ATTENTION

Due to the COVID-19 health concerns, the format of the City Council meeting will be held in a virtual videoconferencing environment. 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. 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.

Citizens are invited to:

- Review the Agenda Packet on the City's website at: https://ci.billings.mt.us/117/Agendas-Minutes
- View the meeting:
  - On Community 7 TV - Channel 7 or Channel 507 -- Spectrum Cable (On evenings when there is a conflict with School District No. 2 Board meetings, the City Council meeting will be broadcast on Channel 8 - Spectrum Cable.)
  - 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.
  - On the City's website at https://ci.billings.mt.us and click on "Watch Meetings Online".

Citizens may submit public comment via the following methods:

- Mail: City Clerk, P. O. Box 1178, Billings, MT 59103
- Email: https://ci.billings.mt.us/1538/City-Council-E-mail-Messages.
  - Emails received after 3:00 PM on the day of the meeting, may be posted on the Council's webpage the following day for public viewing.
- Call in during the Public Comment periods as indicated on the agenda:
  - Citizens may call in during specific Public Comment periods at **406.237.6196**. All callers will be placed 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 limited to 3 minutes of testimony as is customary.

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

Please contact Denise Bohlman, City Clerk, bohlmand@billingsmt.gov, with any questions.

CITY OF Billings

VISION STATEMENT:
"The Magic City: A diverse, welcoming community where people prosper and business succeeds."

WORK SESSION AGENDA
February 16, 2021
Tuesday

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.

4:30 P.M. for Closed Executive Session,
5:30 P.M. Start Time for Work Session

CALL TO ORDER: Mayor Cole

1. **CLOSED EXECUTIVE SESSION *(4:30 PM - 5:30 PM)***

2. **COVID-19 Update by Unified Incident Command (UIC)**
   - *Presented by: John Felton, Yellowstone County Health Officer*
   - Public Comment

3. **Fiscal Year 2020 Annual Financial Audit.**
   - *Presented by: Andy Zoeller, Finance Director, and Tyler Bryan, JCCS, Auditor*
   - Public Comment

4. **Billings Bike and Scooter Share Feasibility Study.**
   - *Presented by: Elyse Monat, Active Transportation Planner and Mack Drzayich, Alta Planning + Design, Inc.*
   - Public Comment

5. **Poly Vista Park Development Phase 1.**
   - *Presented by: Michael Whitaker, Parks, Recreation and Public Lands Director*
   - Public Comment

6. **Legislative Updates.**
   - *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.

City Council Work Session

Date: 02/16/2021
Title: Fiscal Year 2020 Annual Financial Audit
Presented by: Andy Zoeller, Finance Director
Department: Finance
Presentation: Yes

RECOMMENDATION

The City's auditor will present FY20 audit information to the City Council. No future action from City Council is required.

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

The FY2020 annual audit and Comprehensive Annual Financial Report (CAFR) has been completed. The FY20 CAFR is attached to this memo and can also be found online at https://ci.billings.mt.us/475/Budgets-Financial-Reports. Below is an overview of the parts that make up a CAFR and some information that may be useful in navigating the large document.

Section	Page Numbers	Content
Auditor's Report	Pgs 1-2	This is the auditor's opinion related to our financial reporting.
Management Discussion & Analysis	Pgs 3-12	This is a brief high level overview of the FY20 CAFR.
Government Wide-Statements	Pgs 13-15	These are the financial statements of the City as a whole, all funds combined.
Fund Financial Statements	Pgs 16-26 & 130-187	These are where you will find the financial statements for each individual fund.
Notes & Supplemental Information	Pgs 27-129	The notes provide greater detail about different elements of the financial statements. Here you can find detailed information about investments, debt, capital assets, and other major elements of the financial statements.
Statistical Section	Pgs 188-216	This section is made up of a variety of historical financial statistics that can be helpful when looking for financial trend data.
Single Audit Section	Pgs 217-228	This is the information related to the audit of the City's Federal Grants.

ALTERNATIVES

No future action by City Council is necessary.

FISCAL EFFECTS

The City's auditor will present FY20 audit information to the City Council. No fiscal effects related to the presentation of audit information

Attachments

City of Billings FY20 CAFR

CITY OF

Billings

FISCAL YEAR **2020**

Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2020

About the Cover

This year's cover introduces the new and improved City of Billings' logo and brand.

The City of Billings has been deemed the Star of the Big Sky Country and is best known for several natural wonders that our beautiful City is built around. As a committee, it was decided that the new logo should, in turn, be built around these famous features. Most prominent among them are, of course, the Yellowstone River, the Rimrocks and the Yellowstone Valley that they oversee.

The Committee, as a whole, is very pleased with the design and are very excited to present to you the new unified brand of the City of Billings.

CITY OF BILLINGS, MONTANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCE DEPARTMENT

ANDREW ZOELLER, CPA
FINANCE DIRECTOR

FISCAL YEAR 2020

July 1, 2019 – June 30, 2020

Page

INTRODUCTORY SECTION (UNAUDITED)

Transmittal Letter ..... i-vi
Certificate of Achievement for Excellence in Financial Reporting vii
Organization Chart viii
Official Roster ix

FINANCIAL SECTION

Independent Auditors' Report 1-2
Management's Discussion and Analysis 3-12
Basic Financial Statements:
- Government-wide Financial Statements:
  - Statement of Net Position 13-14
  - Statement of Activities 15
- Fund Financial Statements:
  - Governmental Funds – Balance Sheet 16
  - Reconciliation of the Governmental Funds Balance Sheet to the Statement Net Position 17
  - Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances 18
  - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 19-20
  - Proprietary Funds – Statement of Net Position 21-22
  - Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position 23
  - Proprietary Funds – Statement of Cash Flows 24-25
  - Fiduciary Funds – Statement of Fiduciary Net Position 26

Notes to Basic Financial Statements 27-111
Required Supplemental Information 112-129
Supplemental Information:
- Major Funds Budget and Actual Schedules:
  - General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 130

Major Special Revenue Fund – Public Safety Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual 131
Nonmajor Governmental Funds:
Combining and individual Fund Statements and Schedules:
Nonmajor Governmental Funds – Combining Balance Sheet 132
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 133
Nonmajor Special Revenue Funds:
Combining Balance Sheet 134-137
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 138-141
Combining Schedule of Revenues, Expenditures, and Changes in Balances – Budget and Actual 142-156
Nonmajor Debt Service Funds:
Combining Balance Sheet 157
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 158
Combining Schedule of Revenues, Expenditures, and Changes in Balances – Budget and Actual 159-162
Nonmajor Capital Projects Funds:
Combining Balance Sheet 163
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 164
Combining Schedule of Revenues, Expenditures, and Changes in Balances – Budget and Actual 165-168
Nonmajor Permanent Fund:
Balance Sheet 169
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 170
Nonmajor Enterprise Funds:
Combining Statement of Net Position 171-172
Combining Statement of Revenues, Expenses, and Changes in Net Position 173
Combining Statement of Cash Flows 174-175
Internal Service Funds:
Combining Statement of Net Position 176-179
Combining Statement of Revenues, Expenses, and Changes in Net Position 180-181
Combining Statement of Cash Flows 182-185

Agency Funds:
Combining Statement of Changes in Assets and Liabilities 186-187

STATISTICAL SECTION (UNAUDITED)

Net Position by Component 188
Changes in Net Position 189-191
Governmental Activities Tax Revenues by Source 192
Fund Balances of Governmental Funds 193
Changes in Fund Balances of Governmental Funds 194-195
General Governmental Tax Revenues by Source 196
Assessed and Estimated Market Value of Taxable Property 197
Property Tax Rates – Direct and Overlapping Governments 198
Principal Property Taxpayers 199
Property Tax Levies and Collections 200
Ratios of Outstanding Debt by Type 201
Ratios of General Obligation Bonded Debt Outstanding 202
Direct and Overlapping General Obligation Bonded Debt 203
Legal Debt Margin Information 204
Pledged – Revenue Coverage – Water and Wastewater 205
Pledged – Revenue Coverage – Airport Revenue Bonds 206
Pledged – Revenue Coverage – Special Assessment Bonds 207
Pledged – Revenue Coverage – Storm Sewer Bonds 208
Pledged – Revenue Coverage – Parking Note Payable 209
Demographics Statistics 210
Principal Employers 211
Full-time Equivalent City Government Employees by Function 212
Operating Indicators 213
Capital Asset Statistics 214-215
Property Value, Construction, and Bank Deposits 216

SINGLE AUDIT SECTION

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 217-218
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance..... 219-220
Schedule of Expenditures of Federal Awards 221-224
Notes to Schedule of Expenditures of Federal Awards 225
Schedule of Findings and Questioned Costs 226-227
Summary Schedule of Prior Audit Findings..... 228

INTRODUCTORY SECTION

CITY OF BILLINGS

FINANCE DEPARTMENT

- **P.O BOX 1178**
- **BILLINGS, MONTANA 59103**

(406) 657-8207

FACSIMILE (406) 247-8608

January 11, 2021

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

The Comprehensive Annual Financial Report (CAFR) of the City of Billings, Montana (the City) for Fiscal Year ended June 30, 2020, is hereby submitted. This report was prepared by the Finance Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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

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

CITY OF BILLINGS PROFILE

The City of Billings was incorporated in 1882 and is located in South Central Montana along Interstate 90. The City of Billings is located in Yellowstone County, the most populous county in Montana. Billings is the largest city in the state with a 2010 Census population of 104,170 and a current estimate of 109,431.

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

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

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

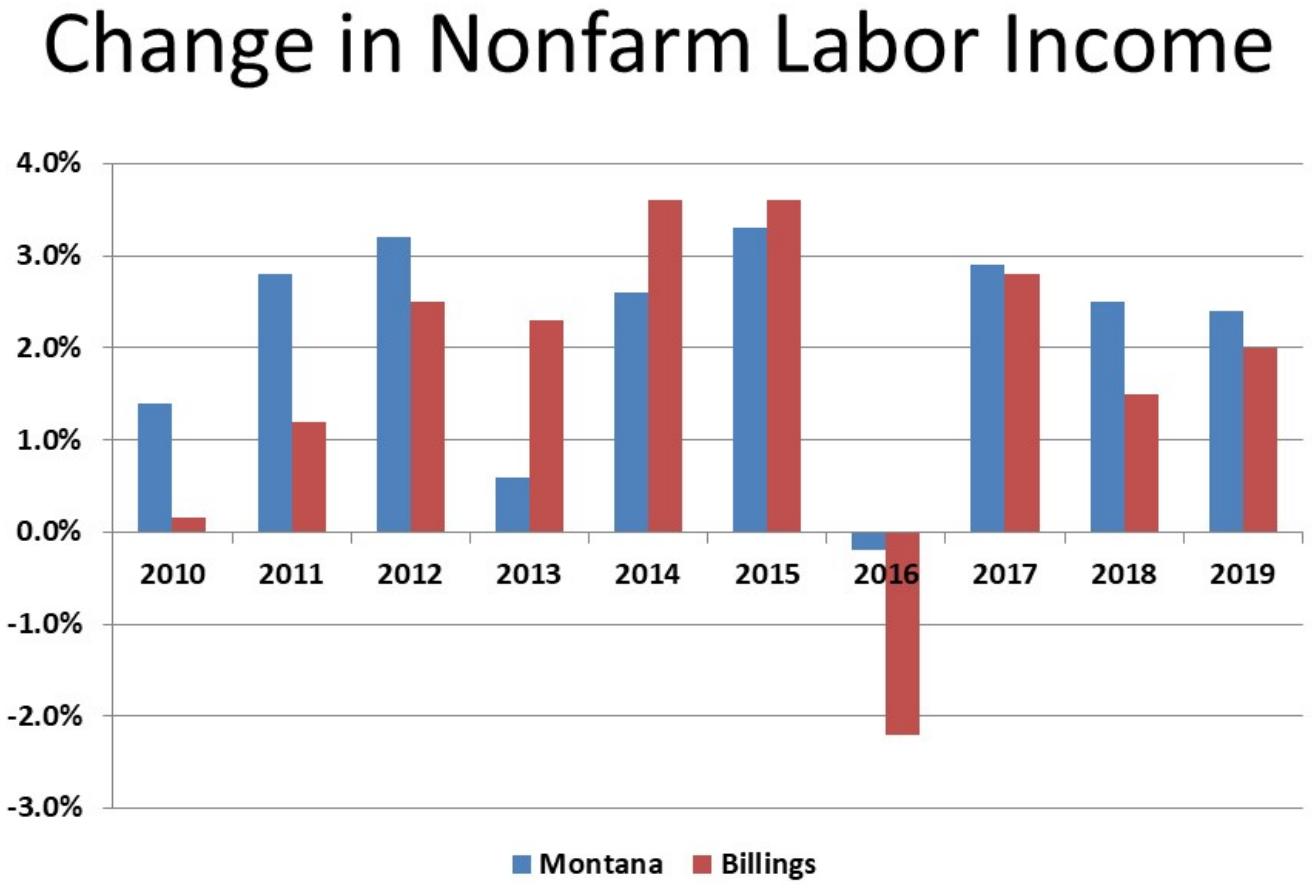
Budgets are legally required and are prepared for all the City's funds. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance system as one technique of accomplishing budgetary control. Open encumbrances are reported as reservations of fund balance as of June 30, 2020. Per state law, encumbrances are automatically re-appropriated and added to the following year's adopted budget. This re-appropriation takes place without council action.

ECONOMIC CONDITION AND OUTLOOK

The University of Montana – Missoula, Bureau of Business and Economic Research publishes its Economic Outlook for selected counties in Montana. Following is some information contained in the publication. After experiencing a fairly mild recession followed by some of the super-fueled growth related to the Bakken boom, the state's largest economy has endured a much more lethargic economic performance following the oil price declines at the end of 2014. The low point came in 2016 when nonfarm earnings declined by more than 2 percent, headlining a statewide weakness that ultimately provoked a special session of the Legislature to address its budget implications.

2018 marked the second consecutive year of inflation-corrected growth above 3 percent for the Billings region, with partial data indicating an extension of growth into 2019. A pickup in construction, continued strength in transportation and warehousing, and a second consecutive year of earnings growth in the region's three oil refineries helped produce this

result. Since a big chunk of Billings construction is industrial, subject to swings as large projects are started and completed, the prospects of continued strong growth in 2019 are less certain.



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

LONG-TERM FINANCIAL PLANNING

The City of Billings annually completes five-year plans for the General Fund, Public Safety Fund, Library Fund, Airport Fund, Transit Fund and other operating funds. Currently, the Public Safety Fund gets around 42% of its revenue from the General Fund. Historically, the General Fund balance increased slightly through modest increases in expenditures and tax revenue. However, tax revenue increases have not been able to keep pace with the increase in expenses. As a result of this in balance, reserves will need to be used to balance future budgets. In September 2020, the residents of Billings did approve a mill levy for funding Public Safety into the future. This should help with the increases into the future. As a result of continued population growth, the City will need to make many decisions related to expansion of City facilities over the next five years. This will continue to use the unassigned General Fund balance. The City is also going to begin updating its strategic plan. This information will be used when completing the FY22 budget.

RELEVANT FINANCIAL POLICIES

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

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

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

MAJOR INITIATIVES

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

- Honest, Responsive Government: Striving to be a principle-centered organization that promotes responsibility, accountability, trust, and open, accessible government.

- Comprehensive Orderly Growth: Careful consideration and management of the process of community growth.

- Transportation: Development of a comprehensive, multi-modal transportation system that supports the Growth Policy.

- Sustainable Economic Development: Economic vitality that fosters community partnerships and ensures a strong and efficient infrastructure.

- Involved, United Community: Community-wide investment in visioning and planning for the future.

- Public Safety: Provide for a safe and secure community.

- Quality of Life: Provide Library patrons with tools to become happy, informed, participating community members.

- City Infrastructure: Provide an understandable program with sustainable funding.

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

- Updated the Capital Improvements Plan.

- Completed multiple road construction projects.

INDEPENDENT AUDIT

The State of Montana requires a biennial audit of the basic financial statements of the City by independent certified public accountants selected by the City Council. However, the City Council has recommended that an annual audit be performed. An annual audit provides a higher level of financial management and fiscal responsibility. JCCS P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Billings, Montana's financial statements for the year ended June 30, 2020. The independent auditors' report is located at the front of the financial section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Billings, Montana, for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 36th consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,

Andy Zoeller, CPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Billings
Montana

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

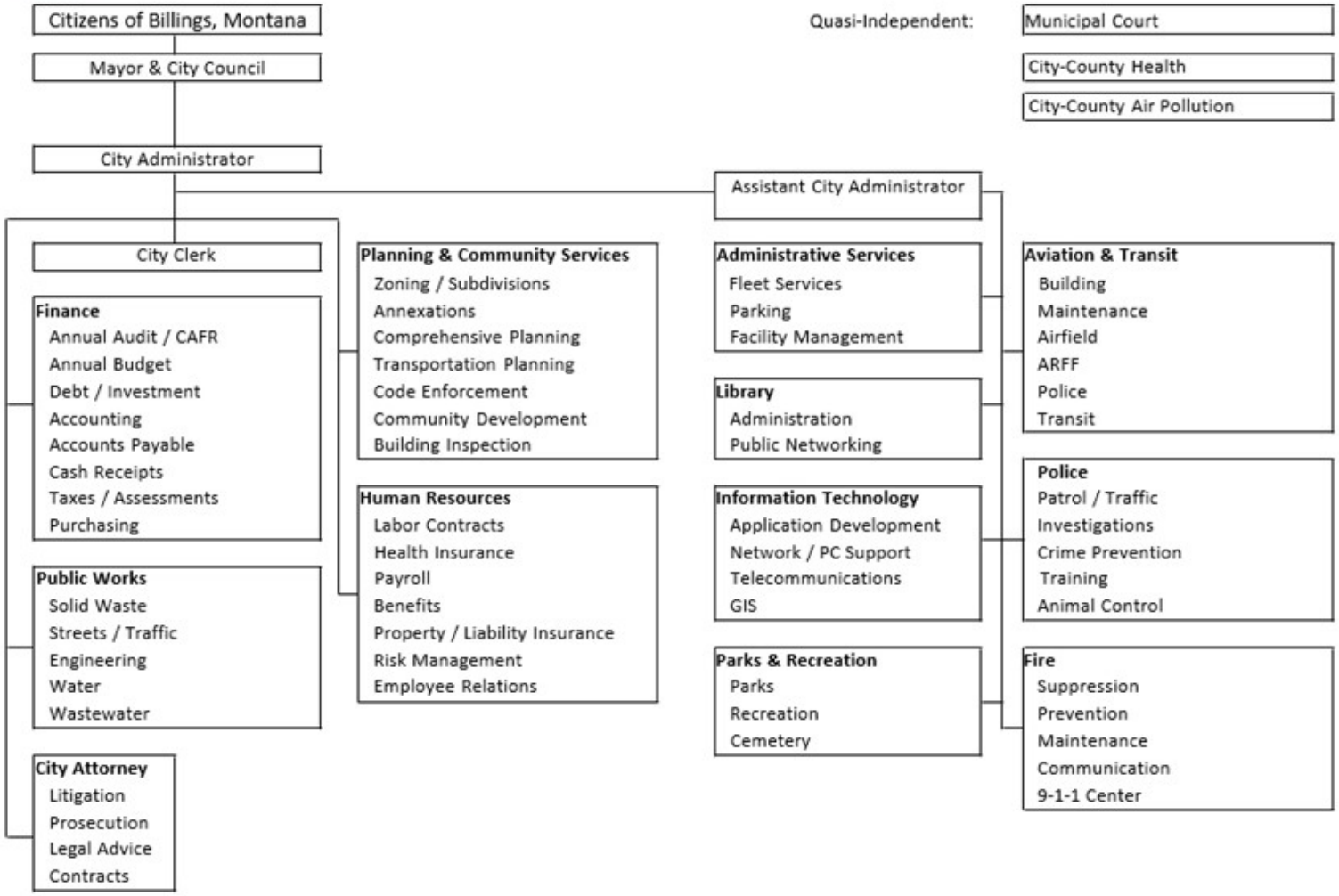
June 30, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF Billings

City of Billings, Montana
Organizational Chart



City of Billings, Montana
Official Roster

Mayor
Bill Cole

Council Members

Kendra Shaw	Ward One	Mike Yakawich
Frank Ewalt	Ward Two	Roy Neese
Danny Choriki	Ward Three	Denise Joy
Pam Purinton	Ward Four	Penny Ronning
Mike Boyett	Ward Five	Shaun Brown

FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Billings, Montana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Billings, Montana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Billings, Montana, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, other post-employment benefits information, and employee retirement pension benefits information (collectively, the required supplementary information) on pages 3 through 12 and 112 through 129 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2021, on our consideration of the City of Billings, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Billings, Montana's internal control over financial reporting and compliance.

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

Great Falls, Montana
January 10, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Billings (the City) offers the readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. In addition to this overview and analysis based on currently known facts, decisions, and conditions, the City encourages readers to consider the information presented in the City's letter of transmittal and the City's financial statements, which begin on pages i and 13 of this report, respectively.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the fiscal year end by $808.8 Million (Net Position).
- The total fiscal year end governmental fund balance was $101.7 Million as reported in the balance sheet.
- The total general fund and public safety fund balances at the fiscal year end were $22,396,610 and $1,782,654, respectively. More information regarding the general fund and public safety fund balances is contained in the Economic Factors and Future Outlook toward the end of the Management Discussion and Analysis (MD&A).

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

Net position over time may serve useful as an indicator of a government's financial position. The net position for the fiscal year ending June 30, 2020, was $808,750,415 (assets and deferred outflows exceeded liabilities and deferred inflows), which was an increase of $38.8 million. The increase is largely attributable to capital contributions from grants and developers. The City continues to make significant investment in capital assets.

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

The following two tables present condensed financial information on the City's Net position and Changes in Net position as of, and for, the fiscal years ended June 30, 2020, and June 30, 2019:

City of Billings, Montana's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 132,334,288	$ 124,110,008	$ 152,955,588	$ 174,743,506	$ 285,289,876	$ 298,853,514
Capital assets	291,995,740	288,692,221	530,520,093	483,558,193	822,515,833	772,250,414
Total assets	424,330,028	412,802,229	683,475,681	658,301,699	1,107,805,709	1,071,103,928
Deferred outflows	13,159,789	13,522,178	3,953,230	4,978,646	17,113,019	18,500,824
Long-term liabilities outstanding	128,160,278	128,103,162	149,372,695	155,497,609	277,532,973	283,600,771
Other liabilities	13,015,698	11,840,936	16,948,372	14,026,297	29,964,070	25,867,233
Total liabilities	141,175,976	139,944,098	166,321,067	169,523,906	307,497,043	309,468,004
Deferred inflows	5,602,220	6,565,391	3,069,050	3,619,052	8,671,270	10,184,443
Net position:						
Net investment in capital assets	226,974,979	219,975,184	414,789,990	372,951,667	641,764,969	592,926,851
Restricted	60,518,356	57,054,677	15,154,257	26,771,035	75,672,613	83,825,712
Unrestricted	3,218,286	2,785,057	88,094,546	90,414,685	91,312,832	93,199,742
Total net position	$ 290,711,621	$ 279,814,918	$ 518,038,794	$ 490,137,387	$ 808,750,415	$ 769,952,305

The restricted portion of fiscal year 2020 Net Position (9.4%) represents resources that are subject to external restrictions as to how they may be used.

City of Billings, Montana's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
Revenues:	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	$ 41,398,628	$ 40,348,085	$ 77,785,361	$ 80,661,403	$ 119,183,989	$ 121,009,488
Operating grants and contributions	21,722,961	7,914,329	7,002,574	1,462,370	28,725,535	9,376,699
Capital grants and contributions	11,358,201	6,059,595	12,144,380	3,171,245	23,502,581	9,230,840
General revenues:						
Property taxes	41,000,209	39,670,483	2,350,880	2,264,225	43,351,089	41,934,708
Franchise fees	1,300,176	1,457,677	-	-	1,300,176	1,457,677
Business licenses	785,979	766,478	-	-	785,979	766,478
Unrestricted federal/state shared revenue	19,196,670	18,107,823	-	-	19,196,670	18,107,823
Unrestricted investment earnings	1,725,051	2,314,255	2,536,677	3,595,705	4,261,728	5,909,960
Gain/(Loss) on sale of property and equipment	242,200	57,834	18,902	169,886	261,102	227,720
Miscellaneous	372,231	440,568	556,485	219,212	928,716	659,780
Total revenues	139,102,306	117,137,127	102,395,259	91,544,046	241,497,565	208,681,173

(Continued)

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

	Governmental Activities		Business-type Activities		Total	
Expenses:	2020	2019	2020	2019	2020	2019
General government	10,596,995	8,679,189	-	-	10,596,995	8,679,189
Public safety	55,230,131	39,965,050	-	-	55,230,131	39,965,050
Public works	42,401,157	40,941,520	-	-	42,401,157	40,941,520
Public health	1,188,347	1,449,194	-	-	1,188,347	1,449,194
Culture and recreation	11,924,288	17,396,764	-	-	11,924,288	17,396,764
Housing and economic development	4,068,249	4,983,940	-	-	4,068,249	4,983,940
Interest on long-term debt	2,514,252	2,560,025	-	-	2,514,252	2,560,025
Solid Waste	-	-	15,117,012	14,162,720	15,117,012	14,162,720
Airport	-	-	12,930,076	13,088,494	12,930,076	13,088,494
Water	-	-	21,137,731	20,096,427	21,137,731	20,096,427
Wastewater	-	-	16,549,840	15,751,457	16,549,840	15,751,457
Parking	-	-	2,371,006	2,431,081	2,371,006	2,431,081
Transit	-	-	6,263,190	6,146,028	6,263,190	6,146,028
Golf Course	-	-	407,181	466,068	407,181	466,068
Total expenses	127,923,419	115,975,682	74,776,036	72,142,275	202,699,455	188,117,957
Increase in net position before transfers	11,178,887	1,161,445	27,619,223	19,401,771	38,798,110	20,563,216
Transfers	(282,184)	(84,750)	282,184	84,750	-	-
Change in net position	10,896,703	1,076,695	27,901,407	19,486,521	38,798,110	20,563,216
Net position, beginning of year	279,814,918	278,738,223	490,137,387	470,650,866	769,952,305	749,389,089
Net position, end of year	$ 290,711,621	$ 279,814,918	$ 518,038,794	$ 490,137,387	$ 808,750,415	$ 769,952,305

Governmental activities. Net Position in governmental activities increased by $10,896,703 during fiscal year 2020. Net Position increased due to the combination of increased operating grants and capital grants and decreased expenditures.

Business-type activities. Net Position in business-type activities increased by $27,901,407 during fiscal year 2020. Net Position increased due to Airport, Water, Parking, and Wastewater contributed capital of $12.3 million and significant intergovernmental revenue associated with the federal CAREs Act.

Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an

unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City of Billings Public Safety Fund received approximately 41% of its funding from the General Fund. Therefore, both funds are directly related. The combined fund balances for the General and Public Safety funds experienced a small increase in the current fiscal year. The increase is a direct result of the City receiving federal CAREs Act money, allocated by the State of Montana.

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

Unrestricted net position in the proprietary funds is $88,094,546 for fiscal year ended June 30, 2020, a decrease of $2.3 million. The most significant decreases in unrestricted net position were related to unspent debt attributable to capital projects.

The net position of the Solid Waste Fund increased by $2.4 million due to a net operating income of $2.5 million. The Airport Fund's net position increased by $7.8 million due to capital contributions of $7.5 million. The Water Fund's net position increased by $8.6 million due to a net operating income of $5.9 million and $2 million of contributed capital. The Wastewater Fund's net position increased by $7.9 million due to a net operating income of $6.8 million. The Parking Fund's net position decreased by $333,197 due to a net operating loss. Future increases and revenue enhancements are being planned for the Parking Fund.

General Fund Budgetary Highlights

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

Capital Asset and Debt Administration

Capital Assets. The City of Billings investment in capital assets for its governmental and business-type activities as of June 30, 2020, was $823 million (net of accumulated depreciation). The investment in capital assets includes land; construction in progress; buildings; improvements other than buildings, equipment and vehicles; and infrastructure. The City had construction commitments of $50 million for the end of the current fiscal year.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 45,535,455	$ 45,535,455	$ 17,056,902	$ 13,755,814	$ 62,592,357	$ 59,291,269
Buildings	29,701,634	30,778,675	52,779,642	54,920,104	82,481,276	85,698,779
Improvements other than buildings	28,791,728	29,502,120	38,945,846	42,858,141	67,737,574	72,360,261
Machinery and equipment	14,699,405	13,815,528	22,938,547	21,611,546	37,637,952	35,427,074
Infrastructure	163,229,756	163,494,704	349,029,727	276,016,982	512,259,483	439,511,686
Construction In progress	10,037,776	5,565,739	49,769,429	74,395,606	59,807,205	79,961,345
Total	$ 291,995,754	$ 288,692,221	$ 530,520,093	$ 483,558,193	$ 822,515,847	$ 772,250,414

Additional information on the City of Billings' capital assets can be found on pages 54-57 of this report.

City of Billings, Montana's Outstanding Debt

Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	$ 17,885,802	$ 19,797,206	$ -	$ -	$ 17,885,802	$ 19,797,206
Refunding bonds	-	-	670,000	1,566,423	670,000	1,566,423
Special assessment debt with governmental commitment	18,405,449	18,954,420	-	-	18,405,449	18,954,420
Revenue bonds	26,779,156	27,639,805	84,261,901	86,471,719	111,041,057	114,111,524
Notes payable	-	-	33,403,000	36,607,000	33,403,000	36,607,000
Intercap notes payable	312,228	32,206	-	-	312,228	32,206
Capital lease payable	1,638,124	2,083,906	2,969,974	3,208,851	4,608,098	5,292,757
Total	$ 65,020,759	$ 64,992,543	$ 121,304,875	$ 127,853,993	$ 186,325,634	$ 192,846,536

Long-term debt. The City of Billings had total bonded debt and notes outstanding of $186,325,634 at the end of the current fiscal year. The majority of the debt consists of revenue bonds payable in the amount of $145,114,057. These bonds are secured by specific revenue sources consisting mostly of loans for a major Wastewater plant project and Solid Waste Landfill drop-off facility. General Obligation Bonds in the amount of $17,885,802 of debt is backed by the full faith and credit of the government. The remaining amounts are special assessment debt in the amount of $18,405,449, which is assessed to benefit property owners, and $4,608,098 for capital leases.

Under the current State statutes, City general obligation bonded debt issuances are subject to a legal limitation based on 2.50% of assessed market value of the property subject to taxation. As of June 30, 2020, the City's general obligation bonded debt of $17,885,802 was well below the legal debt limit of $331,726,715. General obligation net bonded debt per capita equated to $163.44.

Additional information on the City of Billings long-term debt can be found on pages 61-72 of this report.

Economic Factors and Future Outlook

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

Tax growth in the City has averaged slightly less than 3% over the past 10 years. While this growth allows us to keep up with the current level of service provided, it does not allow for much expansion in services. Development and construction continue to occur in Billings, during the fiscal year there was development valued at over $355 million within the city.

Fund balance for the General Fund is above the minimum recommended reserve level as of June 30, 2020. The recommended reserve of 29% of the annual budget was derived from analyzing 10 years of cash flow needs. These reserves are necessary because property taxes, which are the greatest source of revenue for the General Fund, are paid in two installments, November 30 and May 31. As a result, cash balance in the fund decreases significantly in between tax payments.

In September of 2020, the citizens of Billings approved an increase in the number of mills levied for Public Safety. This increase will provide a much-needed boost to our Public Safety Fund and allow the city to better maintain adequate services consistent with the growth of the City. The Billings City Council, after the increase approved by voters, approved an increase in the total number of mills levied for tax year 2020 by 19.46 mills. Of the total mills levied within the City of Billings (City, County, School, and State), the City's portion is approximately 25%. The city has seen modest growth in both new construction and existing property values. We expect this trend to continue and anticipate modest growth in property tax revenue for FY21.

Financial Contact

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

BASIC FINANCIAL STATEMENTS

CITY OF BILLINGS, MONTANA
Statement of Net Position
June 30, 2020
(Page 1 of 2)

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 48,541,954	$ 49,138,342	$ 97,680,296
Restricted cash and cash equivalents with fiscal agent	4,833,783	7,030,521	11,864,304
Investments	68,371,096	69,050,058	137,421,154
Receivables	14,802,630	17,050,748	31,853,378
Internal balances	(5,712,227)	5,712,227	-
Inventories	356,424	1,312,441	1,668,865
Prepaid items	15,576	7,008	22,584
Property held for resale	378,825	-	378,825
Restricted assets:			
Temporarily restricted:			
Investments with trustee	-	3,654,243	3,654,243
Permanently restricted:			
Cash and cash equivalents	309,796	-	309,796
Investments	436,431	-	436,431
Capital assets:			
Land and construction in progress	55,573,232	66,826,331	122,399,563
Other capital assets, net of depreciation	236,422,508	463,693,762	700,116,270
Total capital assets	291,995,740	530,520,093	822,515,833
Total assets	424,330,028	683,475,681	1,107,805,709
Deferred Outflows			
Deferred charge on refunding of debt	912,521	-	912,521
Other post employment benefits	948,498	864,133	1,812,631
Pensions	11,298,770	3,089,097	14,387,867
Total deferred outflows	13,159,789	3,953,230	17,113,019
Liabilities			
Accounts payable	5,772,733	13,721,711	19,494,444
Accrued wages and benefits	2,655,962	969,717	3,625,679
Incurred but not reported health benefits	1,129,997	-	1,129,997
Accrued interest	1,254,022	2,256,944	3,510,966
Unearned Revenue	829,984	-	829,984
Other liabilities	73,000	-	73,000
Claims and judgments - due within one year	1,300,000	-	1,300,000
Long-term liabilities:			
Due within one year	11,395,011	9,330,834	20,725,845
Due in more than one year	62,748,990	115,277,273	178,026,263
Other post-employment benefits	6,352,738	3,147,745	9,500,483
Net pension liability	47,663,539	17,957,532	65,621,071
Landfill closure and postclosure - due in more than one year	-	3,659,311	3,659,311
Total liabilities	141,175,976	166,321,067	307,497,043

(continued)

CITY OF BILLINGS, MONTANA
Statement of Net Position
June 30, 2020
(Page 2 of 2)

Deferred Inflows			
Other post employment benefits	1,818,883	853,183	2,672,066
Pensions	3,783,337	2,215,867	5,999,204
Total deferred inflows	5,602,220	3,069,050	8,671,270

	Governmental Activities	Business-type Activities	Total
Net Position			
Net investment in capital assets	226,974,979	414,789,990	641,764,969
Restricted for:			
Public works	24,036,630	-	24,036,630
Culture and recreation	4,387,051	-	4,387,051
Housing and economic development	14,848,644	-	14,848,644
Capital projects	8,293,424	9,635,052	17,928,476
Debt service	8,205,192	5,519,205	13,724,397
Endowments - nonexpendable	747,415	-	747,415
Unrestricted	3,218,286	88,094,546	91,312,832
Total net position	$ 290,711,621	$ 518,038,794	$ 808,750,415

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

CITY OF BILLINGS, MONTANA
Statement of Activities
For The Fiscal Year Ended June 30, 2020

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Primary government							
Governmental activities:							
General government	$ 10,596,995	$ 3,045,856	$ 1,547,312	$ 300,000	$ (5,703,827)	$ -	$ (5,703,827)
Public safety	55,230,131	5,916,551	16,075,717	77,523	(33,160,340)	-	(33,160,340)
Public works	42,401,157	30,012,069	611,235	8,896,707	(2,881,146)	-	(2,881,146)
Public health	1,188,347	46,279	21,331	-	(1,120,737)	-	(1,120,737)
Culture and recreation	11,924,288	2,364,840	1,587,133	2,083,971	(5,888,344)	-	(5,888,344)
Housing and economic development	4,068,249	13,033	1,532,213	-	(2,523,003)	-	(2,523,003)
Interest on long-term debt	2,514,252	-	-	-	(2,514,252)	-	(2,514,252)
Total governmental activities	127,923,419	41,398,628	21,722,961	11,358,201	(53,443,629)	-	(53,443,629)
Business-type activities:							
Solid Waste	15,117,012	16,790,827	88,924	-	-	1,762,739	1,762,739
Airport	12,930,076	11,153,440	1,762,563	7,517,582	-	7,503,509	7,503,509
Water	21,137,731	26,201,881	84,204	2,286,605	-	7,434,959	7,434,959
Wastewater	16,549,840	20,970,576	71,689	2,340,192	-	6,832,617	6,832,617
Parking	2,371,006	1,711,866	12,153	1	-	(646,986)	(646,986)
Transit	6,263,190	515,430	4,983,041	-	-	(764,719)	(764,719)
Golf Course	407,181	441,341	-	-	-	34,160	34,160
Total business-type activities	74,776,036	77,785,361	7,002,574	12,144,380	-	22,156,279	22,156,279
Total primary government	$ 202,699,455	$ 119,183,989	$ 28,725,535	$ 23,502,581	(53,443,629)	22,156,279	(31,287,350)
General revenues:							
Property taxes					41,000,209	2,350,880	43,351,089
Franchise fees					1,300,176	-	1,300,176
Business license tax					785,979	-	785,979
Unrestricted federal/state shared revenue					19,196,670	-	19,196,670
Unrestricted investment earnings					1,725,051	2,536,677	4,261,728
Gain on sale of capital assets					242,200	18,902	261,102
Miscellaneous					372,231	556,485	928,716
Transfers					(282,184)	282,184	-
Total general revenues and transfers					64,340,332	5,745,128	70,085,460
Change in net position					10,896,703	27,901,407	38,798,110
Net position, beginning of year					279,814,918	490,137,387	769,952,305
Net position, end of year					$ 290,711,621	$ 518,038,794	$ 808,750,415

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

CITY OF BILLINGS, MONTANA

Governmental Funds

Balance Sheet

June 30, 2020

	General Fund	Public Safety Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 9,271,383	$ 630,635	$ 31,447,884	$ 41,349,902
Cash with fiscal agent	-	-	4,833,783	4,833,783
Investments	13,019,437	880,734	44,320,984	58,221,155
Receivables:				
Property taxes	609,546	483,581	475,565	1,568,692
Accounts and unbilled usage	38,950	39,120	208,865	286,935
Delinquent special assessments	30,475	-	1,499,553	1,530,028
Special assessments receivable	-	-	5,546,281	5,546,281
Accrued interest	18,191	4	110,133	128,328
Notes	-	-	2,532,030	2,532,030
Due from other funds	228,508	-	231,463	459,971
Due from other governments	816	2,178,777	682,746	2,862,339
Inventories	-	-	154,482	154,482
Property held for resale	-	-	378,825	378,825
Total assets	$ 23,217,306	$ 4,212,851	$ 92,422,594	$119,852,751
Liabilities, Deferred Inflows and Fund Balances				
Liabilities:				
Accounts payable	$ 259,981	$ 777,233	$ 4,315,395	$ 5,352,609
Accrued wages & benefits	417,559	1,542,643	391,149	2,351,351
Due to other funds	-	-	459,970	459,970
Unearned Revenue	-	-	827,824	827,824
Other liabilities	-	-	73,000	73,000
Total Liabilities	$ 677,540	$ 2,319,876	$ 6,067,338	$ 9,064,754
Deferred inflows:				
Unavailable Revenue	143,156	110,321	8,860,568	9,114,045
Fund balances:				
Unspendable	-	-	901,896	901,896
Restricted	-	1,782,654	65,327,457	67,110,111
Committed	12,289,000	-	11,531,973	23,820,973
Unassigned	10,107,610	-	(266,638)	9,840,972
Total fund balances	22,396,610	1,782,654	77,494,688	101,673,952
Total liabilities, deferred inflows and fund balances	$ 23,217,306	$ 4,212,851	$ 92,422,594	$119,852,751

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

CITY OF BILLINGS, MONTANA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2020

Total *fund balances* for governmental funds		$ 101,673,952
Total *net position* reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	$ 43,545,573	
Buildings and improvements	35,668,160	
Improvements other than buildings	47,296,565	
Machinery and equipment	38,166,681	
Infrastructure	342,271,496	
Construction in progress	9,746,179	
Less accumulated depreciation	(234,983,531)	281,711,123
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Govt deferred outflows of resources - unavailable tax revenue	9,114,045	
Govt deferred outflows of resources - pensions	10,828,907	19,942,952
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
General obligation bonds payable	(16,785,000)	
add: bond premium	(1,100,802)	
Tax increment bonds payable	(26,705,000)	
less: bond discount	47,768	
add: bond premium	(121,924)	
Special assessment bonds payable	(13,998,000)	
less: bond discount	23,785	
add: bond premium	(513,734)	
Direct placement debt	(3,917,500)	
Notes payable	(312,228)	
Compensated absences payable	(7,674,270)	
Other post-employment benefits	(5,573,350)	
Net pension liability	(40,734,020)	
Claims and judgments	(1,300,000)	
Accrued interest	(1,238,350)	(119,902,625)
Deferred inflow of resources related to pensions are not available to pay for current period expenditures, and therefore are not recorded in the funds		
Deferred charge on refunding	912,515	
Pensions and OPEB	(4,516,962)	(3,604,447)
Internal service funds are used by the City to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position		10,890,666
Total net position of governmental activities		$ 290,711,621

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

CITY OF BILLINGS, MONTANA
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2020

	General Fund	Public Safety Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 17,418,145	$ 12,923,063	$ 10,868,377	$ 41,209,585
Licenses and permits	2,095,896	40,535	2,370,897	4,507,328
Intergovernmental	11,839,561	16,649,812	11,455,166	39,944,539
Charges for services	3,814,414	1,980,077	9,641,591	15,436,082
Fines and forfeitures	1,145,294	2,503	322,769	1,470,566
Special assessments	39,356	-	25,207,115	25,246,471
Other	400,453	138,317	2,987,217	3,525,987
Total revenues	36,753,119	31,734,307	62,853,132	131,340,558
Expenditures:				
Current:				
General government	7,141,812	-	2,562,946	9,704,758
Public safety	497,347	49,394,249	4,356,455	54,248,051
Public works	-	-	24,213,233	24,213,233
Public health	-	930,755	-	930,755
Culture and recreation	4,772,599	-	4,752,929	9,525,528
Housing and economic development	-	-	3,974,644	3,974,644
Capital outlay	152,216	2,144,237	14,234,826	16,531,279
Debt service:	-			
Principal	-	-	4,027,734	4,027,734
Interest and fiscal charges	-	-	2,541,180	2,541,180
Bond issuance costs	-	-	15,500	15,500
Total expenditures	12,563,974	52,469,241	60,679,447	125,712,662
Revenues over (under) expenditures	24,189,145	(20,734,934)	2,173,685	5,627,896
Other financing sources (uses):				
Transfers in	36,256	22,554,927	5,398,934	27,990,117
Transfers out	(24,246,038)	(1,794,491)	(2,771,263)	(28,811,792)
Issuance of debt	-	285,388	-	285,388
Special assessment bonds issued	-	-	857,000	857,000
Sale of capital assets	17,449	30	224,721	242,200
Total other financing sources (uses)	(24,192,333)	21,045,854	3,709,392	562,913
Net change in fund balances	(3,188)	310,920	5,883,077	6,190,809
Fund balance, beginning of year	22,399,798	1,471,734	71,611,611	95,483,143
Fund balance, end of year	$ 22,396,610	$ 1,782,654	$ 77,494,688	$ 101,673,952

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

CITY OF BILLINGS, MONTANA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2020
(Page 1 of 2)

Net change in *fund balances* - total governmental funds			$ 6,190,809
The change in *net position* reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.			
	Capital outlay	16,531,281	
	Depreciation	(19,574,586)	(3,043,305)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.			(85,564)
Donations and developer contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.			
	Donations, developer contributions and other noncash increases in capital assets	6,903,014	
	Transfer to Enterprise Fund	(182,185)	6,720,829
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
	Unavailable tax revenue	157,354	
	Deferred outflow of resources - pensions and OPEB	(1,456)	155,898
Proceeds from debt issues are other financing sources in the funds, but debt issues are long-term liabilities in the statement of net position.			
	Notes Issued	(285,388)	
	Special assessment bond issued	(857,000)	(1,142,388)
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.			
	Bond premiums	164,645	
	Bond discounts	(8,988)	
	Deferred inflow of resource - pensions and OPEB	819,912	
	Deferred loss on refunding	(64,356)	911,213

(continued)

CITY OF BILLINGS, MONTANA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2020
(Page 2 of 2)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General obligation debt	1,790,000	
Tax increment debt	855,000	
Special assessment debt	922,868	
Direct placement debt	454,500	
Notes payable	5,366	4,027,734
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance and telecommunication, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		162,826
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	(376,807)	
Other post-employment benefits	(602,140)	
Net Pension Liability	(2,002,630)	
Interest and amortization expenses	(19,772)	(3,001,349)
Change in net position of governmental activities		$ 10,896,703

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

CITY OF BILLINGS, MONTANA

Proprietary Funds

Statement of Net Position (Page 1 of 2)

June 30, 2020

	Business-type Activities							
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets								
Current assets:								
Cash and cash equivalents	$ 9,607,243	$ 6,744,674	$ 15,928,516	$ 15,438,954	$ 243,315	$ 1,175,640	$ 49,138,342	$ 7,501,848
Restricted cash and cash equivalents with fiscal agent	1,130,888	1,094,872	1,378,521	3,426,240	-	-	7,030,521	-
Investments	13,529,487	9,506,394	22,492,684	21,873,919	336,291	1,311,283	69,050,058	10,586,372
Receivables:								
Property taxes	-	-	-	-	-	79,780	79,780	-
Accounts and unbilled usage	1,844,652	414,400	7,225,854	2,763,242	486	18,988	12,267,622	38,064
Accrued interest	40,108	26,860	61,440	61,805	844	2,888	193,945	26,207
Notes	-	-	-	-	-	-	-	70,000
Receivables from other governments	-	2,598,622	1,387	1,551	-	1,907,841	4,509,401	3,726
Inventories	-	38,543	1,119,063	-	-	154,835	1,312,441	201,942
Prepaid items	-	-	-	645	-	6,363	7,008	15,576
Total current assets	26,152,378	20,424,365	48,207,465	43,566,356	580,936	4,657,618	143,589,118	18,443,735
Noncurrent assets:								
Notes receivable	-	-	-	-	-	-	-	210,000
Restricted investments with trustee	3,654,243	-	-	-	-	-	3,654,243	-
Property and equipment:								
Land	493,448	4,208,739	4,294,755	959,585	5,665,085	1,435,290	17,056,902	1,989,883
Buildings	188,095	33,899,059	23,275,041	17,129,080	36,539,190	10,220,927	121,251,392	9,381,235
Improvements other than buildings	10,008,380	111,878,357	1,149,944	2,810,810	499,367	1,005,755	127,352,613	2,384,792
Equipment and vehicles	19,270,646	17,660,732	16,499,231	14,055,501	492,718	9,193,507	77,172,335	7,917,007
Infrastructure	-	-	259,134,326	268,570,347	-	-	527,704,673	-
Construction in progress	17,972,922	12,440,624	14,718,837	4,293,751	182,185	161,110	49,769,429	291,598
Less: accumulated depreciation	(14,186,233)	(117,019,176)	(127,833,807)	(99,516,876)	(16,591,712)	(14,639,447)	(389,787,251)	(11,679,897)
Total noncurrent assets	37,401,501	63,068,335	191,238,327	208,302,198	26,786,833	7,377,142	534,174,336	10,494,618
Total assets	63,553,879	83,492,700	239,445,792	251,868,554	27,367,769	12,034,760	677,763,454	28,938,353
Deferred Outflows								
Other post employment benefits	189,699	162,260	174,149	131,750	38,130	168,145	864,133	226,329
Pensions	691,745	595,806	641,368	545,608	94,542	520,028	3,089,097	1,192,032
Total assets and deferred outflows	$ 64,435,323	$ 84,250,766	$240,261,309	$252,545,912	$ 27,500,441	$ 12,722,933	$681,716,684	$ 30,356,714

(continued)

CITY OF BILLINGS, MONTANA

Proprietary Funds

Statement of Net Position (Page 2 of 2)

June 30, 2020

	Business-type Activities							
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities								
Current liabilities:								
Accounts payable	$ 2,539,613	$ 1,359,089	$ 5,084,509	$ 4,656,090	$ 17,187	$ 65,223	$ 13,721,711	$ 420,124
Accrued wages and benefits	224,213	163,535	201,659	172,105	27,439	180,767	969,718	304,606
Compensated absences	567,137	574,369	534,934	516,491	43,017	336,781	2,572,729	1,128,535
Accrued interest payable	-	-	301,521	162,940	72,741	-	537,202	15,675
Incurred but not reported health benefits	-	-	-	-	-	-	-	1,129,997
Notes payable	-	94,943	2,168,000	1,120,000	155,162	-	3,538,105	435,000
Unearned Revenue	-	-	-	-	-	-	-	2,160
Accrued interest payable from restricted assets	430,888	112,554	-	1,176,300	-	-	1,719,742	-
Revenue bonds payable from restricted assets	700,000	990,000	-	1,530,000	-	-	3,220,000	-
Total current liabilities	4,461,851	3,294,490	8,290,623	9,333,926	315,546	582,771	26,279,207	3,436,097
Noncurrent liabilities:								
Compensated absences	161,034	163,087	151,890	146,653	12,214	95,626	730,504	320,435
Other post employment benefits	687,125	594,202	653,367	449,885	149,013	614,153	3,147,745	779,387
Net pension liability	4,021,248	3,463,538	3,728,400	3,171,727	549,595	3,023,024	17,957,532	6,929,519
Revenue bonds payable	22,570,720	3,987,380	-	55,153,801	-	-	81,711,901	-
Notes payable	-	614,116	19,917,000	10,198,000	2,105,752	-	32,834,868	1,203,126
Landfill closure and postclosure-payable from restricted assets	3,659,311	-	-	-	-	-	3,659,311	-
Total noncurrent liabilities	31,099,438	8,822,323	24,450,657	69,120,066	2,816,574	3,732,803	140,041,861	9,232,467
Total liabilities	35,561,289	12,116,813	32,741,280	78,453,992	3,132,120	4,315,574	166,321,068	12,668,564
Deferred Inflows								
Other post employment benefits	186,376	153,910	178,962	129,783	38,545	165,607	853,183	230,193
Pensions	496,201	427,383	460,065	391,375	67,817	373,026	2,215,867	855,066
Total deferred inflows of resources	682,577	581,293	639,027	521,158	106,362	538,633	3,069,050	1,085,259
Net Position								
Net investment in capital assets	16,051,309	57,381,896	169,153,327	140,300,397	24,525,919	7,377,142	414,789,990	8,646,492
Restricted for:								
Bond and notes payable ordinance reserve	-	2,688,344	1,386,571	1,444,291	-	-	5,519,206	-
Capital Projects	5,832,658	3,769,294	-	33,100	-	-	9,635,052	-
Unrestricted	6,307,490	7,713,126	36,341,104	31,792,974	(263,960)	491,584	82,382,318	7,956,399
Total net position	28,191,457	71,552,660	206,881,002	173,570,762	24,261,959	7,868,726	512,326,566	16,602,891
Total liabilities, deferred inflows, and net position	$ 64,435,323	$ 84,250,766	$ 240,261,309	$ 252,545,912	$ 27,500,441	$ 12,722,933		$ 30,356,714
Adjustment to reflect the consolidation of internal service fund activites related to enterprise funds							5,712,228	
				Net position of business-type activities			$518,038,794	

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

CITY OF BILLINGS, MONTANA

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Fund Net Position

For the Year Ended June 30, 2020

	Business-type Activities							
	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Operating revenues:								
Charges for services	$ 16,830,525	$ 9,272,659	$ 26,468,766	$ 21,075,813	$ 1,731,172	$ 1,073,356	$ 76,452,291	$ 27,867,496
Operating expenses:								
Salaries and benefits	5,854,186	4,715,612	4,694,630	4,195,203	760,252	4,337,762	24,557,645	8,956,562
Supplies	2,438,039	992,440	2,158,913	1,570,932	58,817	806,599	8,025,740	290,530
Contracted services	2,360,330	962,077	4,124,048	1,671,751	434,095	433,147	9,985,448	15,749,523
Utilities	88,911	751,933	1,789,121	1,578,433	88,367	112,731	4,409,496	653,749
Other	514,720	175,234	510,539	406,639	96,086	324,916	2,028,134	2,968,529
Depreciation	2,911,923	5,073,308	7,243,569	4,797,680	829,514	655,216	21,511,210	822,056
Landfill closure and post-closure	154,535	-	-	-	-	-	154,535	-
Total operating expenses	14,322,644	12,670,604	20,520,820	14,220,638	2,267,131	6,670,371	70,672,208	29,440,949
Operating income (loss)	2,507,881	(3,397,945)	5,947,946	6,855,175	(535,959)	(5,597,015)	5,780,083	(1,573,453)
Nonoperating revenue (expenses):								
Taxes	-	-	-	-	-	2,350,880	2,350,880	26,213
Intergovernmental	88,924	1,762,563	84,204	71,689	12,153	4,983,041	7,002,574	167,251
Interest expense	(794,368)	(259,472)	(616,911)	(2,329,202)	(103,233)	-	(4,103,186)	(29,744)
Interest and investment income	618,674	271,239	716,158	790,729	9,677	38,455	2,444,932	283,587
Customer Facility Charge	-	668,280	-	-	-	-	668,280	-
Passenger Facility Charge	-	1,247,859	-	-	-	-	1,247,859	-
Gain (loss) on sale of capital assets	17,047	2,233	12,741	(22,254)	2,002	7,133	18,902	(1,957)
Other	1,705	70,620	218,859	170,041	(22)	19,386	480,589	153,184
Total nonoperating revenue (expense)	(68,018)	3,763,322	415,051	(1,318,997)	(79,423)	7,398,895	10,110,830	598,534
Income (loss) before capital contributions and transfers	2,439,863	365,377	6,362,997	5,536,178	(615,382)	1,801,880	15,890,913	(974,919)
Capital contributions	-	7,517,582	2,286,605	2,340,192	182,185	-	12,326,564	-
Transfers in	-	-	4,500	3,000	100,000	6,000	113,500	817,444
Transfers out	-	(6,000)	-	-	-	-	(6,000)	(103,269)
Change in net position	2,439,863	7,876,959	8,654,102	7,879,370	(333,197)	1,807,880	28,324,977	(260,744)
Net position, beginning of year	25,751,594	63,675,701	198,226,900	165,691,392	24,595,156	6,060,846		16,863,635
Net position, end of year	$ 28,191,457	$ 71,552,660	$ 206,881,002	$ 173,570,762	$ 24,261,959	$ 7,868,726		$ 16,602,891
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(423,569)	
Change in net position of business-type activities							$ 27,901,408	

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

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2020
(Page 1 of 2)

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:								
Cash received from customers and users	$ 16,653,801	$ 7,870,036	$ 25,763,123	$ 20,876,143	$ 1,738,013	$ 1,072,934	$ 73,974,050	$ 796,236
Cash received from interfund services provided	-	-	-	-	-	-	-	27,084,866
Cash received from other sources	-	-	231,600	1,092	-	-	232,692	491,538
Cash paid to employees for services	(5,700,081)	(3,593,146)	(4,663,654)	(3,995,683)	(777,016)	(4,383,397)	(23,112,977)	(8,459,102)
Cash paid to suppliers and contracted services	(5,143,047)	(956,873)	(5,769,806)	(6,352,076)	(667,044)	(1,747,023)	(20,635,869)	(19,456,087)
Net cash provided (used) by operating activities	5,810,673	3,320,017	15,561,263	10,529,476	293,953	(5,057,486)	30,457,896	457,451
Cash flows from noncapital financing activities:								
Cash received from tax revenues	-	-	-	-	-	2,356,731	2,356,731	-
Cash received from intergovernmental revenues	-	1,685,972	369	-	-	3,067,910	4,754,251	-
Transfers from other funds	-	-	-	-	100,000	-	100,000	-
Transfers to other funds	-	-	-	-	-	-	-	(95,769)
Net cash provided (used) by noncapital financing activities	-	1,685,972	369	-	100,000	5,424,641	7,210,982	(95,769)
Cash flows from capital and related financing activities:								
Capital grants and contributions	-	7,254,374	-	-		-	7,254,374	-
Acquisition and construction of capital assets	(17,799,871)	(9,824,129)	(16,734,307)	(17,512,438)	(98,800)	(483,479)	(62,453,024)	(522,710)
Proceeds from sales of capital assets	-	2,350	13,559	(23,346)	2,002	662	(4,773)	70,455
Cash paid for interest	(744,477)	(275,284)	(644,466)	(2,730,968)	(107,304)	-	(4,502,499)	(54,651)
Principal paid on bonds, notes and capital leases payable	-	(1,295,403)	(2,114,000)	(2,565,000)	(148,475)	-	(6,122,878)	(425,000)
Transfers from other funds	-	-	-	-	-	-	-	532,056
Transfers to other funds	-	-	4,500	-	-	6,000	10,500	(7,500)
Facilities charges	-	1,916,139	-	-	-	-	1,916,139	-
Net cash provided (used) by capital and related financing activities	(18,544,348)	(2,221,953)	(19,474,714)	(22,831,752)	(352,577)	(476,817)	(63,902,161)	(407,350)
Cash flows from investing activities:								
Cash received from interest	619,959	288,285	778,760	797,747	10,234	37,772	2,532,757	303,805
Sale of investments	41,317,947	22,855,428	57,362,123	60,660,097	816,994	3,230,762	186,243,351	25,751,125
Purchase of investments	(33,639,078)	(25,602,093)	(55,238,124)	(53,596,991)	(842,956)	(3,079,439)	(171,998,681)	(25,595,707)
Net cash provided (used) by investing activities	8,298,828	(2,458,380)	2,902,759	7,860,853	(15,728)	189,095	16,777,427	459,223
Net increase (decrease) in cash and cash equivalents	(4,434,847)	325,656	(1,010,323)	(4,441,423)	25,648	79,433	(9,455,856)	413,555
Cash and cash equivalents, beginning of year	15,172,978	7,513,890	18,317,360	23,306,617	217,667	1,096,207	65,624,719	7,088,293
Cash and cash equivalents, end of year	$ 10,738,131	$ 7,839,546	$ 17,307,037	$ 18,865,194	$ 243,315	$ 1,175,640	$ 56,168,863	$ 7,501,848
Cash and cash equivalents consists of:								
Cash and cash equivalents	$ 9,607,243	$ 6,744,674	$ 15,928,516	$ 15,438,954	$ 243,315	$ 1,175,640	$ 49,138,342	$ 7,501,848
Restricted cash and cash equivalents with fiscal agent	1,130,888	1,094,872	1,378,521	3,426,240	-	-	7,030,521	-
Cash and cash equivalents, end of year	$ 10,738,131	$ 7,839,546	$ 17,307,037	$ 18,865,194	$ 243,315	$ 1,175,640	$ 56,168,863	$ 7,501,848

(continued)

CITY OF BILLINGS, MONTANA
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2020
(Page 2 of 2)

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)	$ 2,507,881	$ (3,397,944)	$ 5,946,789	$ 6,855,173	$ (535,959)	$ (5,597,015)	$ 5,778,925	$ (1,573,453)
Other nonoperating income (expense)	-	70,620	231,600	(22,254)	2,002	193	282,161	590,985
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	2,911,923	5,073,308	7,243,569	4,797,680	829,514	655,216	21,511,210	822,056
Landfill closure and postclosure	154,535	-	-	-	-	-	154,535	-
(Increase) decrease in receivables	(176,724)	-	(1,028,540)	(197,474)	6,841	6,748	(1,389,149)	(10,430)
(Increase) decrease in receivables from other governments & other funds	-	-	(1,387)	(1,551)	-	-	(2,938)	3,726
(Increase) decrease in inventories	-	(401)	181,877	-	-	(6,886)	174,590	29,024
(Increase) decrease in prepaid items	-	-	-	(645)	-	(477)	(1,122)	(1,146)
Increase (decrease) in accounts payable	258,953	1,066,602	2,956,379	(1,124,319)	(13,802)	(53,431)	3,090,382	(138,608)
Increase (decrease) in accrued liabilities	154,105	507,832	30,976	222,866	5,357	(61,834)	859,302	735,297
Net cash provided (used) by operating activities	$ 5,810,673	$ 3,320,017	$ 15,561,263	$ 10,529,476	$ 293,953	$ (5,057,486)	$ 30,457,896	$ 457,451
Noncash investing, capital and financing activities:								
Increase (decrease) in investment market value	3,746	(2,833)	(9,470)	(7,018)	(73)	683	(14,965)	(39)
Contribution of capital assets	-	-	2,286,605	2,340,192	182,185	-	4,808,982	-

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

CITY OF BILLINGS, MONTANA
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2020

	Agency Funds
Assets	
Cash and cash equivalents	$ 1,168
Total assets	$ 1,168
Liabilities	
Accounts payable	$ 1,168
Total liabilities	$ 1,168

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

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

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

The City's significant accounting policies are described below.

A. Reporting Entity

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

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

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

The City has no discretely presented component units.

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

The City reports the following major governmental funds:

General Fund

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

Public Safety

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

The City reports the following major proprietary funds:

Solid Waste Fund

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

Airport Fund

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

Water Fund

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

Wastewater Fund

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

Parking Fund

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

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

Internal Service Funds

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

Fiduciary Funds

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

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

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

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

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

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

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

1. Cash and Cash Equivalents and Investments

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

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

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

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

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

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

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

2. Receivables and Payables

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

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

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

Notes receivable are reported net of allowances for amounts deemed uncollectible. Allowances are computed from receivables net of amounts collected in the 60 days subsequent to June 30, 2020. Estimates for uncollectible amounts at June 30, 2020, based on net receivables are as follows: $40,000 for Downtown Revolving Loans based upon historical experience and 100% of notes receivable that are in default. Personal property tax is exempt from this process because an amount cannot be estimated, as this tax is not levied. There is no allowance calculated for real property taxes, as any uncollected amount results in a lien on the property.

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

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

Governmental Activities:

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

Business-type Activities:

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

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

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

Series 2010A Revenue Refunding Bonds	
Debt service reserve	$ 764,000
Maintenance and operating reserve	1,199,300
Capital replacement reserve	225,000
Series 2010B Revenue Bonds	
Debt service reserve	500,044
Solid Waste Closure/Post-Closure	3,654,243
Passenger Facility Charges	1,791,148
Customer Facility Charges	1,978,146
Transit Grantor Restriction	5,460
Total Restricted Assets	$10,117,341

5. Capital Assets

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

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

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

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

6. Property Held for Resale

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

7. Compensated Absences

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

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

All accumulated vacation and 25% of accumulated sick leave are accrued when incurred in the government-wide and proprietary financial statements. This liability, which totals $12,426,473 at June 30, 2020, includes the related FICA, Medicare, and retirement costs. The unrecorded accumulated sick leave benefits total $10,689,344 at June 30, 2020.

8. Long-term Obligations

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

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

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

9. Pensions

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

10. Fund Balance

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

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

	General Fund	Major Special Revenue: Public Safety	All Other Governmental Funds	Total Governmental Funds
Unspendable				
Cemetery Perpetual Care	$ -	$ -	$ 747,414	$ 747,414
Nonspendable form	-	-	154,482	154,482
Restricted				
Building Inspection	-	-	2,993,678	2,993,678
Tax Increment Districts	-	-	12,559,248	12,559,248
Roads and Streets	-	-	14,058,935	14,058,935
Grants	-	-	1,645,798	1,645,798
Cemetery Improvements	-	-	188,933	188,933
Emergency 911	-	-	3,363,162	3,363,162
Public Safety	-	1,782,654	-	1,782,654
Planning	-	-	615,557	615,557
Library	-	-	1,846,834	1,846,834
Street & Traffic	-	-	3,750,964	3,750,964
Light Maintenance Districts	-	-	1,963,942	1,963,942
Park Maintenance Districts	-	-	5,769,394	5,769,394
Sidewalk Hazard Repair	-	-	92,517	92,517
Debt Service	-	-	8,185,070	8,185,070
Capital Projects	-	-	8,293,424	8,293,424
Committed				
General Government	12,289,000	-	-	12,289,000
Arterial	-	-	6,619,927	6,619,927
Park Programs	-	-	2,537,926	2,537,926
Animal Shelter Donations	-	-	39,842	39,842
Library	-	-	1,637,761	1,637,761
Downtown Revolving Loan	-	-	273,038	273,038
Ball Field Maintenance	-	-	423,480	423,480
Unassigned				
General Government	10,107,610	-	-	10,107,610
Grants	-	-	(62,847)	(62,847)
Capital Projects	-	-	(203,791)	(203,791)
Total Fund Balances	$ 22,396,610	$ 1,782,654	$ 77,494,688	$ 101,673,952

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

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

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

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

"Exhibit A

"Recommended Fund and Working Capital Balances Policy

"Recommended Fund and Working Capital Balances policy statement:

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

"Recommended balances purpose:

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

"Recommended balances implementation authority:

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

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

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

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

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

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

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

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

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

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

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

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

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

11. Net Investment in capital assets

At June 30, 2020 net investment in capital assets of the primary government consisted of the following amounts:

	Governmental Activities	Business-type Activities
Net investment in capital assets:		
Net property, plant, and equipment	291,995,740	530,520,093
Less:		
General obligation bonds, net	(17,885,802)	-
Revenue bonds payable, net	(26,779,156)	(84,931,901)
Notes payable and other long-term debt	(20,355,803)	(36,372,973)
Amount of unspent debt proceeds	-	5,574,771
Total net investment in capital assets	**$ 226,974,979**	**$ 414,789,990**

12. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. They are the deferred charge on refunding, the deferred amount related to pensions, and the deferred amount related to other post-employment benefits, as a result of the adoption of GASB 75. These are reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded, or refunding, debt.

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

period the amounts become available. The items, *pensions and OPEB*, are reported only on the accrual statements, and are a result of the City's adoption of GASB 68 and GASB 75.

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

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

E. New Accounting Pronouncements

No new Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements.

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Equity

Funds with deficit fund balances at June 30, 2020, are listed below. The deficit fund balances do not represent any type of legal violation.

Fund	Deficit
Nonmajor Special Revenue Funds:	
Municipal Court Grants	$ 62,847
Nonmajor Capital Projects Funds	
Sidewalk and Curb Districts	203,791
Internal Service Funds	
Information Technology	911,051
Public Works Administration	1,090,604
Public Works Engineering	2,065,848

A transfer will eliminate the Municipal Court Grants and Sidewalk and Curb District deficit fund balances during Fiscal Year 2021. The proprietary funds deficit net position will be removed through increased revenues and anticipated federal grants. The internal service funds deficit net position will likely not be removed, as it is largely a result of the net pension and other post-employment benefits liabilities.

III. Detailed Notes on All Funds

A. Cash and Cash Equivalents and Investments

Cash and investments as of June 30, 2020, consist of the following:

Deposits in local banks	$ 19,511,488
Outstanding checks and reconciling items	(4,696,816)
Montana State Short Term Investment Pool (STIP)	83,175,420
	$ 97,990,092
Investments:	
US Government and US Agency Obligations	$ 130,895,124
Certificates of deposits	10,616,704
	$ 141,511,828

Cash and investments as of June 30, 2020, are classified in the statement of net position as follows:

Cash and cash equivalents	$ 97,680,296
Cash and cash equivalents, permanently restricted	309,796
	$ 97,990,092
Investments	$ 137,421,154
Investments, temporarily restricted	3,654,243
Investments, permanently restricted	436,431
	$ 141,511,828

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

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

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

Fair Value

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

The City has the following recurring fair value measurements as of June 30, 2020:

U.S. Treasury securities of $127,872,868 using quoted market prices (Level 1 inputs)

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

Interest Rate Risk

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

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

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

Investment Type	Totals	12 Months or Less	13 to 24 Months	25 to 60 Months	Over 60 Months
US Treasury Notes	$ 3,022,256	$ 1,955,021	$ 230,140	$ 837,095	$ -
US Government Agency Securities	127,872,868	11,213,604	46,763,567	69,895,697	-
Certificates of Deposit	10,616,704	10,616,704	-	-	-
	$ 141,511,828	$ 23,785,329	$ 46,993,707	$ 70,732,792	$ -

Credit Risk

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

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

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2020, the City's investments in U.S. Government Agency Securities were rated AAA by Moody's Investors Service or by Standard and Poor. Of those not rated, there was an implied AAA rating. Although the Montana Short Term Investment Pool (STIP) investments have been rated by investments security type, STIP, as an external investment pool, has not been rated by the Nationally Recognized Statistical Rating Organizations. More information on STIP is available at the Montana Department of Commerce Board of Investments website at http://www.investmentmt.com/Programs/STIP.

Nationally Recognized Statistical Rating Organizations. More information on STIP is available at the Montana Department of Commerce Board of Investments website at http://www.investmentmt.com/Programs/STIP.

Concentration of Credit Risk

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

Issuer	Investment Type	Total	
Federal Farm Credit	Federal agency securities	41,339,157	29.21%
Federal Home Loan Bank	Federal agency securities	11,258,650	7.96%
Federal Home Loan Mortgage Corp.	Federal agency securities	66,318,398	46.86%
Federal National Mortgage Assn.	Federal agency securities	8,957,345	6.33%
US Bank	Certificate of Deposit	8,000,000	5.65%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2020, the City had no exposure to custodial credit risk, but within compliance with Montana Code Annotated 7-6-207.

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

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

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. City policy requires investments to be collateralized by the actual security held in safekeeping by the primary

agent. As of June 30, 2020, none of the City's investments are exposed to custodial credit risk because all counterparties provide insurance in excess of the investments held.

Restricted Cash and Cash Equivalents with Fiscal Agent

Cash of $15,518,545 is restricted by bond covenants or for specific purposes as follows:

Current debt service:	
Nonmajor government funds	4,833,782
Airport fund	1,094,871
Water fund	1,378,521
Wastewater fund	3,426,240
Solid Waste	4,785,131
Total	$15,518,545

B. Receivables

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

	General Fund	Public Safety Fund	Non-Major Governmental Funds	Internal Service Funds	Governmental Activities Total
Taxes	$ 609,546	$ 483,581	$ 475,565	$ -	$ 1,568,692
Accounts	38,950	39,120	208,865	38,064	324,999
Special assessments	30,475	-	7,045,834	-	7,076,309
Accrued interest	18,191	4	110,133	26,207	154,535
Notes	-	-	2,532,030	280,000	2,812,030
From other governments	816	2,178,777	682,746	3,726	2,866,065
TOTAL	$ 697,978	$ 2,701,482	$ 11,055,173	$ 347,997	$ 14,802,630

	Solid Waste Fund	Airport Fund	Water Fund	Wastewater Fund	Parking Fund	Non-Major Enterprise Funds	Business-type Activities Total
Taxes	$ -	$ -	$ -	$ -	$ -	$ 79,780	$ 79,780
Accounts	1,844,652	414,400	7,225,854	2,763,242	486	18,988	12,267,622
Accrued interest	40,108	26,860	61,441	61,805	844	2,888	193,946
From other governments	-	2,598,622	1,387	1,551	-	1,907,841	4,509,401
TOTAL	$ 1,884,760	$ 3,039,882	$ 7,288,682	$ 2,826,598	$ 1,330	$ 2,009,497	$ 17,050,749

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

	Unavailable
Delinquent property taxes receivable:	
General fund	$ 141,409
Public safety fund	110,321
Nonmajor governmental funds	169,168
Special assessments not yet due:	
General fund	1,746
Nonmajor governmental funds	6,159,371
Notes receivable not yet due:	
Nonmajor governmental funds	2,532,030
Total	$ 9,114,045

C. Operating Lease Receivable

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

Cancelable:

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

are calculated using a compensatory formula to recover certain operating, capital and debt services costs. The landing fee rates are calculated based on a residual methodology by which landing fees plus terminal rents plus non-airline revenues cover all of the Airport's costs. Thus, keeping the Airport fiscally whole each year. The airline lease terms are for the period of July 1, 2013 through June 30, 2020 and allows the lessee to terminate with 180 days written notice. Fiscal year 2020 revenues for landing fees and terminal building rents totaled $928,379 and $2,156,139 respectively.

- Operating lease agreements with two U.S. Government agencies consist of leases for ground and building space. Each agreement allows the lessee to terminate with 60 days written notice. Each lease's term is for a ten year period, ending August 31, 2022 and November 30, 2026. Fiscal year 2020 payments totaled $207,558.

Non-cancelable:

- Fixed minimum rentals with annual increases based on CPI-U.
- Agreements under which the Airport receives revenue from the operation of concessions located on Airport property which provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum. Payments contingent on gross receipts that are associated with these non-cancelable leases totaled $4,124,036 for the fiscal year ended June 30, 2020.

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

	Acquisition Cost	Accumulated Depreciation
Land	$ 90,768	$ 0
Buildings	22,866,673	16,910,577
Non-Building Improvements	5,956,718	2,698,684
Equipment	2,914,884	1,648,658
Total	$31,829,043	$21,257,919

At June 30, 2020, minimum future rents and fees to be received under the non-cancelable leases or concession agreements for each fiscal year are as follows:

Year Ending June 30:	
2021	$ 4,268,261
2022	1,861,114
2023	704,899
2024	662,357
2025-2029	2,131,095
2030-2034	950,417
2035-2039	554,343
2040-2041	19,355
Total	$ 11,151,841

D. Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

Governmental activities:	Balance June 30, 2019	Additions	Deletions	Transfer In/Out	Balance June 30, 2020
Capital assets not being depreciated:					
Land	$ 45,535,455	$ -	$ -	$ -	$ 45,535,455
Construction in Progress	5,565,739	12,186,957	-	(7,714,920)	10,037,776
Total capital assets, not being depreciated	51,101,194	12,186,957	-	(7,714,920)	55,573,231
Capital assets being depreciated:					
Buildings	45,042,753	6,642	-	-	45,049,395
Improvements other than Buildings	48,690,799	474,380	-	516,179	49,681,358
Equipment	44,844,866	2,795,803	2,798,439	1,241,462	46,083,692
Infrastructure	327,964,074	8,324,356	-	5,983,065	342,271,495
Total capital assets, being depreciated	466,542,492	11,601,181	2,798,439	7,740,706	483,085,940
Less accumulated depreciation for:					
Buildings	14,264,078	1,083,683	-	-	15,347,761
Improvements other than Buildings	19,188,679	1,700,951	-	-	20,889,630
Equipment	31,029,338	3,039,625	2,710,462	25,786	31,384,287
Infrastructure	164,469,370	14,572,369	-	-	179,041,739
Total accumulated depreciation	228,951,465	20,396,628	2,710,462	25,786	246,663,417
Total capital assets, being depreciated, net	237,591,027	(8,795,447)	87,977	7,714,920	236,422,523
Governmental activities capital assets, net	$ 288,692,221	$ 3,391,510	$ 87,977	$ -	$ 291,995,754

Business-type activities:	Balance June 30, 2019	Additions	Deletions	Transfer In/Out	Balance June 30, 2020
Capital assets not being depreciated:					
Land	$ 13,755,814	$ 806,222	$ -	$ 2,494,866	$ 17,056,902
Construction in Progress	74,395,611	56,840,331	-	(81,466,513)	49,769,429
Total capital assets, not being depreciated	88,151,425	57,646,553	-	(78,971,647)	66,826,331
Capital assets being depreciated:					
Buildings	120,167,295	606,374	-	477,723	121,251,392
Improvements other than Buildings	126,976,997	221,984	-	153,632	127,352,613
Equipment	75,128,386	5,520,472	3,535,632	59,109	77,172,335
Infrastructure	445,010,706	4,626,798	214,014	78,281,183	527,704,673
Total capital assets, being depreciated	767,283,384	10,975,628	3,749,646	78,971,647	853,481,013
Less accumulated depreciation for:					
Buildings	65,247,192	3,224,632	74	-	68,471,750
Improvements other than Buildings	84,118,858	4,287,909	-	-	88,406,767
Equipment	53,516,841	4,103,434	3,386,487	-	54,233,788
Infrastructure	168,993,725	9,895,235	214,014	-	178,674,946
Total accumulated depreciation	371,876,616	21,511,210	3,600,575	-	389,787,251
Total capital assets, being depreciated, net	395,406,768	(10,535,582)	149,071	78,971,647	463,693,762
Business-type activities capital assets, net	$ 483,558,193	$ 47,110,971	$ 149,071	$ -	$ 530,520,093

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

Governmental activities:	
General Government	$ 49,200
Public Safety	1,409,784
Public Works	15,500,268
Public Health	188,660
Culture & recreation	2,350,433
Housing and community development	76,240
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	822,043
Total depreciation expense - governmental activities	$ 20,396,628
Business-type activities:	
Solid Waste	$ 2,911,923
Airport	5,073,308
Water	7,243,569
Wastewater	4,797,680
Parking	829,514
Transit	585,517
Golf Course	69,699
Total depreciation expense - business-type activities	$ 21,511,210

Construction Commitments

The City has active construction projects as of June 30, 2020. At year-end, the City's commitments with the contractors, rounded to the nearest thousand, are as follows:

General Fund	$ 40
Public Safety Fund	1,426
Solid Waste Fund	9,353
Airport Fund	3,018
Water Fund	9,518
Wastewater Fund	8,147
Nonmajor Enterprise Funds	3,023
Nonmajor Governmental Funds	15,206
Nonmajor Internal Services Funds	268
	$49,999

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

Other Commitments

At June 30, 2020, the Public Safety fund had commitments of $1.05 million for new Police Evidence Building.

At June 30, 2020, the Airport fund had commitments of over $2.5 million for the Airport Terminal Expansion.

At June 30, 2020, the N 27th TIF fund had commitments of $1.5 million for the Downtown 2-Way Street Conversions.

E. Interfund Receivables, Payables, and Transfers

The composition of inter-fund balances as of June 30, 2020, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 228,508
Nonmajor Governmental Funds	Nonmajor Governmental Funds	231,463
Totals		$ 459,971

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

Interfund transfers:

	Transfers in:								
	General Fund	Public Safety Fund	Nonmajor Governmental Funds	Wastewater Fund	Water Fund	Parking Fund	Nonmajor Enterprise Fund	Internal Service	Total
Transfers Out:									
General	$ -	$ 22,554,927	$ 1,691,111	$ -	$ -	$ -	$ -	$ -	$ 24,246,038
Public Safety	-	-	1,509,103	-	-	-	-	285,388	1,794,491
Nonmajor Governmental Funds	36,256	-	2,198,720	-	-	100,000	-	436,287	2,771,263
Airport Fund	-	-	-	-	-	-	6,000	-	6,000
Subtotal	36,256	22,554,927	5,398,934	-	-	100,000	6,000	721,675	28,817,792
Internal Service Funds	-	-	-	3,000	4,500	-	-	95,769	103,269
Total	$ 36,256	$ 22,554,927	$ 5,398,934	$ 3,000	$ 4,500	$ 100,000	$ 6,000	$ 817,444	$ 28,921,061

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

F. Capital Lease Obligations

Governmental Activities:

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

Business-Type Activities:

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

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

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Assets:		
Buildings	$6,600,000	$5,930,000
Accumulated Depreciation	(2,112,000)	(2,536,722)
Total	$4,488,000	$3,393,278

The following is a schedule, by year, of the future minimum lease payments at June 30, 2020:

Year ending June 30	Governmental Activities	Business-type Activities
2021	475,125	201,961
2022	476,850	201,961
2023	473,200	201,961
2024	213,150	201,961
2025	-	201,961
2026-2030	-	1,009,803
2031-2033	-	605,881
Total minimum lease payments	1,638,325	2,625,489
Less: Amount representing interest	(83,325)	(663,943)
Present value of minimum lease payments	$ 1,555,000	$ 1,961,546

G. Long-Term Debt

Governmental Activities:

General Obligation Bonds Payable – The City issued general obligation bonds to provide funds for governmental activities for the acquisition and construction of major capital improvements. General obligation bonds are the direct obligations and pledge the full faith and credit of the City. At June 30, 2020, the outstanding general obligation bonded indebtedness of the City, serviced by the City's debt service funds, was as follows:

General Obligation Bonds Series 2010, issued in the total aggregate amount of $1,080,000 and interest ranging from 2.00%-3.00%, due July 1, 2020, payable in annual installments of $105,000 to $115,000.	$ 115,000
General Obligation Bonds Series 2004A, issued in the total aggregate amount of $3,460,000 and interest rate is 3.00%, due July 1, 2024, payable in annual installments of $245,000 to $345,000, callable on or after July 1, 2021.	1,605,000
General Obligation Bonds Series 2015, issued in the total aggregate amount of $6,270,000 and interest ranging from 2.00%-3.50%, due July 1, 2027. These bonds were issued to refund General Obligation Bonds Series 2007A on July 1, 2018.	5,150,000
General Obligation Bonds Series 2012, issued in the total aggregate amount of $15,460,000 and interest ranging from 2.00% - 4.00%, due July 1, 2032, payable in annual installments of $620,000 to $860,000, callable on or after July 1, 2021.	9,915,000
	$ 16,785,000

Tax Increment Bonds Payable – At June 30, 2020, the outstanding tax increment bonds indebtedness of the City was as follows:

Tax Increment Revenue Bonds Series 2013, issued in the total aggregate amount of $13,210,000 and interest ranging from 2.50%-6.50%, due July 1, 2038, payable in annual installments of $387,813 to $967,750. The City issued tax increment bonds to provide funds for the construction of the Empire Parking Garage and retail space.	$ 11,490,000
Tax Increment Refunding Bonds Series 2015, issued in the total aggregate amount of $5,170,000 and interest ranging from 2.00%-4.38%, due July 1, 2039, payable in annual installments of $125,000 to $330,000. These bonds were issued to retire the debt for the Special Improvement District 1385 bonds.	4,585,000
Tax Increment Revenue Bonds Series 2015, issued in the total aggregate amount of $3,165,000 and interest ranging from 2.00%-4.65%, due July 1, 2039, payable in annual installments of $85,000 to $200,000. The bond proceeds were used for improvements in the East Billings Urban Renewal District.	2,790,000
Tax Increment Revenue Bonds Series 2016, issued in the total aggregate amount of $4,935,000 and interest ranging from 2.00% to 3.75%, due July 1, 2040, payable in annual installments of $150,000 to $295,000. The bonds were issued for reconstruct and sewer improvements in the South Billings Urban Renewal District.	4,480,000
Tax Increment Revenue Bonds Series 2018, issued in the total aggregate amount of $3,405,000 and interest ranging from 3.00% to 5.00%, due July 2038, payable in installments of $105,000 to $237,000. The bonds were issued for storm sewer, sidewalk, lighting, and landscaping improvements in the East Billings Urban Renewal District.	3,360,000
	$26,705,000

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

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

The City's outstanding Special Assessment Debt from direct borrowing and direct placements related to governmental activities of $3,917,500 secured by the revolving fund. In the event there is no money or insufficient money in the appropriate district fund with which to pay the special improvement district or sidewalk bonds the City shall annually or more often if necessary issue an order authorizing a loan or advance from the Revolving Fund for an amount sufficient to make good on any deficiency.

The various bonds outstanding at June 30, 2020, are as follows:

Special improvement districts, issued in the total aggregate amount of $7,709,000 and interest ranging from 2.80%-6.00%, payable from the special improvement districts fund in varying installments to 2030.	$ 3,988,000
Sidewalk and curb districts, issued in the total aggregate amount of $4,613,000 and interest ranging from 3.25%-5.00%, payable from the sidewalk and curb districts fund in varying installments to 2030.	2,402,500
Storm Sewer Revenue Bonds Series 2013, issued in the total aggregate amount of $4,270,000 and interest ranging from 3.00%-5.00%, payable from the storm sewer fund in varying installments to 2033, callable on or after July 1, 2023.	3,320,000
Storm Sewer Revenue Bonds Series 2015, issued in the total aggregate amount of $9,615,000 and interest ranging from 2.00%-5.00%, payable from the Storm Sewer fund in varying installments to 2035, callable on or after July 1, 2025.	8,205,000
	$ 17,915,500

Business-Type Activities:

Notes Payable – The Montana Department of Natural Resources and Conservation (DNRC) authorized the issuance of notes payable for various construction and rehabilitation projects related to the water and wastewater systems as noted in the following table. All notes are due in semi-annual installments with terms of 20 years. The covenants of both the water and wastewater notes require that funds be set aside in reserve for the delinquency of the debt. The required reserve is the highest amount of principal and interest for any annual debt service over the 20-year note payable for Wastewater, and half of the highest annual debt service payment for Water. The amounts reserved as of June 30, 2020, are $1,444,291 for Wastewater and $1,386,571 for Water.

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

The amounts outstanding as of June 30, 2020, are as follows:

	Due within one year	Due after one year	Total
Wastewater	$ 1,120,000	$10,198,000	$11,318,000
Water	$ 2,168,000	$19,917,000	$22,085,000

Revenue Bonds Payable – At June 30, 2020, the outstanding revenue bonded indebtedness of the City was as follows:

2010A Airport Revenue Refunding Bonds, issued in the total aggregate amount of $7,640,000 and interest ranging from 2.50%-5.00%, due July 1, 2020, payable in annual installments of $670,000 to $895,000. The bonds are not subject to optional redemption prior to their stated maturities.	$670,000
Deferred amount on bond refunding	(0)
	670,000
Less current portion	(670,000)
Total	$ 0

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

2010B Airport Revenue Refunding Bonds issued in the aggregate amount of $6,525,000, and interest ranging from 3.00%-4.37% due July 1, 2030, payable in annual installments of $235,000 to $475,000, callable on or after July 1, 2021.	$ 4,305,000
Less current portion	(320,000)
Total	$ 3,985,000

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

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

Revenue bond ordinances include various restrictive covenants. The 2010A and 2010B bond covenants require that revenues and CFC collections equal at least 125% of the debt service requirement for each fiscal year. The more significant reserve covenants require reserves for debt service, facilities and equipment replacement, and for operations. The City is in compliance with all covenants as of June 30, 2020.

The revenue bond ordinance restrictions are as follows:

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

The City issued Series 2010B revenue bonds to finance its car wash facility and Series 2010A refunding revenue bonds to refund bonds issued to remodel the terminal building. The Airport Fund accounts for all airport activities, which include CFC collections and expenses, PFC collections ($1,247,859) and expenses, AIP grants, and all other Airport operations. However, investors in the Series 2010B revenue bonds rely on the revenue generated by CFC collections ($668,280) and investors in the 2010A revenue bonds rely on airport operating revenues net of AIP grants and CFC and PFC collections.

2017 Sewer System Revenue Bonds, issued in the aggregate amount of $56,505,000 and interest ranging from 2.00% - 5.00%, due July 1, 2036, payable in annual installments of $1,430,000 to $5,125,000, callable on or after July 1, 2027.	$ 50,615,000
Less current portion	(1,530,000)
Total	$ 49,085,000

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

2019 Solid Waste System Revenue Bonds, issued in the aggregate amount of $21,990,000 and interest ranging from 3.00% to 5.00%, due July 1, 2039, payable in annual installments of $1,536,425 to $1,547,825 callable on or after July 1, 2028.	$ 21,990,000
Less current portion	(700,000)
Total	$ 21,290,000

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

Defeased Debt – In prior years, the City defeased certain revenue and special assessment bonds by the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2020, there were no bonds.

Summary of Debt Maturities – Annual debt service principal and interest payments required on all outstanding debt at June 30, 2020, are as follows:

GOVERNMENTAL ACTIVITIES

Year ending June 30	General Obligation Bonds		Special Assessment Bonds		Special Assessment Bonds-Direct Placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	1,835,000	554,675	653,825	523,534	63,000	178,303
2022	1,760,000	501,200	784,831	499,090	342,000	170,457
2023	1,795,000	447,825	920,892	466,448	458,500	152,556
2024	1,570,000	393,150	882,010	432,715	430,000	133,711
2025	1,625,000	335,775	796,442	405,232	349,000	116,142
2026-2030	5,715,000	873,775	4,735,000	1,495,823	1,708,000	330,241
2031-2035	2,485,000	131,375	4,565,000	510,072	567,000	51,067
2036-2040	-	-	660,000	11,137	-	-
	$ 16,785,000	$ 3,237,775	$13,998,000	$ 4,344,051	$ 3,917,500	$1,132,477

	Tax Increment		Intercap Notes Payable		Capital Lease Payable-BOC	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	905,000	1,158,094	20,922	7,675	435,000	40,125
2022	925,000	1,124,709	21,452	7,149	450,000	26,850
2023	965,000	1,089,044	21,998	6,609	460,000	13,200
2024	1,000,000	1,150,672	22,564	6,055	210,000	3,150
2025	1,050,000	1,008,772	23,157	5,502	-	-
2026-2030	5,980,000	4,284,480	98,395	19,905	-	-
2031-2035	7,480,000	2,762,860	103,740	6,624	-	-
2036-2040	8,105,000	892,783	-	-	-	-
2041-2045	295,000	5,531	-	-	-	-
	$ 26,705,000	$13,476,945	$ 312,228	$ 59,519	$ 1,555,000	$ 83,325

BUSINESS TYPE ACTIVITIES

Year ending June 30	Revenue Bonds-Airport		Capital Lease Payable-Airport		Capital Lease Payable-Parking	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	990,000	187,394	94,943	34,007	40,491	13,328
2022	335,000	158,972	99,710	29,240	42,378	11,442
2023	345,000	146,431	104,718	24,232	44,351	9,467
2024	360,000	132,988	109,976	18,974	46,419	7,401
2025	370,000	118,612	115,499	13,451	48,581	5,238
2026-2030	2,100,000	340,746	184,213	9,212	77,149	3,580
2031-2035	475,000	10,391	-	-	-	-
	$ 4,975,000	$ 1,095,534	$ 709,059	$ 129,116	$ 299,369	$ 50,456

	Notes Payable-Water		Notes Payable-Wastewater		Capital Lease Payable-Park II	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	2,168,000	579,088	1,120,000	318,069	114,672	87,289
2022	2,225,000	532,170	1,151,000	286,393	119,775	82,185
2023	2,285,000	473,720	1,190,000	253,591	125,105	76,856
2024	2,346,000	413,670	1,223,000	219,762	130,672	71,289
2025	2,406,000	351,975	1,256,000	185,008	136,487	65,474
2026-2030	7,375,000	1,025,459	4,623,000	442,200	779,128	230,675
2031-2035	3,280,000	225,525	755,000	41,160	555,706	50,175
	$ 22,085,000	$ 3,601,607	$11,318,000	$ 1,746,183	$ 1,961,545	$ 663,943

	Revenue Bonds-Wastewater		Revenue Bonds-Solid Waste	
	Principal	Interest	Principal	Interest
2021	1,530,000	2,322,000	700,000	844,275
2022	1,595,000	2,259,500	735,000	808,400
2023	1,655,000	2,186,225	775,000	770,650
2024	1,740,000	2,101,350	815,000	730,900
2025	1,825,000	2,012,225	855,000	689,150
2026-2030	11,915,000	8,458,125	4,955,000	2,749,450
2031-2035	20,305,000	4,488,825	6,070,000	1,658,894
2036-2039	10,050,000	1,596,525	7,085,000	613,656
	$ 50,615,000	$25,424,775	$21,990,000	$ 8,865,375

Changes in Long-Term Obligations – During the year ended June 30, 2020, the following changes occurred in liabilities reported in the long-term obligations:

	Balance June 30, 2019	Issued/ Accrued	Refunded/ Redeemed/ Matured	Balance June 30, 2020	Due within one year
Governmental Activities:					
General obligation bonds:					
Series 2010 Parks	$ 225,000	$ -	$ 110,000	$ 115,000	$ 115,000
Add: premium received	5,647	-	2,825	2,822	-
Series 2004A Streets	1,895,000	-	290,000	1,605,000	300,000
Add: premium received	114,677	-	19,112	95,565	-
Series 2015 Refunding	5,715,000	-	565,000	5,150,000	580,000
Add: premium received	387,555	-	48,444	339,111	-
Series 2012 Library	10,740,000	-	825,000	9,915,000	840,000
Add: premium received	714,327	-	51,023	663,304	-
Tax Increment 2013	11,830,000	-	340,000	11,490,000	355,000
Add: premium received	34,806	-	3,481	31,325	-
Less: bond discount	(1,615)	-	(162)	(1,453)	-
Tax Increment 2015	4,740,000	-	155,000	4,585,000	160,000
Less: bond discount	(20,778)	-	(1,039)	(19,739)	-
Tax Increment 2015-EBURD	2,890,000	-	100,000	2,790,000	100,000
Less: bond discount	(27,943)	-	(1,397)	(26,546)	-
Tax Increment 2016	4,635,000	-	155,000	4,480,000	160,000
Less: bond discount	(32)	-	(2)	(30)	-
Tax Increment 2018-East	3,465,000	-	105,000	3,360,000	130,000
Add: premium received	95,367	-	4,768	90,599	-
Special assessment debt with governmental commitment	14,920,868	-	922,868	13,998,000	653,825
Less: bond discounts	(30,173)	-	(6,388)	(23,785)	-
Add: premium received	548,726	-	34,992	513,734	-
Direct Placement	3,515,000	857,000	454,500	3,917,500	63,000
Intercap notes payable	32,206	285,388	5,366	312,228	20,922
Capital lease payable	1,980,000	-	425,000	1,555,000	435,000
Add: premium received	103,906	-	20,782	83,124	-
Compensated absences	8,733,170	8,559,554	8,169,485	9,123,239	7,482,261
Total governmental activities	$ 77,240,714	$ 9,701,942	$ 12,798,658	$ 74,143,998	$ 11,395,008

	Balance June 30, 2019	Issued/ Accrued	Refunded/ Redeemed/ Matured	Balance June 30, 2020	Due within one year
Business Activities:					
Notes Payable					
Water from DNRC	$ 6,779,000	$ -	$ 980,000	$ 5,799,000	$ 1,002,000
Water from DNRC-ARRA Part B	190,000	-	16,000	174,000	16,000
Water from DNRC-Rehab	1,660,000	-	137,000	1,523,000	141,000
Water from DNRC-Zone 4	4,034,000	-	332,000	3,702,000	342,000
Water from DNRC-Waterlines	1,442,000	-	107,000	1,335,000	111,000
Wastewater from DNRC-Briarwood	3,585,000	-	331,000	3,254,000	340,000
Wastewater from DNRC	1,769,000	-	256,000	1,513,000	261,000
Wastewater from DNRC	203,000	-	18,000	185,000	18,000
Wastewater from DNRC	2,484,000	-	204,000	2,280,000	211,000
Wastewater from DNRC-UV	1,535,000	-	113,000	1,422,000	117,000
Wastewater from DNRC-UV	530,000	-	39,000	491,000	40,000
Wastewater from DNRC-5 Mile	2,302,000	-	129,000	2,173,000	133,000
Water from DNRC-Zone 3	2,149,000	-	131,000	2,018,000	135,000
Water from DNRC-Zone 3 Chapple	5,025,000	-	259,000	4,766,000	266,000
Water from DNRC-Briarwood	2,920,000	-	152,000	2,768,000	155,000
Sewer System Revenue	52,090,000	-	1,475,000	50,615,000	1,530,000
Add: premium received	6,425,788	-	356,988	6,068,800	
Solid Waste Revenue	21,990,000	-	-	21,990,000	700,000
Add: premium received	1,348,127	-	67,406	1,280,721	
Capital lease payable - Park II	2,071,330	-	109,785	1,961,545	114,672
Capital lease payable - Parking	338,058	-	38,689	299,369	40,491
Airport Series 2010A Refunding	1,565,000	-	895,000	670,000	670,000
Add: premium received	1,423	-	1,423	-	
Airport Series 2010B Revenue	4,615,000	-	310,000	4,305,000	320,000
Add: premium received	2,804	-	424	2,380	
Capital lease payable - Airport	799,463	-	90,403	709,060	94,943
Compensated absences	3,425,157	2,709,686	2,831,609	3,303,234	2,572,729
Total business type activities	$ 131,279,150	$ 2,709,686	$ 9,380,727	$ 124,608,109	$ 9,330,835

Governmental activities include internal service fund liabilities for capital lease payable, compensated absences, and intercap notes payable. Internal service fund compensated absences totaled $1,435,704 and $1,448,969 at June 30, 2019 and 2020, respectively and are generally liquidated by the related internal service fund. Compensated absences for the remaining governmental activities are generally liquidated by the general fund and other governmental funds.

Arbitrage – The Tax Reform Act of 1986 (ACT) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt and now requires the City to calculate and remit rebatable arbitrage earnings to the Internal Revenue Service. Certain City debt and interest earned on the proceeds thereof are subject to the requirements of the Act. At June 30, 2020, the City had no arbitrage rebate liability for its governmental and business-type activities.

H. Post-Employment Healthcare Benefits

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

Plan Measurement Date. June 30, 2020

Plan Description. The City provides continuous medical insurance coverage for eligible participants enrolled in the City sponsored plan, a single-employer plan, called the City of Billings Employee Benefit Plan (the Plan). Total plan contributions paid by the City in 2020 were 10.0% of total payroll and benefits. The retiree benefits are provided in the form of an implicit rate subsidy where pre 65 retirees and a closed group of post 65 retirees receive health insurance coverage by paying a combined retiree/active rate. Dental and life insurance benefits are also provided on a fully contributory basis. The Plan does not prepare separate financial statements, but is included in the City's CAFR and reported as an internal service fund as City Health Insurance Fund. A Plan Document describing the Plan in its entirety, including contribution rates, eligibility, etc., can be obtained from the Human Resources Department of the City of Billings.

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

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

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

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

The number of participants as of July 1, 2019, the effective date of the biennial OPEB valuation, follows. There have been no significant changes in the number covered or the type of coverage since that date.

Active employees	897
Retired employees	89
Total	985

Funding Policy. The City currently pays for post-employment healthcare benefits on a pay-as-you-go basis. Although the City has studied the establishment of trusts that would be used to accumulate and invest assets necessary to pay for any accumulated liability on an actuarial basis, these financial statements assume that pay-as-you-go funding will continue. The amount of covered payroll related to the plan for the year ending June 30, 2019, is $56,529,000. The ratio of the FY 2020 net OPEB liability to annual covered payroll is 0.17.

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

Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Total OPEB Liability – Start of Year	**$8,517,107**	**$ -**	**$8,517,107**
Changes for the year			
Service cost	620,522	-	620,522
Interest cost	311,943	-	311,943
Changes of benefit term	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	500,850	-	500,850
(Other changes, separately identified if significant)	-	-	-
Contributions – employer	-	-	-
Net Investment Income	-	-	-
Benefit payments	(449,940)	-	(449,940)
Admin Expense	-	-	-
Net change in total OPEB liability	**$983,375**	**-**	**$983,375**
Total OPEB Liability – End of Year	**$9,500,481**	**$-**	**$9,500,481**

The annual OPEB expense recognized in fiscal year 2020 is as follows:

Service Cost	$ 620,522
Interest Cost	311,493
Changes of benefit terms	-
Current recognized deferred outflows/(inflows)	
Difference between expected and actual experience	($389,737)
Changes in assumptions or other inputs	343,608
(Other changes, separately identified, if significant)	-
Total Expense	**$886,336**

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

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between actual and expected experience	-	($1,944,992)
Changes of assumptions	$ 1,812,631	(727,074)
Total	**$ 1,812,631**	**($ 2,672,066)**

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

For Fiscal Year End:		
	2021	$ (46,129)
	2022	(46,129)
	2023	(46,129)
	2024	(218,862)
	2025	(328,413)
	Thereafter	(173,773)

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

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

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

In the June 30, 2020, actuarial valuation, the liabilities were computed using the entry age normal based on level percentage of projected salary. The actuarial assumptions utilized a 2.21% discount rate. Because the plan is unfunded, the discount rate is based on the index rate for 20-year, tax-exempt, general obligation bonds with an average rating of AA or higher. The valuation assumes a 7% healthcare cost trend increase for fiscal year 2019-2020, reduced each year until an ultimate health care cost trend rate of 4.65% is reached.

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

The Health Insurance Committee may modify the Plan.

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

Healthcare cost trend sensitivity analysis

	Net OPEB Liability	**% Difference**
1% Decrease	$8,086,000	-15%
Current Trend	$9,500,000	0%
1% Increase	$11,601,000	22%

Discount Rate trend sensitivity analysis

	Net OPEB Liability	**% Difference**
1% Increase 3.21%	$8,593,000	-10%
Current Trend 2.21%	$9,500,000	N/A
1% Decrease 1.21%	$10,538,000	11%

IV. Other Notes

A. Risk Management

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

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

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

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

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

The City has established a medical self-insurance fund to pay medical claims of the City's employees and their covered dependents. Revenues to the plan from the various funds and employee contributions are recorded as a charge for service in the City health insurance fund, an internal service fund. Medical claims over $215,000 per individual per calendar year are covered through a private insurance carrier. The fund records health care costs as expenses when claims are incurred;

including incurred but not reported (IBNR) claims. The fund establishes claims liabilities, including IBNR, based on the estimated ultimate cost of settling the claims (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that modify past experience. Claims liabilities include only specific, incremental claim adjustment expenses. Estimated recoveries on claims are evaluated in terms of their estimated, realizable value and deducted from the liability for unpaid claims.

Following is a summary of the changes in the balances of health insurance claim liabilities, which are included in accrued liabilities in the Combined Balance Sheet, during fiscal years 2018, 2019, and 2020:

	Beginning-of-fiscal-year liability	Incurred claims and claim administrative expenses	Payments of claims and claim administrative expenses	End-of-fiscal-year liability
2017-2018	750,000	10,461,124	10,303,328	907,796
2018-2019	907,796	9,797,165	9,937,165	767,796
2019-2020	767,796	12,464,861	12,102,660	1,129,997

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

Approximately 96 retired and terminated employees participated in the City's health plan. Claims paid in excess of premiums received for these participants totaled approximately $1,184,079 for the fiscal year ended June 30, 2020. There have been no material changes in health insurance coverage from the previous year. The City has a two-tiered health insurance plan. The amount of employee contributions is based on the level of coverage chosen from the two tiers. Beginning January 1, 2012, the City implemented a two-tiered health insurance plan and will have only one area hospital in-network. These changes were completed using the RFP process and were approved and implemented by the Health Insurance Committee in order to reduce health care costs and avoid increases in premiums for both the City and employees.

All risk management activities are accounted for in the internal service funds. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events

that might create claims, but for which none have been reported, are considered. Coverage limits and the deductibles on the commercial policies have not changed materially from the previous year.

B. Pollution Remediation

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

C. Subsequent Events

Management has evaluated subsequent events through January 11th, 2021, the date on which the financial statements were available to be issued. There are no subsequent events to report.

D. Claims and Judgments

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

Changes in Claims and Judgments:

Fiscal Year	Beginning of Fiscal Year	Changes in the Estimate for Claims of Prior Periods	Claims Incurred During Year	Payments of Claims	End of Fiscal Year	Amount Due Within One Year
2018	$ 1,300,000	$ -	$ -	$ -	$1,300,000	$1,300,000
2019	$ 1,300,000	$ -	$ -	$ -	$1,300,000	$1,300,000
2020	$ 1,300,000	$ -	$ -	$ -	$1,300,000	$1,300,000

E. Contingent Liabilities

1. Landfill Closure and Post-closure

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on the estimate of landfill capacity used as of each balance sheet date. The $3,659,311 reported as landfill closure and post-closure care liability at June 30, 2020, represents the cumulative amount reported to date based on the use of approximately 54% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of $3.1 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2020. Revised closure costs were completed during fiscal year 2018, which slightly increased the total estimated remaining costs for closure and post-closure care. The City expects to close the landfill in 38 years, in the year 2058. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has established an irrevocable solid waste management financial assurance trust. The City is required to make payments into the trust over the life of the landfill to provide funds for closure and post-closure care. In fiscal year 2020, $287,119 was paid into, or earned by, the trust. The cumulative amount of payments of $3,654,243 is reported as restricted investments at June 30, 2020.

	Balance June 30, 2019	Accrual Amount	Balance June 30, 2020
Net change in Landfill Liability	$ 3,504,776	$ 154,535	$ 3,659,311

2. Lawsuits

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

The City of Billings was sued by a group of employed police officers several years ago. The District Court issued a summary judgment, which the plaintiffs believe will result in favor of the officers. MMIA does not offer coverage for this

claim. The judgment did not itemize the amount for the claim. Although the City is vigorously defending this claim, the City has estimated that the summary judgment could result in up to $200,000 due to the officers, including attorney fees, penalties, and interest. This amount has been reflected in the Statement of Position and Statement of Activities.

The City of Billings is being sued by a group of citizens. Plaintiffs filed a class action complaint on May 16, 2018 asserting that the franchise fees assessed by the City were illegal sales taxes. The City has filed an answer denying the substance of the Plaintiffs' claims. The District Court stayed further litigation in this case pending resolution of the City's appeal of the Class Certification Order. Although the City is vigorously defending this claim, the City has estimated that a judgment could result in up to $1,000,000.

3. Grants

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

F. Conduit Debt

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

As of June 30, 2020, there were two series of industrial revenue bonds outstanding. The aggregate principal amount payable for the two series issued was approximately $7.8 million at June 30, 2020.

G. Pension Plans

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

CITY OF BILLINGS
PERS-DEFINED BENEFIT
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2019 (*MEASUREMENT DATE*)
JUNE 30, 2020 (*REPORTING DATE*)

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using a June 30, 2019 measurement date for the 2020 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements shown in this report but will need to wait for the measurement date as of June 30, 2020.

Summary of Significant Accounting Policies

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

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

General Information about the Pension Plan

Plan Description - *76a*: The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

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

Benefits Provided - *76b:* The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Service retirement:

- Hired prior to July 1, 2011:
  - Age 60, 5 years of membership service
  - Age 65, regardless of membership service
  - Any age, 30 years of membership service
- Hired on or after July 1, 2011:
  - Age 65, 5 years of membership service
  - Age 70, regardless of membership service

Early Retirement:

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

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

- Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retired on or after January 1, 2016 and accumulate less than 5 years additional service credit:
    - A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
    - No service credit for second employment;
    - Start the same benefit amount the month following termination; and
    - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:
    - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
    - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:
    - The same retirement as prior to the return to service;
    - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
    - GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's highest average compensation (HAC)

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

Compensation Cap

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

Monthly benefit formula

- Members hired prior to July 1, 2011
    - Less than 25 years of membership service: 1.785% of HAC per year of service credit;
    - 25 years of membership service or more: 2% of HAC per year of service credit.
- Members hired on or after July 1, 2011
    - Less than 10 years of membership service: 1.5% of HAC per year of service credit;
    - 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
    - 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

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

- 3.0% for members hired **prior to** July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
    - 1.5% for each year PERS is funded at or above 90%;
    - 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and

- 0% whenever the amortization period for PERS is 40 years or more.

Contributions – *76c:* The state Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

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

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

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

	Member		State & Universities	Local Government		School Districts	
Fiscal Year	Hired <7/01/11	Hired >7/01/11	Employer	Employer	State	Employer	State
2020	7.9%	7.9%	8.770%	8.670%	0.10%	8.40%	0.370%
2019	7.9%	7.9%	8.670%	8.570%	0.10%	8.30%	0.370%
2018	7.9%	7.9%	8.570%	8.470%	0.10%	8.20%	0.370%
2017	7.9%	7.9%	8.470%	8.370%	0.10%	8.10%	0.370%
2016	7.9%	7.9%	8.370%	8.270%	0.10%	8.00%	0.370%
2015	7.9%	7.9%	8.270%	8.170%	0.10%	7.90%	0.370%
2014	7.9%	7.9%	8.170%	8.070%	0.10%	7.80%	0.370%
2012-2013	6.9%	7.9%	7.170%	7.070%	0.10%	6.80%	0.370%
2010-2011	6.9%		7.170%	7.070%	0.10%	6.80%	0.370%
2008-2009	6.9%		7.035%	6.935%	0.10%	6.80%	0.235%
2000-2007	6.9%		6.900%	6.800%	0.10%	6.80%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.

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

3. Non-Employer Contributions
    a. Special Funding
        i. The State contributes 0.1% of members' compensation on behalf of local government entities.
        ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
        iii. The State contributed a Statutory Appropriation from the General Fund of $33,615,000.

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2019 was determined by taking the results of the June 30, 2018 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2019, and 2018, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer

and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid.

The employer recorded a liability of $44,238,926 and the employer's proportionate share was 2.116380 percent.

	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018*	Change in Percent of Collective NPL
City of Billings' Proportionate Share	$ 44,238,926	$ 43,206,812	2.116380%	2.070143%	0.046237%
State of Montana Proportionate Share associated with the Employer	$ 14,409,911	$ 14,470,254	0.689367%	0.693305%	-0.003938%
Total	$ 58,648,837	$ 57,677,066	2.805747%	2.763448%	0.042299%

*To be consistent with this year's calculation of the State of Montana Proportionate Share Associated with the Employer Percent of Collective NPL, the June 30, 2018 percentage has been recalculated using the actual State percentage presented on the allocation calculation instead of the 100% displayed last year. This does not change the dollar amount of the Net Pension Liability as of 6/30/2018, just the percentage.

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

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

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

Pension Expense

The employer recognized its proportionate share of the PERS Pension Expense of $ 5,612,465. The employer also recognized grant revenue of $37,019 for the support provided by the State of Montana for the proportionate share of the Pension Expense associated with the employer. Additionally, the employer recognized grant revenue from the State Statutory Appropriation from the General Fund of $941,261. *(Two years of pension expense are documented in the below table but are not necessary for the employer's disclosures.)*

	Pension Expense as of 6/30/2019	Pension Expense as of 6/30/2018
City of Billings' Proportionate Share of PERS	$ 5,612,465	$ 4,040,568
State of Montana Proportionate Share associated with the Employer	$ 37,019	$ 965,731
Grant Revenue - State of Montana State Appropriation for employer	$ 941,261	$ 0
Total	$ 6,590,746	$ 5,006,299

Recognition of Deferred Inflows and Outflows

At June 30, 2019, the employer recognized its proportionate share of Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	$ 2,097,710	$ 2,081,619
Projected Investment Earnings vs. Actual Investment Earnings	$ 536,384	$ -
Changes in Assumptions	$ 1,878,077	$ -
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	$ -	$ 3,377,235
Employer Contributions subsequent to the measurement date	$ 3,097,642	
Total	$ 7,610,086	$ 5,458,854

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

For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2020	$ 1,224,033
2021	$ (2,851,655)
2022	$ 199,537
2023	$ 481,403
Thereafter	$ -

Stand-Alone Statements

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

Actuarial Assumptions

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

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

Postretirement Benefit Increases

Guaranteed Annual Benefit Adjustment (GABA)

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

3% for members hired prior to July 1, 2007

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

Members hired on or after July 1, 2013

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

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

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

Target Allocations

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation (78c & 78f) as of June 30, 2019, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	3.0%	4.09%
Domestic Equity	36.0%	6.05%
Foreign Equity	18.0%	7.01%
Fixed Income	23.0%	2.17%
Private Equity	12.0%	10.53%
Real Estate	8.0%	5.65%
Total	100%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest is contributed monthly and the severance tax is contributed quarterly. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2122. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. A municipal bond rate was not incorporated in the discount rate.

Sensitivity Analysis

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

	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
Employer's Net Pension Liability	$63,558,736	$44,238,926	$28,003,072

PERS Disclosure for the defined contribution plan

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

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

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

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

At the plan level for the measurement period ended June 30, 2019, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 320 employers that have participants in the PERS-DCRP totaled $714,024.

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

CITY OF BILLINGS
FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2019 (*MEASUREMENT DATE*)
JUNE 30, 2020 (*REPORTING DATE*)

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Firefighters' Unified Retirement System (the Plan). Employers are required to record and report their proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. This report provides information for employers who are using a June 30, 2019, measurement date for the 2020 reporting.

Summary of Significant Accounting Policies

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

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

General Information about the Pension Plan

Plan Description - The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This system provides retirement benefits to firefighters employed by first-

and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature. The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries.

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

Service retirement and monthly benefit formula:

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

Second retirement:

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

- If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
  - Is not awarded service credit for the period of re-employment;
  - Is refunded the accumulated contributions associated with the period of re-employment;
  - Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
  - Does not accrue post-retirement benefit adjustments during the term of re-employment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.

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

Member's compensation period used in benefit calculation

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

Compensation Cap

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

Guaranteed Annual Benefit Adjustment (GABA)

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

Minimum Benefit Adjustment (non-GABA)

A member with 10 or more years of membership service who has not elected to be covered under GABA – the minimum benefit provided may not be less than 50% of the monthly compensation paid to a newly confirmed active firefighter of the employer that last employed the member as a firefighter in the current fiscal year.

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

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

	Member			
Fiscal Year	**Non-GABA**	**GABA**	**Employer**	**State**
1998 - 2020	9.50%	10.70%	14.36%	32.61%
1997	7.80%		14.36%	32.61%

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2019 was determined by taking the results of the June 30, 2018 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2019, and 2018, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government's collective NPL that is associated with the non-state employer. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid.

The employer recorded a liability of $ 6,903,901 and the employer's proportionate share was 6.0184 percent.

	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018*	Change in Percent of Collective NPL
City of Billings' Proportionate Share	$ 6,903,901	$ 7,279,674	6.0184%	6.3207%	(0.3023%)
State of Montana Proportionate Share associated with the Employer	$ 16,697,128	$ 16,645,365	14.5555%	14.4527%	0.1028%
Total	$ 23,601,029	$ 23,925,039	20.5739%	20.7734%	(0.1995%)

*To be consistent with this year's calculation of the State of Montana Proportionate Share Associated with Employer Percent of Collective NPL, the June 30, 2018 percentage has been recalculated using the actual State percentage presented on the allocation calculation instead of the 100% displayed last year. This does not change the dollar amount of the Net Pension Liability as of 6/30/2018, just the percentage.

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

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

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

Pension Expense: At June 30, 2019 measurement date, the employer recognized its proportionate share of the Plan's pension expense of $1,361,156. The employer also recognized grant revenue of $3,478,444 for the support provided by the state of Montana for the proportionate share of the pension expense that is associated with the employer. *(Two years of pension expense are documented in the table below but are not necessary for the employer's disclosures.)*

	Pension Expense as of 6/30/2019	Pension Expense as of 6/30/2018
City of Billings' Proportionate Share of FURS	$ 1,361,156	$ 1,039,931
Employer Grant Revenue - State of Montana Proportionate Share for the Employer	$ 3,478,444	$ 3,350,218
Total	$ 4,839,601	$ 4,390,149

Recognition of deferred inflows and outflows

At June 30, 2019, the employer reported its proportionate share of FURS' deferred outflows of resources and deferred inflows of resources relate to FURS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	$ 620,649	$ 71,624
Projected Investment Earnings vs. Actual Investment Earnings	$ 230,060	$ -
Changes in Assumptions	$ 509,020	$ -
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	$ -	$ 376,751
Employer Contributions Subsequent to the Measurement Date	$ 1,571,179	
Total	$ 2,930,908	$ 448,375

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

For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2020	$ 347,356
2021	$ 103,963
2022	$ 318,879
2023	$ 197,286
Thereafter	$ (56,130)

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial evaluation was determined using the following actuarial assumptions*.*

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.25%
General Wage Growth* *includes Inflation at	3.50% 2.75%
Merit Increases	0% to 6.30%
Post Retirement Increases 1. Guaranteed Annual Benefit Adjustment (GABA) each January ● Members hired on or after July 1, 1997 or those electing GABA ● Requires 12 full months of retirement before GABA will be made	3.00%
2. Minimum Benefit Adjustment (non-GABA) ● Members with 10 or more years of membership service and member did not elect GABA	The minimum benefit provided should be less than 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a firefighter
Mortality: ● Contributing members, Service Retired Members & beneficiaries	RP-2000 Combined Employee and Annuitant Mortality Tables project to 2020 with scale BB, set back on year for males
● Disabled Members	PR-2000 Combined Mortality Table with no projections

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is

reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation (78c & 78f) as of June 30, 2019, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	3.0%	4.09%
Domestic Equity	36.0%	6.05%
Foreign Equity	18.0%	7.01%
Fixed Income	23.0%	2.17%
Private Equity	12.0%	10.53%
Real Estate	8.0%	5.65%
Total	100%	

Discount Rate - The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The State contributed 32.61% of the salaries paid by employers. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2133. Therefore, the long- term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a

significant change to the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.0% lower or 1.0% higher than the current rate.

As of measurement date	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
CITY OF BILLINGS Net Pension Liability	$12,057,812	$6,903,901	$2,748,255

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

CITY OF BILLINGS
MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED
JUNE 30, 2019 (*MEASUREMENT DATE*)
JUNE 30, 2020 (*REPORTING DATE*)

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Municipal Police Officers' Retirement System (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using June 30, 2019 measurement date for 2020 reporting.

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

Service retirement

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

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

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

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

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

Member's final average compensation (FAC)

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

Compensation Cap

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

Guaranteed Annual Benefit Adjustment (GABA)

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

Minimum benefit adjustment (non-GABA)

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

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

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

	Member					
Fiscal Year	Hired <7/1/75	Hired >6/30/75	Hired >6/30/79	Hired >6/30/97 GABA	Employer	State
2000-2020	5.80%	7.00%	8.50%	9.00%	14.41%	29.37%
1998-1999	7.80%	9.00%	10.50%	11.00%	14.41%	29.37%
1997	7.80%	9.00%	10.50%		14.36%	29.37%

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2019 was determined by taking the results of the June 30, 2018 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL).The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2019, and 2018, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. Due to the existence of the special funding situation, the state is required to report a proportionate share of a local government's collective NPL that is associated with the non-state employer. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid. The employer recorded a liability of $14,478,256 and employer's proportionate share was 7.2739 percent.

	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018*	Change in Percent of Collective NPL
City of Billings' Proportionate Share	$ 14,478,256	$ 12,572,529	7.2739%	7.3413%	(0.0674)%
State of Montana Proportionate Share associated with the Employer	$ 29,482,773	$ 25,694,029	14.8122%	15.0031%	(0.1909)%
Total	$ 43,961,029	$ 38,266,559	22.0861%	22.3444%	(0.2583)%

*To be consistent with this year's calculation of the State of Montana Proportionate Share Associated with Employer Percent of Collective NPL, the June 30, 2018 percentage has been recalculated using the actual State percentage presented on the allocation calculation instead of the 100% displayed last year. This does not change the dollar amount of the Net Pension Liability as of 6/30/2018, just the percentage.

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

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

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

Pension Expense: At June 30, 2019 measurement date, the employer recognized its proportionate share of the Plan's pension expense of $2,373,758. The employer also recognized grant revenue of $3,531,790 for the support provided by the State of

Montana for the proportionate share of the pension expense that is associated with the employer. *(Two years of pension expense are documented in the above table, but are not necessary for the employer's disclosures.*

As of measurement date	Pension Expense as of 6/30/2019	Pension Expense as of 6/30/2018
City of Billings' Proportionate Share of MPORS	$ 2,373,758	$ 1,484,001
State of Montana Proportionate Share associated with the Employer	$ 3,531,790	$ 3,541,968
Total	$ 5,905,548	$ 5,025,969

Recognition of Deferred Inflows and Outflows – At June 30, 2019, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	$ 1,284,963	$ 91,977
Projected Investment Earnings vs. Actual Investment Earnings	$ 269,115	$ -
Changes in Assumptions	$ 291,168	$ -
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	$ 188,768	$ -
Employer Contributions subsequent to the measurement date	$ 1,812,862	
Total	$ 3,846,876	$ 91,977

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

For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense
2020	$ 921,369
2021	$ 412,692
2022	$ 472,384
2023	$ 135,592
Thereafter	$ -

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions*.*

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.23%
General Wage Growth* *includes Inflation at	3.50% 2.75%
Merit Increases	0% to 6.60%
Post Retirement Increases 1. Guaranteed Annual Benefit Adjustment (GABA) each January ● Members hired on or after July 1, 1997, or those electing GABA ● Requires 12 full months of retirement before GABA will be made 2. Minimum Benefit Adjustment (non-GABA) ● Benefit for a retired member or member's survivor and member did not elect GABA	 3.00% The minimum benefit provided should not be less than 50% of the monthly compensation paid to a newly confirmed police officer of the employer that last employed the member as a police officer
Mortality: ● Contributing members, Service Retired Members & beneficiaries ● Disabled Retirees	 RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, set back one year for males PR-2000 Combined Mortality Table with no projects

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted

by similar public-sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation (78c & 78f) as of June 30, 2019, are summarized below.

Asset Class	Target Asset Allocation	Real Rate of Return Arithmetic Basis
	(a)	(b)
Cash Equivalents	3.0%	4.09%
Domestic Equity	36.0%	6.05%
Foreign Equity	18.0%	7.01%
Fixed Income	23.0%	2.17%
Private Equity	12.0%	10.53%
Real Estate	8.0%	5.65%
Total	100.0%	

Discount Rate – The discount rate used to measure the PPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 29.37% of the salaries paid by the employers. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2133. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

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

	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
City of Billings' Net Pension Liability	$21,285,464	$14,478,256	$9,029,135

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

PERS-defined contributions retirement plan (DCRP)

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

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

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

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership services for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination

of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2019, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 320 employers that have participants in the PERS-DCRP totaled $714,024.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF BILLINGS, MONTANA

General Fund

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

For the Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	$ 17,202,088	$ 17,202,088	$ 17,418,144	$ (216,056)
Licenses and permits	2,191,863	2,191,863	2,095,896	95,967
Intergovernmental	11,704,794	11,704,794	11,839,561	(134,767)
Charges for services	4,010,224	4,010,224	3,814,415	195,809
Fines and forteitures	1,513,333	1,513,333	1,145,294	368,039
Special assessments	-	-	39,356	(39,356)
Other	290,000	290,000	417,902	(127,902)
Total revenues	36,912,302	36,912,302	36,770,568	141,734
Expenditures:				
Current:				
General government	$ 7,468,768	$ 7,664,863	$ 7,141,812	$ 523,051
Public safety	578,748	578,748	497,347	81,401
Culture and recreation	5,220,568	5,220,568	4,772,599	447,969
Capital outlay	24,500	122,469	152,216	(29,747)
Debt service:				
Total expenditures	13,292,584	13,586,648	12,563,974	1,022,674
Revenues over (under) expenditures	23,619,718	23,325,654	24,206,594	(880,940)
Other financing sources (uses):				
Transfers in	6,600	6,600	36,256	(29,656)
Transfers out	(28,977,203)	(28,977,203)	(24,246,038)	(4,731,165)
Total other financing sources (uses)	(28,970,603)	(28,970,603)	(24,209,782)	(4,760,821)
Net change in fund balances	$ (5,350,885)	$ (5,644,949)	(3,188)	$ (5,641,761)
Fund balance, beginning of year			22,399,798	
Fund balance, end of year			$ 22,396,610	

CITY OF BILLINGS, MONTANA

Major Special Revenue Fund - Public Safety

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

For the Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	$ 13,044,663	$ 13,044,663	$ 12,923,063	$ 121,600
Licenses and permits	28,500	28,500	40,535	(12,035)
Intergovernmental	3,149,574	3,149,574	9,386,915	(6,237,341)
Charges for services	1,598,256	1,598,256	1,980,077	(381,821)
Fines and forteitures	2,400	2,400	2,503	(103)
Other	2,850,178	2,850,178	138,347	2,711,831
Total revenues	20,673,571	20,673,571	24,471,440	(3,797,869)
Expenditures:				
Current:				
Public safety	42,369,814	42,810,305	42,131,850	678,455
Public health	1,069,894	1,069,894	930,257	139,637
Capital outlay	3,080,000	3,339,537	2,144,237	1,195,300
Total expenditures	46,519,708	47,219,736	45,206,344	2,013,392
Revenues over (under) expenditures	(25,846,137)	(26,546,165)	(20,734,904)	(5,811,261)
Other financing sources (uses):				
Transfers in	27,316,978	27,316,978	22,554,927	4,762,051
Transfers out	(1,470,841)	(1,470,841)	(1,794,491)	323,650
Issuance of debt	-	-	285,388	(285,388)
Total other financing sources (uses)	25,846,137	25,846,137	21,045,824	4,800,313
Net change in fund balances	$ -	$ (700,028)	310,920	$ (1,010,948)
Fund balance, beginning of year			1,471,734	
Fund balance, end of year			$ 1,782,654	

A. Budgetary Information

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

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

1) On or before June 1st, all departments and agencies of the City submit requests for appropriations to the city administrator so that a budget may be prepared.

2) Before June 10th, the proposed budget and tax levy must be submitted to the city clerk and then is presented to the city council for review and approval.

3) The council holds public hearings and a final budget and tax levy must be prepared, adopted, and submitted to the county auditor, no later than the first Thursday in September or within 30 calendar days of receiving certified taxable values from the Montana Department of Revenue.

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

Annual appropriated budgets are adopted for all the City's funds, and all annual appropriations lapse at fiscal yearend. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year end will be re-appropriated and honored during the subsequent year. The annual appropriated budget was amended during the year. The major fund amendments were for the Nonmajor Special Revenue Funds: Development Services Grants Fund; Storm Sewer Fund; North 27th Street Tax Increment Operating; South Tax Increment Operating; East Tax Increment Operating; Police Program Fund; Sidewalk Hazard Fund; Street & Traffic Fund; Arterial Streets; Gas Tax Fund; Nonmajor Capital Project Funds: Park Construction Fund Enterprise Funds: Water Fund, and Solid Waste Fund; and Internal Service Funds: Facilities Management Fund.

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

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

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

	Public Safety Fund
Revenues	
Actual amounts (budgetary basis) "Total revenues" from the budget	$ 24,471,410
Differences-budget to GAAP:	
On-behalf payments by the State of Montana for pension plan contributions are not a budgetary resource but are revenues for financial reporting purposes	7,262,897
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	$ 31,734,307
Expenditures	
Actual amounts (budgetary basis) "Total expenditures" from the budget	$ 45,206,344
Differences-budget to GAAP:	
On-behalf payments by the State of Montana for pension plan contributions are not a budgetary outflow but are expenditures for financial reporting purposes	7,262,897
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	$ 52,469,241

C. Other Post-Employment Benefits Liability

Actuarial Assumptions and Methods

Valuation Date June 30, 2019

Measurement Date June 30, 2020

Discount Rate 2.21% per annum
F*or unfunded plans: Discount rate is based on index rate for 20-year tax-exempt general obligation bonds with an average rating of AA/Aa or higher [Bond Buyer 20-Bond GO Index]. For fully funded plans: Discount rate is based on expected long-term rate of return on plan investments where assets are projected to cover all future benefit payments.*

Salary Increase Rate 3.0% per annum

Inflation Rate 3.0% per annum

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Age Based Morbidity

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

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

Retirement Age

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

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

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

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

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

Excise Tax Thresholds
The valuation of the Affordable Care Act Cadillac Tax was removed on high cost employer sponsored health plans (Excise Tax) since the Bill was passed on December 20, 2019 to repeal the Excise Tax. The elimination of the Excise Tax caused a liability decrease of approximately $350,000.

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

	2017	2018	2019	2020
Present Value of Future Benefits				
Actives	$ 12,984	$ 13,457	$ 10,046	$ 11,843
Retirees	2,797	2,350	2,470	2,255
Total	**$ 15,781**	**$ 15,807**	**$ 12,516**	**$ 14,098**

	2017	2018	2019	2020
Total OPEB Liability				
Actives	$ 7,665	$ 7,964	$ 6,047	$ 7,245
Retirees	2,797	2,907	2,470	2,255
Total OPEB Liability (TOL)	**10,462**	**10,871**	**8,517**	**9,500**
Fiduciary Net Position (FNP)	-	-	-	-
Net OPEB Liability (NOL)	**$ 10,462**	**$ 10,871**	**$ 8,517**	**$ 9,500**
Covered-employee payroll	49,636	51,621	54,617	56,529
NOL as a % of covered-employee payroll	21.1%	21.1%	15.6%	17.0%

Total OPEB Expense	2017	2018	2019	2020
Service cost	$ 556	$ 577	$ 600	$ 621
Interest cost	320	416	435	312
Changes of benefit terms	-	-	-	-
Current recognized deferred outflows/(inflows)				
Difference between actual and expected experience	(123)	(123)	(390)	(390)
Changes in assumptions or other inputs	406	405	279	344
Other changes, separately identified, if significant	-	-	-	-
Total Expense	**$ 1,159**	**$ 1,275**	**$ 924**	**$ 887**

[1] In FY2017, The City of Billings adopted GASB 75.

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

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

As of measurment date	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	44,239	43,207	51,226	41,741	34,676	30,549
Employer's proportion of the net pension liability (percentage)	2.12%	2.07%	2.63%	2.45%	2.48%	2.45%
State's net pension liability	14,409	14,470	682	510	426	373
Total	58,648	57,677	51,908	42,251	35,102	30,922
Employer's covered payroll	34,920	34,044	32,627	29,353	28,950	27,980
Employer's proportionate share as a percent of covered payroll	126.69%	126.91%	157.01%	142.20%	119.78%	110.07%
Plan fiduciary net position as a percent of total pension liability	73.85%	73.47%	73.75%	74.71%	78.40%	79.90%

[1] In FY2015, The City of Billings adopted GASB 68.

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

As of measurment date	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	6,904	7,280	7,218	7,367	6,829	6,450
Employer's proportion of the net pension liability (percentage)	6.02%	6.32%	6.39%	6.45%	6.68%	6.61%
State's net pension liability	16,697	16,645	16,391	16,690	15,210	14,551
Total	23,601	23,925	23,609	24,057	22,039	21,001
Employer's covered payroll	10,436	9,955	9,546	9,083	8,973	8,583
Employer's proportionate share as a percent of covered payroll	66.15%	73.13%	75.61%	81.11%	76.11%	75.15%
Plan fiduciary net position as a percent of total pension liability	80.08%	79.03%	77.77%	75.48%	76.90%	76.70%

[1] In FY2015, The City of Billings adopted GASB 68.

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

As of measurment date	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	14,478	12,573	12,567	12,571	11,661	11,275
Employer's proportion of the net pension liability (percentage)	7.27%	7.34%	7.06%	6.98%	7.05%	7.18%
State's net pension liability	29,482	25,694	25,613	24,955	23,627	22,778
Total	43,960	38,267	38,180	37,526	35,288	34,053
Employer's covered payroll	11,988	11,585	10,538	9,859	9,757	9,628
Employer's proportionate share as a percent of covered payroll	120.77%	108.53%	119.25%	127.52%	119.52%	117.11%
Plan fiduciary net position as a percent of total pension liability	68.84%	70.95%	68.34%	65.62%	66.90%	67.00%

[1] In FY2015, The City of Billings adopted GASB 68.

E. Schedules of the City's Contributions

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

As of most recent FYE (reporting date)	2020	2019	2018	2017	2016	2015
Contractually required DB contributions	3,098	2,993	2,884	2,731	2,453	2,386
Plan choice rate required contributiongs	-	-	-	-	83	125
Contributions in relation to the contractually required contributions	3,098	2,993	2,884	2,731	2,536	2,510
Contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered payroll	35,734	34,920	34,044	32,627	29,353	28,950
Contributions of covered payroll (as a percentage)	8.67%	8.57%	8.47%	8.37%	8.64%	8.67%

[1] In FY2015, The City of Billings adopted GASB 68.

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

As of most recent FYE (reporting date)	2020	2019	2018	2017	2016	2015
Contractually required contributions	1,571	1,499	1,465	1,371	1,299	1,314
Contributions in relation to the contractually required contributions	1,571	1,499	1,465	1,371	1,299	1,314
Contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered payroll	10,941	10,436	9,955	9,546	9,083	8,973
Contributions as a percent of covered payroll	14.36%	14.36%	14.72%	14.36%	14.30%	14.64%

[1] In FY2015, The City of Billings adopted GASB 68.

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

As of most recent FYE (reporting date)	2020	2019	2018	2017	2016	2015
Contractually required contributions	1,813	1,727	1,733	1,522	1,444	1,414
Contributions in relation to the contractually required contributions	1,813	1,727	1,733	1,522	1,444	1,414
Contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered payroll	12,581	11,988	11,585	10,538	9,859	9,757
Contributions as a percent of covered payroll	14.41%	14.41%	14.96%	14.44%	14.65%	14.50%

[1] In FY2015, The City of Billings adopted GASB 68.

Notes to Required Supplementary Information
for the year ended June 30, 2020 (as of Measurement Date)

Changes of Benefit Terms

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

2017:
Working Retiree Limitations – for PERS
If a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

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

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

Lump-Sum payouts

Effective July1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions.

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

General Wage Growth*	3.5%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 8.47%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as % of payroll	0.26%

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

Changes of Benefit Terms

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

2017:

Working Retiree Limitations – For MPORS

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

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

Second Retirement Benefit – for MPORS

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

Refunds

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

Interest Credited to member accounts

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

Lump-sum payouts

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

Changes in Actuarial Assumptions and Methods

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

General Wage Growth*	3.5%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 6.60%
Asset Valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.23%

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

Changes of Benefit Terms

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

2017:

Working Retiree Limitations – for FURS

1) Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.
2) Members who return for less than 480 hours in a calendar year:
    a. May not become an active member in the system; and
    b. Are subject to a $1 reduction in their retirement benefit for each $3 earned in excess of $5,000 in the calendar year.

3) Members who return for 480 or more hours in a calendar year:
    a. Must become an active member of the system;
    b. Will stop receiving a retirement benefit from the system; and
    c. Will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
4) Employee, employer and state contributions, if any, apply as follows:
    a. Employer contributions and state contributions (if any) must be paid on all working retirees;
    b. Employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit – for FURS

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

i. On the initial retirement benefit in January immediately following second retirement, and
ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.

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

Refunds

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

Interest credited to member accounts

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

Lump-sum payouts

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

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

General Wage Growth*	3.5%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 6.3%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.25%

SUPPLEMENTAL INFORMATION

MAJOR FUNDS

BUDGET AND ACTUAL SCHEDULES

CITY OF BILLINGS, MONTANA

General Fund

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

For the Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	$ 17,202,088	$ 17,202,088	$ 17,418,144	$ (216,056)
Licenses and permits	2,191,863	2,191,863	2,095,896	95,967
Intergovernmental	11,704,794	11,704,794	11,839,561	(134,767)
Charges for services	4,010,224	4,010,224	3,814,415	195,809
Fines and forteitures	1,513,333	1,513,333	1,145,294	368,039
Special assessments	-	-	39,356	(39,356)
Other	290,000	290,000	417,902	(127,902)
Total revenues	36,912,302	36,912,302	36,770,568	141,734
Expenditures:				
Current:				
Salaries and benefits	9,106,087	9,106,087	8,489,653	616,434
Operations and maintenance	4,161,997	4,358,092	3,922,105	435,987
Capital outlay	24,500	122,469	152,216	(29,747)
Total expenditures	13,292,584	13,586,648	12,563,974	1,022,674
Revenues over (under) expenditures	23,619,718	23,325,654	24,206,594	(880,940)
Other financing sources (uses):				
Transfers in	6,600	6,600	36,256	(29,656)
Transfers out	(28,977,203)	(28,977,203)	(24,246,038)	(4,731,165)
Total other financing sources (uses)	(28,970,603)	(28,970,603)	(24,209,782)	(4,760,821)
Net change in fund balances	$ (5,350,885)	$ (5,644,949)	(3,188)	$ (5,641,761)
Fund balance, beginning of year			22,399,798	
Fund balance, end of year			$ 22,396,610	

CITY OF BILLINGS, MONTANA

Major Special Revenue Fund - Public Safety

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

For the Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	$ 13,044,663	$ 13,044,663	$ 12,923,063	$ 121,600
Licenses and permits	28,500	28,500	40,535	(12,035)
Intergovernmental	3,149,574	3,149,574	9,386,915	(6,237,341)
Charges for services	1,598,256	1,598,256	1,980,077	(381,821)
Fines and forteitures	2,400	2,400	2,503	(103)
Other	2,850,178	2,850,178	138,347	2,711,831
Total revenues	20,673,571	20,673,571	24,471,440	(3,797,869)
Expenditures:				
Current:				
Salaries and benefits	37,679,120	37,929,120	37,479,886	449,234
Operations and maintenance	5,760,588	5,951,079	5,582,221	368,858
Capital outlay	3,080,000	3,339,536	2,144,237	1,195,299
Total expenditures	46,519,708	47,219,735	45,206,344	2,013,391
Revenues over (under) expenditures	(25,846,137)	(26,546,164)	(20,734,904)	(5,811,260)
Other financing sources (uses):				
Transfers in	27,316,978	27,316,978	22,554,927	4,762,051
Transfers out	(1,470,841)	(1,470,841)	(1,794,491)	323,650
Issuance of debt	-	-	285,388	(285,388)
Total other financing sources (uses)	25,846,137	25,846,137	21,045,824	4,800,313
Net change in fund balances	$ -	$ (700,027)	310,920	$ (1,010,947)
Fund balance, beginning of year			1,471,734	
Fund balance, end of year			$ 1,782,654	

NONMAJOR GOVERNMENT FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

NONMAJOR DEBT SERVICE FUNDS

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

NONMAJOR PERMANENT FUND

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

CITY OF BILLINGS, MONTANA
Nonmajor Government Funds
Combining Balance Sheet
June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 25,588,747	$ 1,917,383	$ 3,631,958	$ 309,796	$ 31,447,884
Cash with fiscal agent	1,492,121	3,341,662	-	-	4,833,783
Investments	36,034,535	2,705,948	5,144,070	436,431	44,320,984
Receivables:					
Property taxes	388,058	87,507	-	-	475,565
Accounts and unbilled usage	208,865	-	-	-	208,865
Delinquent special assessments	1,425,692	73,861	-	-	1,499,553
Special assessments receivable	-	5,546,281	-	-	5,546,281
Accrued interest	80,623	14,441	13,882	1,187	110,133
Notes	2,532,030	-	-	-	2,532,030
Due from other funds	203,792	27,671	-	-	231,463
Due from other governments	682,746	-	-	-	682,746
Inventories	154,482	-	-	-	154,482
Property held for resale	35,000	155,997	187,828	-	378,825
Total assets	$ 68,826,691	$ 13,870,751	$ 8,977,738	$ 747,414	$ 92,422,594
Liabilities, Deferred Inflows and Fund Balances					
Liabilities:					
Accounts payable	$ 3,631,081	$ -	$ 684,314	$ -	$ 4,315,395
Accrued wages & benefits	391,149	-	-	-	391,149
Unearned Revenue	827,824	-	-	-	827,824
Other liabilities	-	73,000	-	-	73,000
Due to other funds	228,508	27,671	203,791	-	459,970
Total liabilities	5,078,562	100,671	888,105	-	6,067,338
Deferred inflows:					
Unavailable Revenue	3,275,558	5,585,010	-	-	8,860,568
Fund balance:					
Unspendable	154,482	-	-	747,414	901,896
Restricted	48,848,963	8,185,070	8,293,424	-	65,327,457
Committed	11,531,973	-	-	-	11,531,973
Unassigned	(62,847)	-	(203,791)	-	(266,638)
Total fund balances	60,472,571	8,185,070	8,089,633	747,414	77,494,688
Total liabilities, deferred inflows and fund balances	$ 68,826,691	$ 13,870,751	$ 8,977,738	$ 747,414	$ 92,422,594

CITY OF BILLINGS, MONTANA

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	$ 8,703,281	$ 2,165,096	$ -	$ -	$ 10,868,377
Licenses and permits	2,370,897	-	-	-	2,370,897
Intergovernmental	11,455,166	-	-	-	11,455,166
Charges for services	9,624,222	-	-	17,369	9,641,591
Fines and forfeitures	322,769	-	-	-	322,769
Special assessments	23,874,640	1,332,475	-	-	25,207,115
Other	1,483,479	392,761	1,097,936	13,041	2,987,217
Total revenues	57,834,454	3,890,332	1,097,936	30,410	62,853,132
Expenditures:					
Current:					
General government	2,537,676	21,478	3,792	-	2,562,946
Public safety	3,786,496	-	569,959	-	4,356,455
Public works	24,190,433	12,400	10,400	-	24,213,233
Culture and recreation	4,752,929	-	-	-	4,752,929
Housing and economic development	3,964,704	-	9,940	-	3,974,644
Capital outlay	10,142,491	-	4,092,335	-	14,234,826
Debt service:					
Principal	855,000	3,172,734	-	-	4,027,734
Interest and fiscal charges	1,189,836	1,351,344	-	-	2,541,180
Bond issuance costs	-	-	15,500	-	15,500
Total expenditures	51,419,565	4,557,956	4,701,926	-	60,679,447
Revenues over (under) expenditures	6,414,889	(667,624)	(3,603,990)	30,410	2,173,685
Other financing sources (uses):					
Transfers in	2,669,978	1,054,552	1,674,404	-	5,398,934
Transfers out	(2,687,387)	-	(56,551)	(27,325)	(2,771,263)
Special assessment bonds issued	-	-	857,000	-	857,000
Sale of capital assets	182,588	-	42,133	-	224,721
Total other financing sources (uses)	165,179	1,054,552	2,516,986	(27,325)	3,709,392
Net change in fund balances	6,580,068	386,928	(1,087,004)	3,085	5,883,077
Fund balance, beginning of year	53,892,503	7,798,142	9,176,637	744,329	71,611,611
Fund balance, end of year	$ 60,472,571	$ 8,185,070	$ 8,089,633	$ 747,414	$ 77,494,688

NONMAJOR SPECIAL REVENUE FUNDS

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

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

- The South Tax Increment Operating Fund accounts for revenues from property tax levies in the South Tax Increment District, not including the Miller Crossing properties, on increased values. Amounts collected are used for the benefit of the tax increment district from which collections were assessed.

- The East Tax Increment Operating Fund accounts for revenues from property tax levies on increased taxable values in the East Tax Increment District. Amounts collected are used for the benefit of the tax increment district from which collections were assessed.

- The Parks Program Fund accounts for revenues and expenditures related to park acquisitions and park improvements.

- The Police Programs Fund accounts for the following programs: Montana Board of Crime Control, Justice Assistant Grants, High Intensity Drug Traffic Area, Technology Grants, Homeland Security Grants, Internet Crimes Against Children, Highway Traffic Safety Grants, Community Police Officer, and other law enforcement related programs.

- The Amend Park Fund accounts for funds designated for the maintenance of Amend Park.

- The Sidewalk Hazard Repair fund was established to repair sidewalk defects. Repairs are completed without bond financing and are charged to the real property owner.

- The City-County Planning Fund, through an inter-local agreement, accounts for the operation of the Planning Department, which promotes the health, safety, convenience, and welfare of the Community.

- The Building Inspection Fund accounts for building permits and inspections for private construction in the City.

- The Street & Traffic Fund accounts for street cleaning, snow removal, minor street repairs, signage, street striping, forestry, and traffic signal maintenance.

- The City Attorney Grants Fund accounts for grants from the Montana Board of Crime Control that includes the Victim/Witness Grant and Domestic Violence Unit Grant to supplement the City Attorney's efforts.

- The Fire Programs Fund accounts for the Regional HazMat Team, grants, donations, and other fire related programs.

- The Municipal Court Grants Fund is funded by grants.

- The Downtown Revolving Loan Program Fund accounts for low-interest loans to qualified property owners located in downtown Billings. Loans are funded by local banks and the City of Billings.

- Baseball Field/Stadium Donations for Capital Maintenance Fund accounts for donations to fund future capital maintenance for the new baseball field/stadium.

- The Arterial Fees Fund complements other funds in the construction of arterial streets within the City.

- The Ballpark Repair Fund accounts for minor repairs at the ballpark facility.

- The Park District 1 Fund accounts for the city-wide park assessment, maintenance, and improvements.

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020
(Page 1 of 4)

	Gas Tax Fund	EOC 911 Fund	Animal Shelter Donations Fund	Development Services Grants Fund	Library Fund	Cemetery Improvements Fund	Street Maintenance Districts Fund	Road Maintenance District 6 Fund
Assets								
Cash and cash equivalents	$ 3,615,860	$ 1,406,551	$ 16,340	$ 15,803	$ 1,476,093	$ 78,249	$ 1,675,044	$ 5,900
Cash with fiscal agent	-	-	-	-	-	-	-	-
Investments	5,077,118	1,955,811	23,440	22,804	2,071,484	110,399	2,370,651	8,361
Receivables:								
Property taxes	-	-	-	-	39,824	-	-	-
Accounts and unbilled usage	-	-	-	-	-	-	-	-
Delinquent special assessments	-	-	-	-	-	-	648,685	91
Accrued interest	7,037	5,289	62	899	3,983	285	7,655	21
Notes	-	-	-	165,195	-	-	-	-
Due from other funds	203,792	-	-	-	-	-	-	-
Due from other governments	-	-	-	186,839	19,473	-	-	-
Inventories	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	35,000	-	-	-	-
Total assets	$ 8,903,807	$ 3,367,651	$ 39,842	$ 426,540	$ 3,610,857	$ 188,933	$ 4,702,035	$ 14,373
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	$ 717,864	$ 2,865	$ -	$ 39,808	$ 38,514	$ -	$ -	$ -
Accrued wages & benefits	3,087	1,624	-	16,485	78,939	-	-	-
Due to other funds	-	-	-	140,972	-	-	-	-
Unearned Revenue	827,824	-	-	-	-	-	-	-
Total liabilities	1,548,775	4,489	-	197,265	117,453	-	-	-
Deferred inflows:								
Unavailable Revenue	-	-	-	165,195	8,809	-	311,112	36
Fund balances:								
Unspendable	-	-	-	-	-	-	-	-
Restricted	7,355,032	3,363,162	-	64,080	1,846,835	188,933	4,390,923	14,337
Committed	-	-	39,842	-	1,637,760	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	7,355,032	3,363,162	39,842	64,080	3,484,595	188,933	4,390,923	14,337
Total liabilities, deferred inflows and fund balances	$ 8,903,807	$ 3,367,651	$ 39,842	$ 426,540	$ 3,610,857	$ 188,933	$ 4,702,035	$ 14,373

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020
(Page 2 of 4)

	Light Maintenance Districts Fund	Park Maintenance Districts Fund	Storm Sewer Fund	North 27th Street Tax Increment Operating Fund	South Tax Increment Operating Fund	East Tax Increment Operating Fund	Parks Program Fund
Assets							
Cash and cash equivalents	$ 836,130	$ 563,617	$ 909,621	$ 1,370,253	$ 3,171,380	$ 505,964	$ 966,238
Cash with fiscal agent	-	-	-	654,941	485,347	351,833	-
Investments	1,181,317	797,012	1,279,358	1,929,171	4,390,955	794,519	1,362,648
Receivables:							
Property taxes	-	-	-	152,472	150,298	45,464	-
Accounts and unbilled usage	-	-	-	-	-	-	-
Delinquent special assessments	114,226	61,241	282,047	-	-	-	-
Accrued interest	3,693	1,594	2,359	3,162	10,559	1,770	3,641
Notes	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	$ 2,135,366	$ 1,423,464	$ 2,473,385	$ 4,109,999	$ 8,208,539	$ 1,699,550	$ 2,332,527
Liabilities, Deferred Inflows and Fund Balances							
Liabilities:							
Accounts payable	$ 138,555	$ 24,351	$ 61,118	$ 185,568	$ 1,016,899	$ 116,136	$ 49,959
Accrued wages & benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total liabilities	138,555	24,351	61,118	185,568	1,016,899	116,136	49,959
Deferred inflows:							
Unavailable Revenue	32,869	31,034	113,624	85,024	45,033	10,180	-
Fund balances:							
Unspendable	-	-	-	-	-	-	-
Restricted	1,963,942	1,368,079	2,298,643	3,839,407	7,146,607	1,573,234	-
Committed	-	-	-	-	-	-	2,282,568
Unassigned	-	-	-	-	-	-	-
Total fund balances	1,963,942	1,368,079	2,298,643	3,839,407	7,146,607	1,573,234	2,282,568
Total liabilities, deferred inflows and fund balances	$ 2,135,366	$ 1,423,464	$ 2,473,385	$ 4,109,999	$ 8,208,539	$ 1,699,550	$ 2,332,527

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020
(Page 3 of 4)

	Police Programs Fund	Amend Park Fund	Sidewalk Hazard Repair Fund	City-County Planning Fund	Building Inspection Fund	Street & Traffic Fund	City Attorney Grants Fund	Fire Programs Fund
Assets								
Cash and cash equivalents	$ 486,203	$ 106,451	$ 33,095	$ 200,472	$ 1,209,945	$ 1,692,419	$ 6,790	$ 107,725
Cash with fiscal agent	-	-	-	-	-	-	-	-
Investments	688,371	150,028	46,590	283,137	1,704,112	2,375,482	9,399	152,025
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Accounts and unbilled usage	76,795	-	12,596	-	119,474	-	-	-
Delinquent special assessments	-	-	104	-	-	-	-	-
Accrued interest	2,051	382	132	751	4,351	3,452	-	413
Notes	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	225,675	-	-	225,664	-	-	25,095	-
Inventories	-	-	-	-	-	154,482	-	-
Property held for resale	-	-	-	-	-	-	-	-
Total assets	$ 1,479,095	$ 256,861	$ 92,517	$ 710,024	$ 3,037,882	$ 4,225,835	$ 41,284	$ 260,163
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	$ 166,695	$ 1,503	$ -	$ 53,760	$ (5,223)	$ 158,322	$ 203	$ 9,848
Accrued wages & benefits	10,672	-	-	40,707	49,427	162,067	11,406	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total liabilities	177,367	1,503	-	94,467	44,204	320,389	11,609	9,848
Deferred inflows:								
Unavailable Revenue	-	-	-	-	-	-	-	-
Fund balances:								
Unspendable	-	-	-	-	-	154,482	-	-
Restricted	1,301,728	-	92,517	615,557	2,993,678	3,750,964	29,675	250,315
Committed	-	255,358	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	1,301,728	255,358	92,517	615,557	2,993,678	3,905,446	29,675	250,315
Total liabilities, deferred inflows and fund balances	$ 1,479,095	$ 256,861	$ 92,517	$ 710,024	$ 3,037,882	$ 4,225,835	$ 41,284	$ 260,163

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020
(Page 4 of 4)

	Municipal Court Grant Fund	Downtown Revolving Loan Fund	Baseball Field/Stadium Donations for Capital Maintenance Fund	Arterial Fees Fund	Ballpark Repair Fund	Park District 1 Fund	Total Nonmajor Special Revenue Funds
Assets							
Cash and cash equivalents	$ 15,797	$ 113,873	$ 137,250	$ 2,850,438	$ 37,991	$ 1,977,255	$ 25,588,747
Cash with fiscal agent	-	-	-	-	-	-	1,492,121
Investments	22,496	158,566	193,452	4,035,730	53,864	2,786,235	36,034,535
Receivables:							
Property taxes	-	-	-	-	-	-	388,058
Accounts and unbilled usage	-	-	-	-	-	-	208,865
Delinquent special assessments	-	-	-	231,965	-	87,333	1,425,692
Accrued interest	41	598	477	8,720	446	6,800	80,623
Notes	-	2,366,835	-	-	-	-	2,532,030
Due from other funds	-	-	-	-	-	-	203,792
Due from other governments	-	-	-	-	-	-	682,746
Inventories	-	-	-	-	-	-	154,482
Property held for resale	-	-	-	-	-	-	35,000
Total assets	$ 38,334	$ 2,639,872	331,179	$ 7,126,853	$ 92,301	$ 4,857,623	$ 68,826,691
Liabilities, Deferred Inflows and Fund Balances							
Liabilities:							
Accounts payable	$ 8,789	$ -	$ -	$ 423,956	$ -	$ 421,591	$ 3,631,081
Accrued wages & benefits	4,856	-	-	-	-	11,879	391,149
Due to other funds	87,536	-	-	-	-	-	228,508
Unearned Revenue	-	-	-	-	-	-	827,824
Total liabilities	101,181	-	-	423,956	-	433,470	5,078,562
Deferred inflows:				-			
Unavailable Revenue	-	2,366,834	-	82,970	-	22,838	3,275,558
Fund balances:							
Unspendable	-	-	-	-	-	-	154,482
Restricted	-	-	-	-	-	4,401,315	48,848,963
Committed	-	273,038	331,179	6,619,927	92,301	-	11,531,973
Unassigned	(62,847)	-	-	-	-	-	(62,847)
Total fund balances	(62,847)	273,038	331,179	6,619,927	92,301	4,401,315	60,472,571
Total liabilities, deferred inflows and fund balances	$ 38,334	$ 2,639,872	331,179	$ 7,126,853	$ 92,301	$ 4,857,623	$ 68,826,691

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2020

(Page 1 of 4)

	Gas Tax Fund	EOC 911 Fund	Animal Shelter Donations Fund	Development Services Grants Fund	Library Fund	Cemetery Improvements Fund	Street Maintenance Districts Fund	Road Maintenance District 6 Fund
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ 1,175,933	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	3,799,866	1,055,103	-	1,437,969	1,587,612	-	-	-
Charges for services	-	-	-	13,033	10,792	29,525	-	-
Fines and forteitures	-	-	-	-	37,440	-	-	-
Special assessments	-	-	-	-	-	-	9,174,521	2,793
Other	75,407	56,347	672	-	135,171	2,987	87,819	188
Total revenues	3,875,273	1,111,450	672	1,451,002	2,946,948	32,512	9,262,340	2,981
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	678,792	-	-	-	-	-	168
Public works	3,657,485	-	-	-	-	-	7,636,208	-
Culture and recreation	-	-	-	-	3,420,122	10,975	-	-
Housing and economic development	-	-	-	1,876,277	-	-	-	-
Capital outlay	578,993	48,501	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	4,236,478	727,293	-	1,876,277	3,420,122	10,975	7,636,208	168
Revenues over (under) expenditures	(361,205)	384,157	672	(425,275)	(473,174)	21,537	1,626,132	2,813
Other financing sources (uses):								
Transfers in	1,325,000	-	-	62,561	1,059,902	-	-	-
Transfers out	-	-	-	-	(41,377)	-	(1,325,000)	-
Sale of capital assets	74,790	-	-	104,522	-	-	-	-
Total other financing sources (uses)	1,399,790	-	-	167,083	1,018,525	-	(1,325,000)	-
Net change in fund balances	1,038,585	384,157	672	(258,192)	545,351	21,537	301,132	2,813
Fund balance, beginning of year	6,316,447	2,979,005	39,170	322,272	2,939,244	167,396	4,089,791	11,524
Fund balance, end of year	$ 7,355,032	$ 3,363,162	$ 39,842	$ 64,080	$ 3,484,595	$ 188,933	$ 4,390,923	$ 14,337

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2020

(Page 2 of 4)

	Light Maintenance Districts Fund	Park Maintenance Districts Fund	Storm Sewer Fund	North 27th Street Tax Increment Operating Fund	South Tax Increment Operating Fund	East Tax Increment Operating Fund	Parks Program Fund
Revenues:							
Taxes	$ -	$ -	$ -	$ 2,790,747	$ 3,488,557	$ 740,913	$ -
Licenses and permits	-	-	800	-	-	-	-
Intergovernmental	-	-	-	211,821	256,218	146,654	-
Charges for services	-	-	-	-	-	-	-
Fines and forteitures	-	-	-	-	-	-	-
Special assessments	2,473,083	1,147,229	4,574,083	-	-	-	-
Other	51,307	16,417	47,658	28,303	113,376	22,029	187,216
Total revenues	2,524,390	1,163,646	4,622,541	3,030,871	3,858,151	909,596	187,216
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	2,301,390	-	1,832,710	-	-	-	-
Culture and recreation	-	825,284	-	-	-	-	14,052
Housing and economic development	-	-	-	831,119	272,449	516,284	-
Capital outlay	-	-	1,529,325	239,239	2,714,774	78,561	-
Debt service:							
Principal	-	-	-	340,000	310,000	205,000	-
Interest and fiscal charges	-	-	-	608,401	334,494	246,941	-
Total expenditures	2,301,390	825,284	3,362,035	2,018,759	3,631,717	1,046,786	14,052
Revenues over (under) expenditures	223,000	338,362	1,260,506	1,012,112	226,434	(137,190)	173,164
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(998,000)	(100,000)	-	-	(1,048)
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(998,000)	(100,000)	-	-	(1,048)
Net change in fund balances	223,000	338,362	262,506	912,112	226,434	(137,190)	172,116
Fund balance, beginning of year	1,740,942	1,029,717	2,036,137	2,927,295	6,920,173	1,710,424	2,110,452
Fund balance, end of year	$ 1,963,942	$ 1,368,079	$ 2,298,643	$ 3,839,407	$ 7,146,607	$ 1,573,234	$ 2,282,568

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2020
(Page 3 of 4)

	Police Programs Fund	Amend Park Fund	Sidewalk Hazard Repair Fund	City-County Planning Fund	Building Inspection Fund	Street & Traffic Fund	City Attorney Grants Fund	Fire Programs Fund
Revenues:								
Taxes	$ -	$ -	$ -	$ 507,131	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	34,360	2,335,737	-	-	-
Intergovernmental	628,646	-	-	930,539	-	718,721	92,082	12,340
Charges for services	172,778	20,240	4,710	273,180	-	9,099,964	-	-
Fines and forteitures	235,968	-	-	-	-	-	49,361	-
Special assessments	-	-	25,434	-	-	-	-	-
Other	102,302	4,232	935	9,689	48,395	54,868	302	20,302
Total revenues	1,139,694	24,472	31,079	1,754,899	2,384,132	9,873,553	141,745	32,642
Expenditures:								
Current:								
General government	-	-	-	1,813,034	-	-	308,136	-
Public safety	1,210,772	-	-	-	1,853,696	-	-	43,068
Public works	-	-	29,908	-	-	7,741,649	-	-
Culture and recreation	-	2,960	-	-	-	-	-	-
Housing and economic development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	2,465,282	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	1,210,772	2,960	29,908	1,813,034	1,853,696	10,206,931	308,136	43,068
Revenues over (under) expenditures	(71,078)	21,512	1,171	(58,135)	530,436	(333,378)	(166,391)	(10,426)
Other financing sources (uses):								
Transfers in	-	-	-	1,031	-	-	191,484	-
Transfers out	-	(8,931)	-	(5,529)	-	(207,502)	-	-
Sale of capital assets	-	-	-	-	-	3,276	-	-
Total other financing sources (uses)	-	(8,931)	-	(4,498)	-	(204,226)	191,484	-
Net change in fund balances	(71,078)	12,581	1,171	(62,633)	530,436	(537,604)	25,093	(10,426)
Fund balance, beginning of year	1,372,806	242,777	91,346	678,190	2,463,242	4,443,050	4,582	260,741
Fund balance, end of year	$ 1,301,728	$ 255,358	$ 92,517	$ 615,557	$ 2,993,678	$ 3,905,446	$ 29,675	$ 250,315

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2020

	Municipal Court Grant Fund	Downtown Revolving Loan Fund	Baseball Field/Stadium Donations for Capital Maintenance Fund	Arterial Fees Fund	Ballpark Repair Fund	Park District 1 Fund	Total Nonmajor Special Revenue Funds
Revenues:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,703,281
Licenses and permits	-	-	-	-	-	-	2,370,897
Intergovernmental	407,595	-	-	-	-	170,000	11,455,166
Charges for services	-	-	-	-	-	-	9,624,222
Fines and forteitures	-	-	-	-	-	-	322,769
Special assessments	-	-	-	4,474,983	-	2,002,514	23,874,640
Other	547	188,085	67,812	93,113	1,185	66,815	1,483,479
Total revenues	408,142	188,085	67,812	4,568,096	1,185	2,239,329	57,834,454
Expenditures:							
Current:							
General government	416,506	-	-	-	-	-	2,537,676
Public safety	-	-	-	-	-	-	3,786,496
Public works	-	-	-	991,083	-	-	24,190,433
Culture and recreation	-	-	5,362	-	12	474,162	4,752,929
Housing and economic development	-	468,575	-	-	-	-	3,964,704
Capital outlay	-	-	-	1,541,277	-	946,539	10,142,491
Debt service:							
Principal	-	-	-	-	-	-	855,000
Interest and fiscal charges	-	-	-	-	-	-	1,189,836
Total expenditures	416,506	468,575	5,362	2,532,360	12	1,420,701	51,419,565
Revenues over (under) expenditures	(8,364)	(280,490)	62,450	2,035,736	1,173	818,628	6,414,889
Other financing sources (uses):							
Transfers in	-	-	-	-	30,000	-	2,669,978
Transfers out	-	-	-	-	-	-	(2,687,387)
Sale of capital assets	-	-	-	-	-	-	182,588
Total other financing sources (uses)	-	-	-	-	30,000	-	165,179
Net change in fund balances	(8,364)	(280,490)	62,450	2,035,736	31,173	818,628	6,580,068
Fund balance, beginning of year	(54,483)	553,528	268,729	4,584,191	61,128	3,582,687	53,892,503
Fund balance, end of year	$ (62,847)	$ 273,038	$ 331,179	$ 6,619,927	$ 92,301	$ 4,401,315	$ 60,472,571

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	Gas Tax Fund				EOC 911 Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	3,953,302	3,953,302	3,799,865	153,437	1,080,900	1,080,900	1,055,103	25,797
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	40,000	40,000	75,407	(35,407)	53,388	53,388	56,346	(2,958)
Total revenues	3,993,302	3,993,302	3,875,272	118,030	1,134,288	1,134,288	1,111,449	22,839
Expenditures:								
Current:								
Salaries and benefits	73,571	73,571	72,842	729	133,138	133,138	139,580	(6,442)
Operations and maintenance	298,310	298,310	3,584,642	(3,286,332)	922,984	940,418	539,211	401,207
Capital outlay	4,185,000	8,167,946	578,993	7,588,953	44,996	69,330	48,501	20,829
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	4,556,881	8,539,827	4,236,477	4,303,350	1,101,118	1,142,886	727,292	415,594
Revenues over (under) expenditures	(563,579)	(4,546,525)	(361,205)	(4,185,320)	33,170	(8,598)	384,157	(392,755)
Other financing sources (uses):								
Transfers in	1,325,000	1,325,000	1,325,000	-	-	-	-	-
Transfers out	-	(90,000)	-	(90,000)	-	-	-	-
Sale of capital assets	-	-	74,790	(74,790)	-	-	-	-
Total other financing sources (uses)	1,325,000	1,235,000	1,399,790	(164,790)	-	-	-	-
Net change in fund balances	$ 761,421	$ (3,311,525)	1,038,585	$ (4,350,110)	$ 33,170	$ (8,598)	384,157	$ (392,755)
Fund balance, beginning of year			6,316,447				2,979,005	
Fund balance, end of year			$ 7,355,032				$ 3,363,162	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	Animal Shelter Donation Fund				Development Services Grant Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,365,000	1,547,142	1,437,969	109,173
Charges for services	-	-	-	-	20,000	20,000	13,033	6,967
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	750	750	672	78	203,000	203,000	-	203,000
Total revenues	750	750	672	78	1,588,000	1,770,142	1,451,002	319,140
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	408,288	422,189	392,155	30,034
Operations and maintenance	6,000	6,000	-	6,000	1,039,145	2,381,392	1,484,122	897,270
Capital outlay	-	-	-	-	-	-	-	-
Debt service:	-	-	-					
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	6,000	6,000	-	6,000	1,447,433	2,803,581	1,876,277	927,304
Revenues over (under) expenditures	(5,250)	(5,250)	672	(5,922)	140,567	(1,033,439)	(425,275)	(608,164)
Other financing sources (uses):								
Transfers in	-	-	-	-	63,500	63,500	62,561	939
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	104,522	(104,522)
Total other financing sources (uses)	-	-	-	-	63,500	63,500	167,083	(103,583)
Net change in fund balances	$ (5,250)	$ (5,250)	672	$ (5,922)	$ 204,067	$ (969,939)	(258,192)	$ (711,747)
Fund balance, beginning of year			39,170				322,272	
Fund balance, end of year			$ 39,842				$ 64,080	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	Library Fund				Cemetery Improvements Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$1,162,378	$1,162,378	$ 1,175,933	$ (13,555)	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,416,614	1,416,614	1,587,612	(170,998)	-	-	-	-
Charges for services	14,175	14,175	10,791	3,384	12,000	12,000	29,525	(17,525)
Fines and forfeitures	67,182	67,182	37,440	29,742	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	120,350	120,350	135,172	(14,822)	2,100	2,100	2,987	(887)
Total revenues	2,780,699	2,780,699	2,946,948	(166,249)	14,100	14,100	32,512	(18,412)
Expenditures:								
Current:								
Salaries and benefits	2,459,091	2,459,091	2,368,366	90,725	-	-	-	-
Operations and maintenance	1,402,153	1,403,058	1,051,755	351,303	25,000	35,975	10,975	25,000
Capital outlay	-	-	-	-	41,950	41,950	-	41,950
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	3,861,244	3,862,149	3,420,121	442,028	66,950	77,925	10,975	66,950
Revenues over (under) expenditures	(1,080,545)	(1,081,450)	(473,173)	(608,277)	(52,850)	(63,825)	21,537	(85,362)
Other financing sources (uses):								
Transfers in	1,046,140	1,046,140	1,059,902	(13,762)	-	-	-	-
Transfers out	(41,377)	(41,377)	(41,377)	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,004,763	1,004,763	1,018,525	(13,762)	-	-	-	-
Net change in fund balances	$ (75,782)	$ (76,687)	545,352	$ (622,039)	$ (52,850)	$ (63,825)	21,537	$ (85,362)
Fund balance, beginning of year			2,939,243				167,396	
Fund balance, end of year			$ 3,484,595				$ 188,933	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

(Page 4 of 15)

	Street Maintenance Districts Fund				Road Maintenance Dist. 6 Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	9,063,000	9,063,000	9,174,521	(111,521)	2,875	2,875	2,793	82
Other	20,600	20,600	87,819	(67,219)	- 0	-	188	(188)
Total revenues	9,083,600	9,083,600	9,262,340	(178,740)	2,875	2,875	2,981	(106)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	7,636,213	7,636,213	7,636,208	5	164	164	168	(4)
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	7,636,213	7,636,213	7,636,208	5	164	164	168	(4)
Revenues over (under) expenditures	1,447,387	1,447,387	1,626,132	(178,745)	2,711	2,711	2,813	(102)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,325,000)	(1,325,000)	(1,325,000)	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,325,000)	(1,325,000)	(1,325,000)	-	-	-	-	-
Net change in fund balances	$ 122,387	$ 122,387	301,132	$ (178,745)	$ 2,711	$ 2,711	2,813	$ (102)
Fund balance, beginning of year			4,089,791				11,524	
Fund balance, end of year			$4,390,923				$ 14,337	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

(Page 5 of 15)

	Light Maintenance Districts Fund				Park Maintenance Districts Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	2,478,000	2,478,000	2,473,083	4,917	1,091,301	1,091,301	1,147,229	(55,928)
Other	10,000	10,000	51,307	(41,307)	4,000	4,000	16,417	(12,417)
Total revenues	2,488,000	2,488,000	2,524,390	(36,390)	1,095,301	1,095,301	1,163,646	(68,345)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	2,923,276	2,933,376	2,301,390	631,986	992,608	992,608	825,284	167,324
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	2,923,276	2,933,376	2,301,390	631,986	992,608	992,608	825,284	167,324
Revenues over (under) expenditures	(435,276)	(445,376)	223,000	(668,376)	102,693	102,693	338,362	(235,669)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	$ (435,276)	$ (445,376)	223,000	$ (668,376)	$ 102,693	$ 102,693	338,362	$ (235,669)
Fund balance, beginning of year			1,740,942				1,029,717	
Fund balance, end of year			$ 1,963,942				$1,368,079	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	Storm Sewer Fund				North 27th Street Tax Increment Operating Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ 2,128,000	$ 2,128,000	$2,790,747	$ (662,747)
Licenses and permits	10,000	10,000	800	9,200	-	-	-	-
Intergovernmental	-	-	-	-	219,447	219,447	211,821	7,626
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	4,536,000	4,536,000	4,574,083	(38,083)	-	-	-	-
Other	47,452	47,452	47,657	(205)	11,000	11,000	28,303	(17,303)
Total revenues	4,593,452	4,593,452	4,622,540	(29,088)	2,358,447	2,358,447	3,030,871	(672,424)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	1,765,517	1,765,517	1,832,709	(67,192)	2,407,768	3,109,334	831,119	2,278,215
Capital outlay	1,890,000	2,878,290	1,529,325	1,348,965	-	2,165,000	239,239	1,925,761
Debt service:								
Principal	-	-	-	-	340,000	340,000	340,000	-
Interest and fiscal charges	-	-	-	-	608,454	608,454	608,401	53
Total expenditures	3,655,517	4,643,807	3,362,034	1,281,773	3,356,222	6,222,788	2,018,759	4,204,029
Revenues over (under) expenditures	937,935	(50,355)	1,260,506	(1,310,861)	(997,775)	(3,864,341)	1,012,112	(4,876,453)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,015,000)	(1,015,000)	(998,000)	(17,000)	(100,000)	(100,000)	(100,000)	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,015,000)	(1,015,000)	(998,000)	(17,000)	(100,000)	(100,000)	(100,000)	-
Net change in fund balances	$ (77,065)	$(1,065,355)	262,506	$(1,327,861)	$(1,097,775)	$(3,964,341)	912,112	$(4,876,453)
Fund balance, beginning of year			2,036,137				2,927,295	
Fund balance, end of year			$ 2,298,643				$3,839,407	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	South Tax Increment Operating Fund				East Tax Increment Operating Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ 3,112,177	$ 3,112,177	$ 3,488,556	$ (376,379)	$ 704,520	$ 704,520	$ 740,913	$ (36,393)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	265,442	265,442	256,219	9,223	151,256	151,256	146,654	4,602
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	25,065,000	25,065,000	113,375	24,951,625	15,000	15,000	22,029	(7,029)
Total revenues	28,442,619	28,442,619	3,858,150	24,584,469	870,776	870,776	909,596	(38,820)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	407,219	407,219	272,448	134,771	481,566	481,566	516,284	(34,718)
Capital outlay	28,510,000	30,587,828	2,714,773	27,873,055	-	139,924	78,561	61,363
Debt service:								
Principal	310,000	310,000	310,000	-	205,000	205,000	205,000	-
Interest and fiscal charges	337,595	337,595	334,493	3,102	200,505	250,505	246,941	3,564
Total expenditures	29,564,814	31,642,642	3,631,714	28,010,928	887,071	1,076,995	1,046,786	30,209
Revenues over (under) expenditures	(1,122,195)	(3,200,023)	226,436	(3,426,459)	(16,295)	(206,219)	(137,190)	(69,029)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	$(1,122,195)	$(3,200,023)	226,436	$(3,426,459)	$ (16,295)	$ (206,219)	(137,190)	$ (69,029)
Fund balance, beginning of year			6,920,171				1,710,424	
Fund balance, end of year			$ 7,146,607				$1,573,234	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

(Page 8 of 15)

	Park Program Fund				Police Program Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	427,944	427,944	628,646	(200,702)
Charges for services	-	-	-	-	170,500	170,500	172,778	(2,278)
Fines and forfeitures	-	-	-	-	50,500	50,500	235,968	(185,468)
Special assessments	-	-	-	-	-	-	-	-
Other	144,650	144,650	187,215	(42,565)	27,400	27,400	102,302	(74,902)
Total revenues	144,650	144,650	187,215	(42,565)	676,344	676,344	1,139,694	(463,350)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	249,407	366,811	342,344	24,467
Operations and maintenance	54,315	108,165	14,051	94,114	332,681	828,104	868,428	(40,324)
Capital outlay	-	-	-	-	35,000	74,225	-	74,225
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	54,315	108,165	14,051	94,114	617,088	1,269,140	1,210,772	58,368
Revenues over (under) expenditures	90,335	36,485	173,164	(136,679)	59,256	(592,796)	(71,078)	(521,718)
Other financing sources (uses):								
Transfers in	5,000	5,000	-	5,000	-	-	-	-
Transfers out	-	-	(1,048)	1,048	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,000	5,000	(1,048)	6,048	-	-	-	-
Net change in fund balances	$ 95,335	$ 41,485	172,116	$ (130,631)	$ 59,256	$ (592,796)	(71,078)	$ (521,718)
Fund balance, beginning of year			2,110,452				1,372,806	
Fund balance, end of year			$2,282,568				$1,301,728	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	Amend Park Fund				Sidewalk Hazard Repair Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,000	2,000	20,240	(18,240)	-	-	4,710	(4,710)
Fines and forteitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	25,434	(25,434)
Other	3,000	3,000	4,232	(1,232)	-	-	935	(935)
Total revenues	5,000	5,000	24,472	(19,472)	-	-	31,079	(31,079)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	181,270	181,270	2,960	178,310	-	160,701	29,908	130,793
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	181,270	181,270	2,960	178,310	-	160,701	29,908	130,793
Revenues over (under) expenditures	(176,270)	(176,270)	21,512	(197,782)	-	(160,701)	1,171	(161,872)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	90,000	-	90,000
Transfers out	(1,000)	(1,000)	(8,931)	7,931	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,000)	(1,000)	(8,931)	7,931	-	90,000	-	90,000
Net change in fund balances	$ (177,270)	$ (177,270)	12,581	$(189,851)	$ -	$ (70,701)	1,171	$ (71,872)
Fund balance, beginning of year			242,776				91,346	
Fund balance, end of year			$ 255,357				$ 92,517	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	City-County Planning Fund				Building Inspection Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ 490,400	$ 490,400	$ 507,131	$ (16,731)	$ -	$ -	$ -	$ -
Licenses and permits	30,750	30,750	34,360	(3,610)	1,390,100	1,390,100	2,335,736	(945,636)
Intergovernmental	856,969	856,969	930,539	(73,570)	-	-	-	-
Charges for services	270,611	270,611	273,180	(2,569)	-	-	-	-
Fines and forteitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	7,800	7,800	9,689	(1,889)	36,500	36,500	48,395	(11,895)
Total revenues	1,656,530	1,656,530	1,754,899	(98,369)	1,426,600	1,426,600	2,384,131	(957,531)
Expenditures:								
Current:								
Salaries and benefits	1,115,202	1,115,202	1,119,322	(4,120)	1,520,447	1,520,447	1,327,295	193,152
Operations and maintenance	756,029	905,178	693,712	211,466	574,361	574,361	526,400	47,961
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	1,871,231	2,020,380	1,813,034	207,346	2,094,808	2,094,808	1,853,695	241,113
Revenues over (under) expenditures	(214,701)	(363,850)	(58,135)	(305,715)	(668,208)	(668,208)	530,436	(1,198,644)
Other financing sources (uses):								
Transfers in	1,031	1,031	1,031	-	-	-	-	-
Transfers out	(5,529)	(5,529)	(5,529)	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(4,498)	(4,498)	(4,498)	-	-	-	-	-
Net change in fund balances	$ (219,199)	$ (368,348)	(62,633)	$ (305,715)	$ (668,208)	$ (668,208)	530,436	$(1,198,644)
Fund balance, beginning of year			678,190				2,463,242	
Fund balance, end of year			$ 615,557				$2,993,678	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	Street & Traffic Fund				City Attorney Grants Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	686,415	686,415	718,721	(32,306)	88,000	88,000	92,082	(4,082)
Charges for services	8,875,550	8,875,550	9,099,963	(224,413)	-	-	-	-
Fines and forteitures	-	-	-	-	50,000	50,000	49,361	639
Special assessments	-	-	-	-	-	-	-	-
Other	40,000	40,000	54,868	(14,868)	-	-	302	(302)
Total revenues	9,601,965	9,601,965	9,873,552	(271,587)	138,000	138,000	141,745	(3,745)
Expenditures:								
Current:								
Salaries and benefits	4,292,027	4,292,027	4,171,200	120,827	305,374	305,374	305,317	57
Operations and maintenance	4,007,447	4,106,150	3,570,448	535,702	-	-	2,819	(2,819)
Capital outlay	1,535,930	3,712,228	2,465,282	1,246,946	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	9,835,404	12,110,405	10,206,930	1,903,475	305,374	305,374	308,136	(2,762)
Revenues over (under) expenditures	(233,439)	(2,508,440)	(333,378)	(2,175,062)	(167,374)	(167,374)	(166,391)	(983)
Other financing sources (uses):								
Transfers in	-	-	-	-	167,374	167,374	191,484	(24,110)
Transfers out	(207,502)	(207,502)	(207,502)	-	-	-	-	-
Sale of capital assets	-	-	3,276	(3,276)	-	-	-	-
Total other financing sources (uses)	(207,502)	(207,502)	(204,226)	(3,276)	167,374	167,374	191,484	(24,110)
Net change in fund balances	$ (440,941)	$(2,715,942)	(537,604)	$(2,178,338)	$ -	$ -	25,093	$ (25,093)
Fund balance, beginning of year			4,443,050				4,582	
Fund balance, end of year			$3,905,446				$ 29,675	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	Fire Program Fund				Municipal Court Grant Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	125,000	12,340	112,660	647,123	647,123	407,594	239,529
Charges for services	-	-	-	-	-	-	-	-
Fines and forteitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	8,239	8,239	20,301	(12,062)	-	-	547	(547)
Total revenues	8,239	133,239	32,641	100,598	647,123	647,123	408,141	238,982
Expenditures:								
Current:								
Salaries and benefits	4,000	4,000	2,662	1,338	210,438	210,438	200,416	10,022
Operations and maintenance	83,100	209,396	40,405	168,991	436,685	436,685	216,089	220,596
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	87,100	213,396	43,067	170,329	647,123	647,123	416,505	230,618
Revenues over (under) expenditures	(78,861)	(80,157)	(10,426)	(69,731)	-	-	(8,364)	8,364
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	$ (78,861)	$ (80,157)	(10,426)	$ (69,731)	$ -	$ -	(8,364)	$ 8,364
Fund balance, beginning of year			260,741				(54,483)	
Fund balance, end of year			$ 250,315				$ (62,847)	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	Downtown Revolving Loan Fund				Baseball Field / Stadium Donation For Capital Maintenance Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forteitures	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	230,000	230,000	188,085	41,915	66,300	66,300	67,812	(1,512)
Total revenues	230,000	230,000	188,085	41,915	66,300	66,300	67,812	(1,512)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	419,480	469,480	468,575	905	100,789	100,789	5,362	95,427
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	419,480	469,480	468,575	905	100,789	100,789	5,362	95,427
Revenues over (under) expenditures	(189,480)	(239,480)	(280,490)	41,010	(34,489)	(34,489)	62,450	(96,939)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	$ (189,480)	$ (239,480)	(280,490)	$ 41,010	$ (34,489)	$ (34,489)	62,450	$ (96,939)
Fund balance, beginning of year			553,528				268,729	
Fund balance, end of year			$ 273,038				$ 331,179	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

	Arterial Fees Fund				Ballpark Repair Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forteitures	-	-	-	-	-	-	-	-
Special assessments	4,320,000	4,320,000	4,474,983	(154,983)	-	-	-	-
Other	40,000	40,000	93,113	(53,113)	-	-	1,185	(1,185)
Total revenues	4,360,000	4,360,000	4,568,096	(208,096)	-	-	1,185	(1,185)
Expenditures:								
Current:								
Salaries and benefits	-	-	-	-	-	-	-	-
Operations and maintenance	175,767	175,767	991,083	(815,316)	30,000	30,000	12	29,988
Capital outlay	5,491,000	6,578,494	1,541,277	5,037,217	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	5,666,767	6,754,261	2,532,360	4,221,901	30,000	30,000	12	29,988
Revenues over (under) expenditures	(1,306,767)	(2,394,261)	2,035,736	(4,429,997)	(30,000)	(30,000)	1,173	(31,173)
Other financing sources (uses):								
Transfers in	-	-	-	-	30,000	30,000	30,000	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	30,000	30,000	30,000	-
Net change in fund balances	$(1,306,767)	$(2,394,261)	2,035,736	$(4,429,997)	$ -	$ -	31,173	$ (31,173)
Fund balance, beginning of year			4,584,191				61,128	
Fund balance, end of year			$6,619,927				$ 92,301	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Special Revenue Funds

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

For the Fiscal Year Ended June 30, 2020

(Page 15 of 15)

	Park District 1 Fund				Total Nonmajor Special Revenue Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ 7,597,475	$ 7,597,475	$ 8,703,280	$ (1,105,805)
Licenses and permits	-	-	-	-	1,430,850	1,430,850	2,370,896	(940,046)
Intergovernmental	-	-	170,000	(170,000)	11,158,412	11,465,554	11,455,165	10,389
Charges for services	-	-	-	-	9,364,836	9,364,836	9,624,220	(259,384)
Fines and forteitures	-	-	-	-	167,682	167,682	322,769	(155,087)
Special assessments	2,000,000	2,000,000	2,002,514	(2,514)	23,491,176	23,491,176	23,874,640	(383,464)
Other	32,100	32,100	66,815	(34,715)	26,228,629	26,228,629	1,483,475	24,745,154
Total revenues	2,032,100	2,032,100	2,239,329	(207,229)	79,439,060	79,746,202	57,834,445	21,911,757
Expenditures:								
Current:								
Salaries and benefits	330,769	330,769	279,302	51,467	11,101,752	11,233,057	10,720,801	512,256
Operations and maintenance	364,857	379,723	194,860	184,863	27,824,704	31,056,919	28,511,427	2,545,492
Capital outlay	1,225,000	1,555,591	946,539	609,052	42,958,876	55,970,806	10,142,490	45,828,316
Debt service:								
Principal	-	-	-	-	855,000	855,000	855,000	-
Interest and fiscal charges	-	-	-	-	1,146,554	1,196,554	1,189,835	6,719
Total expenditures	1,920,626	2,266,083	1,420,701	845,382	83,886,886	100,312,336	51,419,553	48,892,783
Revenues over (under) expenditures	111,474	(233,983)	818,628	(1,052,611)	(4,447,826)	(20,566,134)	6,414,892	(26,981,026)
Other financing sources (uses):								
Transfers in	-	-	-	-	2,638,045	2,728,045	2,669,978	58,067
Transfers out	-	-	-	-	(2,695,408)	(2,785,408)	(2,687,387)	(98,021)
Sale of capital assets	-	-	-	-	-	-	182,588	(182,588)
Total other financing sources (uses)	-	-	-	-	(57,363)	(57,363)	165,179	(222,542)
Net change in fund balances	$ 111,474	$ (233,983)	818,628	$(1,052,611)	$ (4,327,919)	$(20,446,227)	6,580,071	$ (27,013,717)
Fund balance, beginning of year			3,582,687				53,892,503	
Fund balance, end of year			$ 4,401,315				$60,472,574	

NONMAJOR DEBT SERVICE FUNDS

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

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

CITY OF BILLINGS, MONTANA

Nonmajor Debt Service Funds

Combining Balance Sheet

June 30, 2020

	Series 2012 Library Fund	Storm Sewer Fund	Series 2010 Parks Fund	Series 2004A Street Improvements Fund	Series 2015 G.O. Refunding Fund	Special Improvement Districts Fund	Sidewalk Curb Districts Fund	Total Nonmajor Debt Service Funds
Assets								
Cash and cash equivalents	$ 37,467	$ 427,385	$ 1,163	$ 28,914	$ 99,023	$ 1,163,299	$ 160,132	$ 1,917,383
Cash with fiscal agent	1,017,900	791,847	116,725	324,075	669,325	362,576	59,214	3,341,662
Investments	52,956	602,243	25	40,901	145,902	1,631,713	232,208	2,705,948
Receivables:								
Property taxes	37,571	-	4,624	14,627	30,685	-	-	87,507
Delinquent special assessments	-	-	-	-	-	43,520	30,341	73,861
Special assessments receivable	-	-	-	-	-	3,470,924	2,075,357	5,546,281
Accrued interest	1,175	1,969	119	398	1,103	5,534	4,143	14,441
Due from other funds	-	-	-	-	-	27,671	-	27,671
Property held for resale	-	-	-	-	-	155,997	-	155,997
Total assets	$ 1,147,069	$ 1,823,444	$ 122,656	$ 408,915	$ 946,038	$ 6,861,234	$2,561,395	$ 13,870,751
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Due to other funds	$ -	$ -	$ -	$ -	$ -	$ 14,239	$ 13,432	$ 27,671
Other liabilities	-	-	-	-	-	63,000	10,000	73,000
Total liabilities	-	-	-	-	-	77,239	23,432	100,671
Deferred Inflows:								
Unavailable Revenue	8,664	-	1,087	3,337	7,034	3,479,340	2,085,548	5,585,010
Fund balances:								
Restricted	1,138,405	1,823,444	121,569	405,578	939,004	3,304,655	452,415	8,185,070
Total fund balances	1,138,405	1,823,444	121,569	405,578	939,004	3,304,655	452,415	8,185,070
Total liabilities, deferred inflows and fund balances	$ 1,147,069	$ 1,823,444	$ 122,656	$ 408,915	$ 946,038	$ 6,861,234	$2,561,395	$ 13,870,751

CITY OF BILLINGS, MONTANA

Nonmajor Debt Service Funds

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2020

	Series 2012 Library Fund	Storm Sewer Fund	Series 2010 Parks Fund	Series 2004A Street Improvements Fund	Series 2015 G.O. Refunding Fund	Special Improvement Districts Fund	Sidewalk and Curb Districts Fund	Total Nonmajor Debt Service Funds
Revenues:								
Taxes	$ 929,866	$ -	$ 113,756	$ 363,266	$ 758,208	$ -	$ -	$ 2,165,096
Special assessments	-	-	-	-	-	868,398	464,077	1,332,475
Other	307,979	19,911	742	2,573	6,481	44,766	10,309	392,761
Total revenues	1,237,845	19,911	114,498	365,839	764,689	913,164	474,386	3,890,332
Expenditures:								
Current:								
General government	5,100	5,428	-	-	10,950	-	-	21,478
Public works	-	-	-	-	-	6,200	6,200	12,400
Principal	825,000	560,000	110,000	290,000	565,000	505,234	317,500	3,172,734
Interest and fiscal charges	372,075	445,122	8,354	56,342	184,300	174,704	110,447	1,351,344
Total expenditures	1,202,175	1,010,550	118,354	346,342	760,250	686,138	434,147	4,557,956
Revenues over (under) expenditures	35,670	(990,639)	(3,856)	19,497	4,439	227,026	40,239	(667,624)
Other financing sources:								
Transfers in	-	998,000	-	-	-	53,947	2,605	1,054,552
Total other financing sources (uses)	-	998,000	-	-	-	53,947	2,605	1,054,552
Net change in fund balances	35,670	7,361	(3,856)	19,497	4,439	280,973	42,844	386,928
Fund balance, beginning of year	1,102,735	1,816,083	125,425	386,081	934,565	3,023,682	409,571	7,798,142
Fund balance, end of year	$ 1,138,405	$ 1,823,444	$ 121,569	$ 405,578	$ 939,004	$ 3,304,655	$452,415	$ 8,185,070

CITY OF BILLINGS, MONTANA

Nonmajor Debt Service Funds

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

For the Fiscal Year Ended June 30, 2020

	Series 2012 Library Fund				Storm Sewer Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ 933,155	$ 933,155	$ 929,866	$ 3,289	$ -	$ -	$ -	$ -
Special assessments	-	-	-	-	-	-	-	-
Other	305,300	305,300	307,979	(2,679)	13,300	13,300	19,911	(6,611)
Total revenues	1,238,455	1,238,455	1,237,845	610	13,300	13,300	19,911	(6,611)
Expenditures:								
Current:								
Operations and maintenance	8,205	8,205	5,100	3,105	10,855	10,855	7,756	3,099
Debt service:								
Principal	825,000	825,000	825,000	-	560,000	560,000	560,000	-
Interest and fiscal charges	372,075	372,075	372,075	-	442,794	442,794	442,793	1
Total expenditures	1,205,280	1,205,280	1,202,175	3,105	1,013,649	1,013,649	1,010,549	3,100
Revenues over (under) expenditures	33,175	33,175	35,670	(2,495)	(1,000,349)	(1,000,349)	(990,638)	(9,711)
Other financing sources:								
Transfers in	-	-	-	-	1,015,000	1,015,000	998,000	17,000
Total other financing sources	-	-	-	-	1,015,000	1,015,000	998,000	17,000
Net change in fund balances	$ 33,175	$ 33,175	35,670	$ (2,495)	$ 14,651	$ 14,651	7,362	$ 7,289
Fund balance, beginning of year			1,102,735				1,816,083	
Fund balance, end of year			$ 1,138,405				$ 1,823,445	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Debt Service Funds

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

For the Fiscal Year Ended June 30, 2020

	Series 2010 Parks Fund				Series 2004A Street Improvements Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ 114,667	$ 114,667	$ 113,755	$ 912	$ 365,749	$ 365,749	$ 363,266	$ 2,483
Special assessments	-	-	-	-	-	-	-	-
Other	300	300	742	(442)	760	760	2,573	(1,813)
Total revenues	114,967	114,967	114,497	470	366,509	366,509	365,839	670
Expenditures:								
Current:								
Operations and maintenance	6,003	6,003	2,904	3,099	6,586	6,586	3,492	3,094
Debt service:								
Principal	110,000	110,000	110,000	-	290,000	290,000	290,000	-
Interest and fiscal charges	5,450	5,450	5,450	-	52,850	52,850	52,850	-
Total expenditures	121,453	121,453	118,354	3,099	349,436	349,436	346,342	3,094
Revenues over (under) expenditures	(6,486)	(6,486)	(3,857)	(2,629)	17,073	17,073	19,497	(2,424)
Other financing sources:								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balances	$ (6,486)	$ (6,486)	(3,857)	$ (2,629)	$ 17,073	$ 17,073	19,497	$ (2,424)
Fund balance, beginning of year			125,425				386,081	
Fund balance, end of year			$ 121,568				$ 405,578	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Debt Service Funds

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

For the Fiscal Year Ended June 30, 2020

	Series 2015 G.O. Refunding Fund				Special Improvement Districts Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ 761,154	$ 761,154	$ 758,208	$ 2,946	$ -	$ -	$ -	$ -
Special assessments	-	-	-	-	1,000,000	1,000,000	868,398	131,602
Other	2,500	2,500	6,481	(3,981)	65,000	65,000	44,766	20,234
Total revenues	763,654	763,654	764,689	(1,035)	1,065,000	1,065,000	913,164	151,836
Expenditures:								
Current:								
Operations and maintenance	14,034	14,034	10,600	3,434	45,600	45,600	6,200	39,400
Debt service:								
Principal	565,000	565,000	565,000	-	880,000	880,000	505,234	374,766
Interest and fiscal charges	184,650	184,650	184,650	-	153,200	153,200	174,704	(21,504)
Total expenditures	763,684	763,684	760,250	3,434	1,078,800	1,078,800	686,138	392,662
Revenues over (under) expenditures	(30)	(30)	4,439	(4,469)	(13,800)	(13,800)	227,026	(240,826)
Other financing sources:								
Transfers in	-	-	-	-	-	-	53,947	(53,947)
Total other financing sources	-	-	-	-	-	-	53,947	(53,947)
Net change in fund balances	$ (30)	$ (30)	4,439	$ (4,469)	$ (13,800)	$ (13,800)	280,973	$ (294,773)
Fund balance, beginning of year			934,565				3,023,682	
Fund balance, end of year			$ 939,004				$ 3,304,655	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Debt Service Funds

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

For the Fiscal Year Ended June 30, 2020

(Page 4 of 4)

	Sidewalk and Curb Districts Fund				Total Nonmajor Debt Service Funds			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ 2,174,725	$ 2,174,725	$ 2,165,096	$ 9,629
Special assessments	380,000	380,000	464,077	(84,077)	1,380,000	1,380,000	1,332,475	47,525
Other	5,000	5,000	10,309	(5,309)	392,160	392,160	392,761	(601)
Total revenues	385,000	385,000	474,386	(89,386)	3,946,885	3,946,885	3,890,332	56,553
Expenditures:								
Current:								
Operations and maintenance	18,600	18,600	6,200	12,400	109,883	109,883	39,924	69,959
Debt service:								
Principal	315,000	315,000	317,500	(2,500)	3,545,000	3,545,000	3,172,734	372,266
Interest and fiscal charges	88,150	88,150	110,447	(22,297)	1,299,169	1,299,169	1,345,298	(46,129)
Total expenditures	421,750	421,750	434,147	(12,397)	4,954,052	4,954,052	4,557,956	396,096
Revenues over (under) expenditures	(36,750)	(36,750)	40,239	(76,989)	(1,007,167)	(1,007,167)	(667,624)	(339,543)
Other financing sources:								
Transfers in	-	-	2,605	(2,605)	1,015,000	1,015,000	1,054,552	(39,552)
Total other financing sources	-	-	2,605	(2,605)	1,015,000	1,015,000	1,054,552	(39,552)
Net change in fund balances	$ (36,750)	$ (36,750)	42,844	$ (79,594)	$ 44,583	$ 7,833	386,928	$ (299,991)
Fund balance, beginning of year			409,571				7,798,142	
`			$ 452,415				$ 8,185,070	

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

CITY OF BILLINGS, MONTANA

Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2020

	Urban Renewal Property Acquisition Fund	Sidewalk and Curb Districts Fund	Special Improvements Districts Fund	Capital Replacement Fund	Park Construction Fund	Dog Park Construction Fund	Total Nonmajor Capital Projects Funds
Assets							
Cash and cash equivalents	$ 19,496	$ -	$ 332,628	$ 3,154,548	$ 116,221	$ 9,065	$ 3,631,958
Investments	27,641	-	468,409	4,466,533	168,724	12,763	5,144,070
Receivables:							
Accrued interest	76	-	2,157	10,706	943	-	13,882
Property held for resale	187,828	-	-	-	-	-	187,828
Total assets	$ 235,041	$ -	$ 803,194	$ 7,631,787	$ 285,888	$ 21,828	$ 8,977,738
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$ -	-	99,947	$ 470,797	113,570	$ -	$ 684,314
Due to other funds	-	203,791	-	-	-	-	203,791
Total Liabilities	-	203,791	99,947	470,797	113,570	-	888,105
Fund balance (deficit)							
Restricted	235,041	-	703,247	7,160,990	172,318	21,828	8,293,424
Unassigned	-	(203,791)	-	-	-	-	(203,791)
Total fund balance (deficit)	235,041	(203,791)	703,247	7,160,990	172,318	21,828	8,089,633
Total liabilities and fund balances	$ 235,041	$ -	$ 803,194	$ 7,631,787	$ 285,888	$ 21,828	$ 8,977,738

CITY OF BILLINGS, MONTANA

Nonmajor Capital Projects Funds

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2020

	Urban Renewal Property Acquisition Fund	Sidewalk and Curb Districts Fund	Special Improvements Districts Fund	Capital Replacement Fund	Park Construction Fund	Dog Park Construction Fund	Total Nonmajor Capital Projects Funds
Revenues:							
Other	$ 951	$ 913	$ 855,159	$ 121,447	$ 102,267	$ 17,199	$ 1,097,936
Total revenues	951	913	855,159	121,447	102,267	17,199	1,097,936
Expenditures:							
Current:							
General government	-	-	-	1,992	1,800	-	3,792
Public safety	-	-	-	569,959	-	-	569,959
Public works	-	10,400	-	-	-	-	10,400
Housing and economic development	9,940	-	-	-	-	-	9,940
Capital outlay	-	197,093	796,412	1,042,957	2,055,873	-	4,092,335
Debt service:							
Bond issuance costs	-	8,000	7,500	-	-	-	15,500
Total expenditures	9,940	215,493	803,912	1,614,908	2,057,673	-	4,701,926
Revenues over (under) expenditures	(8,989)	(214,580)	51,247	(1,493,461)	(1,955,406)	17,199	(3,603,990)
Other financing sources (uses):							
Transfers in	-	-	-	1,674,404	-	-	1,674,404
Transfers out	-	(2,604)	(53,947)	-	-	-	(56,551)
Special assessment bonds issued	-	205,000	652,000	-	-	-	857,000
Sale of capital assets	-	-	-	42,133	-	-	42,133
Total other financing sources (uses)	-	202,396	598,053	1,716,537	-	-	2,516,986
Net change in fund balances	(8,989)	(12,184)	649,300	223,076	(1,955,406)	17,199	(1,087,004)
Fund balance (deficit), beginning of year	244,030	(191,607)	53,947	6,937,914	2,127,724	4,629	9,176,637
Fund balance (deficit), end of year	$ 235,041	$ (203,791)	$ 703,247	$ 7,160,990	$ 172,318	$ 21,828	$ 8,089,633

CITY OF BILLINGS, MONTANA

Nonmajor Capital Projects Funds

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

For the Fiscal Year Ended June 30, 2020

	Urban Renewal Property Acquisition Fund				Sidewalk and Curb Districts Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Other	$ 900	$ 900	$ 951	$ (51)	$1,221,300	$1,221,300	$ 205,913	$ 1,015,387
Total revenues	900	900	951	(51)	1,221,300	1,221,300	205,913	1,015,387
Expenditures:								
Current:								
Operations and maintenance	12,742	12,742	9,940	2,802	-	-	10,400	(10,400)
Capital outlay	50,000	50,000	-	50,000	1,180,000	1,404,304	197,093	1,207,211
Debt service:								
Bond issuance costs	-	-	-	-	41,300	41,300	8,000	33,300
Total expenditures	62,742	62,742	9,940	52,802	1,221,300	1,445,604	215,493	1,230,111
Revenues over (under) expenditures	(61,842)	(61,842)	(8,989)	(52,853)	-	(224,304)	(9,580)	(214,724)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(2,604)	2,604
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(2,604)	2,604
Net change in fund balances	$ (61,842)	$ (61,842)	(8,989)	$ (52,853)	$ -	$ (224,304)	(12,184)	$ (212,120)
Fund balance (deficit), beginning of year			244,030				(191,607)	
Fund balance (deficit), end of year			$ 235,041				$ (203,791)	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Capital Projects Funds

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

For the Fiscal Year Ended June 30, 2020

	Special Improvement Districts Fund				Capital Replacement Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Other	$2,691,000	$2,691,000	$1,507,159	$1,183,841	$ 66,060	$ 66,060	$ 121,447	$ (55,387)
Total revenues	2,691,000	2,691,000	1,507,159	1,183,841	66,060	66,060	121,447	(55,387)
Expenditures:								
Current:								
Operations and maintenance	-	-	-	-	866,337	866,337	571,951	294,386
Capital outlay	2,600,000	2,600,000	796,412	1,803,588	800,650	1,076,368	1,042,957	33,411
Debt service:								
Bond issuance costs	91,000	91,000	7,500	83,500	-	-	-	-
Total expenditures	2,691,000	2,691,000	803,912	1,887,088	1,666,987	1,942,705	1,614,908	327,797
Revenues over (under) expenditures	-	-	703,247	(703,247)	(1,600,927)	(1,876,645)	(1,493,461)	(383,184)
Other financing sources (uses):								
Transfers in	-	-	-	-	1,674,404	1,674,404	1,674,404	-
Transfers out	-	-	(53,947)	53,947	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	42,133	(42,133)
Total other financing sources (uses)	-	-	(53,947)	53,947	1,674,404	1,674,404	1,716,537	(42,133)
Net change in fund balances	$ -	$ -	649,300	$ (649,300)	$ 73,477	$ (202,241)	223,076	$ (425,317)
Fund balance (deficit), beginning of year			53,947				6,937,914	
Fund balance (deficit), end of year			$ 703,247				$ 7,160,990	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Capital Projects Funds

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

For the Fiscal Year Ended June 30, 2020

	Park Construction Fund				Dog Park Construction Fund			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Revenues:								
Other	$ -	$ 80,000	$ 102,267	$ (22,267)	$ 500	$ 5,500	$ 17,199	$ (11,699)
Total revenues	-	80,000	102,267	(22,267)	500	5,500	17,199	(11,699)
Expenditures:								
Current:								
Operations and maintenance	-	-	1,800	(1,800)	-	-	-	-
Capital outlay	-	2,421,765	2,055,873	365,892	500	5,500	-	5,500
Debt service:								
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	-	2,421,765	2,057,673	364,092	500	5,500	-	5,500
Revenues over (under) expenditures	-	(2,341,765)	(1,955,406)	(386,359)	-	-	17,199	(17,199)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	$ -	$(2,341,765)	(1,955,406)	$ (386,359)	$ -	$ -	17,199	$ (17,199)
Fund balance (deficit), beginning of year			2,127,724				4,629	
Fund balance (deficit), end of year			$ 172,318				$ 21,828	

(continued)

CITY OF BILLINGS, MONTANA

Nonmajor Capital Projects Funds

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

For the Fiscal Year Ended June 30, 2020

(Page 4 of 4)

	Total Nonmajor Capital Project Funds			
	Original Budget	**Final Budget**	**Actual**	**Variance**
Revenues:				
Other	$ 3,979,760	$4,064,760	$1,954,936	$2,109,824
Total revenues	3,979,760	4,064,760	1,954,936	2,109,824
Expenditures:				
Current:				
Operations and maintenance	879,079	879,079	594,091	284,988
Capital outlay	4,631,150	7,557,937	4,092,335	3,465,602
Debt service:				
Bond issuance costs	132,300	132,300	15,500	116,800
Total expenditures	5,642,529	8,569,316	4,701,926	3,867,390
Revenues over (under) expenditures	(1,662,769)	(4,504,556)	(2,746,990)	(1,757,566)
Other financing sources (uses):				
Transfers in	1,674,404	1,674,404	1,674,404	-
Transfers out	-	-	(56,551)	56,551
Sale of capital assets	-	-	42,133	(42,133)
Total other financing sources (uses)	1,674,404	1,674,404	1,659,986	14,418
Net change in fund balances	$ 11,635	$(2,830,152)	(1,087,004)	$(1,743,148)
Fund balance (deficit), beginning of year			9,176,637	
Fund balance (deficit), end of year			$ 8,089,633	

NONMAJOR PERMANENT FUND

The City's non-major permanent fund is:

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

CITY OF BILLINGS, MONTANA

Nonmajor Permanent Fund

Balance Sheet

June 30, 2020

	Cemetery Perpetual Care Fund
Assets	
Cash and cash equivalents	$ 309,796
Investments	436,431
Accrued interest receivable	1,187
Total assets	$ 747,414
Fund Balance	
Liabilities:	
Total liabilities	-
Fund balance:	
Unspendable	$ 747,414
Total fund balance	$ 747,414

CITY OF BILLINGS, MONTANA

Nonmajor Permanent Fund

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

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Charges for services	$ 12,000	$ 12,000	$ 17,369	$ 5,369
Other	9,000	9,000	13,041	4,041
Total revenues	21,000	21,000	30,410	9,410
Expenditures:				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	21,000	21,000	30,410	9,410
Other financing sources (uses):				
Transfers out	(5,600)	(27,600)	(27,325)	275
Total other financing sources (uses)	(5,600)	(27,600)	(27,325)	275
Net change in fund balances	$ 15,400	$ (6,600)	$ 3,085	$ 9,685
Fund balance, beginning of year			744,329	
Fund balance, end of year			$ 747,414	

NONMAJOR ENTERPRISE FUNDS

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

- The Transit Fund accounts for the operation of the City's public transportation system.

- The Golf Course Fund accounts for the operation of the Par-3 Golf Course.

CITY OF BILLINGS, MONTANA

Nonmajor Enterprise Funds

Combining Statement of Net Position

June 30, 2020

(Page 1 of 2)

	Transit Fund	Golf Course	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 934,166	$ 241,474	$ 1,175,640
Investments	1,311,283	-	1,311,283
Receivables:			
Property taxes	79,780	-	79,780
Accounts and unbilled usage	18,988	-	18,988
Accrued interest	2,888	-	2,888
Receivables from other governments	1,907,841	-	1,907,841
Inventories	154,175	660	154,835
Prepaid items	-	6,363	6,363
Total current assets	4,409,121	248,497	4,657,618
Noncurrent assets:			
Property and equipment:			
Land	1,435,290	-	1,435,290
Buildings	8,642,861	1,578,066	10,220,927
Improvements other than buildings	1,005,755	-	1,005,755
Equipment and vehicles	9,193,507	-	9,193,507
Construction in progress	161,110	-	161,110
Less: accumulated depreciation	(13,432,383)	(1,207,064)	(14,639,447)
Total noncurrent assets	7,006,140	371,002	7,377,142
Total assets	11,415,261	619,499	12,034,760
Deferred Outflows			
Other post employment benefits	168,145	-	168,145
Pensions	520,028	-	520,028
Total assets and deferred outflows	$ 12,103,434	$ 619,499	$ 12,722,933

CITY OF BILLINGS, MONTANA

Nonmajor Enterprise Funds

Combining Statement of Net Position

June 30, 2020

(Page 2 of 2)

	Transit Fund	Golf Course	Total
Liabilities			
Current liabilities:			
Accounts payable	$ 57,506	$ 7,717	$ 65,223
Accrued wages and benefits	154,060	26,707	180,767
Compensated absences	336,781	-	336,781
Total current liabilities	548,347	34,424	582,771
Noncurrent liabilities:			
Compensated absences	95,626	-	95,626
Other post employment benefits	614,153	-	614,153
Net pension liability	3,023,024	-	3,023,024
Total noncurrent liabilities	3,732,803	-	3,732,803
Total liabilities	4,281,150	34,424	4,315,574
Deferred Inflows			
Other post employment benefits	165,607	-	165,607
Pensions	373,026	-	373,026
Total deferred inflows of resources	538,633	-	538,633
Net Position			
Net investment in capital assets	7,006,140	371,002	7,377,142
Restricted for:			
Unrestricted	277,511	214,073	491,584
Total net position	7,283,651	585,075	7,868,726
Total liabilities, deferred inflows, and net position	$ 12,103,434	$ 619,499	$ 12,722,933

CITY OF BILLINGS, MONTANA

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2020

	Transit Fund	Golf Course Fund	Total Nonmajor Enterprise Fund
Operating revenues:			
Charges for services and use of facilities	$ 632,015	$ 441,341	$ 1,073,356
Operating expenses:			
Salaries and benefits	4,121,285	216,477	4,337,762
Supplies	765,818	40,781	806,599
Contracted services	420,227	12,920	433,147
Utilities	88,460	24,271	112,731
Other	281,883	43,033	324,916
Depreciation	585,517	69,699	655,216
Total operating expenses	6,263,190	407,181	6,670,371
Operating income (loss)	(5,631,175)	34,160	(5,597,015)
Nonoperating revenues (expenses):			
Taxes	2,350,880	-	2,350,880
Intergovernmental	4,983,041	-	4,983,041
Interest and investment income	38,262	193	38,455
Gain (loss) on sale of capital assets	662	6,471	7,133
Other	19,386	-	19,386
Total nonoperating revenue (expense)	7,392,231	6,664	7,398,895
Income (loss) before capital contributions and transfers	1,761,056	40,824	1,801,880
Transfers in	6,000	-	6,000
Change in net position	1,767,056	40,824	1,807,880
Net position, beginning of year	5,516,595	544,251	6,060,846
Net position, end of year	$ 7,283,651	$ 585,075	$ 7,868,726

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2020
(Page 1 of 2)

	Transit Fund	Golf Course Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from customers and users	$ 631,877	$ 441,057	$ 1,072,934
Cash received from other sources	-	-	-
Cash paid to employees for services	(4,166,920)	(216,477)	(4,383,397)
Cash paid to suppliers and contracted services	(1,609,345)	(137,678)	(1,747,023)
Net cash provided (used) by operating activities	(5,144,388)	86,902	(5,057,486)
Cash flows from noncapital financing activities:			
Cash received from tax revenues	2,356,731	-	2,356,731
Cash received from intergovernmental revenues	3,067,910	-	3,067,910
Transfers to other funds	-	-	-
Net cash provided (used) by noncapital financing activities	5,424,641	-	5,424,641
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(442,675)	(40,804)	(483,479)
Proceeds from sales of capital assets	662	-	662
Transfers From Other Funds	6,000	-	6,000
Net cash provided (used) by capital and related financing activities	(436,013)	(40,804)	(476,817)
Cash flows from investing activities:			
Cash received from interest	37,579	193	37,772
Sale of investments	3,230,955	(193)	3,230,762
Purchase of investments	(3,079,439)	-	(3,079,439)
Net cash provided (used) by investing activities	189,095	-	189,095
Net increase (decrease) in cash and cash equivalents	33,335	46,098	79,433
Cash and cash equivalents, beginning of year	900,831	195,376	1,096,207
Cash and cash equivalents, end of year	$ 934,166	$ 241,474	$ 1,175,640
Cash and cash equivalents consists of:			
Cash and cash equivalents	$ 934,166	$ 241,474	$ 1,175,640
Cash and cash equivalents, end of year	$ 934,166	$ 241,474	$ 1,175,640

(continued)

CITY OF BILLINGS, MONTANA
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2020
(Page 2 of 2)

	Transit Fund	Golf Course Fund	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ (5,631,175)	$ 34,160	$ (5,597,015)
Other nonoperating income (expense)	-	193	193
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	585,517	69,699	655,216
(Increase) decrease in receivables	6,748	-	6,748
(Increase) decrease in inventories	(6,886)	-	(6,886)
(Increase) decrease in prepaid items	-	(477)	(477)
Increase (decrease) in accounts payable	(52,957)	(474)	(53,431)
Increase (decrease) in accrued liabilities	(45,635)	(16,199)	(61,834)
Net cash provided (used) by operating activities	$ (5,144,388)	$ 86,902	$ (5,057,486)
Noncash investing, capital and financing activities:			
Increase (decrease) in investment market value	683	-	683

INTERNAL SERVICE FUNDS

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

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

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2020
(Page 1 of 4)

	Fleet Services Fund	Central Service Fund	Information Techology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Assets						
Current assets:						
Cash and cash equivalents	$ 680,057	$ 86,128	$ 399,219	$ 4,138,095	$ 159,298	$ 575,322
Investments	952,260	121,617	561,861	5,844,449	225,252	817,175
Receivables:						
Accounts and unbilled usage	-	-	-	-	-	-
Accrued interest	2,446	323	1,503	14,789	661	2,271
Notes	70,000	-	-	-	-	-
Receivables from other governments			3,599			
Inventories	201,942	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total current assets	1,906,705	208,068	966,182	9,997,333	385,211	1,394,768
Noncurrent assets:						
Notes receivable	210,000	-	-	-	-	-
Property and equipment:						
Land	-	-	-	-	-	-
Buildings	32,091	-	-	-	-	-
Improvements other than buildings	-	-	87,575	-	-	-
Equipment and vehicles	905,951	112,382	1,920,184	-	748,560	-
Construction in progress	25,072	-	-	-	-	-
Less: accumulated depreciation	(906,679)	(86,590)	(1,593,911)	-	(329,991)	-
Total noncurrent assets	266,435	25,792	413,848	-	418,569	-
Total assets	2,173,140	233,860	1,380,030	9,997,333	803,780	1,394,768
Deferred Outflows						
Other post employment benefits	54,869	-	53,218	-	3,322	2,953
Pensions	198,064	-	302,406	-	21,419	16,894
Total assets and deferred outflows	$2,426,073	$ 233,860	$1,735,654	$9,997,333	$ 828,521	$1,414,615

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2020
(Page 2 of 4)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	$ 272,113	$ 689,513	$ 293,801	$ 208,302	$ 7,501,848
Investments	384,698	973,816	413,481	291,763	10,586,372
Receivables:					
Accounts and unbilled usage	-	3,118	-	34,946	38,064
Accrued interest	988	2,069	1,048	109	26,207
Notes	-	-	-	-	70,000
Receivables from other governments	-	-	127	-	3,726
Inventories	-	-	-	-	201,942
Prepaid items	-	-	3,116	12,460	15,576
Total current assets	657,799	1,668,516	711,573	547,580	18,443,735
Noncurrent assets:					
Notes receivable	-	-	-	-	210,000
Property and equipment:					
Land	-	1,989,883	-	-	1,989,883
Buildings	385,655	8,963,489	-	-	9,381,235
Improvements other than buildings	19,692	2,277,525	-	-	2,384,792
Equipment and vehicles	3,395,791	378,683	63,679	391,777	7,917,007
Construction in progress	-	266,526	-	-	291,598
Less: accumulated depreciation	(3,446,889)	(4,939,752)	(43,866)	(332,219)	(11,679,897)
Total noncurrent assets	354,249	8,936,354	19,813	59,558	10,494,618
Total assets	1,012,048	10,604,870	731,386	607,138	28,938,353
Deferred Outflows					
Other post employment benefits	-	18,013	31,445	62,509	226,329
Pensions	-	61,383	241,342	350,524	1,192,032
Total assets and deferred outflows	$ 1,012,048	$ 10,684,266	$ 1,004,173	$ 1,020,171	$30,356,714

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2020
(Page 3 of 4)

	Fleet Services Fund	Central Service Fund	Information Techology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Liabilities						
Current liabilities:						
Accounts payable	$ 79,766	$ 6,694	$ 27,731	$ 162,168	$ 10,843	$ 227
Accrued wages and benefits	60,468	-	68,566	-	5,729	3,986
Compensated absences	268,309	-	253,769	-	12,241	25,527
Accrued interest payable	-	-	-	-	-	-
Incurred but not reported health benefits	-	-	-	1,129,997	-	-
Notes payable	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Total current liabilities	408,543	6,694	350,066	1,292,165	28,813	29,740
Noncurrent liabilities:						
Compensated absences	76,184	-	72,055	-	3,475	7,248
Other post employment benefits	190,425	-	191,701	-	12,497	11,050
Net pension liability	1,151,387	-	1,757,948	-	124,512	98,208
Notes payable	-	-	-	-	-	-
Total noncurrent liabilities	1,417,996	-	2,021,704	-	140,484	116,506
Total liabilities	1,826,539	6,694	2,371,770	1,292,165	169,297	146,246
Deferred Inflows						
Other post employment benefits	52,113	-	58,013	-	3,421	2,996
Pensions	142,075	-	216,922	-	15,364	12,118
Total deferred inflows of resources	194,188	-	274,935	-	18,785	15,114
Net Position						
Net investment in capital assets	56,435	25,792	413,848	-	418,569	-
Unrestricted	348,911	201,374	(1,324,899)	8,705,168	221,870	1,253,255
Total net position	405,346	227,166	(911,051)	8,705,168	640,439	1,253,255
Total liabilities, deferred inflows, and net position	$ 2,426,073	$ 233,860	$ 1,735,654	$ 9,997,333	$ 828,521	$ 1,414,615

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Net Position
June 30, 2020
(Page 4 of 4)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Liabilities					
Current liabilities:					
Accounts payable	$ 9,196	$ 42,414	$ 71,910	$ 9,175	$ 420,124
Accrued wages and benefits	-	17,253	60,570	88,034	304,606
Compensated absences	-	41,473	203,896	323,320	1,128,535
Accrued interest payable	-	15,675	-	-	15,675
Incurred but not reported health benefits	-	-	-	-	1,129,997
Notes payable	-	435,000	-	-	435,000
Unearned Revenue	-	-	-	2,160	2,160
Total current liabilities	9,196	551,815	336,376	422,689	3,436,097
Noncurrent liabilities:					
Compensated absences	-	11,776	57,894	91,803	320,435
Other post employment benefits	-	62,161	93,319	218,234	779,387
Net pension liability	-	356,833	1,402,969	2,037,662	6,929,519
Notes payable	-	1,203,126	-	-	1,203,126
Total noncurrent liabilities	-	1,633,896	1,554,182	2,347,699	9,232,467
Total liabilities	9,196	2,185,711	1,890,558	2,770,388	12,668,564
Deferred Inflows					
Other post employment benefits	-	18,356	31,100	64,194	230,193
Pensions	-	44,031	173,119	251,437	855,066
Total deferred inflows of resources	-	62,387	204,219	315,631	1,085,259
Net Position					
Net investment in capital assets	354,249	7,298,228	19,813	59,558	8,646,492
Unrestricted	648,603	1,137,940	(1,110,417)	(2,125,406)	7,956,399
Total net position	1,002,852	8,436,168	(1,090,604)	(2,065,848)	16,602,891
Total liabilities, deferred inflows, and net position	$ 1,012,048	$ 10,684,266	$ 1,004,173	$ 1,020,171	$ 30,356,714

CITY OF BILLINGS, MONTANA

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2020

(Page 1 of 2)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Operating revenues:						
Charges for services and use of facilities	$ 1,941,623	$ 112,638	$ 2,469,702	$13,528,426	$ 432,612	$ 1,809,119
Operating expenses:						
Salaries and benefits	1,608,337	-	2,099,462	43,700	162,728	117,143
Supplies	56,535	7,412	44,021	-	3,742	1,206
Contracted services	134,954	80,622	191,325	13,445,334	30,220	26,143
Utilities	7,764	-	46,847	-	232,350	-
Other	57,767	-	303,338	75,681	475	2,271,215
Depreciation	14,088	13,316	136,408	-	33,816	-
Total operating expenses	1,879,445	101,350	2,821,401	13,564,715	463,331	2,415,707
Operating income (loss)	62,178	11,288	(351,699)	(36,289)	(30,719)	(606,588)
Nonoperating revenues (expenses):						
Taxes	-	-	-	-	-	-
Intergovernmental	25,461	-	52,748	-	2,753	2,172
Interest expense	-	-	-	-	-	-
Interest and investment income	23,990	3,541	16,307	160,111	9,636	23,037
Gain (loss) on sale of capital assets	455	-	-	-	-	-
Other	14,034	-	73,290	2,297	-	159
Total nonoperating revenue (expense)	63,940	3,541	142,345	162,408	12,389	25,368
Income (loss) before capital contributions and transfers	126,118	14,829	(209,354)	126,119	(18,330)	(581,220)
Transfers in	-	-	-	-	-	-
Transfers out	(103,269)	-	-	-	-	-
Change in net position	22,849	14,829	(209,354)	126,119	(18,330)	(581,220)
Net position, beginning of year	382,497	212,337	(701,697)	8,579,049	658,769	1,834,475
Net position, end of year	$ 405,346	$ 227,166	$ (911,051)	$ 8,705,168	$ 640,439	$ 1,253,255

CITY OF BILLINGS, MONTANA

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2020

(Page 2 of 2)

	Radio Communications Fund	Facilities Management Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Operating revenues:					
Charges for services and use of facilities	$ 270,264	$ 1,350,352	$ 2,995,996	$ 2,956,764	$ 27,867,496
Operating expenses:					
Salaries and benefits	-	459,249	2,070,797	2,395,146	8,956,562
Supplies	89	93,783	43,816	39,926	290,530
Contracted services	206,884	210,762	959,675	463,604	15,749,523
Utilities	15,609	291,528	14,772	44,879	653,749
Other	-	23,113	46,148	190,792	2,968,529
Depreciation	260,654	330,754	6,746	26,274	822,056
Total operating expenses	483,236	1,409,189	3,141,954	3,160,621	29,440,949
Operating income (loss)	(212,972)	(58,837)	(145,958)	(203,857)	(1,573,453)
Nonoperating revenues (expenses):					
Taxes	-	-	-	26,213	26,213
Intergovernmental	-	7,891	31,151	45,075	167,251
Interest expense	-	(29,744)	-	-	(29,744)
Interest and investment income	10,284	23,431	8,247	5,003	283,587
Gain (loss) on sale of capital assets	-	-	-	(2,412)	(1,957)
Other	24	62,880	-	500	153,184
Total nonoperating revenue (expense)	10,308	64,458	39,398	74,379	598,534
Income (loss) before capital contributions and transfers	(202,664)	5,621	(106,560)	(129,478)	(974,919)
Transfers in	-	817,444	-	-	817,444
Transfers out	-	-	-	-	(103,269)
Change in net position	(202,664)	823,065	(106,560)	(129,478)	(260,744)
Net position, beginning of year	1,205,516	7,613,103	(984,044)	(1,936,370)	16,863,635
Net position, end of year	$ 1,002,852	$ 8,436,168	$ (1,090,604)	$ (2,065,848)	$ 16,602,891

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2020
(Page 1 of 4)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Cash flows from operating activities:						
Cash received from customers and users	$ -	$ -	$ -	$ -	$ -	$ -
Cash received from interfund services provided	1,943,030	112,638	2,466,103	13,528,426	432,612	1,809,119
Cash received from other sources	14,034	-	73,290	2,297	-	159
Cash paid to employees for services	(1,559,953)	-	(2,056,885)	-	(150,606)	(110,905)
Cash paid to suppliers and contracted services	(258,615)	(93,292)	(612,446)	(13,202,985)	(256,838)	(2,328,689)
Net cash provided (used) by operating activities	138,496	19,346	(129,938)	327,738	25,168	(630,316)
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(95,769)	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	(95,769)	-	-	-	-	-
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(25,072)	(26,843)	(39,856)	-	(323,108)	-
Proceeds from sales of capital assets	70,455	-	-	-	-	-
Cash paid for interest	-	-	-	-	-	-
Principal paid on notes payable and capital lease payable	-	-	-	-	-	-
Transfers to other funds	(7,500)	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	37,883	(26,843)	(39,856)	-	(323,108)	-
Cash flows from investing activities:						
Cash received from interest	25,275	3,788	17,480	170,696	10,802	25,615
Sale of investments	2,226,436	302,555	1,404,411	14,138,811	716,750	2,361,966
Purchase of investments	(2,217,209)	(298,999)	(1,250,224)	(14,369,719)	(538,524)	(1,993,947)
Net cash provided (used) by investing activities	34,502	7,344	171,667	(60,212)	189,028	393,634
Net increase (decrease) in cash and cash equivalents	115,112	(153)	1,873	267,526	(108,912)	(236,682)
Cash and cash equivalents, beginning of year	564,945	86,281	397,346	3,870,569	268,210	812,004
Cash and cash equivalents, end of year	$ 680,057	$ 86,128	$ 399,219	$ 4,138,095	$ 159,298	$ 575,322

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2020
(Page 2 of 4)

	Radio Communica-tions Fund	Facilities Manage-ment Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Cash flows from operating activities:					
Cash received from customers and users	$ -	$ 672,769	$ -	$ 123,467	$ 796,236
Cash received from interfund services provided	270,264	674,465	2,995,869	2,852,340	27,084,866
Cash received from other sources	24	356,159	-	45,575	491,538
Cash paid to employees for services	-	(456,205)	(1,802,542)	(2,322,006)	(8,459,102)
Cash paid to suppliers and contracted services	(214,781)	(711,465)	(1,017,164)	(759,812)	(19,456,087)
Net cash provided (used) by operating activities	55,507	535,723	176,163	(60,436)	457,451
Cash flows from noncapital financing activities:					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	(95,769)
Net cash provided (used) by noncapital financing activities	-	-	-	-	(95,769)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	-	(107,831)	-	-	(522,710)
Proceeds from sales of capital assets	-	-	-	-	70,455
Cash paid for interest	-	(54,651)	-	-	(54,651)
Principal paid on notes payable and capital lease payable	-	(425,000)	-	-	(425,000)
Transfers to other funds	-	-	-	-	(7,500)
Transfers from other funds	-	532,056	-	-	532,056
Net cash provided (used) by capital and related financing activities	-	(55,426)	-	-	(407,350)
Cash flows from investing activities:					
Cash received from interest	10,960	24,867	8,282	6,040	303,805
Sale of investments	909,660	2,102,234	830,435	757,867	25,751,125
Purchase of investments	(944,655)	(2,384,497)	(876,027)	(721,906)	(25,595,707)
Net cash provided by investing activities	(24,035)	(257,396)	(37,310)	42,001	459,223
Net increase (decrease) in cash and cash equivalents	31,472	222,901	138,853	(18,435)	413,555
Cash and cash equivalents, beginning of year	240,641	466,612	154,948	226,737	7,088,293
Cash and cash equivalents, end of year	$ 272,113	$ 689,513	$ 293,801	$ 208,302	$ 7,501,848

(continued)

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2020
(Page 3 of 4)

	Fleet Services Fund	Central Service Fund	Information Technology Fund	City Health Insurance Fund	Central Telephone Services Fund	Property Insurance Fund
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	$ 62,178	$ 11,288	$ (351,699)	$ (36,289)	$ (30,719)	$ (606,588)
Other nonoperating income (expense)	14,489	-	112,165	2,297	2,753	159
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	14,088	13,316	136,408	-	33,816	-
(Increase) decrease in receivables	-	-	-	-	-	-
(Increase) decrease in receivables from other governments & other funds	-	-	3,599	-	-	-
(Increase) decrease in inventories	29,024	-	-	-	-	-
(Increase) decrease in prepaid items and deposits	-	-	-	-	-	-
Increase (decrease) in accounts payable	(30,619)	(5,258)	(26,915)	1,056	9,949	(30,125)
Increase (decrease) in accrued liabilities	49,336	-	(3,496)	360,674	9,369	6,238
Net cash provided (used) by operating activities	$ 138,496	$ 19,346	$ (129,938)	$ 327,738	$ 25,168	$ (630,316)
Noncash investing, capital and financing activities:						
Increase (decrease) in investment market value	(125)	(11)	(81)	81	(82)	648

CITY OF BILLINGS, MONTANA
Internal Service Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2020
(Page 4 of 4)

	Radio Communica-tions Fund	Facilities Manage-ment Fund	Public Works Administration Fund	Public Works Engineering Fund	Total Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	$ (212,972)	$ (58,837)	$ (145,958)	$ (203,857)	$ (1,573,453)
Other nonoperating income (expense)	24	356,159	31,151	71,788	590,985
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	260,654	330,754	6,746	26,274	822,056
(Increase) decrease in receivables	-	(3,118)	(127)	(7,185)	(10,430)
(Increase) decrease in receivables from other governments & other funds	-	-	127	-	3,726
(Increase) decrease in inventories	-	-	-	-	29,024
(Increase) decrease in prepaid items and deposits	-	-	(230)	(916)	(1,146)
Increase (decrease) in accounts payable	7,801	(92,279)	47,477	(19,695)	(138,608)
Increase (decrease) in accrued liabilities	-	3,044	236,977	73,155	735,297
Net cash provided (used) by operating activities	$ 55,507	$ 535,723	$ 176,163	$ (60,436)	$ 457,451
Noncash investing, capital and financing activities:					
Increase (decrease) in investment market value	(92)	(149)	(123)	(105)	(39)

AGENCY FUNDS

The City's agency funds and their purposes are:

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

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

- The License Plate Fund accounts for amounts the City receives from Yellowstone County for license plate assessments and remits the same to the License Plate Fund as required by State Statutes.

CITY OF BILLINGS
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For The Fiscal Year Ended June 30, 2020
(Page 1 of 2)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Downtown Business Improvement District				
Assets				
Cash and cash equivalents	$ -	$ 411,674	$ 411,674	$ -
Total assets	$ -	$ 411,674	$ 411,674	$ -
Liabilities				
Accounts payable	$ -	$ 411,674	$ 411,674	$ -
Total liabilities	$ -	$ 411,674	$ 411,674	$ -
Tourism Business Improvement District				
Assets				
Cash and cash equivalents	$ -	$ 1,611,972	$ 1,611,972	$ -
Total assets	$ -	$ 1,611,972	$ 1,611,972	$ -
Liabilities				
Accounts payable	$ -	$ 1,611,972	$ 1,611,972	$ -
Total liabilities	$ -	$ 1,611,972	$ 1,611,972	$ -
License Plate Fund				
Assets				
Cash and cash equivalents	$ 602	$ 8,592	$ 8,026	$ 1,168
Total assets	$ 602	$ 8,592	$ 8,026	$ 1,168
Liabilities				
Accounts payable	$ 602	$ 8,592	$ 8,026	$ 1,168
Total liabilities	$ 602	$ 8,592	$ 8,026	$ 1,168

(continued)

CITY OF BILLINGS
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For The Fiscal Year Ended June 30, 2020
(Page 2 of 2)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Totals - All Agency Funds				
Assets				
Cash and cash equivalents	$ 602	$ 2,032,238	$ 2,031,672	$ 1,168
Total assets	$ 602	$ 2,032,238	$ 2,031,672	$ 1,168
Liabilities				
Accounts payable	$ 602	$ 2,032,238	$ 2,031,672	$ 1,168
Total liabilities	$ 602	$ 2,032,238	$ 2,031,672	$ 1,168

STATISTICAL SECTION
(UNAUDITED)

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

Contents **Pages**

Financial Trends 188-196

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 197- 200

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 201-209

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 210-211

These schedules offer demographic and economic indicators to help the reader understand the environment within the City of Billings.

Operating Information 212-216

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Governmental activities										
Net invested in capital assets	$156,927	$185,242	$197,845	$196,250	$173,274	$201,511	$208,499	$213,236	$219,975	$226,935
Restricted	56,725	58,125	67,391	71,418	61,917	62,749	53,672	64,435	57,055	60,518
Unrestricted	20,350	23,962	21,213	24,885	25,416	5,297	11,293	1,067	2,785	4,559
Total governmental activities net position	$234,002	$267,329	$286,449	$292,553	$260,607	$269,557	$273,464	$278,738	$279,815	$292,012
Business-type activities										
Net invested in capital assets	$285,474	$286,328	$304,407	$321,736	$337,910	$353,451	$309,890	$325,091	$372,952	$409,215
Restricted	5,977	5,657	6,142	9,667	7,412	4,930	55,101	28,198	26,771	15,154
Unrestricted	48,090	57,552	60,613	70,894	60,588	73,261	87,687	117,362	90,415	93,669
Total business-type activities net position	$339,541	$349,537	$371,162	$402,297	$405,910	$431,642	$452,678	$470,651	$490,138	$518,038
Primary government										
Net invested in capital assets	$442,401	$471,570	$502,252	$517,986	$511,184	$554,962	$518,389	$538,327	$592,927	$636,150
Restricted	62,702	63,782	73,533	81,085	69,329	67,679	108,773	92,633	83,826	75,672
Unrestricted	68,440	81,514	81,826	95,779	86,004	78,558	98,980	118,429	93,200	98,228
Total primary government net position	$573,543	$616,866	$657,611	$694,850	$666,517	$701,199	$726,142	$749,389	$769,953	$810,050

Source: City of Billings, Montana

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	$ 7,397	$ 7,543	$ 7,249	$ 8,319	$ 9,533	$ 8,166	$ 8,801	$ 9,167	$ 8,679	$ 10,597
Public safety	42,735	37,410	47,884	43,124	43,085	43,855	45,516	52,599	39,965	53,930
Public works	19,284	21,609	26,939	30,322	31,320	32,695	38,203	37,156	40,942	42,401
Public health	865	851	871	905	1,059	957	1,002	1,038	1,449	1,188
Culture and recreation	8,133	8,312	8,799	9,577	11,212	10,867	11,269	11,458	17,397	11,924
Housing and economic development	3,709	3,561	3,212	3,475	4,612	4,475	5,890	5,338	4,984	4,068
Interest on long-term debt	2,216	2,212	2,083	2,602	2,779	2,939	2,775	2,830	2,560	2,514
Total governmental activities expenses	84,339	81,498	97,037	98,324	103,600	103,954	113,456	119,586	115,976	126,622
Business-type activities:										
Solid waste	9,996	10,296	10,482	11,314	11,823	11,988	12,117	13,753	14,163	15,117
Airport	12,038	13,098	12,763	12,711	12,616	12,538	12,907	14,067	13,088	12,930
Water	16,420	16,481	17,876	17,497	17,652	18,534	19,534	20,673	20,096	21,138
Wastewater	10,168	10,831	12,291	12,232	12,314	12,953	14,750	14,975	15,751	16,550
Parking	2,616	3,166	2,057	2,095	2,538	2,425	2,401	2,503	2,431	2,371
Transit	5,737	6,017	6,021	6,264	6,170	5,715	5,667	5,993	6,146	6,263
Golf course	428	434	453	443	436	450	478	435	466	407
Total business-type activities expenses	57,403	60,323	61,943	62,556	63,549	64,603	67,854	72,399	72,141	74,776
Total primary government expenses	$ 141,742	$ 141,821	$ 158,980	$ 160,880	$ 167,149	$ 168,557	$ 181,310	$ 191,985	$ 188,117	$ 201,398

(continued)

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

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2109**	**2020**
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 2,365	$ 2,788	$ 2,611	$ 2,463	$ 2,855	$ 3,286	$ 3,414	$ 3,560	$ 3,439	$ 3,046
Public safety	6,630	5,982	5,847	4,900	5,857	5,627	5,200	5,166	5,362	5,917
Public works	18,933	21,221	21,433	22,427	23,271	24,763	25,476	27,892	29,006	30,012
Culture and recreation	46	45	36	59	42	50	48	56	48	46
Other activities	1,838	1,887	1,948	2,074	2,326	2,472	2,411	2,301	2,492	2,378
Operating grants and contributions	12,229	7,006	12,503	13,648	16,554	11,713	12,034	18,856	7,914	21,723
Captial grants and contributions	14,133	26,658	28,524	13,626	7,884	9,568	11,036	7,118	6,060	11,358
Total governmental activities program revenues	56,174	65,587	72,902	59,197	58,789	57,479	59,619	64,949	54,321	74,480
Business-type activities:										
Charges for services:										
Solid waste	9,801	10,731	10,161	11,024	13,925	13,888	14,715	15,407	15,474	16,791
Airport	8,483	9,568	9,841	9,046	9,536	9,915	10,078	12,356	12,887	11,153
Water	19,538	23,569	25,904	22,928	24,740	25,914	24,686	27,995	25,326	26,201
Wastewater	10,919	14,144	16,123	18,054	18,469	18,915	19,798	19,518	23,970	20,971
Other activities	2,810	2,902	3,071	2,758	2,752	2,496	2,675	2,856	3,002	2,669
Operating grants and contributions	2,224	2,260	2,533	2,815	2,195	3,894	4,024	3,721	1,462	7,003
Captial grants and contributions	15,707	6,041	8,426	15,274	4,366	12,326	9,163	3,745	3,170	12,143
Total business-type activities program revenues	69,482	69,215	76,059	81,899	75,983	87,348	85,139	85,598	85,291	96,931
Total primary government program revenues	$ 125,656	$ 134,802	$ 148,961	$ 141,096	$ 134,772	$ 144,827	$ 144,758	$ 150,547	$ 139,612	$ 171,411
Net (expense)/revenue										
Governmental activities	$ (25,324)	$ (31,450)	$ (24,135)	$ (39,127)	$ (44,811)	$ (46,475)	$ (53,837)	$ (54,637)	$ (61,655)	$ (52,142)
Business-type activities	9,159	7,272	14,116	19,343	12,434	22,745	17,285	13,199	13,150	22,155
Total primary government	$ (16,165)	$ (24,178)	$ (10,019)	$ (19,784)	$ (32,377)	$ (23,730)	$ (36,552)	$ (41,438)	$ (48,505)	$ (29,987)

(continued)

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

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 31,642	$ 31,165	$ 32,686	$ 36,507	$ 32,198	$ 36,636	$ 37,269	$ 38,684	$ 39,670	$ 41,000
Franchise fees	2,946	3,348	3,598	2,770	3,808	3,946	3,833	3,852	1,458	1,300
Business license tax	744	706	701	740	759	755	763	762	766	786
Unrestricted federal/state shared revenue	13,247	13,544	14,023	15,117	15,550	15,878	16,408	17,139	18,109	19,198
Unrestricted investment earnings	129	133	77	151	196	332	228	428	2,314	1,725
Gain on sale of property and equipment	(13)	139	465	411	949	(2,212)	267	140	58	242
Miscellaneous	77	59	78	(201)	221	194	144	(783)	441	372
Transfers	(1,561)	146	(4,409)	(9,046)	(4,144)	(101)	(502)	(309)	(85)	(282)
Total governmental activities	47,211	49,240	47,219	46,449	49,537	55,428	58,410	59,913	62,731	64,341
Business-type activities:										
Property taxes	1,833	1,880	1,864	1,992	1,865	1,981	2,054	2,230	2,264	2,351
Unrestricted federal/state shared revenue	341	341	341	-	421	-	-	-	-	-
Unrestricted investment earnings	436	419	226	400	445	752	657	1,498	3,596	2,537
Gain on sale of property and equipment	(24)	(547)	468	285	61	-	28	24	170	19
Miscellaneous	150	742	200	273	353	153	835	711	219	556
Transfers	1,561	(146)	4,409	9,046	4,144	101	502	309	85	282
Total business-type activities	4,297	2,689	7,508	11,996	7,289	2,987	4,076	4,772	6,334	5,745
Total primary government	$ 51,508	$ 51,929	$ 54,727	$ 58,445	$ 56,826	$ 58,415	$ 62,486	$ 64,685	$ 69,065	$ 70,086
Change in Net Position										
Governmental activities	$ 21,887	$ 17,790	$ 23,084	$ 7,322	$ 4,726	$ 8,953	$ 4,573	$ 5,276	$ 1,076	$ 12,199
Business-type activities	13,456	9,961	21,624	31,339	19,723	25,732	21,361	17,971	19,484	27,900
Total primary government net position	$ 35,343	$ 27,751	$ 44,708	$ 38,661	$ 24,449	$ 34,685	$ 25,934	$ 23,247	$ 20,560	$ 40,099

Source: City of Billings, Montana

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

Fiscal Year	Property Tax	Business License Tax	Total
2011	$ 31,642	$ 744	$ 32,386
2012	31,165	706	31,871
2013	32,686	701	33,387
2014	36,507	739	37,246
2015	32,198	759	32,957
2016	36,636	755	37,391
2017	37,269	763	38,032
2018	38,684	762	39,446
2019	39,670	766	40,436
2020	41,000	786	41,786

Source: City of Billings, Montana

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

	Fiscal Years									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
General Fund										
Unspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	8,610	9,726	8,603	9,890	9,952	10,638	11,651	11,858	12,723	12,289
Unassigned	8,131	10,285	11,612	13,245	14,928	16,553	16,621	15,860	9,676	10,108
Total	$16,741	$20,011	$20,215	$23,135	$24,880	$27,191	$28,272	$27,718	$22,399	$22,397
All other governmental funds										
Unspendable	$ 614	$ 626	$ 637	$ 751	$ 760	$ 800	$ 808	$ 859	$ 906	$ 902
Restricted	39,936	43,818	64,363	56,291	72,549	71,238	72,033	63,728	63,182	67,110
Committed	8,547	7,958	8,681	7,842	10,817	10,258	9,022	10,709	9,242	11,532
Unassigned	(496)	(906)	(470)	(376)	(396)	(275)	(118)	(23)	(246)	(267)
Total	$48,601	$51,496	$73,211	$64,508	$83,730	$82,021	$81,745	$75,273	$73,084	$79,277

Source: City of Billings, Montana

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

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

	Fiscal Years									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Revenues										
Taxes	$ 32,062	$ 30,654	$ 32,131	$ 36,457	$ 33,763	$ 37,286	$ 37,213	$ 38,619	$ 39,787	$ 41,210
Licenses and permits	5,126	5,611	6,513	5,489	6,984	6,879	6,596	6,456	4,074	4,507
Intergovernmental	27,704	20,698	25,518	27,768	28,279	30,061	28,991	30,225	32,132	39,945
Charges for services	10,725	11,128	10,782	11,512	11,966	13,144	13,565	14,613	15,654	15,436
Fines and forfeitures	2,035	2,052	2,393	2,064	2,079	1,964	1,754	1,838	1,751	1,471
Special assessments	18,635	20,276	21,394	21,548	22,303	22,515	22,921	24,319	24,874	25,246
Other	1,918	1,674	2,337	3,394	3,247	3,569	4,200	4,097	4,308	3,526
Total revenues	98,205	92,093	101,068	108,232	108,621	115,418	115,240	120,167	122,580	131,341
Expenditures										
Current:										
General government	7,208	7,323	7,335	8,288	7,869	8,074	8,331	8,859	9,499	9,705
Public safety	40,529	36,145	43,716	42,386	43,924	45,669	47,106	50,111	53,168	54,248
Public works	13,514	14,133	16,415	18,861	18,472	19,059	21,862	21,926	23,207	24,213
Public health	766	769	787	814	843	856	821	854	964	931
Culture and recreation	6,981	7,133	7,633	8,163	8,374	8,920	8,201	8,911	10,384	9,526
Housing and economic development	3,599	3,478	3,129	3,407	4,423	4,418	5,718	5,217	4,582	3,975
Capital outlay	17,007	13,980	21,874	30,294	18,893	25,726	14,445	17,818	26,544	16,531
Debt service:										
Principal	5,934	6,967	13,153	4,811	9,157	4,322	4,801	11,481	3,896	4,028
Interest and fiscal charges	1,942	1,752	2,688	2,349	2,492	2,551	2,734	2,951	2,530	2,541
Bond issuance costs	64	135	769	133	464	136	69	28	75	15
Total expenditures	97,544	91,815	117,499	119,506	114,911	119,731	114,088	128,156	134,849	125,713
Excess of revenues over (under) expenditures	$ 661	$ 278	$ (16,431)	$ (11,274)	$ (6,290)	$ (4,313)	$ 1,152	$ (7,989)	$ (12,269)	$ 5,628

(continued)

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

	Fiscal Years									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Other financing sources (uses)										
Transfers in	$ 25,054	$ 24,532	$ 26,535	$ 24,086	$ 28,504	$ 26,615	$ 28,252	$ 34,501	$ 33,474	$ 27,990
Transfers out	(25,730)	(24,886)	(28,260)	(24,773)	(29,094)	(27,194)	(29,023)	(35,098)	(33,950)	(28,812)
Issuance of debt	1,125	3,630	33,055	-	6,270	-	-	-	3,465	285
Special assessment bonds issued	945	2,325	6,120	4,820	18,655	5,375	226	1,415	1,625	857
Premium on bonds issued	31	-	1,435	233	1,130	-	-	-	95	-
Bond discounts	(30)	(57)	(2)	-	(61)	-	-	-	-	-
Sale of capital assets	213	343	468	124	1,852	119	267	140	58	243
Total other financing sources (uses)	1,608	5,887	39,351	4,490	27,256	4,915	(278)	958	4,767	563
Net change in fund balances	$ 2,269	$ 6,165	$ 22,920	$ (6,784)	$ 20,966	$ 602	$ 874	$ (7,031)	$ (7,502)	$ 6,191
Debt service as a percentage of noncapital expenditures	9.8%	11.2%	16.6%	8.0%	12.1%	7.3%	7.6%	13.1%	5.9%	6.0%

Source: City of Billings, Montana

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

Fiscal Year	Property Tax	Business License Tax	Total
2011	$ 32,062	$ 744	$ 32,806
2012	30,654	706	31,360
2013	32,131	701	32,832
2014	36,457	740	37,197
2015	33,763	759	34,522
2016	37,286	755	38,041
2017	37,213	763	37,976
2018	38,684	762	39,446
2019	39,787	766	40,553
2020	41,210	786	41,996

Source: City of Billings, Montana

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

Fiscal Year	Real Property [3,4] Estimated Market Value	Real Property [3,4] Taxable Value	Personal Property Estimated Market Value	Personal Property Taxable Value	Total [5] Estimated Market Value [1]	Total [5] Taxable Value [2]	Direct Tax Rate	Ratio of Taxable Value to Estimated Market
2011	6,045,049,971	158,774,355	261,866,181	7,680,497	6,306,916,152	166,454,852	171.42	2.6%
2012	5,391,987,991	160,074,588	253,361,134	7,357,320	5,645,349,125	167,431,908	168.73	3.0%
2013	5,578,809,490	159,681,901	257,791,168	5,720,433	5,836,600,658	165,402,334	174.58	2.8%
2014	5,867,349,504	161,755,976	272,813,412	6,008,199	6,140,162,916	167,764,175	178.70	2.7%
2015	6,141,298,543	163,095,567	209,710,048	3,762,699	6,351,008,591	166,858,266	168.12	2.6%
2016	11,372,527,592 [6]	187,958,670	254,824,924	4,087,311	11,627,352,516	192,045,981	158.84	1.7%
2017	11,491,184,706	191,197,155	252,088,832	3,979,017	11,743,273,538	195,176,172	160.40	1.7%
2018	12,191,541,683	199,511,334	279,769,621	4,331,658	12,471,311,304	203,842,992	159.00	1.6%
2019	12,273,523,077	200,187,216	282,104,998	4,354,464	12,555,628,075	204,541,680	163.12	1.6%
2020	12,976,135,665	210,145,002	293,702,841	4,593,206	13,269,838,506	214,738,208	160.02	1.6%

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

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

[3] Market value and taxable value includes Utilities category.

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

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

[6] The 6 year appraisal cycle was done by the State.

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

	City											
Fiscal Year	General [4]	Library [4]	Public Safety [2]	Transit [4]	General Obligation Bonds	Total [3]	County	School Education [1]	School District	Big Sky Economic Development Authority	State	Total Direct and Overlapping Total
2011	74.00	5.00	73.82	10.00	8.60	171.42	114.36	102.50	199.73	3.05	49.34	640.40
2012	74.00	5.00	70.75	10.00	8.98	168.73	114.44	102.50	199.19	3.05	49.96	637.87
2013	74.00	5.00	71.11	10.00	14.47 [5]	160.11	117.19	102.50	204.53	3.09	52.09	639.51
2014	74.00	5.00	74.36	10.00	15.34	178.70	118.33	102.50	215.54	3.09	49.36	667.52
2015	74.00	5.00	64.59	10.00	14.53	168.12	117.10	102.50	249.75	3.09	46.10	686.66
2016	67.64	4.57	64.41	9.17	13.05	158.84	109.58	102.50	253.28	2.87	42.95	670.02
2017	70.61	4.77	64.30	9.54	11.18	160.40	113.71	102.50	255.52	2.95	50.61	685.69
2018	70.61	5.00	62.40	10.00	10.99	159.00	112.09	102.50	263.96	3.17	51.64	692.36
2019	74.00	5.00	62.88	10.00	11.24	163.12	124.76	102.50	272.73	3.29	47.87	714.27
2020	74.00	5.00	60.17	10.00	10.85	160.02	123.03	102.50	269.06	3.24	42.94	700.79

Source: Yellowstone County, Montana, Treasurer

[1] Includes School Equalization Levy and other Education Levies.

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

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

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

[5] General Obligation Library Bond for 6.12 mills was issued.

CITY OF BILLINGS, MONTANA
Principal Property Taxpayers
June 30, 2020 and Ten Years Ago
(Unaudited)

	Tax Year 2019			Tax Year 2010		
Taxpayer	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Northwestern Energy	$ 10,510,960	1	4.9%	$ 7,235,867	1	4.3%
Montana Dakota Utilities	3,915,436	2	1.8%	1,486,719	4	0.9%
Charter Communications	2,220,540	3	1.0%	-		0.0%
Centurylink Inc	1,436,808	4	0.7%	1,040,863	5	0.6%
AT&T Communications	1,239,432	5	0.6%	515,290	9	0.3%
Rimrock Owner LP	816,404	6	0.4%	-		0.0%
Wal-Mart Real Estate	597,638	7	0.3%	736,987	7	0.4%
Scheels All Sports Inc	655,645	8	0.3%	-		0.0%
Billings 401 LLC	519,321	9	0.2%	-		0.0%
Jela LLC	520,116	10	0.2%	-		0.0%
Verizon Wireless	-		0.0%	762,900	6	0.5%
Wells Fargo Corporate Prop.	-		0.0%	467,135	10	0.3%
Qwest Corp	-		0.0%	3,012,678	3	1.8%
Macerich Rimrock Limited Partner	-		0.0%	666,409	8	0.4%
Bresnan Broadband	-		0.0%	5,396,818	2	3.2%
Western Sugar Co.	-		0.0%	-		0.0%
Total	$ 22,432,300		10.4%	$ 21,321,666		12.8%
Total taxable value	$ 214,738,208			$ 166,454,852		

Source: City of Billings, Montana

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

Fiscal Year	Total Tax Levy[1] for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Delinquent
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2011	26,450,937	24,813,236	93.8%	1,330,906	26,144,142	98.8%	1,637,701
2012	26,003,866	23,934,858	92.0%	1,051,668	24,986,526	96.1%	2,069,008
2013	26,886,158	25,426,270	94.6%	642,009	26,068,279	97.0%	1,459,888
2014	27,818,662	26,310,736	94.6%	658,806	26,969,542	96.9%	1,507,926
2015	26,391,143	25,590,811	97.0%	4,894,272	30,485,083	115.5%	800,332
2016	28,231,663	27,220,145	96.4%	1,041,105	28,261,250	100.1%	1,011,518
2017	28,795,414	27,087,538	94.1%	770,715	27,858,253	96.7%	1,707,876
2018	30,101,821	28,340,613	94.1%	1,644,651	29,985,264	99.6%	1,761,208
2019	31,249,233	29,999,888	96.0%	1,699,576	31,699,464	101.4%	1,249,345
2020	31,902,292	30,755,958	96.4%	1,229,472	31,985,430	100.3%	1,146,334

Source: City of Billings, Montana

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

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

	Governmental Activities					
Fiscal Year	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Intercap Notes Payable	Notes Payable	Capital Leases Payable
2011	15,975	-	17,068	75	3,046	4,768
2012	15,080	-	17,230	70	2,821	4,428
2013	30,557	13,263	16,156	64	2,287	4,100
2014	28,717	13,260	17,645	59	1,732	4,128
2015	26,921	20,376	22,737	54	1,153	3,737
2016	32,094	26,032	21,363	48	712	3,362
2017	30,109	25,516	19,585	43	249	2,935
2018	21,669	24,810	18,767	38	-	2,515
2019	19,797	27,640	18,954	32	-	2,084
2020	17,885	26,779	18,405	312	-	1,638

	Business-Type Activities								
Fiscal Year	Revenue Bonds Airport	Revenue Bonds Wastewater	Rev Bonds/ Notes Payable Water	Rev Bonds/ Notes Payable Wastewater	Revenue Bonds Solid Waste	Capital Lease Payable Parking	Capital Lease Payable Airport	Total Primary Government	Percentage of Personal Income
2011	14,165	-	23,922	16,765	-	5,190	-	100,974	1.67%
2012	13,465	-	24,026	16,212	-	5,544	1,322	100,198	1.59%
2013	12,540	-	23,214	16,458	-	3,177	1,258	123,074	1.82%
2014	11,382	-	24,510	17,470	-	3,061	1,191	123,155	1.76%
2015	10,437	-	28,446	16,514	-	2,942	1,120	134,437	1.89%
2016	9,559	-	30,049	15,506	-	2,818	1,045	142,588	1.84%
2017	8,473	63,305	28,264	14,503	-	2,687	968	196,637	2.46%
2018	7,348	59,980	28,257	13,470	-	2,551	886	180,291	2.13%
2019	6,184	58,532	24,199	12,408	23,338	2,409	799	196,376	2.09%
2020	4,977	56,684	22,085	11,318	23,271	2,261	709	186,324	1.99%

Source: City of Billings, Montana

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

Fiscal Year	Population [1]	Taxable Value [2]	General Obligation Bonds [3]	Less: Amounts Available in Debt Service Funds [4]	Net	Percentage of Estimated Actual Taxable Value of Property	Net Bonded Debt Per Capita
2011	104,170	166,454,852	15,975,000	1,549,809	14,425,191	8.7%	138.48
2012	104,170	167,431,908	15,080,000	1,233,678	13,846,322	8.3%	132.92
2013	106,954	165,402,334	30,556,896	2,465,881	28,091,015	17.0%	262.65
2014	109,059	167,764,175	28,716,650	2,310,101	26,406,549	15.7%	242.13
2015	108,869	166,858,266	26,921,315	2,653,784	24,267,531	14.5%	222.91
2016	110,263	181,997,580	32,093,610	2,852,317	29,241,293	16.1%	265.20
2017	110,323	185,589,273	30,109,235	2,505,033	27,604,202	14.9%	250.21
2018	109,642	193,797,788	21,668,610	2,392,468	19,276,142	9.9%	175.81
2019	109,544	195,708,313	19,797,206	2,468,288	17,328,918	8.9%	158.19
2020	109,431	204,149,357	17,885,802	2,429,945	15,455,857	7.6%	141.24

Sources and other information:

[1] Census taken every ten years. Actual census figures given for 2011.
All other years are estimated by City/County Planning, Yellowstone County, Montana.

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

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

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

CITY OF BILLINGS, MONTANA
Direct and Overlapping General Obligation Bonded Debt
June 30, 2020
(Unaudited)

Governmental Unit	Debt Outstanding	Percent Applicable to City [2]	Estimated Share of Overlapping Debt
Overlapping:			
Yellowstone County	**$ 10,207,171** [1]	54.87%	**$ 5,600,675**
School Districts			
School District #2	$ 137,504,940 [1]	42.59%	$ 58,563,354
Elder Grove SD #4	17,915,000 [1]	0.10%	$ 17,915
Elysian SD #23	7,160,000 [1]	5.31%	$ 380,196
Canyon Creek SD #44	280,000 [1]	0.32%	$ 896
Independent SD #52	2,065,000 [1]	0.29%	$ 5,989
Total School Districts	**164,924,940**		**58,968,349**
Total Overlapping Debt	**175,132,111**		**64,569,024**
Direct:			
City of Billings			
General Obligation	$ 17,885,802		
Tax Increment	26,779,156		
Special Assesment	18,405,449		
Intercap Notes	312,228		
Capital Lease	1,638,124		
Total Direct Debt	**$ 65,020,759**	100.0%	**$ 65,020,759**
Total Direct and Overlapping Debt	**240,152,870**		**129,589,783**

Source and other information:

[1] Finance Department, Yellowstone County, Montana.

[2] The percentage of overlapping debt applicable to the City is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the other government's taxable value that is within the City's boundaries and dividing it by the other government total taxable value.

CITY OF BILLINGS, MONTANA
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in 000's)
(Unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	$ 110,757	$ 125,971	$ 145,915	$ 153,504	$ 158,762	$ 289,112	$ 291,981	$ 311,783	$ 313,872	$ 331,727
Total net debt applicable to limit	19,343	13,846	27,875	26,407	23,326	27,260	32,622	23,758	21,887	20,014
Legal debt margin	$ 91,414	$ 112,125	$ 118,040	$ 127,098	$ 135,436	$ 261,852	$ 259,360	$ 288,024	$ 291,985	$ 311,713
Total net debt applicable to the limit as a percentage of debt limit	17.46%	10.99%	19.10%	17.20%	14.69%	9.43%	11.17%	7.62%	6.97%	6.03%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed market value:		
Real property	$ 12,673,267,633	
Personal property	292,932,938	
Utilities	302,868,032	
Total assessed value	$ 13,269,068,603	
Debt amount limited to 2.5% of total assessed value		$331,726,715
Less:		
General obligation bonded debt outstanding	17,885,802	
Total net debt applicable to limit		17,885,802
Plus:		
Amount set aside for repayment of GO debt		(2,128,025)
Total net debt applicable to limit		15,757,777
Legal debt margin		$311,712,888

Source: City of Billings, Montana
Note: Under state law, the City of Billings, Montana's outstanding general obligation debt was not to exceed 1.51% prior to FY 08 and 2.50% starting in FY 08 of total assessed market value.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Water and Wastewater Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenue [1]	Less: Operating Expense [2]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	$ 30,683,732	$ 16,666,260	$ 14,017,472	$ 1,926,000	$ 1,415,188	$ 3,341,188	420%
2012	37,852,987	17,146,622	20,706,365	1,938,000	1,493,738	3,431,738	603%
2013	41,905,740	19,526,272	22,379,468	2,417,119	1,473,370	3,890,489	575%
2014	40,923,714	18,809,342	22,114,372	2,345,000	1,059,745	3,404,745	650%
2015	43,267,946	18,684,310	24,583,636	2,572,407	1,196,733	3,769,140	652%
2016	44,906,310	19,688,620	25,217,690	2,924,000	1,232,897	4,156,897	607%
2017	46,152,358	21,104,769	25,047,589	2,957,000	1,229,859	4,186,859	598%
2018	48,671,532	21,804,167	26,867,365	6,025,000	3,572,904	9,597,904	280%
2019	51,824,655	21,032,368	30,792,287	4,550,000	3,447,181	7,997,181	385%
2020	49,051,466	22,700,211	26,351,255	4,679,000	2,946,113	7,625,113	346%

Source: City of Billings, Montana

[1] Includes operating revenue and interest income.

[2] Total operating expenses exclusive of depreciation.

[3] SRF Loan proceeds began in FY 05-06 as well as the related principal and interest payments.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Airport Revenue Bonds
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenue [1]	Add:CFC revenue not to exceed 2010B Debt Serv	Less: Operating Expense [2]	Net Revenue Available for Debt Service		Debt Service Requirements 2000/2010A Principal	2000/2010A Interest	2010B Principal	2010B Interest	Total	Coverage
2011	$ 8,725,159	$ 170,796	$ 6,589,404	$ 2,306,551	[3,4]	$ 550,000	$ 349,642	$ -	$ 170,796	$ 1,070,438	215%
2012	9,792,472	292,793	7,229,282	2,855,983		700,000	295,068	-	292,793	1,287,861	222%
2013	9,997,736	475,469	7,156,337	3,316,868		690,000	275,968	235,000	240,469	1,441,437	230%
2014	9,159,665	483,194	7,306,389	2,336,470		710,000	254,968	250,000	233,194	1,448,162	161%
2015	9,683,881	495,394	7,198,727	2,980,548		730,000	229,719	270,000	225,394	1,455,113	205%
2016	10,279,572	492,219	7,095,930	3,675,861		765,000	199,818	275,000	217,219	1,457,037	252%
2017	10,556,892	493,819	7,453,340	3,597,371		795,000	166,631	285,000	208,819	1,455,450	247%
2018	11,761,416	495,119	8,618,384	3,638,151		825,000	131,728	295,000	200,119	1,451,847	251%
2019	11,396,600	491,006	7,526,174	4,361,432		860,000	95,362	300,000	191,006	1,446,368	302%
2020	11,377,081	491,281	7,597,295	4,271,067		895,000	54,756	310,000	181,281	1,441,037	296%

Source: City of Billings, Montana

[1] Includes operating revenue, intergovernmental revenue, other revenue, interest income net of CFC and PFC interest.

[2] Total operating expense exclusive of depreciation.

[3] The 2000 series bonds were refunded in July of 2010 in exchange for 2010A revenue bonds.

[4] In Fiscal year 2011, Airport series 2010B revenue bonds were issued for the CFC project.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Special Assessment Bonds
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross[1] Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	2,984,730	1,803,815	970,296	2,774,111	107.6%
2012	5,581,675	4,614,070	915,622	5,529,692	100.9%
2013	6,665,868	7,013,621	1,539,100	8,552,721	77.9%
2014	2,623,645	2,085,862	690,009	2,775,871	94.5%
2015	7,183,892	6,593,709	613,603	7,207,312	99.7%
2016	1,855,339	1,641,069	343,342	1,984,411	93.5%
2017	1,676,582	1,527,648	308,749	1,836,397	91.3%
2018	1,774,099	1,686,466	257,392	1,943,858	91.3%
2019	1,551,560	871,327	274,229	1,145,556	135.4%
2020	1,387,550	822,734	285,151	1,107,885	125.2%

Source: City of Billings, Montana
Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[1] Gross Revenue includes special assessments and investment earnings on reserves.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Storm Sewer Bonds[2]
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross[1] Revenue	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	$ 3,289,314	$ 4,186,201	$ (896,887)	$ 960,000	$ 35,449	$ 995,449	-90.1%
2012	3,377,947	1,542,725	1,835,222	180,000	20,000	200,000	917.6%
2013	3,429,004	2,335,753	1,093,251	185,000	16,311	201,311	543.1%
2014	3,579,824	3,003,616	576,208	385,000	30,797	415,797	138.6%
2015	3,747,959	3,505,136	242,823	100,000	173,094	273,094	88.9%
2016	4,038,829	3,538,658	500,171	160,000	389,450	549,450	91.0%
2017	4,239,414	2,508,407	1,731,007	465,000	487,220	952,220	181.8%
2018	4,359,288	2,926,665	1,432,623	530,000	476,528	1,006,528	142.3%
2019	4,619,127	7,972,036	(3,352,909) [3]	545,000	459,369	1,004,369	-333.8%
2020	4,622,541	3,362,035	1,260,506	560,000	445,122	1,005,122	125.4%

Source: City of Billings, Montana
Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[1] Gross revenue includes assessments and investment earnings.
[2] Included in special assessment bonds in the financial statements and related notes.
[3] Storm Sewer reserves were used in FY2019 to fund capital projects.

CITY OF BILLINGS, MONTANA
Pledged-Revenue Coverage
Parking Notes Payable [3]
Last Ten Fiscal Years [4]
(Unaudited)

Fiscal Year	Gross Revenue [1]	Less: Operating Expense [2]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest [6]	Total	
2011	$ 1,732,269	$ 1,551,195	$ 181,074	$ 200,014	$ 295,381	$ 495,395	37%
2012	1,724,876	2,110,306	(385,430)	210,974	284,421	495,395	-78%
2013	1,755,582	1,220,805	534,777	[5] 222,536	272,859	495,395	108%
2014	1,525,125	1,455,807	69,318	115,863	139,917	255,780	27%
2015	1,519,591	1,717,715	(198,124)	119,120	136,660	255,780	-77%
2016	1,590,253	1,520,808	69,445	124,485	131,295	255,780	27%
2017	1,636,217	1,538,722	97,495	130,092	125,688	255,780	38%
2018	1,673,213	1,673,343	(130)	135,952	119,828	255,780	0%
2019	1,755,684	1,608,964	146,720	142,076	107,304	249,380	59%
2020	1,755,004	1,540,872	214,132	148,475	113,704	262,179	82%

Source: City of Billings, Montana

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Gross revenue includes operating revenue and interest income.

[2] Total operating expense exclusive of depreciation

[3] Included in note payable in the financial statements and related notes.

[4] Note payable was issued in fiscal year 2007. Prior to 2007, there was no pledged revenue debt for Parking.

[5] The Capital lease for Parking was refinanced in FY2013. The debt service requirements will decrease in subsequent years.

[6] This interest reported is cash basis. However, the interest reported in the Government-Wide financial statement is accrued.

CITY OF BILLINGS, MONTANA
Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population [1]	Total Personal Income [5] *(In thousands)*	Per Capita Personal Income [5]	Median Age [2]	School Enrollment [3]	Unemployment Rate [4]
2011	104,170	6,060,376	39,212	39.0	15,715	5.2%
2012	104,170	6,308,626	38,488	39.0	16,223	4.3%
2013	106,954	6,765,732	41,546	37.0	16,238	3.7%
2014	109,059	7,014,133	42,417	36.8	16,328	2.9%
2015	108,869	7,110,250	42,606	38.3	16,120	2.9%
2016	110,263	7,749,711	46,052	38.1	16,644	3.2%
2017	110,323	8,002,260	47,148	38.1	16,648	3.2%
2018	109,642	8,484,100	49,760	38.3	16,649	3.0%
2019	109,544	9,383,500	52,019	37.6	16,649	2.9%
2020	109,431	8,721,000	54,069	38.2	16,677	4.9%

Sources and other information:

[1] Census taken every ten years. Actual census figures given for 2011.
All other years are estimated by City/County Planning, Yellowstone County, Montana.

[2] Census and Economic Information Center (CEIC), Montana Department of Commerce

[3] Billings School District #2.

[4] State of Montana Research & Analysis Bureau.

[5] Bureau of Economic Analysis. Current Fiscal Year given as estimate only.

CITY OF BILLINGS, MONTANA
Principal Employers
Current Year and Ten Years Ago
(Unaudited)

	2020			2011		
Employer	**Number of Employees [1]**	**Rank**	**Percentage of Total City Employment [2]**	**Number of Employees [1]**	**Rank**	**Percentage of Total City Employment [3]**
Billings Clinic	4,345	1	4.98%	3,500	1	4.23%
School District #2	3,124	2	3.58%	1,850	3	2.23%
Stillwater Mining Company	2,661	3	3.05%	1,504	4	1.82%
St. Vincent Healthcare	2,213	4	2.53%	2,100	2	2.54%
City of Billings	940	5	1.08%	870	6	1.05%
Wells Fargo	843	6	0.97%	N/A	-	-
Yellowstone County	755	7	0.86%	746	8	0.90%
St John's United	700	8	0.80%	600	9	0.72%
First Interstate Bank	700	9	0.80%	N/A	-	-
Wal Mart	641	10	0.73%	970	5	1.17%
Total	16,922		19.38%	12,140		14.66%

Sources and other information:

[1] Information obtained from each individual company. Numbers given may be estimates.

[2] Montana Research and Analysis Bureau, State of Montana. Based on 87,307 employees in the greater Billings Metro Area.

[3] Based on 82,830 employees in the greater Billings Metro Area.

CITY OF BILLINGS, MONTANA
Full-Time Equivalent City of Billings Employees by Function
Last Ten Fiscal Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	83.5	84.8	87.8	90.6	84.6	84.6	85.9	88.9	86.9	92.4
Planning and community services	31.0	31.6	31.6	31.8	38.8	39.5	40.3	44.6	42.1	42.1
Library	31.7	31.7	31.7	31.7	31.9	31.8	32.8	32.8	32.8	32.8
Public safety										
Police	167.0	167.0	165.0	166.0	166.0	167.3	173.3	170.3	171.3	177.3
Animal shelter	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Police Grants	-	-	-	-	-	-	-	-	4.0	4.0
Fire	146.0	146.0	146.5	146.5	146.5	147.1	157.1	156.8	158.8	159.8
Emergency Operating Center	-	-	-	-	-	-	-	-	0.3	1.3
Streets/Traffic	43.0	45.0	45.0	45.0	45.0	47.0	47.0	48.0	48.0	48.0
Water and Wastewater	104.0	103.0	103.0	103.0	103.0	103.0	104.1	104.0	103.0	97.0
Sanitation	63.5	63.5	63.5	64.5	64.5	63.5	63.5	63.5	64.5	67.0
Parking	15.3	15.3	12.3	12.0	12.0	12.0	12.5	12.5	12.5	12.5
Aviation	56.0	56.0	56.0	56.0	56.0	56.0	55.6	54.4	54.4	54.4
Transit	55.3	55.3	55.3	55.3	55.3	55.3	55.7	55.9	55.9	55.9
Internal services	74.0	75.0	75.0	75.0	75.0	78.0	77.0	78.0	79.0	88.8
Total	877.3	881.2	879.7	884.4	885.6	892.1	911.8	916.7	920.5	940.3

Source: City of Billings Annual Budget

City of Billings
Operating Indicators by Activity
Last Ten Years
(Unaudited)

Activity	Report Period[1]	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police											
Dispatched Calls	FY	60,686	63,915	66,510	66,111	68,817	78,484	88,447	95,214	92,912	96,080
Arrests	CY	7,324	9,116	9,265	10,214	10,064	11,942	12,084	11,011	11,026	10,299
Traffic Violations	CY	27,240	30,473	26,478	24,813	15,460	17,068	24,463	23,973	27,149	22,609
Traffic Accidents	CY	3,623	3,524	3,329	3,988	3,845	2,518	2,521	2,395	2,610	2,318
Fire											
Dispatched Calls	FY	10,841	11,228	11,194	11,989	lot Available[2]	13,263	13,880	14,441	15,810	16,264
Inspections	CY	1,972	1,191	1,209	1,553	2,027	1,043	2,516	1,058	1,497	942
Solid Waste											
Residential Customers	FY	31,800	32,359	32,772	33,127	35,623	31,721	31,874	32,055	32,413	32,845
Commerical Customers	FY	3,889	3,982	4,071	4,136	2,900	2,559	2,624	2,603	2,586	2,591
Landfill trips	FY	153,010	164,667	166,777	165,729	146,635	140,007	154,894	151,795	174,773	177,850
Water											
Customers	FY	29,309	29,537	29,811	30,113	30,326	30,651	30,311	31,435	32,811	32,674
Average Daily Consumption (millions of gallons)	FY	19	23	23	21	21	21.5	21.3	22	19	21
Wastew ater											
Customers	FY	32,390	32,586	32,951	33,357	33,894	34,292	34,543	35,302	35,292	35,667
Average Daily Treatment (millions of gallons)	FY	16	16	16	16	16	15	16	18.7	19	22

Source: City of Billings Operating Budget, Billings, Montana

[1] CY represents a Calendar Year, FY represents a Fiscal Year (July 1-June 30). Calendar Year stats are to date at the time of data inquiry (typically end of November).

[2] A new system w as implemented, so an acurate number cannot be given for FY15.

City of Billings
Capital Asset Statistics by Activity
Last Ten Years
(Unaudited)
(Page 1 of 2)

	Report	Years									
Date of Incorporation - 1882	**Period[1]**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Form of Government - Council/Administrator											
Area in Square Miles	FY	42.0	42.0	42.0	42.0	42.5	43.0	42.9	43.0	43.0	44.8
Activity											
Public Safety											
Police											
Stations	FY	1	1	1	1	1	1	1	1	1	1
Police Officers	FY	142	141	140	141	141.4	142	150	145	154*	182
Fire											
Stations	FY	7	7	7	7	7	7	7	7	7	7
Firefighters/Officers/Dispatchers	FY	148	148	144	144.5	145.1	144.8	153.8	155.8	155.8	156.5
Streets											
Streets (miles)	CY	523.4	526.2	530.0	530.0	537.8	545.1	545.6	545.6	545.6	633.0**
Streetlights	FY	8,179	8,202	8,202	8,239	8,376	8,480	8,202	8,533	8,796	8,691
Street Light Maintenance Districts	FY	184	185	185	186	187	192	185	194	193	194
City Parks											
Developed Acres	FY	1,183	1,183	1,183	1,183	1,183	1,201	1,204	1,204	1,223	1,223
Undeveloped Acres	FY	290	290	290	290	290	282	279	279	268	268
Natural Park Acres	FY	1,107	1,107	1,107	1,107	1,107	1,167	1,213	1,213	1,213	1,213
Parking											
Garages	FY	4	4	4	3	3	4	4	4	4	4

(continued)

Source: City of Billings Operating Budget, Billings, Montana

[1] CY represents a Calendar Year, FY represents a Fiscal Year

* Number reflects a change to Authorized vs. Actuals for the previous years.

** Includes all Federal, State and City Streets in the City Limits of Billings

City of Billings
Capital Asset Statistics by Activity
Last Ten Years
(Unaudited)
(Page 2 of 2)

	Report Period[1]	Years 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Water											
Water Mains (miles)	FY	447	465	467	468	476	468	481	487	492	484
Fire Hydrants	FY	4,204	4,211	4,242	4,357	4,392	4,405	4,211	4,517	4,645	4,670
Maximum Daily Capacity (millions of gallons)	FY	60	60	60	60	60	60	60	60	60	60
Wastewater											
Storm Sewers (miles)	FY	149.2	149.2	149.2	213.8	232.0	219	264	270	272	276
Sanitary Sewers (miles)	FY	473	461	486	488	497	494.5	499	502	507	510
Maximum Daily Capacity (millions of gallons)	FY	26	26	26	26	26	26	26	26	30	30

Source: City of Billings Operating Budget, Billings, Montana

[1] CY represents a Calendar Year, FY represents a Fiscal Year

CITY OF BILLINGS, MONTANA
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years
(Unaudited)

	Construction [1]						
	Commercial		Residential [2]				
Fiscal Year	Number of Permits	Value	Number of Permits	Value	Bank Deposits (in thousands) [3]		Property Value [4]
2011	99	69,548,962	230	47,522,702	3,799,467		6,306,916,152
2012	62	44,776,009	265	53,596,078	4,091,359		5,645,349,125
2013	74	109,879,817 [5]	434	97,412,566	4,315,837		5,836,600,658
2014	79	52,150,771	333	78,673,385	4,597,034		6,140,162,916
2015	76	75,258,982	419	100,954,761	4,886,513		6,350,470,915
2016	84	79,697,699	503	93,464,621	4,904,589		11,626,879,232
2017	67	78,801,883	294	69,702,982	5,019,961		11,743,014,785
2018	55	59,259,933	308	71,519,348	5,169,216		12,470,840,779
2019	69	67,294,314	304	77,974,865	5,207,328		12,559,773,345
2020	74	53,986,705	264	70,830,904	6,093,106	[6]	13,269,068,603

Sources and other information:

[1] Building Department (new construction permits), City of Billings, Montana.

[2] Single family only.

[3] Individual banks and credit unions.

[4] State of Montana Department of Revenue.

[5] Commercial values increased due to several large projects, including a new library, parking garage, a large sporting goods retailer and a VA clinic.

[6] FDIC.gov individual banks

SINGLE AUDIT SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Billings, Montana as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Billings, Montana's basic financial statements and have issued our report thereon dated January 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Billings, Montana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Billings, Montana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Billings, Montana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Billings, Montana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Great Falls, Montana
January 10, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Billings, Montana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Billings, Montana's major federal programs for the year ended June 30, 2020. The City of Billings, Montana's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Billings, Montana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Billings, Montana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Billings, Montana's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Billings, Montana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City of Billings, Montana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Billings, Montana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Billings, Montana's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Great Falls, Montana
January 10, 2021

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020
(Page 1 of 4)

Federal Grantor	Federal CFDA Number	Passed Through to Subrecipients	Program Amount or Grant Award	Expenditures
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants and Entitlement Grants:	14.218			
Grant entitlement B-17-MC-30-001		-	597,181	52
Grant entitlement B-18-MC-30-001		-	663,860	155,378
Grant entitlement B-19-MC-30-001		-	649,979	722,121
CFDA and Cluster subtotal		-	1,911,020	877,551
Home Investment Partnerships Program:	14.239			
Grant entitlement M 17 MC 300213		-	275,515	1,000
Grant entitlement M 18 MC 300213		-	378,508	21,820
Grant Entitlement M 19 MC 300213		-	320,788	390,751
CFDA subtotal		-	974,811	413,570
Corporation for National and Community Service				
AmeriCorps VISTA - VISTA State Support Grant	94.013			
14-VSP-MT-001/10-VS-120761		-	543,819	121,438
CFDA Subtotal		-	543,819	121,438
U.S. Department of Transportation				
Airport Improvement Program:	20.106			
AIP3-30-008-56-2017		-	1,573,454	27,854
AIP3-30-008-58-2018		-	2,318,410	1,527,232
AIP3-30-008-60-2019		-	3,197,856	2,289,953
AIP3-30-008-61-2019		-	916,347	697,489
AIP3-30-008-62-2019		-	442,526	422,997
AIP3-30-008-63-2019		-	2,000,000	1,709,784
AIP3-30-008-64-2020		-	283,788	53,132
AIP3-30-008-66-2020		-	809,375	789,141
COVID-19 Airport Improvement Program - CARES ACT:	20.106			
AIP3-30-008-67-2020		-	12,721,011	1,556,991
CFDA subtotal of 20.106 Federal Awards		-	24,262,767	9,074,573

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020
(Page 2 of 4)

Federal Grantor	Federal CFDA Number	Passed Through to Subrecipients	Program Amount or Grant Award	Expenditures
U.S. Department of Transportation (continued)				
Federal Transit Metropolitan Planning Grants	20.505			
FTA Section 5303-Operating-Passed Through the State of Montana Contract # 110447		-	200,156	37,868
FTA Section 5303-Operating-Passed Through the State of Montana Contract # 111001		-	200,474	162,224
CFDA subtotal		-	400,630	200,092
Transit Services Programs Cluster				
Federal Transit Metropolitan Planning Grants	20.513			
FTA Section 5310-Capital-Passed Through the State of Montana Contract #111188		-	136,944	136,944
CFDA and Cluster subtotal		-	136,944	136,944
Federal Transit Cluster				
Federal Transit Capital and Operating Assistance Formula Grants	20.507			
FTA Section 9-Operating MT-2020-001-00		-	1,823,443	1,823,443
FTA Section 9-Operating MT-2020-018-00		-	1,851,501	1,851,501
CFDA subtotal		-	3,674,944	3,674,944
Federal Transit Metropolitan Planning Grants	20.526			
FTA Section 5339-Capital-Passed Through the State of Montana Contract #109777		-	211,640	211,640
FTA Section 5339-Capital-Passed Through the State of Montana Contract #110989		-	20,151	20,151
FTA Section 5339-Capital-Passed Through the State of Montana Contract #110990		-	27,990	27,990
FTA Section 5339-Capital-Passed Through the State of Montana Contract #110991		-	41,520	41,520
FTA Section 5339-Capital-Passed Through the State of Montana Contract #111091		-	3,760	3,760
CFDA subtotal		-	305,061	305,061
Federal Transit Cluster subtotal		-	3,980,005	3,980,005
Highway Planning and Construction Cluster				
State and Community Highway Safety:	20.600			
Passed through the State of Montana:				
STEP OT Contract #110771		-	8,000	2,706
STEP OT Contract #110120		-	11,013	10,416
CFDA and Cluster subtotal		-	19,013	13,123

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020
(Page 3 of 4)

Federal Grantor	Federal CFDA Number	Passed Through to Subrecipients	Program Amount or Grant Award	Expenditures
U.S. Department of Transportation (continued)				
Highway Planning and Construction:	20.205			
Passed through the State of Montana				
Metropolitan Planning Funds SPR-PL-1 (57) Contract #110611		-	923,504	923,504
CFDA subtotal		-	923,504	923,504
State Homeland Security Program	20.703			
HMEP-BILDRPDID		-	10,318	10,318
		-	10,318	10,318
U.S. Department of Interior				
Historic Preservation Fund Grants-In-Aid:	15.904			
Passed through the Montana Historic Society;				
MT-19-011		-	10,500	10,500
CFDA subtotal		-	10,500	10,500
Land and Water Conservation Fund State and Local Assistance	15.916			
Passed through the State of Montana;				
MT-19 -30-00737 F-1		-	125,000	125,000
CFDA subtotal		-	125,000	125,000
U.S. Department of Justice				
COVID-19 Coronavirus Emergency Supplemental Funding	16.034			
2020-VD-BX-1038		-	230,612	84,156
CFDA subtotal		-	230,612	84,156
Office of Juvenile Justice Delinquency Program	16.543			
Internet Crimes Against Children 2016-MC-FX-K038		-	513,294	19,688
CFDA Subtotal		-	513,294	19,688
Equitable Sharing Program	16.922			
Asset Forfeiture		-	56,533	56,533
CFDA Subtotal		-	56,533	56,533
Billings Adult Misdemeanor Treatment Court-DUI Grant	16.585			
2017DCBX0023		-	78,298	78,298
CFDA subtotal		-	78,298	78,298

(continued)

CITY OF BILLINGS, MONTANA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020
(Page 4 of 4)

Federal Grantor	Federal CFDA Number	Passed Through to Subrecipients	Program Amount or Grant Award	Expenditures
U.S. Department of Justice (continued)				
Violence Against Women Formula Grants passed through State of Montana Board of Crime Control	16.588			
Domestic Violence Unit 18-W02-92246		-	34,000	8,269
Domestic Violence Investigator 19-W02-92434		-	35,032	14,842
Domestic Violence Unit 119-W03-92441		-	88,318	88,318
CFDA subtotal		-	157,350	111,429
Project Safe Neighborhoods	16.609			
18-001-92496		-	42,000	19,264
CFDA subtotal		-	42,000	19,264
Justice Assistance Grants:	16.738			
2016-DJ-BX-0844		-	75,590	33,147
2017-DJ-BX-0534		-	86,119	11,295
2019-DJ-BX-0772		13,142	84,717	13,142
CFDA subtotal		13,142	246,426	57,584
Billings Adult Misdemeanor Treatment Court-Mental Health Grant	16.745			
2016-DC-BX-0099		-	90,789	90,789
CFDA subtotal		-	90,789	90,789
Department of Health and Human Services				
Substance Abuse and Mental Health Services	93.243			
Billings Adult Misdemeanor Drug Court-SAMHSA				
SAMHSA 18-HG01-92216		-	63,043	63,043
SAMHSA 20-HG01-91126		-	159,572	159,572
CFDA subtotal		-	222,615	222,615
Department of Homeland Security				
Homeland Security Grant Program	97.067			
EMW-2018-SS-00021		-	89,982	17,665
EMW-2019-SS-00010 (Fire)		-	751	751
CFDA subtotal		-	90,733	18,416
Office of National Drug Control Policy				
High Intensity Drug Traffic Area Award:	95.001			
2018 HIDTA #G18RM0038A		208,607	358,741	208,607
2019 HIDTA #G19RM0038A		20,633	231,796	106,545
2020 HIDTA #G20RM0038A		16,876	244,249	76,629
CFDA subtotal		246,116	834,786	391,781
U.S. Department of the Treasury	21.019			
COVID-19 CARES Act: Local Government passed through State of Montana		-	6,382,648	6,382,648
CFDA Subtotal		-	6,382,648	6,382,648
Total federal awards (all sources)		259,258	42,244,415	23,419,819

CITY OF BILLINGS, MONTANA
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Billings, Montana for the year ended June 30, 2020. The City's reporting entity is described in Note 1 in the City's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, is included in the schedule. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

(2) Significant Accounting Policies

Amounts reported in the schedule of expenditures of federal awards are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis, at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund. Such expenditures are recognized following the cost principles in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City has elected not to use the 10% De Minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF BILLINGS, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	No
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weakness?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Audit findings that are required to be reported in accordance with the Uniform Guidance Section 200.516 in Part III are reported in this schedule.	No
Identification of major programs:	
High Intensity Drug Traffic Area Award - CFDA 95.001 COVID-19 CARES Act - CFDA 21.019	
Dollar threshold used to distinguish between Type A and Type B	$750,000
Auditee qualified as low-risk auditee?	Yes

CITY OF BILLINGS, MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

FINDINGS - NONE

CITY OF BILLINGS, MONTANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2020

Program Income not Included on SEFA (Significant Deficiency)

2019-001 **Criteria**: Program income is required to be included in the Schedule of Expenditures of Federal Awards (SEFA) for a complete presentation and for purposes of determining major programs.

Condition: The City did not identify and include program income on the SEFA provided for audit.

Effect: The SEFA was misstated, initial single audit procedures had to be reperformed, and expansion of major program testing was required.

Cause: The City's compliance responsibility is decentralized among various departments. While personnel in the respective departments are skilled at managing the funds as required by the federal government, they often do not understand the full related reporting requirements for the CAFR and SEFA. Those responsibilities fall to personnel in the Finance department, who may not be familiar enough with program operations and how they affect reporting requirements.

Recommendation: The City should implement specific federal funds training for all Finance staff involved in the reporting process in order to obtain a greater understanding of the reporting requirements.

Management Response: The City agrees with the finding and will identify training for Finance staff to attend.

Current Status: Program income was included in the Schedule of Expenditures of Federal Awards (SEFA) in the current year.

CITY OF
Billings

City Council Work Session

Date:	02/16/2021
Title:	Billings Bike and Scooter Share Feasibility Study
Presented by:	Elyse Monat
Department:	Planning & Community Services
Presentation:	Yes

RECOMMENDATION

No action is expected at this Work Session. The consultant team and City staff will provide a presentation and overview of the Billings Area Bike and Scooter Share Feasibility Study purpose, findings and recommendations to the Council. Following this Work Session, the study will be brought to the February 22 City Council meeting with a recommendation the City Council forward a recommendation of approval of the study to the Policy Coordinating Committee. The PCC is scheduled to take final action on the study at its March 18 meeting.

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

Consultants Mack Drzayich and Mike Sellinger of Alta Planning + Design will make the presentation for this item.

The Billings Yellowstone County Metropolitan Planning Organization (MPO) hired Alta Planning + Design through a competitive process to conduct the Billings Area Bike and Scooter Share Feasibility Study. The goal of the Billings Area Bike and Scooter Share Feasibility Study is to define what a successful bike and scooter share program would look like for the Billings area. A bike and/or scooter share system is a network of shared bicycles or scooters available for short-term use, usually 15 to 45-minute trips. A user can check out a bicycle or scooter from locations around the city, ride to their destination, and then leave the bicycle or scooter for someone else to use.

Bike share and scooter share programs are designed to be a cost-effective, environmentally-friendly, convenient travel option for shorter trips. In a survey of 245 respondents completed as a part of this study, 53% of people said they are interested in seeing bike and scooter share in Billings, 24% are not interested, and 14% need more information. Of the remaining percentage that selected "other," many respondents reported liking the idea of bike share, but not scooter share. Top concerns related to bike and scooter share include safety, lack of bicycle infrastructure, and vandalism. Billings community members want to access downtown, parks, and restaurant/coffee shops by bike or scooter share.

The study recommends Billings implement a hybrid bike share system where the bike/scooter houses the transaction rather than at a station. Stations, also called hubs, consist of branded racks for parking bike share bikes. Though stations are available, the program does not require that a bike be left at a station and it is permitted to be parked anywhere within the service area. The study also recommends using electric-assist or e-bikes to make trips easier for people of all abilities. For a system governance model, the study recommends implementing a turnkey bike share system or a publicly owned and privately operated system. In a turnkey system, the City would hire an experienced company that owns and operates the system. The City would rent equipment and contract with the company for the full range of operations support, including installation, operations, sponsorship, customer service, and maintenance. Alternatively, Billings could purchase the bike share fleet and hub infrastructure and contract with a third party to operate the system. During the system launch, the study suggests launching in an initial service area including downtown and MSU Billings, creating an equity program, and establishing strategic partnerships to ensure the success of the system.

ALTERNATIVES

When the study comes before the City Council for action at its February 22 Meeting, the Council may:

- Recommend approval of the Billings Area Bike and Scooter Share Feasibility Study to the Policy Coordinating Committee, or;
- Recommend disapproval of the Billings Area Bike and Scooter Share Feasibility Study to the Policy Coordinating Committee.

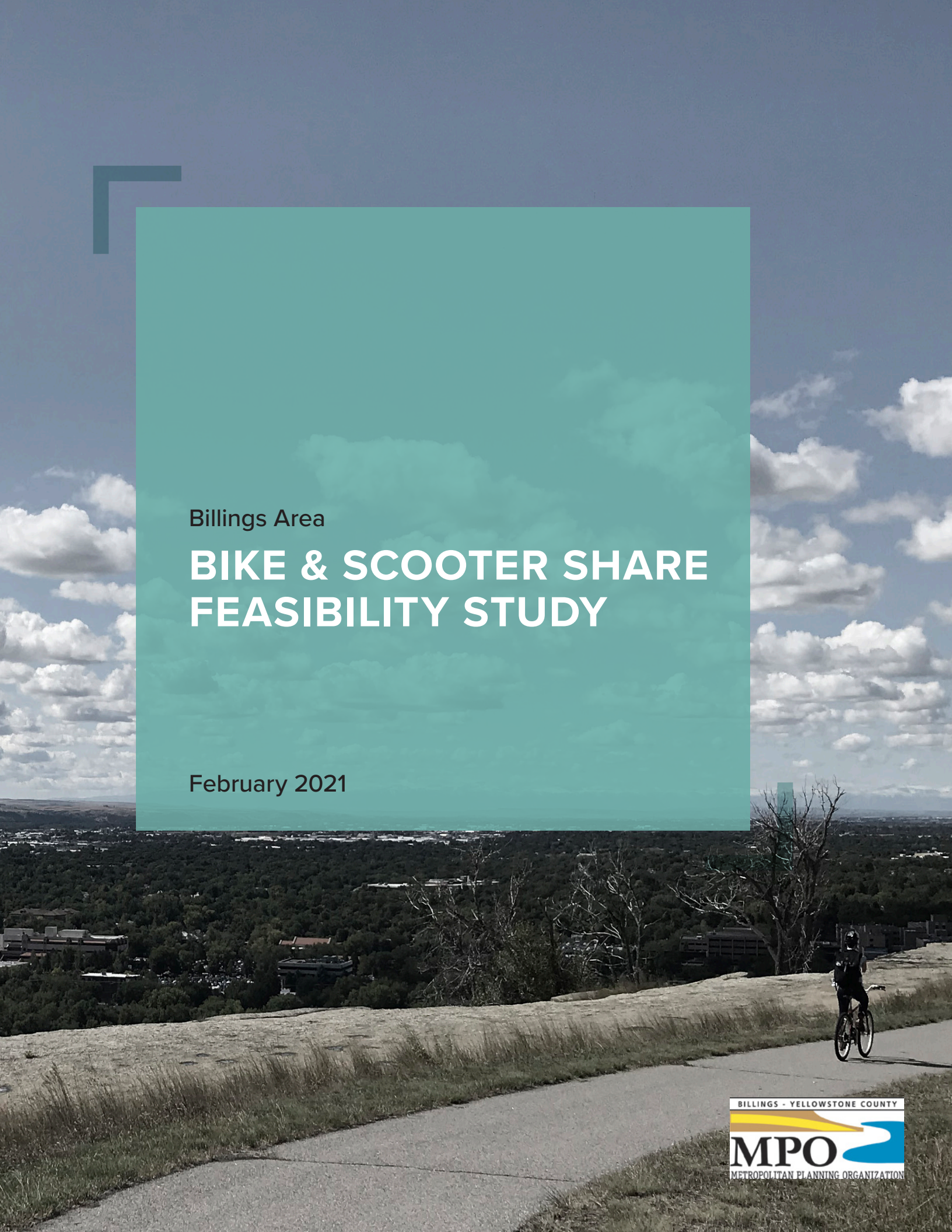
The Billings Area Bike and Scooter Share Feasibility Study was programmed and approved in the MPO's annual work program and is an initial evaluation of how bike and scooter share could be successfully achieved in Billings so the City is prepared to move forward with a program if approached by a private entity or if the opportunity comes for a City-initiated effort. Disapproval of the study would be contrary to the City Council's direction to staff to investigate the options and feasibility of this transportation program for the community.

FISCAL EFFECTS

The contract for the Billings Area Bike and Scooter Share Feasibility Study was budgeted at $44,964. The majority of the funding is through the MPO's Federal PL (planning) funds. PL funds for this project required 13.42% local match, which was provided through the Planning Division's budget. Implementing bike and/or scooter share in Billings is not programmed at this time. This feasibility study is an initial evaluation of how bike and scooter share could be successfully achieved in Billings so the City is prepared to move forward with a program if approached by a private entity or if the opportunity comes for a City-initiated effort.

Attachments

Draft Bike and Scooter Share Feasibility Study



Billings Area

BIKE & SCOOTER SHARE FEASIBILITY STUDY

February 2021

BILLINGS - YELLOWSTONE COUNTY
MPO
METROPOLITAN PLANNING ORGANIZATION

ACKNOWLEDGMENTS

BILLINGS-YELLOWSTONE MPO

Elyse Monat, Active Transportation Planner

Scott Walker, Transportation Planning Coordinator

STEERING COMMITTEE

Melissa Henderson, Healthy By Design

Rusty Logan, MET Transit

Joe Stout, Downtown Billings Alliance

Kathy Aragon, community advocate

Erin Claunch, City Engineering Division

Mark Jarvis, Billings Parks, Recreation, and Public Lands Department

Tracy Scott, City Parking Division Manager

Jennifer Reiser, Chamber of Commerce

Lora Mattox, MPO

Mike Black, Yellowstone County Public Works

Ed Gulick, Bicycle and Pedestrian Advisory Committee

Monica Plecker, MPO

Wyeth Friday, MPO

ALTA PLANNING + DESIGN

Jean Crowther, AICP

Mack Drzayich

Mike Sellinger

Libby Nachman

Phillip Longenecker

Zoey Mauck

TABLE OF CONTENTS

Executive Summary 1

Introduction 9

What We Know About Bike and Scooter Share 15

What We Heard 39

What We Learned About Billings and Bike and Scooter Share 49

Recommendations 69

Next Steps 83

Appendix A: Peer System Comparison 89

I. EXECUTIVE SUMMARY

PROJECT PURPOSE

The Billings-Yellowstone MPO is collaborating with local stakeholders to conduct a bike and scooter share feasibility study to define what a successful bike and scooter share program would look like for the Billings area. Over the last ten years around the U.S., bike share systems have shown themselves to be a practical complement to transit and a sustainable, useful way for people to get where they need to go. While scooter share systems are a more recent innovation, they have quickly proven to be a popular option for both transportation and recreation.

The Executive Summary highlights the study's key recommendations.

WHAT IS BIKE SHARE? WHAT IS SCOOTER SHARE?

A bike and/or scooter share system is a network of shared bicycles or scooters available for short-term use, usually 15 to 45 minute trips. A user can check out a bicycle or scooter from locations around the city, ride to their destination, and then leave the bicycle or scooter for someone else to use. Bike share and scooter share programs are designed to be a cost-effective, environmentally-friendly, convenient travel option for shorter trips. Bike and/or scooter share could serve as an extension of transit and help Billings community members and visitors get around more easily without using a car. **See the Glossary on page 12 for definitions of key words used in the language of bike and scooter share and other shared mobility.**

COMMUNITY PERSPECTIVES ON BIKE AND SCOOTER SHARE

KEY TAKEAWAYS

The following key takeaways reflect feedback from community members collected in the survey:

Mixed community support for bike and scooter share programs; more information requested. Fifty-three percent of survey respondents are interested in seeing bike and scooter share in Billings, 24 percent of respondents are not interested, and 14 percent need more information. For those who selected "Other," many respondents reported liking the idea of bike share, but not scooter share.

Most Billings community members have not used bike or scooter share. Sixty-four percent of survey respondents have not used bike share and 77 percent have not ridden scooter share. However, over one third of survey respondents had used bike share and 30 percent report that they bike at least a few times a year. As shown in **Figure ES-1**, survey respondents believe that bike and scooter share trips could replace car trips and benefit the environment.

Transit integration is not crucial for bike and scooter share in Billings. Sixty-three percent of survey respondents reported that access to bike or scooter share for first-mile travel would not increase transit trips. However, 43 percent of survey respondents say that bike or scooter share trips would replace car trips.

Top concerns related to bike and scooter share included safety, lack of bicycle infrastructure, and vandalism. Sixty-two percent of survey respondents reported that they had safety concerns about sharing the road and interacting with other vehicles, 51 percent reported having concerns regarding lack of designated bicycle infrastructure, and 40 percent reported concerns regarding bikes or scooters blocking the sidewalk or ending up in inappropriate places. Only 16 percent of survey respondents had no concerns about bike and scooter share in Billings, as shown in **Figure ES-2.**

Most Billings community members want to access downtown, parks, and restaurants/ coffee shops by bike or scooter share. Sixty-five percent of survey respondents reported that they would like to access Downtown with bike or scooter share, 48 percent reported that they would like to access parks, and 45 percent would like to visit restaurants or coffee shops. Twenty-seven percent of respondents reported that they didn't want to use bike or scooter share.

More details about the Bike Share Study outreach process can be found in Chapter 4 on page 39.

53%

OF RESPONDENTS WOULD BE INTERESTED IN SEEING BIKE/ SCOOTER SHARE IN BILLINGS

Figure ES-1.

Which of the following statements would support your interest in using a bike/scooter share system? (N=245)

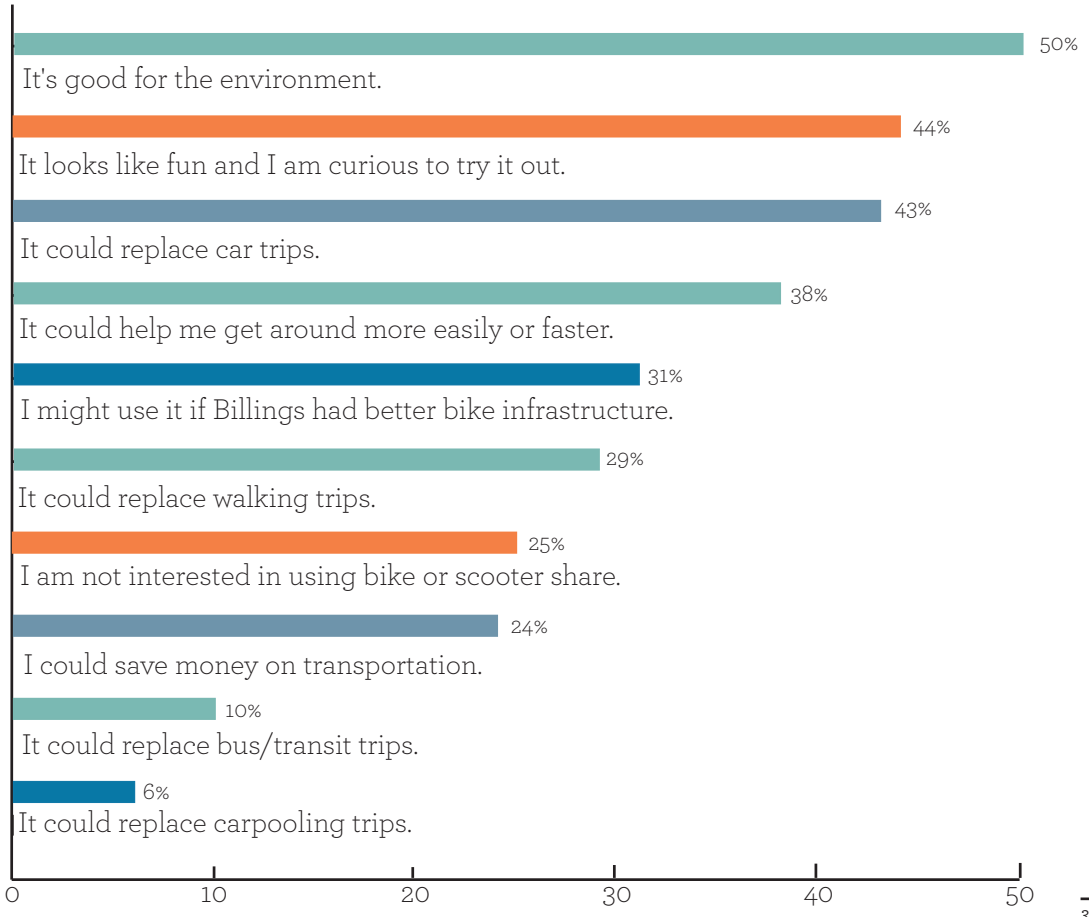
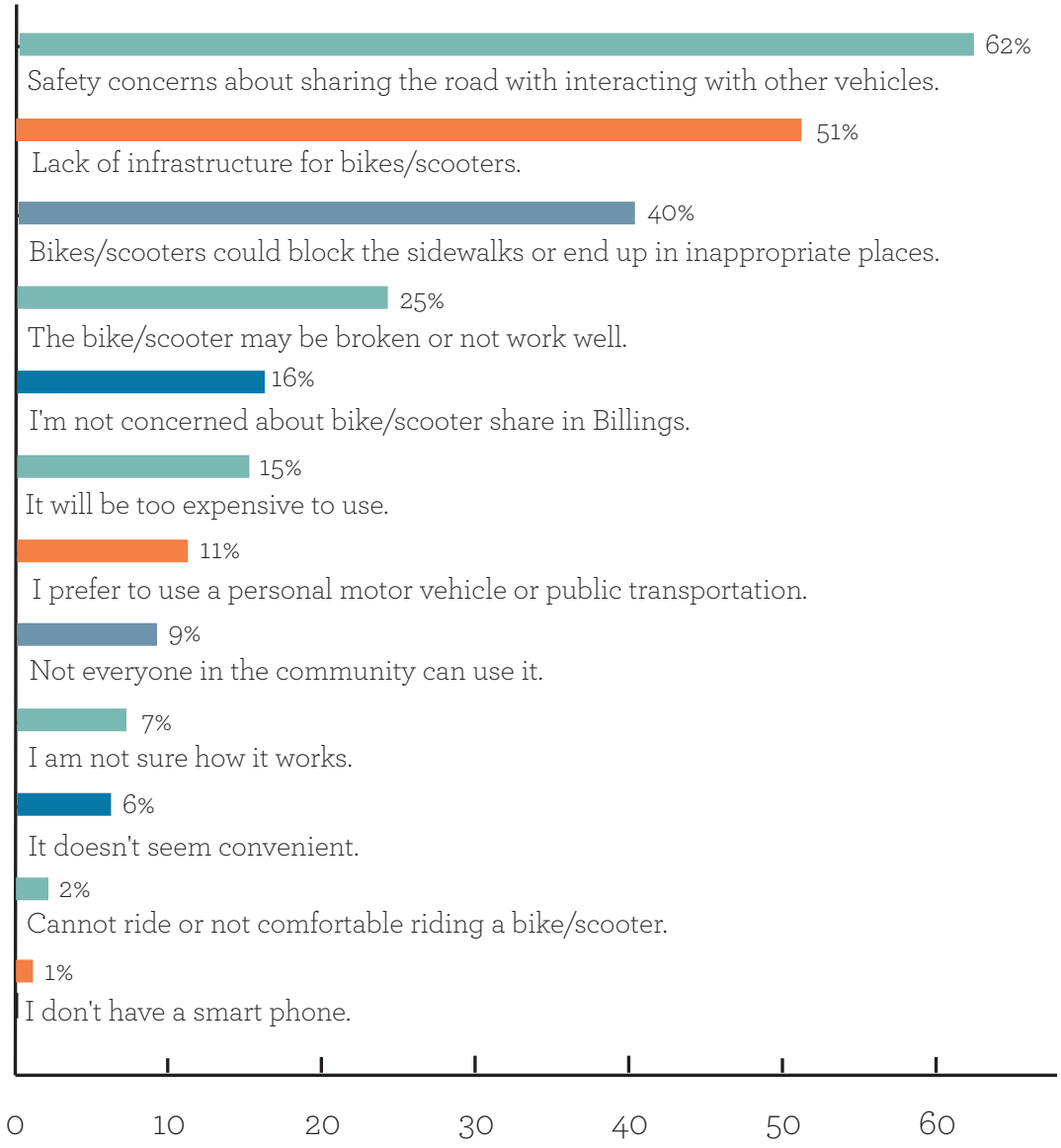


Figure ES-2.

What are your top three concerns related to bike and scooter share in Billings? (N=245)



As shown in Figure ES-2, personal safety, lack of safe infrastructure, and inappropriate bike/scooter parking are top concerns. Sixty-two percent of survey respondents are concerned about sharing the roadway with vehicles and 51 percent are concerned about lack of bike-specific infrastructure. Only 16 percent of survey respondents selected that they were not concerned about bike/scooter share in Billings.

BIKE SHARE STUDY RECOMMENDATIONS

Table ES-1 highlights the most significant recommendations identified in the Study.

Table ES-1.

SYSTEM TYPE
Hybrid Bike Share System
Electric-Assist Bikes
SYSTEM GOVERNANCE
Operated by a Private Company
Owned by either the private company ("turnkey") or by City of Billings
Provide Student Fares
SYSTEM LAUNCH
Launch in Initial Service Area including Downtown and MSU Billings
Create Equity Program
Establish Strategic Partnerships

SYSTEM TYPE

RECOMMENDATION: HYBRID BIKE SHARE SYSTEM, WITH OPTION FOR SCOOTERS

The recommended system type for bike share in Billings is a hybrid system. To determine the recommended bike share system type for Billings, the project team used a decision matrix to understand opportunities and limitations to three major types of shared micromobility systems: docked and hybrid bike share, and dockless scooter share. The matrix scores each type of micromobility system according to its ability to meet Billing's program goals and other considerations identified as important for the Billings community. Overall, a hybrid system will provide the ideal balance of control and flexibility to meet the needs of the Billings community. **The system type decision matrix (Table 6-2) is shown on page 70.**

Some hybrid bike share system operators have the ability to offer "mixed fleets," or fleets including bike share and other devices, such as scooter share. Although scooter share is not recommended as the sole micromobility option in Billings, the Bike and Scooter Share Study recommends that Billings consider incorporating scooter share as part of a mixed fleet.

RECOMMENDATION: ELECTRIC-ASSIST BIKES

The Bike and Scooter Share Study recommends the system use a fleet of electric-assist bikes. This will support a number of the program goals and other factors covered in the evaluation matrix, including:

- Providing for wider geographic coverage by increasing the comfortable speed and distance of bike share trips for customers
- Expanding geographic coverage and system usability to better serve vulnerable demographics, including low-income neighborhoods and riders with mobility challenges

With an e-bike share system, riders can cover more ground and navigate topography with ease. E-bikes are more appealing to a larger range of potential users of varying physical abilities. In the past few years, electric assist bike share equipment has become less expensive and easier to use. All models require the rider to pedal the bicycle in order to get an "assist" from the electric motor. The top speed for an e-bike share system is approximately 15 miles per hour, after which the regulator cuts off any additional power. Because e-bikes are powered by a battery, they must be recharged on a regular basis. This creates an additional operations step for vendors/contractors who must either swap the batteries or dock the bikes at a recharging station.

For more information about system types and detailed costs, see the System Type section starting on **page 15**. For system type definitions, see the glossary on **page 12-13**.

RECOMMENDATION: TURNKEY OR PUBLICLY OWNED/PRIVATELY OPERATED

The Bike and Scooter Share Study recommends that the City either solicit a turnkey bikeshare system (owned and operated by a private company) or that the City own the bike share system in Billings and contract to a private operator.

To implement a **turnkey bike share system,** a city hires a company such as Koloni or DropBike to provide "bike share as a service" for a defined amount of time. Instead of purchasing a full fleet of bikes and designing stations, a city rents equipment and contracts with the company for the full range of operations support, including: installation, operations, sponsorship, customer service, and maintenance.

The turnkey model allows a city to implement bike share with limited staff capacity and capital investment, while maintaining meaningful city control. Typically, turnkey systems have a faster timeline for implementation, and many companies offer mixed fleet options so the City could request to include e-scooters alongside bicycles. Turnkey models are common in smaller cities and on campuses.

Alternatively, the **City's ownership of bike share in Billings** would provide its own benefits. A Billings-owned bike share system would be an innovative method of supporting first-and-last mile connections to and from transit, adding to the geographic range and flexibility of transit trips. In addition to supporting transit service goals, owning the City's bike share fleet and hub infrastructure would offer the City the highest degree of

control over system design, station siting, and pricing/payment policy. With proper coordination with MET Transit and bike share integrated into MET's system, transit riders would experience a bike share system operated in-tandem with traditional bus service, including:

- A bike share pricing structure in-line with standard transit fares
- The option of using MET passes to pay for bike share rides
- A bike share system that shares in MET's branding, high standard of service, and responsiveness to customer needs
- Control over advertising and sponsorship opportunities

In this instance, **the City would select a bike share vendor to manage the operations of the system.** Private operators can bring extensive knowledge and experience from operating in other cities. Hiring a private operator still allows the City to dictate the terms of bike share service level agreements. The City should require prospective bike share operators to submit their plans for routine maintenance and operations during the bid process, as well as provide evidence of high performance in other jurisdictions.

See **Chapter 6** on **page 69** for additional recommendations regarding operations and maintenance, estimated costs, equity programming, strategic partnerships, initial service area, and bike share station locations.

II. INTRODUCTION

WHAT IS THIS PROJECT?

The Billings-Yellowstone MPO is collaborating with local stakeholders to conduct a bike and scooter share feasibility study to define what a successful bike and scooter share program would look like for the Billings area. A bike or scooter share system, also known as shared micromobility, is a network of bicycles and/or e-scooters available to the public for short-term use and for one-way (point-to-point) trips. The system's size, coverage, and service model can be tailored to a city or region's needs and context. The following report documents current conditions in Billings that are relevant to a shared micromobility system. The information and analyses contained here will inform further progress in developing recommendations suitable for the context of Billings.

Together with a group of community stakeholders, the planning team established a list of outcomes they hope to see as a result of implementing a bike and scooter share system in Billings. This stakeholder group consisted of representatives from the Billings MPO, MET Transit, City staff, Downtown Billings Alliance, Chamber of Commerce, and Healthy by Design. Potential challenges and desired incomes were discussed. The group showed general consensus around the desire to establish a system that:

- Enhances the transit system by expanding access to existing bus routes and linking the transit system to a broader suite of multimodal options
- Contributes to a more equitable transportation system by reducing the need for personal vehicle ownership
- Promotes greater participation in active transportation
- Increases visibility and awareness of alternative transportation modes
- Provides a new way for visitors to explore Billings
- Connects people to what the city has to offer

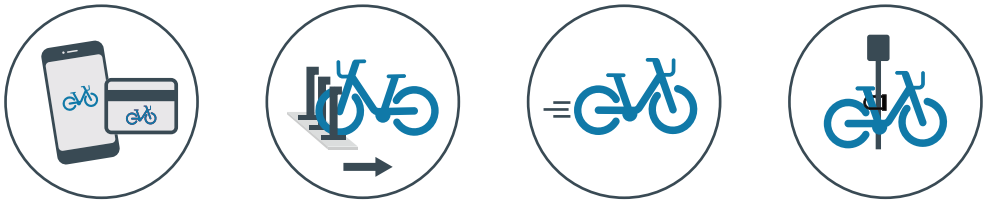
WHAT IS BIKE AND SCOOTER SHARE?

A bike and/or scooter share system is a network of shared bicycles or scooters available for short-term use, usually 15 to 45 minutes. A user can check out a bicycle or scooter from locations around the city, ride to their destination, and then leave the bicycle or scooter for someone else to use. Bike share and scooter share programs are designed to be a cost-effective, environmentally-friendly, convenient travel option for shorter trips.

Bike and/or scooter share could serve as an extension of transit and help Billings community members and visitors get around more easily without using a car. **See the Glossary on page 12 for definitions of key words used in the language of bike and scooter share and other shared mobility.**

As of the end of 2019, hundreds of cities and regions in the U.S. have some form of bike or scooter share. Shared micromobility has become a mainstream form of travel across the country.

BIKE SHARE In Four Easy Steps



1 Sign Up

2 Check Out

3 Ride

4 Lock

WHY SHARED MICROMOBILITY?

Bike share has been around for decades. Most of the first generation "systems" were volunteer-led and informally organized in a handful of cities, such as Amsterdam and Portland, Oregon in the 1970s, '80s and '90s. These programs experienced low to moderate success because of theft, vandalism, inefficient technology and insufficient operational oversight.

However, in the past ten years, innovations in technology have increased user accountability and given rise to a new generation of technology-driven bike share and scooter share programs. Advancements in credit card transaction capabilities, WiFi and RFID (radio-frequency identification) chips have allowed operators to introduce accountability and reduce theft and vandalism.

In the last four years, bike and scooter share experienced another rapid phase of evolution as private companies developed new business and operations models. This introduced new ways of implementing bike share that differed from previous systems. Previously, systems required a significant upfront capital investment, were often partially or fully-funded by public investment, and were often procured through exclusive contracts. New systems were primarily funded by venture-backed private companies. This also resulted in innovation around dockless e-scooter sharing that allowed anyone with a smartphone to check out an electric scooter for point-to-point trips.

The current state of the practice is discussed in more detail in **Chapter 3.**

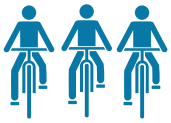
BENEFITS OF SHARED MICROMOBILITY

REDUCES EMISSIONS

SUPPLEMENTS THE TRANSIT SYSTEM

CONTRIBUTES TO AN EQUITABLE TRANSPORTATION SYSTEM

IMPROVED INDIVIDUAL & COMMUNITY HEALTH THROUGH ACTIVE TRANSPORTATION



CONTRIBUTES TO THE "SAFETY IN NUMBERS" EFFECT FOR ALL BICYCLISTS

QUICK REFERENCE GLOSSARY

NEW MOBILITY refers to transportation services enabled, defined, or refined by digital technology.

SHARED MOBILITY is the shared use of a vehicle (motorcycle, scooter, bicycle, or other travel mode) to provide users with short-term access for one-way or round trips.

SHARED MICRO-MOBILITY encompasses all shared use fleets of small, fully or partially human-powered vehicles; bike sharing and scooter sharing are types of shared micro-mobility.

BIKE SHARING is the shared use of a fleet of bicycles (manual or e-bikes) which provides users with on-demand access to bicycles for one-way (point-to-point) or round-trip travel.

SCOOTER SHARING is the shared use of a fleet of scooters which allows individuals access to scooters for on-demand for one-way trips. To-date, in the U.S., scooter sharing programs offer electric (rather than manual) scooters, are private sector owned and managed by companies that operate in multiple markets, and are primarily dockless (or free-floating). Some systems have recently begun introducing designated parking areas for scooters, or even designated racks for scooters.

RIDEHAILING SERVICES (also known as ridesourcing and transportation network companies (TNC)) are prearranged and on-demand transportation services for compensation in which drivers and passengers connect via digital applications.

ELECTRIC-ASSIST BIKES (E-BIKES) are bicycles with an integrated electric motor which propels the bike. Electric-assist bikes have a small motor to assist the rider's pedal-power. They retain the ability to be pedaled by the rider.

RIDE SHARING (also known as carpooling and vanpooling) is defined as the formal or informal sharing of rides between drivers and passengers with similar origin-destination pairings. Vanpoolers share the cost of a van and operating expenses, and may share driving responsibility.

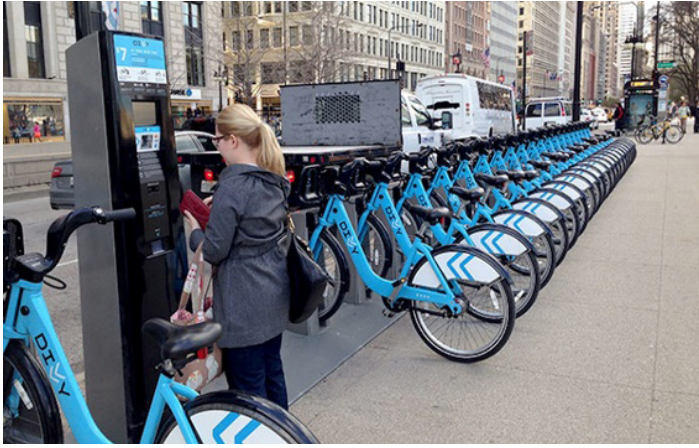
TYPES OF BIKE SHARING SYSTEMS INCLUDE:

DOCK-BASED – a bike can only be retrieved at and returned to a station with technology-enabled docks; user transactions can occur through web, smartphone application, or kiosks; may include manual bikes or e-bikes.

DOCKLESS – a bike can be retrieved at or returned anywhere within the service area, and the bike locks to itself (rather than an object) using a rear wheel lock enabled or disabled with a smart phone application; user transactions occur through a smartphone application. May include manual bikes or e-bikes.

HYBRID – a bike can be retrieved at and returned to a station which consists of a series of bike racks, or anywhere within the designated service area; bikes are typically referred to as "smart bikes" due to the on-board technology hardware; user transactions can occur through hardware on the bike, web, and/or smartphone application; may include manual bikes or e-bikes.

III. WHAT WE KNOW ABOUT BIKE AND SCOOTER SHARE



Docked bike share station with a payment kiosk in the City of Chicago.

SYSTEM TYPES

This section outlines a handful of system types that should be considered as potential service options for Billings, and highlights the pros and cons of each. In some cases, bike and scooter options can be mixed and matched (e.g. docked bike share plus dockless scooter share or hybrid bike share plus scooter share with docking capability).

DOCKED BIKE SHARE SYSTEMS

Description

Also referred to as "smart dock" systems, this bike share system type is based on powered stations with docks that securely lock a bike and kiosks for user payment transactions and information. At the kiosk, casual users can purchase a short-term pass for trips on demand. Bike share bikes must be retrieved from and returned to a station. Because the equipment is relatively expensive, most U.S. agencies use federal transportation grants and large corporate sponsorship deals to cover the capital and operations costs.

Feasibility in Billings

Defining Feature

Station density and visibility are critical to success since the bicycles must be secured at a station. Additionally, the rebalancing of bike share units is a major element of operations for dock-based systems. If station density and rebalancing upkeep is adequate, users of dock-based bike share systems enjoy the reliability of knowing where they can find a bike from day to day. These systems are largely city or agency-owned, giving them control over station locations, level of service, and pricing.

$ *Estimated Cost*

Typical station with 8-10 bikes: $35,000 to $55,000

Operating fees: $2,000-$2,500 per bike per year.

Table 3-1.

PROS	CONS
Station placement can give agencies control over bike locations and parking in the public right-of-way.	Stations with docks often mean higher system costs than dockless or hybrid options.
Contracting can establish service level standards including: pricing, maintenance, customer service, usage data, bike quality, and safety.	More upfront work is required to plan and design station locations.
Bike locations within dock-based systems can be more predictable for users, which is particularly valuable for commuters and transit riders.	Station placement may require permits and negotiation with adjacent land owners.
Stations can create a physical presence for the bike share system and advertise to new users.	Reliance on sponsorship and grants can be difficult to sustain.
Status as "infrastructure," can establish a more long-lasting system.	Lack of flexibility limits the geographic reach and access to destinations for users.
	Difficult and expensive to upgrade system, as technology evolves.

HYBRID BIKE SHARE SYSTEMS

Description

Also referred to as a "smart bike" system, this approach houses transactions on the bike rather than at a station. Stations, also called hubs, consist of branded racks for parking bike share bikes. Though stations are available, the program does not require that a bike be left at a station and it is permitted to be parked anywhere within the service area. The racks have no software or technology features (different than the dock-based "smart-docks"). Hybrid systems typically charge a fee to park outside of the stations or offer an incentive to park at the stations to encourage users to use the docks.

Hybrid bike share bike and docks in Orlando, Florida.

Defining Feature

Offer the reliability and visibility of docked systems with the flexibility of dockless systems. Agency contracts or ownership provide control over implementation, but less ability to manage parking in the right-of-way once launched. Hybrid systems are found in cities of all sizes.

Estimated Cost

Typical station with 8-10 bikes: $20,000 to $25,000.

Operating fees: $2,000-$2,500 per bike per year.

Feasibility in Billings

Table 3-2.

PROS	CONS
Sponsorship opportunities can create community partnerships.	The hardware and software included on the bikes and the need for stations means higher costs than dockless systems, but lower than fully docked.
Station placement gives agencies control over bike locations and parking in the right-of-way.	Station placement may require permits and negotiation with adjacent land owners.
Stations create a physical presence for the system and advertise to new users.	Bikes or e-scooters can be improperly parked and obstruct the right-of-way.
Bike locations are both predictable and flexible for users.	Time and funding for rebalancing bikes.
Users can more easily locate a pod of bikes for a group to ride.	Difficult and expensive to upgrade system as technology evolves.
Status as "infrastructure," can establish a more long-lasting system.	

DOCKLESS ELECTRIC SCOOTER SHARE SYSTEMS

Description

Dockless electric scooter share systems are a fleet of self-locking scooters that do not require any fixed stations, docks, or kiosks. Users retrieve or park e-scooters anywhere within the service area using a smart phone app. They offer an appealing level of flexibility and are generally permitted to operate in cities rather than procured.

Defining Feature

Compared to hybrid and docked, dockless systems provide more flexibility for users, but less agency control over bike locations, pricing, and level of service. Because they are privately funded and operated, dockless scooter share systems programs are offered in locations where there is sufficient market demand.

Dockless scooter share scooters parked in a designated dockless parking zone.

An electric charging hub with docks for scooters.

Dockless Scooter Parking Management

Improperly parked scooters can be a nuisance to other street users and, in particular, people with disabilities. In addition to clear parking guidelines and rider education, the following physical design features can be used to promote proper parking:

- **Dockless scooter designated parking/ geofenced areas:** Cities can provide designated parking areas that clearly mark areas where scooters should be parked. These are often provided in higher use areas, and places with competing demands on the public right-of-way. Cities can also place designated parking areas throughout the scooter service area and require that all trips end within one. Designated parking area regulations can be reinforced by geofencing the zones, which make it so users cannot end trips outside of geofenced areas.
- **Lock-to requirements:** Cities can require that all scooters come equipped with a cable lock and require that users end trips by securing the scooter to a bike rack or pole. Lock-to requirements have been shown to improve scooter parking compliance and decrease the number of complaints about improper scooter parking.
- **Charging docks:** Electrified docks for scooters can be supplied by the operator or by the city (through a third-party). The benefits of these docks are twofold: they provide a designated space for proper parking and they charge the scooter, reducing the need for operators to retrieve and charge scooters.

Estimated Cost

Equipment and operations typically provided to agencies at no cost. Companies are supported by venture capital and user fees.

Feasibility in Billings

Table 3-3.

PROS	CONS
System can be launched more quickly than docked or hybrid systems.	Agencies generally have much less control over dockless scooter share systems compared to other system types, including the sustainability of the system.
Station planning and design is not necessary, which saves time and money.	Dockless companies determine where they operate and are currently focusing on expanding into major markets and contiguous growth.
Due to venture capital involvement, little to no public funding is required.	Smaller cities have less leverage to regulate dockless companies than major markets.
Less city/agency liability for helmet laws.	Scooters can be improperly parked and obstruct the right-of-way.
System is highly flexible for users.	Fleet can suffer higher rates of vandalism and theft.
Can be more affordable for single-trip, casual users.	

BIKE AND SCOOTER SHARE GOVERNANCE MODELS

Because bike and scooter share are publicly-available fleets, they require a structure for ownership and operations. There are four basic bike and scooter share governance models typically found in the United States:

- Privately owned and operated (permitted or contracted)
- Publicly owned and privately operated
- Publicly owned and nonprofit operated
- Nonprofit owned and operated

This section describes each model and details the pros and cons associated with each.

PRIVATELY OWNED AND OPERATED

Description

An experienced private company brings established skills and credentials in operating bike share programs. The company takes on the risk of funding and operating the program in return for generated revenues. This model is most attractive in markets that support strong returns from advertising. Privately owned and operated systems can either be awarded permits to operate within a city (the company pays the city to operate) or can be awarded a contract to operate within the city (the city pays the company to operate). This is largely dependent on the local market. This model exists for both bike and scooter share and is the current, prevailing model for scooter share systems.

FEASIBILITY CONSIDERATIONS

Table 3-4.

PROS	CONS
Removes financial responsibility and risk from the City and other local partners	Correlated to market demand and highly dependent on private sector interest
The private operator is strongly incentivized to ensure program success (e.g. high ridership and profitability)	Due to private operation, agency control and program transparency is limited to what is defined in regulation and permitting
Higher likelihood of success due to established skills and experience from private sector operator	Funding options may be limited to what private operator can support
	Equity goals are harder to implement

PUBLICLY OWNED AND PRIVATELY OR NON-PROFIT OPERATED

Description

Ownership and financial responsibility for the system is managed by a government agency (e.g., a City, regional, or transit agency). The agency contracts out operations to a third party (or parties), which manages equipment, sponsorship and advertising, marketing, promotions, etc. This model exists for bike share but there are no known examples for scooter share.

Feasibility Considerations

Table 3-5.

PROS	CONS
The agency has full program control, including the brand, look, and operating standards	Agency must have both interest and capacity to manage the program
Agency can apply for federal, state, and local funding	Agency takes on risk and ongoing financial responsibility
Public can hold the agency accountable to a transparent system	There are multiple competing priorities beyond financial and operating performance
Agency can include goals such as geographic and social equity in the program	

NONPROFIT OWNED AND OPERATED

Description

An existing or newly formed nonprofit organization (NPO) takes on ownership and financial responsibility for the program. The NPO can manage any combination of responsibilities, including day-to-day system operations, and can also contract out some services to a third party, e.g., marketing and promotions, sponsorship and advertising, etc. This model exists for bike share but there are no known examples for scooter share.

Feasibility Considerations

Table 3-6.

PROS	CONS
This option provides the most flexibility in funding, including local, state, and federal funds, sponsorships, advertising, and philanthropic contributions	If NPO is newly-created, building capacity and establishing organization can take time
Community-oriented missions of NPOs are well-received by the public	NPO often lacks skills and experience at system launch
A Board of Directors made up of a broad range of community stakeholders effectively engages public, private, and community organizations in the system	The NPO's performance standards may not meet public and agency expectations for transit service

BIKE AND SCOOTER SHARE SYSTEM FARES

The fare structure for bike or scooter share in Billings will be decided through negotiations with the selected operator. This section details the two common pricing structures of bike and scooter share systems, and other important pricing considerations.

PER-TRIP FEES VERSUS PER-MINUTE FEES

Bike and scooter share systems either charge by the minute or by the trip (which provides the user a set amount of time to use the vehicle). This amount of time is usually 30 minutes to one hour, but some systems offer longer options such as full day. Systems that charge by the minute also often charge a fee to unlock the bike or scooter (typically $1). Traditionally, bike share systems have used the per-trip model, but systems are increasingly moving to the per-minute fee model. Nearly all scooter share systems use the per-minute fee model.

CASUAL VERSUS MEMBER PRICING

Most bike and scooter share systems offer significant discounts for users who purchase memberships. Memberships are typically offered as monthly or annual subscriptions. The benefits of membership can come in the form of unlimited free trips or discounts from standard pricing (e.g. waiving unlock fees and/or lowering per-minute costs).

PRICE INCENTIVES

Prices can be set up to incentivize certain user behaviors and reduce rebalancing expenses. For example, it is typical for hybrid systems to charge a small fee for users to lock bikes at locations outside the designated bike share stations, and a larger fee for bikes that are parked outside of the designated service area. Credits can also be issued to users who return bikes to popular stations, reducing the need to deploy people to rebalance the fleet. The additional parking fees can be removed in certain locations to increase access and usage.

DISCOUNTED PRICING

Bike and scooter share systems often offer discounts to certain groups. These groups can include students, people with low-incomes, and government employees. For more information on low-income discounts refer to the Advancing Equity Through Bike/Scooter Share section.

THEFT AND VANDALISM CONSIDERATIONS

For all bike and scooter share system types, theft and vandalism are a potential concern. In a typical scooter share system, theft and vandalism are managed by the private operators to support successful operations. There are different implications for bike share, when local government is a partner in ownership, and may be partially or fully responsible for costs related to theft and vandalism.

To mitigate the costs of theft and vandalism, bike and scooter share vendors have designed the current generation of market available vehicles to be more resistant to vandalism and theft than earlier models. Today's vehicles typically have a number of anti-vandalism and anti-theft features, including:

- **GPS tracking:** GPS technology integrated into bike share units allows for the tracking and recovery of vehicles that have been stolen.
- **Integrated u-locks:** Heavy-duty u-locks integrated into many dockless and hybrid bike share units allow users to securely lock bike share units to a hub or public bike share rack.
- **Encasement of vulnerable parts:** Bike share units today often feature wires, chains, and gears that are partially or entirely encased within the frame of the bike itself. This encasement shields these vulnerable parts from being cut or stolen off of the bike.
- **Anti-theft hardware:** Bike and scooter share vehicles generally feature anti-theft nuts and bolts that cannot be quickly or easily removed using standard hand tools.
- **Accessory integration with frame:** Accessory features on vehicles (such as lights, bells, and baskets) are sometimes integrated into the design of the vehicles rather than being attached as a mountable feature.
- **Solid tires:** Some vehicles feature tires made out of solid rubber rather than inflatable tubes to mitigate risk of flats and slashed tires.
- **Custom design:** Bike and scooter share vehicles are highly customized to the unique demands of shared mobility, and many parts are not compatible with private vehicles. This greatly reduces the street value of bike and scooter share vehicle parts.

Additionally, the encouragement and enforcement of secure parking practices through in-app messaging, user fines, and diligent complaint response times can decrease the risk theft.

WINTER BIKE SHARE CONSIDERATIONS

Bike share systems become an integral part of a community's transportation system, so the decision about whether or not to operate during winter months should be made with careful consideration. Many bike share programs are seasonal and shut down operations for winter; however, in the 2015-2016 winter season about 15 systems in snow-impacted areas successfully remained operational.[1] Surveys have shown that bike share users are willing to use a bike share program in the winter, especially when bike paths and sidewalks are cleared of ice and snow.[2] Below are considerations for deciding whether to operate a seasonal or year-round system:

- **Reduced ridership and revenue:** Even in cities with an existing winter biking culture, ridership is lower during winter months due to cold and snow. Operators can expect between 10 and 30 percent of peak summer ridership.[3] This may be challenging for systems highly reliant on revenue from ridership.
- **Meet community transportation needs:** Community members that depend on bike share may be left without reliable transportation in winter months. Additionally, many people prefer bike share bikes in the winter because they would prefer to avoid subjecting their own bike to winter elements (snow, salt, etc.). The bikes themselves may be more reliable and safer to ride, with wider tires, an upright position, and internal hub braking systems.
- **Winter bicycling education:** Winter bicycling (especially on snowy days) can be risky, especially for newer riders; education efforts from the bike share service provider or the City may be necessary to make sure all riders know how to ride safely in inclement weather. For example, Bike Share Toronto regularly posts tips for safe winter riding on their blog.[4]
- **Winter bicycling promotion:** To encourage riders during winter months, some bike share systems invest in extensive marketing and winter bike share promotion. This can help increase winter ridership.
- **Station siting:** Station siting for systems planning year-round operation in snowy areas must take into consideration snow plowing needs to ensure that stations do not take up snow storage space, do not become buried under plowed snow, and are not damaged by snow plows. At the same time, stations will need to be located in areas that are regularly plowed and/or shoveled to ensure safe user access to/from the station.
- **Solar stations:** Bike stations powered by solar panels may lose power in winter months due to insufficient sunlight or snow coverage. Bike share operators can mitigate this by cleaning solar panels after snow events and monitoring station batteries to swap out for charged batteries when needed.

[1] Godavarthy, Ranjit Prasad., & Taleqani, Ali Rahim., Winter Bikesharing in US: User Willingness, and Operator's Challenges and Best Practices. Sustainable Cities and Society http://dx.doi.org/10.1016/j.scs.2017.02.006. Accessed December 21, 2020.

[2] Godavarthy & Taleqani, 2017.

[3] Godavarthy & Taleqani, 2017.

[4] Bike Share Toronto. "Winter Cycling: 8 Tips For A Safer Ride." Posted January 28, 2020. Accessed December 23, 2020. https://bikesharetoronto.com/news/winter-biking/

- **Snow events:** In addition to clearing solar panels, bike share stations need to be cleaned of snow and ice after snow events. Operators may need to invest in additional cleaning tools, such as shovels, brooms, brushes, ice scrapers, etc. Operators may also consider proactively pulling bikes from stations ahead of snow events.
- **Bike maintenance:** Bikes will require additional safety inspections to ensure they are ready for winter. This includes lubricating all chains and seat posts to ward off mud, grime, and road salt. Depending on the vehicle specifications, it may be worth replacing tires to be thicker and/or knobby, and reducing tire air pressure for better traction on ice.
- **Winter bike accessories:** Bikes may be customized for winter riding. For example, Lime's (now-defunct) fleet in Calgary, Canada included hand covers on the handlebars during winter months.
- **Storage needs for seasonal systems:** Depending on the type of bike share system, there may be a significant amount of equipment that requires storage through the off-months. This may include: stations, docks, and bicycles. The operator and/or City will need to find a secure storage location for this equipment that may need to be larger than warehouses or storage facilities that are used during the system's operating period.
- **Plowed network of cycling facilities:** In addition to education, a safe network of plowed and salted cycling facilities may assist in maintaining ridership. This may involve coordination with the public agency in charge of snow plowing to ensure that well-used bicycling routes near to stations are maintained clear of snow.

Lime bikes are equipped with bar mitts in Calgary, Canada. Photo by Tom Babin.

ADVANCING EQUITY THROUGH BIKE/ SCOOTER SHARE

OVERVIEW

It is critical to build shared mobility systems that equitably serves all users of the transportation system. This section looks at research on equity in shared mobility systems. Most of the research to date focuses specifically on bike share systems. However, the barriers to equitable scooter share are similar, and most of the lessons learned from this research should apply to scooter share as well.

Traditionally, the community members most susceptible to experiencing the negative impacts of limited mobility options have been children, senior citizens, people of color, people with limited access to a car, people with limited formal education, lower-income households, or people with limited proficiency with speaking English. Access to transportation can help or hinder a person's ability to get to work, attend school, buy healthy food, visit a doctor, and socialize or otherwise contribute to their community.

Many studies have documented the rapid increase in bike share systems and the fact that certain groups are underrepresented among bike share users, including: people of color, people with lower incomes, women, seniors, and people with less education.[5] [6]

Lack of bike share systems and stations in neighborhoods where higher percentages of people in these groups live and work is one contributing factor.[7] Cost, lack of payment options, lack of credit, language differences and lack of familiarity with bike sharing are other potential barriers.[8] [9] Even with the ability to pay, some people may not want to use bike share for fear of unforeseen charges or bike damage. Additionally, both traffic safety and personal safety fears are preventing people of color and those with lower incomes from trying bike share.[10] Traffic safety concerns, resulting from poor infrastructure or proximity to vehicles, is the biggest barrier across all racial and income categories. People of color have more personal safety concerns, resulting from violence, crime, or being targeted by the police than white bike share users.

It is important for new bike and scooter share services to address these barriers in order to create a successful, sustainable system. Developing specific bike and scooter share equity programs can help these historically marginalized communities gain greater access to public transportation networks and can help foster new opportunities for economic and social inclusion.

Roughly 75 percent of bike share systems larger than 150 bikes have specific equity programs.[11] The following research summarizes best practices in bike share

[5] Buck, D., R. Buehler, P. Happ, B. Rawls, P. Chung, and N. Borecki. (2013). "Are Bikeshare Users Different from Regular Cyclists? A First Look at ShortTerm Users, Annual Members, and Area Cyclists in the Washington, D.C.,Region." Transportation Research Record. No. 2387, pp 112-119.

[6] Shaheen, S., Martin, E., Chan, N.D., Cohen, A.P., and Pogodzinki, M. (2014). "Public Bikesharing in North America During a Period of Rapid Expansion: Understanding Business Models, Industry Trends and User Impacts." MTI Report 12-29. Mineta Transportation Institute.

[7] Ursaki, J. and L. Aultman-Hall. (2016). "Quantifying the Equity of Bikeshare Access in U.S. Cities." Transportation Research Board Annual Meeting, 2016. Paper # 16- 0426

[8] Hoe, N. (2015). "Bike Sharing in Low-Income Communities: Perceptions and Knowledge." April-October 2015. Temple University Institute for Survey Research Report.

[9] MacArthur, J., McNeil, N, Broach, J., Cumings, A., Stark, R., Sanders, R., and Witte, A. (2019). "National Scan of Bike Share Equity Programs: Approaches and Best Practices for Promoting Equity in Bike Share." Transportation Research and Education Center (TREC) pp 1-138.

[10] Schneider, B. (2017). "What Keeps Bike Share White," Citylab. Citylab.org.

[11] MacArthur, J., McNeil, N, Broach, J., Cumings, A., Stark, R., Sanders, R., and Witte, A. (2019). "National Scan of Bike Share Equity Programs: Approaches and Best Practices for Promoting Equity in Bike Share." Transportation Research and Education Center (TREC) pp 1-138.

equity programs, examples from other cities, and lessons learned from the growing body of bike share equity literature. Overall, station location, comprehensive outreach and affordability are pillars of an equitable bike share program. Additionally, bike share program managers have identified the importance of launching a program with equity and inclusion in place from the start, rather than retrofitting equity-focused outreach or expansions to historically-marginalized communities after a program is already established in a high-demand area.

DEFINING EQUITY

Defining equity in bike share systems is complex and is often contextual to the region it serves. However, defining equity is an important first step in order to successfully introduce bike share to a city, as this vision will inform the bike share's practices and operations. There are as many lenses to view equity as there are barriers to access the system. Some bike share systems define equity in terms of the ability for specific populations of people to access the system; others define equity in terms geographic accessibility. Many use both, as the more ways in which an equity program addresses the barriers for its usage, the more robust and successful it will be. Recently, researchers at Portland State University surveyed 38 bike shares operating in the United States and asked how they approached equity in their systems, shown in the table below.

EQUITABLE BIKE SHARE SYSTEM DESIGN FEATURES

Station Locations and Service Area: Bike share station locations and service area are critical components of an equitable bike share system. While bike share systems typically launch in high demand (and presumed higher revenue) areas, such as downtowns and near tourist destinations, it is important to consider geographic and social equity when deciding where to locate a system. The extent of the service area should be determined with community stakeholders to make sure that the balance between station coverage and station density aligns with community goals. Station sites should consider areas that are currently underserved by public transit, near destinations such as libraries, grocery stores and community or cultural centers. The National Association of City Transportation Officials (NACTO) guidelines recommend that bike share stations be no more than 0.4 miles apart to have truly comprehensive, equitable networks well-integrated with common destinations and existing transit.[12] Research from Portland State University finds that usership drops dramatically if a station is more than a quarter mile walk.[13]

There are strategies to ensure that system coverage and density are met. For example, in Pittsburgh, PA the Healthy Ride bike share system opted to double their number of stations and expand service to serve more neighborhoods by reducing the size of underused stations from 19 docking points to 6-8 docking points per station.[14] One of the results of this innovation has been increased ridership in newly-served communities, particularly for short, everyday bike trips. In Detroit, MoGo bike share is expanding to suburban communities through the creation of satellite bike share hubs for outlying pockets of residents.[15] The purpose of this style of expansion is to cover Detroit border communities who live near

[12] National Association of City Transportation Officials, (2016). "Bike Share Station Siting Guide." Nacto.org.

[13] McNeil, Nathan, Jennifer Dill, John MacArthur, Joseph Broach. Breaking Barriers to Bike Share: Insights from Bike Share Users. NITC-RR-884c. Portland, OR: Transportation Research and Education Center (TREC), 2017

[14] Cox, S. "Pittsburgh Adds Bike Share Density with Small Station Model," Better Bike Share Partnership. Betterbikeshare.org.

[15] Cos, S. "Detroit Provides Adaptive Bikes, Will Expand System," Better Bike Share Partnership. Betterbikeshare.org.

other jurisdictions and may be trying to navigate between multiple transit systems that do not coordinate routes, timetables, or fares. Bike share would provide flexible, predictable service to connect people to different jurisdictions' transit systems. As of December 2018, MoGo is conducting outreach with stakeholders in target areas to build community ownership and drive the process forward. Ultimately, it is important for every bike share provider to determine the extent of the service area with community stakeholders and effectively communicate that extent to its members.

Rebalancing: Bike sharing is a transportation system that is dynamic and fluid. It is important for every bike share provider to ensure the appropriate redistribution of bicycles to its full service area such that no location is over or undersupplied. Without rebalancing efforts, the system may drift away from its original service area and be rendered ineffective or exclusionary to certain communities. Bike share providers can incentivize rebalancing through fee and payment structures, or prioritize certain locations over others to ensure that the system is equitable for all people. For example, the Bike Angels program offered by Citibike in New York City rewards users who take bikes from crowded stations to empty ones. Points earned through this system can be used to redeem free rides, membership deals, gift cards, and merchandise.[16] Cities can also build requirements into bike share permits and contracts specifying the percentage of a fleet that must be rebalanced to low income communities of concern each day.

Income-based discounts: The vast majority of bike share systems that pursue equity goals, regardless of size, have plans that address the financial barriers to users.[17] Income based-discount and cash payment options are key strategies to include lower income bike share riders who may not have access to credit or may not be able to afford the transportation service at the standard fare.

Among cities with station-based bike share systems, 32% have an income-based discount program. This represents a 33% increase since 2016.[18] These programs often establish income thresholds or use affordable housing enrollment as qualifiers for discount enrollment. Boston offers an example of a discounted membership program. SNAP cardholders in the Boston metropolitan area can get a $5 monthly bike share pass through the SNAP Card to Ride program.[19] The full system membership cost is $99 per year. The SNAP Card to Ride program offers unlimited 60-minute rides, increased from 30-minute trips previously available. Cities of Boston, Brookline, Cambridge, and Somerville, along with Motivate, the Department of Transitional Assistance, and the public health department work together to verify SNAP program participation efficiently and conveniently in person or online, so that people are not deterred from signing up. Furthermore, the program has removed the financial hold that used to be placed on rider payment accounts, which had been a major deterrent for low income riders.

A survey of bike share users in Chicago, Philadelphia, and New York found that two-thirds of bike share users of color or lower incomes were "very likely" to renew their memberships, and rode just as frequently as higher income, white bike shares users. As described above, survey respondents cited

[16] Citibike, (2019). "Points and Rewards." Citibikenyc.com.

[17] MacArthur, J., McNeil, N, Broach, J., Cumings, A., Stark, R., Sanders, R., and Witte, A. (2019). "National Scan of Bike Share Equity Programs: Approaches and Best Practices for Promoting Equity in Bike Share." Transportation Research and Education Center (TREC) pp 1-138.

[18] National Association of City Transportation Officials, (2017). "Bike Share in the U.S.: 2017," Nacto.org.

[19] Cox, S. "Boston Debuts Regional Discounted Bike Share Memberships," Better Bike Share Partnership. Betterbikeshare.org.

discount memberships as a main reason they joined bike share and reported that they were saving more on transportation overall by using bike share, an encouraging sign for retaining members, even if discounts end.[20]

Cash Payment: Over the past couple years, many bike share providers, both public and private, have implemented cash payment options where users can go to designated locations to add cash to their accounts.

[20] McNeil, Nathan, Jennifer Dill, John MacArthur, Joseph Broach. Breaking Barriers to Bike Share: Insights from Bike Share Users. NITC-RR-884c. Portland, OR: Transportation Research and Education Center (TREC), 2017.

Reload locations are often social service providers, bike share offices, and local grocery/convenience stores. Limebike, Capital Bike Share, Portland Biketown, New Orleans Bike Share, and many more offer a cash payment option. MoGo in Detroit offers a similar program called the AccessPass. Six months after implementation, AccessPass sales made up 18% of all long-term pass sales. MoGo also offers a well-used cash-payment membership option which is well used by AccessPass holders, that contributes to fast, flexible, and convenient access to transportation for hundreds of residents.

Table 3-7.

EQUITY APPROACH	% SURVEY RESPONDENTS	EXAMPLES
Specific Populations	71%	Low-income/LMI; Racial/Ethnic Groups; Gender; Those in most need; Historically underrepresented and underserved; Local residents; Nation of origin; Transportation option to diverse range of people; Reflect municipality's overall demographic makeup; For all people
Equity Goals	45%	Fosters economic equity; Job creation; Empower; Extension of public transit; Improve public health; Support daily lives; Community asset-exercise, recreation, and alternative transportation; Ensure outcomes and opportunities for all.
Affordable and Accessible	39%	Offering affordable pricing and access; Ensure access for low-income, bike station locations, cash, text-based access; Geographic access, economic access, demographic access, Access locations; Affordability; Anyone who identifies as requiring subsidized access.
Geographic Areas	29%	Neighborhoods; Areas in most need; Growth focused on expanded geographic coverage; Identifying disparities and targeting areas for action, intervention, investment; connect lower-income neighborhoods; Expanding systems coverage to underserved communities; station placement.
Addressing Barriers	26%	Bank-less; credit cards; Economic barriers; Physical; Technological; Language; Cultural relevance; Engages and serves minority and low-income; Community driven; Use investments to reduce racial disparity in access to mobility services, reduce non-financial barriers.
For All Abilities	21%	Accessible bicycles for disabled communities; People of all abilities; Elderly.
Operations	11%	Dependable, convenient, predictable; Services and operate in a manner that is just and free from bias or prejudice; Fair and just operations; Inclusive work environment, diverse staff; Training and hiring staff from underrepresented communities.

Source: National Scan of Bike Share Equity Programs, 2019.

Alternative Payment Structures: Beyond income-based discounts and cash payment options, bike share systems should consider other alternative payment structures in order to reduce the financial barriers to entry. For example, rather than offering either a year-long pass or weekly passes, bike share providers could consider offering monthly passes which cater to regular users who can't afford the high total cost of a year-long pass or the high per-trip cost of a weekly pass. Additionally, providing longer rental times can alleviate fears of overage charges. In Pittsburgh, Healthy Ride utilizes a pricing policy that aligns with the cost of public transit, charging a flat rate for 30 minutes with no annual membership or registration costs.[21]

Bike share systems are typically reliant on smartphone access and require a financial account to be linked for use, thus making access challenging or limited for the unbanked or those without a smart phone. Statewide, 4.3 percent of Montana households are considered unbanked, meaning they do not have access to a banking or credit union account. In the Billings Metropolitan Statistical Area, this rises to 5.9 percent of the population (FDIC National Survey of Unbanked and Underbanked Households, 2013- 2017 estimates). American Community Survey data available at the citywide scale estimates that in 2018, 79.8 percent of households in Billings have a smart phone and 9.9 percent of households to not have access to any type of computing device. If this is identified as a barrier to bike share use, considerations for access that do not rely on a smart phone, or programs that provide pre-paid cards or fares to check out a bike, should be considered.

[21] MacArthur, J., McNeil, N, Broach, J., Cumings, A., Stark, R., Sanders, R., and Witte, A. (2019). "National Scan of Bike Share Equity Programs: Approaches and Best Practices for Promoting Equity in Bike Share." Transportation Research and Education Center (TREC) pp 1-138.

Reduce Liability and Eliminate Hidden Fees: Some bike share systems require a deposit or have steep fees for lost or stolen bikes. Eliminating these fees across the board or just for lower income users can make people feel more comfortable using the system. For example, Divvy in Chicago set up a loss liability fund to protect people from these high charges.[22]

Partnerships with Nonprofits and Social Services: Before a bike share system is implemented, it is important to build community "buy-in" to attract users to a system and build trust in the program. Thoughtful community engagement is essential. Portland State University research found that lack of knowledge about the bike share system is a significant barrier for lower income people of color. Thirty-four percent of low-income respondents of color said that not knowing enough about bike share was a barrier, compared to 19% of higher income respondents of color or 7% of higher income white respondents.[23] The same study found that more personal sources of information, such as talking to a bike share outreach staff person, volunteer, or community center staff were more effective than more passive sources of information at inspiring community members to try bike share.

[22] Ibid.

[23] McNeil, Nathan, Jennifer Dill, John MacArthur, Joseph Broach, Steven Howland. Breaking Barriers to Bike Share: Insights from Residents of Traditionally Underserved Neighborhoods. NITC-RR-884b. Portland, OR: Transportation Research and Education Center (TREC), 2017.

Community engagement should be designed with a feedback loop, so that there are clear ways to incorporate recommendations from the community into the bike share system design and programming. For example, community input can:

- Influence the specific location of a station,
- Help identify nonprofit partners to support program outreach,
- Change crime prevention strategies, and/or
- Guide new investments in bike infrastructure.

NACTO and the Better Bike Share Partnership released a community outreach guide, "Strategies for Engaging Community: Developing Better Relationships through Bike Share" that offers guidance on how cities, advocates, and bike share practitioners can develop programming to address community-oriented mobility goals:

- Increase access to mobility,
- Get more people biking, and
- Increase awareness and support for bike share.[24]

Bike share providers may collaborate and form partnerships with local nonprofits and social service providers who already work directly with historically-marginalized communities. Over 75% of bike share systems report having at least one community partner, and over half report having two.[25] Local nonprofits and social service providers have deep knowledge about community needs and communication channels for additional outreach. Community partners share the trust and history of the people bike share providers need to engage. Bike share providers should look for ways to add capacity and support local groups, such as paying advocates for their time, creating local jobs, and being responsive to community feedback. By tapping local resources, bike share providers can more effectively mitigate the lack of knowledge among community members for how to use the system or how to sign up. Key strategies that bike share systems around the country employ in partnership with nonprofits and social services include: facilitating enrollment, education and skills classes, prescribe-a-bike public health programs, organized rides, and ambassador programs.[26]

For example, Indego bike share system in Philadelphia operates a community ambassador program that pays representatives of local non-profits to serve as links between the Indego Bike Share program and their communities.[27] Indego Ambassadors promote bike share, plan events such as community rides or classes, and serve as a resource for bike share issues or questions from their community. Ambassadors focus on building bike share that is inclusive for the whole community and addressing barriers for specific groups. The bike share ambassador for the Bicycle Coalition of Greater Philadelphia focuses on the Latino community and youth by holding targeted events and creating materials in Spanish.[28]

[24] "Strategies for Engaging Community." NACTO, Better Bike Share. 2018. Betterbikeshare.org.
[25] Ibid.
[26] Ibid.
[27] Indego, (2018). "Meet the Indego 2018 Community Ambassadors," Rideindego.com.
[28] Cox, S. "Philadelphia's Bicycle Coalition is Committed to Bilingual and Youth Outreach," Better Bike Partnership. Betterbikeshare.org.

The ambassador program is one component of the Better Bike Share Partnership, a collaboration between the City of Philadelphia, Bicycle Coalition of Greater Philadelphia, and the National Association of City Transportation Officials (NACTO), funded by the JPB Foundation.[29] The collaboration aims to build equitable and replicable bike share systems—in Philadelphia and offer guidance globally.

Adaptive Bike Options: In the past several years, many bike share systems have begun to offer adaptive bikes for people with limited mobility to expand the benefits of bike share beyond the typical able-bodied user and respond to critiques from disability rights advocates. Just this year, the Ford GoBike Share in Oakland, CA piloted five different types of adaptive bicycles: upright handcycles, recumbent handcycles, recumbent leg trikes, recumbent trike tandems, and side-by-side tandems.[30] The mobility, recreation, and inclusion benefits are abundant, but challenges remain. Adaptive bike share bikes require specialized maintenance, are not always intuitive to use, and create logistical challenges for commuting. Pilot projects in several cities in 2017-2018 sought to address these challenges. In the summer 2017, the City of Portland, OR ran a pilot program called Adaptive Biketown, renting out tricycles, hand cycles, and side-by-side tandem bikes.[31]The Adaptive Biketown pilot ran for 14 weeks and matched the low-cost pricing structure of the city's traditional bike share program. The City partnered with a local non-profit to run the Adaptive bike share program out of their office, conveniently located on a main off-street bike path. After a successful pilot launch, the City is working to increase ridership and make the program more like traditional bike share, with additional rental locations and a streamlined rental process.

ACS data indicates that 9.5 percent of Billings residents are living with a disability. Thus, requiring a portion of bike share bicycles to accommodate persons with disabilities or adding a supplementary bike share option may be an important consideration for equity.

Electric Assist Bikes: An emerging trend in bike share systems has been the introduction of electric assist bicycles to support a larger service area and provide better bike share access for riders with mobility and fitness challenges. Current electric assist models used by bike share providers require the rider to pedal the bicycle in order to get an "assist" from the electric motor. The handful of systems that employ e-bike share currently cap the top speed at 15 mph at which time the regulator cuts off any additional power. E-assist bicycles make it easier for those not physically able to pedal a standard bike, helps users overcome steep terrain, and extend the trip distances made with bicycles. This has the effect of expanding the bike share system range, as well as the first and last mile usage to 1.5-2-mile trips when connecting to transit and other destinations.

Targeted Marketing: Targeted marketing is any content that increases awareness of the bike share among demographics and populations that may benefit from additional outreach. This is a key way providers pursue equity goals. Targeted marketing should reflect the diversity of the area the system serves. It should reinforce the idea that the system is for people who live in Billings, and not just visitors looking for recreational amenities.[32] Successful content is created for

[29] Cox, S, editor. "About Us," Better Bike Share Partnership. Betterbikeshare.org

[30] Baldassari, E. (2019). "The shared bike and scooter industry often leaves out people with disabilities – but Oakland is changing that," The Mercury News. Mercurynews.com.

[31] Cohen, J. (2018). "Portland Says Adaptive Bike-Share Pilot Was a Win," Next City. Nextcity.org.

[32] MacArthur, J., McNeil, N, Broach, J., Cumings, A., Stark, R., Sanders, R., and Witte, A. (2019). "National Scan of Bike Share Equity Programs: Approaches and Best Practices for Promoting Equity in Bike Share."

(and often with the help of) specific groups and communities the bike share hopes to engage. These strategies could include: ambassador photo shoots, press releases, social media, billboards, bus-stop displays, bike station panels, flyers, emails, custom painted or sponsored bikes by community partners. Regardless of marketing strategy, it is recommended that the content is produced in the languages and located in the places that the target population occupies.

A recent study on bike share barriers conducted by Portland State University (PSU) found that people of color and people with lower incomes are more likely to find out about bike share from targeted marketing and outreach than through their networks, highlighting the success and necessity of targeted marketing as part of an equity program. The study featured a robust survey of bike share uses from Chicago, New York, and Philadelphia. Specifically, the study found that typical sources for information about bike share were: talking to someone at an event, information at work or school, or from a newspaper or online source. A large majority of survey respondents said that their eligibility for a discounted membership was very important to their decision to get a bike share membership, compared to other users who primarily joined because of the convenience of using bike share.[33]

Once enrolling in a bike share program, people of color and lower income bike share users ride with similar frequency to white and higher income users. Both groups generally rode more than 11 trips a month, and a third rode more than 20 trips. People of color and those with lower incomes were more likely to ride for fun or for exercise than white, higher income users. Though not a large share of overall trips, bike share users of color and/or lower income were more likely to use bike share for school, daycare or religious-related trips, as well as for trips related to looking for work or job/skill training.[34]

Hiring Policies: Nearly 1 in 3 midsized bike share systems (350-750 bikes) have equity programs with a primary focus on internal operations.[35] Equity in internal operations means hiring policies that provide job opportunities for underserved residents. By training employees from disadvantaged communities, the bike share will ultimately be more responsive to servicing the needs of all its residents.[36] By integrating communities directly into the planning, implementation, and continuation of a bike share system, providers can ensure a greater degree of success of the bike share in those same communities.

Transit Integration: Among bike shares who have equity programs, half of all medium sized systems (350-750 bikes) report efforts to integrate transit with their bike share.[37]Integrating bike share programs with public transit can be an important step for expanding the geographic range and ease of mobility for low income and transit reliant travelers. Generally, these efforts manifest themselves in three areas: access, pricing and payment methods. While researchers report that linking bike share and public transportation systems is a relatively new practice, integrated transit systems and bike share systems can be mutually reinforcing in their goals to increase connectivity, awareness, and user support.

Transportation Research and Education Center (TREC) pp 1-138.

[33] McNeil, Nathan, Jennifer Dill, John MacArthur, Joseph Broach. Breaking Barriers to Bike Share: Insights from Bike Share Users. NITC-RR-884c. Portland, OR: Transportation Research and Education Center (TREC), 2017.

[34] Ibid.

[35] MacArthur, J., McNeil, N, Broach, J., Cumings, A., Stark, R., Sanders, R., and Witte, A. (2019). "National Scan of Bike Share Equity Programs: Approaches and Best Practices for Promoting Equity in Bike Share." Transportation Research and Education Center (TREC) pp 1-138.

[36] Ibid.

[37] Ibid.

To ensure that a bike share is accessible from public transit, station planners should consider siting stations near or at existing bus stops or transit centers. Researchers at Portland State University note that 80% of Bublr bike share stations overlap with existing bus routes in Milwaukee, WI.[38] Larger scale integration efforts may include changing transit networks to better mesh with the local bicycle infrastructure network, in order to facilitate first and last mile trips. In Pittsburgh, PA, the Port Authority of Allegheny County allows riders a free bike trip (up to 15 minutes) if they are taking a trip to a public transportation stop.[39] Bike shares can become first and last mile solutions if those trips are made easily accessible to and from the existing transit network.

Pricing: Pricing models may change depending on what equity targets the bike share provider focuses on. However, when integrating with a transit system, some providers create a payment system that mirrors current transit fares such that the payment is an easily understood extension of the current pricing model, as in the case of Metro in Los Angeles.[40]

Payment Methods: Integrating payment methods will depend on the technology being used by the existing transit system. Some systems utilize a single card. Others add a special RFID bike share sticker to existing transit cards that sends a different frequency signal to unlock bikes, as in the case of Milwaukee County Transit System and Bublr Bikes.[41] Alternatively, Fargo's Great Rides bike share allows North Dakota State University student access to both public transportation and bike share systems with their student ID, paid for by student fees.[42] Researchers note that an integrated fare pass requires a debit or credit card on file, especially for pricing models that have a pay-as-you-go option.

Additional strategies to integrate transit systems and bike shares can be learned from the Milwaukee County Transit System's partnership with Bublr Bikes. These include having buses announce when stops are connected to bike share stations, displaying stops with bike stations via a MCTS transit app, co-branding bikes, and exploring joint station maintenance.[43]

[38] Cox, S. Editor. "Pittsburgh and Milwaukee Explain How They Linked Bike Share to Transit." Better Bike Share Partnership. Betterbikeshare.org.
[39] Ibid.
[40] Corbin, A. Editor. "Bike Share or Bus? In Los Angeles, the Price Will be the Same. Better Bike Share Partnership. Betterbikeshare.org.
[41] Davies, J. "MTCS + BUBLR = BUSLR." Bublr Bikes. Bublrbikes.org.
[42] Corbin, A. Editor. "Why the Country's Best Bike Share Might be in Fargo." Better Bike Share Partnership. Betterbikeshare.org.
[43] MacArthur, J., McNeil, N, Broach, J., Cumings, A., Stark, R., Sanders, R., and Witte, A. (2019). "National Scan of Bike Share Equity Programs: Approaches and Best Practices for Promoting Equity in Bike Share." Transportation Research and Education Center (TREC) pp 1-138.

Metrics for Equity Evaluation: Using data to inform bike share operations is essential to achieving equity outcomes. Tracking key metrics help bike share providers understand how, where and when the system is being used, and by whom. The insights gained by monitoring specific data metrics inform how best the system can improve, and can help attract additional funding from local officials, grants, and community sponsors. Below is a table written by researchers at Portland State University (MacArthur et.al, 2019) that lists example metrics for particular equity practices implemented by bike shares around the country, with each practice rated for how effective it was at achieving their equity goals, as reported by the bike shares surveyed.

Table 3-8.

EQUITY PRACTICE	EFFICACY RATING	EXAMPLE METRICS
Electric Bicycles	4	# rentals; trip distance, trip duration; bicycle selection when electric and non-electric options are available; monthly use reports; community surveys
Hiring Practices	4	# of positions held or hours worked by employees in defined categories of a diversity policy and a practice to hire from a diverse pool of candidates
Employee Training	3.75	% of employees trained on serving equity programs/clients; employee feedback
Income-Based Discount	3.73	# of sign-ups for discount program membership, % who renew; # of sign-ups; # of sign-ups by location; # of sign-ups by referral method; # of sign-ups by eligibility type; % of discount program members who opt for various program options; % of all members who are discount members; survey data from discount members
Adaptive Bicycles	3.6	# rentals; # users; surveys with riders after rental period is over; data collected via annual user survey; collect usage info on each bicycle; rentals by bicycle type
Cash Payment	3.6	# of sign-ups using cash; home location of cash payers; # of rides by cash payers; location of rides by cash payers; # of cash pay enrollees to credit/debit enrollees; # of cash payments; ride characteristics for cash payers; % of cash payers switching to credit payment over time
Education Programs	3.5	# of attendees; demographics of attendees; # of completed sign-ups; #riders, % of enrollees with rides; # of classes; instruction time; attendee feedback; comfort with process, system, class; % of enrollees who follow program rules
Prescribe-a-Bike	3.5	Community surveys and partnerships with other researchers; # vouchers handed out and redeemed; # rides; ride time
Ambassadors	3.5	# of ambassadors recruited, trained; # of workshops/classes; feedback from surveys; # of events attended; # rides completed; # people reached/ enrolled per ambassador; # promo codes distributed and redeemed; growth in ridership/ change in ridership patterns in ambassador focus neighborhoods; exit interviews for ambassadors
Facilitated Enrollment	3.41	# of people attending workshops; how they heard about program; # of people helped through enrollment process; # sign-ups; # of organizations, agencies helping with enrollment; # of events; # of interactions; membership tracking
Fee Reductions	3.33	% for whom fees, fear of fees etc. were barrier; feedback on motivations for signing up for program

Alternative Payment Structures	3.33	# of sign-ups and @ of trips taken by payment level; # of users receiving credits; # of users with a positive credit balancing bike share account of % having enough credit to cover membership costs; sign-ups by payment type; % of revenue from residents compared to visitors
Bike and Station Location	3.25	Ranking stations based on trips to and from each station location; conduct community engagement about where to locate stations (surveys, meetings, focus groups, conversations, station location postcards/forms); collect demographic data at sign-up to see what percentage of users are located in target areas; # of (discount) memberships from area near stations; # of sign-ups from affordable housing residents near station; # trip starts/ends per station; # of trips from neighborhood equity stations; # of bikes in target areas; trip patterns; types of trips by station; % of ridership by race, age, and gender by station; # of stations located in communities of concern
Organized Rides	3.2	# of rides; # of attendees; # sign-ups after rides; attendee and enrollee demographics; feedback from participants and reports from ride organizers
Service Area Boundaries	3	Demographic analysis of residents living within walking distance of station location (actual or proposed); following ridership in focus neighborhoods; % homes within a 10 min walk of bike share; % of neighborhoods with bike share access; % of employees/ jobs within 10 min walk of bike share; trips, bicycle availability, in target areas; resident feedback
Rebalancing Efforts	3	Use API data to track and make decisions about balancing efforts; access a data portal to find locations and usage records of each vehicle, which guides the rebalancing process; # bikes in target underserved neighborhoods; # of bikes near transit stations; # empty or full stations; average number of bikes at a station; usage by bike availability; % of service area within access to a bike within 5-10 min walking
Non-English Offerings	3	# of signups at workshop; # of enrollees by language
Transit Integration	3	% of rides taken through joint pass; start/stop of rides; trips by station adjacent to transit; surveys sent to people who use transit integration programs; use of bike share for first or last mile trips
Marketing Campaigns	2.9	Analytics on social media campaigns; track promo codes, college/vocational discounts; survey users: track event attendance; promo redemption; focus group feedback

*summary of strategies implemented by any of the 70 systems that responded to researchers' survey
**average reported rating from surveyed bike shares. 1 = not effective 2 = minimally effective 3 = somewhat effective 4 = very effective

Source: National Scan of Bike Share Equity Programs, 2019.

Key Resources: While the breadth and depth of equity programs often depend on funding, bike shares of all sizes can benefit from practices that ensure all people have access and the ability to use it. Researchers at Portland State University point out that the effectiveness of an equity program tends to increase when a holistic, broad range of approaches are used.[40] To that end, bike share equity programming is continuously evolving and improving. Below are some fundamental resources recommended for further reading.

Better Bike Share Partnership (BBSP)

National Scan of Bike Share Equity Programs

Breaking Barriers to Bike Share: Insights on Equity from a Survey of Bike Share System Owners and Operators

Breaking Barriers to Bike Share: Insights on Equity (video)

RELEVANT BIKE SHARE AND SCOOTER SHARE INDUSTRY TRENDS

The bike and scooter share industry is rapidly changing. The following three trends are important to consider for bike and scooter share in Billings.

ELECTRIFICATION

Electric-assist bikes (e-bikes) are becoming increasingly popular, and most new bike share systems include at least some e-bikes. Across the country, the vehicles that have the highest utilization (measured by rides/vehicle/day) are e-bikes. E-bikes can be used with both docked and hybrid systems.

Cities that added e-bikes to their station-based fleets report that, on average, e-bikes are used twice as frequently as pedal bikes. For example, in New York City, e-bikes are used up to 15 times a day during high ridership months (compared to around 5 times a day for pedal bikes). Bike share systems around the country are rapidly adding e-bikes to their fleets.[44]

E-SCOOTER SHARE

E-scooter share use continues to rise. After scooters debuted on North American streets in 2018, the number of shared e-scooter trips rose rapidly with 88 million trips taken in 2019. In cities under 200,000 people there were 34 scooter share systems with an average of 130 scooters.[45]

[44] Citi Bike in New York City. Shared Micromobility in the U.S.: 2018. NACTO. https://nacto.org/shared-micromobility-2018/

[45] Shared Micromobility: State of the Industry Report 2019. NABSA. https://nabsa.net/about/industry/

CHANGING OPTIONS FOR SMALL AND MIDSIZE CITIES

While 9 million trips were taken on dockless bike share in 2017, this number decreased by 2019 due to the disappearance of most dockless shared bikes across the U.S[46]. Driven by the need to show profitability, the private companies offering dockless bike share left smaller cities and focused their efforts in major urban centers. Even though private dockless companies may have shown interest in Billings in the past, it is highly unlikely to expect a private dockless company to launch in Billings in the near future.

However, dockless scooters may still enter small and midsize cities. For example, HOWL has enjoyed successful deployment in the Redding, CA market. Dockless scooters may also be launched as part of a "mixed fleet" alongside docked or hybrid bike share.

BIKE AND SCOOTER SHARE IS INCREASINGLY LINKED TO TRANSIT

Nationwide, 72 percent of docked bike share stations are within one block of a scheduled public transportation mode.[47] Connections to transit are increasingly important for successful bike share systems. People are using bike share to connect to transit across vastly different system types and contexts. For example, over half of the users of the dockless Mountain View, CA system and the docked Los Angeles, CA reported using bike share to connect to transit.

Scooter share is also used to access transit. In a recent e-scooter survey from Portland, OR, nearly a third of respondents primarily use e-scooters to go to or from a transit stop.

[46] Shared Micromobility in the U.S.: 2018. NACTO. https://nacto.org/shared-micromobility-2018/

[47] U.S. Department of Transportation, Bureau of Transportation Statistics. Intermodal Passenger Connectivity Database, available at https://data-usdot.opendata.arcgis.com/ November 2019.

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IV. WHAT WE HEARD

OVERVIEW

For a bike and scooter share in Billings to be successful, it must be responsive to community needs. This chapter describes the study's public outreach process and key takeaways. Through a survey and interactive webmap, the project team asked community members to consider what a bike and scooter share system could look like in Billings.

From mid-September through late October, the project team heard feedback from community members via an online survey and interactive webmap. The Billings MPO advertised these platforms to the general public, local businesses, and university and college campuses.

SURVEY + PUBLIC INPUT WEB MAP

The project team developed an online interactive map and survey to collect information about the travel habits and desires of the Billings community as they relate to bike and scooter share. The online public input tool contained an origin and destination interactive map to help identify potential bike and scooter share station locations and service areas. The survey presented background information on the study and collected data on perceptions and preferences regarding bike and scooter share, as well as respondent travel behavior. Both tools were available in English and Spanish. Key public participation numbers include:

- 259 online survey respondents
- 62 comments on the online public input map

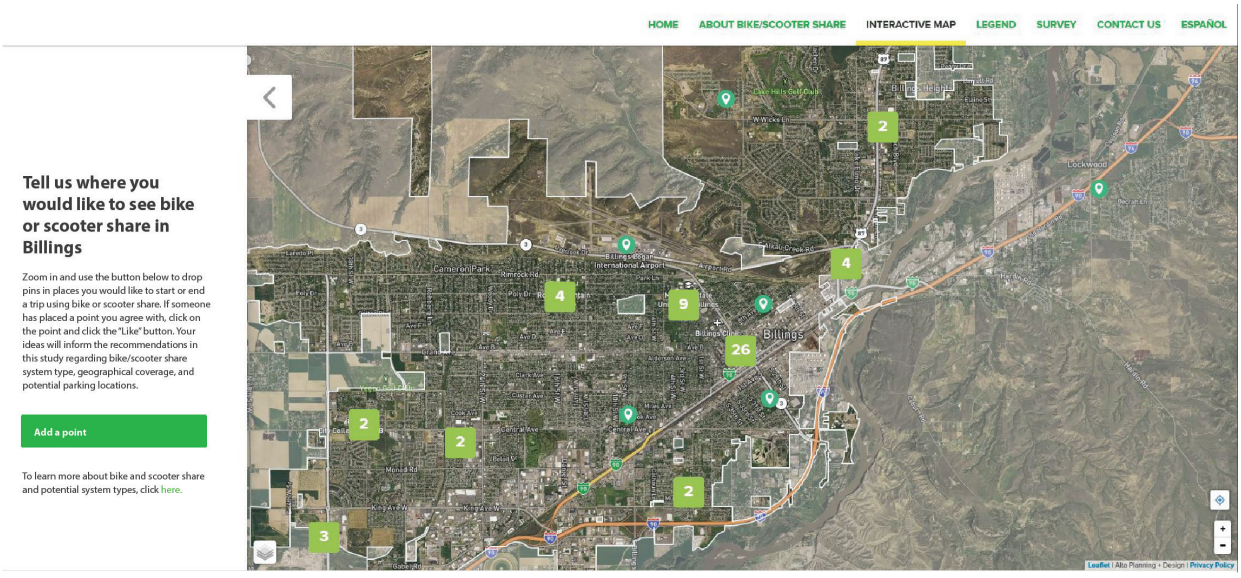


Figure 4-1 Screenshot of the online interactive map. Participants were able to place points to indicate locations they would like to access bike or scooter share

BILLINGS SNAPSHOT

WHO LIVES IN BILLINGS?

With a population of 109,544, Billings is the largest city in Montana. The population is 52 percent female, with 84 percent of the population identifying as white. The two largest non-white populations are Native and Hispanic, comprising five and seven percent of the population, respectively. The city's median age is just over 37, with 60 percent of the population between the ages of 18-64.

The city is also economically diverse with a median household income of $57,692. Forty-four percent of households make under $50,000, 35 percent between $50,000-100,000, 17 percent between $100,000 – 200,000 and four percent over $200,000.

The City's current mode breakdown for transportation to work is 81 percent drive alone, 10 percent carpool, one percent public transit, 1.1 percent bicycle, three percent walk, and one percent other; three percent of the population works from home (ACS 2018 1-year estimates).

WHO DID WE HEAR FROM?

Most respondents live and work in Billings (68 percent), while 41 percent live in Billings but work elsewhere and six percent work in Billings but live elsewhere. Other groups represented among survey respondents included business owners (10 percent) and students (three percent). **Figure 4-2** illustrates the race and ethnicity of survey respondents and **Figure 4-3** shows the reported income level of respondents.

When asked how they typically get to work or school, respondents indicated that "car or truck" is the most common means (73 percent). A substantial number of respondents also use a bicycle (19 percent) or walk (12 percent) to get to work or school. Nearly 23 percent of respondents reported that they work from home or do not go to work or school (e.g. retired, primary caregiver, etc.). (Note: this survey was conducted during the COVID-19 pandemic, resulting in increased numbers of respondents selecting that they work at home.)

Survey respondents between the ages of 25 and 46 made up the majority of respondents, followed closely by those between the ages of 46 and 64 years old. Fifteen percent of survey respondents reported that they were 65 or more years old and only three percent of survey respondents reported that they were under 24 years old.

Overall, survey participants generally reflect the demographics of the Billings community. However, people of color were underrepresented in the findings. Only six percent of survey respondents identified as Hispanic or Latino, Black, Asian/Pacific Islander, American Indian or Alaska Native, Middle Eastern, or another race. According to the 2018 American Community Survey, nearly 13 percent of the Billings community identify as one or more of these races or ethnicities. Additionally, people who walk or bike to work were overrepresented in the survey.

Figure 4-2.

What is your race or ethnicity? (N=240)

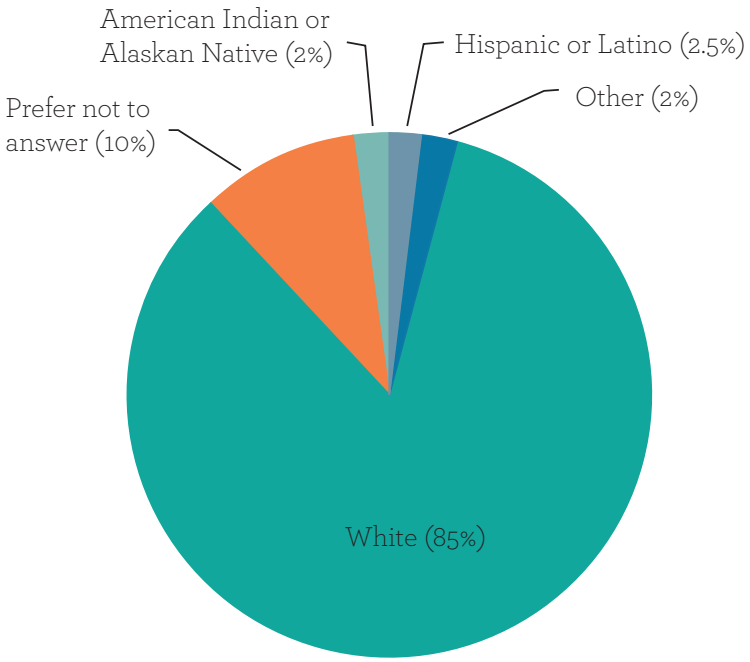
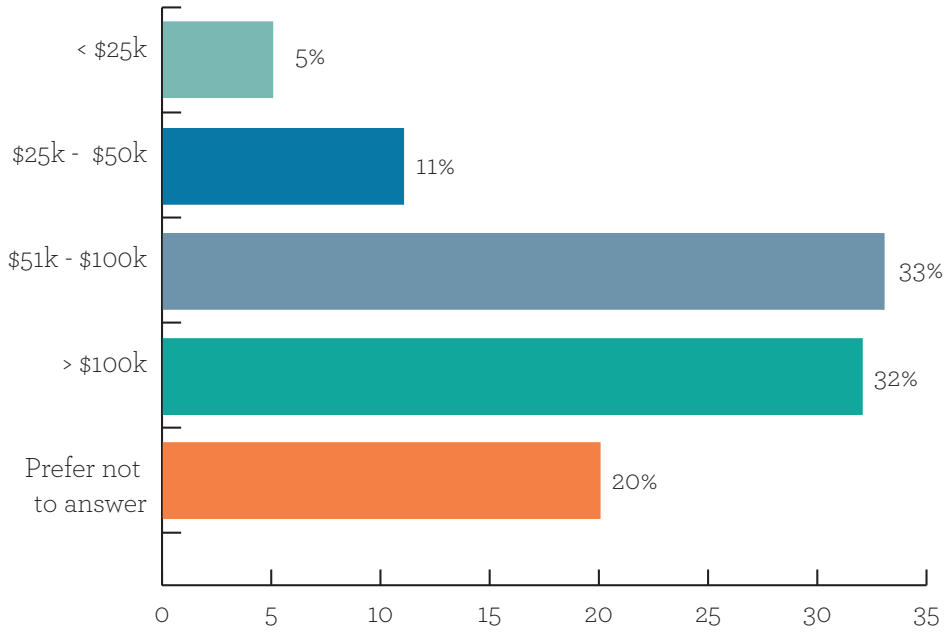


Figure 4-3.

What was your approximate household income last year? (N=243)



COMMUNITY PERSPECTIVES ON BIKE AND SCOOTER SHARE

KEY TAKEAWAYS

The following key takeaways reflect feedback from community members collected in the survey:

Mixed community support for bike and scooter share programs; more information requested. Fifty-three percent of survey respondents are interested in seeing bike and scooter share in Billings, 24 percent of respondents are not interested, and 14 percent need more information. For those who selected "Other," many respondents reported liking the idea of bike share, but not scooter share.

Most Billings community members have not used bike or scooter share. Sixty-four percent of survey respondents have not used bike share and 77 percent have not ridden scooter share. However, over one third of survey respondents had used bike share and 30 percent report that they bike at least a few times a year. As shown in **Figure 4-4**, survey respondents believe that bike and scooter share trips could replace car trips and benefit the environment.

Transit integration is not crucial for bike and scooter share in Billings. Sixty-three percent of survey respondents reported that access to bike or scooter share for first-mile travel would not increase transit trips. However, 43 percent of survey respondents say that bike or scooter share trips would replace car trips.

Top concerns related to bike and scooter share included safety, lack of bicycle infrastructure, and vandalism. Sixty-two percent of survey respondents reported that they had safety concerns about sharing the road and interacting with other vehicles, 51 percent reported having concerns regarding lack of designated bicycle infrastructure, and 40 percent reported concerns regarding bikes or scooters blocking the sidewalk or ending up in inappropriate places. Only 16 percent of survey respondents had no concerns about bike and scooter share in Billings, as shown in **Figure 4-5**.

Most Billings community members want to access downtown, parks, and restaurants/ coffee shops by bike or scooter share. Sixty-five percent of survey respondents reported that they would like to access Downtown with bike or scooter share, 48 percent reported that they would like to access parks, and 45 percent would like to visit restaurants or coffee shops. Twenty-seven percent of respondents reported that they didn't want to use bike or scooter share.

53%

OF RESPONDENTS WOULD BE INTERESTED IN SEEING BIKE/ SCOOTER SHARE IN BILLINGS

Figure 4-4.

Which of the following statements would support your interest in using a bike/scooter share system? (N=245)

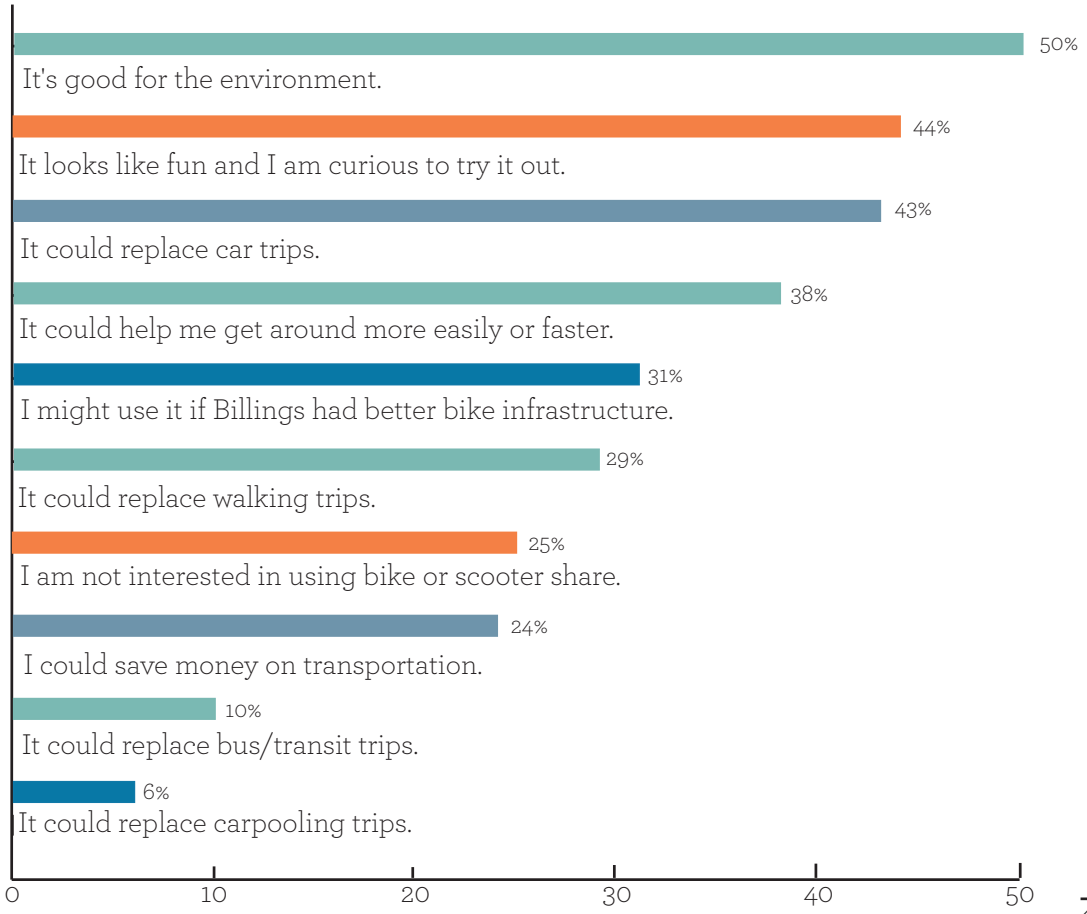
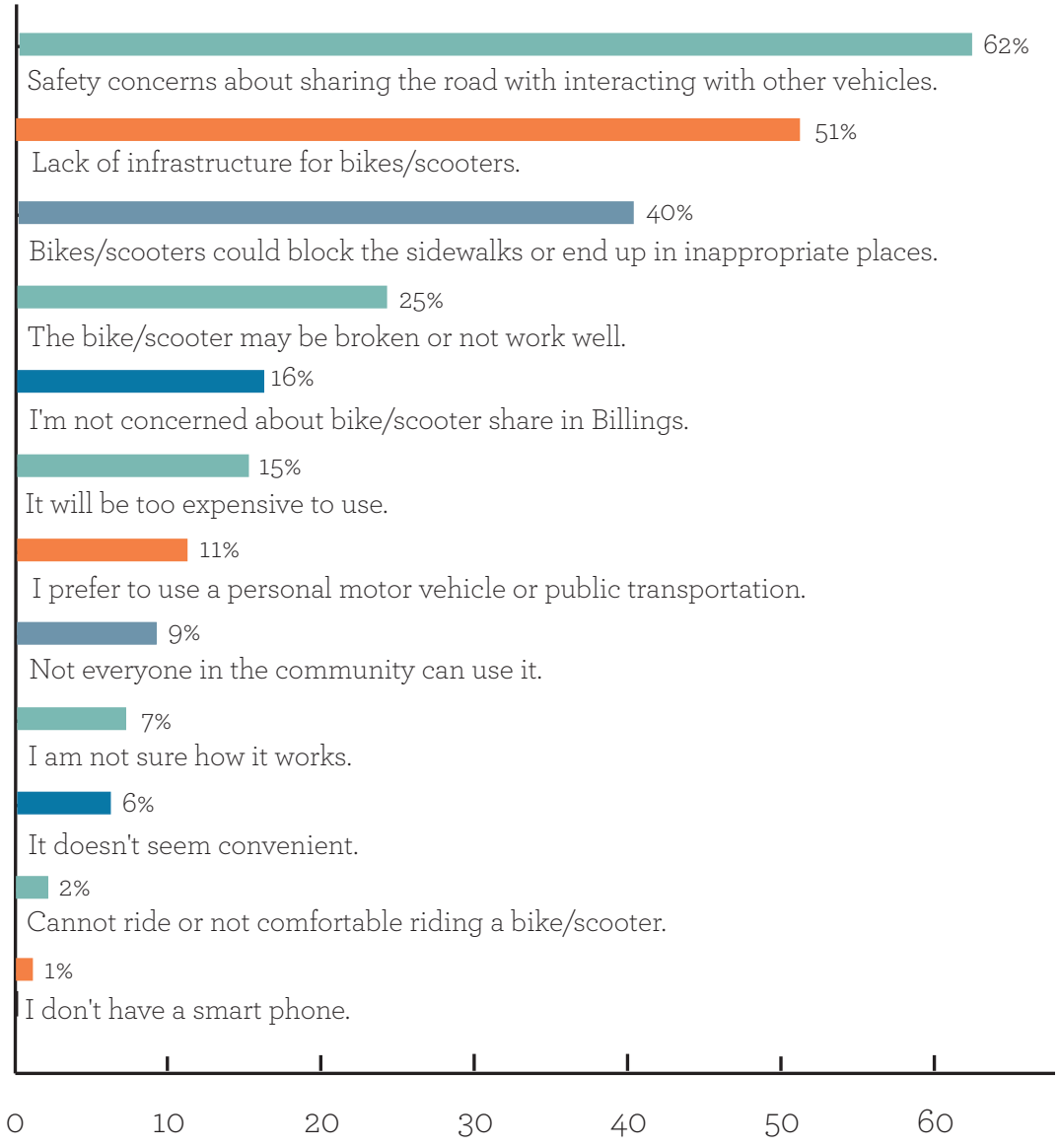


Figure 4-5.

What are your top three concerns related to bike and scooter share in Billings? (N=245)



As shown in Figure 4-4, personal safety, lack of safe infrastructure, and inappropriate bike/scooter parking are top concerns. Sixty-two percent of survey respondents are concerned about sharing the roadway with vehicles and 51 percent are concerned about lack of bike-specific infrastructure. Only 16 percent of survey respondents selected that they were not concerned about bike/scooter share in Billings.

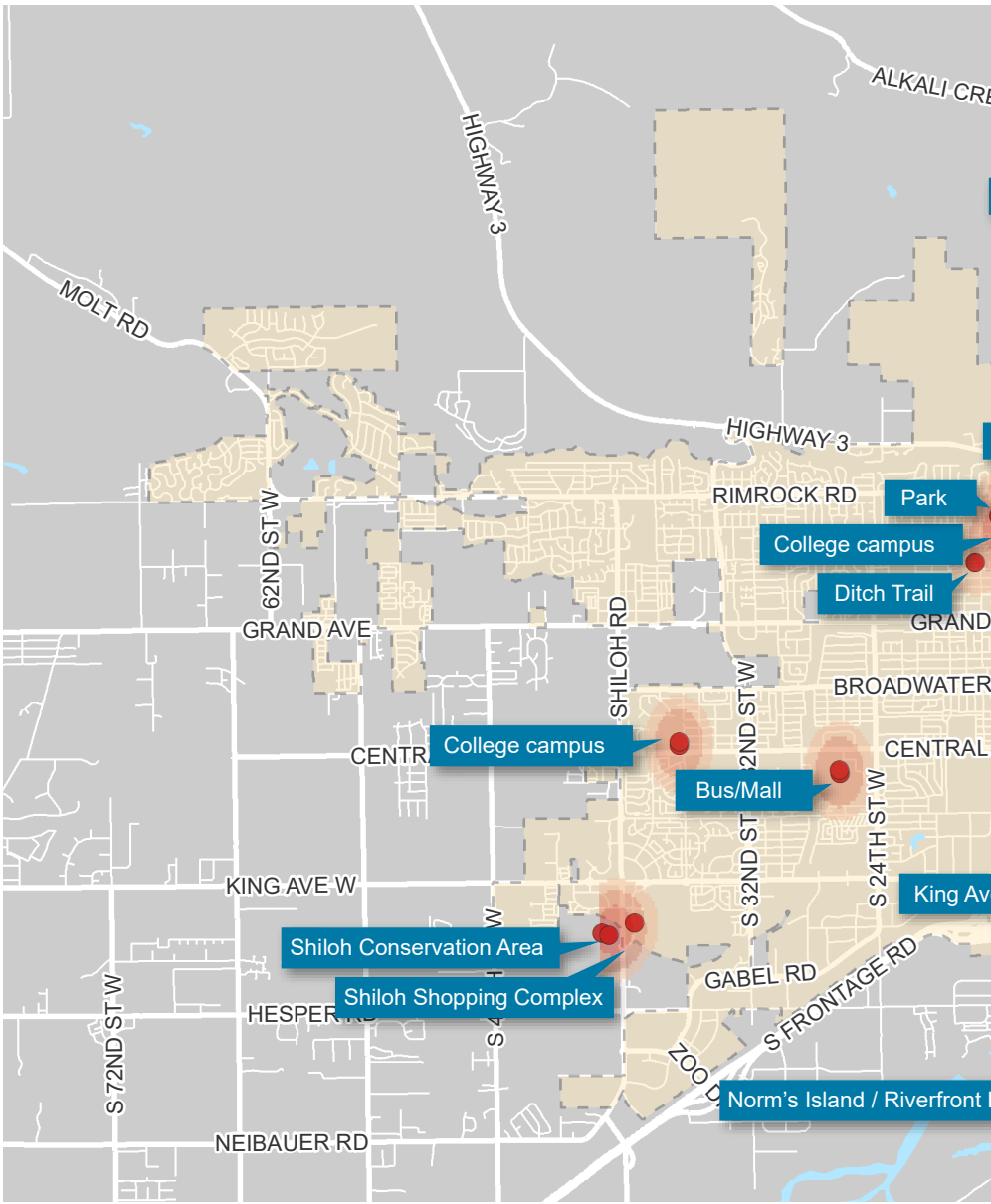
WHERE WOULD COMMUNITY MEMBERS LIKE TO SEE BIKES AND SCOOTERS?

Community members shared desired bike and scooter share locations via the online survey and online interactive public input map made available through websites and social media outlets managed by the City of Billings, the Billings-Yellowstone County MPO, and other local organizations. These public outreach tools enabled greater participation than is typically seen during in-person events and allowed residents to give input on their own time.

During the six-week window that the interactive map was publicly available, 62 suggestions were made by community members for locations where they would like to see future bike and scooter share. Common themes among these suggestions were downtown destinations, college campuses, parks, and trail systems. These suggestions are shown in **Figure 4-6** on the following page.

Key numbers from the online public input map include:

- 62 total suggestions
- 24 unique respondents
- 10 “votes” on suggestions, all of them likes



City of Billings

Public Input Suggestions

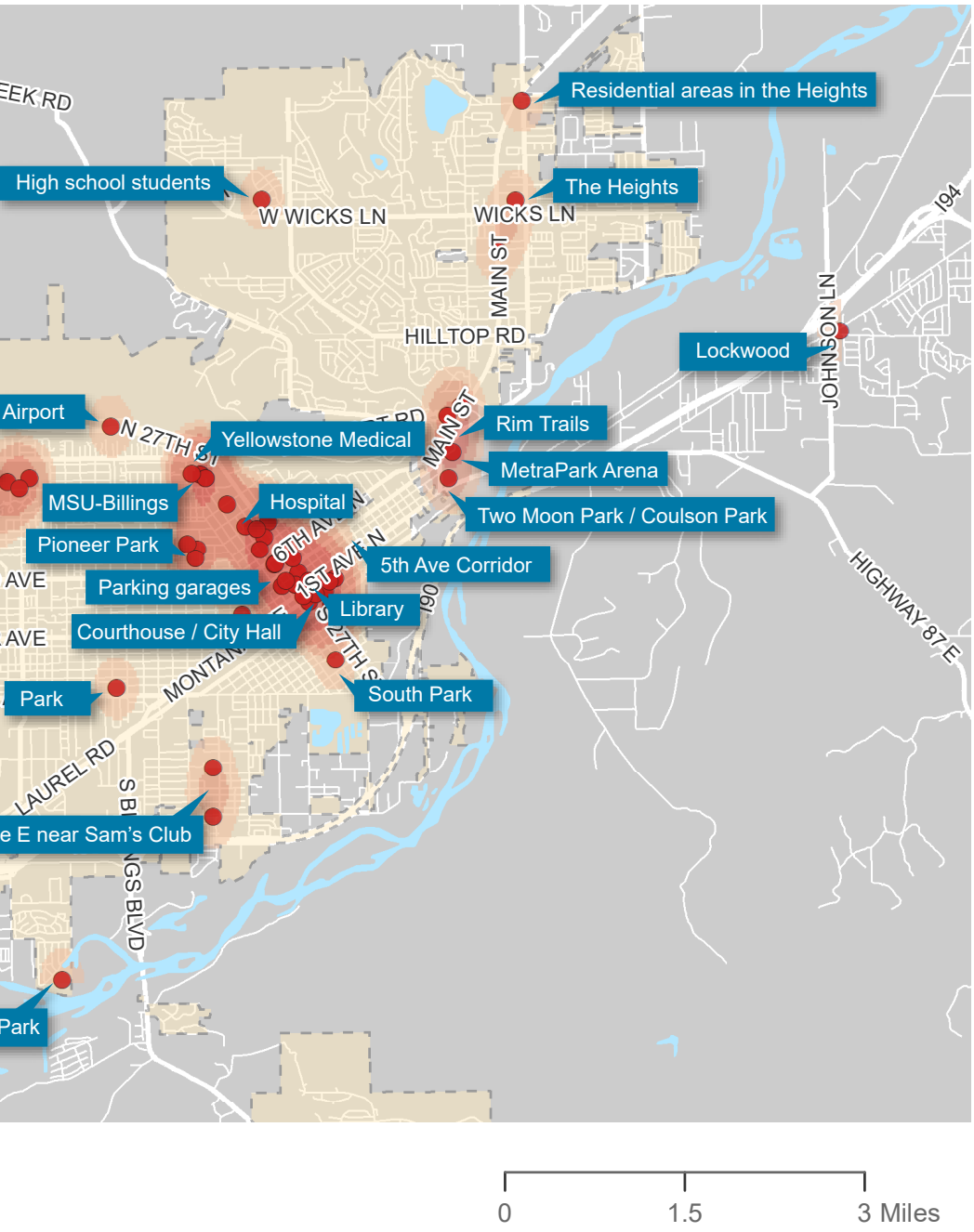
Density of Suggested Locations

Low

High

Suggested Locations

Source: US Ce
Billings-Yellows
Map Created J



ensus Bureau,
stone County MPO
uly 2020

Figure 4-6.

What locations would you like to visit with bike and scooter share? (N=62)

V. WHAT WE LEARNED ABOUT BILLINGS AND BIKE/SCOOTER SHARE

CITY OF BILLINGS CONTEXT

Billings is the county seat for Yellowstone County and Montana's largest city in terms of population, with around 135,000 residents in the Billings Urban Area as of 2017 and a projected population growth of over 30 percent by 2040.[1] The Yellowstone River separates the downtown, West End, and Southside parts of the city from the Heights to the north and Lockwood to the east. Sandstone cliffs, or rimrocks, frame the northern edge of the city. These geographical features influence development and transportation patterns in Billings. For example, the city has multiple east-west corridors that connect to the downtown area, but a significant pinch point exists near Metra Park Arena, where northern neighborhoods are primarily connected to downtown via Main St/SR 87. This creates a de facto barrier to active transportation access to the downtown area.

Downtown Billings is home to a growing medical corridor, which is one of Billings' primary industries and employment centers, the campus of Montana State University-Billings, and a number of other employment and activity hubs generating trips to and from the downtown area. The area is served by the City of Billings Metropolitan Transit System (MET), with 18 fixed bus routes and complementary paratransit service that run through two transfer centers at Stewart Park and Downtown. In addition to expanding transit offerings, Billings continues to grow its network of on- and off-street bikeways and trails with around 30 miles of existing on-street bikeways and more than 40 miles of paved, multi-use trails.

[1] Population statistics are cited from the 2018 Long Range Transportation Plan

DEMOGRAPHICS OF THE COMMUNITY

With a population of 109,544 Billings ranks as the largest city in Montana. The population is 52 percent female, 48 percent male, with 84 percent of the population identifying as white. The two largest non-white populations are Native and Hispanic, comprising 5 and 7 percent of the population respectively. The city's median age is just over 37 with 60 percent of the population between the ages of 18-64.

The city is also economically diverse with a median household income of $57,692. Forty-four percent of households make under $50,000, 35 percent between $50,000-100,000, 17 percent between $100,000 – 200,000 and 4 percent over $200,000.

The City's current mode breakdown for transportation to work is 81 percent drive alone, 10 percent carpool, 1 percent for public transit, 1.1 percent for bicycle, 3 percent for walk, 1 percent other; 3 percent of the population work from home (ACS 2018 1-year estimates).

BICYCLING IN BILLINGS

In 2017, Billings undertook a comprehensive update to their Bikeway and Trails Master Plan, led by Alta Planning + Design. That process included documentation of existing facilities, safety concerns and considerations, extensive public outreach, and the development of a backbone network of low-stress bicycle facilities.[2] A product of this plan update includes a short list of priority

[2] The Level of Traffic Stress (LTS) evaluation allows for planning of bicycle networks that are comfortable for riders of all ages and abilities, including young bicyclists and those who may be new to bicycling. This methodology seeks to measure how much stress is experienced by bicyclists across a street network due to various characteristics of roads and bicycle facilities. A Level of Traffic Stress (LTS) methodology was developed by Merkuria, Furth, and Nixon in Low-stress Bicycling and Network Connectivity (2012). LTS rankings range from 1 (very low-stress; tolerable by all) to 4 (very high-stress; tolerable to only a few).

projects to be implemented in the next 5-10 years, and overall proposes over 400 miles of additional on- and off-street bikeways that will add to the nearly 70 miles of existing bicycle facilities in the Billings area.

Bicycling generally comprises a small share of existing trips in Billings. According to the American Community Survey (ACS, 2018), an estimated 1.1 percent of commute trips in Billings occur via bicycle, which exceeds the national average of 0.5 percent, and is in line with the statewide estimated average of 1.2 percent.

These results illustrate the small existing role of bicycling within Billings' transportation system. The ACS has limitations as a data source in that it only counts commute trips. It also only considers a "primary" mode of travel and does not count trips made in combination with a second mode, and may not count all populations equally. Nevertheless, ACS data can serve as a benchmark for existing bicycle ridership and changes over time.

EXISTING AND PROPOSED BICYCLE FACILITIES

Existing bicycle facilities in Billings consist of intermittent bike lanes, signed on-street routes, and a fairly extensive paved trail network. Though formal bikeways are disconnected, the 2017 Billings Area Bikeway and Trails Master Plan Update proposes over 400 miles of additional facilities, both on- and off-street, many of which intersect or run along some of MET's most popular routes. Several of these routes that connect with existing transit patterns are slated for early implementation (5-10 years). Some notable projects include:

- **6th Ave N shared use path**: makes a critical connection for cyclists traveling to/from the Heights
- **Wicks Ln shared use path**: Wicks Ln is one of MET's major transit corridors in the Heights
- **Annandale/St Andrews bike lanes**: enhances bike access to Wicks Ln
- **15th St W bike lanes**: intersects Grand Ave and Broadwater Ave bus routes
- **Monad Rd bike lanes**: enhances access to Stewart Park Transfer Center
- **Central Ave shared use path**: runs along a portion of the Grand Ave bus route and connects to Shiloh Rd shared use paths

Several non-infrastructure policy and programmatic recommendations were also made, including assessing the feasibility of a city-wide bike and scooter share system, implementing a wayfinding program (this Study, completed Febra), and updating bicycle parking guidelines and requirements (current guidelines have been updated to reflect this recommendation).

EXISTING LOAN-A-BIKE PROGRAMS

The Downtown Billings Alliance (DBA) currently operates a low-capacity bike rental program out of their downtown office located at 116 N 29th Street. The Loan-a-Bike program makes a bicycle available for use, free of charge due to sponsorship from the Downtown Billings Business Improvement District (BID). Typically utilized by people visiting Billings, people can rent a bike by showing up to DBA's office and providing a photo I.D. and credit or debit card (in case of equipment damage). Typically, only a handful of bikes are available for use at any given time. Similarly, the Billings Chamber of Commerce maintains a limited assortment of bicycles that are loaned out to visitors.

Many visitors want to explore Billings' beautiful trail network and see the city by bike. Partnering with the DBA and Chamber of Commerce should be a priority in implementing a bike and scooter share system in Billings.

EQUITY ANALYSIS

A major factor in assessing a study area for bike and scooter share is striving for a system that is accessible to people from all walks of life; a person's access to transportation options either enables or hinders their ability to get to work, buy healthy food, see a doctor, go to school, or socialize with their community. Many communities rely on a variety of modes to connect to basic services and opportunities that are necessary to live productive, fulfilling,and healthy lives. However, convenient, safe, and affordable transportation options are not always available to those who need them the most. These communities, commonly labeled as vulnerable, are vulnerable because of a history of disinvestment, which has led to poor financial, health and housing circumstances, and/or physical or communication limitations. Without appropriate transportation, vulnerable individuals and communities are prevented from fulfilling basic needs.

Often, traditionally vulnerable populations, such as children, older adults, people of color, people with limited English proficiency, and low-income families rely heavily on affordable transportation options, specifically walking, biking and transit.[3] [4] [5] A lack of high-quality walking, biking, and transit facilities can result in unsafe and/or long travel. Uneven distribution of active transportation infrastructure can also result in health, safety, mobility, and economic benefits accruing to those who are more fortunate, while increasing hardships for vulnerable populations. Transportation facilities are essential components in creating communities of opportunity and reducing the disproportionate economic and health burdens of vulnerable communities.[6]

The terms "equity" and "equality" are sometimes used interchangeably, which can lead to confusion. In this analysis, equity is defined as trying to understand and provide disadvantaged communities with what they need to live healthy and productive lives. These needs include access to jobs, housing, and other critical services. Equity recognizes that different people experience different barriers to securing their needs. In contrast, equality aims to ensure that everyone gets the same things to live healthy and productive lives, regardless of need. Working towards equity may mean that active transportation funding is prioritized for areas with greater concentrations of disadvantaged populations instead of being distributed equally based on geography.

Across the country, bike and scooter share program managers have identified the importance of launching a program with equity and inclusion in place from the start, rather than retrofitting equity-focused outreach or expansions to historically-marginalized communities after a program is already established in a high-demand area. Alta's Bike and Scooter Share Equity Analysis utilizes the most current Census data typically associated with underserved populations to identify equity priority areas.

[3] Dannenberg A, Frumkin H, Jackson R. Making Healthy Places. 1st ed. Washington D.C.: Island Press; 2011.

[4] International City/County Management Association. Active Living for Older Adults: Management Strategies for Healthy & Livable Communities.; 2003. http://www.ca-ilg.org/sites/main/files/file-attachments/resources__Active_Living.pdf. Accessed February 11, 2011

[5] Mckenzie B. Modes Less Traveled—Bicycling and Walking to Work in the United States: 2008–2012. Am Community Surv Reports. 2014.

[6] Center for Infrastructure Equity. Transportation Equity. PolicyLink. 2016. http://www.policylink.org/focus-areas/infrastructure-equity/transportation-equity.

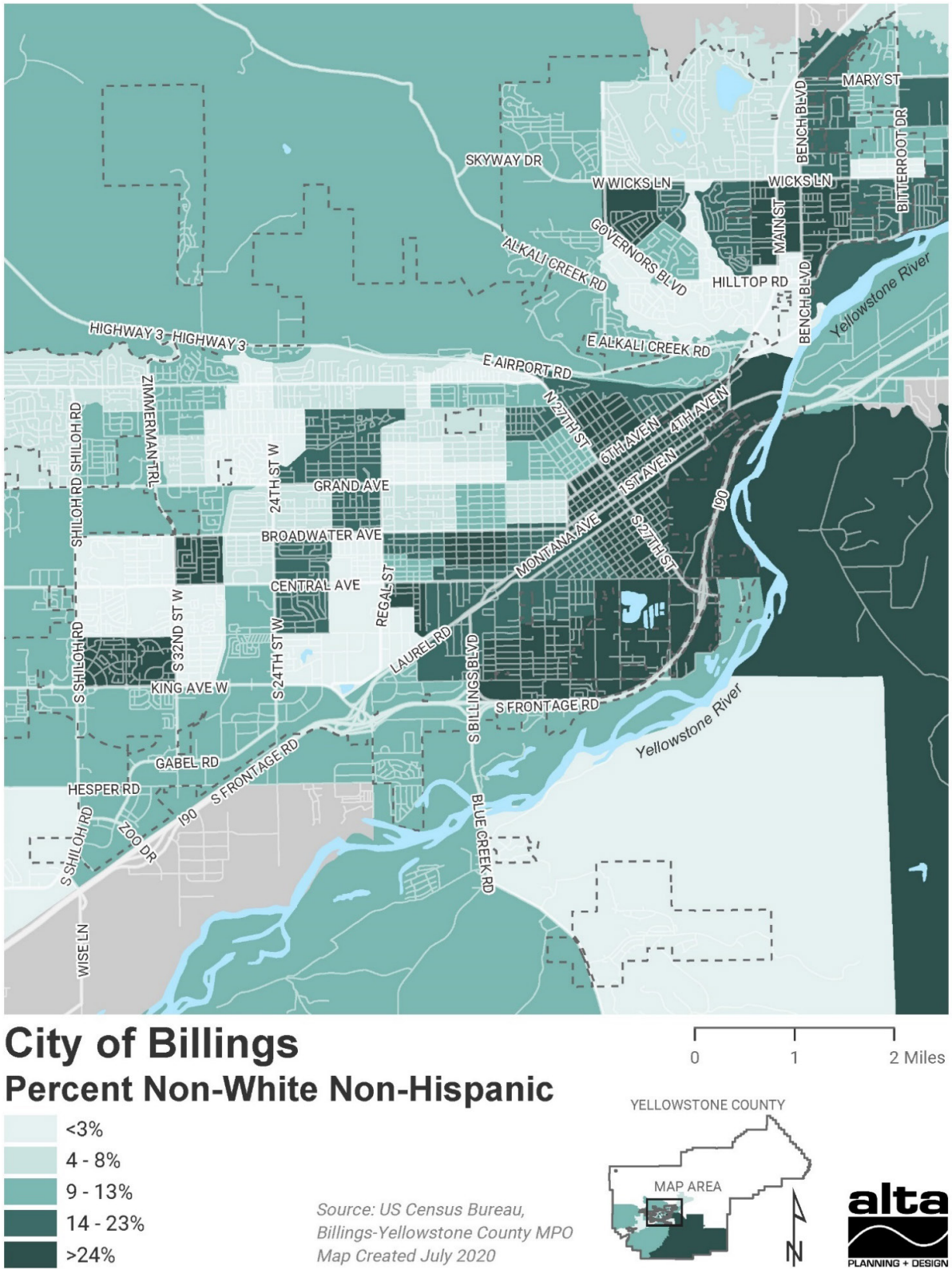
EVALUATION CRITERIA

The project team conducted an equity analysis using readily available demographic information from the US Census Bureau. All data was obtained from the 2018 American Community Survey (ACS) 5-year estimates and was analyzed at the census block group level. For Billings, the following indicators were used:

Race: This was measured using the percent of the population that identifies as non-white, non-Hispanic. Racial or ethnic minorities are more likely to live in areas with poor or limited active transportation facilities, educational opportunities, job resources, and healthy food outlets.[7] [8] Black individuals are over four times and Hispanics are three times as likely to not have access to a household car compared to their white counterparts, regardless of income.[9] Additionally, communities of color are more likely to experience low social cohesion within their residential area because of limited activated public spaces.[10] The deficits of active transportation facilities are consequences of social and institutional marginalization, including job and housing discrimination. In turn, these deficits exacerbate the disproportionate health burdens communities of color experience. Lastly, communities of color experience a greater proportion of pedestrian crashes and have increased risk of mortality after pedestrian injury.[11] [12] Therefore, increasing active transportation facilities and connectivity may promote physical activity, enhance economic opportunities, and increase transportation safety.

[7] Dannenberg A, FrumkinH, Jackson R. Making Healthy Places. 1st ed. Washington D.C.: Island Press; 2011.
[8] Rubin V. Sustainable Communities Series: Regional Planning for Health Equity. PolicyLink. 2015
[9] Berube A, Deakin E, Raphael S. Socioeconomic Differences in Household Automobile Ownership Rates: Implications for Evacuation Policy. Brookings Inst. 2006.
[10] Cutts B, Darby K, Boone C, Brewis A. City Structure, Obesity, and Environmental Justice: An Integrated Analysis of Physical and Social Barriers to Walkable Streets and ParkAccess. Soc Sci Med. 2009;69:1314-1322.
[11] Maybury RS, Bolorunduro OB, Villegas C, et al. Pedestrians struck by motor vehicles further worsen race-and insurance-based disparities in trauma outcomes: The case for inner-city pedestrian injury prevention programs. Surgery. 2010;148(2):202-208. doi:10.1016/j.surg.2010.05.010.
[12] Equity. Vis Zero SF. 2015. http://visionzerosf.org/equity/.

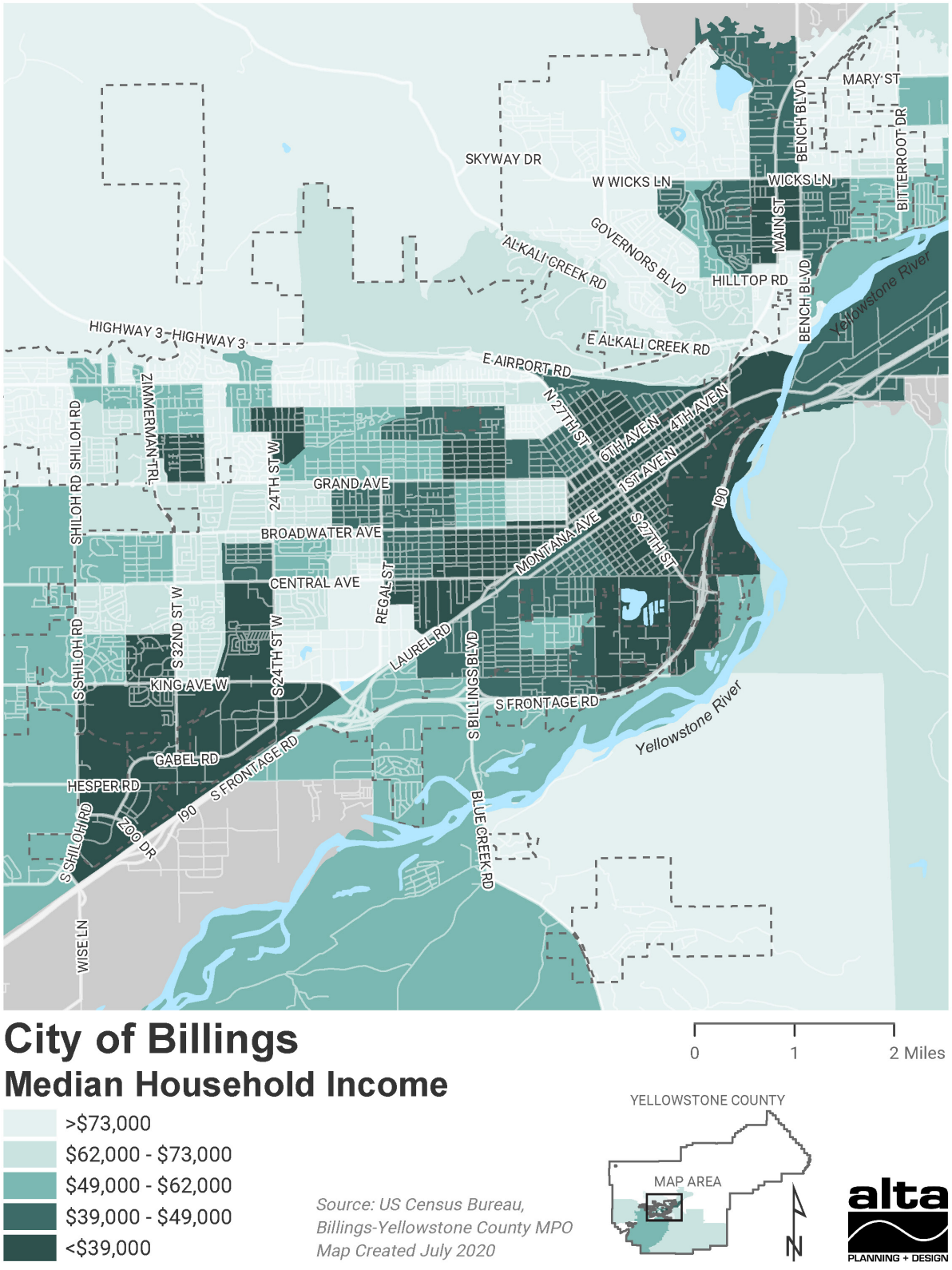
Figure 5-1.


SKYWAY DR
W WICKS LN
WICKS LN
MARY ST
BENCH BLVD
BITTERROOT DR
MAIN ST
GOVERNORS BLVD
ALKALI CREEK RD
HILLTOP RD
Yellowstone River
HIGHWAY 3 - HIGHWAY 3
E ALKALI CREEK RD
E AIRPORT RD
ZIMMERMAN TRL
SHILOH RD
N 27TH ST
6TH AVE N
4TH AVE N
1ST AVE N
24TH ST W
GRAND AVE
I90
BROADWATER AVE
MONTANA AVE
S 27TH ST
CENTRAL AVE
REGAL ST
S 32ND ST W
S SHILOH RD
LAUREL RD
S BILLINGS BLVD
KING AVE W
S 24TH ST W
S FRONTAGE RD
GABEL RD
HESPER RD
ZOO DR
BLUE CREEK RD
WISE LN
City of Billings
Percent Non-White Non-Hispanic
<3%
4 - 8%
9 - 13%
14 - 23%
>24%
0
1
2 Miles
YELLOWSTONE COUNTY
MAP AREA
N
Source: US Census Bureau,
Billings-Yellowstone County MPO
Map Created July 2020
alta
PLANNING + DESIGN

Household Income: The median household income in Billings is $57,692. This is slightly higher than the median household income for Montana statewide, at $55,328. Nationwide, households with incomes less than $50,000 have the highest rates of walking and the second highest rates of biking to and from work.[13] These individuals may depend on walking and biking due to financial constraints and lack of adequate and/or convenient transportation options. And although this population is most likely to walk to work, people with lower incomes tend to live in areas without adequate biking and walking facilities and increased exposure to environmental hazards. Boosting active transportation resources in areas where these individuals reside could promote increased access to educational resources and job opportunities, and enhance residents' physical activity.

[13] Mckenzie B. Modes Less Traveled—Bicycling and Walking to Work in the United States: 2008–2012. Am Community Surv Reports. 2014.

Figure 5-2.



City of Billings

Median Household Income

- >$73,000
- $62,000 - $73,000
- $49,000 - $62,000
- $39,000 - $49,000
- <$39,000

0 1 2 Miles

YELLOWSTONE COUNTY

Source: US Census Bureau,
Billings-Yellowstone County MPO
Map Created July 2020

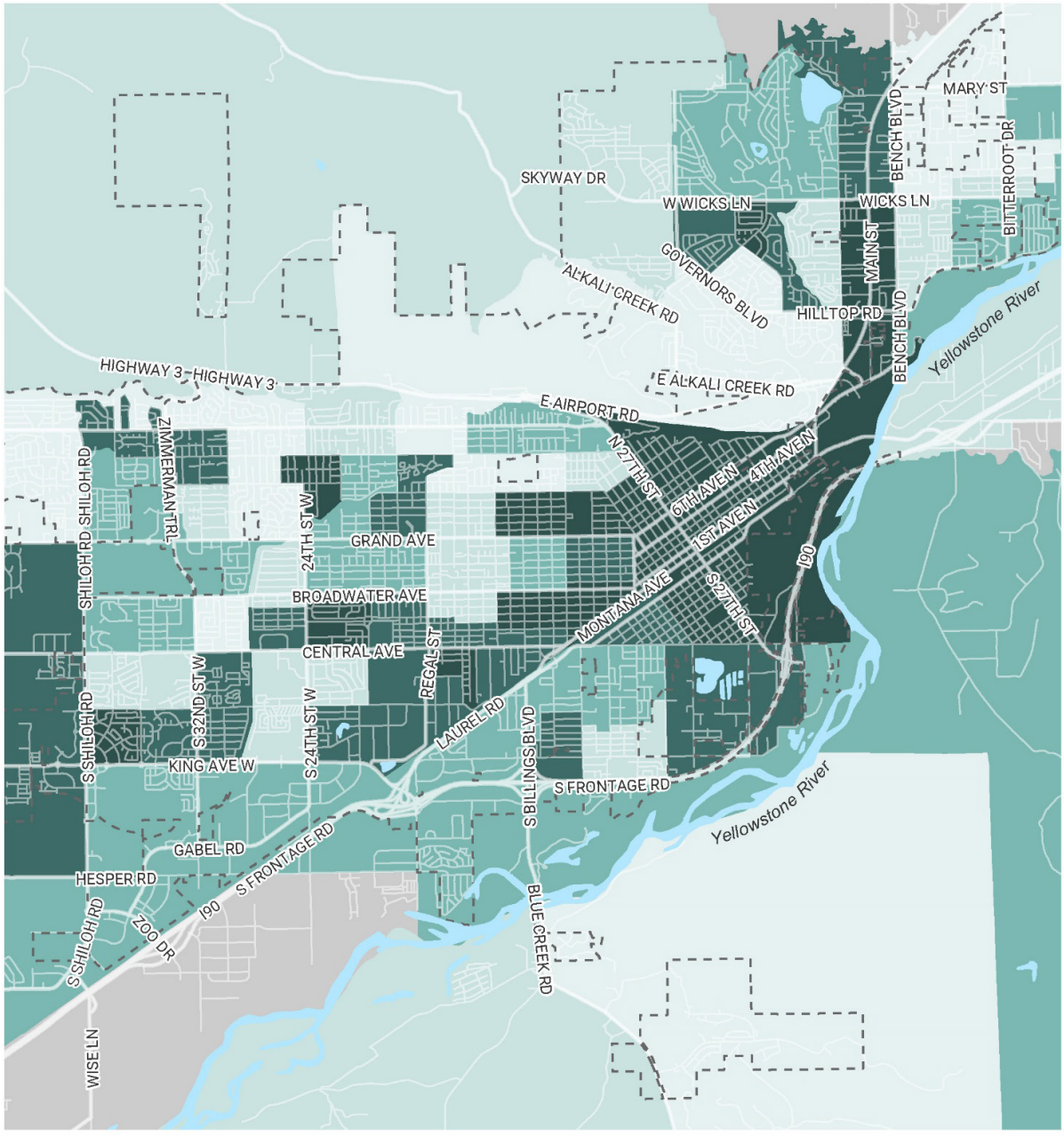
alta PLANNING + DESIGN

Housing Tenure: That housing and transportation costs make up the largest portions of working households' budgets is a well-known reality.[14] Additionally, it has been found that lower-income groups in the rental multi-family market tend to spend higher proportions of their income on transportation costs than their higher-income counterparts. Even in the most location-efficient areas, the lowest income households are still cost burdened, with a high proportion of household income committed to housing and transportation.[15] This analysis therefore compares the distribution of renter-occupied housing units in the city of Billings (**Figure 5-3**).

[14] Center for Housing Policy. "Something's Gotta Give: Working Families and the Cost of Housing". New CenturyHousing, Volume 5, Issue 2, 2004..

[15] City of Portland Bureau of Planning and Sustainability. Housing and Transportation Cost Study. 2010. https://www.portland.gov/sites/default/files/2019-08/housing-and-transportation-cost-study.pdf. Accessed August 3, 2020.

Figure 5-3.



City of Billings

Renter Occupied Housing

- <16%
- 17 - 27%
- 28 - 35%
- 36 - 54%
- >54%

0 1 2 Miles

YELLOWSTONE COUNTY

MAP AREA

N

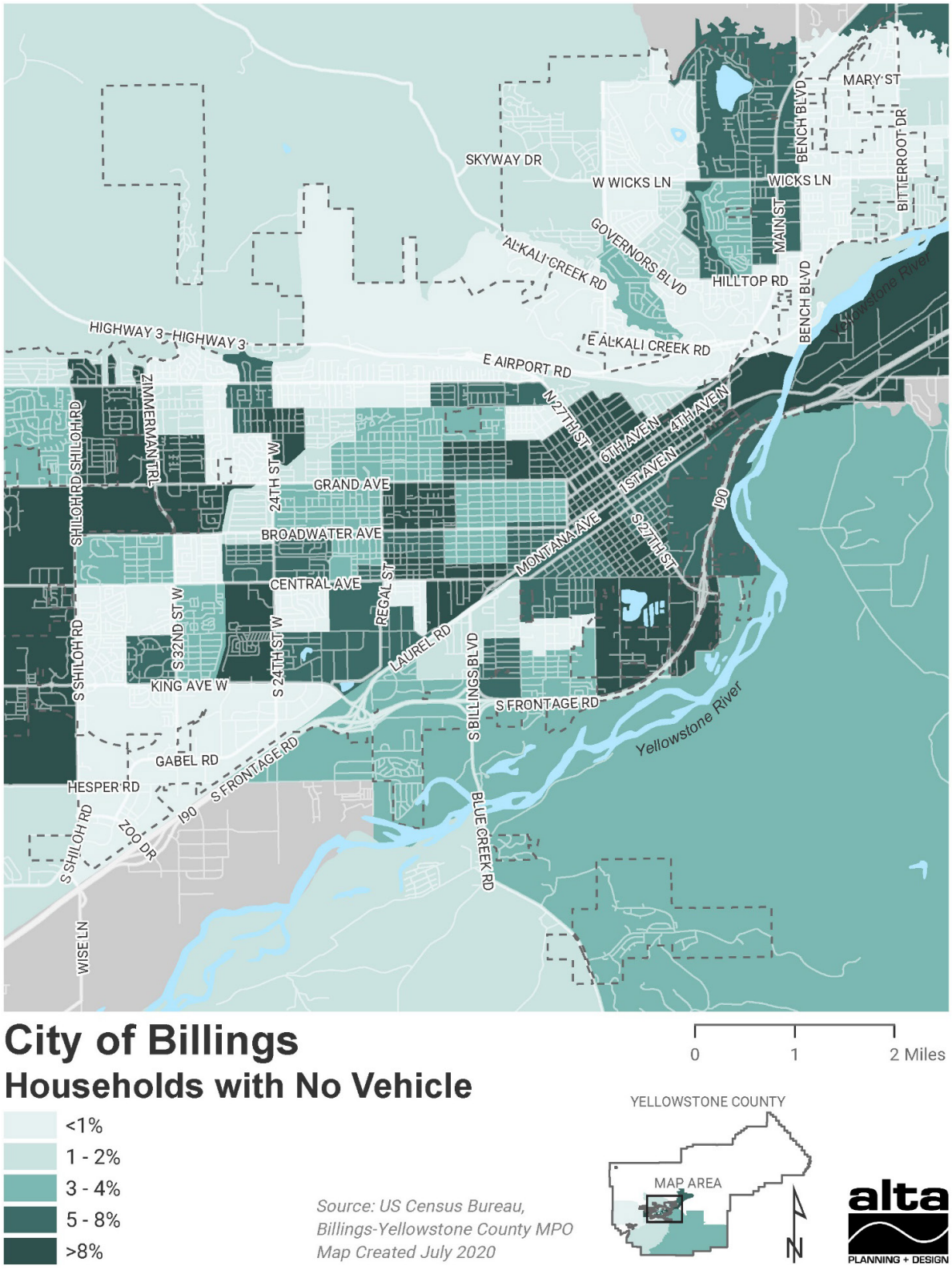
Source: US Census Bureau, Billings-Yellowstone County MPO
Map Created July 2020

alta PLANNING + DESIGN

Access to a Vehicle: This indicator measures the percentage of household who do not have regular access to a vehicle. In less urbanized locations, specifically those with limited transit access and coverage, access to a motor vehicle carries strong implications for one's ability to reach employment, access healthy foods, and reach basic services.[16] A diverse transportation system that offers multiple modes, including transit, bicycling, and walking, reduces reliance on automobiles and can provide for more equitable access to services.[17] Providing access via quality walking and bicycling infrastructure is one method for increasing equity in access for locations with limited vehicle availability.[18] Studies have also found that access to a motor vehicle improves employment rates, as it provides a reliable means to commute to work.[19] The addition of safe and comfortable walking and biking routes, as well as developing improved connections to transit, have the ability to also serve as a reliable means to commute to work. This has the potential to alleviate the necessity of a motor vehicle to reach employment opportunities.

[16] National Association of City Transportation Officials, (2016). "Bike Share Station Siting Guide." Nacto.org.
[17] Liu R, Schachter H. Emergency Response Plans and Needs of Communities with Limited English Proficiency. Transp Res Rec J Transp Res Board. 2007;2013:1-7. doi:10.3141/2013-01.
[18] Ibid.
[19] National Association of City Transportation Officials, (2016). "Bike Share Station Siting Guide." Nacto.org.

Figure 5-4.



Source: US Census Bureau,
Billings-Yellowstone County MPO
Map Created July 2020

COMPOSITE EQUITY

The composite equity map (**Figure 5-5**) displays the sum of the results from each of the indicators explored above. Each of the four indicators received equal weight in determining the composite equity score. Areas that represent higher need are numbered below:

1. West of S 32ndSt and North of King Ave W in the West End neighborhood

2. Montana Ave –Broadwater Ave –12thSt W triangle in the Central-Terry neighborhood

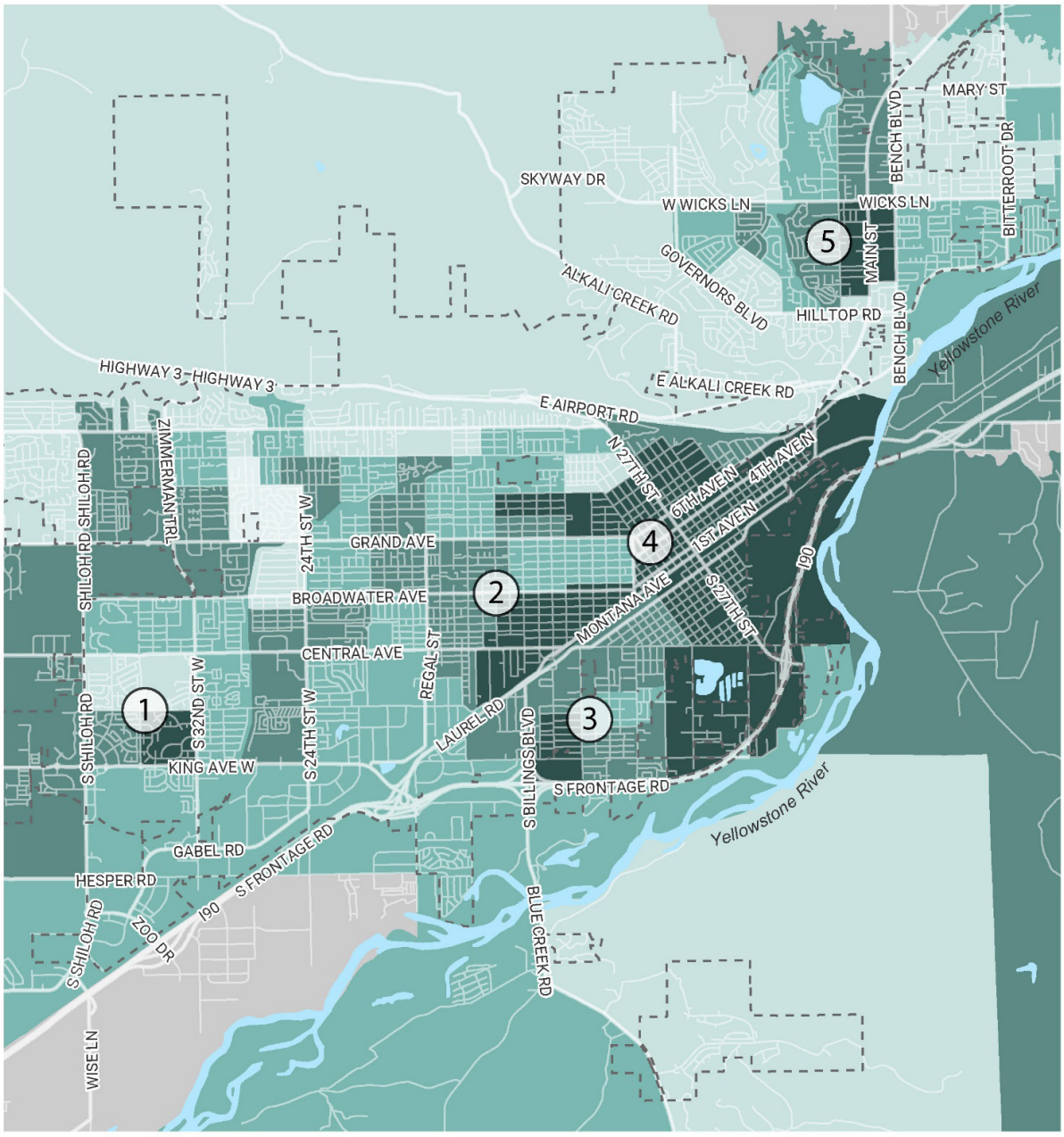
3. East of S Billings Blvd and North of S Frontage Rd in the Southwest Corridor neighborhood

4. Downtown Billings including much of the South Side, North Park and North Elevation neighborhoods

5. Adjacent to Main St north of Hilltop Rd and South of Wicks Ln

Higher relative need is found in the downtown neighborhoods of North Park and South Side. Investing in active transportation facilities in these areas of highest need will likely yield the most benefit for residents' health and access to resources and economic opportunities.

Figure 5-5.



Source: US Census Bureau, Billings-Yellowstone County MPO
Map Created July 2020

EQUITY ANALYSIS RESULTS & DISCUSSION

In this section, we discuss the observed trends in Billings for each of the four evaluation criteria and offer indicator-specific recommendations. **The data for each evaluation criteria were grouped into five categories by percentile in order to compare the magnitude of differences across Billings' census block groups. Each category represents a 20-percentile range. Therefore, the darkest color represents data that are in the 80th percentile and higher (among all census block groups in Billings).** First, the non-white populations range from 0 percent of a census block group to 66 percent in Billings. Higher concentrations of non-white populations are located west of 32ndSt W and north of King Ave W, near Main St south of Wicks Ln and north of Hilltop Rd, and in downtown Billings in the North Park and South Side neighborhoods. Next, median household incomes tended to be further from the downtown core of Billings, with notable pockets of lower income households in the Central-Terry, Southside, North Park, and Heights neighborhoods. The highest concentrations of renter-occupied housing units follow a similar distribution, with more renting households located north of King Ave W, Central Ave, and Grand Ave to the west of downtown, in the North Park and South Side neighborhoods, and adjacent to Highway 87 N north of downtown. Finally, vehicle access appears to be most limited in the downtown core, along with sections north and south of Grand Ave to the west, and north of King Ave west of 24thAve.

RECOMMENDATIONS

Investing in a well-connected biking and walking network should stand as a leading priority for the City of Billings in order to establish an equitable, well-utilized bike and scooter share system. Interventions to enable safe, convenient personal mobility such as sidewalks, separated bike lanes, crossing treatments, speed limit reductions, lighting, etc. should be focused around large employers and key services, such as health care and quality food outlets.[20] Facility planning, designing and implementation should be done with special attention to input and ideas from communities of color.[21]

Additionally, active transportation networks should be considered in areas with limited access to vehicles. Implementation of safe walking and bicycling connections to transit centers can facilitate transit access, while low-stress facilities, such as separated trails, may better connect more rural locations to employment centers, schools, and quality food centers.

[20] Dannenberg A, Frumkin H, Jackson R. Making Healthy Places. 1st ed. Washington D.C.: Island Press; 2011.
[21] Rubin V. Sustainable Communities Series: Regional Planning for Health Equity. PolicyLink. 2015.

BIKE AND SCOOTER SHARE DEMAND ANALYSIS

The Alta Demand Analysis methodology quantifies and visualizes demand for bicycle travel within a specified geography. The planning team conducted an analysis which resulted in a composite demand map (**Figure 5-5**) representing bicycling demand in the Billings area. The analysis is an objective tool and data-driven process that estimates the cumulative demand based on where people live, work, play, learn, and access transit by quantifying origins and destination factors. By utilizing Geographic Information Systems (GIS) to overlay these locations, the model creates a sketch of demand in the study area. This analysis helps to prioritize capital investments, placement of new stations, and identify potential bicycling campaign event sites such as bike to work or open street events. The analysis uses demographic information and urban context data to understand the areas of Billings where bike and scooter share use is likely to garner the highest usage (in terms of trips per device per day). This analysis will help define the optimal bike and scooter share service area and system size for the Billings area.

DEMAND ANALYSIS METHODOLOGY

Bike and scooter share demand incorporates data available from the US Census and is made up of five major inputs:

- Residential density (where people live) [22] [23]
- Employment density (where people work)
- Transit use (where people catch the bus)
- Higher education (where people learn)[24]
- Recreation (where people recreate)[25]

These categories are based on research that looked at the factors influencing bike share ridership, and by proxy, scooter share ridership. In three separate studies, researchers found that population density, employment density, transit commuters, proximity to institutional, commercial, and recreational land uses had a statistically significant correlation with and positive influence on bike share ridership.[26] [27] [28] High demand areas were identified through a heat mapping exercise that allocated points based on where people live, work, take transit, and recreate within Billings. College campuses

[22] Residential, employment, and recreational density was calculated using 2018 data provided by the US Census Bureau's LEHD Origin-Destination Employment Statistics, at the census block level.

[23] It should be noted that residential density does not take into account temporary residents, i.e. those staying in hotels, inns and motels. Hotel, inn and motel employees are included in the recreation density analysis, however, and serve as ade factoproxy for the increased demand that hotels—especially large hotels in walkable, commercial centers—create for bike and scooter share ridership.

[24] This input included the Montana State University-Billings and Rocky Mountain College campuses.

[25] Based on the location of employment specifically related to arts and recreation, restaurants, hotels and retail establishments.

[26] Rixey, R. Alexander. Station-Level Forecasting of Bike Sharing Ridership: Station Network Effects in Three U.S. Systems. 2012. 2013 TRB Annual Meeting <https://nacto.org/wp-content/uploads/2015/07/2012_Rixey_Station-Level-Forecasting-of-Bike-Sharing-Ridership.pdf>

[27] Kim, DJ., Shin, HC, Im, H., and J. Park. Factors Influencing Travel Behaviors in Bikesharing. 2011. 2012 TRB Annual Meeting. <https://nacto.org/wp-content/uploads/2012/02/Factors-Influencing-Travel-Behaviors-in-Bikesharing-Kim-et-al-12-1310.pdf>

[28] Faghih-Imani, A., Eluru, N., El-Geneidy, A. M., Rabbat, M., & Haq, U. (2014). How Land-Use and Urban Form Impact Bicycle Flows: Evidence from the Bicycle-Sharing System (BIXI) in Montreal. Journal of Transport Geography, 41, 306-314.

were also allocated points. A "heat map" was developed to determine where demand for bike and scooter share exists. Colors are set at threshold levels to indicate relative demand within a 1000' by 1000' grid overlaid onto the City of Billings. The accompanying map (**Figure 5-5**) indicates the relative demand for bike and scooter share throughout the city. Areas with the highest potential demand are taken into consideration for deployment of bike and scooter share. These locations will generate the most users and attract the highest value sponsorships, and as a result are the most likely to be financially sustainable.

DEMAND ANALYSIS RESULTS

The map on the following page (**Figure 5-5**) illustrates the results of the Bike and Scooter Share Demand Analysis. Annotations on the map correspond to the notes below.

1. One of the areas with the highest relative demand is the Montana State University-Billings campus. The university provides a combination of high residential density, jobs and transit access. Four bus routes in particular are accessible from the university: the Poly (Rte 24), Crosstown (Rte 3), Met Link (Rte 1), and the Lewis and Clark (Rte T4).

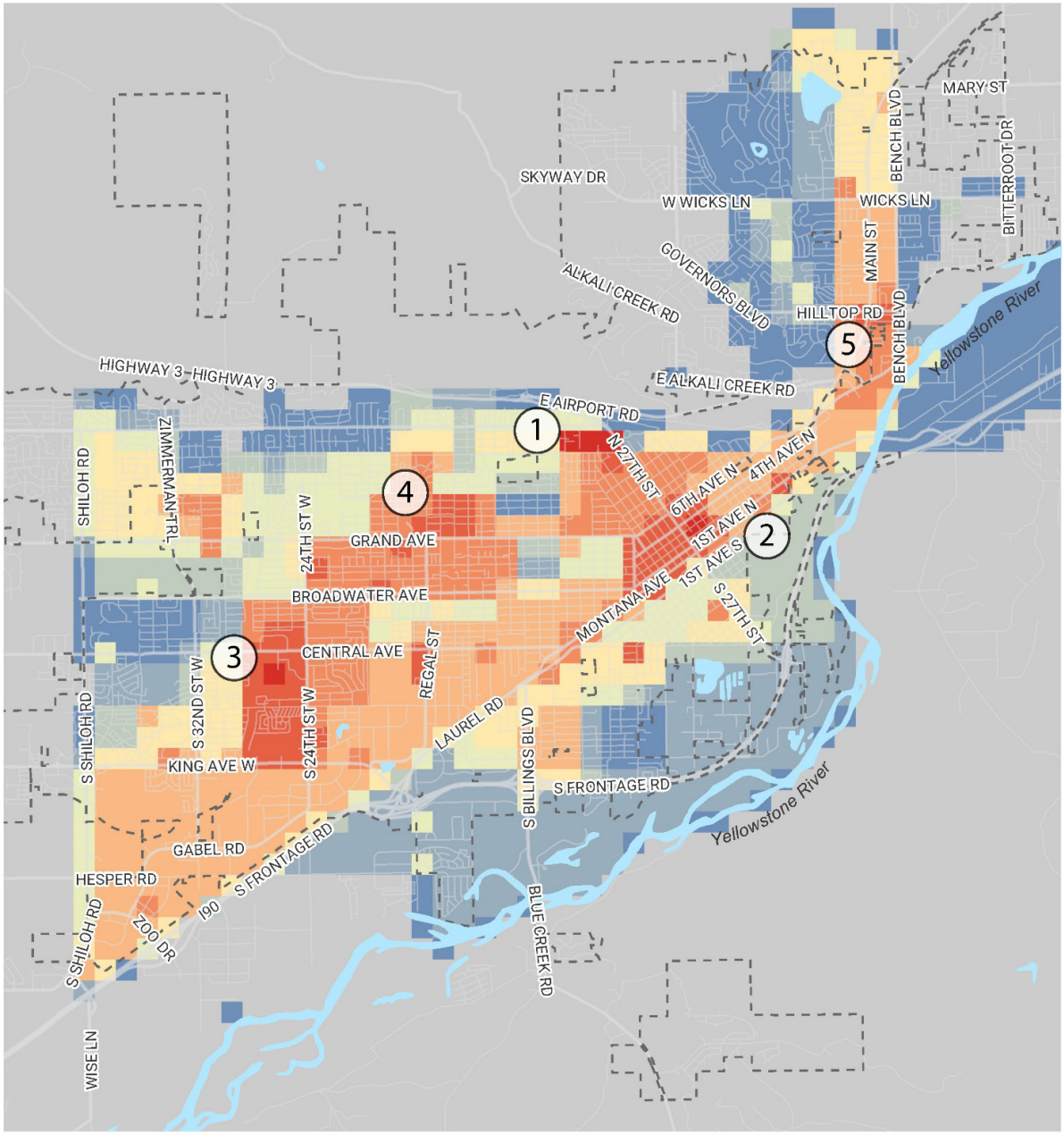
2. Another major source of demand is located in downtown Billings in an area bounded by 4thAve N and 1stAve N to the north and south, and N 27th St and N 23rd St. MET's Downtown Transfer Center falls within this area and is the driving force, in addition to land use and population density, behind the high demand result, as all bus routes are channeled through this transfer center.

3. Next, a high demand area west of downtown is located at Rimrock Mall due to its high employment density. Adjacent to the mall is Stewart Park, which offers significant recreational opportunities for surrounding neighborhoods and is home to MET's second transfer center where most routes converge.

4. The areas adjacent to the intersection of Grand Ave and 15thSt W stand out as another place where bike and scooter share demand is relatively high. The estimated demand score is largely driven by the employment and recreational opportunities near the West Park Promenade and a concentration of bus route time points serving the Grand (Rte 5), Crosstown (Rte 3), and Lewis and Clark (T4) lines.

5. Finally, another region with the City of Billings with a relatively high demand for bike and scooter share is near the intersection of Hilltop Rd and Main St in the Heights. This intersection is the nexus for six bus routes and offers access to a high number of jobs within walking distance.

Figure 5-5.



Source: US Census Bureau, Billings-Yellowstone County MPO. Map Created July 2020

OPPORTUNITIES AND CHALLENGES ANALYSIS

This section outlines some of the current conditions and relevant efforts that have a potential impact on the development and implementation of Billings' bike and scooter share system. Information below is informed by previous planning efforts and conversations with stakeholders such as the Downtown Billings Alliance and MET Transit, and highlights opportunities for a bike and scooter share system to succeed and challenges that may need to be considered.

OPPORTUNITIES FOR BILLINGS

The Steering Committee identified multiple desired outcomes and opportunities for a potential bike and scooter share program in Billings, including a shift to more active modes, progress towards a more equitable and accessible transportation system, and connecting residents and visitors to what the city has to offer. The following are opportunities identified for a potential bike and scooter share program in realizing some of these outcomes:

Enhanced access to transit. MET's fixed route bus system of over 18 routes is a flag stop system, meaning designated bus stops do not exist, and the bus can be flagged down at any corner along the route. Going through the process of identifying the best locations for bike and scooter share stations as part of this study could influence future decisions as to where bus stops are located should MET make plans for designated stops. Combining bus stops with bike and scooter share stations is an effective way to make multimodal trips convenient. Additionally, a strong partnership with MET presents opportunities for fare integration and a convenient platform for users to access both the bus and bike/scooter share systems.

MET involvement in the bike and scooter share system. Other opportunities for bike and scooter share with regards to transit is the potential for transit agency involvement in the funding and operations of the system. Recently distributed funds as part of the 2020 CARES Act should be assessed, along with other MET goals, to see if investment in a bike and scooter share system makes sense. Additionally, it's important to note that currently under review is a House of Representatives Bill H.R. 4001 (as part of the Bikeshare Transit Act of 2019) that would allow Federal Transit Administration (FTA) funds to be used by transit agencies for the purchase of bike share vehicles as well as operations and maintenance of the system.

Downtown daytime trip mode shift. With the Medical Corridor and MSU-Billings in such close proximity to Downtown, a bike and scooter share system presents opportunities for 1) converting short, daytime trips in and around Downtown to active modes and 2) enhancing connectivity to Downtown that might encourage more trips for Downtown retail or dining that otherwise feel too far for walking.

Expanding tourism opportunities. With a growing trail and on-street bikeway network, an effective bike and scooter share system can be leveraged to get visitors out and exploring the city and surrounding natural features, building on efforts already being made by the Downtown Billings Alliance and Billings Chamber of Commerce.

Increasing transportation equity. A well-planned bike and scooter share system presents opportunities for Billings to make its transportation system more equitable for

residents who would benefit the most from choices beyond just personal vehicles and fixed transit. Bike and scooter share also has the potential to provide access to transit for residents who currently live outside the range of MET's transit service by providing another way to make the first/last mile trip that gets them to/from MET transit service.

CHALLENGES FOR BILLINGS

Like any city, elements of Billing's unique character and context may present a challenge to implementing a successful bike and scooter share system. Challenges identified in the study process not only inform the assessment of feasibility, but also shape the decision-making process for a potential system type, service area, and program structure. Key challenges include:

Limited infrastructure for micromobility users. Micromobility users will generally operate like a bicyclist. While the city is making investments in the network of bicycle infrastructure, gaps exist, which may limit the micromobility service area or user access and comfort when traveling in Billings.

Funding limitations. City staff and stakeholders indicated limited capacity to secure funding for both capital and operational costs associated with a bike and scooter share system. Though privately funded, dockless systems started arriving in many cities across the U.S. in late 2017, the companies offering these programs have reduced their footprint significantly over the last several years. During this evolution of the micromobility industry, business models have changed and many companies have narrowed their criteria for desirable markets, shifting resources toward major metro markets. Concurrently, new companies continue to develop within the industry, testing varying approaches to public and private partnerships and serving small and mid-sized markets. Within this context, Billing's population size suggests that public investment will have an important role and that potential private sector operators are limited to a subset of the larger industry.

Community priorities. Secondly, the Steering Committee recognized that there is no existing consensus among residents and elected officials related to the potential value of a bike or scooter share program. Achieving some level of consensus and broadening understanding of bike and scooter share will be important for securing funding in the future and successful implementation.

Climate. Lastly, as Billings is a place that experiences severe weather conditions, especially in the winter, consideration for operations and maintenance will need to be made based on seasons and climate.

VI. RECOMMENDATIONS

OVERVIEW/ SUMMARY OF RECOMMENDATIONS

Chapter 6 includes the Billings Bike and Scooter Share Study recommendations that will inform bike share implementation in Billings. These recommendations build on the community outreach, current conditions analyses, and research conducted over the course of the study. **Table 6-1** highlights the key Bike and Scooter Share Study recommendations regarding system type, governance, and system launch.

Table 6-1.

Key Bike and Scooter Share Study Recommendations

SYSTEM TYPE
Hybrid Bike Share System
Electric-Assist Bikes
SYSTEM GOVERNANCE
Operated by a Private Company
Owned by either the private company ("turnkey") or by City of Billings
Provide Student Fares
SYSTEM LAUNCH
Launch in Initial Service Area including Downtown and MSU Billings
Create Equity Program
Establish Strategic Partnerships

SYSTEM TYPE

RECOMMENDATION: HYBRID BIKE SHARE SYSTEM, WITH OPTION FOR SCOOTERS

The recommended system type for bike share in Billings is a hybrid system. To determine the recommended bike share system type for Billings, the project team used the decision matrix illustrated in **Table 6-2** to understand opportunities and limitations to three major types of shared micromobility systems: docked and hybrid bike share, and dockless scooter share. **Table 6-2** scores each type of micromobility system according to its ability to meet Billing's program goals and other considerations identified as important for the Billings community. Overall, a hybrid system will provide the ideal balance of control and flexibility to meet the needs of the Billings community.

Some hybrid bike share system operators have the ability to offer "mixed fleets," or fleets including bike share and other devices, such as scooter share. Although scooter share is not recommended as the sole micromobility option in Billings, the Bike and Scooter Share Study recommends that Billings consider incorporating scooter share as part of a mixed fleet.

Table 6-2.
System Type Analysis Matrix

GOAL	DOCKED BIKE SHARE	HYBRID BIKE SHARE	DOCKLESS SCOOTER SHARE	DESCRIPTION
Enhances the transit system by expanding access to existing bus routes and linking the transit system to a broader suite of multimodal options	3	3	2	All versions of bike and scooter share systems can support transit, but dockless systems limit the City's ability to link device availability to specific locations (such as transit stops).
Contributes to a more equitable transportation system by reducing the need for personal vehicle ownership	3	3	2	All versions of bike and scooter share can support equity goals if properly implemented; however, geographic equity has been shown to be the best indicator in improving access to underserved communities. A dockless scooter share system without physical hubs or stations would require the operator to manually rebalance the scooters into underserved communities.
Promotes greater participation in active transportation	3	3	2	Assuming thoughtful planning and implementation has occurred, all versions of bike share systems are shown to increase bicycle ridership. Studies of scooter share show that scooters replace some driving trips, but they primarily tend to replace walking and biking trips.

Increases visibility and awareness of alternative transportation modes	3	3	2	While all versions of a bike and scooter system will engender a positive public perception through usage, a dockless scooter system may experience some negative feedback based on difficulties locating the free-floating scooters.
Provides a new way for visitors to explore Billings	3	2	1	All versions of bike share systems are shown to support tourism through improved convenience in accessing visitor destinations. Docked bike share systems are generally easiest for tourists to use because bikes can be rented using the station infrastructure. Hybrid bike systems and dockless scooter systems require downloading an app and linking a credit card, which could be hard for less tech-savvy tourists. Dockless scooter systems without stations also limit the City's ability to link device availability to specific tourism-based locations.
Connects people to what the city has to offer	1	3	2	All versions of micromobility systems are shown to support economic development through improving convenience and user experience in accessing business destinations. Docked bike share systems do not offer full flexibility for users to directly access their destinations. Dockless scooter share systems without stations limit the City's ability to link device availability to specific business-based locations (such as business districts); however, scooters tend to be ridden for longer distances than bikes, which allows users to connect to a higher number of destinations.
Relative cost	1	2	3	Docked bike share systems are the most expensive due to purchasing, permitting, and installing docking infrastructure. Hybrid bike share systems incur some costs for setting up the stations but are cheaper than docked systems. Dockless scooter share systems have very low infrastructure costs. Operations costs of all three types remain relatively similar.
Long-term Sustainability/ Adaptability	2	3	3	Docked bike share systems are more expensive to adjust within a city if demand changes, but the model has proven successful even as the micromobility space has changed over the past decade. Hybrid bike share systems and dockless scooter systems are newer so the model is less-proven, but have less up-front infrastructure costs, which give them more flexibility to introduce new models of bicycles as technology changes.
TOTAL	**19**	**22**	**17**	

RECOMMENDATION: ELECTRIC-ASSIST BIKES

The Bike and Scooter Share Study recommends the system use a fleet of electric-assist bikes. This will support a number of the program goals and other factors covered in the evaluation matrix, including:

- Providing for wider geographic coverage by increasing the comfortable speed and distance of bike share trips for customers
- Expanding geographic coverage and system usability to better serve vulnerable demographics, including low-income neighborhoods and riders with mobility challenges

With an e-bike share system, riders can cover more ground and navigate topography with ease. E-bikes are more appealing to a larger range of potential users of varying physical abilities. In the past few years, electric assist bike share equipment has become less expensive and easier to use. All models require the rider to pedal the bicycle in order to get an "assist" from the electric motor. The top speed for an e-bike share system is approximately 15 miles per hour, after which the regulator cuts off any additional power. Because e-bikes are powered by a battery, they must be recharged on a regular basis. This creates an additional operations step for vendors/contractors who must either swap the batteries or dock the bikes at a recharging station.

SYSTEM GOVERNANCE

RECOMMENDATION: TURNKEY OR PUBLICLY OWNED/PRIVATELY OPERATED

The Bike and Scooter Share Study recommends that the City either solicit a turnkey bikeshare system (owned and operated by a private company) or that the City own the bike share system in Billings and contract to a private operator.

To implement a **turnkey bike share system**, a city hires a company such as Koloni or DropBike to provide "bike share as a service" for a defined amount of time. Instead of purchasing a full fleet of bikes and designing stations, a city rents equipment and contracts with the company for the full range of operations support, including: installation, operations, sponsorship, customer service, and maintenance.

The turnkey model allows a city to implement bike share with limited staff capacity and capital investment, while maintaining meaningful city control. Typically, turnkey systems have a faster timeline for implementation, and many companies offer mixed fleet options so the City could request to include e-scooters alongside bicycles. Turnkey models are common in smaller cities and on campuses.

Alternatively, **the City's ownership of bike share in Billings** would provide its own benefits. A Billings-owned bike share system would be an innovative method of supporting first-and-last mile connections to and from transit, adding to the geographic range and flexibility of transit trips. In addition to supporting transit service goals, owning the City's bike share fleet and hub infrastructure would offer the City the highest degree of

control over system design, station siting, and pricing/payment policy. With proper coordination with MET Transit and bike share integrated into MET's system, transit riders would experience a bike share system operated in-tandem with traditional bus service, including:

- A bike share pricing structure in-line with standard transit fares
- The option of using MET passes to pay for bike share rides
- A bike share system that shares in MET's branding, high standard of service, and responsiveness to customer needs
- Control over advertising and sponsorship opportunities

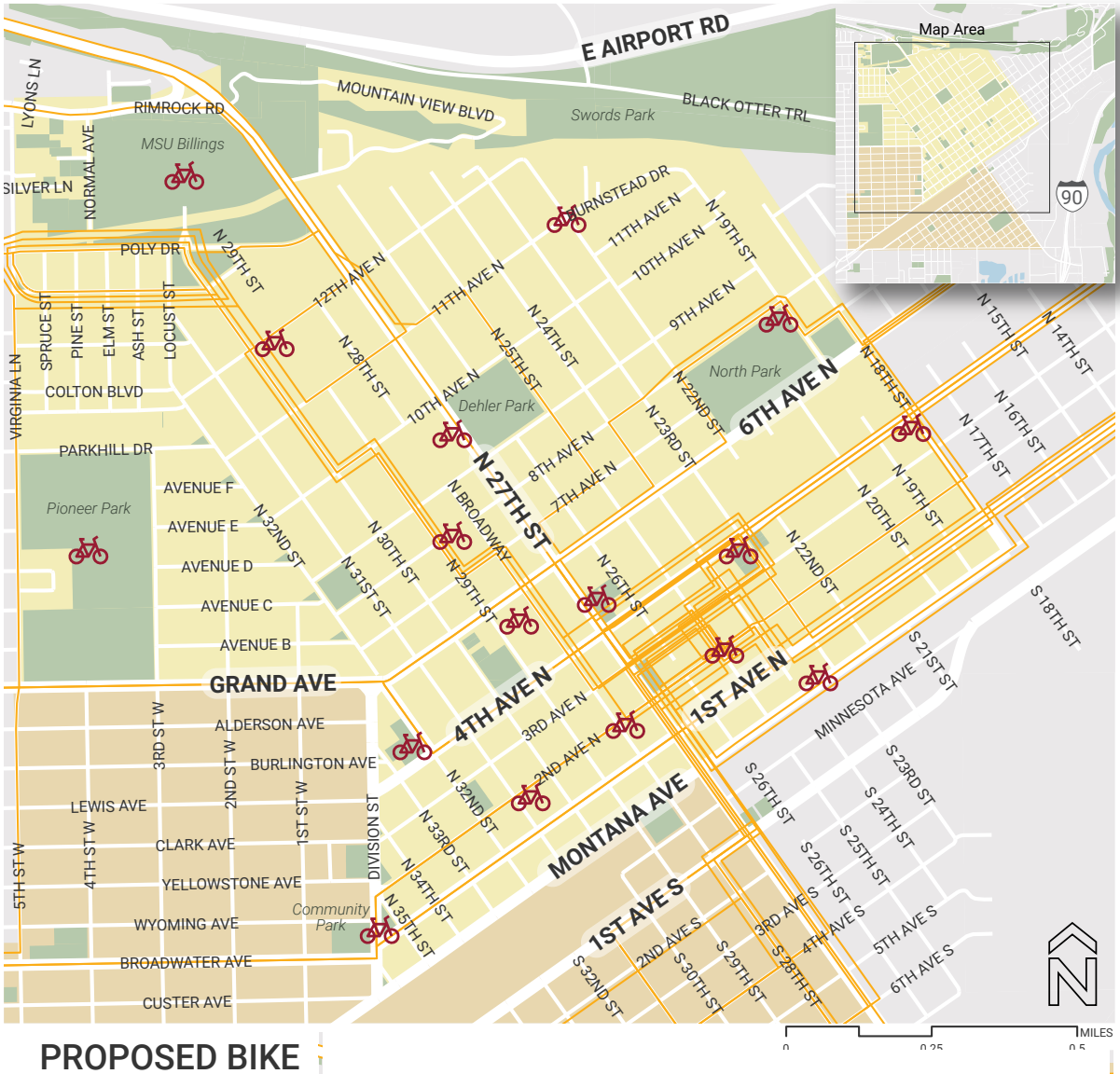
In this instance, **the City would select a bike share vendor to manage the operations of the system.** Private operators can bring extensive knowledge and experience from operating in other cities. Hiring a private operator still allows the City to dictate the terms of bike share service level agreements. The City should require prospective bike share operators to submit their plans for routine maintenance and operations during the bid process, as well as provide evidence of high performance in other jurisdictions.

Operations, Maintenance, and Customer Service

The following contains a list of the major factors to consider when selecting an operator.

- **Re-balancing:** This is a critical aspect of any successful bike share system, as it ensures that people have bikes where and when they want them. The system operator should be able to demonstrate how they will maintain bicycle availability throughout the service area on a daily basis. Additionally, e-bikes necessitate battery charging, so it will be important that the operator is experienced with charging a fleet of electric vehicles.
- **Maintenance:** Ongoing maintenance of bicycles and stations is required for a bike share system to operate smoothly. Maintenance protocols should be included within service agreements between the City and a bike share vendor. Penalties for noncompliance should be included within the agreement to empower public agencies to enforce maintenance procedures.
- **Customer Service:** Operators are responsible for bike share customer service and should have a call center, online portal, and service center to help resolve technical and mechanical issues. The City should request operators meet customer service levels comparable to the City's customer service.

Figure 6-1.


E AIRPORT RD
MOUNTAIN VIEW BLVD
BLACK OTTER TRL
Swords Park
RIMROCK RD
MSU Billings
LYONS LN
NORMAL AVE
SILVER LN
POLY DR
N 29TH ST
SPRUCE ST
PINE ST
ELM ST
ASH ST
LOCUST ST
VIRGINIA LN
COLTON BLVD
PARKHILL DR
Pioneer Park
AVENUE F
AVENUE E
AVENUE D
AVENUE C
AVENUE B
GRAND AVE
ALDERSON AVE
BURLINGTON AVE
LEWIS AVE
CLARK AVE
YELLOWSTONE AVE
WYOMING AVE
BROADWATER AVE
CUSTER AVE
3RD ST W
2ND ST W
1ST ST W
4TH ST W
5TH ST W
DIVISION ST
Community Park
Dehler Park
North Park
BURNSTEAD DR
12TH AVE N
11TH AVE N
10TH AVE N
9TH AVE N
8TH AVE N
7TH AVE N
N 27TH ST
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Map Area
90
MILES
0
0.25
0.5
PROPOSED BIKE SHARE STATION LOCATIONS
CITY OF BILLINGS
Proposed Station Location
Bus Routes
Initial Service Area
Expansion Area
Parks
Water Body
BILLINGS - YELLOWSTONE COUNTY
MPO
METROPOLITAN PLANNING ORGANIZATION
alta
Map Created Dec 2020

SYSTEM LAUNCH

RECOMMENDATION: SERVICE AREA

This section defines an initial service area for system launch and an expansion service area. Introduction of bike share service in the expansion service area can be accomplished either as a single large-scale system expansion or incremental installation of hubs as funds become available.

As shown in Figure 6-1 on the following page, this plan recommends an initial service area that includes Downtown, MSU Billings, and Pioneer Park. The expansion area expands the service area to the west and south of the initial area. Starting in the initial service area provides the opportunity for residents and visitors to get comfortable with small-scale shared mobility on city streets and build support for bike and/or scooter share and bike infrastructure before it expands to other neighborhoods.

Initial Service Area

The initial bike share launch, illustrated at left in **Figure 6-1**, is recommended to include 140-200 electric-assist smart bikes spread between 17 stations of 5-15 bikes each, depending on the demand and available space within the right of way. The initial service area includes Downtown Billings (north of Montana Ave, west of N 18th St, east of Division Street and east of Virginia Lane), including MSU Billings. The entirety of the initial service area includes areas of high demand and/or high equity scores.

Stations are recommended initially in the following areas (listed approximately from north to south):

- MSU Billings
- Highland Apartments
- Yellowstone Medical Center
- North Park
- Billings Clinic/Dehler Park
- Pioneer Park
- Greyhound Station
- 8th Ave N & N 29th St
- Billings Community Center
- Yellowstone Art Museum
- Billings Public Library
- MET Downtown Transfer Center
- Skypoint (2nd Ave N & Broadway)
- Commercial area along Montana Avenue
- Billings YMCA
- Wise Wonders Science Museum
- Community Park

However, station locations may be adjusted as bicycle facilities — particularly protected facilities — are built. It is preferable to locate bike share stations near bicycle facilities to facilitate safe and comfortable bike trips. Stations may also be added in cases where trails or routes are built and high ridership is expected; for example, there is a proposed trail north of downtown below the Rimrocks. Construction of this trail may warrant the addition of another station in the northern portion of the initial service area.

Expanded Service Area

The proposed expansion service area would expand the system outward from its initial service area. Key destinations in the expanded service area would include:

- Residential areas south and west of downtown, including areas with high equity scores
- South Park
- Terry Park
- Highland Park
- Moss Mansion Museum

It is not necessary to expand all at once. The timing and size of the expansion should consider the following factors:

- **Ridership:** High system ridership may indicate the system is ready to expand.
- **Funding:** Identifying additional funding from sponsorships, grants, or operational funding will be necessary to determine the timing and size of system expansions.
- **Infrastructure:** as new bike infrastructure is implemented, system expansions could be coordinated with the arrival of new facilities that provide safe connections for people bicycling.
- **New Indicators of Demand:** Bike share system expansion could be implemented to respond to new development, changes in land use, or expansion of transit service.

ESTIMATED SYSTEM COSTS & REVENUES

The following section estimates the costs and revenues of a bike share system based on the recommended system type and size **(see Table 6-3)**. The actual costs and revenues of the bike share system will vary depending on the selected vendor, specific equipment, pricing structure and usage. These figures provide conservative estimates using current data from the industry. Though the events of the 2020 year have brought major change and uncertainty, the direct costs of bike share system equipment and operations are not expected to shift significantly. The following section describes the two major types of costs associated with bike share systems: start-up costs and operating costs.

Start-Up Costs

This category includes both capital and launch costs.

- **Capital costs** are the costs associated with the purchase of equipment including bikes, transaction kiosks (if present), map frame panels and docks.
- **Launch costs** are mostly one-time costs that include up-front costs such procuring a service center and storage warehouse, purchasing bike and station assembly tools, station installation, website development, communications and IT set-up and pre-launch marketing.

Operating Costs

Operating costs include those required to operate and maintain the system. This includes staff (may be a combination of City and/or vendor staff) and equipment related to:

- **Station maintenance:** Including troubleshooting any technology problems with the kiosk or docking points, cleaning and clearing the station, removing litter and graffiti, etc.
- **Bike maintenance:** Including regular inspection and servicing of bikes as well as maintaining equipment inventory, etc.
- **Re-balancing:** Staff time and equipment associated with moving bikes from full to empty stations and vice versa. This is typically a problem associated with peak demand at commute periods and during events. Re-balancing costs can be mitigated through the use of pricing that encourages riders to return bikes to priority stations or to stations low on bikes.
- **Customer service:** Providing a responsive customer interface for inquiries and complaints as well as performing marketing and outreach to new and existing customers.
- **Direct expenses:** Such as maintaining an operations facility, purchasing tools and spare parts, upkeep of software, communications and IT, administrative oversight, and general administrative costs such as insurance and membership database management.

Estimated System Cost

Most vendor/operators price out a system with a per-bike cost for launch, capital costs, and operations. Based on current industry data, Alta estimates bike share costs for an electric-assist hybrid bike share system in Billings to be:

- Capital: $3,000/bike
- Launch: $2,000/bike
- Operations: $2,000/bike/year

Table 6-3.

Hybrid Electric Bike Share 3-Year Cost Estimate Without Phase 2 Expansions

YEAR	0	1	2	3	0-3
# of Stations	17	17	17	17	17
# of Bikes	150	150	150	150	150
Launch Costs ($2,000/bike, est.)	$300,000	$0	$0	$0	$300,000
Capital Costs ($3,000/bike, est.)	$450,000	$0	$0	$0	$450,000
Operations Costs ($2,000/bike/year, est.)	$0	$300,000	$300,000	$300,000	$900,000
Costs Sub-Total	**$750,000**	**$300,000**	**$300,000**	**$300,000**	**$1,650,000**
Costs Cumulative	**$750,000**	**$1,050,000**	**$1,350,000**	**$1,650,000**	
Estimated "Farebox Recovery" Rate	N/A	30.00%	32.50%	35.00%	N/A
User-fees	$0	$90,000	$97,500	$105,000	$292,500
Annual Need	($750,000)	($210,000)	($202,500)	($195,000)	($1,357,500)
Cumulative Need	($750,000)	($960,000)	($1,162,500)	($1,357,500)	

Using this data, the conservative estimate for a bike share system in Billings with 17 stations and 150 electric-assist bikes would require $300,000 in launch costs, $450,000 in capital costs, and an annual operating cost of $300,000. The system would cost $1.6 million to purchase, launch, and operate for three years.

Revenue: User Fees

The revenue sources for bike share come from user fees, sponsorship, advertising and public funding. User fees include the fees bike share patrons pay for memberships, along with any overtime fees. A key factor to determine revenue through user fees is the "Farebox Recovery Rate" (FRR). The FRR is the percentage of the system's operating costs expected to be covered by user fees.

In bike share systems similar to the recommended system and in cities of similar sizes to Billings, the FRR ranges from 20 - 40 percent. Assuming an FRR of 30 percent, the user fees for bike share in Billings are expected to be approximately $90,000 in the first year of operation. The FRR is expected to grow over the first three years as more users join the system.

Considering the FRR, the annual operating gap (costs minus revenues) can be estimated at around $200,000 per year. This funding may be secured through a variety of sources, including a combination of sponsorship revenue, and state and federal grants. See the Funding Sources section of this report for more information on funding opportunities.

RECOMMENDATION: ESTABLISH STRATEGIC PARTNERSHIPS

Community buy-in is important for long-term bike share stability in Billings. Establishing collaborative partnerships with other agencies, community-based organizations, universities, and other relevant groups will help build support for the system, increase ridership, raise funding, and more.

The role of a partner organization varies based on that organization's role in the community, but may include:

- Direct sponsorship
- Assist with sponsorship solicitations
- Provide subsidized memberships
- Education, marketing & promotion
- Assist with enrollment (particularly into a low-income program)
- Creation and distribution of tourism materials
- Assist with station siting
- Coordinating bike infrastructure upgrades
- Data sharing

The types of organizations that a bike share program will partner with can vary, but may include:

- Local and regional municipalities
- Local and regional transportation agencies
- Parks districts
- Public health agencies
- Universities and colleges
- Tourism bureaus
- Chambers of commerce
- Business improvement districts
- Community-based organizations that serve marginalized communities
- Religious organizations
- Bicycle advocacy organizations
- Environmental organizations
- Hospitals, clinics, and other healthcare facilities

RECOMMENDATION: CREATE AN EQUITY PROGRAM

The Bike and Scooter Share Study researched bike share equity initiatives from bike share systems across North America. The City should include the following elements in the Billings bike share system:

- **Income-based Discounts:** The vast majority of bike share systems that pursue equity goals, regardless of size, have plans that address the financial barriers to users. Income based-discount and cash payment options are key strategies to include lower income bike share riders who may not have access to credit or may not be able to afford the transportation service at the standard fare.
- **Cash Payment:** Over the past couple years, many bike share providers, both public and private, have implemented cash payment options where users can go to designated locations to add cash to their accounts. Reload locations are often social service providers, bike share offices, and local grocery/convenience stores.
- **Alternative Payment Structures:** Beyond income-based discounts and cash payment options, bike share systems should consider other alternative payment structures in order to reduce the financial barriers to entry. For example, rather than offering either a year-long pass or weekly passes, bike share providers could consider offering monthly passes which cater to regular users who can't afford the high total cost of a year-long pass or the high per-trip cost of a weekly pass. Additionally, providing longer rental times can alleviate fears of overage charges.
- **Reduce Liability and Eliminate Hidden Fees:** Some bike share systems require a deposit or have steep fees for lost or stolen bikes. Eliminating these fees across the board or just for lower income users can make people feel more comfortable using the system.
- **Targeted Marketing:** Targeted marketing is any content that increases awareness of the bikeshare among demographics and populations that may benefit from additional outreach. This is a key way providers pursue equity goals. Targeted marketing should reflect the diversity of the area the system serves. It should reinforce the idea that the system is for people who live in Billings, and not just visitors looking for recreational amenities. Successful content is created for (and often with the help of) specific groups and communities the bike share hopes to engage. These strategies could include: ambassador photo shoots, press releases, social media, billboards, bus-stop displays, bike station panels, flyers, emails, custom painted or sponsored bikes by community partners. Regardless of marketing strategy, it is recommended that the content is produced in the languages and located in the places that the target population occupies.

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VII. NEXT STEPS

FUNDING SOURCES

Funding from both public and private sources have been used to fund bike and scooter share systems across North America. Numerous public funding options are available for bike sharing in the United States, but the most common are federal grants issued by agencies such as FHWA, FTA, or CDC, state grants, and local transportation funds. The FHWA provides a summary of public funding sources in its guide to Bike Sharing in the United States (Federal Highway Administration, 2012). Additionally, various state and regional funding opportunities exist for bicycle and pedestrian infrastructure in Montana, for which bicycle and scooter share could be eligible **(Table 7-1).**

Table 7-1.

Potential Bikeshare Funding Sources

FUNDING OPPORTUNITY	ELIGIBLE PROJECT TYPES	LEAD AGENCY	FUNDING SOURCE DETAIL
Surface Transportation Block Grant Program (STBGP)	Bicycle and Pedestrian improvements, among others.	MDT and MPO	With the passage of the 2016 Federal Transportation Bill, Fixing America's Surface Transportation Act (FAST Act), the former Surface Transportation Program (STP) has become the Surface Transportation Block Grant Program (STBGP), which now includes Transportation Alternatives Program funding (described below). Billings- Yellowstone County Metropolitan Planning Organization (MPO) accepts concept reports for consideration of programming funds. This program has a state and an MPO component.
Community Transformation Grants	Bicycle and Pedestrian Infrastructure and Programs. Projects and programs aimed at increasing physical activity	CDC	Community Transformation Grants, administered through the Center for Disease Control (CDC), support community–level efforts to reduce chronic diseases such as heart disease, cancer, stroke, and diabetes. Active transportation infrastructure and programs that promote healthy lifestyles are a good fit for this program, particularly if the benefits of such improvements accrue to population groups experiencing the greatest burden of chronic disease.
Federal Transit Administration (FTA) Funding	Bicycle and Pedestrian infrastructure. Project must enhance or be related to public transportation facilities	FTA	Multiple FTA funding sources exist. Most FTA funding can be used to fund pedestrian and bicycle projects "that enhance or are related to public transportation facilities." Currently under legislation is House Bill 4001 (as part of the Bikeshare Transit Act of 2019), which would allow for the purchase of vehicles as well as the operations and maintenance for bike/scooter share systems.
Statewide Transportation Improvement Program (STIP)	Transportation projects, including bicycle and pedestrian infrastructure	MPO and MDT	The Statewide Transportation Improvement Program (STIP) is MDT's short-term capital improvement program, providing project funding and scheduling information for the department and Montana's metropolitan planning organizations. The MDT, as well as the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) approve the STIP.

Metropolitan Planning Organization Transportation Improvement Program (TIP)	Transportation projects, including bicycle and pedestrian infrastructure	MPO	The 2017 Billings Area Bikeway and Trails Master Plan update recommends that the City and County and its partners continue to work closely with MPO to ensure pedestrian, bikeways and transit improvement projects recommended in the plan (which includes a bike share system) are listed in the TIP.
Maintenance Districts	Maintenance, Capital Improvements List projects	City of Billings	Street and park maintenance districts are used to pay for maintenance expenses, which could potentially include bike share facilities.

ADVERTISING AND SPONSORSHIP REVENUES

There is a subtle difference between advertising and sponsorship. Advertising includes a contract with a company to provide a regularly changing graphic display and message, which could be independent of the bike and scooter share station or other street furniture. The advertiser or message may not be associated with bike sharing or bicycling in general. Sponsorship typically involves a longer-term relationship between the sponsor and the vendor, where stickers are put on the infrastructure (bikes, stations, or website) with a logo or statement that "Company X supports Billings bike/scooter share".

Sponsorship provides a significant funding opportunity in Billings. Potential major partners include MSU-Billings, St Vincent Healthcare Center, or the Billings Clinic. Experience in other cities has shown that companies are generally interested in sponsorship for its positive impression and "good corporate citizen" benefits as much as for its media exposure.

These entities may also gain value from subsidizing memberships for their employees or students. In particular, this presents a good opportunity for MSU-Billings or Rocky Mountain College. Experience in other cities has shown that rates of bike and scooter share use by college students are significantly higher when the membership fee is included in student tuition and fees.

In Billings, advertising and sponsorships within the City's right-of-way are regulated by the Public Works division. While obtaining permission from Public Works to allow advertising and sponsorship on the bike and scooter share system seems likely, it is important to note the nuances of sponsorships. Specifically, if the City were to take on full responsibility for the operations of a bike and scooter share system and sponsorships were to be permitted, the City would then be liable to allow any interest group to act as a sponsor. Conversely, if a third party were to operate the system, sponsorship applicants can be rejected by said third party.

The value of sponsorship will vary significantly between cities and the level of branding. It is possible that sponsorship in the range of $5,000 to $15,000 per station per year is achievable in Billings based on experience in other cities:

- Nice Ride Minnesota obtained approximately $5,500 per station per year for presenting sponsorship from BlueCross BlueShield (this does not include additional station sponsorship sales that would increase this rate).

- Denver B-cycle reported sponsorship of approximately $11,700 per station in 2011.
- Citibank paid approximately $13,500 per station per year for exclusive sponsorship of New York's bike share system.
- Hubway in Boston obtained over $16,500 per station per year for station sponsorship from various sources ranging from New Balance to Harvard University to individual developers.
- CoGo in Columbus OH received $8,333 per station per year for station sponsorship by the Medical Mutual company
- GREENbike in Salt Lake City received $25,000 per station for a three-year term ($8,333/year) and received sponsorship for 8 of the inaugural ten stations

There are generally four approaches to sponsorship described on the following page in **Table 7-2**.

It should be noted that most systems have not been able to procure enough sponsorship dollars through title sponsor arrangements to cover the up-front capital costs of bike and scooter share (New York and London are the notable exceptions). Some systems have secured sponsor dollars to match government grants, while others have found success by launching first, then bringing in sponsors to help sustain or expand. Examples are Chicago's Divvy Bike Share (after one year, they secured sponsorship from Blue Cross Blue Shield of Illinois) and Columbus Ohio's CoGo Bike Share (after one year, they secured sponsorship from Mutual Medical.) Denver B-cycle and numerous other B-cycle systems have been successful at bringing in numerous small-scale and station sponsors to supplement user revenues, grants, and government funding. All of these have involved high-level political leadership to procure the sponsorships.

Nonprofits such as the Indianapolis Cultural Trail (which manages the 250-bike Indiana Pacers Bike Share system which launched in 2014) have been very successful at using a combination of sponsor dollars and foundation grants to both launch and help fund operations. The key to success is having deep-pocketed, community-connected foundations, high-level political support, and local leadership.

Table 7-2.

Common Bike and Scooter Share Sponsorship Models in the United States

SPONSORSHIP MODEL	DESCRIPTION	ADVANTAGES	DISADVANTAGES
Title Sponsor	This can be a single sponsor that pays for full branding of system infrastructure (e.g., London or New York) or multiple sponsors that split the cost in exchange for proportional branding (e.g., Boston or Toronto). **Commitment is typically a 3-5 year period.**	Title: One-time sale of sponsorship Known timeline and full "occupancy" Consistent and recognizable branding	Often difficult to secure sponsor given the large investment Less opportunity for smaller businesses to get involved Competing brands can conflict certain tenants or nearby businesses
Presenting Sponsor(s)	Sponsor(s) pays for branding of certain parts of the infrastructure e.g., Hubway (Presented by New Balance), Nice Ride (Presented by Blue Cross Blue Shield of Minnesota), Pronto Emerald City Bike Share (Presented by Alaska Airlines.) **Commitment is typically a 3-5 year period.**	System branding with sponsors allows for future flexibility A strong, active sponsor adds marketing and outreach value Opportunities for businesses of all sizes to be involved Solid funding stream to complement user fees and government investment Can bring in multiple sponsors	Significant effort required to secure and retain sponsors Not enough money to fully fund system, typically
Station/Hub Sponsors	This model sells sponsorship opportunities on system infrastructure, e.g., Denver Bike Share sells logo placement on a station kiosk plus 10 bikes for $30,000 per year or discounted for multiple years. **Commitment is typically a 3 year period.**	Opportunities for businesses of all sizes to be involved Opportunity to value sponsorship by station demand	Income relies on uptake of a certain amount of sponsorship each year Significant effort required to secure and retain sponsors
Other sponsors	Numerous options available, such as one-time sponsors (e.g., Volkswagen paid for day-passes in Chattanooga for a weekend), product partners, media sponsors, and other ideas. **Commitment is typically a 1-3 year period.**	Opportunities for businesses of all sizes to be involved Builds strength in community by valuing bike and scooter share	Significant effort required to secure and retain sponsors

FUTURE CONSIDERATIONS

ADAPTIVE BIKES

Offering alternate bicycle types could expand the number of people who are interested in utilizing bike share in Billings. The system's mobile application should indicate the presence of these types of bikes and their roll-out should be accompanied by a minimum of one email newsletter to system users. Additional press leading up to and following the launch is recommended. Adaptive bike share is often provided as a complementary program managed by additional partners and is available from staffed locations where bikes are checked out for round-trip use (returned to the same location).

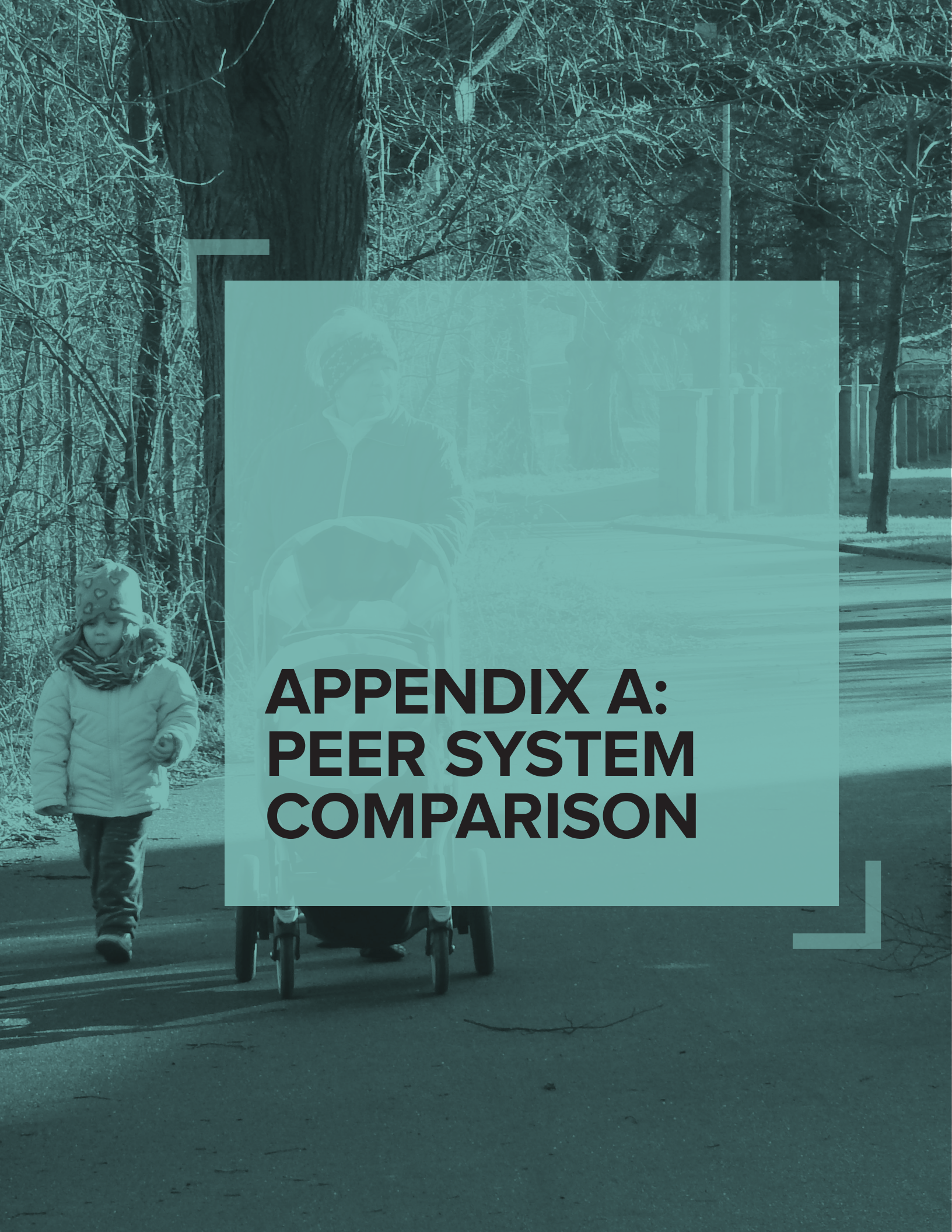
- **Cargo bikes:** Two- or three-wheeled cargo bikes could improve the system's functionality, since most bike share models offer relatively limited carrying capacity. They could also present a sponsorship opportunity for local hardware, garden, or similar retail establishments.
- **Adaptive cycles:** Including upright leg tricycles, recumbent leg tricycles, hand pedal cycles, or side-by-side tandem bike share units can improve the accessibility of bike share for riders with mobility challenges and disabilities.

DATA COLLECTION AND EVALUATION

Bike share data collection has the potential to improve user experience by providing information about where bikes are available throughout the system. Data collected from users also has the potential to improve overall system delivery by allowing public agencies or private vendors to analyze usage trends and respond to customer desires and needs. Despite these benefits, data collection should be anonymized to protect users' privacy. User data should not be shared with third parties.

Raw ridership data provided to public agencies should, at minimum, include trip date and time, point of origin/destination, length of trip (in miles), and duration of trip (in minutes). Data aggregated on a monthly basis should, at a minimum, include average number of trips per day, origin and destination locations (presented in a mapped format), average trip distance, average trip duration (in minutes), average number of unique riders per day, average number of trips per unique rider per day, location and details of all reported crashes involving bikes, location of each complaint, nature of each complaint, description of vendor response, and vendor response time for each complaint.

Using data to inform bike share operations is essential to achieving successful outcomes for program goals. Tracking key metrics help bike share providers understand how, where and when the system is being used, and by whom. The insights gained by monitoring specific data metrics inform how best the system can improve, and can help attract additional funding from local officials, grants, and community sponsors. Analyze the data at regularly scheduled intervals to understand patterns in usage, what is working well, and what needs to be improved.



APPENDIX A: PEER SYSTEM COMPARISON

The following tables summarize a variety of implemented bike share systems in communities similar to Billings in population size, geographic region, or climate. Listed in order of population size from smallest to largest, these systems have been adapted to best serve the unique communities they operate in.

Boulder B-Cycle

LOCATION:	BOULDER, CO (POPULATION 107,355)
OWNER/OPERATOR:	Boulder Bike Sharing
START OF SERVICE:	2011
SYSTEM TYPE:	Docked
NUMBER OF STATIONS/HUBS:	47 stations
NUMBER OF BIKES:	300 bikes

Boulder's BCycle system is dedicated to providing residents, commuters and visitors with an affordable, convenient and sustainable transportation option. The system is owned and operated by Boulder Bike Sharing, a nonprofit founded for the purpose of implementing and operating the program. Boulder Bike Sharing utilizes BCycle as its equipment vendor and software provider via licensing agreement. Boulder Bike Sharing purchased the initial equipment using capital grants secured by the City of Boulder, and receives annual funding from the City that funds a portion of the annual operating costs. The remainder of the costs are paid for by user fees, sponsors, and grants.

Since the system's inception in 2011, annual trips in Boulder have steadily increased from under 20,000 trips per year to more than 108,000 trips in 2018. The docked system has stations located throughout the city, and offers four pass varieties to meet the needs of a wide range of users.

Great Rides Bike Share, Fargo

LOCATION:	FARGO, NORTH DAKOTA (POPULATION 122,359)
OWNER/OPERATOR:	Great Rides Bike Share Inc. (BCycle system)
START OF SERVICE:	2014
SYSTEM TYPE:	Docked
NUMBER OF STATIONS/HUBS:	11 stations
NUMBER OF BIKES:	100 bikes

Fargo's Great Rides Bike Share system operates seasonally with aims of serving North Dakota State University's student population. System design and management heavily prioritizes reducing barriers to entry for NDSU students, who are automatically enrolled in program membership through mandatory student fees. Students activate bikes with their student ID cards. This integration and partnership with the University has led to system success, with students taking 90% of all bike share trips and each bike averaging 6-7 rides per day. Similar to Billings, Fargo experiences extreme winter weather.

Topeka Metro Bikes, Topeka

LOCATION:	TOPEKA, KANSAS (POPULATION 126,597)
OWNER/OPERATOR:	Topeka Metro (Social Bicycles system)
START OF SERVICE:	2015
SYSTEM TYPE:	Hybrid
NUMBER OF STATIONS/HUBS:	143 hubs, 17 main stations
NUMBER OF BIKES:	Unknown

Topeka Metro Bike manages its bike share system through Social Bicycles, a service by JUMP that offers hardware and software services to communities seeking to implement and manage bike share systems. Topeka Metro Bike expanded to over 300 units in 2018. Bikes feature integrated locks that allow riders to park at standard bike racks. The system also utilizes bike share hubs of varying capacity. The system offers a $2 reward for returning bikes to a hub and a $3 out of hub fee for parking bikes away from a hub location. Users who park bikes outside of the service area are charged a $20 fee. The highest density of hubs is located in downtown Topeka (where all bus routes eventually converge at Quincy Street Station) and at Washburn University's campus. Affiliates of the university and employees of the City may use the system for free, while other users have the option of paying 5 cents per minute, $5 per month (for 2 hours of daily time), or $25 annually (for 2 hours of daily time).

While Metro Bike's system does offer hubs near high boarding/alighting stops, the mobile app and payment options do not integrate transit routes, schedules, or fares. Topeka Metro's 2019 budget summary indicates that funding for the administration, maintenance, and operation of Metro Bikes comes from the same revenue pools dedicated to the provision of bus service. This has created a funding conflict between bus service enhancements and bike share provision, which costs roughly $284,000 a year for Metro to operate and brings in only around $108,000 in revenue annually. Metro has voted to end bike share service in December of 2019 in favor of using funds to expand transit service hours and frequency.

Bike Chattanooga

LOCATION:	CHATANOOGA, TN (POPULATION 179,139)
OWNER/OPERATOR:	Owners: Chattanooga Area Regional Transportation Authority and the City of Chattanooga. Operator: Shift Transit
START OF SERVICE:	2012
SYSTEM TYPE:	Docked
NUMBER OF STATIONS/HUBS:	42 stations
NUMBER OF BIKES:	400 total bikes, 55 e-bikes

Though greater in population size than Billings, the City of Chattanooga shares a close landscape resemblance. The downtown area is nestled along the Tennessee River with numerous surrounding parks. The system seeks to enable users to save money, save time, go green and have fun. In order to launch the program, the City first secured $100,000 in funding from the local Lyndhurst Foundation. Combined with an additional partnership with the local transit system, CARTA, the City was able to secure federal air-quality funds as well for a successful implementation. Today, the City operates the system with bikes provided by PBSC Urban Solutions. Funding is an ongoing process, and the City has developed creative ways to expand and progress the system. Similar to advertisements on buses, local companies can have a bike adorned in their colors and logos. In 2019, Bike Chattanooga experienced record high ridership with 74,409 annual trips. The program also offers Free Ride Days on Wednesdays during the summer months to encourage users and lower barriers to entry.

Madison B-Cycle

LOCATION:	MADISON, WI (POPULATION 258,054)
OWNER/OPERATOR:	B=Cycle
START OF SERVICE:	2011
SYSTEM TYPE:	Docked
NUMBER OF STATIONS/HUBS:	45 stations
NUMBER OF BIKES:	300 e-bikes

Madison BCycle is owned and operated by BCycle and Trek. It was the first docked bike share system in the country to convert to 100 percent electric bikes in mid-2019. Since then, ridership has more than doubled. The program offers free memberships to low-income residents.

City Council Work Session

Date:	02/16/2021
Title:	Poly Vista Park Development Phase 1
Presented by:	Mike Whitaker, Parks, Recreation & Public Lands Director
Department:	Parks/Rec/Public Lands
Presentation:	Yes

RECOMMENDATION

Staff recommends to move forward with construction documents and development of Poly Vista Park first phase by approving a budget adjustment for the $1 million identified in the FY 2022 CIP.

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

Development of Poly Vista Park is consistent with the adopted (August 28, 2017) Poly Vista Park Master Plan and with the adopted (November 13, 2017) City of Billings Parks, Recreation and Public Lands Comprehensive Parks and Recreation Master Plan. It is also consistent with the adopted (March 9, 2020) 2020/2021 City Council Priorities to advance Poly Vista Park partnership with the Landon's Legacy Foundation and to improve city parks and trails system.

STAKEHOLDERS

The primary stakeholder involved in this project is Landon's Legacy Foundation.

ALTERNATIVES

City Council may:

- Approve; or,
- Not Approve

FISCAL EFFECTS

Council approved the FY 2022 CIP in which $1 Million of PD #1 funding was identified by Council for the first phase development of Poly Vista Park. Allocation of funds has not yet been approved.

SUMMARY

The Billings Parks, Recreation and Public Lands (PRPL) is partnering with the Landon's Legacy Foundation to develop a Miracle League baseball field as part of the phase 1 development of Poly Vista Park. This development is consistent with the 2017 Council adopted master plan for the park. In an effort to move the project forward, the Landon's Legacy Foundation donated $49,241.00 to fund a 30% design development for the project. This effort identified the portion of work necessary to build the Miracle League Field, a phasing plan, a cost estimate, and the funding responsibility for the City and Landon's Legacy Foundation. Generally, the City will fund infrastructural items including mass grading, utility upgrades, sidewalk and parking lot improvements, and irrigation replacement for the existing 4 baseball fields. Landon's Legacy Foundation will fund the construction of the new Miracle League Field. By Council approving the budget adjustment, for the $1 million identified in the FY 2022 CIP, staff can immediately move forward to finish the construction documents and bid this project with the goal to begin construction this summer.