

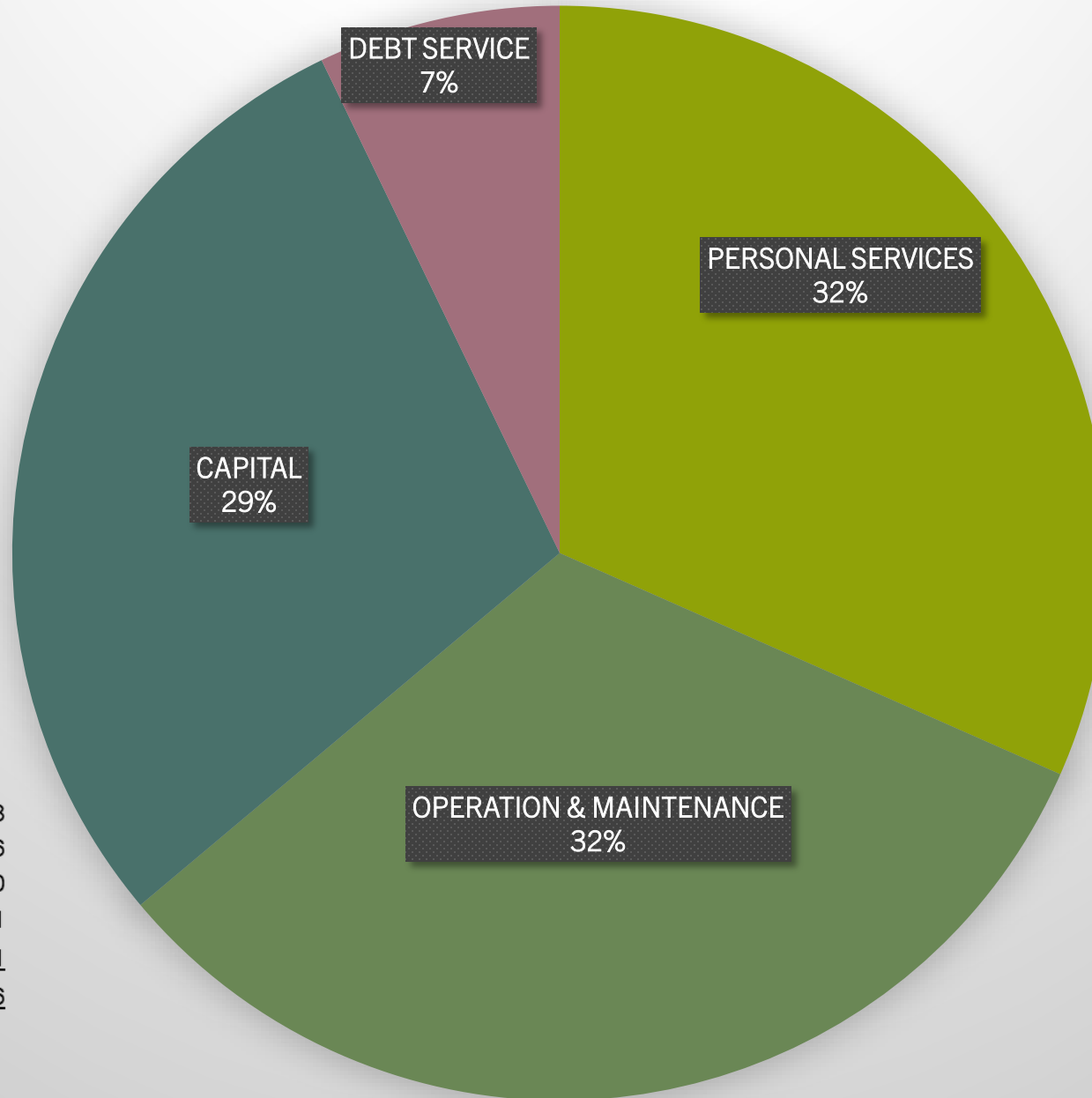


FY2024 CITY OF BILLINGS BUDGET WRAP UP

6-5-2023

FY24 Budgeted Expenditure By Class

As of 5/1/2023



EXPENDITURES:	
PERSONAL SERVICES	\$ 109,322,468
OPERATION & MAINTENANCE	111,532,606
CAPITAL	100,104,970
DEBT SERVICE	24,754,681
INTERFUND TRANSFERS	<u>25,157,371</u>
TOTAL EXPENDITURES	<u>\$ 370,872,096</u>

STAFF RECOMMENDED AMENDMENTS

1. Fire Station Deferred Maintenance
2. General Fund Resources for Planning
3. Franchise Fee Settlement
4. Additional Personnel for Facilities
5. Increase Funding for Elections
6. Court Analysis
7. CPTED Analysis and Implementation
8. Set aside funds for DV recommendations
9. Allocate Funding for Nurse Family Partnership

BUDGET COMMITTEE RECOMMENDED AMENDMENTS

10. Eliminate Park District 1 and Replace with General Fund Levy

11. Address Lack of Jail Space for Misdemeanor Offenses

#1 FIRE STATION DEFERRED MAINTENANCE

- FY23 included funds for deferred maintenance in the amount of \$350,000. Approximately \$155,000 will go unspent in FY23. Staff is requesting that this unspent amount be added into the FY24 budget for a total \$259,600
- **Budget Impact:** This will be funded through reserves that were accumulated in FY23

#2 GENERAL FUND RESOURCES FOR PLANNING

\$300,000

- \$200,000 for Growth Policy Update and \$100,000 for Skyway Drive and Interchange Plans
- **Budget Impact:** Increase in General Fund transfer to Planning of \$300,000 and increase in the Planning fund of \$300,000. This will be funded by a combination an increase in mill levy for the Growth Policy portion, and General Fund Reserves from FY23 for the Neighborhood Plans portion.

#3 FRANCHISE FEE SETTLEMENT \$3.6M

- The current FY24 proposed budget contains no provisions for payment of the franchise fee settlement. Council will be required to fund this settlement in FY24. Staff is recommending that the settlement payment be budgeted in FY24 assuming that \$1.0 million is paid from reserves accumulated in FY23 and the remaining \$2.6 million be paid from tax revenue in the General Fund.
- **Budget Impact:** Increase General Fund expenses by \$3.6 million. To be funded with General Fund reserves to the extent possible (estimate at \$1.0 currently), and increase mill levy for anything beyond that amount.

#4 ADDITIONAL PERSONNEL FOR FACILITIES

\$85,000

- Currently the Fire Department utilizes Fire Department personnel to handle facilities maintenance projects, beyond daily cleaning and mowing. This position being requested will free up the time being spent by Fire personnel and allow a Facilities staff member to be dedicated to addressing issues and mobilizing vendors as needed for triage and repairs.
- **Budget Impact:** This is estimated to cost approximately \$85,000 and will be funded through increased charges to the Fire Department from the Facilities Division in future years.

#5 INCREASE FUNDING FOR ELECTIONS

\$125,000

- The original budget includes \$120,000 for elections. Recently, the County Election Administrator informed us that a City election could run as high as \$105,000. These additional funds would create enough budget for two elections, if a primary is needed. In addition to the increased election costs, some funds are being included to cover the cost of education on a ballot initiative for a Parks Funding vote. We will know if we need a primary election after June 19.
- This amendment could be held until 6/26, when we know whether a primary election will be needed
- **Budget Impact:** Funded through FY23 reserves, if needed.

#6 COURT ANALYSIS \$210,000

- An analysis of our Municipal Court process is being done to determine what efficiencies may be found. This project is planned in FY23 but will likely not be under contract until early July. As such, budget authority will need to be added to the FY24 budget.
- This amendment could be held until 6/26, when we know what the revised cost proposal will be
- **Budget Impact:** Funded with General Fund reserves accumulated in FY23

#7 CPTED ANALYSIS AND IMPLEMENTATION IN PUBLIC SPACES \$120,000

- Many staff from the City took a weeklong course in CPTED training. There are many facilities that could be analyzed for improvements to reduce crime on City owned properties. This budget amendment will allocate funding from the Mental Health Substance Abuse Public Safety funds to specifically address these analysis and improvement costs.
- **Budget Impact:** This will not increase the budget but will specifically allocate the remaining \$120,000 Mental Health and Substance Abuse PSML program funding.

#8 DOMESTIC VIOLENCE/FAMILY JUSTICE CENTER \$200,000

- An analysis of the feasibility of a Family Justice Center will be completed in late FY24. We anticipate that there will be significant costs needed in order to make a fully operational FJC, if Council chooses to establish a center. At this point in time, we are requesting that the fund begin to be set aside for the Domestic Violence recommendations that may come from the analysis.
- **Budget Impact:** This will be funded by the ending fund balance remaining from FY23. This will increase the Public Safety Fund for FY24 by \$200,000.

#9 NURSE FAMILY PARTNERSHIP \$198,966

- Nurse Family Partnership was identified as a preferred strategy to address domestic violence and juvenile crime. This funding will be allocated for a contract to be developed between the City and Riverstone Health to provide funding to expand the Nurse Family Partnership. This is intended to be a short-term commitment, rather than permanent funding.
- **Budget Impact:** This will increase the Public Safety Fund by \$198,966. This will be funded by the estimated ending fund balance in FY23 of \$300,000 and the net addition to reserves in FY24 estimated to be \$98,966.

#10 ELIMINATE PARK DISTRICT 1 AND REPLACE WITH GENERAL FUND LEVY \$0

- This amendment is recommended by the Budget and Finance Committee. This will remove the Special Assessment funding for PD1, which will sunset at the end of 2024, and replace it with a transfer from the General Fund. This will be funded with an increase in the mills levied and utilize the assumed increase in taxable value.
- **Budget Impact:** This will have an increase of \$3,823,482 in the overall budget, as this replacement will be funded by a transfer out of the General Fund into the Park District 1 Fund. No increase in operating expenses will occur as a result of this change, only the Transfer Out amount. This will result in no net increase to the homeowner on the property tax bill.

#11 ADDRESS LACK OF JAIL SPACE FOR MISDEMEANOR OFFENSES \$0

- The FY24 budget currently contains \$620,000 for public safety expenses and programs to be identified from the Mental Health/Marijuana Public Safety Funds. The Budget and Finance Committee is recommending that \$500,000 of this funding be allocated directly for the purpose of addressing limited jail space at the County. This will be done by providing the funding to Yellowstone County Sheriffs Office for a temporary facility and staffing needed to provide additional beds for City detainees only (approximately 25-30 people).
- **Budget Impact:** This will not increase the budget but will identify specifically what program the funding will be utilized for.

SUMMARY OF PROPOSED ADJUSTMENTS

	FY 24 Budget Proposed 5/1/23	Proposed Adjustments	FY24 Budget Proposal 6/12/23
REVENUES:			
TAXES	60,976,599	6,688,607	67,665,206
SPECIAL ASSESSMENTS	30,848,393	-3,823,482	27,024,911
LICENSES & PERMITS	4,840,228		4,840,228
INTER-GOVERNMENTAL	51,943,579		51,943,579
CHARGES FOR SERVICE	141,410,385		141,410,385
FINES & FORFEITS	1,620,696		1,620,696
INVESTMENT EARNINGS	1,589,058		1,589,058
DONATIONS / CONTRIBUTIONS	437,000		437,000
INTERFUND TRANSFERS	25,157,371	4,123,482	29,280,853
DEBT PROCEEDS	16,123,900		16,123,900
MISCELLANEOUS	<u>1,537,975</u>	-	<u>1,537,975</u>
TOTAL REVENUES	336,485,184	6,988,607	343,473,791
EXPENDITURES:			
PERSONAL SERVICES	109,322,468	85,000	109,407,468
OPERATION & MAINTENANCE	111,532,606	4,633,966	116,166,572
CAPITAL	100,104,970	155,000	100,259,970
DEBT SERVICE	24,754,681		24,754,681
INTERFUND TRANSFERS	<u>25,157,371</u>	<u>4,123,482</u>	<u>29,280,853</u>
TOTAL EXPENDITURES	370,872,096	8,997,448	379,869,544

GENERAL FUND ENDING FUND BALANCE

FY23 General Fund Estimate	3,037,839
FS Deferred Maint	155,000
Planning Funds	100,000
Election Fees	125,000
Court Analysis	<u>210,000</u>
Total Use of Reserves	590,000
Amounts Available for Paying Settlement	2,447,839

PUBLIC SAFETY MENTAL HEALTH SUBSTANCE ABUSE MILLS AND MARIJUANA FUNDS

FY24 Net Addition to Reserves	98,966
FY23 MHSA/MJ Fund Balance Estimate	300,000
FY24 Undefined budget amount	<u>120,000</u>
Estimated Total MHSA funds availble	518,966
CPTED Analysis	120,000
DV/FJC Set aside for recommendations	200,000
Nurse Family Partnership	<u>198,966</u>
Total Use of Reserves	518,966
Estimated Addition (Use) of Reserves FY24	0

PROPERTY TAX CHANGES FROM PROPOSED BUDGET

	FY 24 Budget Proposed 5/1/23	Proposed Adjustments	FY24 Budget Proposal 6/12/23
Tax Revenue (All Sources)			
General	16,381,220	6,623,482	23,004,702
Public Safety (MH/SA)	821,971	65,125	887,096
All other Tax Revenue	<u>43,773,408</u>	=	<u>43,773,408</u>
	60,976,599	6,688,607	67,665,206

IMPACT TO THE MEDIAN HOME

Median Home Property Taxes

	FY2023	FY2024	Change
General	\$227.87	\$277.52	\$49.65
Public Safety	351.05	\$427.53	76.49
Library	15.40	\$16.39	0.99
Transit	30.79	\$32.78	1.98
General Obligation	<u>24.63</u>	<u>\$25.50</u>	<u>0.87</u>
Median Home Property Tax	\$649.74	\$779.72	\$129.98
Park District 1 Assessment	49.18	0.00	(49.18)
Street Maintenance Dist	185.08	198.04	12.96
Storm Sewer	<u>56.40</u>	<u>\$59.60</u>	<u>3.20</u>
Total Special Assessments	<u>\$290.66</u>	<u>\$257.64</u>	<u>(\$33.02)</u>
Total Taxes and Assessments	\$940.40	\$1,037.36	\$96.96

FY24 Newly Budgeted Staffing

Fund	Department/Division	# of Positions	Position
Airport	Airport	1	Airport Police Officer
Library	Library	1	Facilities
REMOVE: Library	Library	2	Security
Facilities	Facilities	1	Facilities Maintenance II
ADD: <u>Facilities</u>	<u>Facilities</u>	<u>1</u>	<u>Facilities Maintenance II</u>
General Fund	Municipal Court	1	Infraction Filing Clerk
General Fund	Municipal Court	1	Assistant
General Fund	Municipal Court	1	Judge
Solid Waste	Public Works	3	Landfill
Solid Waste	Public Works	<u>4</u>	Collections
		14	

Note: this does not include the 5 Transit FTE's added as part of the long-range transportation plan or the 13 FTE in Solid Waste, Distribution & Collection, and Streets which were converted from seasonal to Full-time, both in FY23.

COUNCIL DISCUSSION

- Things to consider:
 - How will the settlement be paid?
 - Current Fund Balance
 - New Tax Revenue
 - Borrow Funds
 - Reductions elsewhere in the budget
 - Actual taxable value available in the first week of August
 - Budget hearing on 6/12, and 6/26 if needed
 - Budget amendments will need to be formally adopted
 - Council amendments can be prepared ahead of time