



FY2025 Budget Proposal

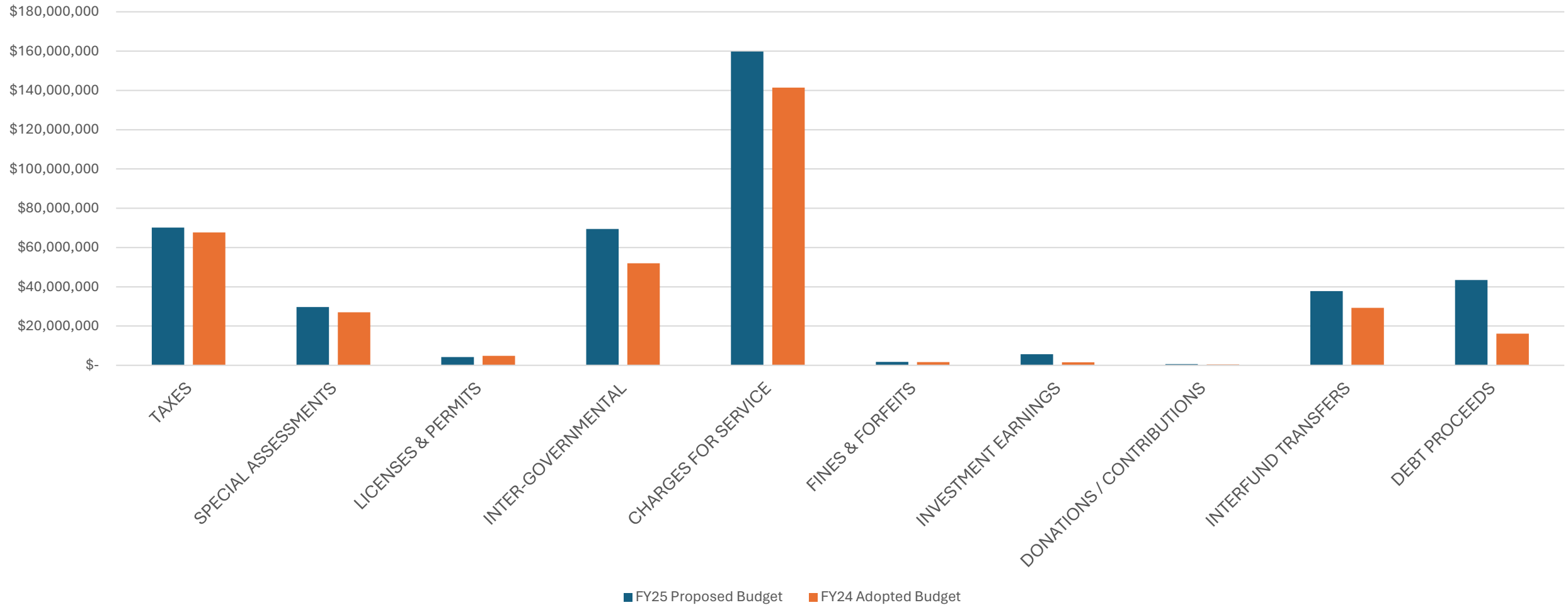
May 6, 2024

FY24 Accomplishments

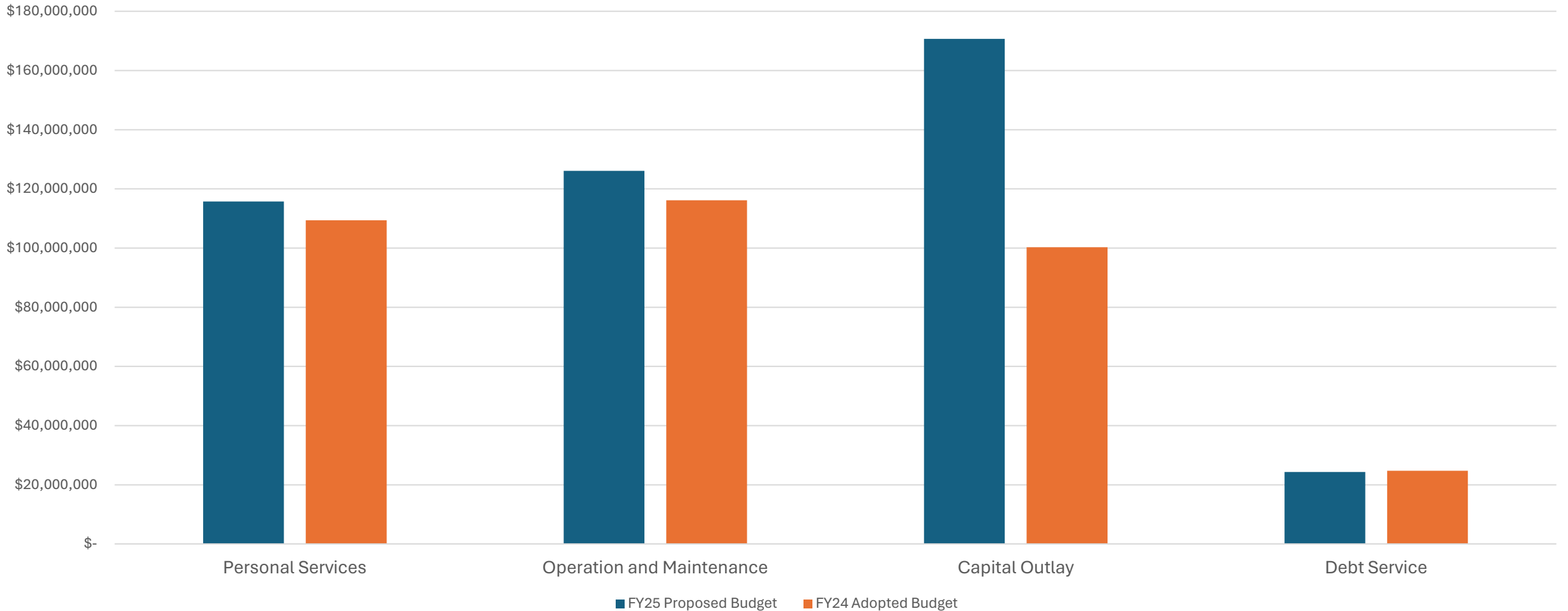
- Skyline Trail
- Skyway Drive
- Airport Terminal Completion
- New City Hall & Purchase/Sale of Old City Hall
- Fire Station 8
- 272 new single family homes
- 850 other dwelling units
- \$304.6 million in new construction permits for calendar year 2023



Budget Revenue by Class



Budget Expense by Class



Overall City Budget

| | FY25 Proposed Budget | FY24 Adopted Budget |
|-----------------------------|-----------------------------|----------------------------|
| TAXES | \$ 70,156,849 | \$ 67,665,206 |
| SPECIAL ASSESSMENTS | 29,721,512 | 27,024,911 |
| LICENSES & PERMITS | 4,252,576 | 4,840,228 |
| INTER-GOVERNMENTAL | 69,475,721 | 51,943,579 |
| CHARGES FOR SERVICE | 159,777,726 | 141,410,385 |
| FINES & FORFEITS | 1,724,546 | 1,620,696 |
| INVESTMENT EARNINGS | 5,677,060 | 1,589,058 |
| DONATIONS / CONTRIBUTIONS | 602,990 | 437,000 |
| INTERFUND TRANSFERS | 37,825,619 | 29,280,853 |
| DEBT PROCEEDS | 43,442,500 | 16,123,900 |
| MISCELLANEOUS | <u>2,434,117</u> | <u>1,537,975</u> |
| Budgeted Revenue | \$ 425,091,216 | \$ 343,473,791 |
| Personal Services | \$ 115,733,330 | \$ 109,407,468 |
| Operation and Maintenance | 126,093,665 | 116,166,572 |
| Capital Outlay | 170,719,720 | 100,259,970 |
| Debt Service | 24,319,375 | 24,754,681 |
| Transfers Out | <u>36,830,619</u> | <u>29,280,853</u> |
| Budgeted Expenditure | \$ 473,696,709 | \$ 379,869,544 |

Capital Projects

- Water & Wastewater (\$108 million)
 - Westend Reservoir
 - Main Replacements
 - Zone 1 (downtown) Storage Improvements
- Transportation
 - Rimrock Road (Design)
 - Grand Ave
 - Hesper
- Parks, Recreation, Trails (\$7.7 million)
 - North Park Tennis/Basketball Court
 - Poly Vista
 - Sacagawea
 - South Park Pool (Design)
 - Stagecoach Trail



Operation & Maintenance Changes



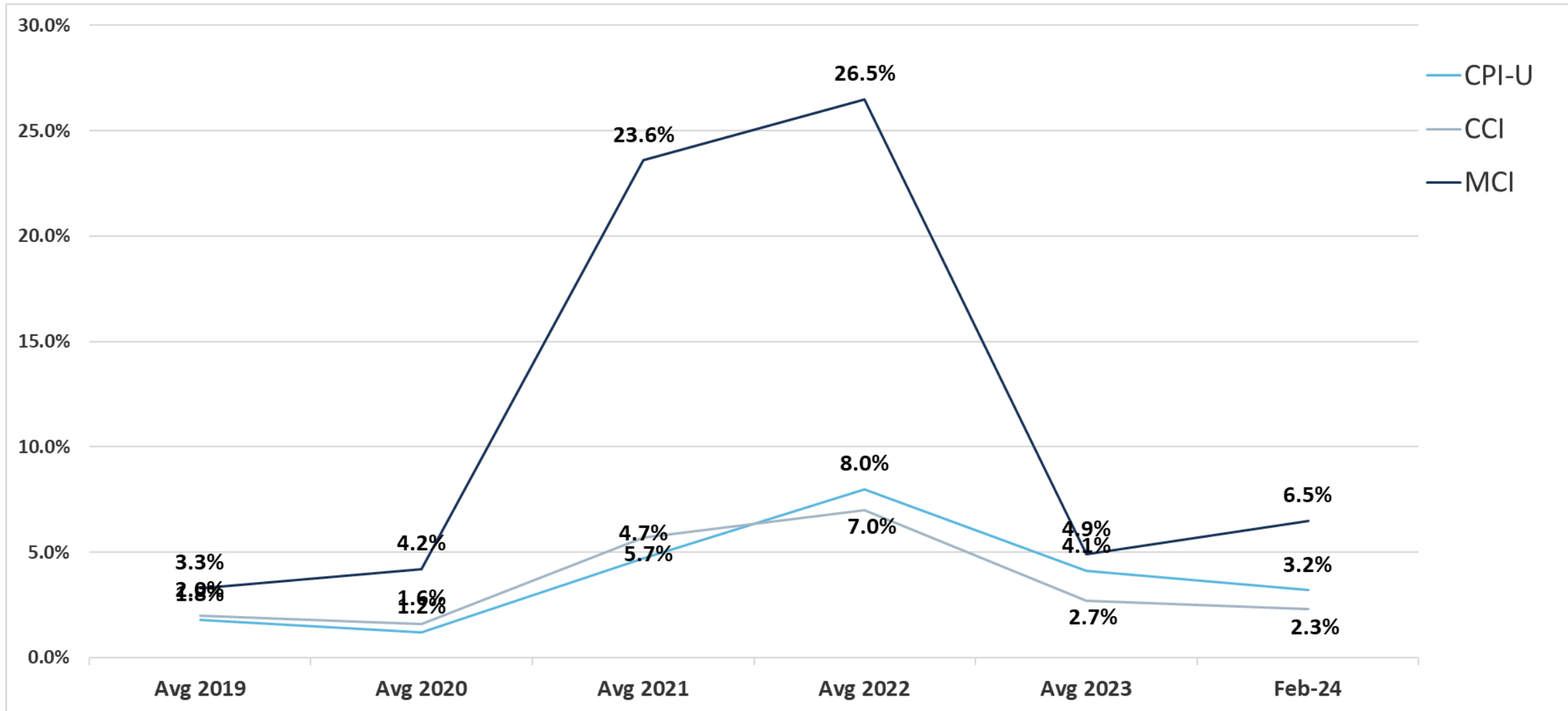
- Health Insurance Fund
 - Estimated increase in claims costs
- Parks Programs
 - Tree Grant
- Public Safety
 - Property/Liability Insurance
 - Short-term Holding Facility Contribution
 - Police MDT Replacements
- Solid Waste
 - Vehicle Repairs and Maintenance
 - Property/Liability Insurance

Operation & Maintenance Changes

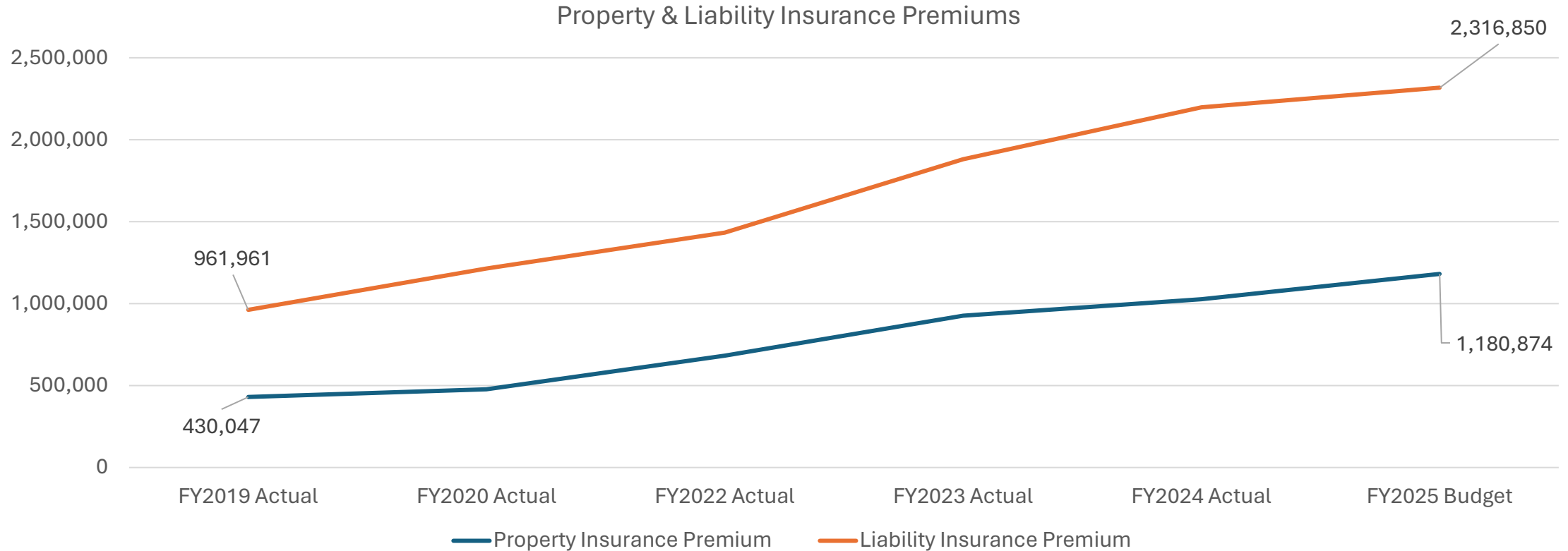
- Storm Sewer
 - Increased investment in Maintenance
- South Tax Increment
 - Anticipated Development Incentives
- Water Fund



Inflation Impacts



Property & Liability Insurance



Personal Services

- 24% of FY25 Budget
- \$6.3 million increase over FY24 (5.8% increase)
- Salary & Wage Increases
- Additional Staffing Requests
 - 16 FTE
 - Approx \$1.3 million in FY25 costs

New Employee Requests for FY25

| Fund | Department/Division | # of Positions | Position |
|---------------|----------------------------|-----------------------|--------------------------|
| General Fund | Legal | 1 | Attorney (PSML) |
| General Fund | Legal | 1 | Victim Witness (PSML) |
| General Fund | Legal | 2 | Admin (PSML) |
| Public Safety | Police | 3 | Patrol Officer |
| Public Safety | Police | 1 | Community Safety Officer |
| Public Safety | Fire | 1 | Fire Protection Engineer |
| Library | Library | 1 | Lib. Service Specialist |
| Library | Library | 2 | Librarian |
| Transit | Transit | 1 | Service Worker |
| Transit | Transit | 1 | Transit Operator |
| Transit | Transit | 1 | Transit Dispatcher |
| Fleet | Fleet | 1 | Mechanic II |
| | | 16 | |

Budgeted Revenues

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Charge For Services

- External Charges
 - Airport Landing Fees, Car Rental, Leases
 - Utilities
 - Water, Wastewater, Solid Waste
 - Public Safety
 - BUFSA, Fire Protection Engineer, PD/Fire OT Contracted Service
 - Parks & Recreation
 - Rec Programs, PMDs, Swimming Pools
- Internal Charges
 - Street/Traffic
 - Property & Liability Insurance
 - Fleet Maintenance
 - Health Insurance

Tax Revenue

- Property Taxes
 - Real Property \$64 million
 - Personal Property \$1.1 million
 - Motor Vehicle \$4 million
- Marijuana Excise Tax
 - City Hall Financing \$200K
 - Public Safety \$425K



Property Tax Mill Levy

- Median Home = \$308,400
- 1 Mill = \$272,463
- 1 Mill cost the Median Home = \$4.16/year
- Total Estimated Mills 208.41

| | Budgeted Mills | | |
|---------------|----------------|-------------|--------|
| | FY2025 | FY2024 | Change |
| General | 74.00 | 73.10 | 0.90 |
| Public Safety | 114.00 | 114.00 | 0.00 |
| Library | 5.00 | 4.27 | 0.73 |
| Transit | 10.00 | 8.53 | 1.47 |
| GO Bonds | <u>5.41</u> | <u>6.67</u> | -1.26 |
| Total Mills | 208.41 | 206.57 | 1.84 |

Intergovernmental – State of MT

- State Entitlement Share \$18 million
- Gas Tax \$4.4 million
- EOC 911 \$1.1 million



Intergovernmental - Federal

- Airport \$13 million
- Transportation Alternatives (Stagecoach Trail) \$4.7 million
- Community Development \$2 million
- Transit \$3.4 million
- Water (ARPA) \$13.8 million

General Fund & Parks and Rec Fund

- Move PRPL into a separate fund
- Clearly depicts General Fund contribution for Parks and Rec
- Allow unspent PRPL funds to be held for future PRPL use

General Fund & Parks and Rec Fund

PRPL General Fund and Park District 1 Combined

| | 2025 Budget | 2024 Budget | 2023 Actual | 2022 Actual |
|------------------------------|------------------|----------------|----------------|----------------|
| Charge For Service Revenue | 1,856,598 | 1,644,500 | 1,387,387 | 1,363,045 |
| Special Assessment | 0 | 0 | 3,616,121 | 3,120,556 |
| General Fund Transfer | 8,061,300 | 3,834,082 | 19,303 | 123,579 |
| Grant Revenue | 40,000 | 40,000 | 104,731 | 238,503 |
| Other Revenue | <u>80,000</u> | <u>48,000</u> | <u>108,898</u> | <u>1,988</u> |
| Total Revenue | 10,037,898 | 5,566,582 | 5,236,440 | 4,847,671 |
| Personal Services | 5,009,498 | 4,661,662 | 4,399,111 | 4,240,869 |
| Operation & Maintenance | 2,549,746 | 2,299,246 | 2,091,939 | 1,901,187 |
| Capital Outlay | 1,421,894 | 3,202,336 | 2,434,655 | 1,989,009 |
| Transfers Out | <u>1,057,258</u> | <u>431,519</u> | <u>438,269</u> | <u>423,901</u> |
| Total Expenses | 10,038,396 | 10,594,763 | 9,363,974 | 8,554,966 |
| Net Change | 498 | 5,028,181 | 4,127,534 | 3,707,295 |
| PD1 Use of Reserves | | 1,724,795 | 666,055 | 199,713 |
| General Fund Support of PRPL | 8,061,300 | 7,137,468 | 7,077,600 | 6,628,138 |

General Fund & Public Safety

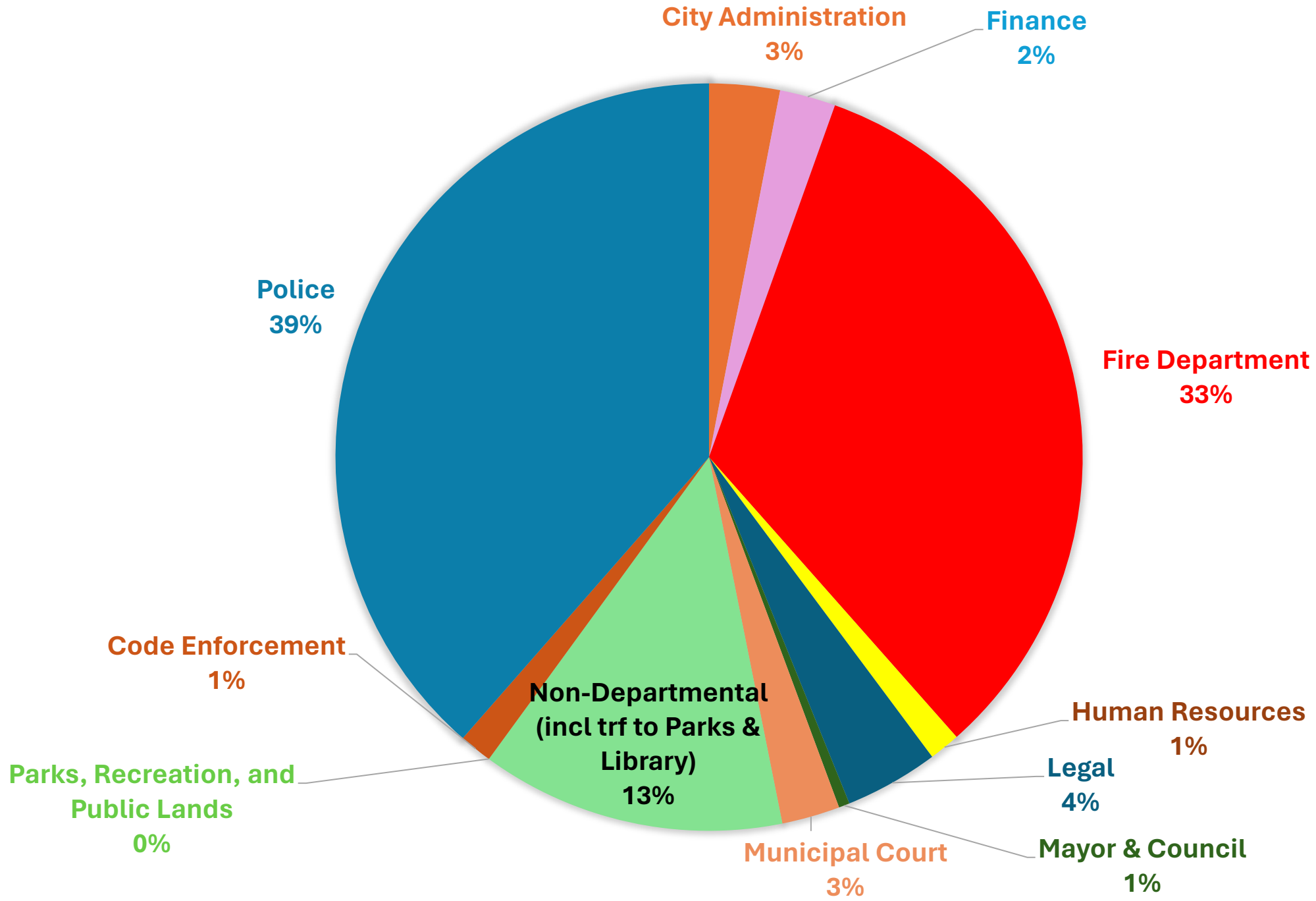
| GFPS Revenue By Class | FY25 Proposed Budget | FY24 Adopted Budget | Budgeted Revenue Change |
|------------------------------|-----------------------------|----------------------------|--------------------------------|
| Taxes | \$ 55,166,266 | \$ 54,011,840 | \$ 1,154,426 |
| Charge for Service | 6,961,630 | 7,532,151 | -570,521 |
| Fines And Forfeitures | 1,345,946 | 1,328,846 | 17,100 |
| Intergovernmental | 17,465,011 | 17,076,243 | 388,768 |
| Investment Earnings | 116,991 | 70,000 | 46,991 |
| License And Permits | 1,882,576 | 2,008,228 | -125,652 |
| Miscellaneous | 122,200 | 117,220 | 4,980 |
| Transfers In | 1,071,693 | 224,675 | 847,018 |
| Revenue Total | \$ 84,132,313 | \$ 82,369,203 | \$ 1,763,110 |

General Fund & Public Safety

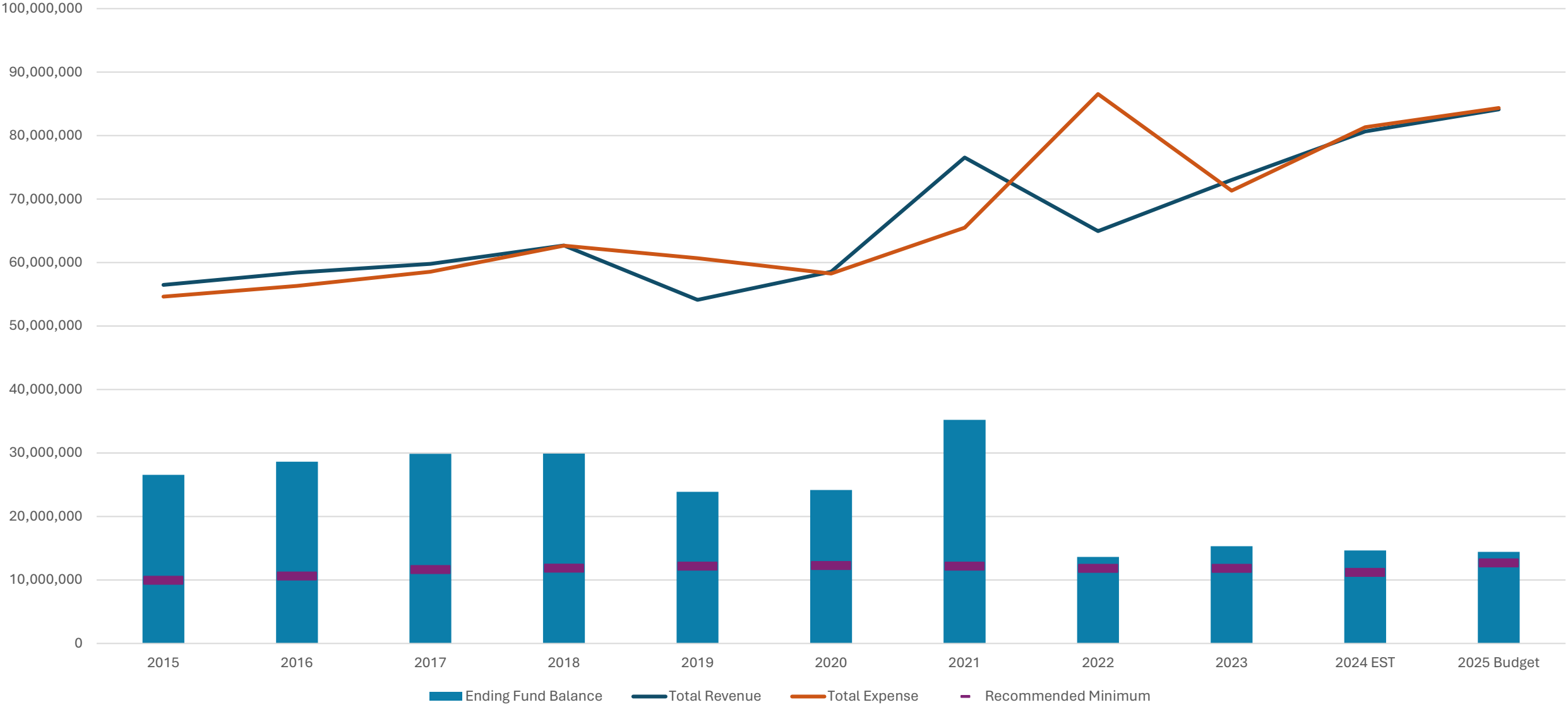
Expenses by Department

| | FY25 Proposed | FY24 Adopted | Change |
|--|----------------------|----------------------|--------------------|
| City Administration | 2,574,672 | 2,366,903 | 207,769 |
| Finance | 2,042,499 | 1,987,872 | 54,627 |
| Fire Department | 27,826,460 | 25,952,419 | 1,874,041 |
| Human Resources | 1,130,791 | 1,089,704 | 41,087 |
| Legal | 3,423,409 | 2,924,845 | 498,564 |
| Mayor & Council | 396,897 | 393,729 | 3,168 |
| Municipal Court | 2,119,094 | 2,002,135 | 116,959 |
| Non-Departmental (incl trf to Parks & Library) | 11,113,811 | 10,820,294 | 293,517 |
| Parks, Recreation, and Public Lands | 0 | 5,004,486 | -5,004,486 |
| Code Enforcement | 1,200,866 | 1,111,845 | 89,021 |
| Police | <u>32,507,930</u> | <u>30,693,348</u> | <u>1,814,582</u> |
| Total | \$ 84,336,429 | \$ 84,347,580 | \$ (11,151) |

FY25 PROPOSED GENERAL FUND AND PUBLIC SAFETY



General Fund & Public Safety



Public Safety Crime Prevention Fund

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|----------------------------|--------------|----------------|----------------|----------------|--------------|
| Beginning Balance | 0 | 362,817 | 679,166 | 385,530 | 82,012 |
| MJ Rev | 161,849 | 407,455 | 425,000 | 425,000 | 425,000 |
| Prop Tax | 433,035 | 519,606 | 536,515 | 563,341 | 568,974 |
| Opioid Rev | 23,587 | 243,444 | 80,000 | 53,000 | 53,000 |
| Grant Rev | | 129,361 | 0 | 0 | 0 |
| Other Rev | <u>3,843</u> | <u>17,078</u> | <u>9,000</u> | <u>9,000</u> | <u>9,000</u> |
| Total Revenue | 622,314 | 1,316,944 | 1,050,515 | 1,050,341 | 1,055,974 |
| Crisis Response Units | 61,237 | 164,712 | 194,151 | 203,859 | 214,051 |
| Low Barrier Shelter | 186,849 | | | | |
| Substance Abuse Connect | 10,000 | 10,000 | | | |
| Drug & Alcohol Symposium | 2,500 | | | | |
| BIL Family Vio. Task Force | | 5,883 | | | |
| FJC | | 100,000 | 200,000 | 200,000 | 200,000 |
| NFP | | 100,000 | 200,000 | 200,000 | 200,000 |
| CPTED | | 120,000 | | | |
| <u>Holding Facility</u> | <u>0</u> | <u>500,000</u> | <u>750,000</u> | <u>750,000</u> | <u>0</u> |
| Total Expense | 260,586 | 1,000,595 | 1,344,151 | 1,353,859 | 614,051 |
| Ending Balance | 362,817 | 679,166 | 385,530 | 82,012 | 523,935 |

Typical Residential Costs

Median Home Property Taxes

| | FY25 | FY24 | Change |
|-----------------------------|-----------------|-----------------|----------------|
| General | \$ 308.09 | \$ 304.34 | \$ 3.75 |
| Public Safety | 474.63 | 474.63 | - |
| Library | 20.82 | 17.78 | 3.04 |
| Transit | 41.63 | 35.51 | 6.12 |
| General Obligation | <u>22.52</u> | <u>27.77</u> | <u>(5.25)</u> |
| Median Home Property Tax | \$ 867.69 | \$ 860.03 | \$ 7.66 |
| Street Maintenance District | 211.11 | 198.04 | 13.07 |
| Storm Sewer | <u>-</u> | <u>59.60</u> | <u>(59.60)</u> |
| Total Special Assessments | 211.11 | 257.64 | (46.53) |
| Total Taxes and Assessments | 1,078.80 | 1,117.67 | (38.87) |

Average Home Monthly Utility Bill

| | FY2025 | FY2024 | Change |
|----------------------|-------------|-------------|-------------|
| Water | 47.71 | 43.40 | 4.31 |
| Wastewater | 30.85 | 29.04 | 1.81 |
| Solid Waste | 14.50 | 13.90 | 0.60 |
| Storm Sewer | <u>7.00</u> | <u>0.00</u> | <u>7.00</u> |
| Monthly Utility Bill | 100.06 | 86.34 | 13.72 |

Investment in Council Priorities

- Improve the safety of Billings \$64.7 million
 - Additional Police and Fire FTE
 - Investment towards Short-term Holding Facility
- Invest in core infrastructure \$159.1 million
 - Westend water treatment
 - Design improvements to Grand Ave. and Rimrock Road
- Increase parks, trails, and cultural investments \$7.8 million
 - Establish Parks and Recreation Fund
 - Construct Stagecoach Trail
 - Determine future plans for South Park Pool

Investment in Council Priorities

- Improve the built environment through quality design \$450,000
 - Update growth policy
 - Update neighborhood plans
 - Update subdivision regulations
- Build a high-performance organization principled in core values \$280,000
 - Legislative priorities for 2025
 - Digitization of public records
 - Local government review

Timeline & Discussion Items & Where to find more info

- FY25 Proposed Budget available online www.billingsmt.gov/finance
- Budget Work Sessions & Adoption
 - May 6, 7, 20, & 21
 - Budget Adoption June 10 or June 24 (if needed)
- Council Amendment Process