHS / Cenex
Montana Dakota Utilities
Northwestern Energy
Native American Development Corporation
American Indian Higher Education Consortium
American Indian Coalition Committee
Big Sky Pepsi
Montana Department of Transportation

COMMUNITY OUTREACH



PUBLIC OUTREACH MEETINGS & EVENTS

- 01 April 18th & 19th 2019** – Master Planning Kickoff Meeting
- 02 June 7th 2019**- Steering Committee and Stakeholder Group Meetings
- 03 June 8th 2019**- Downtown Billings Strawberry Festival
- 04 June 13th 2019**- Public Open House
- 05 July 25th 2019** – Picnic in the Park
- 06 July 26th 2019** – Picnic in the Park
- 07 Aug 1st 2019** – Steering Committee & Stakeholder Groups Meeting, Picnic in the Park
- 08 Aug 14th 2019** – Parks and Rec. Board Meeting and Stakeholder Group Meeting
- 09 September 5th 2019** – Steering Committee & Stakeholder Groups Meeting, Phillips 66 Community Picnic
- 10 September 6th 2019** – Ales for Trails at ZooMontana
- 11 September 11th 2019** – Parks & Recreation Board Meeting
- 12 October 9th 2019** - Parks & Recreation Board Meeting
- 13 November 13th 2019** –Steering Committee and Stakeholder Meeting
- 14 February 4th 2020** –Public Open House
- 15 February 12th 2020** –Parks & Recreation Board Meeting
- 16 March 2nd 2020** –Billings City Council Working Session

5 Steering Committee & Stakeholder Group Meetings = 163 Responses

6 Public Open House Meetings = 37 Responses

3 Local Community Events = 199 Responses

2 On-line Surveys = 152 Responses

1 Project Website = 1951 Views (55% from Billings, 65% from Montana)

COMMUNITY GOALS



COMMUNITY GUIDED MASTER PLAN



COULSON SOUTH



- 1 SOUTH PARKING LOT
- 2 LARGE SHELTER
- 3 PLAY LAWN
- 4 KIDS NATURE PLAYGROUND
- 5 RAMBLE
- 6 ARTISTS POINT & BEACH
- 7 HARMONY PARK

COULSON SOUTH



CENTRAL SPINE



- 1 DOG PARK
- 2 BIKE PARK
- 3 LANDSCAPE BERM & LOOKOUT POINT
- 4 CREEK & WETLAND CREATION
- 5 SHADE STRUCTURE

CENTRAL SPINE



COULSON CENTER



- 1 CENTRAL PARKING
- 2 OVERFLOW PARKING
- 3 PROMENADE
- 4 COULSON SQUARE
- 5 PAVILION
- 6 BERM + AMPHITHEATER SEATING
- 7 COULSON POND

COULSON CENTER



RIVER NORTH



- 1 NORTH PARKING
- 2 IMPROVED BOAT RAMP & IN-STREAM STRUCTURE
- 3 DAY USE PICNIC SITES
- 4 GAMES AREA
- 5 SCULPTURE PARK
- 6 NATURE PLAY AREA

RIVER NORTH

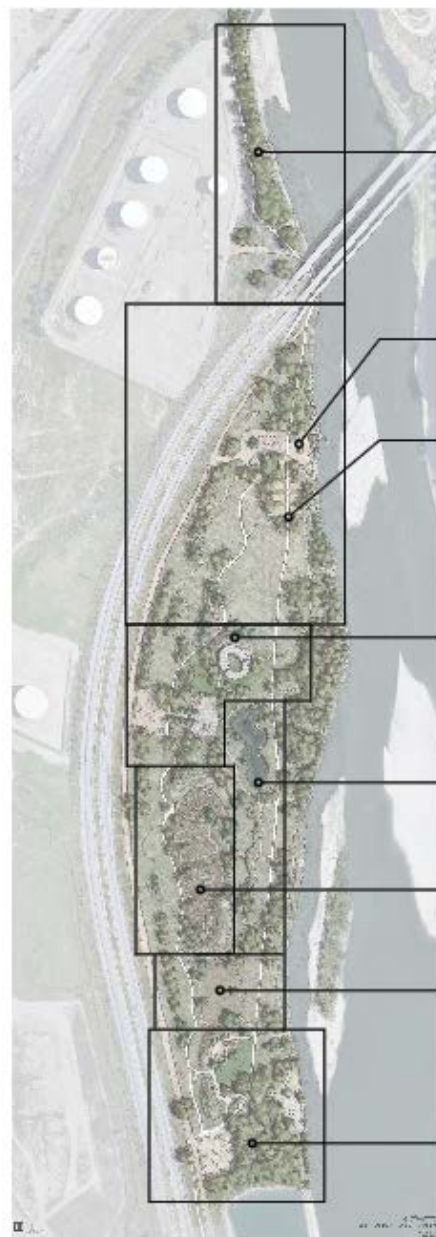


FAR NORTH CORRIDOR



- 1 RIVER OVERLOOK**
- 2 INSPIRATION POINT**

PHASING & OPINION OF PROBABLE COST



Coulson Park - Phasing Plan

- ⑧ Far North Corridor**
 river trails
 overlooks w site furnishings
 interpretive signage
- ① River North**
 boat ramp improvements (1)
 in-stream structure + bank stabilization (1)
 restrooms (1)
- ④ River North**
 parking lot (1)
 day use sites (1 / 2)
 games area (1 / 2)
 pathways and trails (1 / 2)
 kids play area (2)
 trees and plantings (2)
- ⑤ Coulson Center**
 restrooms
 parking lot
 Promenade
 Coulson Square
 interpretive elements
 Performance Pavilion
 amphitheater seating
 pathways and trails
 trees and plantings
 landscape berms
 site furnishings
 site lighting
- ② Site Infrastructure + Pond & Creek**
 river intake structure + piping
 creek
 pond
 irrigation intake structure
 electrical infrastructure
- ⑥ Bike Park**
 kids pump track
 regulation pump track
 skills course
 perimeter trail
 landscape berms
 site furnishings
 shade structure
 pathways and trails
 trees and plantings
- ⑦ Dog Park**
 small park shelter
 pathways and trails
 fences and gates
 site furnishings
 trees and plantings
- ③ Coulson South**
 restrooms
 large park shelter
 Artist's Point
 turf lawn
 kids play area
 Harmony Park
 pathways and trails
 kids play area
 trees and plantings
 landscape berms
 entry signage
 site furnishings

SUMMARY	
Project Start-up	\$3,118,966
Demo	\$230,750
Site Infrastructure + Pond & Creek	\$1,687,847
South Park	\$1,759,729
Dog Park	\$581,643
Bike Park	\$2,171,710
Coulson Center	\$2,075,948
River North	\$1,053,814
Subtotal	\$12,680,407

CONTINGENCIES	
Design Range 10%	\$1,268,041
20%	\$2,536,081
Construction Range 10%	\$1,268,041
20%	\$2,536,081
Total Project Cost at 10%	\$15,216,488
Total Project Cost at 20%	\$17,752,570

POTENTIAL SAVINGS	
Earthwork (On-Site Soil for Berming)	(\$744,920)

FUNDING & POTENTIAL FUNDING AVAILABLE	
State (River North- Restroom)	(\$110,000)
State Grant	(\$250,000)
State Grant Fundraising Match	(\$250,000)
Cost Range After Savings/Funding (10%)	\$13,861,568
Cost Range After Savings/Funding (20%)	\$16,397,650

*Note that the estimate is based on conceptual level of planning and design, the estimate should be used for preliminary budgeting purposes only. Further design development and construction documentation will be required to develop a specific program with a more defined cost estimate.

NEXT STEPS DESIGN PROCESS

MASTER PLAN

**SCHEMATIC
DESIGN**

**DESIGN
DEVELOPMENT**

**CONSTRUCTION
DOCUMENTATION**

BID AND AWARD

CONSTRUCTION

NEXT STEPS:

- **Coulson Park Master Plan Adoption by City Council**
- **Phase I Development:** \$110,000 for restroom installation and boat launch improvements via State grant.
- **Phase I Development:** \$250,000 State grant upon receiving \$250,000 match. (BSEDA to facilitate fundraising)

Funding Opportunities For Coulson Park:

- **Federal Grants**
- **State Grants**
- **Local Grants**
- **Public / Private Partnerships**

THANK YOU!



Council Work Session

3.

Meeting Date: 03/02/2020

TITLE: Proposed Changes to Council Agenda and Meeting Rules of Procedure

Department: Legal

Presentation: Yes

PROBLEM/ISSUE STATEMENT

Current City Council meeting rules and agenda order for Regular, Special and Work Session meetings are codified in City ordinances at Sections 2-214, 2-221, 2-222 and 2-226. City Administrator Chris Kukulski and staff are recommending that the current Council Order of Business for Regular Meetings and Meeting Rules of Procedure for Regular and Work Session Meetings be re-formatted into a Council resolution along with some minor changes to these rules. This will allow more flexibility and efficiency for the Council to make adjustments to its meeting agendas and meeting rules of procedure. Currently, for any changes to be made to the ordinances noted above there must be two readings at two separate Council meetings, an advertised public hearing and then thereafter any approved ordinance changes are not effective until thirty days after Second Reading. Having these Council operating rules in a Resolution is significantly more efficient since a resolution of this type can be placed on a Consent Agenda, requires only one meeting to be considered and is effective immediately upon Council approval.

Attached to this memo are proposed changes to the current ordinances along with a proposed new draft resolution. Most of the text in the current ordinance sections cited above contain strikethroughs indicating a repeal and those sections proposed to be repealed have been transferred into the draft Resolution.

New proposed additions to these rules as contained in the draft Resolution are shown by underlines. Although the suggested new language is minor it is nevertheless helpful and clarifies some common issues recurring with Council agenda items. For example, there is a proposed new language in Section 1(j), p.2 that provides for public comment on each Regular agenda item at the time that item is considered by the Council regardless of whether or not there is an actual public hearing required for that item. This allows public comment at the time the Council considers the item.

Also included in the draft Resolution is a proposed new land use hearing process in Section 3 (D)(1), PP 8-9. This is new language which staff believes will better assist the Council in its decision making on land use applications such as Zone Changes and Special Reviews by providing clarity, structure and predictability on presentations to the Council from staff and land use applicants as well as a more specific public comment process.

Also contained within Section 3(B)(15) of the draft Resolution there is some proposed new language about refraining from communication on an item a Council Member realizes they likely have a conflict of interest.

As part of the Work Session presentation on this item, staff will also briefly discuss ex parte communications in the context of land use decisions. These guidelines are primarily discussed

on a March 3, 2006, memorandum from the City Attorney's office also attached to this staff memo.

RECOMMENDATION

Staff recommends that the Council direct staff to include the ordinance repeal and amendments and the proposed draft Resolution to a near future Regular Council agenda for consideration.

Attachments

Council Rules Amendments

Council Rules of Procedure

Ex Parte Communication on Land Use

ORDINANCE NO. 20-_____

AN ORDINANCE OF THE CITY OF BILLINGS PROVIDING THAT THE BILLINGS, MONTANA CITY CODE BE AMENDED BY REPEALING MOST PORTIONS OF SECTION 2-221, RULES OF PROCEDURE FOR REGULAR AND SPECIAL MEETINGS, AND REPEALING ALL OF SECTION 2-222, RULES OF PROCEDURE FOR WORK SESSIONS, AND AMENDING SECTION 2-221 TO PROVIDE THAT RULES FOR REGULAR, SPECIAL AND WORK SESSION MEETINGS WILL BE GOVERNED BY AND ADOPTED THROUGH A CITY COUNCIL RESOLUTION.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY BILLINGS THAT:

Section 1. That Section 2-214 of the Billings, Montana City Code is repealed in its entirety as follows;

~~At all regular meetings of the city council the order of business shall be as follows:~~

- ~~(1) Call to Order;~~
- ~~(2) Pledge of Allegiance;~~
- ~~(3) Invocation;~~
- ~~(4) Roll call;~~
- ~~(5) Correcting, if necessary, and approving minutes of the last meeting or meetings;~~
- ~~(6) Courtesies;~~
- ~~(7) Proclamations;~~
- ~~(8) Council reports;~~
- ~~(9) Administrator reports;~~
- ~~(10) Public comment on "non-public hearing" items on the published agenda. This section of the agenda is used for public comment on any item on the agenda that is not listed for an individual public hearing. Speakers are requested to indicate their desire to speak~~

~~and which item or items on which they wish to offer comment by filling in their name, address and agenda item number or subject on a prepared "sign in" sheet. The length of time a speaker may speak is limited and is set by the mayor or presiding officer of the meeting.~~

- ~~(11) Consent agenda. This section of the agenda is used for items of a routine or non-controversial nature that do not statutorily require a public hearing, yet still require action by the city council. The collective list of items on the consent agenda is considered by the city council in one motion. Individual consent agenda items may be separated by request of a councilmember for individual consideration by the city council and subsequently voted upon individually.~~
- ~~(12) Regular agenda. This section of the agenda constitutes an individually numbered listing of business items either:
 - a. Requiring a public hearing prior to council action,
 - b. Giving a special informational presentation, or
 - c. Any item that may be either controversial in nature or requires separate time by the council to fully discuss the matter prior to rendering a final and binding decision.~~
- ~~(13) Public comment on "non-agenda" items. This section of the agenda is used for public comment on any matter or subject that is not included on the published agenda for that meeting. Speakers are requested to indicate their desire to speak and what item or topic on which they wish to offer comment by filling in their name, address and subject on a prepared "sign in" sheet. The length of time a speaker may speak is limited and is set by the mayor or presiding officer of the meeting. The city council does not take any formal action on these items, but may direct the city administrator to assign staff for follow up on an item.~~
- ~~(14) Council initiatives. This section of the agenda is reserved for individual councilmember requests for future legislative or staff action. These shall be limited to giving direction to staff to assist in formulating policies, work plans, etc. for future consideration of the city council. An initiative moves forward by majority vote of the city council.~~
- ~~(15) Adjourn.~~

~~The order of business may be altered for any meeting by a majority vote of the councilmembers present. The order of business for any special meeting shall be specified in the notice calling for the special meeting.~~

Section 2: That section 2-221 of the Billings, Montana City Code is amended so that such section shall read as follows:

Sec. 2-221. - Rules of procedure for regular, and special and work session meetings.

The regular, ~~and special and work session~~ meetings of the city council shall in all cases be governed by the following rules adopted through a City Council Resolution, unless the same are suspended, pro tempore by a majority vote of the council:

~~(1) — *Decorum.*~~

- ~~a. — The presiding officer shall preserve order and decorum and shall decide all questions of order, subject to appeal to the council.~~
- ~~b. — Every member, previous to speaking, shall address the presiding officer, but shall not proceed until recognized and named by the presiding officer. The provisions of Robert's Rules of Order Newly Revised concerning assigning the floor are superseded by this rule of procedure.~~
- ~~c. — When two (2) or more members address the presiding officer, the first to have precedence shall be decided by the presiding officer. The provisions of Robert's Rules of Order Newly Revised concerning assigning the floor are superseded by this rule of procedure.~~
- ~~d. — While a question is being placed on the floor, no member shall speak or walk across the chambers or council room or leave the same.~~
- ~~e. — When any member is addressing the council, no other member shall engage in private conversation or do any other act to divert attention or interrupt the speaker.~~

- ~~f. At council meetings all questions relating to the priority of business shall be decided without debate.~~
- ~~g. To preserve council chamber decorum and minimize council and audience distractions, television cameras are to be confined to designated areas. Interviews in the chamber are permissible after meetings. No interview or live narration will be allowed in the chamber prior to or during the proceedings of a meeting.~~

~~(2) Meeting protocol.~~

- ~~a. A member shall not speak more than twice on the same subject without leave of a majority of the council, nor more than once until every member desiring to speak on the pending question has had an opportunity to do so.~~
- ~~b. No motion shall be debated or put to a vote unless the same shall be seconded. The motion and second shall then be stated by the mayor.~~
- ~~c. All motions shall be stated in clear, concise and definite terms, beginning with the language: "I move that...". "I so move" or any other abbreviated language does not constitute correct form for a motion and is out of order.~~
- ~~d. After a motion has been stated by the presiding officer it shall be deemed in possession of the council, but may be withdrawn at any time before amendment or decision, by the mover with consent of the second.~~
- ~~e. If a question under consideration contains more than one distinct proposition any member may demand a division.~~
- ~~f. When a question is under debate, no motion shall be entertained, except: First, to adjourn; second, to lay on the table; third, for the previous question; fourth, to postpone to a day certain; fifth, to refer to a committee; sixth, to amend; and seventh, to postpone indefinitely. These motions shall have precedence in the order stated.~~
- ~~g. Amendment of a question may take the form of a motion to substitute. Adoption of a motion to substitute shall be deemed approval of the substitute motion itself and further debate and amendment of the adopted substitute motion are not in order. The provisions of Robert's Rules of Order Newly Revised~~

~~concerning substitute motions are superseded by this rule of procedure.~~

- ~~h. A motion to adjourn shall always be in order, except when a member is addressing the chair, or a vote is being taken. Motions to adjourn and lay on the table shall not be debatable.~~
- ~~i. No motion on a subject different from that under consideration shall be permitted.~~
- ~~j. After a vote is announced, no councilmember shall change his vote without following the procedure for reconsideration.~~
- ~~k. No motion for reconsideration shall be in order unless made at the same meeting or the meeting following that on which the decision was made, nor shall such motion be made except by a member who voted with the majority upon the adoption. If the motion for reconsideration is approved by a majority vote of the city council, then the decision on which the vote is to be reconsidered is placed back on the agenda at a location specified by the mayor for further consideration and another vote.~~
- ~~l. In case a voice vote is indeterminate, a roll call vote shall be taken.~~
- ~~m. In case of a tie vote on any proposal, the proposal shall be considered lost/failed.~~
- ~~n. The city attorney shall rule on all questions of parliamentary procedure and the attorney's decision shall be final.~~
- ~~o. Every member of the council present shall vote upon every question submitted to the council, unless excused or unless the member has a financial or personal interest as defined and provided below:~~

~~*Financial or personal interest.* No official, either on his or her own behalf or on behalf of any other person, shall have any financial or personal interest in any business or transaction with any public body unless the official shall first make full public disclosure of the nature and extent of such interest.~~

~~If a member has a financial or personal interest in a matter before the mayor and council that requires a vote or other decision or direction to city staff, the member shall, immediately~~

~~after the motion has been made and seconded, or as soon thereafter as the member may be recognized by the presiding officer, publicly disclose the nature and extent of such interest and disqualify himself or herself from participation in the deliberation and voting on the question.~~

~~For purposes of evaluating whether or not a conflict of interest requires the mayor or a council member to disqualify themselves from the deliberation and vote on any question, the following definitions shall apply:~~

~~*Disclosure and disqualification.* Whenever the performance of his or her official duties shall require any official to deliberate and vote on any matter involving the official's financial or personal interest, the official shall publicly disclose the nature and extent of such interest and disqualify himself or herself from participating in the discussion, deliberation as well as in the voting on such matter.~~

~~*Financial interest* means any interest which shall yield, directly or indirectly, a monetary or other material benefit (other than the duly authorized salary or compensation for his or her services to the city) to the official or to any person employing or retaining the services of the official.~~

~~*Official* means any person elected to a city office, employed by the city, or appointed to any public office or public body of the city whether paid or unpaid and whether part-time or full-time.~~

~~*Personal interest* means any interest arising from family or marriage relationships or from close personal, business or political association whether or not any financial interest is involved.~~

~~*Private interest.* Private interest is a direct or indirect interest of a natural person, partnership, corporation or any other entity including a political entity other than the city or an organization in which the city is affiliated. This definition also includes an interest held by an individual that is: ownership interest in a business; a creditor interest in an insolvent business; membership in a business as a director or officer; ownership in real property; a~~

~~loan or other debtor interest; or an employment relationship or prospective employment for which negotiations have begun.~~

~~*Public body* means any agency, board, body, commission, committee, department or office of the city.~~

~~(3) *Documentation of proceedings.*~~

~~a. In all cases the name of the member proposing a motion and seconding the motion shall be entered in the council minutes.~~

~~b. Upon the final passage of any ordinance or resolution, the ayes and noes shall be entered in the council minutes unless the same is unanimously adopted. Any member may demand the roll call of ayes and noes upon any question pending. Except as provided in this subsection, a vote on all matters before the city council shall be by voice vote.~~

~~c. All reports, petitions, ordinances or resolutions shall be reduced to writing before being submitted to the vote of the council.~~

~~d. Application of Robert's Rules of Order. In all parliamentary practice not herein prescribed, Robert's "Rules of Order Newly Revised" shall govern so far as applicable.~~

~~(4) *Public hearings.* Public hearings may be required by law or by council policy. Public hearings are held for the purpose of noticing legislative facts and receiving expressions of public opinion on a question, including views of interested parties. At the commencement of any public hearing, the presiding officer may set time limits for the presentation of views of proponents and opponents of the measure. These time limits shall be adhered to strictly. At the conclusion of his testimony at a public hearing, any individual may be questioned by any member of the council. The time involved in such question and reply shall not count against the time allowed for the presentation of views.~~

Section 3: That Section 2-222 of the Billings Montana City Code is repealed in its entirety as follows:

~~Sec. 2-222 Rules of procedure for work sessions.~~

~~The proceedings of the city council while meeting in work sessions shall be governed by the following rules:~~

- ~~(1) The meeting shall be convened and adjourned by the mayor.~~
- ~~(2) The city administrator or designee shall prepare an agenda for each meeting. Minutes shall be taken and distributed in accordance with sections 2-215 and 2-216.~~
- ~~(3) Motions will be entertained and votes taken only for purposes of giving city staff direction on matters that will be presented for final action at a future city council meeting.~~
- ~~(4) The mayor shall be responsible for recognizing those who would like to speak and generally enforcing a productive decorum.~~
- ~~(5) Reports from boards and commissions will be heard.~~
- ~~(6) Presentations on agenda items will be provided by city staff or designees.~~
- ~~(7) A public comment period shall be provided at each meeting. The presiding officer may set time limits for the comments.~~

Section 4: That Section 2-226 of the Billings Montana City Code is amended as follows:

~~Sec. 2-226 City Council Work Sessions~~

~~(a) In addition to its regular business meetings, the city council may also meet for work sessions. The purpose of these meetings shall be to provide an opportunity for the mayor and city councilmembers to hold more in depth discussions on policy matters, give input or feedback to the city administrator and his staff, and hear presentations on current issues and projects.~~

~~(b) Work sessions, if held, will be scheduled on the 1st and 3rd Mondays of each month at 5:30 p.m.~~

~~(c) The city administrator shall prepare the agenda for work sessions to be used in public notices based upon input from the mayor, city councilmembers, and city staff. Work sessions shall be informal~~

~~meetings conducted by the mayor who may alter the agenda during the meeting based upon the consensus of those present.~~

~~(d) The attendance of work sessions by the mayor and city councilmembers shall not be mandatory and attendance will not be taken. No formal action may be taken by the mayor and city council at these proceedings even if a quorum of the city council is present.~~

Section 5. EFFECTIVE DATE. This ordinance shall be effective thirty (30) days after second reading and final adoption as provided by law.

Section 6. REPEALER. All resolutions, ordinances, and sections of the City Code inconsistent herewith are hereby repealed.

Section 7. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect the other provisions of this ordinance which may be given effect without the invalid provisions or application, and, to this end, the provisions of this ordinance are declared to be severable.

PASSED by the City Council on first reading this ____ day of _____, 2020.

PASSED, ADOPTED and APPROVED on second reading this ____ day of _____, 2020.

CITY OF BILLINGS

William A. Cole, Mayor

ATTEST:

Denise Bohlman, City Clerk

Draft #1 2202020

RESOLUTION 20-_____

A RESOLUTION ADOPTING CITY COUNCIL MEETING RULES AND PROCEDURES FOR REGULAR, SPECIAL AND WORK SESSION MEETINGS.

WHEREAS, the City Council meeting rules and procedures were previously contained within ordinance Sections 2-221 and 2-222 of the Billings, Montana, City Code (BMCC), and

WHEREAS, the City Council repealed ordinance Sections 2-221 and 2-222, BMCC, effective _____, 2020, and

WHEREAS, the City Council desires to provide more flexibility in adopting rules for its meetings through an approved Resolution, and

WHEREAS, the City Council desires to adopt such rules and procedures previously within Sections 2-221 and 2-222, BMCC, together with new provisions as identified by underlines,

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA, as follows:

1. Order of Business for Regular and Special Meetings:

At all regular meetings of the city council the order of business shall be as follows:

- (a) Call to Order;
- (b) Pledge of Allegiance;
- (c) Invocation;
- (d) Roll call;
- (e) Correcting, if necessary, and approving minutes of the last meeting or meetings;
- (f) Courtesies/Special Presentations;
- (g) Proclamations;

- (h) Council reports;
- (i) Administrator reports;
- (j) Public comment. ~~on "non-public hearing" items on the published agenda. This section of the agenda is used for public comment on any item on the agenda that is not listed for an individual public hearing. An opportunity for Public Comment shall be provided on the Consent Agenda and on each Regular agenda item.~~ Speakers are requested to indicate their desire to speak and which item or items on which they wish to offer comment by filling in their name, address and agenda item number or subject on a prepared "sign in" sheet. The length of time a speaker may speak is limited and is set by the mayor or presiding officer of the meeting.
- (k) Consent agenda. This section of the agenda is used for items of a routine or non-controversial nature that do not statutorily require a public hearing, yet still require action by the city council. The collective list of items on the consent agenda is considered by the city council in one motion. Individual consent agenda items may be separated by request of a councilmember for individual consideration by the city council and subsequently voted upon individually.
- (l) Regular agenda. This section of the agenda constitutes an individually numbered listing of business items either:
 - 1. Requiring a public hearing or public comment prior to council action,
 - 2. Giving a special informational presentation, or
 - 3. Any item that may be either controversial in nature or requires separate time by the council to fully discuss the matter prior to rendering a final and binding decision.
- (m) Public comment on "non-agenda" items. This section of the agenda is used for public comment on any matter or subject that is not included on the published agenda for that meeting. Speakers are requested to indicate their desire to speak and what item or topic on which they wish to offer comment by filling in their name, address and subject on a prepared "sign in" sheet. The length of time a speaker may speak is limited and is set by the mayor or presiding officer of the meeting. The city council does not take any

formal action on these items, but may direct the city administrator to assign staff for follow up on an item.

- (n) Council initiatives. This section of the agenda is reserved for individual councilmember requests for future legislative or staff action. These shall be limited to giving direction to staff to assist in formulating policies, work plans, etc. for future consideration of the city council. An initiative moves forward by majority vote of the city council.
- (o) Adjourn.

The order of business may be altered for any meeting by a majority vote of the councilmembers present. The order of business for any special meeting shall be specified in the notice calling for the special meeting.

2. City Council Work Sessions

(a) In addition to its regular business meetings, the city council may also meet for work sessions. The purpose of these meetings shall be to provide an opportunity for the mayor and city councilmembers to hold more in depth discussions on policy matters, give input or feedback to the city administrator and his staff, and hear presentations on current issues and projects. No formal or final action may be taken by the mayor and city council at these proceedings even if a quorum of the city council is present. **However, motions may be made and approved for the limited purpose of providing direction or other guidance to city staff.**

(b) Work sessions, if held, will be scheduled on the 1st and 3rd Mondays of each month at 5:30 p.m.

(c) The city administrator shall prepare the agenda for work sessions to be used in public notices based upon input from the mayor, city councilmembers, and city staff. Work sessions shall be informal meetings conducted by the mayor who may alter the agenda during the meeting based upon the consensus of those present.

(d) The attendance of work sessions by the mayor and city councilmembers shall not be mandatory and attendance will not be

taken. No formal action may be taken by the mayor and city council at these proceedings even if a quorum of the city council is present.

3. Meeting Rules and Procedures for Regular and Special Meetings.

The following rules and procedures shall apply to all Regular and Special City Council meetings unless such rules are temporarily suspended by majority vote.

(A) *Decorum.*

1. The presiding officer shall preserve order and decorum and shall decide all questions of order, subject to appeal to the council.
2. Every member, previous to speaking, shall address the presiding officer, but shall not proceed until recognized and named by the presiding officer. The provisions of Robert's Rules of Order Newly Revised concerning assigning the floor are superseded by this rule of procedure.
3. When two (2) or more members address the presiding officer, the first to have precedence shall be decided by the presiding officer. The provisions of Robert's Rules of Order Newly Revised concerning assigning the floor are superseded by this rule of procedure.
4. While a question is being placed on the floor, no member shall speak or walk across the chambers or council room or leave the same.
5. When any member is addressing the council, no other member shall engage in private conversation or do any other act to divert attention or interrupt the speaker.
6. At council meetings all questions relating to the priority of business shall be decided without debate.
7. To preserve council chamber decorum and minimize council and audience distractions, television cameras are to be confined to designated areas. Interviews in the chamber are permissible

after meetings. No interview or live narration will be allowed in the chamber prior to or during the proceedings of a meeting.

(B) Meeting protocol.

1. A member shall not speak more than twice on the same subject without leave of a majority of the council, nor more than once until every member desiring to speak on the pending question has had an opportunity to do so.
2. No motion shall be debated or put to a vote unless the same shall be seconded. The motion and second shall then be stated by the mayor.
3. All motions shall be stated in clear, concise and definite terms, beginning with the language: "I move that...". "I so move" or any other abbreviated language does not constitute correct form for a motion and is out of order.
4. After a motion has been stated by the presiding officer it shall be deemed in possession of the council, but may be withdrawn at any time before amendment or decision, by the mover with consent of the second.
5. If a question under consideration contains more than one distinct proposition any member may demand a division.
6. When a question is under debate, no motion shall be entertained, except: First, to adjourn; second, to lay on the table; third, for the previous question; fourth, to postpone to a day certain; fifth, to refer to a committee; sixth, to amend; and seventh, to postpone indefinitely. These motions shall have precedence in the order stated.
7. Amendment of a question may take the form of a motion to substitute. Adoption of a motion to substitute shall be deemed approval of the substitute motion itself and further debate and amendment of the adopted substitute motion are not in order. The provisions of Robert's Rules of Order Newly Revised concerning substitute motions are superseded by this rule of procedure.
8. A motion to adjourn shall always be in order, except when a member is addressing the chair, or a vote is being taken. Motions to adjourn and lay on the table shall not be debatable.

9. No motion on a subject different from that under consideration shall be permitted.
10. After a vote is announced, no councilmember shall change his vote without following the procedure for reconsideration.
11. No motion for reconsideration shall be in order unless made at the same meeting or the meeting following that on which the decision was made, nor shall such motion be made except by a member who voted with the majority upon the adoption. If the motion for reconsideration is approved by a majority vote of the city council, then the decision on which the vote is to be reconsidered is placed back on the agenda at a location specified by the mayor for further consideration and another vote.
12. In case a voice vote is indeterminate, a roll call vote shall be taken.
13. In case of a tie vote on any proposal, the proposal shall be considered lost/failed.
14. The city attorney shall rule on all questions of parliamentary procedure and the attorney's decision shall be final.
15. Every member of the council present shall vote upon every question submitted to the council, unless excused or unless the member has a financial or personal interest as defined and provided below:

Financial or personal interest. No official, either on his or her own behalf or on behalf of any other person, shall have any financial or personal interest in any business or transaction with any public body unless the official shall first make full public disclosure of the nature and extent of such interest.

If a member has a financial or personal interest in a matter before the mayor and council that requires a vote or other decision or direction to city staff, upon recognizing the personal interest, the member shall refrain from any future private or public communication on the matter with other council members or the public. During the meeting in which the matter is to be decided the member shall immediately after the a motion has been made and seconded, or as soon thereafter as the member may be recognized by the presiding officer, publicly disclose the

nature and extent of such interest and **shall** disqualify himself or herself from participation in the deliberation and voting on the question.

For purposes of evaluating whether or not a conflict of interest requires the mayor or a council member to disqualify themselves from the deliberation and vote on any question, the following definitions shall apply:

Disclosure and disqualification. Whenever the performance of his or her official duties shall require any official to deliberate and vote on any matter involving the official's financial or personal interest, the official shall publicly disclose the nature and extent of such interest and disqualify himself or herself from participating in the discussion, deliberation as well as in the voting on such matter.

Financial interest means any interest which shall yield, directly or indirectly, a monetary or other material benefit (other than the duly authorized salary or compensation for his or her services to the city) to the official or to any person ~~employing or retaining the services of the official.~~

Official means any person elected to a city office, employed by the city, or appointed to any public office or public body of the city whether paid or unpaid and whether part-time or full-time.

Personal interest means any interest arising from family or marriage relationships or from close personal, business or political association whether or not any financial interest is involved. ~~Private interest. Private interest~~ Such interest includes is a direct or indirect interest of a natural person, partnership, corporation or any other entity including a political entity other than the city or an organization in which the city is affiliated. This definition also includes an interest held by an individual that is: ownership interest in a business; a creditor interest in an insolvent business; membership in a business as a director or officer; ownership in real property; a loan or other debtor interest; or an employment relationship or prospective employment for which negotiations have begun.

Public body means any agency, board, body, commission, committee, department or office of the city.

(C) Documentation of proceedings.

1. In all cases the name of the member proposing a motion and seconding the motion shall be entered in the council minutes.
2. Upon the final passage of any ordinance or resolution, the ayes and noes shall be entered in the council minutes unless the same is unanimously adopted. Any member may demand the roll call of ayes and noes upon any question pending. Except as provided in this subsection, a vote on all matters before the city council shall be by voice vote.
3. All reports, petitions, ordinances or resolutions shall be reduced to writing before being submitted to the vote of the council.
4. Application of Robert's Rules of Order. In all parliamentary practice not herein prescribed, Robert's "Rules of Order Newly Revised" shall govern so far as applicable.

(D) Public hearings. Public hearings may be required by law or by council policy. Public hearings are held for the purpose of ~~noticing legislative facts and~~ receiving expressions of public opinion on a question, including views of interested parties. At the commencement of any public comment or hearing, the presiding officer may set time limits for the presentation of views of proponents and opponents of the measure. These time limits shall be adhered to as strictly as possible. At the conclusion of ~~his~~ testimony at a public hearing, any individual may be questioned by any member of the council. The time involved in such question and reply shall not count against the time allowed for the presentation of views.

(1) Land Use Application Public Hearing Process

Whenever a land use application comes before the Mayor and City Council for public hearing and Council action, the following procedure shall be followed:

(a) Application Presentations

The City staff makes presentation as needed.

The applicant/agent is allowed up to 10 minutes to make a presentation.

Following the staff and applicant/agent presentations, the Mayor and City Council may ask questions of the staff or applicant.

(b) Public Hearing

Any member of the public wishing to provide comment on the application is provided up to 3 minutes.

(c) Follow Up

The applicant/agent may provide any clarifications/corrections on issues presented during the public hearing for up to 3 minutes.

The staff may provide any clarifications/corrections on issues presented by the public or applicant/agent.

(d) Action

The Council shall consider the applicable criteria and determine findings of fact based upon the information included within the staff report, any written comments from the public and the public hearing testimony.

Thereafter the Council shall approve, deny or postpone action on the item.

4. RULES OF PROCEDURE FOR WORK SESSIONS

The proceedings of the city council while meeting in work sessions shall be governed by the following rules:

(a) The meeting shall be convened and adjourned by the mayor.

(b) The city administrator or designee shall prepare an agenda for each meeting. Minutes shall be taken and distributed in accordance with sections 2-215 and 2-216, BMCC.

(c) Motions will be entertained and votes taken only for purposes of giving city staff direction on matters that will be presented for final action at a future city council meeting.

(d) The mayor shall be responsible for recognizing those who would like to speak and generally enforcing a productive decorum.

(e) Reports from boards and commissions will be heard.

(f) Presentations on agenda items will be provided by city staff, city consultants or designees. (g) A public comment period shall be provided at each meeting. The Mayor or other presiding officer may set appropriate time limits for the comments.

PASSED AND ADOPTED by the City Council of the City of Billings, Montana, on the _____ day of _____, 2020.

CITY OF BILLINGS

By: _____
William A. Cole, Mayor

ATTEST:

By: _____
Denise R. Bohlman, City Clerk



CITY OF BILLINGS

CITY ATTORNEY'S OFFICE

P.O. BOX 1178

BILLINGS, MONTANA 59103

(406) 657-8205

FAX (406) 657-3067

MEMORANDUM

TO: Honorable Mayor Tussing
City Councilmembers
Tina Volek, Acting City Administrator

FROM: Brent Brooks, City Attorney *BB*

RE: Ex Parte Communications on Quasi-Judicial Issues before the
Mayor and City Council

DATE: March 3, 2006

BACKGROUND

During recent email communications among interested citizens and the Mayor and City Council, a staff attorney from our office sent a brief communication advising against reading ex parte communications. A few points of clarification and elaboration upon the staff attorney advice are appropriate concerning ex parte communications on quasi-judicial decisions required of the Mayor and City Council. Immediately below is a summary of this memo, suggested alternatives, followed by a brief discussion of the issue of ex parte communications.

SUMMARY AND SUGGESTIONS

The preferred and strongly recommended action is:

If a person privately communicates with the Mayor or City Council on a quasi-judicial issue outside of a public hearing or meeting, Councilmembers should attempt to politely decline receipt of or discussion of the information or evidence at that time and instead, request the person to present the same information personally or through a representative at the designated public hearing when and where the issue will be decided.

ALTERNATIVE SUGGESTIONS

Ex Parte communication on quasi-judicial issues should be, but cannot always be, avoided. It is inevitable that sometimes such communications will occur despite

the best efforts of the Mayor and one or more City Councilmembers. There are alternative methods of handling such communication which can be utilized in such circumstances.

- 1) Tell the person to present the information in writing to the entire City Council before or at the hearing. This allows the information to be made a part of the public record. However, the information must be disclosed before the public hearing on that issue so that the public and all parties are not only aware of the communication, but have an opportunity to offer supporting or opposing views on that information before Mayor and City Council deliberation and final decision. Or,
- 2) If a person or group privately communicating to one or more City Councilmembers does not or cannot appear at a hearing or cannot or does not submit their view in writing as advised, the Mayor and or Council Member(s) who have received the communication should, before the public hearing begins, disclose the communication on the record by summarizing the private discussion and identifying from whom it was received; if that private communication was in writing, copies should be made available for the public to review before the hearing on the quasi-judicial decision and prior to Council deliberation and final decision.

This also applies if a Mayor or one or more Councilmembers inadvertently forgets and visits a location subject to a quasi-judicial decision land use issue with a party supporting or opposing the proposed decision. This type of visit with one party to the issue should be carefully avoided. It is permissible for the Mayor and/or one or more Councilmembers to visit the site but that visit should not include communication with an applicant or any supporting or opposing party during the site visit – maintaining fairness is essential. Councilmembers should in the interest of fairness disclose that they visited a site and provide an assessment to the other Councilmembers during the meeting and before the public hearing on the quasi-judicial issue and final decision.

DISCUSSION AND ANALYSIS

“Ex parte” communications have been and can be defined as a private, one-sided communication between a decision-maker and a party/person with an issue before that decision-maker. In decisions were the Mayor and City Council will decide property rights on land use issues such as zone changes, special reviews, variances and preliminary and final plat approvals, to name the most common, there needs to be caution and care when receiving and then dealing with ex parte communications.

"Quasi-judicial" functions can be generally defined as the exercise of judgment and discretion in making decisions on subjects that involve granting, denying or determining legal rights, privileges and other interests of adverse parties. In other words, the Mayor and City Council in this particular type of decision are applying the law – i.e. land use statutes and ordinances, versus making the law through the legislative acts of ordinances, resolutions and related policies, which do not involve the danger of ex parte communications. Ex parte communications are generally not prohibited when the Mayor and City Council are conducting business in their legislative capacity which typically do not involve a land use decision.

Maintaining the "appearance of fairness" and openness in the decision making process on quasi-judicial decisions is a crucial benchmark. The formal, legal principle of "procedural due process" applies to such situations. As applied here, the law of procedural due process says that a party to a quasi-judicial decision must:

- a) Have adequate notice of a proceeding/hearing;
- b) Have an opportunity to be heard; and
- c) Must be given a meaningful and fair hearing appropriate to the case.

Closely related to this fairness in the process principle is the public's right to know the information on which a decision is based, a right to observe deliberations based on that information and a right to participate and offer comment prior to a final decision based upon the public's knowledge of the same set of facts as the Mayor and City Council. MCA Sections 7-1-4131(3), 2-3-103(1) and 2-3-111 all provide that when a public hearing is required or held at the option of the Mayor and City Council, the meaningful opportunity for citizen participation is required prior to final decision.

The essence of these legal principles and specific state statutes is that there must be a level playing field for all involved where everyone including the Mayor and City Council have the same facts before them. Unless handled carefully, ex parte communications give the appearance of an unfair or unequal process to the public and parties affected by a decision. The "appearance of fairness" principle requires local governing bodies to rely upon and base their quasi-judicial decisions on the public record. Otherwise, the obvious danger is that the opposing persons or parties will not have the same opportunity for input nor an opportunity to rebut information that may be incomplete or erroneous if presented outside of the public hearing – i.e. ex parte.

It should also be carefully noted here that ex parte communications from one party are not "cured", offset, or otherwise remedied by having ex parte communications with the opposing party or parties – this simply compounds the problem.

Another important point to briefly note is that quasi-judicial decisions may be subject to challenge if those decisions are not based solely on evidence, and comments presented at a public hearing on the issue. A successful legal challenge could invalidate or nullify the Mayor and City Council's decision and also potentially incur liability to the City for violation of a property right or other civil right and could also be a violation of open meetings laws, all of which would also carry the potential assessment of attorneys' fees.

Although not applicable to cities and counties, the Montana Administrative Procedures Act is helpful in emphasizing the caution needed in quasi-judicial decision making. As part of that Act, MCA Section 2-4-613 prohibits state agencies who make quasi-judicial decisions from receiving or engaging in ex parte communications "except upon notice and opportunity for all parties to participate". This again indicates the intent of the state legislature to carefully control ex parte communications among state agencies who are making such decisions.

CONCLUSION

The law applicable to ex parte communication is developing in many states as more prevalent, alternative methods of communication become more universal. In Montana, there are few uniform methods or statutes addressing this form of communication on quasi-judicial matters before local city and county governing bodies. There is a wide variance in how specific states and local governments are currently handling this issue and therefore these suggestions may change as the law develops and emerges more concretely in Montana.

I realize that this is a sensitive issue to all concerned. It requires a balance between what the current and emerging law can be reasonably interpreted to require and a common sense, obvious need for the Mayor and City Council to represent citizens through input and public opinion. This memo is not intended to be a complete analysis of the issue. However, based upon correspondence from other City and County Attorneys who have provided advice on this topic, my recommendations to you here are very similar to those they have articulated to their respective governing bodies whom they advise.

If you see the need for such, I am certainly able and willing to present a more in depth discussion and analysis of other states' approaches through their case law and other resources. As always, do not hesitate to contact me if there are additional questions on this issue or if this memorandum has generated additional questions.

Council Work Session

4.

Meeting Date: 03/02/2020

TITLE: Review Council Goals

Department: City Hall Administration

Presentation: Yes

PROBLEM/ISSUE STATEMENT

See attachments 2020 Council Goals and Final Priority List for February 1st Goal Planning Work Session.

RECOMMENDATION

Staff recommends Council review of its goals and priorities list for adoption at the March 9, 2020, Regular Business Meeting.

Attachments

2020 Council Goals
Priority List

2020/2021 City Council Priorities

DRAFTED February 26, 2020

HIGH

+ Improve the safety of Billings

- Adopt Public Safety Mill Levy (PSML) Ordinance for 2020 ballot measure
- Educate the community on the impacts of the PSML
- Implement 911, PD, FD, Code Enforcement, Legal, Municipal Courts strategies to improve safety
- Resolve criminal justice system facility space deficiencies
- Pursue supplemental funding sources (Impact fees, increase cost of fines, BUFSA)
- Support critical partnerships w/Substance Abuse Connect, Yellowstone County, and Continuum of Care partnership
- Continue improving "Safe Routes to Schools"

+ Complete Project Re-Code

+ Complete Airport Terminal Reconstruction Project (broke ground 2019 – completion 2023)

+ Advance West-End Reservoir and Water Treatment Plant Projects (reservoir 2022/H2O 2024)

+ Create a Park Development Fund

+ Improve Communication with our citizens

- Create a Public Information Officer position for the City
- Overhaul City Website

+ Implement Lean Six Sigma/Continues Improvement program

MEDIUM

+ Improve Intergovernmental Collaboration

+ Stimulate Downtown Revitalization

- Improve legislative tools
- Implement downtown transportation study/one-way conversion plan
- Install traffic light N 27th/MT Ave
- Extend/expand??? Downtown Tax Increment Finance District

+ Complete the Cost of Services Study

+ Resolve Heights Water Issues

+ Approve 2021 Legislative Agenda/Priorities

+ Improve Transportation/Land-use System

- Advance Billings Bypass Interchange project – including adjacent land use and utility extension plans and the Targeted Economic Development District (TEDD)
- Inner Belt Loop – including adjacent land use and utility extension plans

+ Improve city parks and trails system

- Complete - Centennial Park improvements Phase I
- Adopt - Coulson Park Master Plan
- Adopt Castlerock Park Master Plan
- Advance Poly Vista Park partnership w/Landan's Legacy Foundation
- Advance Marathon Loop

+ Determine scope of the South Billings Recreation Center

Future Consideration

+ Increase Grant Writing Resources

+ Housing – Study Affordable Housing in General

+ Targeted Economic Development District

+ Create a Storm Water Utility

+ Elimination of All Lead Pipe Service Lines (Underway)

+ Budget Process Review

+ Update Neighborhood Plans (West Side Plan next up)

Consolidated from the Council Ranked Priorities

Staff Additions (not identified by Council)

Saturday, February 01, 2020

**Billings City Council Strategic Planning Session
Final Priorities in Rank Order**

1. Public Safety - Mill Levy (2019 High priority)
2. Public Safety - Facility Space Needs/New Facility
3. Public Safety - Impact Fees and alternate sources of funding
4. Public Works - West End Reservoir/Treatment Plant (2019 high Priority)
5. Parks - Park's Development Fund
6. Public Safety - Safe Routes to school
7. Public Safety - Mental Health and Addiction Services
8. Public Safety - Court/Legal Staff
9. Communication - Public Information Officer
10. Public Safety - Transients
11. Project Re:Code (2019 High Priority)
12. Intergovernmental Collaboration - Intergovernmental Meetings
13. Public Safety - Fire
14. Communication - Grant Writing
15. Public Safety - Domestic Violence/Aggravated Assault
16. Downtown Revitalization
17. Public Safety - Clean/Safe City
18. Cost of Services Study
19. Public Safety - Traffic Patrol
20. Communication - City Website (2019 Medium Priority)
21. Public Works - Heights Water
22. Public Safety - Code enforcement Director
23. Inner Belt Loop (2019 Medium Priority)
24. Parks - South Billings Recreation Center (2019 Medium priority)
25. Parks - Coulson (2019 Medium priority)
26. Parks - Castle Rock
27. Public Safety - Traffic Calming Technology
28. Trails - Marathon Loop (2019 Medium Priority)
29. Public Safety - Process Issues
30. Housing - Study Affordable Housing in General
31. Airport - Expansion
32. TEDD
33. Public Works - Creation of a Storm Water Utility
34. Parks - Centennial (2019 Medium Priority)
35. Parks - Poly Vista
36. Downtown Revitalization - Legislative Tools
37. Public Safety - Yellowstone County Jail
38. Downtown Revitalization - Downtown Redevelopment TIF
39. Downtown Revitalization - Transportation (traffic Light - N. 27/Montana Ave.)
40. Lead Pipes
41. Public Safety - Public Safety District/Levy/Staffing
42. Budget Process - Budget Review
43. Update Neighborhood Plan (West End Priority)