

**\*\*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](http://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](mailto: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.”**

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### WORK SESSION AGENDA

**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.**

**June 1, 2020**

**5:30 P.M.**

**CALL TO ORDER:** Mayor Cole

- 1. COVID-19 Update by Unified Incident Command (UIC)**  
- Public Comment
  
- 2. Budget Presentations:**
  - a. Parking**  
*(Presented by Tracy Scott, Parking Division Manager)*
  
  - b. Facilities**  
*(Presented by Jessica Iverson, Facilities Manager)*
  
  - c. Tax Increment Finance Districts:**
    - 1. Expanded N. 27th Street District**
    - 2. East Billings Urban Renewal District (EBURD)**
    - 3. South Billings Boulevard Urban Renewal District (SBBURD)***(Presented by Andy Zoeller, Finance Director)*
  
  - d. Budget Wrap Up**  
*(Presented by Chris Kukulski, City Administrator and Andy Zoeller, Finance Director)*
  
- Public Comment

3. **PROPOSED ORDINANCE** amending City Charter by repealing and replacing Section 1.05.1, Public Safety 2 (PS2) and **PROPOSED RESOLUTION** with ballot language, providing for a permanent mill levy to fund fire, police, and related public safety expenses to be referred to the voters.  
*(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 call 237-6196 during the 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](http://www.comm7tv.com) and clicking on archived programs.

**Council Work Session**

**2. a.**

**Meeting Date:** 06/01/2020

**TITLE:** Parking Department FY21 Budget Presentation

**PRESENTED BY:** Tracy Scott, Parking Manager

**Department:** Parking

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**RECOMMENDATION**

The Parking Division FY21 budget is being presented, no specific action is required.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The Parking Division is an enterprise fund totally self-funded, with the exception of TIF funds that usually amount to \$100,000, unless a special project requires more funding. The Division operates and maintains 4 parking garages, 5 public lots, 830 parking meters, 40 permit zones and landlord for 6 retail spaces. Further Parking Division details and the FY21 Parking Budget will be presented at this Work Session. The impacts of COVID-19 on the Parking Division will also be discussed. Please see the attached Parking Division budget overview for more information.

**ALTERNATIVES**

City Council may upon final budget adoption:

- Approve the Parking Division budget at the Council meeting on June 22, 2020, or
- Make adjustments to the Parking Division proposed budget and approve the adjusted budget for the Parking Division at a later date.

**FISCAL EFFECTS**

The City Council's approval of the Parking Division FY2021 Budget will allow the Parking Division to continue to operate during this fiscal year. The Parking Division's overall FY2021 budget is the following:

REVENUE: \$2,059,549

EXPENSE: \$1,955,379

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**Attachments**

2021 Budget Overview

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## FY21 Budget Overview

**Department:** Parking

**Current Year Department Budgeted Expense Total:** \$1,955,379

**Change from Prior year:** \$111,808

### **Overall Budget Justification:**

The FY21 budget for the Parking Department is \$1,955,379, with an increase in costs of \$111,808 compared to the prior year. Previous year services will continue for FY21. The Parking Division services include both on-street parking and off-street parking in downtown Billings as well as being the clearinghouse for all citywide parking citations. The Division operates and maintains four parking structures, three city-owned parking lots and approximately 830 parking meters. Increases in the FY21 budget are associated with the following: Increase in Salary, Wages, and Benefits of \$48,436. Operations and Maintenance will have the following increases: Other Professional Services, Empire Condo Association Fees and Maintenance Services, Special Assessments, Liability Insurance, Phone/Radio and Facilities Management for a total of \$68,372. There are no capital costs in FY21 in comparison to the \$5,000 last year.

### **New or Expanded Programs:**

The Parking Division is not proposing any new programs or expansion of existing programs.

### **Staffing Changes:**

The Parking Division is not proposing any changes in staffing.

### **Additional Comments:**

The Other Professional Services increase is due to the need of an engineering consultant for a Park Two Garage repair.

### **Department Goals:**

The main goal of the Parking Division is to continue addressing the financial status of the division by researching and possibly implementing programs that would increase revenue along with exploring options to reduce the expenses.

**Council Work Session**

**2. b.**

**Meeting Date:** 06/01/2020

**TITLE:** Facility Services FY2021 Budget

**PRESENTED BY:** Iverson Jessica

**Department:** Facility Services

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**RECOMMENDATION**

Staff recommends that the Facility Services Division proposed budget for FY21 is approved by the Council as part of the overall FY21 budget approval process for the City.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

Refer to attached budget narrative.

**ALTERNATIVES**

No action is required at this time.

**FISCAL EFFECTS**

Addressed in budget narrative and presentation.

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**Attachments**

Facilities Budget Narrative

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# Facilities Management

**Current Year Department Budgeted Expense Total: \$1,926,877**

**Change from Prior year: \$56,583**



## **Overall Budget Justification:**

The Facilities Division FY21 budget is \$1.93 million. This is a \$56,583 increase from last year, primarily due to increased costs for ongoing maintenance and services. The Facilities Division is also increasing the square-footage that it cleans and maintains with the new Police Evidence Building addition. The revenues for the Division have increased from \$1,864,146 in FY20 to \$1,954,427. The increase is approximately 4.8% overall. BOC rents increased to support the site improvement projects and the evidence building expansion. City Hall charges did not increase. Facilities services that have been provided in the past will continue for the coming fiscal year.

## **Budgeted Revenues:**

	FACILITIES MANAGEMENT FUND REVENUES				
	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY 20	ESTIMATE FY 20	PROPOSED FY 21
<b>REVENUES:</b>					
CHARGE FOR SERVICES - ADMIN	\$ 31,530	\$ 32,776	\$ 33,405	\$ 33,405	\$ 33,405
RENTS - BOC	670,854	677,583	757,062	757,062	782,681
CHARGE FOR SERVICES - CITY HALL	509,576	566,586	559,884	559,884	559,884
GRANT INCOME	31,942	7,889	-	33,396	-
BOND PREMIUM					
MISCELLANEOUS	1,496	30,755	-	30,000	30,000
INTEREST EARNINGS	8,357	34,428	20,000	19,000	16,400
TRANSFER IN	383,081	491,320	493,795	532,056	532,057
<b>TOTAL REVENUE</b>	<b>\$ 1,636,836</b>	<b>\$ 1,841,337</b>	<b>\$ 1,864,146</b>	<b>\$ 1,964,803</b>	<b>\$ 1,954,427</b>

**Budgeted Expenditures:**

**FACILITIES MANAGEMENT FUND  
EXPENDITURES BY AREA**

	<b>ACTUAL FY 18</b>	<b>ACTUAL FY 19</b>	<b>BUDGET FY 20</b>	<b>ESTIMATE FY 20</b>	<b>PROPOSED FY 21</b>
<b>EXPENSES:</b>					
ADMINISTRATION	\$ 188,401	\$ 181,136	\$ 179,083	\$ 170,000	\$ 171,747
BOC	680,160	939,257	1,203,850	765,000	1,243,673
CITY HALL	470,142	459,950	487,361	320,000	481,457
BABCOCK THEATRE	-	28,489	-	35,000	30,000
<b>TOTAL EXPENSES</b>	<b>\$ 1,338,703</b>	<b>\$ 1,608,832</b>	<b>\$ 1,870,294</b>	<b>\$ 1,290,000</b>	<b>\$ 1,926,877</b>

**FACILITIES MANAGEMENT FUND  
EXPENDITURES BY CLASSIFICATION**

	<b>ACTUAL FY 18</b>	<b>ACTUAL FY 19</b>	<b>BUDGET FY 20</b>	<b>ESTIMATE FY 20</b>	<b>PROPOSED FY 21</b>
<b>EXPENSES:</b>					
PERSONAL SERVICES	\$ 452,850	\$ 464,757	\$ 472,699	\$ 450,000	\$ 450,463
OPERATIONS AND MAINTENANCE	848,058	782,543	673,714	665,000	734,358
CAPITAL	37,795	358,532	191,825	149,550	210,000
DEBT SERVICE	-	-	532,056	25,450	532,056
TRANSFERS OUT	-	3,000	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 1,338,703</b>	<b>\$ 1,608,832</b>	<b>\$ 1,870,294</b>	<b>\$ 1,290,000</b>	<b>\$ 1,926,877</b>

**New or Expanded Programs:**

- The Facilities Division will expend more resources to clean and maintain the expanded Police Evidence Facility. The proposed budget reflects an addition of 11,000 square feet of building and 30,000 square feet of additional improved site area to maintain.
- To maintain and improve the Billings Operations Center, the budget includes funds for installing an emergency generator and continuation of a project to install concrete aprons and repair damaged and degraded asphalt that will start this summer.

- The Facilities Division is planning to complete a facility inventory and assessment along with implementing new Facility Management software to improve maintenance, project, and resource tracking.

**Staffing:**

POSITION	STAFFING AUTHORIZATION			
	ACTUAL FY 18	ACTUAL FY 19	BUDGET FY20	PROPOSED FY21
FACILITIES MANAGER	1.0	1.0	1.0	1.0
FACILITIES MAIN SUPPORT I	2.0	2.0	2.0	2.0
FACILITIES MAIN SUPPORT II	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
<b>TOTAL</b>	<b><u>6.0</u></b>	<b><u>6.0</u></b>	<b><u>6.0</u></b>	<b><u>6.0</u></b>

**Additional Comments:**

In the coming fiscal year, the Facilities Division will work to achieve cost-savings whenever possible. We are currently researching facilities management software to track repairs, maintenance, and expenses to improve efficiencies and identify opportunities for cost-savings across our division. We are planning to play a critical role in the 2019 hailstorm damage insurance claim. There will be multiple projects across divisions and across the City. We are currently researching the best ways to manage these projects and may hire a project manager to assist in this undertaking.

**Department Goals:**

The Facilities Division strives to provide valuable and cost-effective services to the city departments it serves. The possible addition of the Project Manager position, along with implementing facility management software, will be a significant step taken this coming fiscal year to achieve that goal.

**Council Work Session**

**2. c.**

**Meeting Date:** 06/01/2020

**TITLE:** Tax Increment Budget Presentations

**PRESENTED BY:** Andy Zoeller, Finance Director

**Department:** Finance

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**RECOMMENDATION**

Staff recommends City Council approve FY21 Tax Increment Fund budget at its June 22, 2020 meeting.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The budget overview for the City of Billings Tax Increment Districts can be found in the Proposed Budget book beginning on page 186. Individual fund pages for each district are also included in the budget, and can be found beginning on page 37

**ALTERNATIVES**

City Council may:

- Approve, the budget as proposed or;
- Make adjustments to the proposed budget for future adoption.

**FISCAL EFFECTS**

The Proposed FY21 budget includes expenditures from the Tax Increment totaling \$8.0 million. Estimated revenue across all districts is \$7.7 million.

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**Attachments**

TIF Budget Overview

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# Urban Renewal Districts

## **Urban Renewal Districts – Tax Increment Funds**

**Current Year Department Budgeted Expense Total:** \$8,014,932

**Change from Prior year:** Reduced by \$25,893,175

### **Overall Budget Justification:**

The Tax Increment Funds are used to account for the Tax Increment Districts in Billings. The three districts are the South Billings Boulevard Urban Renewal District, North 27<sup>th</sup> Street Urban Renewal District and East Billings Urban Renewal District. Revenues include property taxes paid by the district property owners and earnings on cash and investments. Expenditures are used for development incentives within the associated district and costs allocated are for the administration of the district.

Administration of the districts are handled by their respective advisory boards. Each board is governed by a Memorandum of Understanding with the City and functions as a non-profit advisory board to the City Council. The City Council is the ultimate decision maker for expenditures of urban renewal district funds. Administrative fees are used by the boards for implementation and planning of district projects. The budget also includes cost allocation within each fund to cover the expenses for city time and resources from the Planning, Finance, and Administration Departments.

The Tax Increment Districts will continue to provide developmental incentives for business and city infrastructure improvement based on City Council approval.

**Budgeted Revenues:**

ALL TAX INCREMENT OPERATING FUNDS					
URBAN RENEWAL DEVELOPMENT BY CLASSIFICATION					
	ACTUAL	ACTUAL	APPROVED	ESTIMATE	PROPOSED
	FY 18	FY 19	FY 20	FY 20	FY 21
Contributions/Donations	\$ -	\$ 12,000	\$ -	\$ -	\$ -
Intergovernmental	614,693	614,693	636,145	614,693	657,775
Investment Earnings	69,441	200,365	91,000	117,808	97,300
Other Financing	-	3,560,367	25,000,000	-	-
Taxes	<u>6,520,781</u>	<u>6,197,141</u>	<u>5,944,697</u>	<u>6,593,699</u>	<u>6,990,700</u>
<b>TOTAL REVENUE</b>	<b><u>\$ 7,204,915</u></b>	<b><u>\$ 10,584,566</u></b>	<b><u>\$ 31,671,842</u></b>	<b><u>\$ 7,326,200</u></b>	<b><u>\$ 7,745,775</u></b>

ALL TAX INCREMENT OPERATING FUNDS					
URBAN RENEWAL DEVELOPMENT BY FUND					
	ACTUAL	ACTUAL	APPROVED	ESTIMATE	PROPOSED
	FY 18	FY 19	FY 20	FY 20	FY 21
South TIF	\$ 3,444,848	\$ 3,578,659	\$ 28,442,619	\$ 3,860,552	\$ 3,909,167
East TIF	963,690	4,490,154	870,776	894,502	921,400
N. 27th TIF	<u>2,796,376</u>	<u>2,515,753</u>	<u>2,358,447</u>	<u>2,571,146</u>	<u>2,915,208</u>
<b>TOTAL REVENUE</b>	<b><u>\$ 7,204,914</u></b>	<b><u>\$ 10,584,566</u></b>	<b><u>\$ 31,671,842</u></b>	<b><u>\$ 7,326,200</u></b>	<b><u>\$ 7,745,775</u></b>

**Budgeted Expenditures:**

**ALL TAX INCREMENT OPERATING FUNDS  
URBAN RENEWAL DEVELOPMENT BY CLASSIFICATION**

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>APPROVED</b>	<b>ESTIMATE</b>	<b>PROPOSED</b>
	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 20</b>	<b>FY 21</b>
Bond Issuance Costs	\$ -	\$ 100,009	\$ -		\$ -
Capital Outlay	1,879,151	6,092,476	28,510,000	3,272,876	2,284,978
Interest and Fiscal Charges	1,100,954	1,124,423	1,146,554	1,168,042	1,166,195
Operation and Maintenance	2,517,131	2,278,837	3,296,553	1,709,761	3,261,759
Principal	705,000	730,000	855,000	881,154	905,000
Transfers Out	<u>323,329</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>397,000</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 6,525,565</u></b>	<b><u>\$ 10,425,746</u></b>	<b><u>\$ 33,908,107</u></b>	<b><u>\$ 7,131,833</u></b>	<b><u>\$ 8,014,932</u></b>

**ALL TAX INCREMENT OPERATING FUNDS  
URBAN RENEWAL DEVELOPMENT BY FUND**

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>APPROVED</b>	<b>ESTIMATE</b>	<b>PROPOSED</b>
	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 20</b>	<b>FY 21</b>
South TIF	\$ 2,438,612	\$ 4,324,657	\$ 29,564,814	\$ 4,154,051	\$ 3,903,620
East TIF	1,046,977	3,989,535	887,071	968,175	792,720
N. 27th TIF	<u>3,039,975</u>	<u>2,111,553</u>	<u>3,456,222</u>	<u>2,080,196</u>	<u>3,318,592</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 6,525,564</u></b>	<b><u>\$ 10,425,745</u></b>	<b><u>\$ 33,908,107</u></b>	<b><u>\$ 7,202,422</u></b>	<b><u>\$ 8,014,932</u></b>

## **South Billings Urban Renewal District**

**Current Year Budgeted Expense Total:** \$3,903,620

**Change from Prior year:** -\$25,661,194

### **Additional Comments:**

The South Billings Urban Renewal District (SBURD) will reduce their proposed administrative costs by \$4,700 for reduced travel expenses and other internal changes. The administrative fee will be \$134,000 in fiscal year 2021, down from \$138,700 in the prior fiscal year.



Expenses in fiscal year 2021 for cost allocation are \$9,577 specifically to cover Planning Department employee time and \$45,981 for additional city time and resources. Cost allocation expense has increased by \$10,129 from the prior year due to more time commitment by the city.

Capital projects this year will include improvements to King Avenue East, Hallowell Lane improvements, and beginning the specific planning and design strategy for the Aquatics and Recreation Facility. The decrease in expenses in Fiscal Year 2021 are related to the construction of the Aquatics and Recreation Center being moved out to a future year based on preliminary financial, planning and design efforts to be completed in FY21. Additional details for these projects can be found in the Capital Improvement Plan (CIP).

The Police Evidence Center will be finishing out construction in August of 2021 and the South Tax Increment Fund will provide \$250,000 for Debt Service payments from its construction.

## **East Billings Urban Renewal District**

**Current Year Budgeted Expense Total:** \$794,396

**Change from Prior year:** -\$94,351

### **Additional Comments:**

The East Billings Urban Renewal District (EBURD) will maintain the same amount for their proposed administrative costs in fiscal year 2021. The administrative fee will still be \$139,946 in fiscal year 2021.



Expenses in fiscal year 2021 for cost allocation are \$6,917 specifically to cover Planning Department employee time and \$31,840 for additional city time and resources. Cost allocation expense has increased by \$8,237 from the prior year due to more time commitment by the city. Capital projects are not planned in fiscal year 2021 for the East Billings Urban Renewal District.

## **North 27<sup>th</sup> Street Urban Renewal District**

**Current Year Budgeted Expense Total:** \$3,318,592

**Change from Prior year:** -\$137,630

### **Additional Comments:**

Downtown Urban Renewal District reimburses the Police Department for two foot patrol officers in the downtown area. The City receives \$41,200 per year from the Downtown Billings Partnership, Inc. for this program.



The Downtown Billings Partnership, Inc. will not be changing their proposed administrative costs from the prior year. The administrative fee will still be \$279,441 in fiscal year 2021.

Expenses in fiscal year 2021 for cost allocation are \$5,719 specifically to cover Planning Department employee time and \$42,848 for additional city time and resources. Cost allocation expense has increased by \$10,128 from the prior year due to more time commitment by the city. No capital projects are currently planned in fiscal year 2021 for the Downtown Urban Renewal District.

The decrease in the budget is due to the expected amount of developmental incentives given to finished projects within the Downtown District. The projects expected to be funded in FY21 will be for the renovation of the Stillwater Building (\$500,000), the refurbishment of the Alberta Bair Theater (\$750,000), the completion of the Arthouse Phase II (\$350,000), and additional funds of (\$250,000) for use of Tax Increment Fund Projects approved by the City Council in FY21.

**Council Work Session**

**2. d.**

**Meeting Date:** 06/01/2020

**TITLE:** Proposed Fiscal Year 2021 Budget Wrap-Up

**PRESENTED BY:** Chris Kukulski, City Administrator

**Department:** City Hall Administration

**Division:** Administration

**RECOMMENDATION**

Provide clear direction on your thoughts that impact all aspects of the proposed FY21 budget, as presented. Budget approval is scheduled for June 22, 2021. Staff recommends

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The proposed budget was developed keeping the City Council adopted goals as a primary guide, along with the adopted five-year Capital Improvement Plan, Equipment Replacement Plan and Technology Replacement Plan. The City's highest priorities are to: Improve the safety of Billings; improve service delivery, cost efficiency, and return on investment through the principles of Lean Six Sigma; complete project re-code; continue with the airport terminal reconstruction; continue with the west-end reservoir and water plant and to improve communication with our citizens. Each of these high priorities are positively impacted by the proposed FY21 budget. All aspects of the budget have been presented to the Council over the past month. The following modification are up for your consideration as a result of updated information and/or feedback received during the budget discussions.

The following adjustments to the FY21 Proposed budget, are recommended for consideration by City Council:

1. Lean Six Implementation – All direct personnel costs will be reimbursed back to the general fund by each department that is assigned service review. The net effect of this change is to offset approx. \$430,000 in personnel, maintenance and operational expenses back to the general fund. The cost to each department will be offset by a minimum of a dollar for dollar return on investment within the first year. In future years we expect the ROI to exceed \$1 to \$1.
2. A reduction in liability insurance of \$300,000. We have learned what the actual premium will be for FY21 and can reduce the budgeted amount.
3. A \$300,000 reduction in the airport budget (typo – the item was duplicated).
4. Reduction in fuel expense as a result of decrease in fuel prices. We're recommending a reduction of \$149,000 to account for the reduced fuel prices we're experiencing. The impacted funds include Public Safety, Street & Traffic, Solid Waste, and Park District One
5. While a Public Information Officer is an important investment needed by the City, however it is not likely that this can be implemented in a short timeline. As a result, the City Administrator is recommending only budgeting 50% for FY21, with the expectation that the position will not be filled until January of 2021.
6. Shift Recreation program expenses back to the General Fund. It is recommended that Park District One not be used for Recreation Program costs. As a result of this decision, \$1,330,000 in expenses should be shifted from Park District One back into the General Fund, along with Recreation Program Revenue of \$371,000. This will move the entire

Recreation Programming and Parks & Rec Admin back into the General Fund. In future years, a charge to Park District One will be included to reimburse the General Fund for eligible Administration costs. This will allow for the annual proposed Park District One assessment to be decreased from \$87.38 to \$71.21, for the median home.

## **ALTERNATIVES**

As defined by Council

## **FISCAL EFFECTS**

The policy discussion will guide the adoption of the FY21 Budget. The proposed budget totals \$318,642,348.

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**Council Work Session**

**3.**

**Meeting Date:** 06/01/2020

**TITLE:** Repeal and Replace Section 1.05.1 of the City Charter to provide 60 mills of support for Public Safety

**PRESENTED BY:** Chris Kukulski, City Administrator

**Department:** City Hall Administration

**Division:** Administration

**RECOMMENDATION**

Provide feedback on the DRAFT question to voters to repeal the current City Charter section 1.05.1 and replace with new section 1.05.1 as set forth providing a permanent, non-cumulative 60 mill levy commencing in fiscal year 2021 for police, fire, and related public safety expenses on the ballot in September 2020.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

May 27th the Council directed staff to continue taking the necessary steps to repeal and replace Public Safety 2 (PS2) in 2020. No changes have been made to the draft language since last evenings meeting. The item is being placed on the agenda so that we can discuss it if necessary prior to the June 8 first reading.

PS2 provides \$8.2 million annually to help fund police, fire and related services. At the time voters approved this additional funding, it was estimated to require levying 60 mills to generate the \$8.2 million. Council's direction is to replace this section of the Charter with a 60 mill proposal to the voters. 60 mills in 2020 is estimated to raise \$12.2 million, thus generating more money to help support police, fire and related services. The 2004 levy is capped to generate \$8.2 million. The proposed 2020 levy is capped at 60 mills. As the value of a mill changes, the amount of money raised will also change. This is expected to help offset inflation, thus helping both departments to retain their current levels of services. On May 18th and 27th, Council directed the City Administrator to continue to pursue this idea bringing back refined language as soon as possible. In order for any levy request to positively impact the fiscal year 2021 budget, the ballot language must be reviewed and approved on first reading no later than June 8. It is critical to be clear and concise on what the voters are being asked to consider.

**ALTERNATIVES**

As defined by Council

**FISCAL EFFECTS**

If voters approve the proposed Charter amendment, it is estimated to generate an additional \$4,000,000 to help support police, fire and related services.

**Attachments**

PSML Ord. Draft 3

PSML Res Draft 3

EXHIBIT A

ORDINANCE NO. 20-\_\_\_\_\_

AN ORDINANCE OF THE CITY OF BILLINGS PROVIDING THAT THE CHARTER OF THE CITY OF BILLINGS BE AMENDED TO REPEAL CURRENT SECTION 1.05.1 AND REPLACE THE SAME WITH A NEW SECTION 1.05.1 PROVIDING FOR A PERMANENT, NON-CUMULATIVE MILL LEVY TO FUND FIRE, POLICE, 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 Charter of the City of Billings 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, and Related Public Safety Expenses.**

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

FY 2021	\$12,240,000	60 Mills
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The foregoing mill levy is permanent and shall continue indefinitely in future fiscal years. This levy is not cumulative, which means the number of mills will not increase over time. This levy is 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 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 amendment 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 CHARTER OF THE CITY OF BILLINGS TO PROVIDE FOR A PERMANENT MILL LEVY INCREASE TO FUND FIRE, POLICE, AND RELATED PUBLIC SAFETY EXPENSES, TO A VOTE OF THE PEOPLE AT AN ELECTION TO BE HELD ON \_\_\_\_\_, 2020.

**WHEREAS**, on [date of second reading] the Billings City Council adopted Ordinance 20-\_\_\_\_ amending the Charter of the City of Billings to provide for a non-cumulative, permanent mill levy to fund fire, police, 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 Charter of the City of Billings; 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 Charter of the City of Billings to provide for a permanent mill levy to fund fire, police, 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 as follows:

**Summary:** In 2004, voters passed a public safety levy capped at \$8.2 million, which was then the equivalent of approximately 60 mills. This ballot measure asks voters to approve or disapprove repealing the 2004 levy and replacing it with a provision authorizing a permanent annual levy capped at 60 mills. The amount raised by the new levy would be approximately \$12,240,000 and would change as the taxable value of the city changes.

**Proposal:** On [date of second reading] the Billings City Council adopted Ordinance 20-\_\_\_\_\_ referring this ballot to the voters for their consideration. If approved, this ballot measure would repeal the current Section 1.05.1 of the City Charter and replace it with the following language:

**Section 1.05.1 Mill Levy to Fund Fire, Police, and Related Public Safety Expenses.**

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

FY 2021	\$12,240,000	60 Mills
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The foregoing mill levy is permanent and shall continue indefinitely in future fiscal years. This levy is not cumulative, which means the number of mills will not increase over time. This levy is in addition to any other mill levies authorized by Charter or law.

**Residential Property Impact:** If approved, the annual property tax increase in fiscal year 2021 on a home valued at \$100,000 is approximately \$27.00 more than the present levy or approximately \$81.00 per year in total. The annual property tax increase in fiscal year 2021 on a home valued at \$200,000 is approximately \$54.00 more than the present levy or approximately \$162.00 per year in total. The effect of disapproval will be to retain the current levy in Section 1.05.1 in the City Charter.

**Shall the City be authorized to levy 60 mills to support fire, police, and related public safety expenses?**

- FOR** repealing the current City Charter section 1.05.1 and replacing with new section 1.05.1 as set forth above which provides for a permanent, non-cumulative 60 mill levy commencing in fiscal year 2021 for police, fire, and related public safety expenses as provided in Ordinance 20-\_\_\_\_\_.
- AGAINST** repealing the current City Charter section 1.05.1 and replacing with new

section 1.05.1 as set forth above which provides for a permanent, non-cumulative 60 mill levy commencing in fiscal year 2021 for police, fire, 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