

****ATTENTION****

Due to the COVID-19 health concerns, the format of the City Council meeting will be held in a virtual videoconferencing environment. In order to honor the Right of Participation and the Right to Know in Article II, sections 8 and 9, of the Montana Constitution, the City of Billings and City Council are making every effort to meet the requirements of the open meeting laws:

- The Agenda Packet is available for viewing on the City's website at:
<https://ci.billings.mt.us/117/Agendas-Minutes>
- Councilmembers will attend the meeting via a remote location, using a virtual meeting method. City Hall and the Council Chambers will be closed during the meeting.
- The Public may view the meeting on the Community 7 TV - Channel 7 or Channel 507 – Spectrum Cable. The Public may also view online at www.comm7tv.com and click on the "Watch Live" icon. Community 7 also has links to their Facebook page and YouTube channel in which to view the meeting.
- Public comment will be taken only during the Public Comment periods as indicated on the agenda. Comments may be sent to Council via email before 3:00 PM, on Monday, May 4th, at: <https://ci.billings.mt.us/1538/City-Council-E-mail-Messages>
- Emails received after 3:00 PM and prior to 5:00 PM, may be read during the meeting.
- The Public may call in during specific Public Comment periods at **406.237.6196**. All callers will be in a queued system and are asked to remain on hold and be patient. Calls will be taken in the order in which they are received. Callers will be restricted to 3 minutes of testimony as is customary.

Future delivery methods may be explored as best practice is learned.

Please contact City Clerk, Denise Bohlman, at bohlmand@billingsmt.gov, or 657-8210 with any questions.

CITY OF BILLINGS

CITY OF BILLINGS VISION STATEMENT:

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

WORK SESSION AGENDA

May 18, 2020

5:30 P.M.

Council Chambers are Closed.
The meeting will be held remotely via virtual meeting room. Please see coversheet for details and instructions for viewing and participation.

CALL TO ORDER: Mayor Cole

1. **COVID-19 Update by Unified Incident Command (UIC)**
- Public Comment

2. **Budget Presentations:**
 - a. **Aviation and MET**
(Presented by Kevin Ploehn, Aviation and MET Director)

 - b. **Information Technology**
(Presented by David Watterson, IT Director)

 - c. **Planning and Community Services**
(Presented by Wyeth Friday, Planning Director)

- Public Comment

3. **Trust for Public Land**
(Presented by Michael Whitaker, Parks, Recreation and Public Lands)
- Public Comment

4. **Discuss Possible Public Safety Mill Levy Charter Amendments and Changes to Park Funding**
(Presented by Chris Kukulski, City Administrator and Brent Brooks, City Attorney)
- 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 call 237-6196 during public comment period.)*

ADJOURN:

Note:

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

2. a.

Meeting Date: 05/18/2020

TITLE: Aviation and Transit FY 2021 Budget Presentation

Department: Airport

Presentation: Yes

RECOMMENDATION

The Aviation and Transit Department is providing its proposed Fiscal Year 2021 budget for City Council consideration. Given the unknown impacts to particularly the Airport's budget, special focus will be placed on discussing how the staff anticipates the next Fiscal Year to unfold. Staff recommends that Council review the presentation and consider approval of the proposed Aviation and Transit budget at a later date as part of the City's overall budget.

BACKGROUND

The Aviation Division of the Aviation and Transit Department operates and maintains the City of Billings Logan International Airport, providing the facilities for commercial service airline operators to offer transportation for travelers utilizing the Airport's Terminal Building. In the past, over 900,000 travelers per year have utilized the facility. Other businesses and activities located at the Airport include car rentals, restaurant/deli/lounge, gift shop, public parking, a Fixed Base Operator (FBO), radio/avionics repair shops, executive hangars, a general aviation hangar complex, air freight/mail operators, the Transportation Security Administration (TSA), the Federal Aviation Administration (FAA), as well as numerous other State and Federal agencies. The Airport operation is a self-supporting Enterprise Fund that does not receive any General Fund or tax revenue support. Airline landing fees, as well as tenant concession, rental, and lease revenues offset the costs to operate and maintain the Airport facilities.

The Transit Division of the Aviation and Transit Department is responsible for providing Fixed Route bus and Paratransit van transportation service for the City's citizens. This service meets a significant percentage of the mobility needs for those citizens without access to private transportation (referred to as transit-dependent citizens), particularly young, elderly, low income, or citizens with disabilities.

Both the Aviation and Transit Divisions have been impacted by the events of the COVID-19 Pandemic. For the Fiscal Year 2021 proposed budget, staff will discuss further how the pandemic's fiscal impacts will be mitigated with grants received through the CARES Act.

ALTERNATIVES

- City Council will have the opportunity to review the budget presentation and determine if the budget may be approved as set forth; or
- City Council may ask staff to make adjustments to the budget after being educated by the Department's budget information.

FISCAL EFFECTS

The City Council's approval of the Aviation and Transit budget for Fiscal Year 2021 will allow the Airport and the MET Transit to continue to operate during that Fiscal Year. Airport's overall budget request totals \$42,101,044 and the MET Transit's budget request is \$7,477,335.

Council Work Session

2. b.

Meeting Date: 05/18/2020

TITLE: Information Technology Budget Presentation

Department: Information Technology

Presentation: Yes

RECOMMENDATION

Staff recommends that the Information Technology Department proposed budget for FY21 be approved by the Council as part of the overall FY21 budget approval process for the City.

BACKGROUND

The Information Technology Department is focused on bringing people and technology together to meet the needs of the organization and the citizens of Billings. In pursuit of its goal, ITD provides technology-related strategic planning, project management, integration, technology procurement, E-mail, networking, communications, application development, GIS, mapping, overall hardware and software support, vendor relations, and training services.

The Information Technology Budget is \$ 2,702,706 which is \$ 30,415 or 1.1% more than last year's budget. The FY21 budget is impacted by security related network and software enhancements required by the Montana Department of Justice and the Federal Government.

In FY21, the IT budget has an increase of \$ 55,392 in Personnel costs which includes the approved COLA and step increases. Operating expenses have increased by \$ 127,893 caused by an increase in the Parking (\$ 4,581), Cost Allocation charges (\$9,304), Property Insurance (\$2,544), and New Requests (\$ 124,076 – see details below). Capital expenses for FY21 are \$ 0 which is \$ 153,500 less than last year.

Information Technology is an internal support function with revenues of \$ 2,610,274 generated primarily by charges for service to internal City Departments. In addition, IT provides application hosting services and support to the Yellowstone County (YC) Sheriff's Dept for Public Safety Software used by their officers, support staff, and YC Jail. FY21 charges to YC Sheriff's Dept are \$ 131,181 and are included in our overall revenues.

FY21 Total Revenues for IT are below Expenses by approx \$ 93,000. Due to the unknown financial impact that COVID-19 will have on future revenue for City Departments, IT proposes to use \$63,000 in reserves to purchase Montana Dept of Justice required security upgrades and an additional \$ 30,000 to lower our overall departmental charges for the upcoming budget year.

The Central Telephone Budget is \$501,543 which is \$296,926 less than last year's budget. The FY20 budget included a one-time large capital expense of \$400,000 which inflated the annual expenses.

In FY21, the budget has an increase of \$35,107 in Personnel costs which includes the approved COLA. A majority of the increased Personnel costs are the result of an adjustment in the existing salary cost sharing between the IT Budget and the Central Telephone Budget for the IT

Director, IT Administrative Support, and the IT Security Engineer positions. These adjustments are made periodically to align budgets with changes in work loads and responsibilities. Operating expenses are \$2,033 less and Capital expenses are \$330,000 less in FY21.

Under the direction of the Information Technology Director, the Telecommunications Manager and the IT Administrative Secretary provide telephone, voice mail, auto attendants, call accounting, communications related procurement, cell phone, infrastructure support, and related financial accounting services for 12 remote sites, 538 landline phones, 57 Centrex phone lines, and 353 Smartphones/cell phones/Push-to-Talk radio/phones.

The Central Telephone Service (fund 6060) is an internal support function with revenues of \$439,952 derived predominately from phone services. Revenues for FY21 are \$439,952 which represents a 0.3% increase (\$1,271) over FY20. Revenues are lower than Expenses in FY21 due to the allocation of reserve funds to install a fiber backbone from City Hall to the Billings Logan International Airport.

The Central Telephone Budget includes a request for a \$70,000 capital budget amount to fund the installation of a fiber backbone from City Hall to the Billings Logan International Airport. The funding for this project will come from reserves and be repaid by the Airport in increased annual charge for services. The fiber will be installed along 27th Street in fiber conduit available through a Memorandum of Agreement signed in November of 2019 with the Montana Department of Transportation.

Staffing: There are no staffing level changes requested in the IT or Central Telephone FY21 budget.

Challenges: Our biggest challenge has easily become Cyber Security. Maintaining our Security Roadmap, implementing new security related policies and solutions, and ensuring we comply with all Montana Dept of Justice security requirements consumes a great deal of our time and resources.

Please see the attached Budget Narratives for more detail.

ALTERNATIVES

No specific action will be required at this time.

FISCAL EFFECTS

Addressed in Budget Narratives and during the presentation.

Attachments

IT Budget Narrative

Central Telephone Budget Narrative

Information Technology Fund

Current Year Department Budgeted Expense Total: \$ 2,702,706

Change from Prior Year: \$ 30,415

Overall Budget Justification:

The Information Technology Department is focused on bringing people and technology together to meet the needs of the organization and the citizens of Billings. In pursuit of its goal, ITD provides technology-related strategic planning, project management, integration, technology procurement, E-mail, networking, communications, application development, GIS, mapping, overall hardware and software support, vendor relations, and training services.

The Information Technology Budget is \$ 2,702,706 which is \$ 30,415 or 1.1% more than last year's budget. The FY21 is most heavily impacted by security related network and software enhancements required by the Montana Department of Justice and the Federal Government.

In FY21, the budget has an increase of \$ 55,392 in Personnel costs which represents a 2.9 % increase. This increase includes the approved 2.9% COLA for all staff and a few step increases. Operating expenses have increased by \$ 127,893 caused by an increase in the Parking (\$ 4,581), Cost Allocation charges (\$9,304), Property Insurance (\$2,544), and New Requests (\$ 124,076 – see details below). Capital expenses for FY21 are \$ 0 which is \$ 153,500 less than last year.

Information Technology is an internal support function with revenues of \$ 2,610,274 generated primarily by charges for service. The ITD charges for each department/division are based on the previous calendar year's usage of PC and Network resources/support time, application resources/staff support time, virtual server services, data storage management, and GIS resources/support time. The number of PC's, the amount of disk space allocated, the number of virtual servers, and the number of E-mail accounts are all examples of resources used to calculate annual charges. FY21 total revenues are \$ 92,432 below total expenses. The budget includes system security upgrades mandated by the State of Montana for the handling of sensitive Criminal Justice data. We plan to use budget reserves to help keep internal costs down while meeting the mandated requirements.

INFORMATION TECHNOLOGY FUND OPERATING BUDGET

	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
REVENUES:					
CHARGE FOR SERVICES	\$ 2,315,421	\$ 2,339,036	\$ 2,616,309	\$ 2,469,702	\$ 2,610,274
INTEREST EARNINGS	8,306	23,937	13,800	12,000	11,200
LOAN PROCEEDS					
OTHER	2,103	1,630	-	-	-
	<u>2,325,830</u>	<u>2,364,603</u>	<u>2,630,109</u>	<u>2,481,702</u>	<u>2,621,474</u>
TOTAL REVENUE	\$ 2,325,830	\$ 2,364,603	\$ 2,630,109	\$ 2,481,702	\$ 2,621,474

**INFORMATION TECHNOLOGY FUND
OPERATING BUDGET**

	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
EXPENSES:					
PERSONAL SERVICES	\$ 1,914,774	\$ 1,983,615	\$ 1,888,074	\$ 1,761,127	\$ 1,943,466
OPERATIONS & MAINTENANCE	534,868	430,624	631,347	660,000	759,240
CAPITAL	63,799	117,557	153,500	50,000	-
PRINCIPAL	-	-	-	-	-
INTEREST	-	-	-	-	-
TRANSFER OUT	-	3,975	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$ 2,513,441	\$ 2,535,771	\$ 2,672,921	\$ 2,471,127	\$ 2,702,706

New or Expanded Programs:

1. The Montana Department of Justice & Federal Government has defined mandatory requirements for all networks supporting public safety with access to the Criminal Justice Information Network. The FY21 IT Budget requests to increase our annual budget by a total of \$ 63,000 for the following security solutions and related annual costs:
 - a. Multi-Factor Authentication (MFA) for all users on the network. This project includes purchasing MFA licenses for every staff member that accesses our internal network. This will include working with outside vendors which access our systems for implementation and support of critical systems. The IT Budget requests \$ 45,000 to support implementation and annual on-going costs of MFA licenses.
 - b. Annual license renewal for a new Palo Alto FireWall. The budget requests \$ 18,000 for annual on-going license renewal. The MT DOJ requires that we log all traffic on our firewall and on all endpoint (anti-virus) protection software. MT DOJ also requires that our network have an intrusion detection solution in place to detect vulnerability exploits against a target application or computer. We need to adjust our budget to support the annual \$ 18,000 cost of the Palo Alto Firewall solution.

2. Migrate the City of Billings to a Microsoft Cloud Based Exchange Server and Office 365 (O365). We are requesting an increase of \$ 61,000 in the first year to support the move to an O365 environment. The Microsoft Cloud Exchange Server comes at no cost to the organization but requires staff to utilize O365 licenses rather than the traditional Office Standard or Professional software we have always purchased.
 - a. License Versions:
 - i. The requested budget provides an O365 Email Only license for each staff member and full cloud-based backups. This will replace the need for our on-site Exchange Server, storage, and our daily backups. This will eliminate the need to upgrade our existing Exchange license (\$60,000 upgrade) and save us valuable backup and D/R storage resources.
 - ii. Departments will have the option to upgrade to a Level 1 or Level 3 license when they upgrade to a new computer or they can choose to do so at anytime before.

- iii. Level 1 (cloud-based only) and Level 3 (cloud and locally installed) licenses of O365 provide additional functionality such as using Teams for Departments, committees, work groups, etc. to collaborate on a shared group of documents, staff will be able to share documents easily both inside and outside of the organization, staff can store documents in the One Drive cloud file server and access these documents from anywhere, secure and logged chat, and more.
- b. Funding:
 - i. We are requesting to increase our annual expenses by \$ 61,000 to purchase Email Only licenses for all department end-users and fund an on-going cloud-based backup of our Exchange Server including all Emails, Calendars, Teams data, chat logs, and One-Drive storage.
 - ii. Departments will be charged for their selected licensing levels in the annual IT charges. Departments will eventually move to level 1 and level 3 O365 licensing. IT will include the cost of the licensing in our annual budget starting in FY22. Upgrading of licenses by departments will result in future increases in the annual maintenance costs required to support O365.

**INFORMATION TECHNOLOGY FUND
OPERATING BUDGET**

STAFFING AUTHORIZATION

POSITION	ACTUAL FY18	ACTUAL FY19	BUDGET FY 20	PROPOSED FY 21
INFORMATION TECHNOLOGY DIRECTOR	0.9	0.9	0.9	0.86
APPLICATION DEVELOPER	3.0	3.0	3.0	3.00
OPERATION SUPPORT SPECIALIST	1.0	1.0	1.0	1.00
GIS SPECIALIST	1.0	1.0	1.0	1.00
GIS COORDINATOR	1.0	1.0	1.0	1.00
LAND MANAGEMENT COORDINATOR	1.0	1.0	1.0	1.00
SENIOR APPLICATION DEVELOPER	1.0	1.0	1.0	1.00
IT MANAGER	1.0	1.0	1.0	1.00
PUBLIC SAFETY TECH SUPPORT	1.0	1.0	1.0	1.00
P. C. SUPPORT SPECIALIST	2.0	2.0	2.0	2.00
NETWORK ADMINISTRATOR	1.0	1.0	1.0	1.00
ASST. NETWORK ADMINISTRATOR	1.0	1.0	1.0	1.00
ADMINISTRATIVE SUPPORT II	1.0	1.0	1.0	0.75
IT SECURITY ENGINEER	1.0	0.9	0.9	0.90
GIS TECHNICIAN	2.0	2.0	2.0	2.00
TOTAL	<u>18.9</u>	<u>18.8</u>	<u>18.8</u>	<u>18.51</u>

Information Technology – Central Telephone

Current Year Department Budgeted Expense Total: \$ 501,543

Change from Prior Year: \$ (296,926)

Overall Budget Justification:

The Central Telephone Budget is \$501,543 which is \$296,926 less than last year's budget. The FY20 budget included a one-time large capital expense of \$400,000 which inflated the annual expenses for last year.

In FY21, the budget has an increase of \$35,107 in Personnel costs which includes the approved 2.9% COLA. A majority of the increased Personnel costs are the result of an adjustment in the existing salary cost sharing between the IT Budget and the Central Telephone Budget for the IT Director, IT Administrative Support, and the IT Security Engineer positions. These adjustments are made periodically to align budgets with changes in work loads and responsibilities. Operating expenses are \$2,033 less and Capital expenses are \$330,000 less than FY21.

Under the direction of the Information Technology Director, the Telecommunications Manager and the IT Administrative Secretary provide telephone, voice mail, call accounting, communications related procurement, cell phone, infrastructure support, and related financial accounting services for 12 remote sites, 538 landline phones, 57 Centrex phone lines, and 353 Smartphones/cell phones/Push-to-Talk radio/phones.

The Central Telephone Service (fund 6060) is an internal support function with revenues of \$439,952 derived predominately from phone services, with additional revenue from Centrex lines and interest income. Revenues for FY21 are \$439,952 which represents a 0.3% increase (\$1,271) over FY20. Revenues are lower than Expenses in FY21 due to the allocation of reserve funds to install a fiber backbone from City Hall to the Billings Logan International Airport.

New or Expanded Programs:

We are requesting a \$70,000 capital budget amount to fund the installation of a fiber backbone from City Hall to the Billings Logan International Airport. The funding for this project will come from reserves and be repaid by the Airport in increased annual charge for services. The fiber will be installed along 27th Street in fiber conduit available through a Memorandum of Agreement signed in November of 2019 with the Montana Department of Transportation.

**CENTRAL TELEPHONE SERVICES FUND
OPERATING BUDGET**

	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
EXPENSES:					
PERSONAL SERVICES	\$ 121,181	\$ 134,765	\$ 126,998	\$ 120,000	\$ 162,105
OPERATIONS & MAINTENANCE	212,139	209,410	271,471	250,000	269,438
CAPITAL	-	31,350	400,000	325,000	70,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	<u>\$ 333,320</u>	<u>\$ 375,525</u>	<u>\$ 798,469</u>	<u>\$ 695,000</u>	<u>\$ 501,543</u>

STAFFING AUTHORIZATION

POSITION	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	PROPOSED FY 21
TELECOMMUNICATIONS SYSTEM MANAGER	1.0	1.0	1.00	1.00
IT DIRECTOR	-	0.1	0.10	0.14
IT SECURITY ENGINEER	-	0.1	0.10	0.15
IT ADMINISTRATIVE SUPPORT II	-	-	-	0.25
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>1.0</u>	<u>1.2</u>	<u>1.2</u>	<u>1.5</u>

Council Work Session

2. c.

Meeting Date: 05/18/2020

TITLE: Planning and Community Services Department FY21 Budget Presentation

Department: Planning & Community Services

Presentation: Yes

RECOMMENDATION

Staff is presenting the Planning and Community Services Department (PCSD) FY21 Budget for information to the City Council at this Work Session, so no action is required at this time. However, staff recommends the City Council approve the PCSD FY21 Budget when it takes action on the overall FY21 City Budget at its meeting on June 22.

BACKGROUND

Information on the FY21 PCSD Budget and its four divisions - Building, Code Enforcement, Community Development and Planning will be presented at this Work Session. Please see the attached PCSD Budget Narrative for more information.

ALTERNATIVES

No City Council action is expected at this meeting, so no alternatives are proposed.

FISCAL EFFECTS

Adoption of the PCSD FY21 Budget is critical for the Department to provide the many development services, support to low and moderate income residents, and regulation enforcement for Billings. More details on PCSD services and budget will be provided at the Work Session.

Attachments

PCSD Budget Narrative

Planning and Community Services Department (PCSD)

The PCSD focuses on Quality of Life, Safety, Fairness/Equity, Community Voice, Communication and Education. Our Department initials in our approach to our work also stand for: P-Planning, C-Community, S-Solutions, D-Delivery. As we further develop our Department's goals and strategic roadmap, we must engage our customers and the community.

Current Year Department Budgeted Expense Total: \$6,262,597

Change from Prior year: \$165,603

Overall Budget Justification:

The Planning and Community Services Department (PCSD) FY21 budget is \$6,262,597; this is an increase in expenses from FY20 of \$165,603. The Department anticipates spending about \$674,354 in reserves, mostly in the Building Division, in FY 21.



In addition to the new programs and staff changes discussed below, increases in areas of the FY21 budget are related to the 2.9% COLA (\$133,325) that was approved in prior negotiations, increases in our IT and GIS charges, and an increase in the Traffic Tech Position costs passed through from Public Works to the Planning Division's MPO program (\$6,603). There was an overall increase (\$17,067) in liability insurance contribution into the City insurance program across divisions. There will be a slight reduction in other Operations and Maintenance of (\$29,969) and a reduction in transfers for future purchases of equipment of (\$8,001). Additionally, the prior year budgeted (\$50,889) for transportation equipment replacement to be reduced to zero in FY21 Budget. An additional position in the Building division increases the budget by (\$97,467).

The PCSD utilizes multiple revenue sources to deliver the services it provides to its customers. These varied sources means that there are limits to revenue sharing and mixing across the four PCSD divisions – Building, Code Enforcement, Community Development, and Planning. Department level oversight and management costs are distributed across the four divisions as discussed in the New or Expanded Programs section below. Revenue is expected to increase by about (\$437,000) mainly in license income, grants, and taxes.

New or Expanded Programs:

Electronic and Permit Review Process – CitySuite:

The PCSD will implement a new electronic plan review process in 2020 by utilizing new software developed by the City's current core system developed by Harris (CitySuite). The Department has been working for several years to enable customers to apply for and have permits and development applications processed electronically. There will be some additional costs to complete this software deployment, but the Department currently believes the costs can be absorbed through FY20 and FY21 budgets in coordination with the IT Department.

Department and City Council Priorities and Goals:

Goal: Improve the safety of Billings *(City Council)*

- Implement Code Enforcement strategies to improve safety and keep neighborhoods clean by increasing the Abatement Budget and passing the Public Safety Mill Levy.
- Continue improving "Safe Routes to Schools" with continued funding in the FY21 Planning Division Budget for the Active Transportation Planner and Traffic Technician positions and conducting planning studies and outreach efforts to prioritize future pedestrian safety projects.

Goal: Complete Project Re-Code *(City Council and Department) (Funded/Scheduled for 2020)*

Goal: Complete Airport Terminal Reconstruction Project *(City Council)*

- Reclassify Senior Combination Inspector and add a Plumbing Inspector in the Building Division for processing large commercial projects.

Goal: Improve Communication with our citizens *(City Council and Department)*

- Improve public support and engagement with Neighborhood Task Forces
- Create PCSD Annual and Quarterly Reports, Application of Social Media Tools, Implementation of Public Participation Plan in Land Use, Zoning and Transportation Planning Projects

Goal: Improve city parks and trails system *(quality and quantity) (City Council and Department)*

- Increase trails investments in partnership with City Public Works, PRPL, Billings TrailNet, Big Sky Economic Development, Healthy By Design, and others to seek and support non-motorized transportation investments.

Goal: Excel Downtown Revitalization *(City Council and Department)*

- Implement one-way conversion
- Adjust cost allocation for Tax Increment Finance District to support program
- Continue transportation improvements throughout downtown area

Goal: Transportation/Land-Use System Improvements (City Council and Department)

- Perform a corridor study of Billings Bypass project
- Inner Belt Loop - The IBL Corridor Study will be completed in FY20 with implementation beginning in FY21.

Non-Department Related Items:

Municode Costs for Section 27 Updates of Zoning Code – Codification of entire new Zoning Code (Section 27 of the Billings Municipal Code) will require a budget allocation from the GF to cover this code revision. An estimate of \$15,000 for this project is included in the City Clerk budget using the General Fund.

Staffing:

Salary, benefits, and expenses of the Director and Department Receptionist should both be allocated across the Department Divisions. The Receptionist position's salary and benefits are divided in thirds across Building, Planning and Code Enforcement. However, the Director's position is financially attached to the Planning Division, with the only significant contribution provided by the Building Division as an inter-fund transfer. The imbalance in the way this position is funded is an ongoing issue the Department, Finance and Administration are working to address. If each of the PCSD's Divisions were contributing to fund the Director position, and other costs like Neighborhood Task Force Support were factored in as well, a breakdown of funding the position would match up with how it is distributed in the Staffing Authorization table on the following page.

STAFFING AUTHORIZATION - ALL DEPARTMENTS

POSITION	DIVISION FUNDING	ACTUAL	ACTUAL	BUDGET	PROPOSED
		FY 18	FY19	FY20	FY21
PLANNING/COMM SERV DIRECTOR	BUILDING	0.25	0.25	0.25	0.22
	CDBG	0.10	0.10	0.12	0.12
	CODE ENFORCEMENT	0.25	0.25	0.25	0.25
	PLANNING	0.38	0.38	0.34	0.30
	TIF	0.02	0.02	0.04	0.11
	TOTAL	1.00	1.00	1.00	1.00
ADMINISTRATIVE SUPPORT I	BUILDING	0.33	0.33	0.33	0.33
	CODE ENFORCEMENT	0.33	0.33	0.33	0.33
	PLANNING	0.34	0.34	0.34	0.34
	TOTAL	1.00	1.00	1.00	1.00
CODE ENFORCEMENT OFFICER	BUILDING	0.3	0.3	0.3	****
	CODE ENFORCEMENT	2.8	2.0	2.0	3.0
	TOTAL	3.1	2.3	2.3	3.0
BUILDING OFFICIAL	BUILDING	1.0	1.0	1.0	1.0
DEPUTY BUILDING OFFICIAL	BUILDING	1.0	1.0	1.0	1.0
ADMINISTRATIVE SUPPORT II	BUILDING	1.0	1.0	1.0	1.0
BUILDING PERMIT TECH	BUILDING	1.0	1.0	1.0	1.0
COMBINATION INSPECTOR I	BUILDING	1.0	1.0	1.0	1.0
COMBINATION INSPECTOR II	BUILDING	1.0	1.0	1.0	2.0
COMBINATION INSPECTOR III	BUILDING	3.0	3.0	3.0	2.0
ELECTRICAL INSPECTOR I	BUILDING	1.0	1.0	1.0	1.0
ELECTRICAL INSPECTOR II	BUILDING	1.0	1.0	1.0	1.0
PLANS EXAMINER	BUILDING	3.0	3.0	3.0	3.0
PLUMBING INSPECTOR	BUILDING	-	-	-	1.0
SR. COMBINATION INSPECTOR	BUILDING	0.0	1.0	1.0	1.0
SR. PERMIT TECHNICIAN/COORD	BUILDING	1.0	1.0	1.0	1.0
COMMUNITY SERVICES MANAGER	CDBG	1.0	1.0	1.0	1.0
COMMUNITY DEV GRANT COORDINATOR	CDBG	2.0	2.0	2.0	2.0
GRANTS TECHNICIAN	CDBG	1.5	1.5	1.5	1.5
CODE ENFORCEMENT CLERK	CODE ENFORCEMENT	1.0	1.0	1.0	1.0
CODE ENFORCEMENT OFFICER II	CODE ENFORCEMENT	1.0	1.0	1.0	1.0
COMMERCIAL CODE ENFORCEMENT OFF	CODE ENFORCEMENT	-	0.8	0.8	-
ACTIVE TRANSPORTATION PLANNER	PLANNING	0.8	0.8	1.0	1.0
CODE ENFORCE MGR/ZONING COORD	PLANNING	-	-	1.0	1.0
PLANNER I	PLANNING	-	-	1.0	1.0
PLANNER II	PLANNING	4.0	4.0	1.0	1.0
PLANNING ASSISTANT	PLANNING	1.0	1.0	1.0	1.0
PLANNING CLERK	PLANNING	1.0	1.0	1.0	1.0
PLANNING DIVISION MANAGER	PLANNING	1.0	1.0	1.0	1.0
TRANSPORTATION PLANNER	PLANNING	-	-	1.0	1.0
TRANSPORTATION PLANNING COORD	PLANNING	-	-	1.0	1.0
TOTAL STAFF		34.4	35.4	36.6	37.5

****The Code Enforcement Officer will be fully funded by the Code Enforcement Division in FY21 and will no longer have funding from Building

Budgeted Revenues:

REVENUE BY CLASSIFICATION	PCSD DEPARTMENT AND FUNDS				
	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
TAXES	\$ 480,175	\$ 501,298	\$ 490,400	\$ 495,385	\$ 513,000
LICENSES & PERMITS	1,781,443	1,795,692	1,420,850	1,955,750	1,699,225
INTERGOVERNMENTAL	2,112,717	2,310,814	2,221,969	1,944,950	2,341,479
CHARGES FOR SERVICE	317,141	306,250	305,611	328,012	309,330
INVESTMENT EARNINGS	25,516	82,898	44,200	35,075	38,815
CONTRIBUTIONS/DONATIONS	2,000	2,000	1,500	-	1,500
INTERFUND TRANSFERS	176,445	88,035	64,531	64,535	66,031
MISCELLANEOUS	<u>664,356</u>	<u>783,359</u>	<u>202,500</u>	<u>515,767</u>	<u>200,000</u>
TOTAL REVENUE	<u>\$ 5,559,793</u>	<u>\$ 5,870,346</u>	<u>\$ 4,751,561</u>	<u>\$ 5,339,474</u>	<u>\$ 5,169,380</u>

REVENUE BY FUND	PCSD ALL DEPARTMENT REVENUES				
	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
GENERAL FUND	\$ 10,899	\$ 14,997	\$ 15,000	\$ 18,820	\$ 15,000
BUILDING INSPECTION	1,772,938	1,833,523	1,426,600	1,723,199	1,684,600
CDBG FUND	2,052,009	2,175,387	1,652,400	1,648,155	1,657,825
CITY COUNTY PLANNING FUND	<u>1,723,947</u>	<u>1,846,439</u>	<u>1,657,561</u>	<u>1,949,300</u>	<u>1,811,955</u>
TOTAL REVENUE	<u>\$ 5,559,793</u>	<u>\$ 5,870,346</u>	<u>\$ 4,751,561</u>	<u>\$ 5,339,474</u>	<u>\$ 5,169,380</u>

Budgeted Expenditures:

EXPENSE BY CLASSIFICATION	PCSD ALL DEPARTMENTS AND FUNDS				
	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
PERSONAL SERVICES	\$ 2,948,471	\$3,189,449	\$3,463,611	\$3,424,048	\$3,694,403
OPERATIONS AND MAINTENANCE	3,074,550	2,977,069	2,516,351	2,660,104	2,510,052
CAPITAL	26,706		100,889	50,000	50,000
TRANSFERS	<u>116,939</u>	<u>14,071</u>	<u>16,143</u>	<u>15,112</u>	<u>8,142</u>
TOTAL EXPENDITURES	<u>\$ 6,166,666</u>	<u>\$6,180,589</u>	<u>\$6,096,994</u>	<u>\$6,149,264</u>	<u>\$6,262,597</u>

EXPENSE BY FUND	PCSD ALL DEPARTMENT EXPENSES				
	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
GENERAL FUND	\$ 492,423	\$ 481,691	\$ 564,362	\$ 468,289	\$ 575,602
BUILDING INSPECTION	1,805,128	1,845,667	2,094,808	2,107,294	2,298,026
CAPITAL REPLACEMENT	-	-	50,889	-	-
CDBG FUND	2,249,576	2,069,395	1,510,175	1,728,079	1,516,160
CITY COUNTY PLANNING FUND	<u>1,619,539</u>	<u>1,783,836</u>	<u>1,876,760</u>	<u>1,845,602</u>	<u>1,872,809</u>
TOTAL EXPENDITURES	<u>\$ 6,166,666</u>	<u>\$6,180,589</u>	<u>\$6,096,994</u>	<u>\$6,149,264</u>	<u>\$6,262,597</u>

BUILDING:

The Building Division is responsible for issuing permits, performing plan review, and conducting field inspections for commercial and residential construction within the City of Billings. The Division acts as an information source to both the construction community and the public as it relates to building codes and construction. The sole source of funding is obtained through permit fees. No capital expenditures are anticipated in the forthcoming year.

Revenue: License and Permit revenues for FY21 are projected to be \$1,655,600, which is approximately \$265,000 more than last year's estimate. Last year's activity was slightly less than expected but the increases in construction costs resulted in increased revenue correspondingly. Revenues can fluctuate a great deal based on actual construction, and natural disasters such as hail. We believe activity in construction will be consistent in the forthcoming year. All program revenues are expected to be \$1,684,600 including and expected investment income of (\$29,000).

Expenses: Expenses are set at \$2,298,026. The amount reflects costs associated with technology improvements with on-going maintenance agreements, and general expenses tied to overhead & maintenance, and fuel prices. Employee salary split between Code Enforcement and Building in the prior year was moved out of Building and entirely into Code Enforcement.

Reserves: While the difference in revenues and expenses shows spending an estimated \$613,500 of reserves, carry over reserve from FY20 and vacancy savings for at least two positions brings the total reserve spending to about \$218,500. This reserve spending also continues to ensure the Building Division remains at or below the maximum 1-year operating reserve cap set by the State for building permitting across Montana.

New or Expanded Programs:

- Implementation of 2018 Building Codes
 - Application of the Sign Appendix – all sign projects must apply for and receive a building permit under the new code.
 - Tiny Homes Appendix – Allows construction of so-called tiny home residential units that meet residential building codes.
- Inspection Program
 - Senior Combination Inspector oversight of Building Inspectors – improved inspection consistency, processes and code compliance

Staffing Changes:

- Addition of Plumbing Inspector Position
 - Yearly ongoing cost estimated at \$97,467
- Reclassification of Senior Combination Inspector
 - Yearly ongoing cost estimated at \$7,600

Budget Expenditures:

**BUILDING INSPECTION FUND
OPERATING BUDGET**

	ACTUAL	ACTUAL	BUDGET	ESTIMATE	PROPOSED
	FY 18	FY 19	FY 20	FY 20	FY 21
PERSONAL SERVICES	\$ 1,241,446	\$ 1,333,422	\$ 1,520,447	\$ 1,537,933	\$ 1,674,708
OPERATIONS AND MAINTENANCE	536,976	512,245	574,361	569,361	623,318
CAPITAL	<u>26,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDTURES	<u>\$ 1,955,154</u>	<u>\$ 1,845,667</u>	<u>\$ 2,094,808</u>	<u>\$ 2,107,294</u>	<u>\$ 2,298,026</u>

CODE ENFORCEMENT:

The Code Enforcement Division is funded by the City's General Fund. The Division enforces 22 City codes, including junk vehicles, parking, weeds, nuisances, signage, and right-of-way obstructions. The Division handles an average of more than 5,000 cases per year. This Division does generate some revenue from parking tickets and weed abatement. However, the parking ticket funds are budgeted within Municipal Court and the weed abatement charges return to the General Fund. Therefore, none of the revenue sources are reflected clearly as a revenue stream for CE operations. CE does not carry reserves called out separately from the General Fund.

Revenue: \$575,602

Expenses: \$575,602

Additional Notes:

- The CE Division is included as an integral component of the City Council's First Priority for 2020 to improve the safety of Billings by adopting and receiving voter approval of a Public Safety Mill Levy. The added resources for the Division with passage of the levy would add about \$500,000 in additional revenue over the next five years by implementing additions of staff and resources. This financial investment would enable the Division to:
 - Become proactive in its enforcement
 - More successful in Municipal Court actions
 - Able to coordinate clean and safe neighborhood programs
 - Increase outreach and education efforts to community groups and residents

Contingent Staffing Changes:

The Public Safety Mill Levy would fund the staffing below and these changes are dependent on its approval:

- CE Supervisor
- PCSD Director Oversight Costs

Budgeted Expenditures:

**CODE ENFORCEMENT
OPERATING BUDGET**

GENERAL FUND

	ACTUAL	ACTUAL	BUDGET	ESTIMATE	PROPOSED
	FY 18	FY 19	FY 20	FY 20	FY 21
PERSONAL SERVICES	\$ 383,029	\$ 400,015	\$ 419,674	\$ 359,875	\$ 434,282
OPERATIONS AND MAINTENANCE	101,726	70,864	154,074	97,800	135,348
TRANSFERS	<u>7,667</u>	<u>10,812</u>	<u>10,614</u>	<u>10,614</u>	<u>5,972</u>
TOTAL EXPENDITURES	<u>\$ 492,422</u>	<u>\$ 481,691</u>	<u>\$ 584,362</u>	<u>\$ 468,289</u>	<u>\$ 575,602</u>

COMMUNITY DEVELOPMENT:

The Community Development Division manages federal funding including the U.S. Department of Housing and Urban Development (*Community Development Block Grant and HOME Investment Partnerships program*) and the Corporation for National and Community Service (*AmeriCorps VISTA*). These federal resources pay for personnel wages, benefits, and operations costs to implement homebuyer, home repair, housing development, and poverty-impact programs. Given the limited funds that may be allocated to administration of the HUD programs, only \$2,000 per year is allocated to cover the PCSD Director's oversight of the Division.

Community Development receives an annual General Fund allocation to cover rent and parking (FY21 \$65,000). The Division also received a one-time \$250,000 in 2013 from an SID loan fund reallocation the City Council approved and a one-time \$196,500 in 2015 from a South 27th Street property sale. These revolving funds are used for housing projects and more than 40 families have been assisted with home ownership / repair projects to date.

The Division does not carry reserves, but federal funding and affiliated loan repayment revenues can be carried over from one City Fiscal Year to the next.

FY21 Revenue/Expenditures:

Program	Revenue Amount	Expenditure Amount
Community Development Block Grant	\$757,820	\$656,661
HOME Grant	\$449,144	\$349,144
AmericaCorps VISTA Grant	\$382,546	\$382,546
General Funds Transfer (Rent)	\$65,000	\$65,000
Investment Interest	\$2,315	-
TOTAL	\$1,656,825	\$1,453,351

Additional Notes:

The Division is not proposing any new programs or projects for FY21 but it continues to face challenges due to its very limited funding outside of its core HUD programs. Issues of affordable housing, homelessness and other social service programs are a significant concern and focus in Billings. And while Community Development staff could bring knowledge and expertise to some of these discussions and efforts, the HUD grant funding does not enable staff to vary from the primary goals and programming covered by the HUD grants. Other large communities in Montana have addressed this by bringing local general funds to community development activities. Further discussion of strategies to address this challenge long term are needed with City Administration and City Council.

Budgeted Expenditures:

**COMMUNITY DEVELOPMENT GRANTS FUND
OPERATING BUDGET**

	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY20	ESTIMATE FY20	PROPOSED FY21
PERSONAL SERVICES	\$ 377,124	\$ 389,105	\$ 408,288	\$ 406,240	\$ 426,491
OPERATIONS AND MAINTENANCE	<u>1,792,840</u>	<u>1,671,333</u>	<u>1,039,145</u>	<u>1,265,255</u>	<u>1,026,860</u>
TOTAL EXPENDITURES	<u>\$ 2,169,964</u>	<u>\$ 2,060,438</u>	<u>\$ 1,447,433</u>	<u>\$ 1,671,495</u>	<u>\$ 1,453,351</u>

**COMMUNITY DEVELOPMENT PROGRAM: URBAN RENEWAL
PROPERTY ACQUISITION FUND**

This fund is used to account for Tax Increment assets primarily related to property on South 27th Street. As the City sells property previously acquired through the Tax Increment Program, the funds are deposited in Fund 4280 making them available for additional Tax Increment-related activities or for ongoing operating a maintenance costs associated with the property previously acquired, such as snow removal and weed control. There is a slight increase in both Operating and Maintenance Expenses and Interest Income.

**URBAN RENEWAL PROPERTY ACQUISITION FUND
OPERATING BUDGET**

FUND 4280

	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
FUND BALANCE BEGINNING	<u>\$ 259,868</u>	<u>\$ 251,485</u>	<u>\$ 247,285</u>	<u>\$ 244,030</u>	<u>\$ 188,196</u>
REVENUE:					
INTEREST ON INVESTMENTS	\$ 580	1,502	\$ 900	\$ 750	\$ 1,000
MISCELLANEOUS	<u>1,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	<u>\$ 2,430</u>	<u>\$ 1,502</u>	<u>\$ 900</u>	<u>\$ 750</u>	<u>\$ 1,000</u>
EXPENDITURES:					
OPERATIONS & MAINTENANCE	\$ 10,813	\$ 8,957	\$ 12,742	\$ 6,584	\$ 12,809
LAND & IMPROVEMENTS	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
TOTAL EXPENDITURES	<u>\$ 10,813</u>	<u>\$ 8,957</u>	<u>\$ 62,742</u>	<u>\$ 56,584</u>	<u>\$ 62,809</u>
FUND BALANCE ENDING	<u>\$ 251,485</u>	<u>\$ 244,030</u>	<u>\$ 185,443</u>	<u>\$ 188,196</u>	<u>\$ 126,387</u>
LESS:					
RESTRICTED	<u>251,485</u>	<u>244,030</u>	<u>185,443</u>	<u>188,196</u>	<u>126,387</u>
UNASSIGNED	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PLANNING:

The Planning Division provides comprehensive planning services for the City of Billings and Yellowstone County. This includes subdivision and zoning administration and transportation planning services for the Metropolitan Planning Organization. The Planning Division draws on three revenue sources to sustain all of its operations – a County-Wide Mill Levy, charges for permit and application fees, and federal funds allocated to the Billings Metropolitan Planning Organization (MPO) for transportation planning services. The MPO funds can be used to match local funding from the Mill Levy and charges for service at levels of 20% to 80% depending on the program and staff activities.

Revenue: \$1,811,955

Expenses: \$1,872,809

Reserve:

Spending \$60,854 in reserves in FY21 still leaves the Division with an estimated \$505,000 in reserves at the end of FY21, well above the minimum required.

New or Expanded Programs:

The Division revisits its fee structure every 2 years and last made adjustments in FY19. There will be an adjustment of fees for FY21 at an increase of 10%, so Planning can avoid requesting smaller incremental raises each year.

- There are some new zoning fees that will be added in relation to implementation of Project Re: Code.
- The Division has likely underestimated revenues related to permits and fees for FY21 to be conservative based on approvals of increases that have not yet occurred. The timing of the implementation of Project Re: Code may affect the overall number of applications submitted and it is unknown if both the City Council and Board of County Commissioners will be favorable to the newly recommended fee levels.

Staffing Changes:

Reclassification Planning Clerk. The Planning Clerk position is proposed to reclassify from a C61 to a 171 based on the position's work for the Division and MPO.

- Yearly ongoing cost estimated at \$6,256 (Bargaining 171)

Budgeted Expenditures:

	CITY-COUNTY PLANNING FUND OPERATING BUDGET				
	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
PERSONAL SERVICES	\$ 946,873	\$ 1,066,906	\$ 1,115,202	\$ 1,120,000	\$ 1,158,922
OPERATIONS AND MAINTENANCE	632,194	714,339	756,029	721,104	711,717
TRANSFERS	<u>4,441</u>	<u>2,228</u>	<u>4,498</u>	<u>4,498</u>	<u>1,139</u>
TOTAL EXPENDITURES	<u>\$ 1,583,508</u>	<u>\$ 1,783,473</u>	<u>\$ 1,875,729</u>	<u>\$ 1,845,602</u>	<u>\$ 1,871,778</u>

Council Work Session

3.

Meeting Date: 05/18/2020

TITLE: The Conservation Finance Program at the Trust for Public Land

Department: Parks/Rec/Public Lands

Presentation: Yes

RECOMMENDATION

Direct staff to send a Technical Assistance Letter to the Trust for Public Land (TPL). This non-binding letter allows the TPL to tap into their grant funds to do research on our community.

BACKGROUND

The Trust for Public Land is the national leader in supporting communities' efforts to fund parks and conservation. The Conservation Finance Program at TPL is a trusted advisor to state and local governments, and community leaders, on how to design, pass, and implement ballot and legislative measures. Since 1996, TPL has helped pass nearly 600 state and local measures that have generated more than \$79 billion in new government funding. TPL wins 82% of the ballot measures in which they are involved in, and over 100 million votes have been cast in favor of funding questions that were put before American voters.

TPL does this work based on a process that begins with the signing of a Technical Assistance Letter (see attached). This non-binding letter allows TPL to work on the City of Billings behalf mostly free of charge, by utilizing generous institutional funding received for work in the West. TPL begins with feasibility research, which, generally, analyzes public finance options available to the City of Billings and explores all legal, fiscal, and political constraints. In concert with jurisdictions, TPL manages public opinion research by using expert polling firms to gauge voter support for funding mechanisms, uses for funds, and messages. Based on the feasibility report and polling, TPL will make programmatic recommendations for optimal funding mechanisms, amounts, ballot language design, and election timing. TPL can also help community leaders and stakeholders plan, manage, and fundraise for campaigns.

ALTERNATIVES

City Council may:

- Direct staff to send a Technical Assistance Letter to The Trust for Public Land
- Direct staff not to send a Technical Assistance Letter to the Trust for Public Land

FISCAL EFFECTS

There are no major financial impacts to the City.

Attachments

Billings TA Letter

City of Billings Letterhead

Date

David Weinstein
The Trust for Public Land
1007 E Main, STE 300
Bozeman, MT 59715

Dear Mr. Weinstein:

On behalf of the City of Billings, (I/we) would like to request technical assistance from The Trust for Public Land in connection with our efforts to finance our parks, trails, open spaces, and other conservation priorities. As part of your advice and assistance, (I/we) understand you may undertake feasibility research, conduct a public opinion survey, and develop strategies for our consideration.

(I am/we are) interested not only in the factual information that you can provide, but also your organization's opinions and recommendation on public financing measures available to Billings. This could include the public's priorities and attitudes concerning outdoor recreation, parks, trails, natural areas and other aspects of land and water conservation.

Information provided to the City of Billings will be public record as a matter of law. This request does not in any way commit public funds to the efforts of The Trust for Public Land related to this request, nor does it require public disclosure of any confidential information of the organization.

This request will continue in effect for any advice you offer or presentations you submit for the use of this body related to such matters. In addition, (I/we) would like to take this opportunity to request that you continue to be available to provide technical advice and assistance in this area and on related matters in the future.

Sincerely,

(Mayor of Billings OR City Council President OR Full City Council)

Council Work Session

4.

Meeting Date: 05/18/2020

TITLE: Discuss Possible Public Safety Mill Levy Charter Amendments and Changes to Park Funding

Department: City Hall Administration

Presentation: Yes

RECOMMENDATION

Staff recommends the Council proceed with a 2020 Public Safety Mill Levy Ordinance and related ballot language to repeal and replace the 2004 Public Safety Levy 2 and continue discussing ideas on how best to fund parks, recreation, cemetery and public lands.

BACKGROUND

On May 12th, the Council discussed several ideas to advance the City's commitment to improve the safety of Billings and also resolve the General Fund budget's structural imbalance. The result of the conversation was to pursue replacing the revenue capped 2004 Public Safety Mill Levy (PSML) with a 2020 PSML and also the possibility of replacing the Park District 1 assessment with a voter approved mill levy. In order to repeal and replace the 2004 PSML, the Council would proceed with amending the City Charter. The following procedural steps are necessary when amending the City Charter.

First, by State statute, an amendment to a Charter may only be made by submitting the question of amendment to voters, Sec. 7-3-103(1), Montana Code Annotated (MCA). When the local governing body is proposing a Charter amendment, it must pass an Ordinance which describes how the Charter will be amended, Sec. 7-3-103(2)(b), MCA. Pursuant to Council direction during the May 12, 2020, work session, a draft Ordinance proposing a Charter amendment and PSML election in 2020 is attached.

Second, related to the Ordinance, proposing a Charter amendment, is a companion Resolution which provides the actual ballot language to be placed on a ballot prepared by the Yellowstone County Election Administrator. The most important functions of the Ballot Language Resolution is to refer the Charter amendment question to the County Elections Administrator and clearly and succinctly explain the nature of the proposed Charter amendment and the impact on voters.

The Council has directed staff to provide ballot language that describes how the current public safety mill levy in Section 1.05.1 approved by the voters in 2004 will be replaced by the new, proposed 2020 levy. The draft ballot language explains that if approved, the proposed mill levy will replace the 2004 levy and provide 60 mills per year for public safety funding. The proposed new mill levy will be permanent and assess 60 mills each year generating approximately \$12,240,000 in the first year. The draft Resolution also explains that the current 2004 PSML will remain in effect if the proposed new levy in 2020 is disapproved by voters. A first draft of such a Resolution containing this ballot language is attached.

The last PSML approved by our voters generated \$8.2 million, annually. In 2004 the levy anticipated that it would take 60 mills to generate the \$8.2 million. Today 40.17 mills are levied

to generate the \$8.2 million public safety investment. If this 2004 levy were replaced by a 2020 levy of 60 mills it would generate approx. \$12.2 million. The benefit of setting a mill cap vs. a revenue cap in the PSML is that each year growth in taxable values across the City helps to offset inflationary cost thus retaining much of the levy's purchasing power. On the flip side, the 2004 capped revenue levy of \$8.2 million loses purchasing power annually.

On May 4, 2020, the City Administrator and Finance Director presented their proposed fiscal year 2021 (FY21) budget. The proposed budget reduces the structural imbalance from nearly \$7 million in FY 2020 to ~\$3 million by shifting all of parks, recreation, cemetery and public lands budgets from the City's General Fund (GF) into Park District One (PD1). The decision to shift costs to PD1 prevents the GF budget from dropping reserves below the recommended minimum in the proposed FY21 budget. The decision also makes it easier to see exactly how much it costs property owners to pay for parks, recreation, cemetery and public lands and is no longer directly competing with public safety for funding.

The alternative to shifting costs to PD1 is to either ask voters to approve a mill levy in 2020 or to cut approximately \$4,000,000 from the proposed FY21 GF budget. As identified above and discussed on May 12th, a 2020 PSML of 60 mills will generate \$4 million additional dollars to continue investing in public safety. If the Council were to take both actions of replacing the 2004 mill levy and shifting Parks' budget to PD1 the proposed FY21 budget structural imbalance is resolved.

To place the potential cuts into context the adopted FY20 and proposed FY21 City's GF and Public Safety Fund (PSF) budgets are as follows:

Department	FY20 Adopted Budget		FY21 Proposal Budget	
Mayor and Council	261,042	0.4%	264,919	0.5%
City Administrator	906,846	1.4%	1,930,702	3.3%
Municipal Court	1,493,143	2.4%	1,479,095	2.5%
City Attorney	1,891,799	3.0%	2,092,530	3.6%
Human Resources	826,205	1.3%	825,565	1.4%
Finance	1,527,061	2.4%	1,552,163	2.7%
Code Enforcement	564,362	0.9%	575,602	1.0%
Parks and Recreation	5,617,665	8.9%	-	0.0%
Police Department	27,017,423	42.9%	26,195,458	44.9%
Fire Department	20,973,126	33.3%	21,561,438	36.9%
Non-Departmental	<u>1,864,686</u>	3.0%	<u>1,895,897</u>	3.2%
Total General & Public Safety Fund	62,943,358		58,373,369	

Very little capital is included in the GF and PSF therefore most cuts would need to come from personnel. In simplistic terms, \$2,000,000 in budget cuts is equal to 25 full time GF positions.

If the Council decides to move forward with a ballot measure in 2020, June 8th is the latest date the City can adopt a ballot measure increasing revenues for Public Safety and/or Parks for FY21. With only three weeks left to this deadline, clear direction must be given during this discussion.

ALTERNATIVES

Council may direct staff to:

1. Proceed with an Ordinance and ballot language Resolution in similar form to that attached; or,
2. Not to proceed with an Ordinance and ballot language Resolution in similar form to that attached; or,
3. Direct staff to modify the attached draft Ordinance and ballot language Resolution; or,
4. Create any alternative the Council sees fit.

FISCAL EFFECTS

As discussed above, an alternative to relying completely on reserves, or significantly cutting the City's public safety investments is to replace the 2004 PSML with a 2020 PSML along with shifting parks, recreation, cemetery and public lands budgets out of the General Fund and over to Park District 1. These decisions (if approved by the voters) would increase property taxes for the typical homeowner by ~ \$57 per year. This decision will increase the PD1 assessment by ~\$60 per year for the typical homeowner and make available \$4.1 million to help pay for public safety services. This does not solve the City's structural imbalance long term, but would allow the public safety levy to be postponed until 2021 (2022 fiscal year). There is no fiscal effect in drafting and Council ultimately approving the attached Ordinance and Resolution.

Attachments

Draft PSML Ordinance
Draft Ballot Language Resolution

EXHIBIT A

ORDINANCE NO. 20-_____

AN ORDINANCE OF THE CITY OF BILLINGS PROVIDING THAT THE BILLINGS CITY CHARTER BE AMENDED TO REPEAL AND REPLACE CURRENT SECTION 1.05.1 AND ADD A NEW SECTION 1.05.1; PROVIDING FOR A PERMANENT, NON-CUMULATIVE MILL LEVY TO FUND FIRE, POLICE, 911 AND RELATED PUBLIC SAFETY EXPENSES, AND SUBMITTING THE PROPOSED AMENDMENT TO THE ELECTORS OF THE CITY AS PROVIDED BY LAW.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

Section 1. That Article I of the Billings, Montana City Charter be amended to repeal and replace current Section 1.05.1 with a new Section 1.05.1 so that such section shall read as follows:

“Section 1.05.1 Mill Levy to Fund Fire, Police, 911 and Related Public Safety Expenses.”

For the purpose of funding the operation, maintenance and capital needs of the fire department, police department, 911, and related public safety expenses, the City Council shall levy up to the following number of mills which will raise the estimated amounts of money as follows:

FY 2021	\$12,240,000	60 Mills
FY 2022	\$12,240,000	60 Mills

The foregoing mill levy is non-cumulative but permanent. The mill levy for FY 21 shall continue indefinitely in the future Fiscal years. These levies are in addition to any other mill levies authorized by Charter or law.”

Section 2. REFERRAL TO ELECTORS. This ordinance shall be referred to the electors of the City of Billings as soon as possible at a special election by resolution duly and regularly passed by the City Council.

Section 3. EFFECTIVE DATE. This ordinance shall be effective thirty (30) days after Second Reading and final adoption as provided by law, but the amendments to the City Charter shall be effective immediately upon approval by the electors as provided by law.

PASSED by the City Council on First Reading this _____ day of _____, 2020.

PASSED, ADOPTED and APPROVED on Second Reading this _____ day of _____, 2020

RESOLUTION NO. 20-__

A RESOLUTION REFERRING ORDINANCE NO. 20-____, AN ORDINANCE AMENDING THE BILLINGS CITY CHARTER TO PROVIDE FOR A PERMANENT MILL LEVY INCREASE TO FUND FIRE, POLICE, 911, AND RELATED PUBLIC SAFETY EXPENSES, TO A VOTE OF THE PEOPLE AT AN ELECTION TO BE HELD ON _____, 2020.

WHEREAS, the Billings City Council adopted Ordinance 20-____ amending the Billings City Charter to provide for a permanent mill levy to fund fire, police, 911 and related public safety expenses; and,

WHEREAS, by law the ordinance must be submitted to a vote of the people; and,

WHEREAS, a majority of the electors voting on this question must approve the ordinance to amend the Billings City Charter; and,

WHEREAS, the ordinance should be referred to a vote of the people at a special mail ballot election to be held on _____, 2020.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

1. **REFERENCE:** Ordinance Number 20-____, being an Ordinance amending the Billings City Charter to provide for a permanent and cumulative mill levy to fund fire, police, 911, and related public safety expenses, is hereby referred to a vote of the people at a special mail ballot election to be held _____, 2020. A full copy of Ordinance Number 20-____ is attached hereto, marked Exhibit "A", and by this reference is made a part hereof.

2. **FORM OF BALLOT:** The form of the ballot shall be as provided by law and similar to the following:

In addition to the mill levies authorized by Sections 1.02, 1.03, 1.04 and 1.05 of the Billings City Charter, the Billings City Council may levy not to exceed the amount of mills set forth hereafter for the purpose of funding the operation, maintenance and capital needs of the Fire Department, Police Department, 911, and related public safety expenses.

The Billings City Council amended the City Charter in Ordinance 20-____. It is the intent to replace the current public safety mill levy in Section 1.05.1 of the City Charter approved by voters in 2004 in Ordinance 04-5288 with proposed Ordinance 20-____. This current proposed City Charter amendment must be approved by voters. If approved by voters, Ordinance 20____ shall amend the City Charter and replace and repeal Ordinance 04-5288. The effect of approval will increase funds for public safety by increasing the number of mills from 40.17 to 60 and will impact property owners as described below. The effect of disapproval will be to retain the current levy in Section 1.05.1 in the City Charter which was approved by voters in 2004 in Ordinance 04-5288.

Shall the City be authorized to levy millage sufficient to raise the following amounts:

Approximately \$12,240,000 in FY 2021 (60 mills);
Approximately \$12,240,000 in FY 2022 (60 mills).

The property tax impact and increase on a home valued at \$100,000 is approximately \$81.00 per year in FY 2021, which is approximately \$27.00 more than the current amount authorized by ordinance 04-5288. The impact on a home valued at \$200,000 is approximately \$162.00 for FY 2021, which is approximately \$54.00 more than the current amount authorized by ordinance 04-5288.

The foregoing mill levy is non-cumulative, but permanent. The mill levy for FY 2021 shall continue indefinitely in future Fiscal years. This levy is in addition to any other mill levies authorized by City Charter or law.

- FOR** amending the City Charter to replace ordinance 04-5288 with a mill levy increase for Police, Fire, 911, and related public safety expenses as provided in Ordinance 20-_____.
- AGAINST** amending the City Charter to replace ordinance 04-5288 with a mill levy increase for Police, Fire, 911, and related public safety expenses as provided in Ordinance 20-_____.

3. **CERTIFICATION:** The City Clerk shall certify this resolution and

Ordinance Number 20-_____ to the Yellowstone County Election Official as provided by law.

4. **EFFECTIVE DATE:** This resolution shall be effective upon adoption.

APPROVED AND PASSED by the Billings City Council this ____ day of _____,
2020.

CITY OF BILLINGS

By _____
William A. Cole, Mayor

ATTEST:

Denise Bohlman, City Clerk

Draft #1 5/18/2020