

****ATTENTION****

The City Council meeting will be held in a hybrid format that may include both in-person AND virtual attendance via Zoom. Unless they have cause to appear virtually, Councilmembers will attend the meeting in person in Council Chambers, second floor of City Hall, 220 N. 27th Street. 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: www.billingsmt.gov and click on "Your Government," "City Council," and "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.
 - On the City's website at www.billingsmt.gov and click on "Watch Meetings Online" on the homepage.
 - In-Person.
 - Virtually via Zoom (see the link below).

Citizens may submit public comment via the following methods:

- Mail: City Clerk, P.O. Box 1178, Billings, MT 59103
- Email: Council@billingsmt.gov.
 - 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.
- Attend the meeting in person.
- Attend the meeting virtually through Zoom by entering the Webinar ID and Passcode indicated below. Click on *Zoom Meeting Instructions* and *Zoom Hybrid Meeting Details* below for more information. The link will allow you to attend, view and participate in the meeting on your computer, laptop or smart phone. (You must have the Zoom App on your device [Click Here to Download Zoom App](#)) To provide public comment at the appropriate time, click on the "raise hand" icon located at the bottom of the screen and the moderator will unmute your device.
 - **Don't have a smart phone, computer or laptop?** That's okay -- you can attend a Zoom meeting using your **landline phone**. Call the Zoom phone number, 1.253.215.8782 to join the meeting and follow the operator's instructions. Want to give public comment? Simply "*raise your hand*" by pressing *9 and the moderator will give you permission to speak when it is your turn. **Note this is a long distance toll number and charges may apply depending on your plan.*
- Click Here for [Zoom Meeting IDs and Passcodes](#)
- Click Here for [Zoom Meeting Instructions for Attendees \(as guests\)](#)

Please contact Denise Bohlman, City Clerk, at bohlmand@billingsmt.gov, or at 406.657.8210, with any questions.



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

WORK SESSION AGENDA

COUNCIL CHAMBERS

MAY 15, 2023

5:30 P.M.

CALL TO ORDER: Mayor Cole

PUBLIC COMMENT ON ALL ITEMS. This is the time to comment on any matter (Agenda or Non-Agenda) falling within the scope of the Billings City Council. There will also be time in conjunction with each agenda item for public comment relating to that item. You may only speak once for each item during the meeting.

Please note, the City Council cannot take action on any item of significant interest to the public that does not appear on the agenda. Comments are limited to three (3) minutes during each public comment period or as set by the Mayor. **Speaker sign-in required.** Please sign the roster at the cart located at the back of the Council chambers or at the podium.

1. **FY2024 Non-General Fund Budget Presentations.**
(Presented by: Andy Zoeller, Finance Director)
 - Facilities
 - Aviation and Transit
 - Public Works-Public Comment
2. **FY2024 Solid Waste Rates.**
(Presented by: Jennifer Duray, Public Works Deputy Director)
-Public Comment
3. **Highlight Upcoming Agenda Items of Council Interest.**
(Presented by: Chris Kukulski, City Administrator)
-Public Comment

COUNCIL DISCUSSION:

PUBLIC COMMENT on "NON-AGENDA ITEMS". **Speaker Sign-in required.** *(Restricted to ONLY items not on this printed agenda. Comments are limited to 3 minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium.)*

ADJOURN:

Note:

- This meeting is an "informal" meeting of the City Council. The content of the Agenda is subject to change at the meeting.
- In the event there is a Closed Executive Session, 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: 05/15/2023
Title: FY2024 Departmental Budget Presentations
Presented by: Andy Zoeller, Finance Director
Department: Finance
Presentation: Yes
Legal Review Not Applicable

RECOMMENDATION

Staff will be present to provide FY24 departmental budget information to City Council. Council action will occur in June at a regular City Council meeting.

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

Council will receive information about the FY24 budget over multiple work sessions. See attached presentations. Each department has provided an overview of their proposed FY2024 budget. The entire proposed FY24 budget can be found online at www.billingsmt.gov/finance. City Council will receive information from the following departments on May 15, 2023:

Facilities
Aviation & Transit
Public Works

ALTERNATIVES

No Council action will be required at this meeting. Final adoption for the FY2024 budget is planned for a regular meeting in June.

FISCAL EFFECTS

The total FY24 proposed budget is \$370,872,096, and an overview can be found on pages 1-13 of the proposed FY2024 budget. The budget can be found online at www.billingsmt.gov/finance

Attachments

Airport Budget Presentation
Public Works Presentation
Facilities Presentation
Transit Presentation

AVIATION & TRANSIT DEPARTMENT



FY 2024 BUDGET

BILLINGS LOGAN INTERNATIONAL AIRPORT



AIRPORT ACCOMPLISHMENTS

- **Completed Phase II of Terminal Reconstruction and Opened Concourse A, Great Room, Coffee Shop/Bar and Gift Shop.**
- **Error Free FAA Inspection of the Airfield.**
- **Phases III-V of Terminal Construction Underway.**
- **Established Five-Year Contracts for Air Service Development Support and Engineering Services.**

AIRPORT CHALLENGES

- **Lack of Commercial Service Flights/Seats and Higher Air Fares.**
- **Increased Cost of Doing Business Due to Economy.**
- **Ongoing Customer Service Complaints Due to Airline Issues and Staffing Shortages.**
- **Moving Passengers Through Next Phases of Construction.**
- **Airport Staffing Vacancies Due to Low Wages, Lack of Interest, and Unqualified Candidates.**

AIR SERVICE DEVELOPMENT EFFORTS

Terminal Expansion Project

- Improve Facilities for Existing Air Service Providers
- Increase Capacity for Additional Air Service

Mead & Hunt Five-Year Contract

- Air Service Development Conferences
- Air Carrier Headquarters Visits
- Assistance With SCASD Grant

SCASD Grant Application

- Small Community Air Service Development Grant to Incentivize Additional Service

Kinetics Five-Year Contract

- Marketing Support
- Social Media Engagement



AIRPORT ENPLANEMENTS

	2019	2020	2021	2022	2023
January	32,615	35,892	18,580	26,215	31,382
February	30,531	33,518	18,152	26,031	26,510
March	36,197	19,188	28,000	31,768	35,631
April	35,243	2,334	26,132	27,819	28,654
May	39,326	7,535	32,672	32,298	32,943
June	44,823	13,675	40,480	32,950	33,938
July	49,986	23,013	45,299	37,230	38,719
August	46,409	24,612	41,963	38,054	39,195
September	40,866	22,320	34,196	37,413	38,535
October	39,468	23,046	34,741	36,148	36,870
November	35,982	20,832	32,168	34,052	35,244
December	43,316	22,632	31,687	35,491	36,911
TOTALS	474,762	248,597	384,070	395,469	414,532

ALL
NUMBERS
IN GREEN
ARE
ESTIMATES

AIR CARGO (Pounds)

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Landed Weight	441,022,220	488,321,484	517,340,932	571,068,860	543,269,518
Freight On	27,120,901	31,722,339	35,132,634	31,981,065	29,215,304
Freight Off	54,359,053	67,597,720	75,575,756	67,085,585	63,298,145
Mail On	370,416	586,213	594,428	304,282	368,448
Mail Off	1,307,525	1,241,422	1,177,885	1,032,918	819,187

AIRPORT OPERATING REVENUES

	FY 23	FY 24
Concessions	\$4,822,657	\$5,483,355
Land/Building Leases	1,904,981	2,084,028
Airlines	2,707,042	2,647,990
Other	<u>724,567</u>	<u>973,016</u>
TOTAL	<u>\$10,159,247</u>	<u>\$11,188,389</u>

AIRPORT NON OPERATING REVENUES

	FY23	FY24
ARPA Funds	\$3,000,000	
Interest Income	41,196	241,485
Refunds/Reimbursements	<u>166,190</u>	<u>192,300</u>
TOTALS	<u><u>\$3,207,386</u></u>	<u><u>\$433,785</u></u>

AIRPORT OPERATING EXPENSES

	FY 23	FY 24
Administration	\$2,003,894	\$2,056,570
Marketing	106,781	128,371
Building Maintenance	2,361,450	2,484,575
Airfield Operations/ARFF	2,892,208	2,925,478
Airport Police	982,428	1,018,277
QTA	<u>471,351</u>	<u>594,685</u>
TOTAL	<u>\$8,711,331</u>	<u>\$9,207,956</u>

AIRPORT CAPITAL REVENUES

FY 24

Federal Grants (AIP)	\$7,450,000
Passenger Facility Charges (PFC)	1,200,000
Customer Facility Charges (CFC)	<u>714,000</u>
TOTAL	<u>\$9,364,000</u>

AIRPORT CAPITAL EXPENSES GRANTS

Terminal Expansion Continued – Grants	\$1,700,000
Airport Master Plan Update – Grants	800,000
Mid-Field Service Road – Grants	400,000
Cargo Ramp – Grants	1,800,000
Ramp Replacement (Schedule 4) – Grants	2,850,000
COVID Relief Funds – Grant for Operating	<u>1,900,000</u>
TOTAL	<u>\$9,450,000</u>

AIRPORT REVENUE FUNDED PROJECTS

FY 24

Additional Floor Cleaner for Terminal Expansion, Building Maintenance	\$30,000
Terminal Access Road Rehab	1,388,000
Upgrade Regulators in Airfield Lighting Vault	175,000
Upgrade Fire Alarm System in Terminal	50,000
IP-9 Window Replacement	200,000
New Phone Board (Digital Display)	100,000
Fiber – Optic Upgrade on Security Gates 16-12	75,000
Snow Removal Equipment – 1 Broom (PFC Funds)	800,000
Snow Removal Equipment – 2 Plows, 1 Blower (PFC Funds)	<u>1,700,000</u>
TOTAL	\$4,518,000

FY 24 AIRPORT BUDGET TOTALS

Total Revenues \$20,773,389

Total Expenditures \$26,508,708

Projected Cash Decrease \$(5,735,319)

AIRPORT COVID RELIEF FUNDS

	<u>Capital</u>	<u>Operating</u>	<u>Used</u>
CARES Act	\$7,970,216	\$4,750,795	\$11,993,977
CRRSA Act	- 0 -	\$3,543,629	\$3,543,629
ARP Act Est.	- 0 -	\$3,800,000	\$2,804,207

TERMINAL PROJECT FUNDING

AIP Grant/PFC Funds	\$43,700,000
Local Share Match	2,010,000
Local Funds/Noneligible	4,680,000
Local Funds	<u>9,610,000</u>
TOTAL COSTS	\$60,000,000

AIRPORT FULL TIME EMPLOYEE REQUEST

- **Airport Police Officer Position to Reduce Overtime Costs, Cover Officer Vacation/Absences, and Patrol Additional Terminal Space.**

THANK YOU!

QUESTIONS?

PUBLIC WORKS FY24 BUDGET



Billings
PUBLIC
WORKS

Excellence
Innovation
Integrity



Exceed expectations through innovation, integrity, and service to the community.

Public Works Leadership Team

Debi Meling
PE
Director

Jennifer Duray
CPA
Deputy Director

Scott Emerick
PE
D&C
Superintendent

Mac Fogelsong
PE
City Engineer

Kyle Foreman
Solid Waste
Superintendent

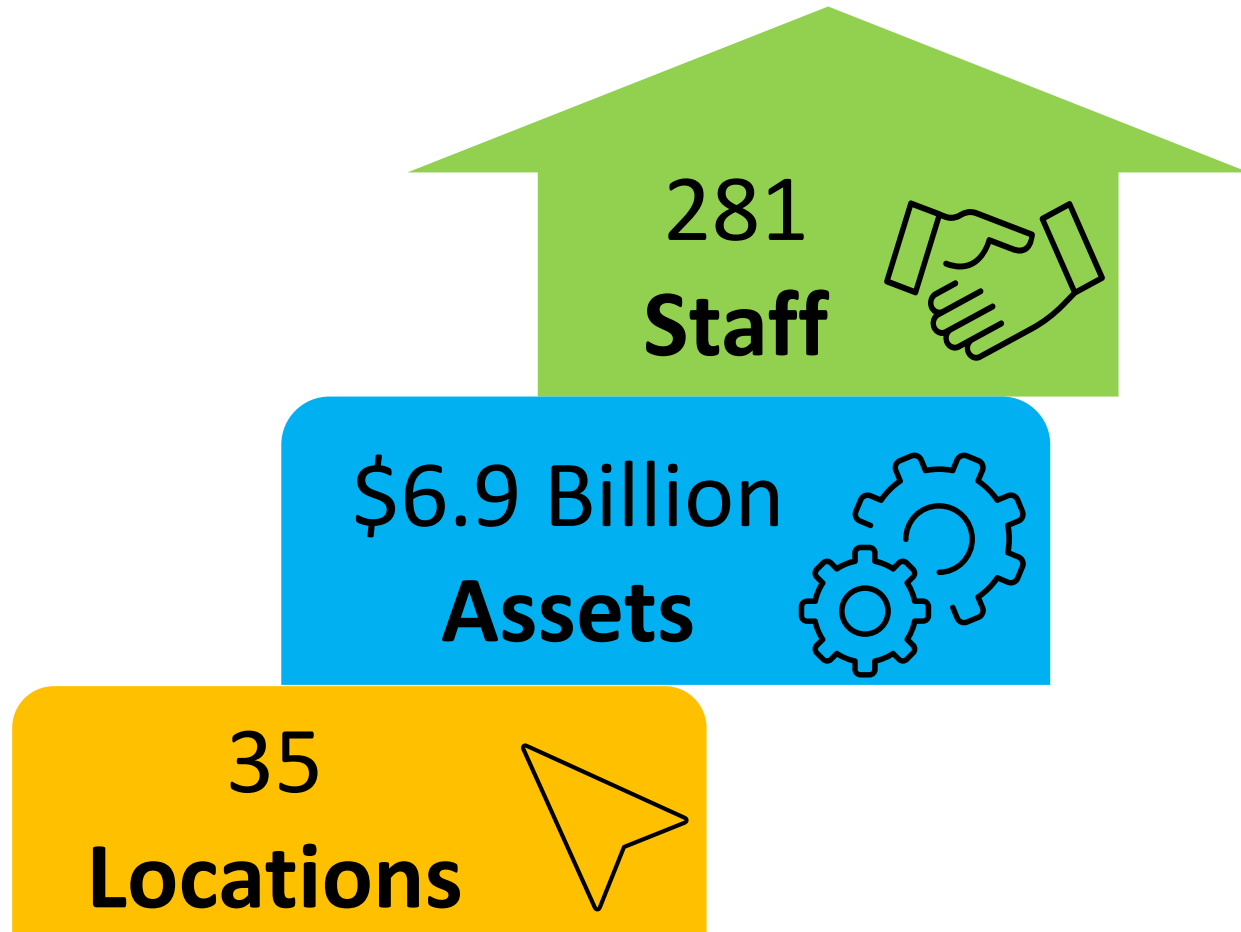
Louis Engels
PE
Water Quality
Superintendent

Derick Miller
Street-Traffic
Superintendent

Boris Krizek
PE
Environmental
Engineer

Connecting Billings
through Public Works

Public Works Responsibilities





Our Core Services

Street Maintenance

Traffic Management

Project & ROW

Stormwater Management

Wastewater Management

Safe Drinking Water

Solid Waste Management

Regional Landfill





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Our Budget at Work
Annual Accomplishments



Project & ROW Management

Funding Sources

Gas Tax Revenue
Street Maintenance Districts
Solid Waste Revenue
Water Revenue
Wastewater Revenue
Storm Assessments
System Development Fees
SIDs and Sidewalk Bonds
TIFDs
Permits and Fees

Project Details

- Review, permit and inspect 1,500 sites and master plans annually
- Manage average of \$60 million of capital projects annually
- Manage roads, sidewalks, storm, solid waste, water, and wastewater projects
- Keep engineering design and construction administration in-house for about \$9M of projects per year
 - Saves approximately \$1.2M annually by providing internal engineering services for in-house work
- Manage projects with change order history of less than 0.5%



Street Maintenance

Funding Sources

Street Maintenance
Districts
SILMDs
Gas Tax Revenue

Project Details

- Manage and maintain
 - 1,230 lane miles of paved streets
 - 12 miles chip-sealed, 9 miles crack-sealed, and 2 miles overlaid annually
- 117 miles of alleys
- 108 gravel streets & 23 non-maintainable streets
- 19 miles of multi-use paths
- 4,488 street lights
 - 10 replaced annually
 - 671 repaired annually
- 42 ADA corners constructed annually
- Street sweeping removes 11,756 cubic yards of material and takes about 3,212 hours annually
- Landscaping care for 618 trees, 4,800 plants, 550 irrigation zones covering 40 miles, 3,300 hours of mowing maintenance, 67 miles of ROW maintenance, and 28 interior islands maintained



Traffic Management

Funding Sources

Street Maintenance Districts
Traffic Tech Grant
Permits and Fees

Project Details

Manage and maintain

- Pavement markings
 - 375 miles of lines painted
 - 323 crosswalks painted
- 115 signalized intersections
 - 24 signals upgraded with new cabinets, controllers and some received GridSmart detection
 - 299 signals repaired
- 15 Roundabouts
- 30 School flashers repaired
- 32,000 traffic signs
 - 875 replaced annually
 - 773 repaired annually
- 4,100 tons of asphalt replaced



Stormwater Management

Funding Sources

Project Details

Permits and Fees
Storm Assessments

- Maintain 298 miles of storm sewer mains and 779 (12 miles) of culverts
 - 55,655 feet of lines cleaned annually
 - 350,000 feet of lines video inspected annually
- Manage 9,257 Intakes and Catch Basins
 - 2,000 catch basins cleaned, inspected, and rated annually
- Administer construction BMPS
- Maintain regulatory compliance
- Enforce compliance with MS4 permit



Solid Waste Management

Funding Sources

Landfill Fees
Residential Collection Fees
Commercial Collection Fees
Roll Off Fees

Project Details

- Process 334,056 tons of waste at the Billings Regional Landfill annually
- Processed 84,396 landfill transactions
- City collection trucks bring 26,852 loads (114,717 tons) to the landfill annually from 36,300 customers
- Produced > 1 billion tons of CNG
- Collection trucks traveled 445,000 miles.
- Ensure compliance with permits and regulations



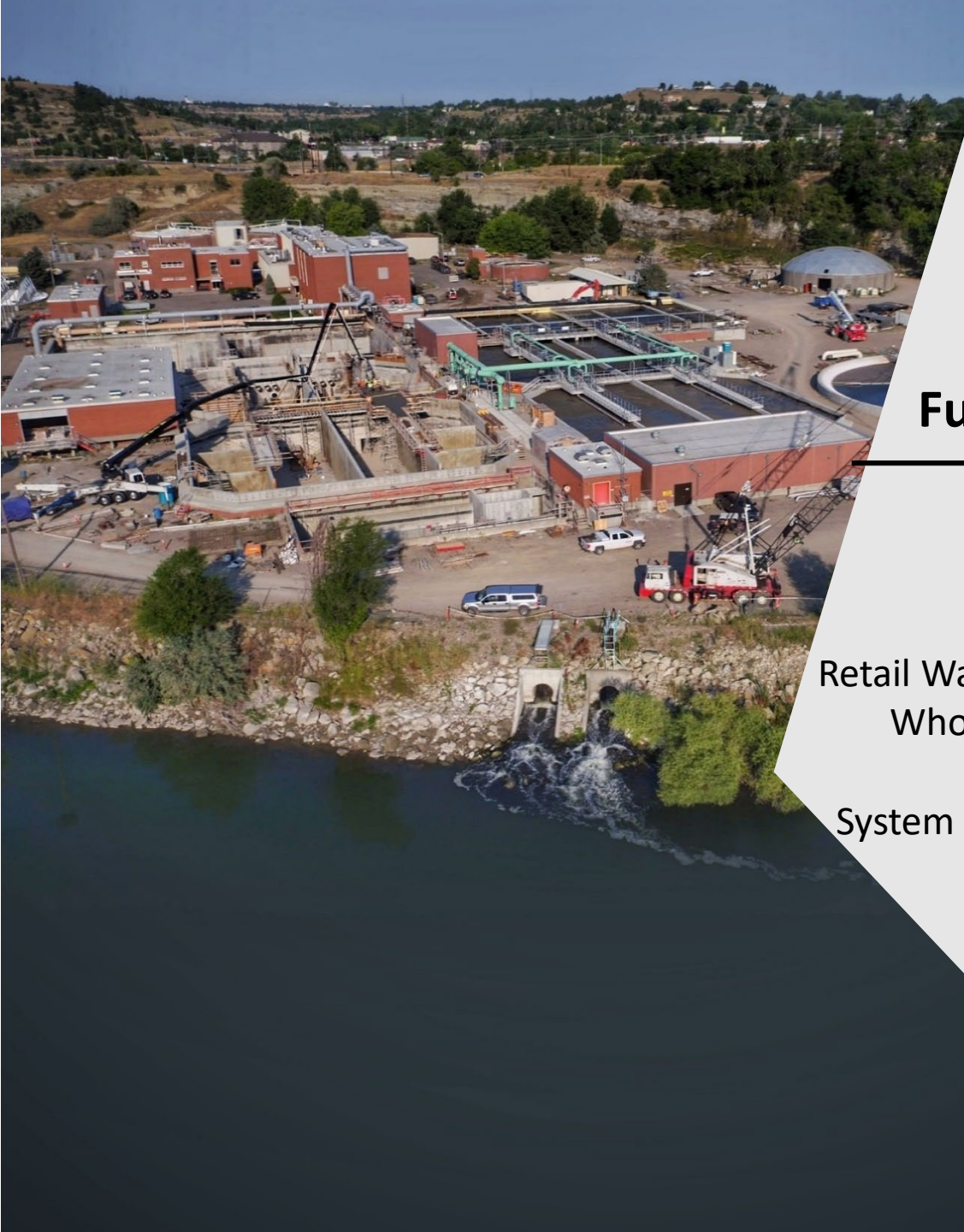
Safe Drinking Water

Funding Sources

Retail Water Sales
Wholesale Water Sales
System Development Fees
Permits and Fees

Project Details

- Treat 8.4 billion gallons of potable water annually
- Manage and maintain
 - Water treatment plant
 - State certified laboratory
 - 16 reservoirs & 13 pump stations
 - 33,200 water meters
 - 1,005 repaired or replaced annually
 - 500 new services set-up
 - 200 water service repairs
- 4,697 Hydrants
 - 76 hydrant repairs annually
- 511 miles of mains
 - 3,000 feet replaced pipebursting
 - Repaired 35 main breaks
- 33,200 water customers



Wastewater Management

Funding Sources

Retail Wastewater Revenue
Wholesale Wastewater Revenue
System Development Fees
Permits and Fees

Project Details

- Reclaim 7 billion gallons of wastewater annually
- Manage and maintain
 - Wastewater Reclamation Facility
 - 11 lift stations
 - 514 miles of mains
 - Repaired 103 sewer overflows
- 36,400 Sewer Customers
- Manage pretreatment program
- Ensure compliance with EPA & DEQ

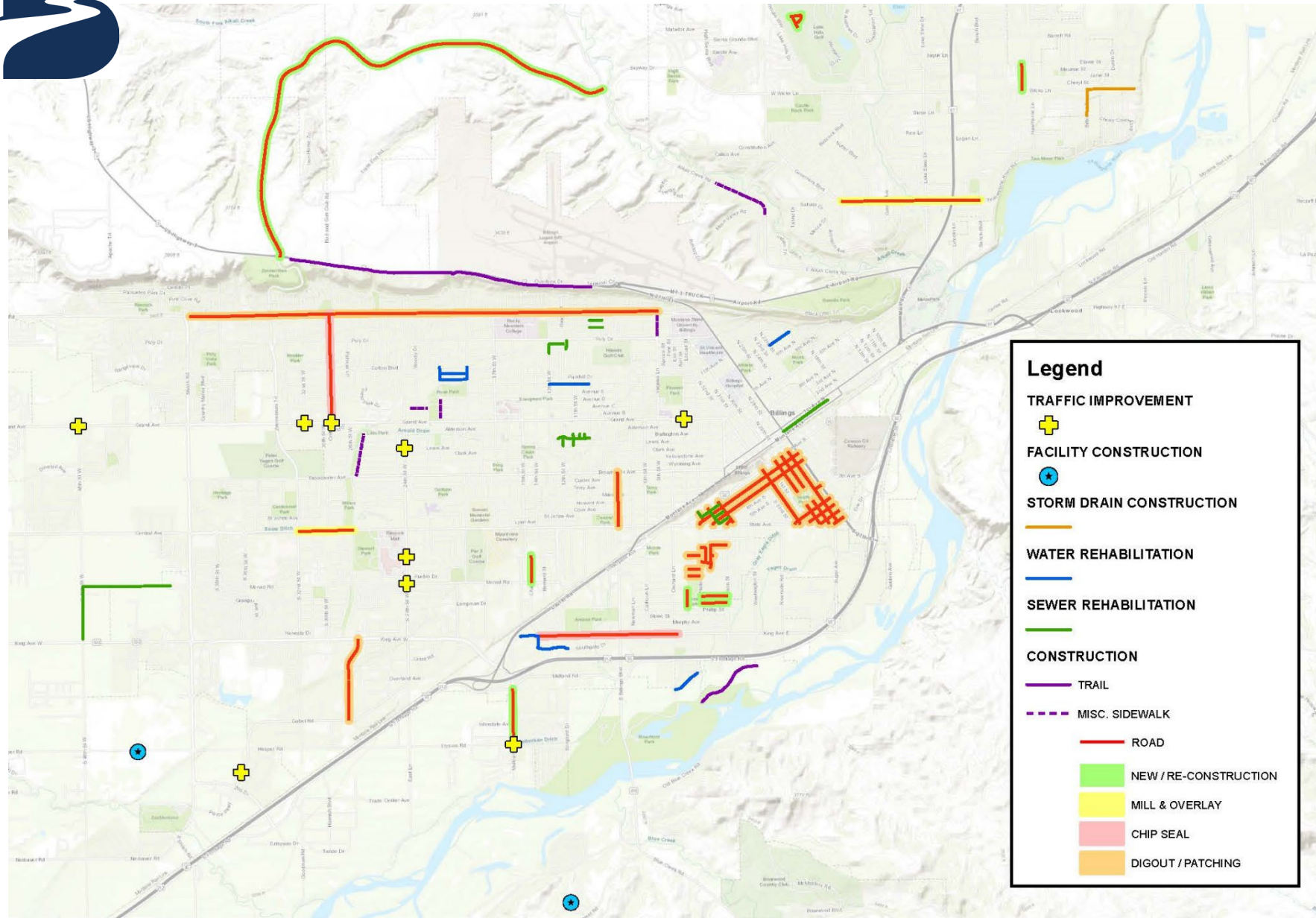


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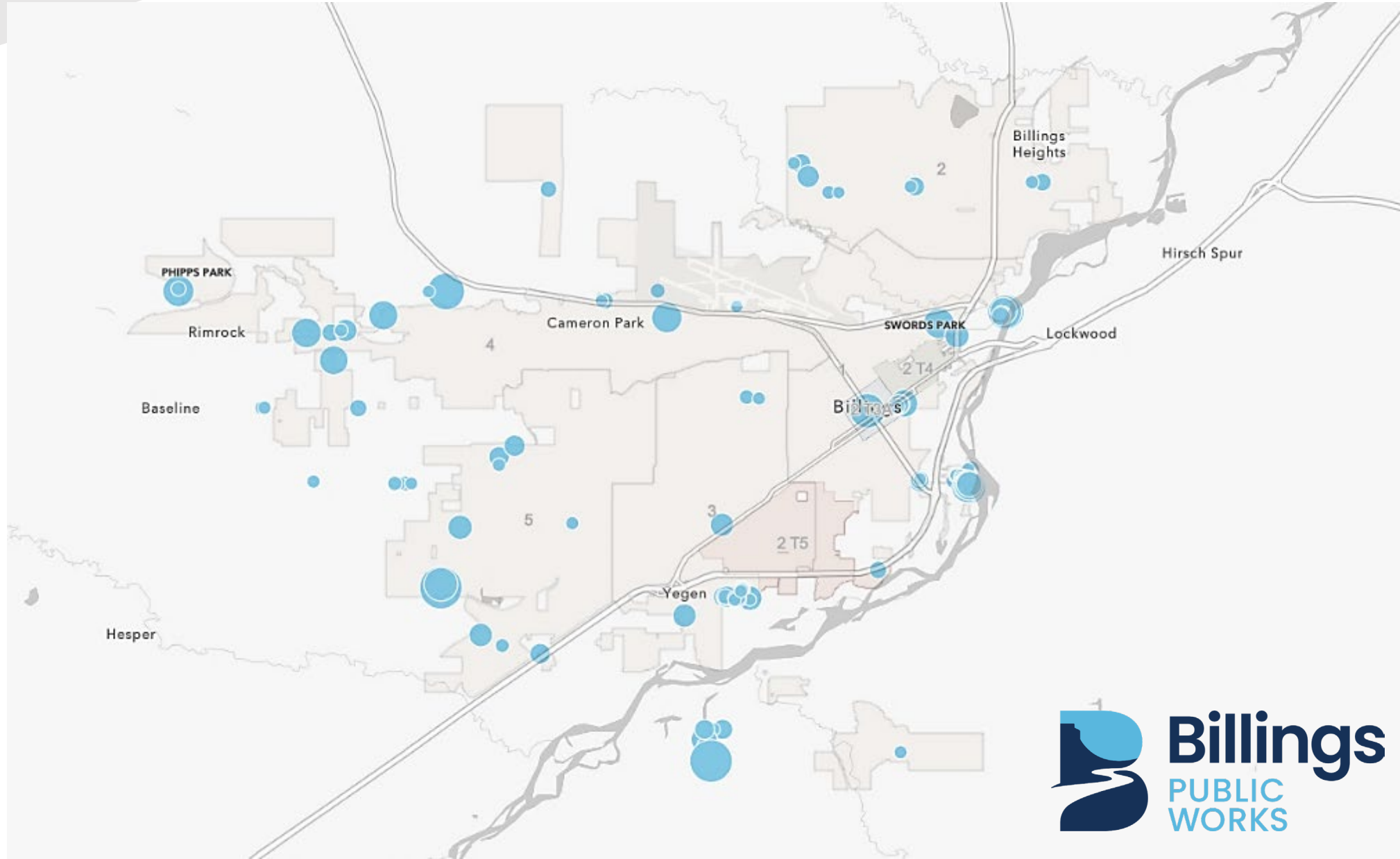
**Our Investment
Building Infrastructure**



2023 Construction Season



Public Works Capital Projects 2023 – 2028





Project Highlights

Major Projects Completed This Year	Cost
Solid Waste Landfill Gas Collection	\$0.8M
WTP HVAC Upgrades	\$1M
Alkali Creek Water & Sewer Extension	\$4.4M
48 & 60 inch Sewer Replacement	\$4.4M
WRF Influent Lift Station	\$6.5M
Annual Water & Sewer Replacement	\$7.9M
54 th to Grand to 48 th Drainage Corridor	\$.6M
Street Overlays	\$1.4M
Chip Seals	\$1.4M
Highwood Drive Reconstruction	\$1.2M
24th & Central Intersection Improvements	\$0.9M



Project Highlights

Major Projects under Construction	Cost
Landfill Composting Phase 1	\$3.3M
Landfill Gas Compliance Flare	\$2.3M
Household Hazardous Waste Addition	\$.5M
Landfill Scalehouse Upgrade	\$.7M
West End Water System	\$153M
Water & Sewer Replacements	\$8.3M
Hesper Sewer	\$.8M
Bitterroot Storm Drain	\$2.8M
Brewington Drive	\$1.6M
Missing Sidewalk Program	\$1.2
Charles Street Reconstruction	\$2.7M
Skyway Drive	\$13.6M
Mullowney Road	\$4.5M
Grand & 32 nd Intersection	\$.5M
Street Overlays/Chip Seals	\$2.8M



Project Highlights

FY24 Projects	Cost
Landfill West Slope Stabilization	\$.9M
Hydrogen Sulfide Mitigation	\$.5M
Wastewater Digester Gas Piping	\$1.2M
Monad Sewer	\$4.5M
Willet and Christensen Pump Station	\$.8M
Zone 4 Pump Station Improvements	\$6.2M
Voelker Pump Station PRV	\$.3M
Bike Boulevard	\$.2M
Downtown Street Improvements	\$7.4M
Remote Restroom/Breakroom/Storage	\$1M
SBURA Unimproved Street Improvements	\$2.6M
Traffic Signal Controller Upgrades	\$.7M



Project Highlights

FY24 Annual Programs	Cost
ADA Replacement	\$.3M
Gravel Street Reconstruction	\$2.5M
Intersection/Traffic Improvements	\$.5M
PAVER Program	\$1.5M
Pedestrian Crossing Improvements	\$.1M
Missing Sidewalk Program	\$1.0M
SIDs	\$1.0M
SRTS	\$.5M
Storm Programs	\$.7M
Street Reconstruction	\$1.6M
Traffic Calming	\$50K
Water/Wastewater Compensation Agreements	\$.6M
Water/Wastewater Electrical	\$.7M
Water/Wastewater Main Replacements	\$9.6M



Billings
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WORKS

Our Commitment
Excellence Innovation Integrity



Excellence

The City of Billings received the **Significant Achievement in GIS (SAG) Award** at the Esri GIS national convention for increasing efficiencies and fostering collaboration among work groups modeled by Public Works and the GIS team.



Innovation

ACEC (American Council of Engineering Companies) of Montana presented the City of Billings Nutrient Upgrade, Expansion and Improvements project with the **2023 Engineering Excellence Grand Project Award** for allowing the transformation of the \$250M new secondary treatment facility design into a \$65M revitalization of the existing facility.



Integrity

By redirecting **FOG** (**Fats, Oils and Grease** produced mainly by the restaurant industry) disposal from the Water Reclamation Facility to the landfill, the City was able to avoid a multi-million dollar upgrade to the WRF to increase its capacity for accepting and treating FOG.



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Looking to the Future
Our Challenges



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JOIN OUR TEAM

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Department-Wide Challenges

- Material availability
- Inflation
- Workforce shortage
- Regulatory changes
- Expanding system

Transportation

Landscaping expectations

**Maintenance responsibilities
for arterial sidewalks**

Alleys

Gravel streets

Non-maintainable streets





Solid Waste

Extras

- Rate equity issues
- Pay As You Throw (PAY-T)

Issues with trash not bagged

Inefficiencies for collections

- 3 trucks for residential
- Inefficient Routes

Recycling





Stormwater

\$99.3M of existing infrastructure deficiencies to handle basic storms

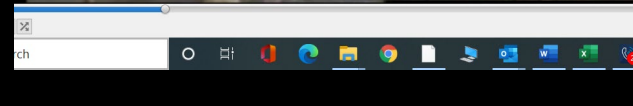
- About \$2M per year available for capital projects

\$73.8M of deferred maintenance

Not enough resources to proactively maintain system

- Understaffed
- Limited equipment

Storm program development





Water & Wastewater

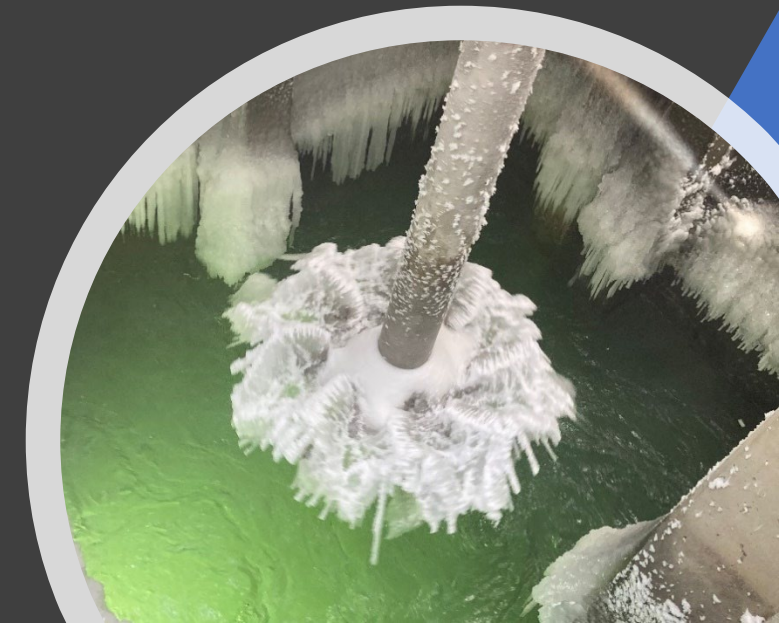
172-year pipe replacement program

- Increased replacements by 10% per year in approved 5-year CIP
- In 5 years will have a 130-year pipe replacement program

Water demands and storage

Drought & flood

Skyway Drive Infrastructure Needs





Billings
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WORKS

FY24 Budget Highlights
Serving Billings



FY24 Budget Summary

Total Public Works Budgeted Expenses

FY23 Total	FY24 Total	\$ Change
\$276,399,175	\$152,527,952	(\$123,871,223)

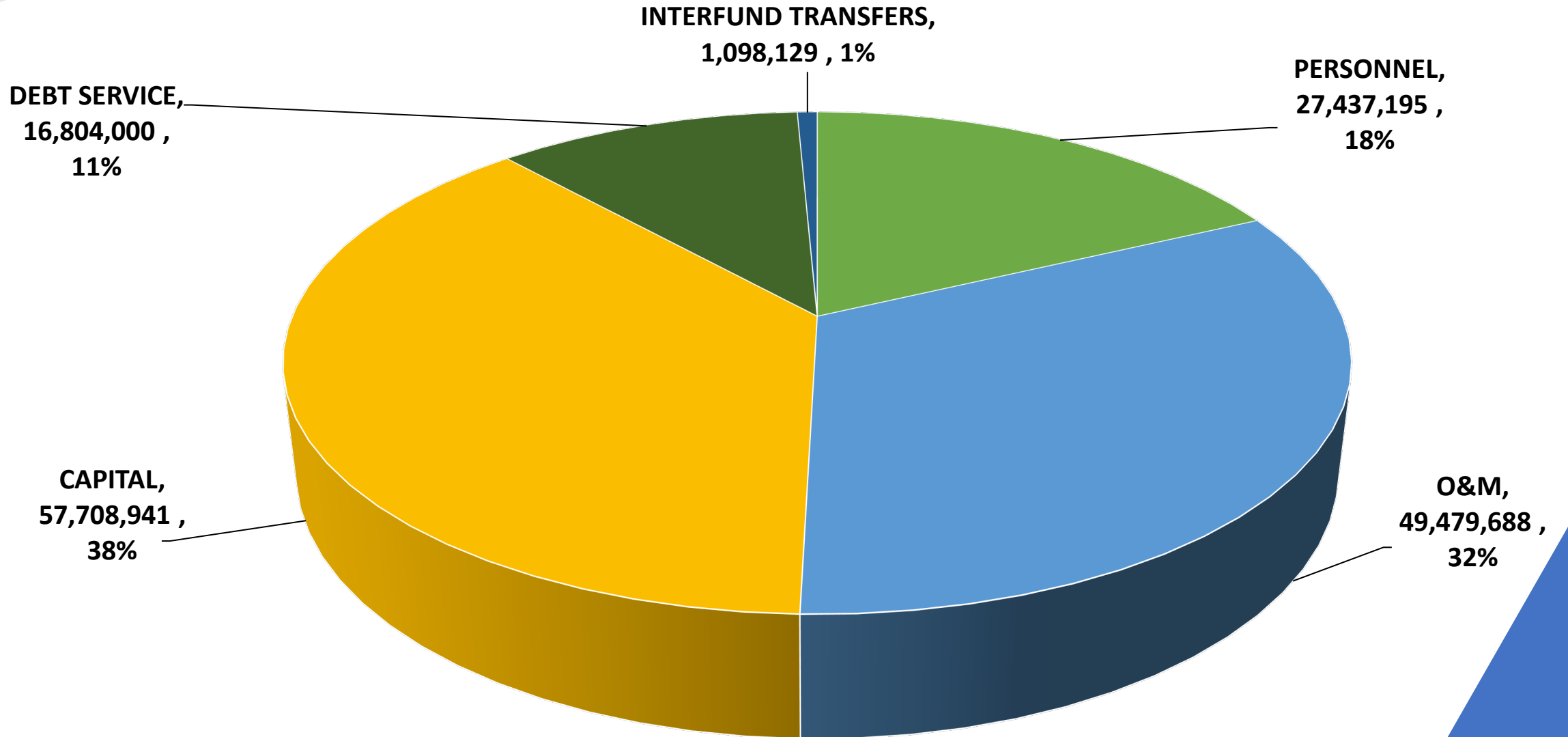


Total Public Works Budgeted Revenues

FY23 Total	FY24 Total	\$ Change
\$242,288,833	\$132,417,196	(\$109,871,637)

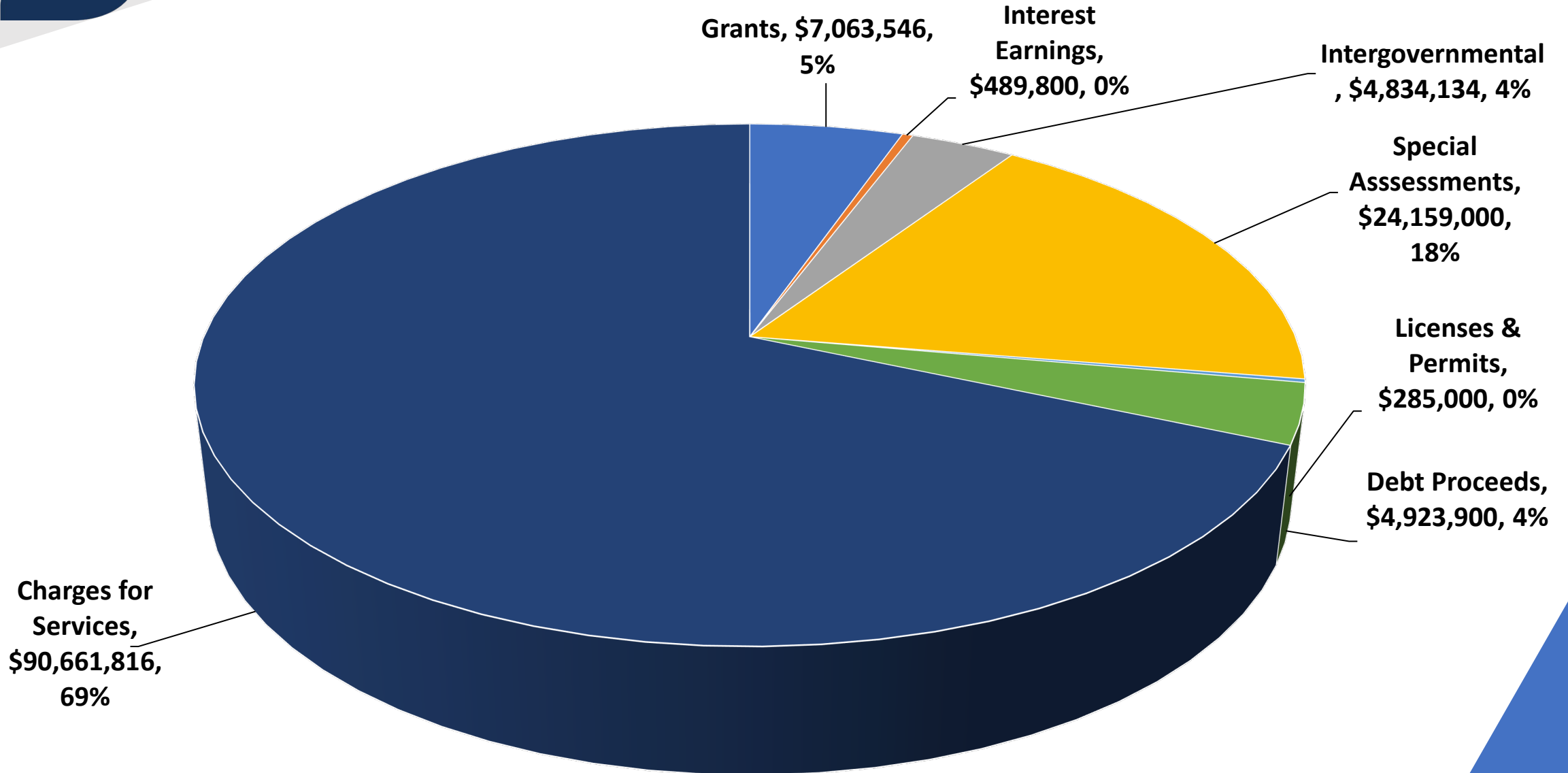


FY24 Expenses = \$152.5M



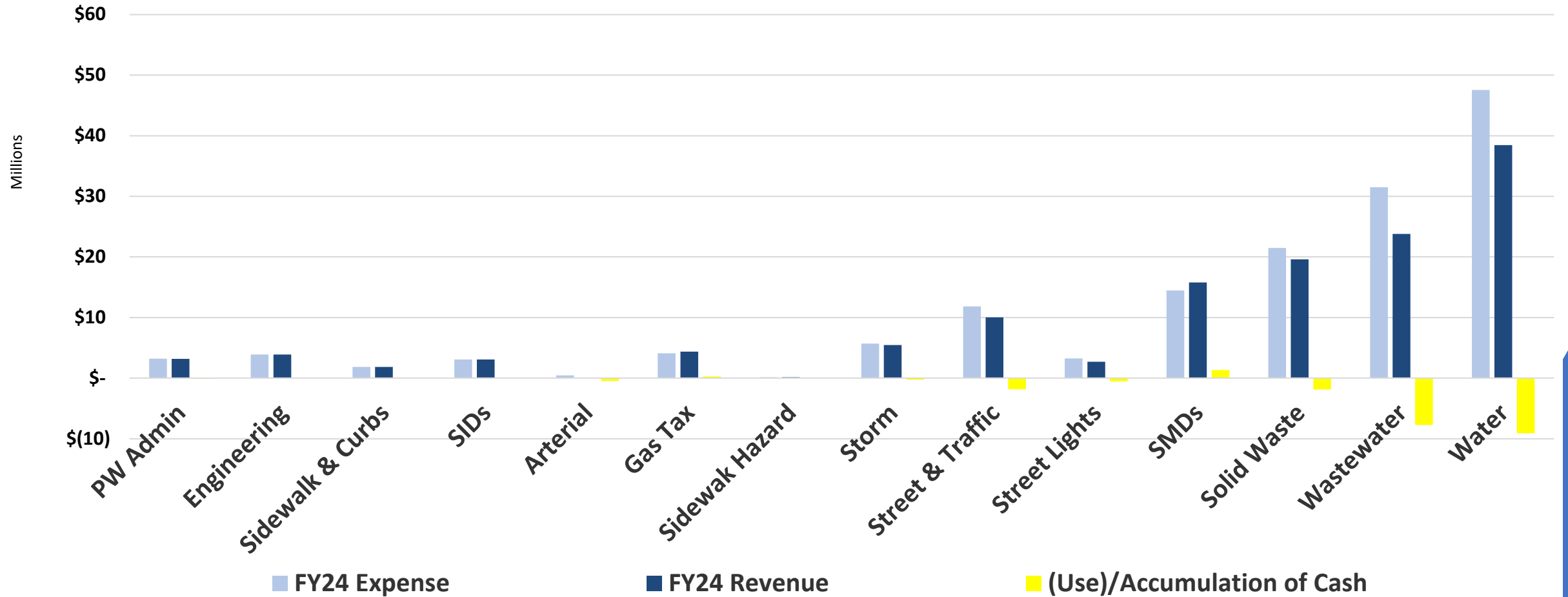


FY24 Revenues = \$132.4M



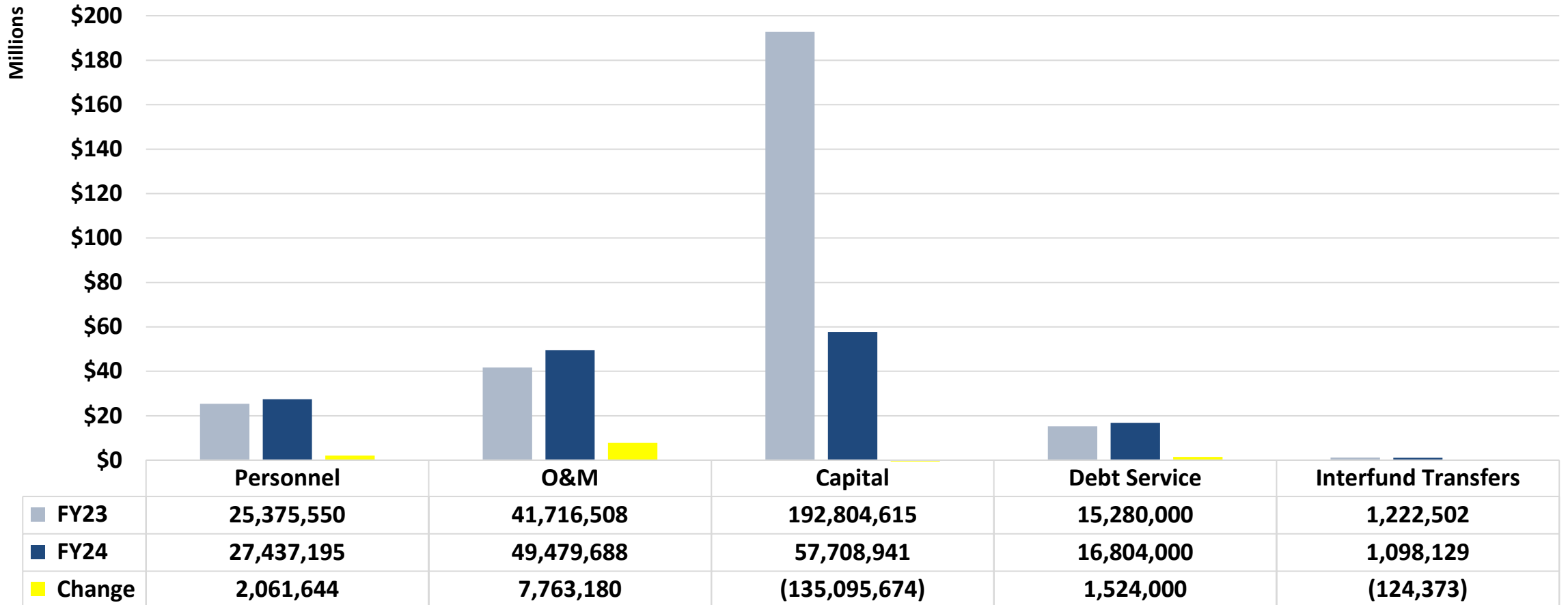


FY24 Expenses & Revenue by Fund





Changes in FY24 Expenses





Notable FY24 O&M Budget Changes

Personnel Changes

FY23 Budgeted FTEs	281*
Maintenance Worker (Solid Waste)	+7
FY24 Proposed FTEs	288

**Includes 13 FTEs added in FY23 to replace 39 temps*

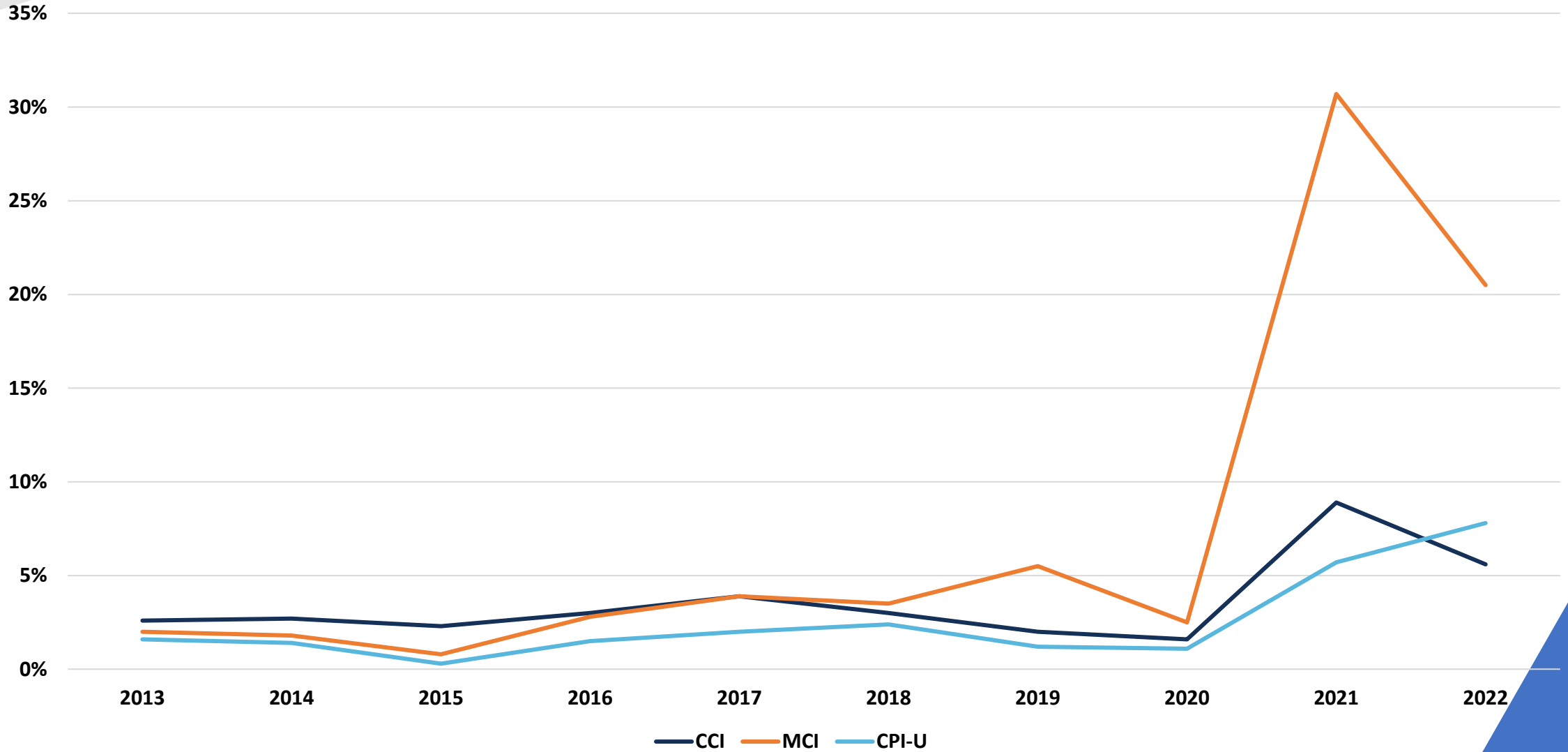
O&M Increases

Electricity & natural gas	\$922,200
Rent	\$292,392
Insurance	\$726,709
Vehicle parts and labor	\$259,850
Fuel	\$566,300
BBWA improvements	\$3,000,000
Water meters	\$153,000
Wastewater facilities maintenance	\$890,000
Chemicals	\$323,000
Street materials	\$183,450





Inflation



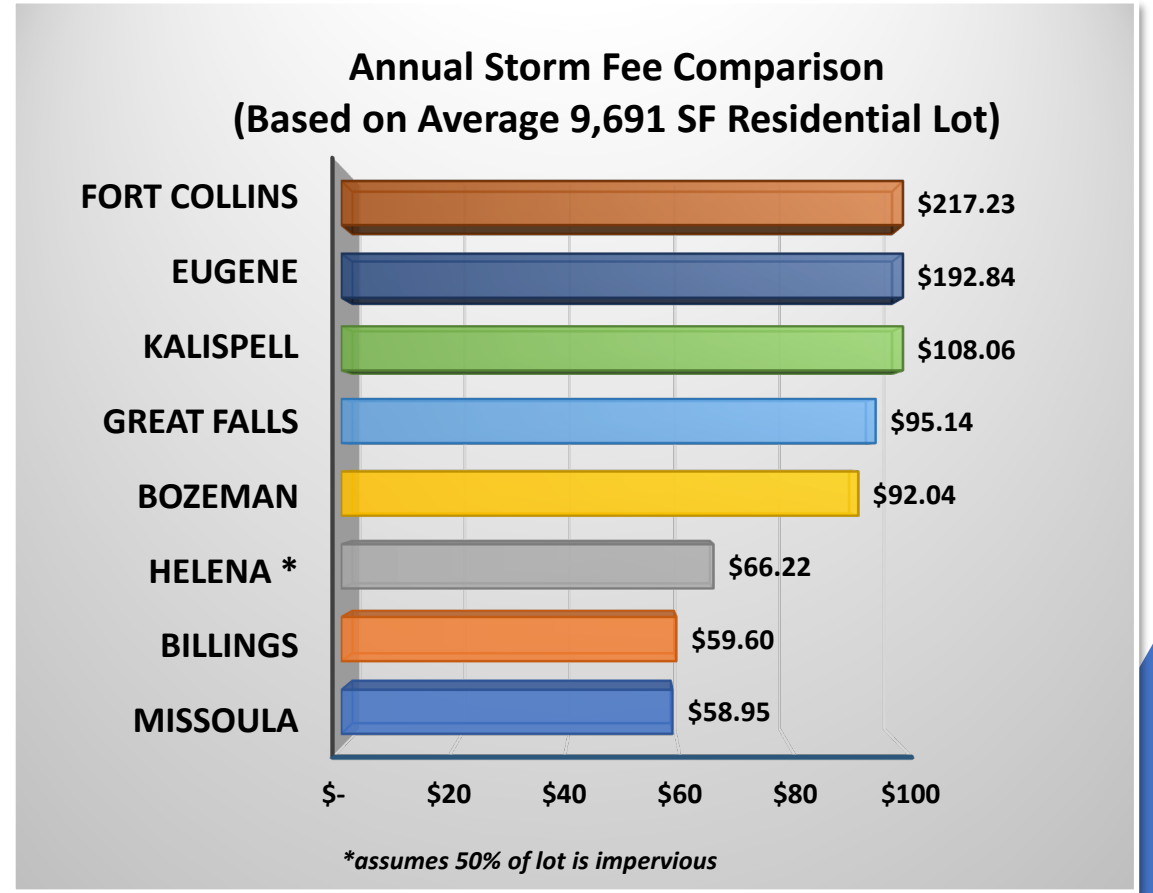


Proposed FY24 Fees - Stormwater



- Currently generates \$5.2M in revenue
- Rate increase tied to Construction Cost Index (CCI) = 5.6%
- Generates additional \$291,000

	FY23	FY24	\$ Increase
Impact to Annual Average Residential Rate	\$56.40	\$59.60	\$3.20

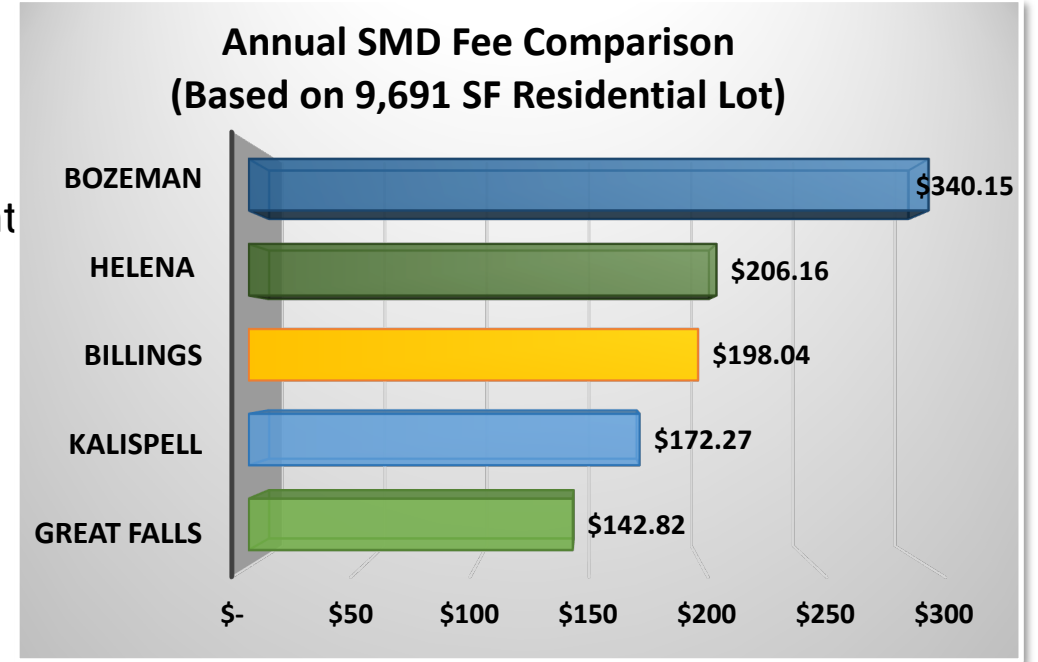




Proposed FY24 Fees

Street Maintenance Districts

- 2 Districts generate \$14.7M
- Rate increases typically based on amount required to maintain current service levels (blend of CCI, CPI-U, MCI and previous year's budget to actual variance)
- Proposed Increases
 - SMD 1 – 3%
 - SMD 2 – 7%



SMD	FY23	FY24	\$ Increase	% Increase
SMD 1	\$332,000	\$342,000	\$10,000	3%
SMD 2	\$14,428,000	\$15,437,000	\$1,009,000	7%
Total SMD	\$14,760,000	\$15,779,000	\$1,019,000	6.9%

Average residential fee impacts

	FY23	FY24	\$ Change
SMDs	\$185.08	\$198.04	\$12.96



Proposed FY24 & FY25 Fees Water and Wastewater

Average Household Bill

	FY23	FY24	\$ Change	% Change
Water	\$39.49	\$43.40	\$3.91	9%
Wastewater	\$27.37	\$29.04	\$1.67	2.8%
Total	\$66.86	\$72.44	\$5.58	7.7%





Proposed FY24 Fees

Total Average Residential Impact

Property Tax Statement (Annually)	FY23	FY24	Change
Storm	\$56.40	\$59.60	\$3.20
SMD	\$185.08	\$198.04	\$12.96
Total Assessments	\$241.48	\$257.64	\$16.16

Utility Bill (Monthly)	FY23	FY24	Change
Solid Waste	\$12.45	\$13.90	\$1.45
Water	\$39.49	\$43.40	\$3.91
Wastewater	\$27.37	\$29.04	\$1.67
Total Utility Bill	\$79.31	\$86.34	\$7.03

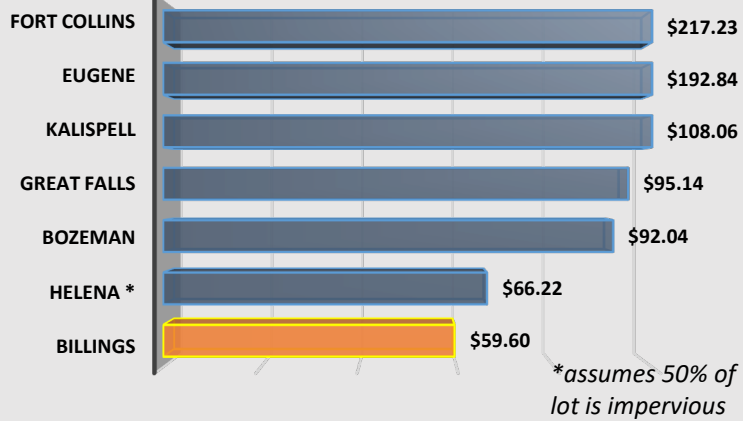
Total Public Works Fee Increases = \$100.56/Year or \$8.38/Month



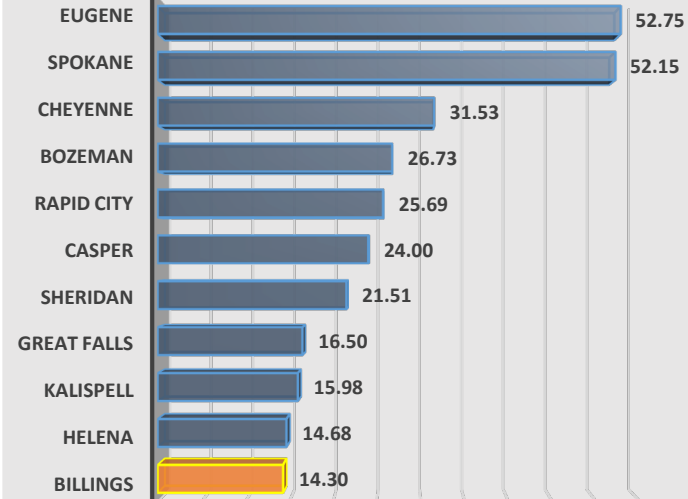


Proposed FY24 Rate Comparisons

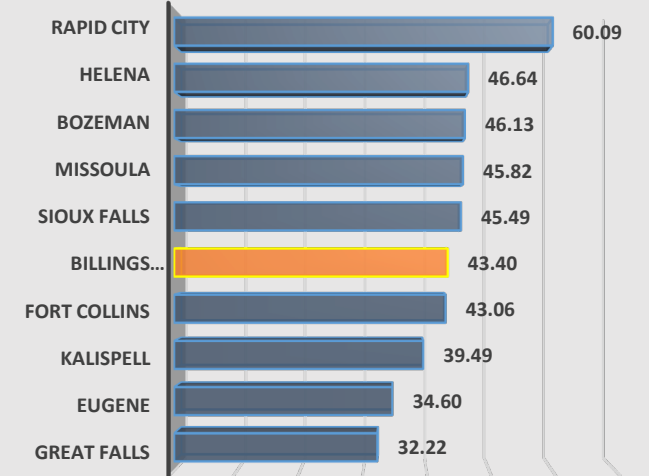
Annual Storm Fee Comparison (Based on Average 9,691 SF Residential Lot)



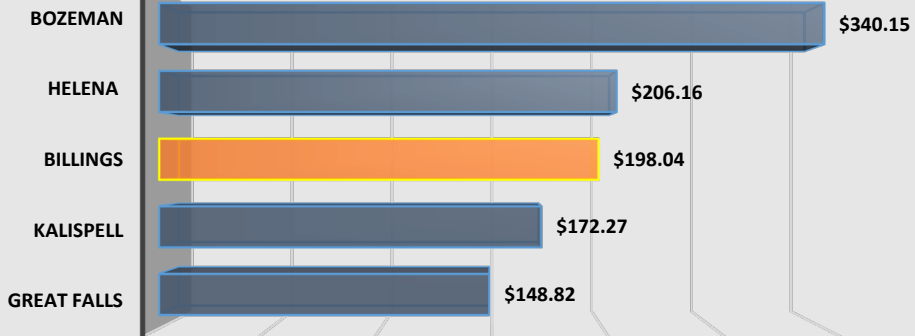
Monthly Residential Collection Fees



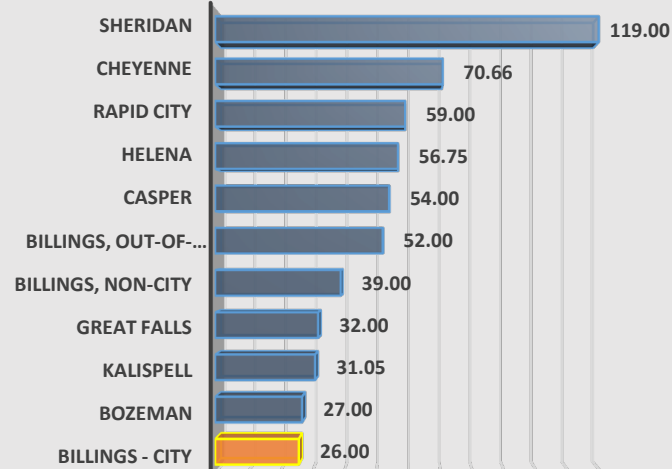
Average Water Fees



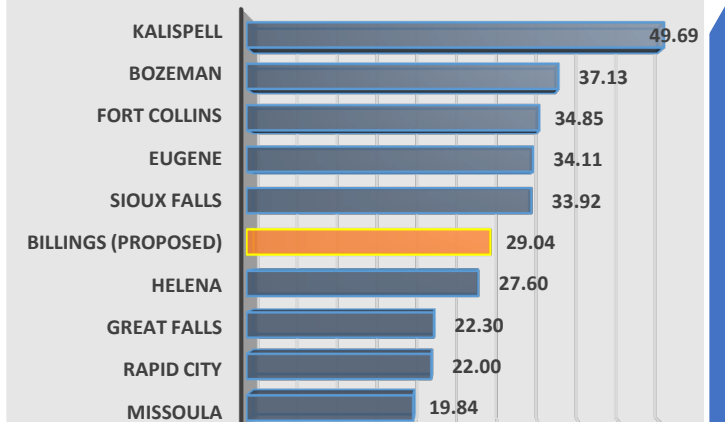
Annual SMD Fee Comparison (Based on 9,691 SF Residential Lot)



Landfill Fee Per Ton



Average Wastewater Fees



Excellence
Innovation
Integrity

Thank You Q & A

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FACILITIES DIVISION

FY 2024 BUDGET



PHOTO BY PAUL WHITING

FACILITIES DIVISION MISSION

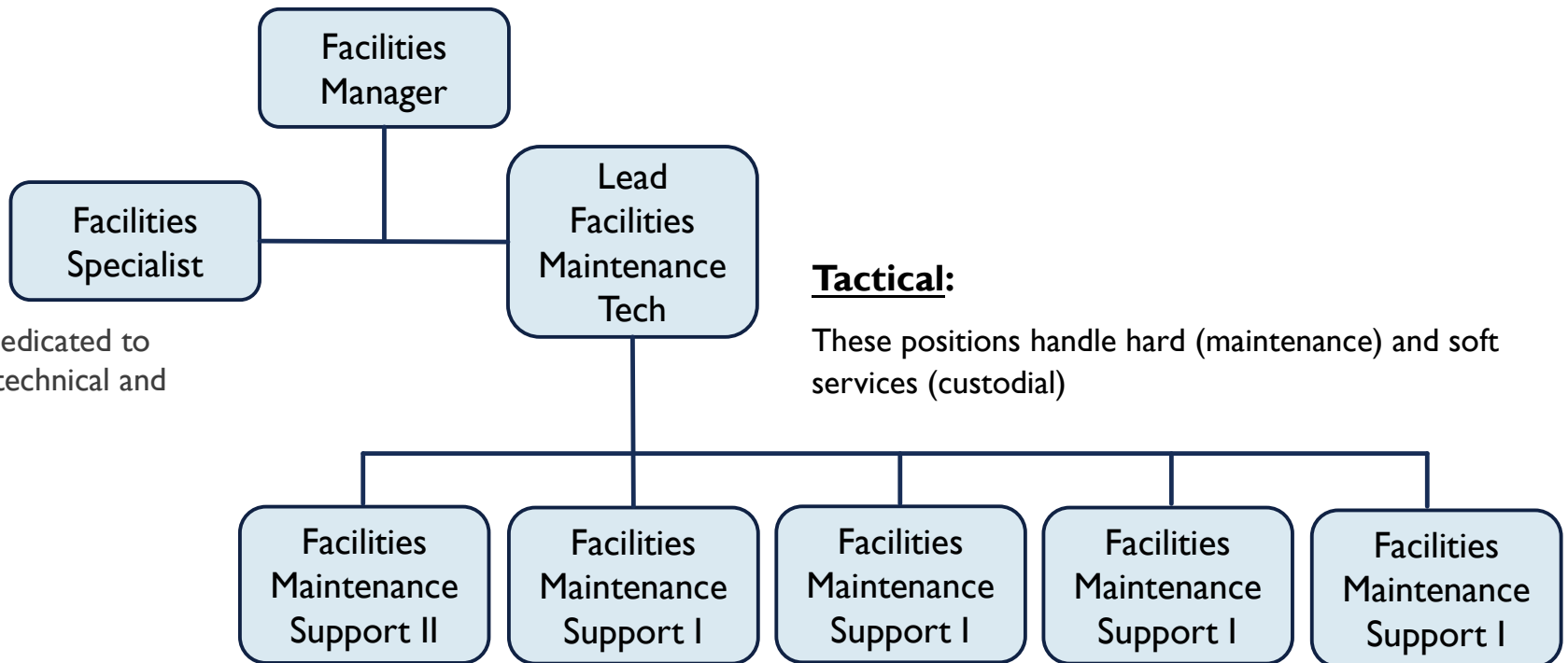
TO SERVE THE CITIZENS, EMPLOYEES, AND VISITORS OF BILLINGS BY PROVIDING SAFE, EFFICIENT, AND COMPREHENSIVE FACILITY MANAGEMENT



FACILITIES DIVISION ORG CHART

Strategic:

85% of this role is dedicated to Fire Dept projects: technical and strategic initiatives



Tactical:

These positions handle hard (maintenance) and soft services (custodial)

FACILITIES MENU OF SERVICES

Facilities Division provides hard and soft services at these locations totaling 500,000sf and 42 acres:

- Existing City Hall
- Future City Hall
- Billings Operations Center
- YVAS

Services:

Hard Facilities Maintenance Services – those repairs and tasks that keep equipment from failing and structures from degradation. PM programs, general repairs, etc.

Soft Facilities Services – those manual and mechanized services that keep buildings and grounds clean. Cleaning, sanitizing, landscaping, trash pick-up, etc.

Solutions:

Facilities Service Requests – those tasks that lie outside general building maintenance. Space relocations and moves, event set-up, credential management, etc.

Strategy:

Facilities Capital Projects – those long-term plans and construction tasks that alter physical space. New facilities, additions, renovations, alterations, upgrades, etc.

SERVICES WE PROVIDE

Technical

- Vendor and Contract Management
- Project Management
- Capital Improvements
- Project Commissioning and Closeout

Operational

- Systems Testing and Compliance for boilers, elevators, and FP
- Standard Operating Procedures
- Asset Management

Tactical

- Repairs and Maintenance
- Custodial
- Access Control
- Landscaping and Snow Removal

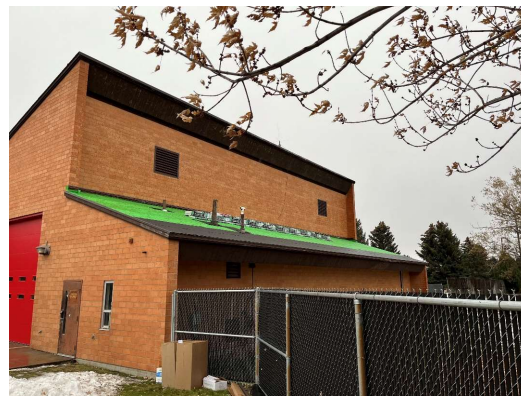
Strategic

- Programming
- Contract Administration
- Condition Assessments



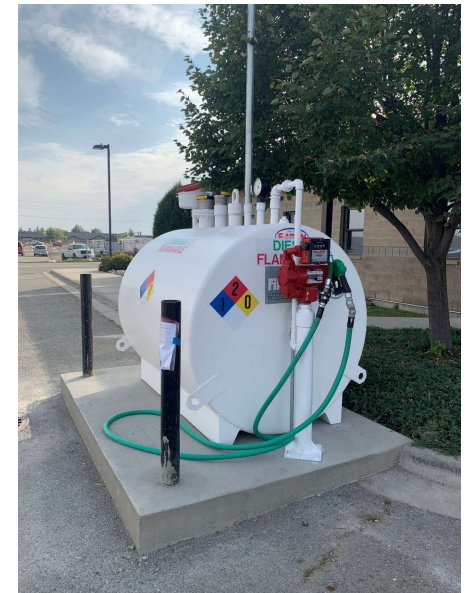
FY23 FACILITIES DIVISION HIGHLIGHTS

- Completed Schematic Design, Design Development, Construction Drawings, and bid work for New City Hall
- Xeriscaped 5,300 SF at BOC
- Completed LED upgrade at Garage and PDI
- Completed miscellaneous locations bid package for hail repairs
- Community Center hail repairs under contract
- Began process to dispose of Real Property: existing City Hall, Park I Retail, two Surface Lots
- Started phase 5 of concrete aprons at BOC



FY23 FACILITIES DIVISION HIGHLIGHTS WITH FIRE DEPARTMENT

- Replaced roof at FS7
- Installed fuel tank at FS7
- Installed new CO/NO2 system at FS1 and FS7
- Issued bid pack for access control installation at FS1-8
- Assisted with purchase of FS8
- Executed contract for architectural and MEP services for FS8 remodel
- Approved for MDEQ Brownfields grant
- Issued bid pack for FS8 remodel



FACILITIES REVENUES

FACILITIES MANAGEMENT FUND REVENUES BY FUND

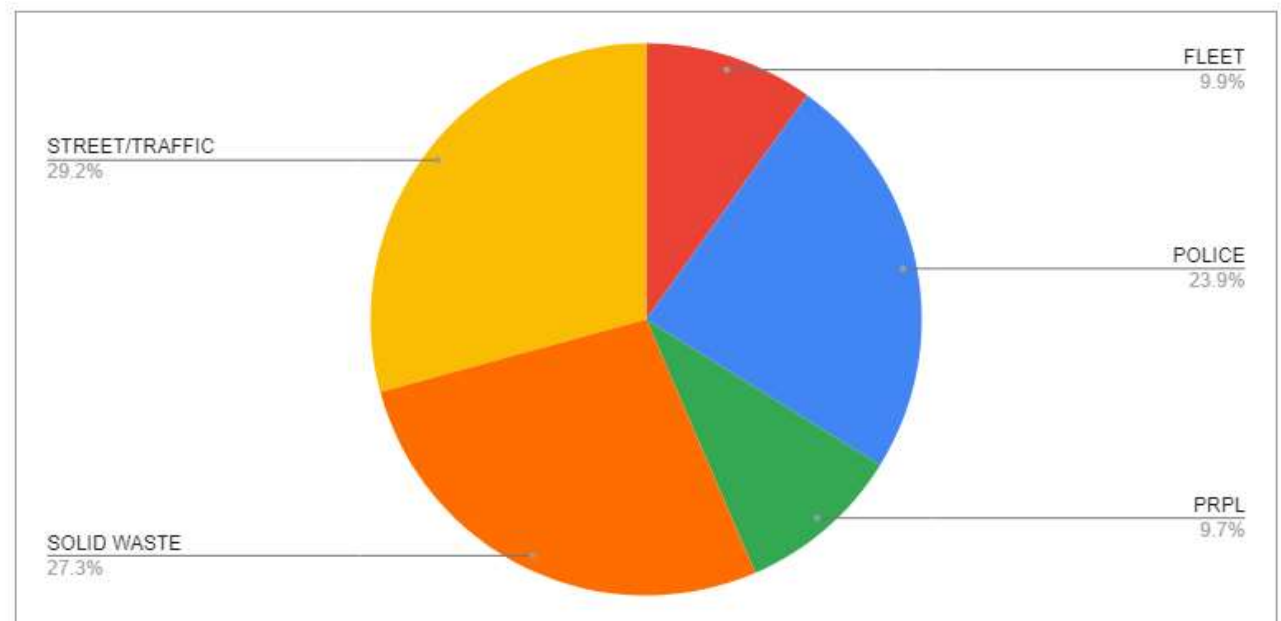
ALL FUNDS	ACTUAL FY 21	ACTUAL FY 22	BUDGET FY23	ESTIMATE FY23	REQUEST FY24
REVENUES:					
CITY HALL CONSTRUCTION	\$ -	\$ -	\$ 9,278,373	\$ 114,612	\$ 997,000
FACILITIES MANAGEMENT	<u>5,212,875</u>	<u>2,301,189</u>	<u>2,510,510</u>	<u>2,602,721</u>	<u>2,928,703</u>
TOTAL REVENUES	<u>\$ 5,212,875</u>	<u>\$ 2,301,189</u>	<u>\$ 11,788,883</u>	<u>\$ 2,717,333</u>	<u>\$ 3,925,703</u>

BOC REVENUES BY DEPARTMENT

Total Revenue:
\$1,393,026

No increase from FY23*

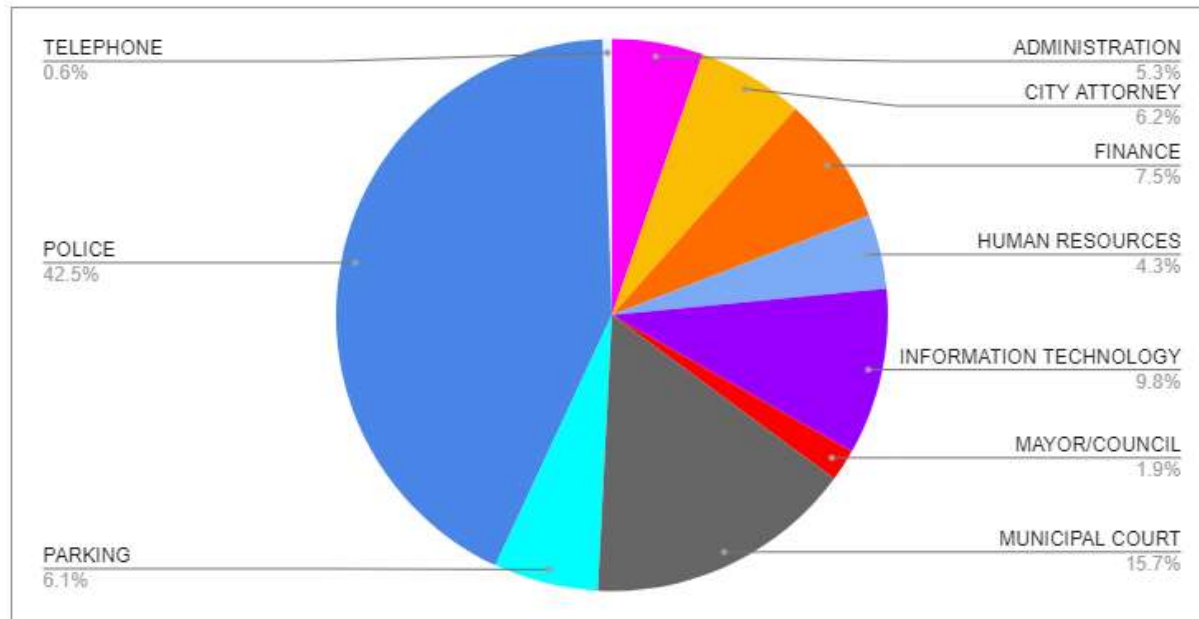
* Except for Solid Waste, which is now contributing to reserves for future capital improvements



EXISTING CITY HALL REVENUES BY DEPARTMENT

Total Revenue:
\$611,804

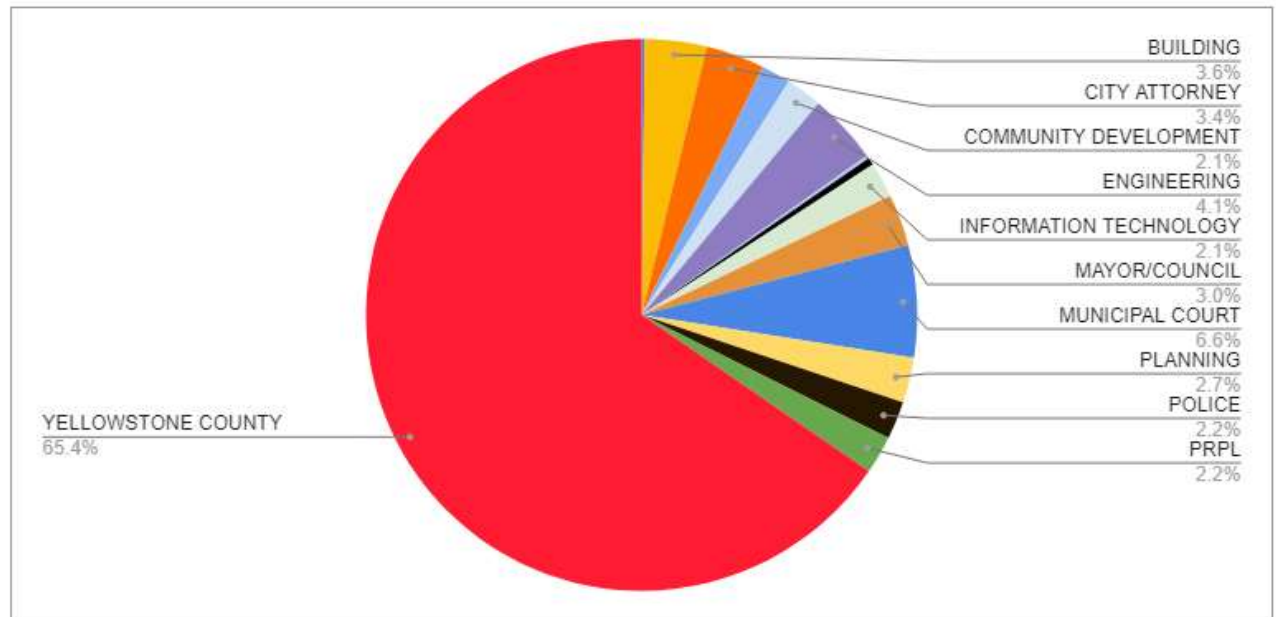
3% increase from
FY23



NEW CITY HALL REVENUES BY DEPARTMENT

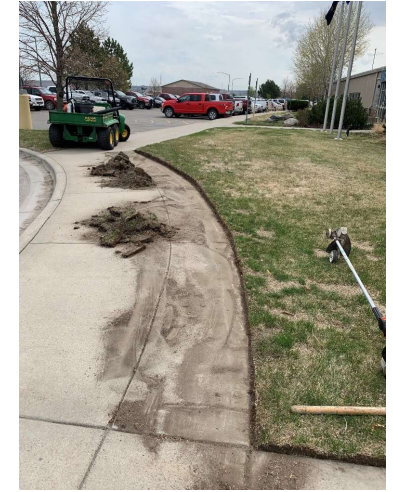
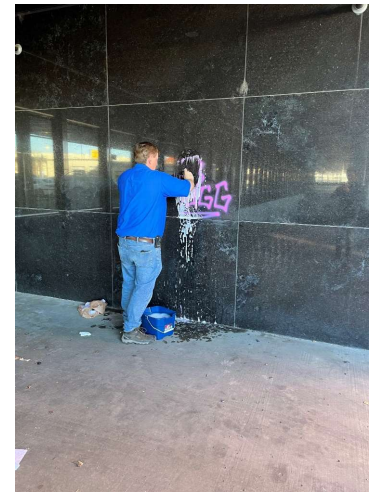
Total Revenue:
\$623,020

City Department Charges are based on Existing City Hall psf operating expenses. The assumption was 3 months of occupancy in FY24. However, the schedule for occupancy is now estimated for August 2024. The decision was made to pass through charges for carrying costs to minimize a larger tenant charge for FY25.



FACILITIES FTE

- Facilities has requested one additional FTE in Facilities Maintenance Support II
 - Currently have a vehicle for this FTE
 - The cost of this new FTE can be covered by tenant charges and reduction in vendor charges by completing work in-house
 - This position will work under the Lead Facilities Maintenance Technician and provide skilled repair and maintenance services



FACILITIES EXPENDITURES

FACILITIES MANAGEMENT FUND OPERATING BUDGET BY FUND

ALL FUNDS

	ACTUAL FY 21	ACTUAL FY 22	BUDGET FY23	ESTIMATE FY23	REQUEST FY24
EXPENDITURES:					
CITY HALL CONSTRUCTION	\$ -	\$ -	\$ 14,681,433	\$ 2,000,000	\$ 1,200,000
FACILITIES MANAGEMENT	<u>1,694,001</u>	<u>2,735,808</u>	<u>3,966,182</u>	<u>4,090,194</u>	<u>2,920,738</u>
TOTAL EXPENDITURES	<u>\$ 1,694,001</u>	<u>\$ 2,735,808</u>	<u>\$ 18,647,615</u>	<u>\$ 6,090,194</u>	<u>\$ 4,120,738</u>

FACILITIES CHALLENGES AND OPPORTUNITIES

- Staffing
 - Right size FTEs for the amount of space we manage
 - We are currently understaffed and rely on vendors to augment Facilities staff
 - Provide more repairs and maintenance in-house
- Debt Service
 - Facilities owes GF \$1.2 million for purchase of land at BOC
 - Need to pass through charge to BOC tenants while maintaining appropriate rents/charges to operate facilities effectively
- Total Quality Management
 - Complete condition assessment of BOC
 - Use KPI's to drive plan for capital replacement and large repairs
- Repairs and Maintenance
 - Continue to tackle backlog of deferred maintenance
 - Continue to move from reactive to proactive
 - Establish baseline and maintain

FY24 FACILITIES DIVISION GOALS

- New City Hall
 - Complete buildout, commission building, move tenants into building
- Dispose of Real Property
 - Priority is existing City Hall to help offset renovation costs
- Resolve two outstanding insurance claim repairs
 - Community Center – roof and siding replacement (currently under contract)
 - Library – exterior decorative scrim
- BOC Master Plan
 - Move to Design Development for wash bay facility at BOC
- Analytics
 - Prioritize legacy issues
 - Reduce Mean Time Between Failure of equipment
 - Optimize workflow and operate more efficiently
- Fire Stations Centralized FM
 - Transfer to Facilities Division technical, tactical, operational, and strategic operations of buildings and grounds
 - This will add 70,000sf and 4.5 acres to Facilities footprint
 - Complete Facility Condition Assessment
 - One additional FTE on Maintenance side dedicated to Fire Department



Thank You!



BILLINGS
MET
TRANSIT

TRANSIT ACHIEVEMENTS

- Completed construction on driver training lot; supports training new hires in compliance with license requirements; supports ongoing training requirements of safety regulations.



LOCAL NEWS

**Billings MET Transit to
install electric buses**



- \$4+ million competitive grant for 4 all electric buses, chargers, related infrastructure, and bus training simulator.

TRANSIT ACHIEVEMENTS CONT.



- Completed Transit Development Plan in December 2022; plan to implement improved system summer of 2023.
- Continued to develop and grow Bus and Bench Advertising Program and Community Outreach.
- Successfully implemented new Road Supervisor positions to provide on-street support, oversight and safety assurance.



TRANSIT CHALLENGES

- Meeting ever expanding federal regulations; increased focus on operator safety and cybersecurity.
- Limited funding to meet demands of the growing community.



TRANSIT CHALLENGES CONT.



- Recruitment continues to be difficult, but existing training setup is helping.
- Continued transition to green technology while various solutions continue to mature.

MET TRANSIT TOTAL RIDERSHIP							
	2020	2021	% Growth Year to Year	2022	% Growth Year to Year	2023	% Growth Year to Year
January	45,297	26,209	-42.14%	27,827	6.17%	33,830	21.57%
February	41,463	26,301	-36.57%	28,397	7.97%	31,438	10.71%
March	30,007	30,926	3.06%	32,240	4.25%	34,629	7.41%
April	17,501	29,600	69.13%	29,006	-2.01%	31,155	7.41%
May	20,578	26,746	29.97%	30,190	12.88%	32,427	7.41%
June	20,376	23,036	13.05%	25,180	9.31%	27,046	7.41%
July	20,241	21,722	7.32%	21,823	0.46%	23,440	7.41%
August	19,791	23,836	20.44%	28,379	19.06%	30,482	7.41%
September	27,943	31,108	11.33%	34,368	10.48%	36,915	7.41%
October	26,543	29,997	13.01%	33,016	10.06%	35,462	7.41%
November	25,148	29,768	18.37%	31,886	7.12%	34,249	7.41%
December	25,255	28,234	11.80%	29,440	4.27%	31,622	7.41%
TOTALS	320,143	327,483	2.29%	351,752	7.41%	382,695	8.80%

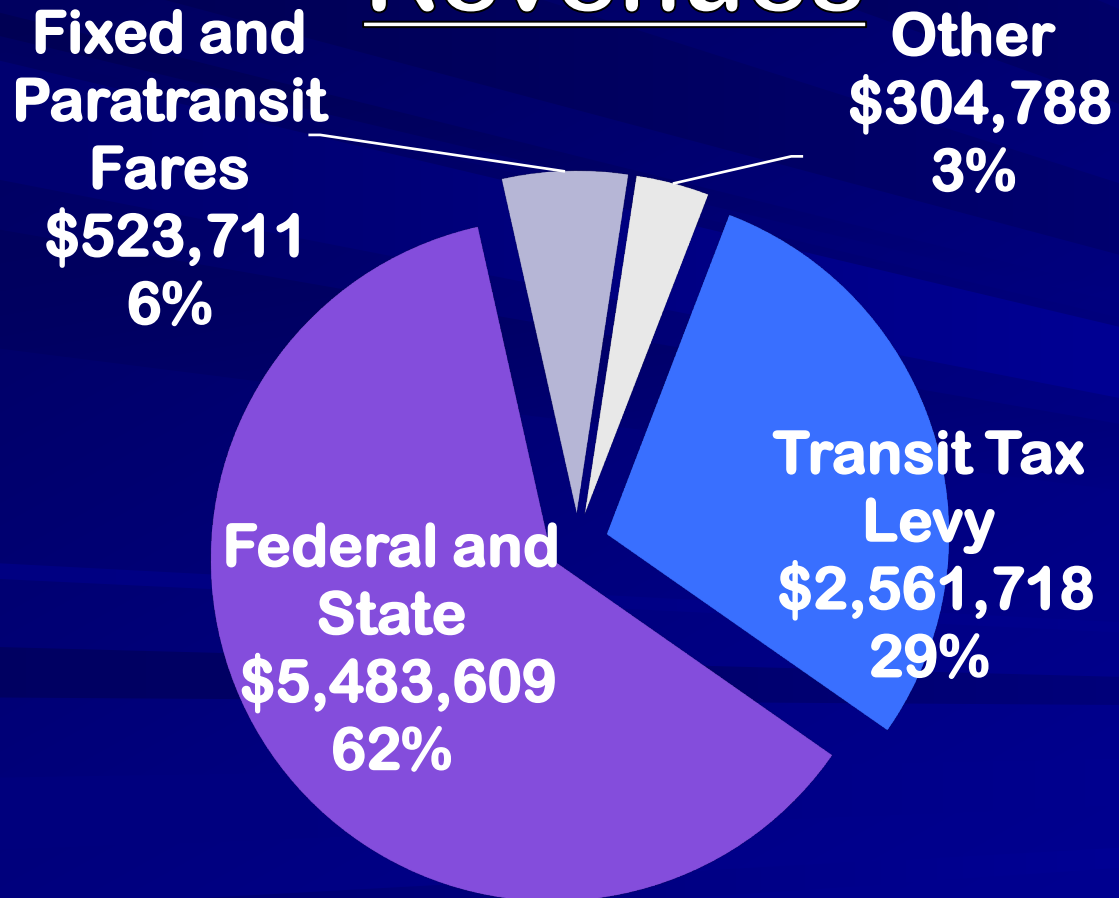
*Highlighted text indicates projections based on prior year growth.

TRANSIT FY 23 PROJECTED OPERATING BUDGET

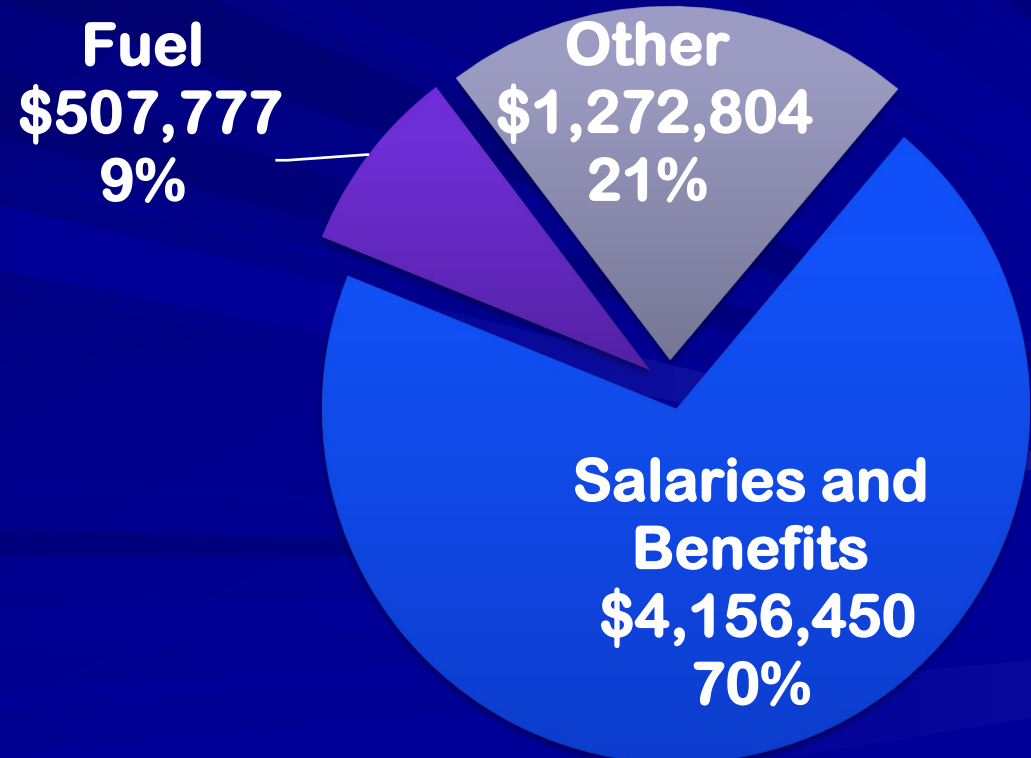
Budgeted \$9,147,339
Projected \$8,873,826

Budgeted \$6,154,171
Projected \$5,937,031

Revenues

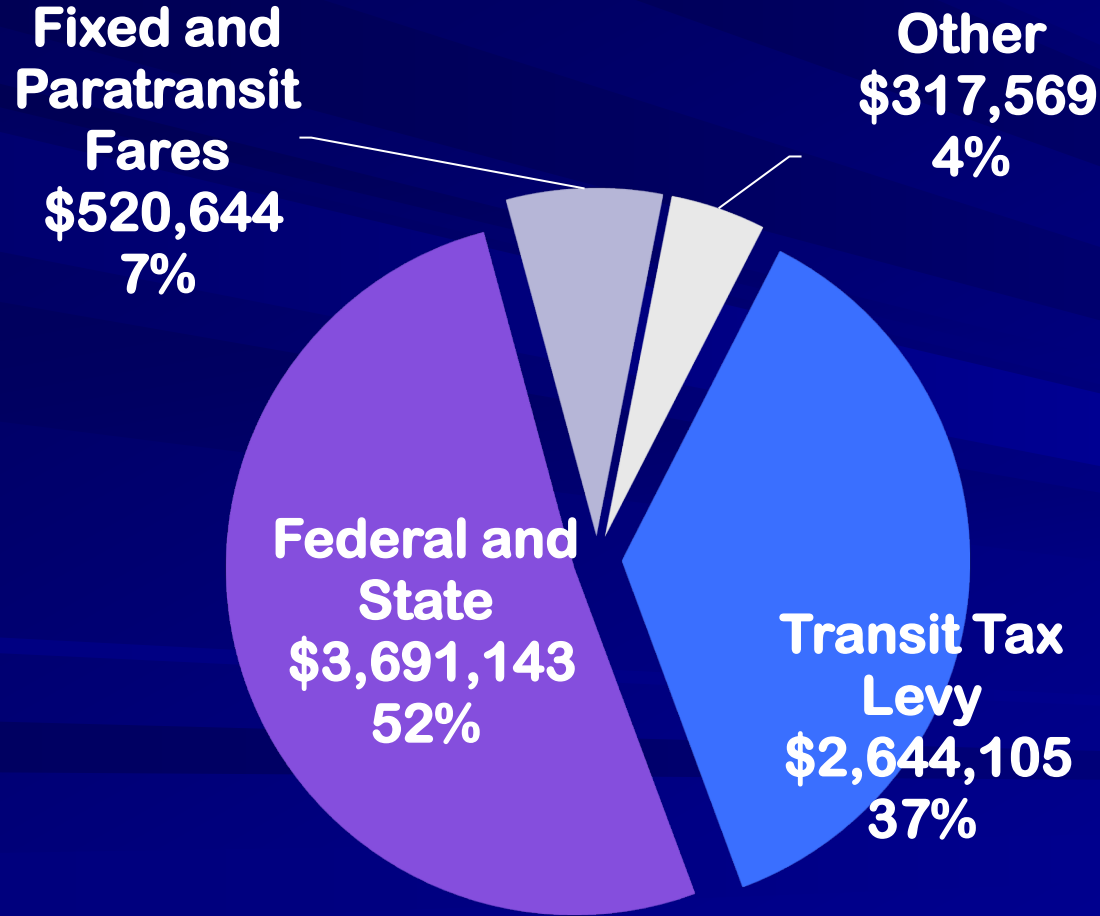


Expenditures

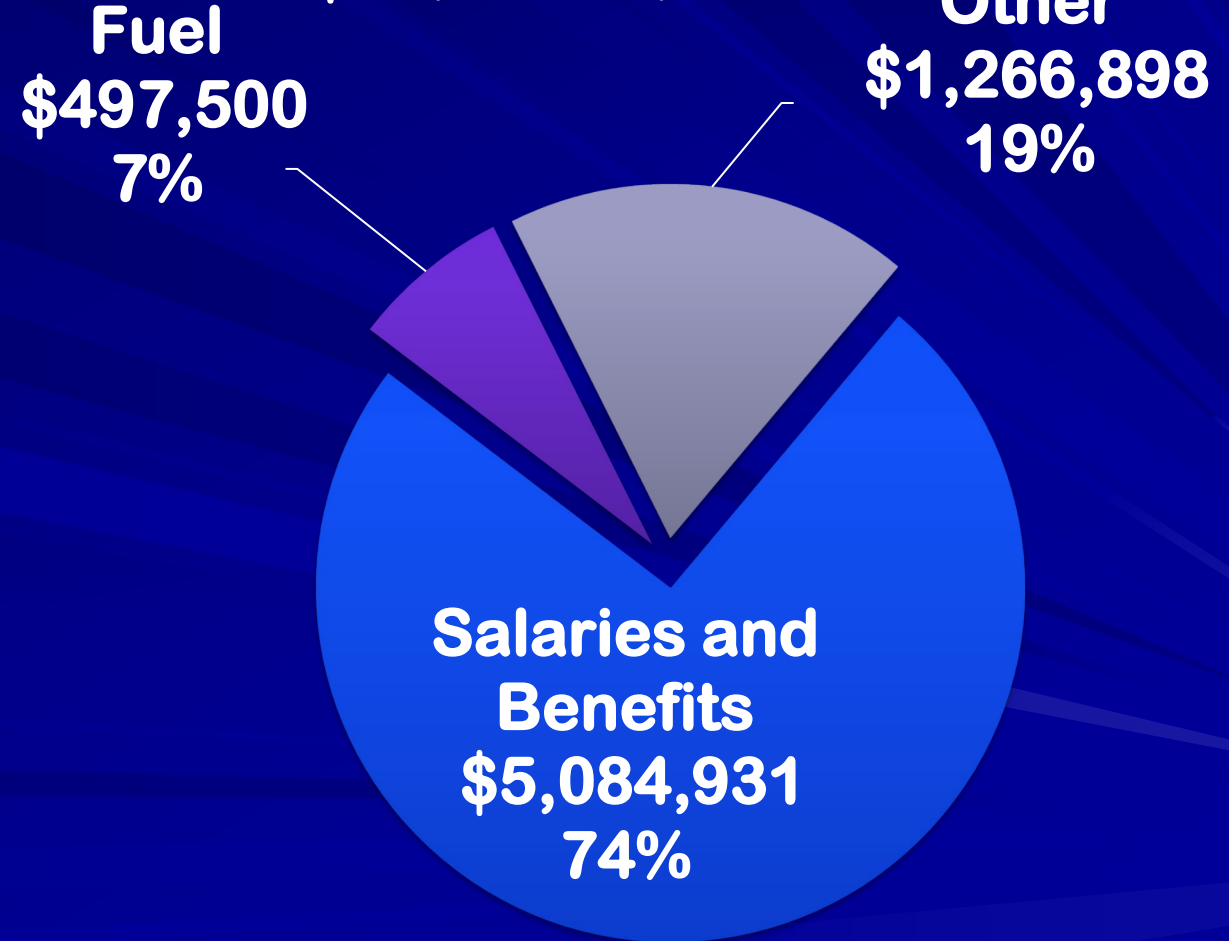


TRANSIT FY 24 OPERATING BUDGET

Revenues
\$7,173,461



Expenditures
\$6,849,329



OPERATING EXPENDITURES BY DIVISION

	FY 23 Proj	FY 24
Administration	\$690,005	\$798,039
Fixed-Route	\$2,581,737	\$3,247,269
Building Maintenance	\$484,963	\$399,909
Fleet	\$1,132,352	\$1,261,199
Marketing	\$47,664	\$92,409
Paratransit	\$965,841	\$1,025,004
Transfer Centers	<u>\$34,469</u>	<u>\$25,500</u>
TOTAL	<u>\$5,937,031</u>	<u>\$6,849,329</u>

TRANSIT OPS COVID FUNDS

	<u>Amount Awarded</u>	<u>Remaining Balance</u>	
CARES Act	\$5,358,483	\$0.00	Expended FY21-23
CARES Act	\$1,237,817	\$0.00	Expended in FY23
Transfer From State			
ARP Act	\$1,346,725	\$0.00	Expended FY23
CARRYOVER 5307 into FY24 (reflected in revenues)			\$377,359

TRANSIT FY 24 OPERATIONS TOTALS

Operating Revenues*	\$7,173,461
Operating Expenditures	<u>\$6,849,329</u>
Operating Revenues Over Expenditures	<u>\$324,132</u>

*includes 50% decreased entitlement share in support of Stillwater Building construction

TRANSIT CAPITAL GRANTS

	<u>FY 24</u>
FTA Capital Grant (Revenue)	\$2,371,500
Local (19.4% overall – capital reserve expense)	<u>570,975</u>
TOTAL	<u>\$2,942,475</u>

TRANSIT CAPITAL PROJECTS

FY 24

Metroplex Projects (Office Area Remodel, Skylight/Roof Repairs, etc)*	\$2,000,000
Four (4) Paratransit Replacement Vans**	\$350,400
Electric Bus Charger Facility Upgrades	\$302,000
Additional Facility Funding	\$290,075
METroplex Server Upgrade (Local Funded)	<u>\$20,000</u>
TOTAL	\$2,962,475

* Project carried over from FY23

** Three (3) van purchases carried forward from previous years due to MDT delays on vehicle orders.

BUDGETED MILLS VS ANTICIPATED MILLS

10 VOTER APPROVED ANNUAL MILLS

- 8.74 Mills Required To Cover Requested Budget \$2,264,858
- 10 Mill Full Authorization \$2,591,370
- DIFFERENCE \$326,512

OPPORTUNITIES WITH FULL MILL AUTHORIZATION

- **ADDITIONAL WEEKDAY SERVICE SPREAD** **\$300,000**

- Add between 30 – 60 minutes of service to end of the service day to run later into the evening; estimate based on one additional hour of service.

- **ALTERNATIVE:**

- **ADDITIONAL 30 MIN FREQUENCY ROUTE** **\$310,000**

- 3 Transit Operators @ \$65,000 each **\$195,000**
- 68,000 additional revenue miles **\$115,000**



City Council Work Session

Date: 05/15/2023
Title: FY 24 Solid Waste Rates
Presented by: Jennifer Duray
Department: Public Works
Presentation: Yes
Legal Review Not Applicable

RECOMMENDATION

No formal action is expected at this work session. Council action will occur in June at a regular City Council meeting.

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

Public Works conducted a solid waste rate study to ensure rates are set at a level that will sustain collection and landfill operations and capital requirements. A residential Pay As You Throw (PAY-T) structure was also evaluated. Currently, all residential customers pay the same amount regardless of the amount of waste that is collected. This "extras" program is unsustainable, inefficient, inequitable, and unsafe for employees. PAY-T is a rate structure that helps to ensure customers pay for the service they receive. Additionally, Public Works evaluated recycling options and will present a rate structure that takes the first step toward a curbside recycling programming by starting with cardboard recycling.

Staff will present proposed landfill, commercial collection, and roll-off fees, as well as the recommended PAY-T residential rates and program. The presentation is attached.

ALTERNATIVES

Council action will not be required at this meeting. Adoption of FY24 solid waste rates is planned for the June 12, 2023, regular Council meeting.

FISCAL EFFECTS

The FY24 proposed solid waste rates will generate approximately \$2.3 million of additional revenue for the Solid Waste Fund.

Attachments

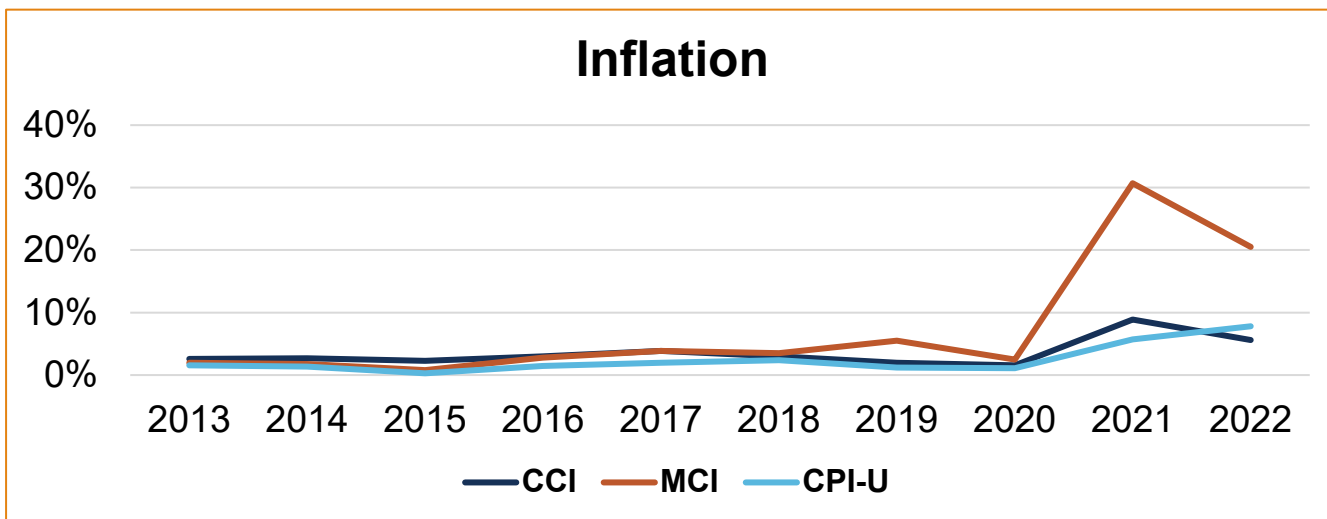
Solid Waste



SOLID WASTE FY 2024 PROPOSED FEES

Rate Increase Drivers

- Fuel - \$439,000
- Vehicle Parts/Labor - \$210,000
- Insurance - \$284,142
- BOC Land - \$143,743
- Personnel - \$1,032,712
 - 15 temps converted to 6 FTEs
 - 3 additional maintenance workers at landfill
 - 4 additional maintenance workers in collections
 - Step/COLA increases
- Capital Requirements



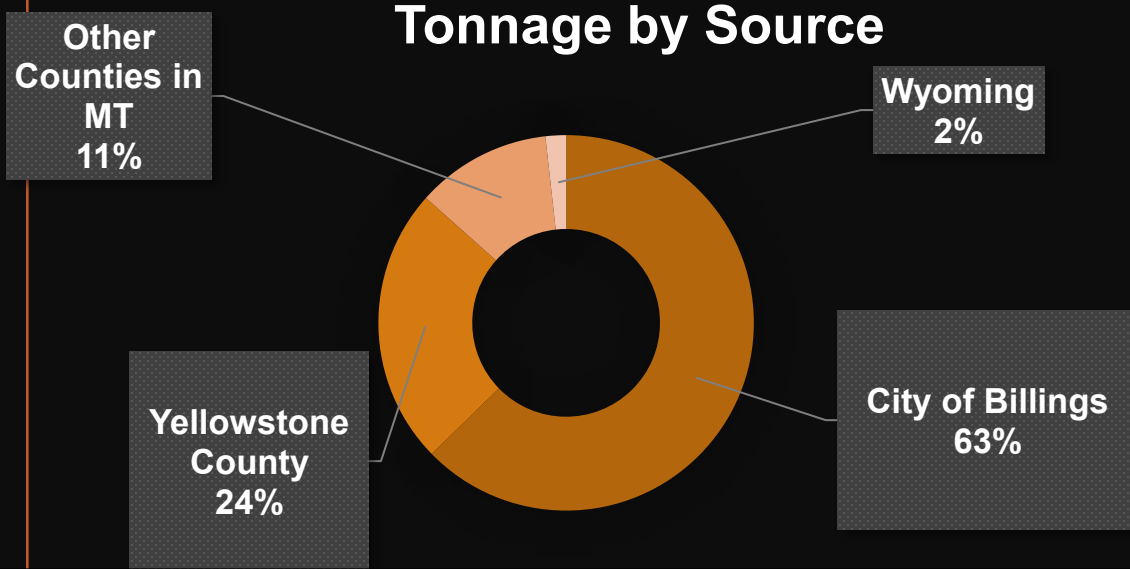


Solid Waste Landfill Fees

10.6% Increase

- Outside City Rate is 50% > City of Billings Rate
- Out-of-State Rates is 100% > City of Billings Rate

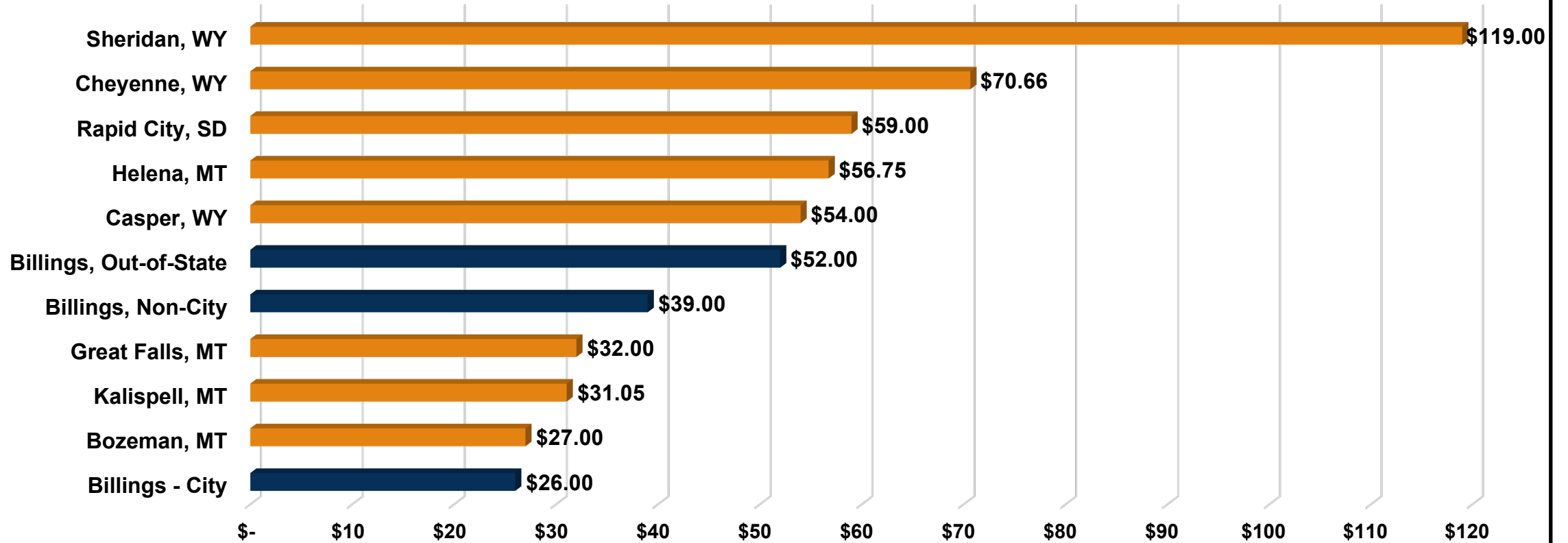
Tonnage by Source



Landfill Fees/Ton	FY23	FY24	\$ Increase
City of Billings	\$23.50	\$26.00	\$2.50
Outside City of Billings	\$35.25	\$39.00	\$3.75
Out-of-State w/ Surcharge	\$47.00	\$52.00	\$5.00

Landfill Fee Comparison

Landfill Fees Per Ton



Solid Waste Non-Residential Collection Fees

- Commercial Collection – 11.3% Increase
- Roll-off Collection – 8.1% Increase



Type of Fee	FY22	FY23	\$ Increase
Commercial 6 Yard, 1X/Week	\$63.31	\$70.46	\$7.15
Roll-off Fee	\$185.00	\$200.00	\$15.00

Current Residential Collection Program

- 1X/week black barrel pickup
- + 1X/week green barrel pickup for 35 weeks for 1 or 2 barrels
- + 1X/month extras pickup
- + Disposal at landfill
- = **\$12.45/month**

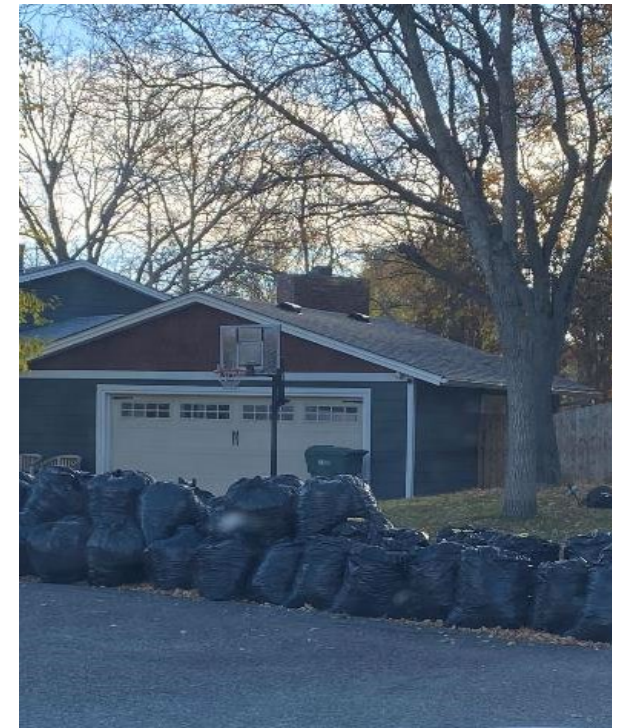
- Additional black barrel = \$4.15/month
- Bulk Items (special pickups)
 - 1-5 items = \$50
 - 6-10 items = \$100
 - > 10 items = \$150



Residential Collection

Who Pays More?





The Realities of Extras



Solid Waste is the last unmetered utility

Metered



Electricity



Water

These utilities existed before metering technology was invented. When we metered them, we reduced waste, lowered the cost, and increased fairness.

We would never un-meter these utilities.

Unmetered



Trash

Why PAY-T?

- Single most effective tool to reduce waste and increase recycling
- Equity – pay for what you use
- Ability of property owners to control costs
- Signals to residents the true costs of solid waste management
- Environmental benefits
- Studies have shown no increase in undesirable waste disposal

Goals

- Provide smaller container option
- Get rid of extras
 - Losing staff
 - Unsafe
 - Inefficient
 - Inequitable
- Control costs
- Phase into recycling



The Realities of Recycling

- Limited market for recyclables
- Cost of recycling > cost of burying trash
- Recommend phasing in recycling
 - End goal?: single stream automated collection system
 - Plastics 1 & 2, paper, cardboard, aluminum
 - Sorting costs high (would not need MRF)
 - Up front costs
 - Transition from rear load to side load trucks
 - Containers
 - Cost savings
 - Decrease from 2 to 1 workers per route
 - Decrease routes needed (pick up twice as fast)
 - Landfill space



- Other options
 - Source separate at curb
 - Drop off sites for recycling (no curbside)

Recommended Residential PAY-T Program

- Two sizes of containers (64s and 96s)
 - Charge by size, not weight
- Max of 2 black and 2 green barrel containers
 - Congestion
 - 3 is 300 which is commercial
- Lid up not extra charge
 - Continue not picking up if not possible
- No charge at landfill
- Cardboard only at the curb
 - Approximate cost of disposal = \$100/ton
 - No extras
 - Provides incentive to decrease waste and recycle
 - Residents have similar “at curb” experience
 - 10-15% of waste stream is cardboard
- Bulky/special pickups continue
- Community events for leaves/spring cleanup

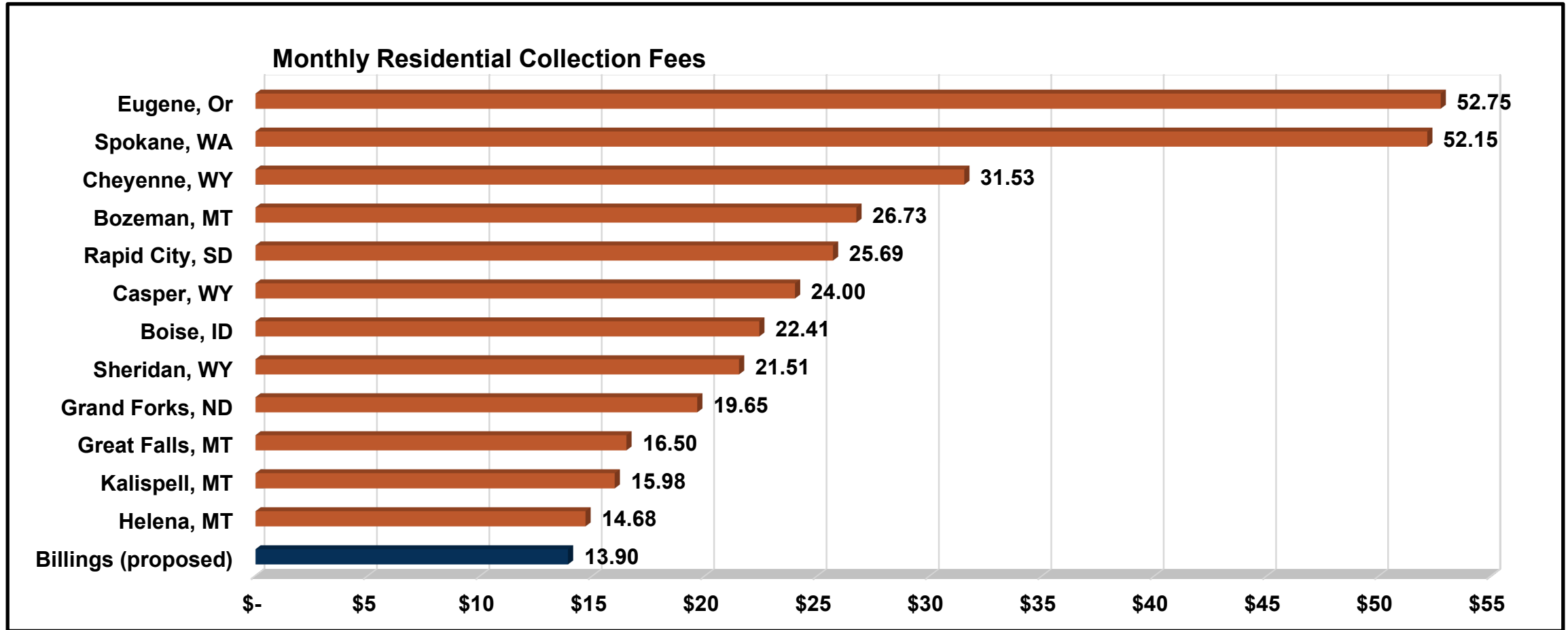


Residential Collection Fees



	FY23	FY24 w/ no program changes	FY24 Recommended
96 gallon trash container	\$12.45	\$16.80	\$13.90
64 gallon trash container	n/a	n/a	\$9.90
Additional 96 gallon container	\$4.15	\$4.50	\$4.50
Green barrel container	\$0	\$0	\$0
Additional green barrel container	\$0	\$4.50	\$4.50

Solid Waste Residential Collection Fee Comparison



Next Steps



6/12/23
public
hearing
& rate
approval

Order containers

Contract for
recycling disposal

Public education
campaign

THANK YOU

Connect with us online:

billingsmtpublicworks.gov

 [@billingsmtpublicworks](https://www.facebook.com/billingsmtpublicworks)

