

BILLINGS CITY COUNCIL
Budget Committee Meeting Minutes
December 13, 2023
Conference Room, First Floor, City Hall

CM: Ed, Mike

Staff: Andy, Debi, Jennifer, Kevin, Jessica, John

Call to Order (0:00:00)

Approval of November Meeting Minutes (0:00:00)

Ed makes a motion to approve the minutes as presented. Motion seconded by Mike and carries on a unanimous voice vote.

Public Comment (0:00:29)

None

Stormwater Billing (0:00:37)

Discuss is triggered by changes in fees and software. This was done with solid waste in 2015. Was a difficult transition, but is now normal. People now call and catch things on solid waste that they were missing when it was on property taxes. Discussion on public engagement.

Discussion about separating the issue of billing and rate structure. Public engagement vs public outreach.

Committee generally wants to move forward with some additional public engagement. Plan is work session Jan 2, public engagement with associations and task forces if Council is on board, ordinance on billing in Feb, ordinance on rate structure in April/May.

Water and Sewer Ordinance Changes/Reimbursement Agreement (0:33:58)

Ordinance was last updated in 2017. Need better structure for reimbursement agreements. Redline also includes lots of clean-up/technical amendments.

Major changes:

--Backflow prevention. Will prevent water from flowing back from a commercial property and going to someone else. We have a backflow prevention document, but ordinance has not been updated. Significant issue – contamination issue, City could be liable. There are still a few properties that don't have backflow prevention, but most do and they need to be tested annually.

--Reimbursement Conditions. This ordinance would eliminate reimbursement agreements and just let the ordinance govern.

--Reimbursement payment. Will allow the city or developer to be reimbursed for current costs, not historical costs. Proposal says that reimbursement can last until 30 years – this may need more discussion, could slow development.

--Ditches: strikes language on open ditches being terminated automatically.

--Other minor changes: Billing process, FOG, private construction acceptance, alternative sewer requirements, trucked/hailed waste.

This will come to Council on Jan 2 for work session, first reading in late January.

Discussion about how this would play out for Inner Belt Loop.

Spending Updates (1:05:34)

Committee moved this agenda item up to accommodate staff.

-Cost of Services – consultants have been on site a few times, getting good collaboration with staff, impressed with GIS and modeling. They have a first draft model that is being reviewed internally, will share with staff in January. Should have for Council use prior to FY25 Budget discussion.

-PSML/Police – In November, decision to overhire a bit to make sure we don't have vacancies. Not a lot of obvious funds available. Will review in January. Down just three right now. 10 in backgrounds right now. We have five slots in academy and need to fill those so that we have pipeline now. Doing an analysis now on overtime – staffing needs vs. incident driven is the focus. Can't control incident-driven as much, so less opportunity to shift to permanent staff.

-City Hall – working on finance. May need to finance \$11M-\$14M, mostly for cash flow. Generally on track for spending (\$43M) – some things were outside projections (asbestos, cabling).

Don't have historic tax credits yet or sale of city hall. When those payments arrive, will pay down debt. After we get all of the payments expected, including budget cuts and MJ

revenues, will probably have \$1M-\$3M in ongoing debt.

Historic tax credits has been more challenging than expected. Limited lender engagement; preference to have credits sold in Montana for various tax incentives. Working locally first and then will expand to larger pool of lenders if no one wants to partner.

Goal is to have a buy/sell to Council in late January.

Issue: elevators. Can't do appropriate security controls with current elevators. Cost: \$851,000 - \$930,200 to upgrade all 3; \$300,000 - \$320,000 for one car only.

\$1.5M left in two contingencies, we are halfway through the project, but big things still coming that could eat into that cost. Discussion about sources of funding.

AV bid came in high, furniture and security came in reasonable.

1:38:20 – Mike moves to recommend to Council that we fund all three elevator modernization, Ed Seconds. UVV

Will come to council on Feb 5.

FY24 Council Adopted Amendments Report (1:45:36)

FS deferred maintenance: \$155K, finishing condition assessment, some energy efficiency improvements will be focus.

Planning resources: \$300K. West end neighborhood plan is underway, Heights plan hasn't been bid. Growth policy updates – not bid out yet. Will be combination of internal and consultant work. Unclear where IBL or Bypass plans are.

Franchise Fee - \$3.6M. That was approved by settlement master. Payments will go out as rebates over single billing cycle. City will send one large lump sum to class administrator

Facilities personnel - \$85K. Offer letter signed, will start Jan 8

Election costs - \$125K. Spent \$29,000 for primary in Ward 3. Have not been billed for general. Education on Parks bond - \$10,000. There is \$250K in total. Should be enough for charter review.

Court Analysis: \$210k, draft report expected in December. Came in lower than budgeted.

CPTED: \$120K- crime data focused on identifying spaces. Council should see an update in February. Will be largely lighting in parks.

DV/FJC: \$200K. YWCA contract next week to share a coordinator cost for \$55K. Have paid a little bit for strategic plan. YWCA may not be able to cover half.

NFP: \$200,000. Contract signed with Riverstone. Unclear if Riverstone has hired two new people; they also need to fill a vacancy.

Misdemeanor Holding Facility: \$500K.

Cost of services study: underway, likely available to Council/public in early spring.

Committee Discussion (2:12:56)

-Reflection on first Committee cycle: has been generally productive. Ed will likely continue on the committee. Need to keep institutional knowledge through transition. Need to think about timing of things – meeting once per month can pose a challenge. Andy recommends an agenda item that allows for late emerging issues. Need to also think about amendment process for budget issues throughout the year.

Committee has been beneficial in Budget and City Hall process.

Adjourned at 11:31 p.m.