

****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: Council@billingsmt.com.
 - 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.



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

WORK SESSION AGENDA

March 15, 2021

5:30 P.M.

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

CALL TO ORDER: Mayor Cole

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

2. **Legislative Updates.**
 - Presented by: Greg Dorrington and Aimee Grmoljez, City's Lobbyists
 - Public Comment

3. **Trust For Public Lands - Conservation Finance Feasibility Study.**
 - Presented by Michael Whitaker, Parks, Recreation and Public Lands Director and David Weinstein, Western Conservation Finance Director
 - Public Comment

4. **Park Funding.**
 - Presented by Michael Whitaker, Parks, Recreation and Public Lands Director and Tom Rupsis, Parks Board Chair
 - Public Comment

5. **Council Priorities.**
 - 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: 03/15/2021
Title: Trust For Public Lands - Conservation Finance Feasibility Study
Presented by: Mike Whitaker, Parks, Recreation & Public Lands Director
Department: Parks/Rec/Public Lands
Presentation: Yes

RECOMMENDATION

Information presentation

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

In a letter dated October 19, 2020, from Mayor Cole to David Weinstein with the Trust for Public Lands, the City requested technical assistance from the Trust for Public Lands with efforts to finance parks, trails, open spaces, and other conservation priorities. As a result of this request, the Trust For Public Lands developed a Conservation Finance Feasibility Study dated November 2020 for the City of Billings, see Attachment A. This study conducted a feasibility analysis to explore public funding options to support parks, trails, open space, and recreation throughout the city. It analyzed several possible alternatives including allowable rates and limits, implementation procedures, and revenue-raising capacity. The study focuses on the options that present the best opportunities for financing in Billings. A presentation will be made to discuss the findings of the study with the Council.

ALTERNATIVES

No alternative

FISCAL EFFECTS

No fiscal effects

Attachments

Billings TPL Feasibility Study

CONSERVATION FINANCE FEASIBILITY STUDY | NOVEMBER 2020

BILLINGS, MONTANA



THE
TRUST
FOR
PUBLIC
LAND



CITY OF BILLINGS

BILL COLE, MAYOR

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BILLINGS, MONTANA 59103
(406) 657-8296
FAX (406) 657-8390
coleb@cl.billings.mt.us

October 19, 2020

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

Dear Mr. Weinstein:

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

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

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

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

Sincerely,

William A. Cole, Mayor
City of Billings

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Cover photo: Riverfront Park.



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INTRODUCTION

The Trust for Public Land (TPL) is a national nonprofit land conservation organization that creates parks and protects land for people, ensuring healthy, livable communities for generations to come. The Trust for Public Land is based in San Francisco and has 40 offices nationwide, including one in Bozeman with a program for land protection and parks in Montana. To help public agencies or land trusts invest in parks and land protection, the Trust for Public Land's Conservation Finance program assists communities in identifying and securing public financing. The Trust for Public Land offers technical assistance to elected officials, public agencies and community groups to design, pass and implement public funding measures that reflect popular priorities. Helping communities secure dedicated conservation funding is often the tipping point that leads to deeper ecological responsibility and more prudent land use, better managed growth, and increased protection of natural landscapes. TPL's land protection team helps public agencies and other organizations complete conservation real estate transactions, and our urban team helps to design and build parks and playgrounds.

The Trust for Public Land works across the full range of landscapes necessary for human health and well-being — from inner city to wilderness. The Trust for Public Land has the expertise and resources to tackle the most complex parks and land protection projects. TPL is the only national nonprofit organization working to provide close-to-home nature in cities and metropolitan areas, where 85 percent of Americans live.

The Trust for Public Land's Conservation Finance Program provides professional, technical assistance that helps government officials and administrators research and evaluate conservation finance options. Since 1996, The Trust for Public Land has worked on over 700 state and local ballot measures and legislative campaigns to generate more than \$80 billion to protect special places nationwide for parks, trails, beaches, historic landmarks, forests, rivers and lakes, wilderness, farms, and ranches. Voters have approved 82 percent of the ballot measures supported by The Trust for Public Land.

In Montana, The Trust for Public Land's Conservation Finance staff has provided technical assistance and planning services to several jurisdictions including Bozeman, Missoula, Whitefish, Gallatin County, and Missoula County. Since 2000, The Trust for Public Land has supported 13 successful conservation finance ballot measures in Montana and generated more than \$249 million for parks, trails, and open space conservation.

The following study presents options for the City of Billings to consider for creating reliable, ongoing funding for parks and land conservation. This research provides a stand-alone, fact-based reference document that can be used to evaluate financing mechanisms from an objective vantage point.^{1,2}

¹ The contents of this report are based on the best available information at the time of research and drafting, October 2020. This feasibility study is not a legal document and should not be relied upon for legal purposes.

EXECUTIVE SUMMARY

In conjunction with the recent completion of its Master Plan, the City of Billings and Mayor Cole asked The Trust for Public Land to conduct a feasibility analysis to explore public funding options to support parks, trails, open space, and recreation throughout the city. The report analyzes several possible alternatives including allowable rates and limits, implementation procedures, and revenue raising capacity.

In Montana, local government funding for land conservation most often takes the form of budget appropriations, property taxes, general obligation bonds backed by property taxes, parkland dedication through the development review process, and less frequently, impact fees. This study focuses on the options that present the best opportunities for financing in Billings, which are as follows:

Property Tax. The City of Billings may impose a new mill levy by submitting the question to electors at a regular, primary, or special election. For example, a 10-mill property tax levy would generate approximately \$2 million annually at a cost of about \$28 per year to the average homeowner in the city. A mill levy must be approved by a majority of city voters.

Bonding. The city has ample debt capacity to issue a general obligation bond for parks and conservation purposes and to levy property taxes to pay the debt service. A general obligation bond issue must be submitted to the city voters at a general election, at a special election that is conducted in conjunction with a regular or primary election, or by mail ballot. For example, the city could issue a bond of \$15 million which would add about \$1 million to the annual debt service and would cost approximately \$14 a year for the average homeowner over the life of the bond (20 years). Bond proceeds are limited to capital projects and may not be used for operations and maintenance purposes.³

Local Option Sales Tax. The city could seek authority from the state legislature to impose a local option sales tax. Similar to the resort tax available to certain communities in Montana, a local option sales tax would help cities like Billings pay for the services used by the millions of tourists who visit the state each year.

³ Federal IRS rules governing the issuance of tax-exempt bonds limit the use of proceeds to capital purposes such that only a small fraction of bond funds may be used for maintenance or operations of facilities. State and local laws may further limit the use of bond proceeds.

CITY OVERVIEW⁴

Billings is the largest city in Montana, with a population estimated at 109,642 in 2019. Located in the south-central portion of the state, it is the seat of Yellowstone County and the principal city of the Billings Metropolitan Area (MSA), which has a population of 171,677. The Billings, Montana, MSA stretches over about 4,700 square miles, which is roughly the size of Connecticut. The MSA includes three counties—Yellowstone, Carbon, and Golden Valley—and 38 census tracts.

Billings is the trade and distribution center for much of Montana east of the Continental Divide, Northern Wyoming, and western portions of North Dakota and South Dakota. Billings is also the largest retail destination in the Upper Plains. Export components of retail trade, wholesale trade and professional services were the greatest contributors to economic growth since the Great Recession. Manufacturing (primarily the oil refineries) has also been growing. In the last few years, increases in the health care industry have been significant. Since 2014, the Billings area economy has been challenged by the slump in the Bakken due to low oil prices.

Government

The City of Billings operates under a Home Rule Charter with a Council-Manager form of government. Policymaking and legislative authority are vested in a 10-member council and mayor. 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 City Council hires a City Administrator (Manager) to oversee the day-to-day operations of the City.

Five council seats and the mayor will be on the November 2021 ballot.

Billings Mayor & City Council		
Name	Ward	End of Term
Bill Cole	Mayor	Dec 2021
Mike Yakawich	1	Dec 2021
Kendra Shaw	1	Dec 2023
Frank Ewalt	2	Dec 2021
Roy Neese	2	Dec 2023
Denise Joy	3	Dec 2021
Danny Choriki	3	Dec 2023
Penny Ronning	4	Dec 2021
Pam Purinton	4	Dec 2023
Shaun Brown	5	Dec 2021
Mike Boyett	5	Dec 2023

City of Billings website, accessed 9/4/20

Budget

During the development of the proposed Fiscal Year 2021 (FY21) budget, Billings was experiencing a global pandemic. Decisions were made for the FY21 budget across the City to reduce costs, reduce or eliminate assessment increases, and delay a Public Safety Levy proposition to the voters until FY2022. This will have impacts on the services provided by the City for the coming year.

⁴ This section is largely excerpted from city documents including the City of Billings Comprehensive Parks and Recreation Master Plan; the City of Billings 2019 CAFR; and the Fiscal Year 2021 Adopted Budget.

The FY2021 adopted budget shifts \$1 million of Parks and Forestry costs out of the General Fund and into the Park District 1 (PD1) fund. This will ease the burden on the General Fund, but will not eliminate the need for additional adjustments in the future. This shift in eligible expenses, increases PD1 from \$2 million to \$3 million annually and raises the assessment \$13.77 per year on a Billings home worth \$211,000. The adopted budget is using \$4.7 million of reserves to balance the budget.

Because of the City Charter’s hard mill levy cap of 74 mills, the ability to pay for the increased demand for services primarily relies on voter-approved mill levy increases or the creation of districts as permitted under Montana Code. Voters approved a mill levy September 15, 2020 that will repeal and replace the 2004 Public Safety mill levy. The General and Public Safety Funds should see an additional \$4M in revenue reducing the city’s dependence on reserves to ~\$700,000 for FY21.

In FY20, City Council levied 160.02 mills, while in FY21 City staff estimate the mills to decrease to 159.84. The reduction is a result of the final General Obligation debt payment on the GO Parks project from 2000.

Department	FY21 Adopted	FY 20 Adopted
Mayor/Council	\$ 264,919	\$ 261,042
City Administrator	1,028,702	906,846
Court	1,479,095	1,493,143
Attorney	2,092,530	1,891,799
Human Resources	825,565	826,205
Finance	1,552,163	1,527,061
Code Enforcement	575,602	564,362
Parks and Recreation	4,497,703	5,617,665
Police	25,925,826	26,737,516
Fire	21,303,438	20,973,126
Non-Departmental	1,895,897	1,864,686
Total	\$ 61,441,440	\$ 62,663,451

Debt

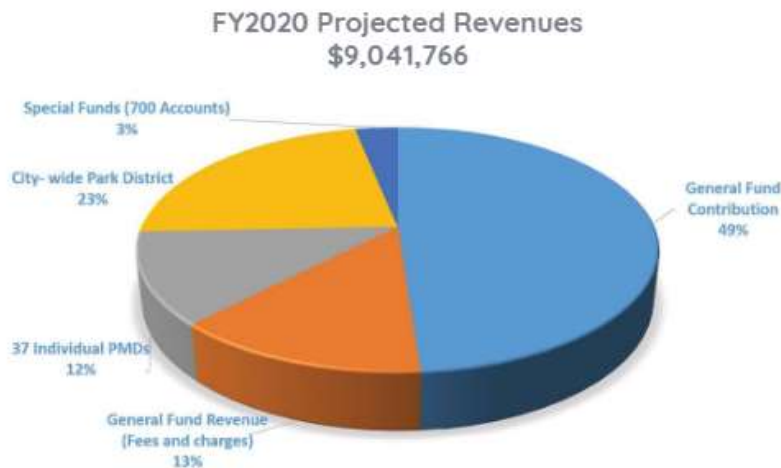
The City of Billings had total bonded debt and notes outstanding of \$196,361,536 at the end of the current fiscal year. The majority of the debt consists of revenue bonds payable in the amount of \$152,284,947. These bonds are secured by specific revenue sources consisting mostly of loans for a major Wastewater plant project and Solid Waste Landfill drop-off facility. General Obligation Bonds in the amount of \$19,797,206 of debt is backed by the full faith and credit of the government. The remaining amounts are special assessment debt in the amount of \$18,954,420, which is assessed to benefit property owners, and \$5,292,757 for capital leases. Under the current State statutes, City general obligation bonded debt issuances are subject to a legal limitation based on 2.50 percent of assessed market value of the property subject to taxation. As of June 30, 2019, the City’s

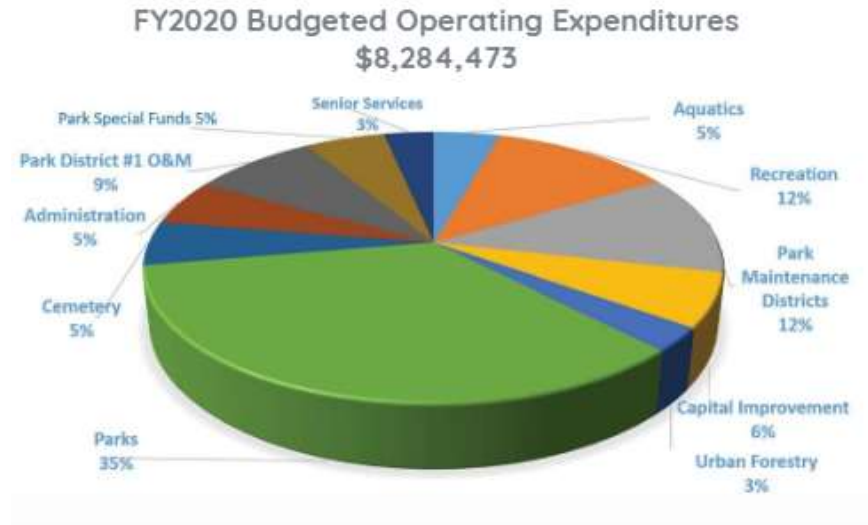
general obligation bonded debt of \$19,797,206 was well below the legal debt limit of \$313,871,631. General obligation net bonded debt per capita equated to \$158.19.

Parks

The Department of Parks, Recreation and Public Lands (PRPL) manages the City’s Parks and Recreation System comprising approximately 2,580 acres (roughly 4 square miles) of parkland that includes: 171 Park Areas, 40 playgrounds, 26 restrooms, 29 basketball courts, 19 tennis courts, 29 park shelters, 66 horseshoe pits, over 100 athletic fields (soccer, baseball and softball), 6 neighborhood centers, 30 miles of paved multi-use trails, 3 cemeteries in two locations, 2 outdoor pools, 2 wading pools, 4 spray parks, 1 dog park, batting cage facility, Par 3 golf course (operated by the Exchange City Golf Corporation), and a minor league baseball stadium.

The department provides over 270 recreation programs for people of all ages (pre-school through senior citizens). These programs are offered in a wide range of interests including; Aquatics, Youth Sports, Youth Camps, Adult sports, Fitness, Special Interest, and Adults Age 55+. In addition, activities are also provided by the department indirectly through partnerships with various organizations (Billings Little League Baseball, American Legion Baseball, Yellowstone Valley Audubon Society, Amend Park Development Council, Billings Mustangs, Billings Softball Association, etc.). Furthermore, over 100 organizations are scheduled and issued Park Use Permits for various park and facility usage each year.





<i>CAPITAL IMPROVEMENT PLAN SUMMARY</i>	
Improvement Type	Cost
Critical	\$22,542,500
Sustainable	\$770,000
Visionary	\$61,142,000
Grand Total	\$84,454,500

The Park Maintenance District Division manages and maintains 36 developed community and neighborhood parks throughout Billings. The fund is used for management and maintenance of the parks, including irrigation systems and water services, turf management and maintenance, weed management, playground inspections and maintenance, trash removal, snow removal, tree and shrub care, and other services. Revenue is generated through assessments to property owners.

Park District 1

Through the establishment and funding of the city-wide park maintenance district, deferred maintenance items in General Fund-Parks will be fixed and repaired; thus, improving the quality and enjoyment of these facilities for the public. Revenue comes from assessments to property owners within the city limits of Billings.

The final 2021 budget includes a shift of \$1 million from the parks department general fund budget into the Park District 1 assessment. This raises the assessment \$13.77 per year on a Billings home worth \$211,000. The Council officially approved the total assessment of Parks District 1 at its last meeting in September.⁵

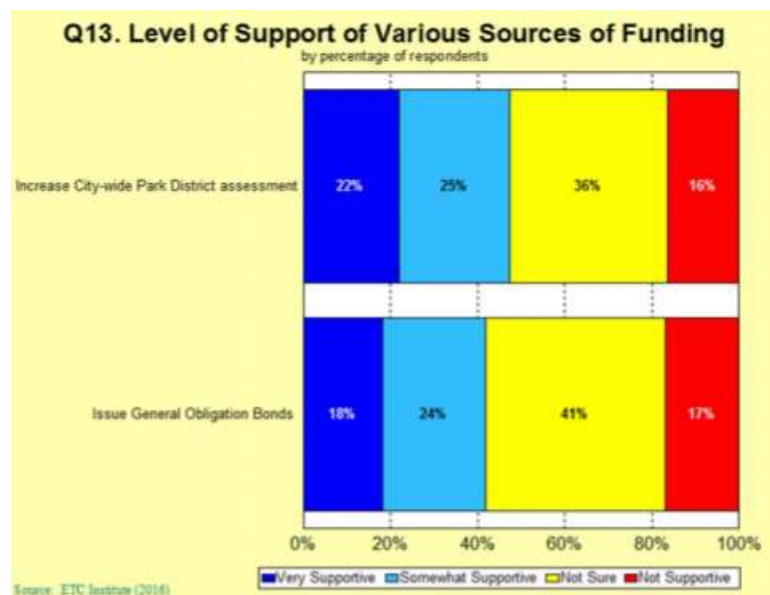
Parks Master Plan

To help inform the 2017 City of Billings Parks and Recreation Comprehensive Master Plan, the ETC Institute mailed a survey packet to a random sample of households in the City of Billings. A total of 505 residents completed the survey. Some of the major findings of the survey are summarized below.

47% of respondents support an increase in the City-Wide Park District Assessment.

42% of respondents support an issuance of general obligation bonds.

60% support the utilization of City-Wide Park District 1 funds for the development of Community/Regional Parks.



CITY FUNDING OPTIONS

Choosing a Funding Strategy

Generally, there are three primary types of revenue sources available to local governments to pay for parks and land conservation: discretionary annual spending, creation of dedicated funding streams, and debt financing. The financing options utilized by a

⁵ <https://www.ktvq.com/news/local-news/billings-city-council-passes-2021-budget-expecting-to-use-700-000-from-reserves>
<https://www.ktvq.com/news/local-news/billings-city-council-approves-capital-spending-plan-minus-parks-district>

community will depend on a variety of factors such as taxing capacity, budgetary resources, voter preferences, and political will.

Significant, dedicated funding generally comes from broad-based taxes and/or the issuance of bonded indebtedness, which often require the approval of voters. In The Trust for Public Land's experience, local governments that allocate funding for parks and recreation via the annual budget process tend to provide less funding over time than those that dedicate a funding source. As elected officials go through the process of making critical budgetary decisions, funding for parks and land conservation often lags behind other public purposes, and frequently less than what voters would support. It is understandably often difficult to raise taxes or fees without an indisputable public mandate for the intended purpose.

Ballot measures provide a tangible means to implement a local government's vision. With their own funding, local governments are better positioned to secure scarce funding from state or federal governments or private philanthropic partners. In addition, having a predictable funding source empowers the city or county to establish long-term conservation priorities that protect the most valuable resources, are geographically distributed, and otherwise meet important community goals and values.

Nationwide, a range of public financing options has been utilized by local jurisdictions to fund parks and open space, including general obligation bonds, the local sales tax, and the property tax. Less frequently used mechanisms include special assessment districts, real estate transfer taxes, impact fees, and income taxes. The ability of local governments to establish dedicated funding sources depends upon state enabling authority. In Montana, local government funding options for parks and open space have most often taken the form of budget appropriations, property taxes, general obligation bonds backed by property taxes, parkland dedication through the development review process, and special district assessments. Communities have also had success leveraging local resources with funds from federal conservation programs.

In Montana, overall voter support of local conservation measures has been positive. Eighty-two percent of county and municipal measures (14 of 17) on the ballot in the State between 2000 and 2020 were passed by voters.⁶ Most the measures (13) were bonds, three were property taxes, and there was one resort tax question. Together, the measures approved \$249 million for parks, trails, open space, and recreation. See Appendix A for more detail on local Montana parks and open space ballot measures.

Conservation finance measures must be considered carefully: not all are right for every local government or appropriate at the current time. It is especially important to keep program funding needs in mind, since bond funds are generally restricted to acquisition and development. If operations and maintenance needs are high, an alternate long-term funding strategy, such as a property tax, may be more appropriate. Budget appropriations and other revenue sources that can be implemented by the City Council may well serve as

⁶ Results of approved 1994 Missoula County bond measure nullified due to low voter participation. Trust for Public Land. "LandVote database." <http://www.landvote.org>. Measures in LandVote record only measures that include funds for new land acquisitions.

short-term funding options while conservation proponents develop a strategy and cultivate broad support for longer-term finance options. Some of the specific longer-term finance options available for Billings are described on the following pages.

Property Taxes

The property tax is one of the largest tax revenue sources for many local jurisdictions, including Billings. In Billings, the city council cannot levy more than 74 mills on property without approval of a majority of voters in a regular, primary, or special election.^{7 8 9}

Property tax levies may be imposed in mills and tenths and hundredths of mills,¹⁰ and a mill is equal to \$1 per \$1,000 of assessed value. The Billings city budget for fiscal year 2021 estimates a mill levy of 159.84 mills per \$1,000 of assessed value.¹¹

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

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

Mill Levy Comparisons

While most communities fund general government services through mill levies, special districts assessments also play a significant role in individual property tax bills. Each community in Montana uses a variety of districts to fund government services. The City compiled the mix of assessments and taxes among cities throughout the State of Montana to provide the following comparison of assessments and taxes per capita in each of the 6 major cities in Montana. Billings ranks 5th among the major cities in Montana for the lowest per capita assessment for FY 2019.

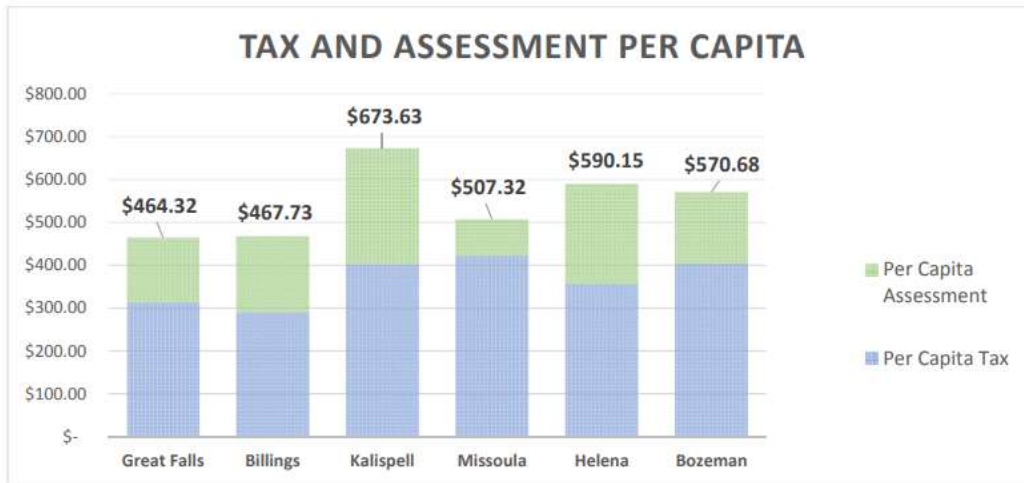
⁷ §15-10-420.

⁸ Billings City Charter, Section 1.02. Mill Levy Limit. The Council shall not levy more than 74 mills on real and personal property for all purposes, except as specifically authorized by this Charter. The mill levy on real and personal property may be increased above the 74 mills for general purposes as provided in this Section 1.02 only by an affirmative vote of a simple majority of the votes cast in an election on this question. (Ord. No. 4278, § 1, 3-10-80).

⁹ §15-10-425 (containing mill levy election requirements).

¹⁰ MCA §15-10-201.

¹¹ City of Billings Adopted FY 2021 Budget.



The table below provides the estimated revenue and costs of additional mill levies that could be implemented for parks and recreation in Billings. For example, a 10-mill property tax levy would generate approximately \$2 million annually at a cost of about \$28 per year to the average homeowner in the city.

Estimated Revenue and Costs of Property Tax Increase City of Billings					
Mill Levy Increase	Value of One Mill	Annual Revenue	Cost / Avg. House	Cost / \$100K House	Cost / \$200K House
5.00	\$204,834	\$1,024,170	\$14.25	\$6.75	\$13.50
10.00	\$204,834	\$2,048,340	\$28.49	\$13.50	\$27.00
15.00	\$204,834	\$3,072,510	\$42.74	\$20.25	\$40.50
20.00	\$204,834	\$4,096,680	\$56.98	\$27.00	\$54.00

*Mill value source Montana Department of Revenue, Biennial Report.
Median home market value = \$211,000; taxable value = \$2,849. Source: 2020 Public Safety Levy Presentation.*

Process for implementation

Billings may impose a new mill levy by submitting the question to electors. Such an election may be held in conjunction with a regular or primary election or may be a special election. The city council must pass a resolution or receive a petition indicating an intent to impose a new levy, increase a mill levy, or exceed the current statutory mill levy on the approval of a majority of the qualified electors voting in the election.

The resolution or petition must include:

- the specific purpose for which the additional money will be used; and
 - the specific amount to be raised and the approximate number of mills imposed;
- or

- the specific number of mills required; and the approximate amount to be raised;
- whether the levy is permanent or the durational limit on the levy.

The form of the ballot must reflect the content of the resolution or charter amendment and must include a statement of the impact of the election on a home valued at \$100,000 and a home valued at \$200,000 in the district in terms of actual dollars in additional property taxes that would be imposed on residences with those values if the mill levy were to pass. The ballot may also include a statement of the impact of the election on homes of any other value in the district, if appropriate.

Bonding

To raise funds for capital improvements, such as land acquisition or building construction, counties and municipalities in Montana may issue bonds. There are two main types of bonds: general obligation bonds, guaranteed by the local taxing authority; and revenue bonds, paid by project-generated revenue or a dedicated revenue stream such as a particular tax or fee. Generally, bond proceeds are limited to capital projects and may not be used for operations and maintenance purposes.¹²

Montana state law limits general obligation bonded debt for general purposes to 2.5 percent of the total market value (TMV) of property, or roughly \$314 million in Billings. General obligation bonds are limited to a term of 20 years.¹³

Park General Obligation Bonds were approved by city voters in 1999 and issued in April 2000. The proceeds are being used for park improvements and for bicycle and pedestrian trails. In FY 2011, the City issued bonds totaling \$1,080,000 for the refunding of Series 2000 parks bonds. The bonds were retired on July 1, 2020.

CITY OF BILLINGS, MONTANA
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in 000's)
(Unaudited)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 126,264	\$ 110,757	\$ 125,971	\$ 145,915	\$ 153,504	\$ 158,762	\$ 289,112	\$ 291,981	\$ 311,783	\$ 313,872
Total net debt applicable to limit	20,030	19,343	13,846	27,875	26,407	23,326	27,260	32,622	23,758	21,887
Legal debt margin	\$ 106,234	\$ 91,414	\$ 112,125	\$ 118,040	\$ 127,098	\$ 135,436	\$ 261,852	\$ 259,360	\$ 288,024	\$ 291,985
Total net debt applicable to the limit as a percentage of debt limit	15.86%	17.46%	10.99%	19.10%	17.20%	14.69%	9.43%	11.17%	7.62%	6.97%

¹² Federal IRS rules governing tax-exempt bonds limit the use of proceeds to capital purposes such that only a small fraction of bond funds may be used for maintenance or operations of facilities. State and local laws may further limit the use of bond proceeds.

¹³ MCA §7-7-4202 and §7-7-4205

The following table illustrates the estimated annual debt service, required property tax rate per \$1,000 of assessed valuation, and annual household cost of various general obligation bond issue amounts for Billings. For example, the city could issue a bond of \$15 million which would add about \$1 million to the annual debt service and would cost approximately \$14 a year for the average homeowner over the life of the bond (20 years). The bond amounts represented in the table below are well within the available debt capacity for the City of Billings.

Park Bond Financing Costs for Billings Montana					
20-year Bond Issues at 3.0% Interest Rate					
Value of 1 Mill = \$204,834					
Bond Issue Size	Annual Debt Service	Mill Levy Increase	Cost / Avg. House*	Cost/ Year/ \$100K House	Cost/ Year/ \$200K House
\$10,000,000	\$672,157	3.28	\$9.35	\$4.43	\$8.86
\$15,000,000	\$1,008,236	4.92	\$14.02	\$6.64	\$13.29
\$20,000,000	\$1,344,314	6.56	\$18.70	\$8.86	\$17.72
\$25,000,000	\$1,680,393	8.20	\$23.37	\$11.07	\$22.15
\$30,000,000	\$2,016,471	9.84	\$28.05	\$13.29	\$26.58

Mill value source Montana Department of Revenue, Biennial Report.

Median home market value = \$211,000; taxable value = \$2,849. Source: 2020 Public Safety Levy Presentation.

The Trust for Public Land’s bond cost calculations provide an estimate of debt service, tax increase, and cost to the average homeowner in the community of potential bond issuances for parks and land conservation. Assumptions include the following: the entire debt amount is issued in the first year and payments are equal until maturity; 20-year maturity; and a three percent interest rate. Property tax estimates assume that the city would raise property taxes to pay the debt service on bonds. Other revenue streams may be used to cover some or all of the debt service, such as appropriations from the general fund. The cost per household represents the annual impact of increased property taxes levied to pay the debt service. The estimates do not take into account growth in the tax base, due to new construction or annexation, over the life of the bonds. The jurisdiction’s officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond.

Process for implementation

The City Council must pass and adopt a resolution and provide that the question be submitted to the city voters at the next general city election, at a special election that is conducted in conjunction with a regular or primary election, or by mail ballot (a mail ballot may not be conducted if a regularly scheduled or special election when another election in the political subdivision is taking place at the polls on the same day).¹⁴ The resolution must state the purpose, the amount of bonds, and the number of years to maturity. The statutes do not specify any other ballot language requirements.

¹⁴ Citizens may petition for a bond issue to be placed on the ballot. The petition must be signed by not less than 20% of electors. MCA §7-7-4224.

Notice of the proposed election shall also be published, as required by state statute.¹⁵ Approval or rejection of the bond proposition is made by a majority of the votes cast on the issue.¹⁶

Revenue Bonds

The city could potentially issue revenue bonds, by resolution of the city council, backed by a commitment of park district assessments to fund capital improvements or land acquisition.¹⁷ For example, a bond issue of \$7 million would require roughly \$500,000 annually for debt service over 20 years at 3.5 percent interest,¹⁸ as depicted in the table to the right. Assessment revenues have not been bonded by the city to date. In this scenario, the debt service would be paid from existing assessments which may impact revenue available for other purposes in the parks budget. The city also could increase the assessment to pay the debt service. A \$500,000 assessment would cost the average homeowner¹⁹ about \$7 a year. The primary consideration for this option would likely be the very recent increase to the assessment this fall.

	Interest	Years to	Annual
Bond Issue	Rate	Maturity	Debt Svce
\$5,000,000	3.5%	20	\$351,805
\$7,000,000	3.5%	20	\$492,528
\$10,000,000	3.5%	20	\$703,611
\$20,000,000	3.5%	20	\$1,407,222

Local Option Sales Tax²⁰

The resort tax is a local option sales tax on the retail value of goods and services sold by lodging and camping facilities, restaurants and other food service establishments, public establishments that serve alcoholic beverages by the drink, destination recreational facilities, and establishments that sell luxuries. The rate is set locally with voter approval. A local government agency administers the tax.

Resort taxes serve the function of creating a funding source for some communities and resort areas to finance a variety of services. The intent of a resort tax is to provide revenue to aid the community in maintenance or improvements to infrastructure. Resort tax revenues can offset the burdens on a small community of hosting a large number of tourists. Funds raised by these taxes can be used for a variety of purposes, including developing and maintaining local infrastructure, and at least 5.0 percent of the proceeds must be used to provide property tax relief.

¹⁵ Montana Code §7-7-4227.

¹⁶ Montana Code §7-7-4235.

¹⁷ Montana Code Annotated §7-7-4426(2); §7-11-1021(2)(ii).

¹⁸ Revenue bonds typically carry a slighter higher interest rate than general obligation bonds.

¹⁹ Based on home valued at \$211,000.

²⁰ The local option resort tax is authorized in sections 7-6-1501 through 7-6-1532, MCA.

Originally, the resort tax was capped at 3 percent. In 2019, Governor Steve Bullock signed a bill that lets Montana's 10 resort areas ask voters to raise their local option sales tax to fund infrastructure projects.²¹ The new law gives voters the option to approve a luxury sales tax hike from 3 percent to 4 percent, with the additional 1 percent going toward infrastructure projects. The ballot question brought to voters must include the projects the new revenue would finance and their costs. The increase would expire when the projects are completed.

Resort taxes are collected in certain Montana communities and areas that meet specific population and economic conditions. Ten Montana communities have been designated resort areas by the Montana Department of Commerce (MDOC) and voters in those communities have approved a local resort tax. Phillipsburg was determined to meet statutory criteria to be a resort community by the MDOC in January 2015 but has not yet held a vote to authorize imposition of the tax. Fort Smith has submitted a request for resort area determination, which is being processed by the MDOC at this time.²²

Under Montana law, there are two types of resort districts: communities and areas. Resort communities are incorporated towns with populations less than 5,500 people, whereas areas would be unincorporated entities with fewer than 2,500 people. The Department of Commerce also looks at other factors when determining if a community qualifies for the resort designation, including economic wellbeing and location. The ten resort communities/areas that levy the resort tax are: Big Sky, Cooke City, Craig, Gardiner, Red Lodge, St. Regis, Virginia City, West Yellowstone, Whitefish, and Wolf Creek. Columbia Falls voters approved a resort tax in June 2020 that will take effect in 2021. After years of research and debate, the Polson City Commission voted unanimously to place a three percent resort tax on the ballot for a special election, slated for Jan. 21, 2021.²³

In recent years, several bills have been proposed in the Montana Legislature that would allow cities and consolidated city-county governments to seek voter approval of a local sales tax on non-essential items.

Supporters say a local option tax would help cities like Billings pay for the services used by the millions of tourists who visit the state each year. They argue the tax wouldn't be regressive because essential goods — including medicine, food and utilities — would be exempted and because the revenue would assist property taxpayers. Opponents have said a local sales tax would hurt rural residents who travel to larger towns for supplies but don't necessarily use the infrastructure the tax would fund as well as small businesses competing with online retailers.

²¹ MCA §7-6-1503(b)(i)

²² Johnson, Terry and Steinbeck, Lois, "Montana Local Option Resort Tax.": MT Infrastructure Coalition November 10, 2016.

²³ <http://www.valleyjournal.net/Article/23825/Polson-commission-approves-putting-resort-tax-on-ballot>. Last Updated: 9/15/2020 9:34:37 PM | By Kristi Niemeyer for the Valley Journal

Requirements of a Resort Tax ²⁴

Section 7-6-1503, MCA explains,

(a) The resort tax is a tax on the retail value of all goods and services sold, except for goods and services sold for resale, within the resort community or area by the following establishments:

- (i) hotels, motels, and other lodging or camping facilities;
- (ii) restaurants, fast food stores, and other food service establishments;
- (iii) taverns, bars, night clubs, lounges, and other public establishments that serve beer, wine, liquor, or other alcoholic beverages by the drink; and
- (iv) destination ski resorts and other destination recreational facilities.

(b) Establishments that sell luxuries shall collect a tax on such luxuries.

Luxuries are defined as any gift or luxury item normally sold to the public or tourists with the exception of: unprepared food, medicine or medical supplies, appliances, hardware supplies and tools, or any necessities of life. Existing resort tax resolutions include sporting good rentals, books, magazines, souvenirs, and even antiques as luxuries.²⁵

In addition to designating what items may be taxed (within statutory guidelines), resort communities and areas may also determine when to levy the tax. Collections may be limited to time periods within the calendar year, for example only those months with the highest number of tourists.

Process for Implementation²⁶

In order to levy a resort tax, a community or unincorporated area must first be designated as a resort community or area by the Montana Department of Commerce (MDOC). Statute requires MDOC to determine that the population of a community is fewer than 5,500 for an incorporated town and fewer than 2,500 for an unincorporated area using the most recent federal census. In addition, MDOC must determine that a major portion of the community or area economic wellbeing is related to businesses providing recreational and personal needs of nonbusiness travelers. Once MDOC designates a resort community or area, then local voters must approve a resolution that details the tax rate, effective date and duration of the tax, and how the proceeds will be used.

²⁴ Grau, Kara, "An Assessment of the Resort Tax: Collections and Usage in Montana Communities" (2016). *Institute for Tourism and Recreation Research Publications*. 347. http://scholarworks.umt.edu/itrr_pubs/347

²⁵ Grau, Kara, "An Assessment of the Resort Tax: Collections and Usage in Montana Communities" (2016). *Institute for Tourism and Recreation Research Publications*. 347. http://scholarworks.umt.edu/itrr_pubs/347

²⁶ Excerpted from: Johnson, Terry and Steinbeck, Lois, "Montana Local Option Resort Tax.": MT Infrastructure Coalition November 10, 2016..

LEVERAGING FEDERAL AND STATE FUNDING

In August of 2020, President Trump signed into law the Great American Outdoors Act which, among other things, fully and permanently dedicates funding to the Land and Water Conservation Fund (LWCF), a parks, trails, and conservation fund that’s been used in every county in the country. And in Montana, I-190 and CI-118 are two initiatives passed on the November 3, 2020 ballot that will legalize the adult use of recreational marijuana. The taxation of marijuana will provide more than \$18 million per year to benefit public lands, campgrounds, trails, wildlife and outdoor access. A dedicated source of parks, trails, and conservation funding for the City of Billings could provide critical matching funds to unlock LWCF dollars, and will assist in tapping into marijuana conservation funding.

ELECTION ANALYSIS

Montana statewide and county general elections are held in even-numbered years. In 2021 municipal primaries and general elections will be held as well as elections for fire districts and school districts throughout Yellowstone County. The Billings City Council may call a special election that is conducted in conjunction with a regular or primary election, or by mail ballot (a mail ballot may not be conducted if a regularly scheduled or special election in in the political subdivision is taking place at the polls on the same day).

The dates for 2021 elections are listed in the table below. The deadline for the resolution calling an election is 85 days before the election date, which would be August 9th for the November 2021 election.²⁷ Absentee ballots and voter information must be mailed no later than September 18, 2021.²⁸

2021 Election Dates		
		Deadlines for
Election	Date	Resolutions
School & Special Districts	May 4	February 8
Municipal Primary	September 14	June 21
Municipal General	November 2	August 9

²⁷ MCA 13-1-405(2).

²⁸ MCA 13-27-410.

Voter Registration and Turnout

As of September 2020, Billings had 69,603 registered voters.²⁹ Voters are not required to register with a specific party. Voter turnout in Yellowstone County has ranged from a low of 43 percent in June 2018 to a high of 49 percent in September 2019.

Date	Regist. Voters	Ballots Cast	% Turnout
Nov-20	104,277	84,969	81%
Sep-20	69,603	31,365	45%
Nov-19	73,457	28,035	38%
Sep-19	86,316	42,607	49%
May-19	90,258	40,839	45%
Nov-18	n/a	69,925	n/a
Jun-18	94,765	40,945	43%
May-18	14,971	7,393	49%
Nov-17	78,792	42,056	53%
Sep-17	55,840	24,242	43%

Source: Yellowstone County Elections website

Election Results

Since most local public finance mechanisms require voter approval it is useful to look at election history for the county. A review of the Yellowstone County elections over the past few years indicates that there have been few major county finance propositions before voters by which to gauge current voter attitudes toward public spending measures. Results of those measures are summarized in the table below.

Date	Measure	Description	Results	%Yes
Sep-20	Levy	60 mill Public Safety Levy	Pass	68%
May-19	Levy	\$970,000 Billings High School Operational Levy	Pass	60%
Nov-17	Levy	Yellowstone County Public Safety Levy	Pass	51%

Source: Yellowstone County Elections Department

Next steps should include narrowing funding options to those that best match political and fiscal realities in the City of Billings and testing voter attitudes toward a specific set of funding proposals. The Trust for Public Land recommends conducting a public opinion survey that tests ballot language, tax tolerance, and conservation priorities of voters in Billings.

²⁹ Ibid.

Appendix A – Local Conservation Finance Measures

Montana Local Conservation Finance Ballot Measures - 2000 to 2020					
Jurisdiction Name	Date	Description	Funds		% Yes
			Approved	Status	
Bozeman	May-20	Parks and trails special district with assessment \$0.018 per square foot	\$80,000,000	Pass	62%
Gallatin County	Jun-18	Mill levy for Open space, recreation, farmland, wildlife habitat, watershed protection	\$19,370,160	Pass	62%
Missoula	Nov-18	4 mill property tax levy for the stewards	\$10,000,000	Pass	62%
Missoula County	Nov-18	Bond for open space, recreation, farmland, wildlife habitat, watershed protection	\$15,000,000	Pass	63%
Hamilton	Mar-17	Bond for parkland acquisition	\$1,350,000	Pass	58%
Whitefish	Apr-15	10 year, 1 percent increase resort tax for conservation easement	\$13,800,000	Pass	84%
Missoula County	Nov-14	Bond for parks and trails improvements	\$42,000,000	Pass	54%
Bozeman	Nov-12	Bond for parks, trails and natural areas	\$15,000,000	Pass	73%
Cascade County	Nov-08	Bond to purchase 233 acres on air force base		Fail	37%
Flathead County	Nov-08	Bond for the protection of natural areas including watersheds, farmland, open space, and wildlife habitat		Fail	44%
Lewis & Clark County	Nov-08	Bond for the preservation of open space and farmland	\$10,000,000	Pass	51%
Whitefish	Oct-07	Bond to expand a beachfront and park		Fail	43%
Billings	Nov-06	Bond for baseball park	\$12,500,000	Pass	53%
Missoula County	Nov-06	Bond for the preservation of open space	\$10,000,000	Pass	71%
Ravalli County	Nov-06	Bond to purchase farmland and open space	\$10,000,000	Pass	58%
Gallatin County	Nov-04	Bond for open space land and easements	\$10,000,000	Pass	63%
Great Falls	Nov-03	Bond for soccer fields	\$2,500,000	Pass	51%
Gallatin County	Nov-00	Bond issue to purchase land and conservation easements	\$10,000,000	Pass	59%
			\$261,520,160		

Source: The Trust for Public Land, LandVote database.

With any questions or for more information please contact:

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or

Wendy Muzzy

National Feasibility Research Director
The Trust for Public Land
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City Council Work Session

Date: 03/15/2021
Title: Park Funding
Presented by: Mike Whitaker, Parks, Recreation & Public Lands Director
Department: Parks/Rec/Public Lands
Presentation: Yes

RECOMMENDATION

Staff recommends the continued use of General Fund, Park Maintenance Districts, and Park District #1 to fund park operations and maintenance in the interim until the General Fund portion of the Park's Budget is transitioned into Park District #1. Using Park District #1 over a levy is preferred because of the flexibility to quickly raise or lower the annual assessment depending on the need. For example; when a park is developed the PD1's assessment could be raised to cover the additional maintenance costs.

Staff is also recommending that new park development be funded through a general obligation bond. Additionally, a recommendation of a \$250,000 matching grant program that would be funded through PD1 assessments. General obligation bonds would give the community control over the decision of how and when parks are developed. The \$250,000 matching grant program will help to leverage partnerships improving community support for PD1 as neighborhoods see the improvements. General obligation bonds require voter approval and allow significant investment with inexpensive financing.

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

The National Recreation and Park Association recognizes 3 maintenance levels. Level 1 is associated with sports fields where enhanced maintenance is necessary for the safety of participants. Level 2 is the most common industry standard for parks and consists of weekly mowing and trash service, annual aeration, and pesticide application. Fertilizer and pesticides would be applied two to four times per year in level 2 maintenance. Level 3 applies more towards natural areas. The Billings Parks and Recreation Comprehensive Plan determined that Billings does not meet the Level 2 service standards for park maintenance, because of the shortfall in both funding and personnel. Since the comprehensive master plan was completed in 2017, park amenities have increased with the addition of 4 restrooms, 4 playgrounds, 43 acres of developed parkland, Yellowstone Kelly's Interpretive Site, and additional trail segments, but have not received additional funding or staffing to care for these added amenities. In addition, the Comp Plan recommended that we establish a work order Management System and build 2 satellite maintenance facilities as a way to reduce travel time. Satellite maintenance facilities would minimize the amount of time employees spend driving, increasing productivity by the equivalent of adding 1 additional full-time employee. City Works software has been purchased and implementation is underway to better track staff time and expenses.

Currently, the department has approximately \$575,000 in unmet staffing needs according to the Comp. Plan. This includes an Arborist, 2 Equipment Operators, 6 Seasonal Park Attendants, a Park Supervisor, an Asset Coordinator, and a Business Manager. The City's

urban forest has grown to a point where one Arborist can't maintain safety standards. As our parkland and trails inventory increases, we need 2 additional Equipment Operators and 6 Seasonal Park Attendants to maintain the current service levels. To ensure timely completion of capital projects an additional Park Planner is needed. Our current park maintenance staffing level of 13 full-time and 50 seasonal positions, already exceeds the ability of a single Park Supervisor to provide adequate guidance and direction. In order to accurately track park assets and staff time an Asset Coordinator will be necessary and a Business Manager is also needed to manage our department's budgets and day-to-day transactions.

Billings is currently spending \$3,665.42 per acre which is \$2,534.58 less than the National Parks and Recreation Association best-practice standard for park maintenance of \$6,2000 per acre. The 2 proposed Equipment Operators and 6 seasonal Park Attendants will increase our current spending per acre by \$222.42 decreasing the number of acres per FTE from 23.76 acres to 21.06 acres which is still higher than National Recreation and Park Association best practice standard of one FTE to 20 acres. The addition of more parkland and facilities, increasing usage of parks and trails, and the demand for sports field space are causing park maintenance levels to continue to decline.

There are 6 major mechanisms for funding park operations and maintenance which include; general fund, special districts, a dedicated levy, user fees, and privatization. Billings Parks are currently funded through the general fund, a special district, user fees, and 36 park maintenance districts.

Completed projects that were identified in the Community's 2017 Parks and Recreation Comprehensive Plan include; Ponderosa Park playground remodel, Primrose Park playground remodel, Castle Rock master plan, Coulson Park master plan, Riverfront Park road repairs, North Park irrigation system replacement, Optimist Park playground replacement and parking lot construction. In addition to the completed projects, the Central Park tennis courts rebuild, shelter at Optimist Park, Phase 1 development of Centennial Park, Lillis Park playground remodel, Rose Park playground remodel, and Terry Park playground remodel are maintenance projects that are underway and were also identified in the Community's 2017 Parks and Recreation Comprehensive Plan. Since 2013 over \$8.2 million in projects have been completed or are in progress that were not included in the 2017 Parks and Recreation Plan. These projects became priorities due to outside influences including; grants and donations, fires and TIF district funding becoming available.

The Trust for Public Lands survey will identify the Community's top priorities and the Community's willingness to support the development of their priorities. Constructing a multigenerational recreation center and continuing the master plan implementation of Castle Rock Park, Poly Vista Park, and Centennial Park has been identified as the Department's priorities.

Four funding options for park development have been identified and include; cash-on-hand, revenue bonds, general obligation bonds, and donations. The cash-on-hand option includes TIF Districts, General Fund, Park District #1, and Cash-in-Lieu. General obligation bonds require voter approval and allow significant investment with inexpensive financing but are not a good tool for maintenance because the levy goes away once the debt is paid off. Revenue bonds can be done quickly but will have a higher interest rate than a general obligation bond. As was stated earlier staff recommends the continued use of General Fund, Park Maintenance Districts, and Park District #1 to fund park operations and maintenance in the interim until the General Fund portion of the Park's Budget is transitioned into Park District #1.

Using Park District #1 over a levy is preferred because of the flexibility to quickly raise or lower the annual assessment depending on the need. Staff is also recommending that new park development be funded through a general obligation bond. Additionally, a recommendation of a \$250,000 matching grant program that would be funded through PD1 assessments. General obligation bonds would give the community control over the decision of how and when parks are developed. General obligation bonds require voter approval and allow significant investment with inexpensive financing. The \$250,000 matching grant program will help to leverage partnerships improving community support for PD1 as neighborhoods see the improvements.

The Park, Recreation, and Cemetery Advisory Board recommends using a mill levy with either bonds or pay-as-you-go to fund both operations and development but would use the Trust for Public Land survey to determine voter intent and then base an actual policy decision on the results of the survey.

ALTERNATIVES

FISCAL EFFECTS

Should Council decide to move forward there could be fiscal effects

City Council Work Session

Date: 03/15/2021
Title: Council Priorities
Presented by: Chris Kukulski, City Administrator
Department: City Hall Administration
Presentation: Yes

RECOMMENDATION

Review and make adjustments to the proposed city council priorities for 2021-2022.

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

During the March 8th City Council meeting the Council voted 6-5 to bring the proposed priorities back to the city council for discussion at a future work session. In addition to the proposed 2021-2022 council priorities, I've also included the council's adopted priorities from 2019 and 2020. We will also schedule significant time this spring to make policy decisions to make progress on our #1 priority - Improving the safety of Billings.

ALTERNATIVES

City Council may:

- Approve the proposed 2021 - 2022 council priorities at an upcoming regular meeting; or
- Not Approve the proposed 2021 - 2022 council priorities

FISCAL EFFECTS

The adopted priorities will help our staff focus on what is most important, ultimately maximizing resources and minimizing wasted time on unimportant projects.

Attachments

- Proposed 2021-2022 Council Priorities
- 2020 Adopted Priorities
- 2019 Adopted Priorities

DRAFT 2021/2022 City Council Priorities




March 11, 2021

#1 PRIORITY









Improve the safety of Billings

- Determine Council's support to implement the policy implications recommended in the Center for Public Safety Management (CPSM) law enforcement analysis.
- Resolve criminal justice facility space deficiencies.
- Understand and determine the Council's level of support for the policy implications recommended in the CPSM fire department analysis.
- Determine policy level support to Implement Code Enforcement, Legal and Municipal Court strategies to improve safety.
- Analyze funding options and determine the best methods to improve the safety of Billings.
- Adopt massage and spa facilities business license ordinance
- Support critical partnerships w/Substance Abuse Connect, Yellowstone County, and Continuum of Care partnerships.
- Continue improving sidewalk network improving safe routes to schools

ONGOING CRITICAL PROJECTS

-  **Break ground on west side water treatment plant and visionary reservoir project.**
-  **Continue airport terminal reconstruction project, building Montana's greatest airport.**
-  **Continue progress to break ground on the inner-belt loop and Skyline trail projects.**

HIGH PRIORITIES

-  **Create a park development program and analyze all park funding options to build excellent parks and trails throughout the City.**
-  **Resolve conflicts with Heights Water District to improve development and redevelopment opportunities within the Billings Heights area.**
-  **Complete Billings Bypass corridor study in preparation for utility extensions and development.**
-  **Define strategy to complete cost of services studies to help fund police, fire, parks, and transportation infrastructure in partnership with Yellowstone County.**
-  **Regulate medical marijuana dispensaries/Storefronts. Analyze land use and financial impacts of legalized marijuana on the City and recommend policy improvements.**
-  **Stimulate redevelopment within downtown and other business districts.**
-  **Resolve City Hall facility space deficiencies (see criminal justice center space needs)**
-  **Participate in the 2021 legislative process to support adopted legislative priorities and pass legislation to improve the safety of Billings.**

2020/2021 City Council Priorities

Adopted March 9, 2020

HIGH

Improve the safety of Billings

- Adopt Public Safety Mill Levy (PSML) Ordinance for 2020 ballot measure
- Educate the community on the impacts of the PSML
- Implement 911, PD, FD, Code Enforcement, Legal, Municipal Courts strategies to improve safety
- Resolve criminal justice system facility space deficiencies
- Adopt spa/massage parlor business license ordinance
- Pursue supplemental funding sources (Impact fees, increase cost of fines, BUFGA)
- Support critical partnerships w/Substance Abuse Connect, Yellowstone County, and Continuum of Care partnership
- Continue improving "Safe Routes to Schools"

Complete Project Re-Code

Complete Airport Terminal Reconstruction Project (2023)

Advance West-End Reservoir and Water Treatment Plant Projects (reservoir 2022/H2O 2024)

Create a Park Development Fund

Improve Communication with our citizens

- Create a Public Information Officer position for the City
- Overhaul City Website

Approve 2021 Legislative Agenda/Priorities

Implement Lean Six Sigma/Continues Improvement program

MEDIUM

Improve Intergovernmental Collaboration

Stimulate Downtown Revitalization

- Improve legislative tools
- Implement downtown transportation study/one-way conversion plan
- Install traffic light N 27th/MT Ave

Complete the Cost of Services Study

Resolve Heights Water Issues

Improve Transportation/Land-use System

- Advance Billings Bypass Interchange project – including adjacent land use and utility extension plans and Targeted Economic Development District (TEDD)
- Inner Belt Loop – including adjacent land use and utility extension plans

Improve city parks and trails system

- Complete - Centennial Park improvements Phase I
- Adopt - Coulson Park Master Plan
- Adopt Castlerock Park Master Plan
- Advance Poly Vista Park partnership w/Landan's Legacy Foundation
- Advance Marathon Loop

Determine scope of the South Billings Recreation Center

Future Consideration

 Increase Grant Writing Resources

 Housing – Study Affordable Housing in General

 Create a Storm Water Utility

 Budget Process Review

 Update Neighborhood Plans (West Side Plan priority)

 Investigate a third transportation connector from the top of the rims to the valley

2019/2020 City Council Priorities

Adopted March 11, 2019

HIGH

+ Improve the safety of Billings

- 1) Improve law enforcement capabilities (define the goal/set a standard)
 - a. Improve safety ranking among MT and peer cities as defined by FBI stats
 - b. Improve sense of safety in neighborhoods, the downtown, and parks as measured by our National Citizen Survey results
 - c. Expand partnership with addiction and mental health service providers
 - d. Resolve over-crowding issues with incarceration
 - e. Adopt spa/message parlor business license ordinance
- 2) Improve fire capabilities -
 - a. Adopt and Implement long range fire master plan
- 3) Improve safe routes to schools – Medicine Crow
- 4) Continue focus on code enforcement
- 5) Investigate adding a 2nd full time judge

+ Implement the One Big Sky Plan (see City Contribution/Fiscal Gain estimates)

- 1) Succeed at adopting “Value Capture” legislation (LC1182)

+ Successful 2019 Legislative Session (see adopted legislative agenda)

+ Advance West-End Reservoir and Water Treatment Plant Projects

- 1) Complete reservoir 2022
- 2) Complete water plant 2024

+ Complete Project Re-Code

- 1) Adopt in phases
- 2) Improve impact of casinos through site development
- 3) Include commercial corridor redevelopment standards
- 4) Improve housing affordability & racial segregation

MEDIUM

+ Improve Communication with our citizens

- 1) Overhaul City Website
- 2) Improve support and engagement with Neighborhood Task Forces

+ Improve city parks and trails system (quality and quantity)

- 1) Complete - Centennial Park improvements Phase I
- 2) Complete - Coulson Park Master Plan
- 3) Increase trails investments
- 4) Increase park investments (taxes/fees)
 - a) Investigate private revenue ideas (cell towers/vender sales/restaurants etc.)

✚ **Advance Airport Expansion Project – completion target 2023**

✚ **Determine scope of the South Billings Recreation Center**

✚ **Transportation System Improvements**

- 1) Billings Bypass Interchange project
 - a) Zoning of adjacent land
 - b) Annexation
 - c) Utility extension plan
- 2) Inner Belt Loop
 - a) Zoning of adjacent land
 - b) Right of Way acquisition
 - c) Annexation
 - d) Utility extension plan
- 3) Molt Road/Highway 3
 - a) Zoning of adjacent land
 - b) Right of Way acquisition
 - c) Annexation
 - d) Utility extension plan

LOW

✚ **Propose long-term solutions to City Hall space issues**

✚ **Research options to creating a Public Information Officer (PIO) type position**

Ongoing administrative topics

- Franchise fee litigation
- Improve financial data analysis
- Lean 6 Sigma/cost of service analysis
- Request for proposals healthcare/wellness
- Tax Increment Finance administrative budgets
- Classification and Compensation Study

Ongoing City Council topics

- Franchise fee litigation
- USS Billings
- Meeting length/meeting structure
- Energy Conservation Commission
- Tax Increment Finance administrative budget
- Council compensation
- Ward boundaries