

## Billings City Administrator Weekly Report

January 21, 2023

1. **West End Water Project Update** - Inflation has been well above normal for the past couple of years. When you consider material and equipment inflation over 30% on a project that involves substantial amounts of both and was estimated at \$140M, the corresponding increase measures in the \$10M's. Staff has been investigating ideas for reducing significant costs for the project and one viable option is using the Billings Bench Water Association (BBWA) for raw water conveyance. The raw water intake, pump station and pipeline were bid/estimated at over \$30M. By using the BBWA, there will be less operational flexibility in the winter but for the short term (approximately 10 years), it will meet the needs of the community. Staff met with the BBWA board this week to discuss the potential for using the ditch. The Board was receptive to further conversations to work out details of the plan to see if it is a solution that would work for both entities. See attached letter sent to the Board prior to the meeting. The letter outlines the general plan. If staff is able to negotiate an agreement with the BBWA, we will bring it to the City Council for discussion and approval.

The Water Treatment Plant (WTP) and reservoirs are proceeding with the completion date still being June 2025.

2. **Tax Relief Through Tourism** – (see enclosed presentation and draft flyer) LC-3388 is a proposal developed by several county commissioners to lower property taxes through tourism (the draft bill is not available yet). The idea is to place a 4% sales tax on accommodations, prepared food & drinks, and rentals. 90% of what is collected goes back to the cities and counties where the money is collected and must be used to reduce property taxes (preliminary estimates lower Billings property taxes approx. \$13 million annually). The other 10% goes into a grant program for rural communities to fund infrastructure. The proposal is consistent with statistically valid polling of Montanans in December 2022 where between 64 – 70 percent expressed total support of the idea. The proposal required voter approval at the local level IF legislation is approved. If the state ever adopts a state-wide sales tax, the program automatically dissolves. We will continue to engage in these discussions as they progress.
3. **Shield 616** – (see stories below) – 30 Billings police officers received body armor from Shield 616. This is in addition to the 10 received in 2022. Each body armor kit is valued at over \$2,400. We are extremely appreciative of Shield 616's generosity and concern for our officer's safety.
4. **Nuisance Property Team** – the team held its monthly meeting this week, exchanging information to bring properties into code compliance and reduce crime. They are also discussing ideas to improve compliance through improved local and state regulations as we prepare for our next 1/4ly public safety update for the council on February 22<sup>nd</sup>.
5. **Billings Limited Army Aviation Support Facility (LAASF)** – yesterday the Montana National Guard flew its inaugural flight into Billings. Four (4) Army helicopters are now stationed in Billings. The guard unit has a staff of 16 and will grow substantially in both facilities and staff in the upcoming years. The council will see an annexation request in 2023 for the new military complex.

6. **CoC Low Barrier Shelter** – Fire Marshall Tatum completed his inspection of the designated low-barrier shelter area in First Congregational Church. All code-required improvements have been installed and tested. You are approved to conduct the shelter as described in the attached memo.
7. **Next Week’s Meeting/Task Forces**
- a. Heights Task Force, Tuesday, January 24<sup>th</sup> 7:00 pm Oasis, 543 Aronson
  - b. Legislative Committee, Wednesday, January 25<sup>th</sup> 4:00 pm City Hall Conference Room, 210 N. 27<sup>th</sup> Street.

8. **From the PIO Desk:**

Winter/Spring 2023 City Link in the Billings Gazette this Sunday, Jan. 22

PDF: <https://www.billingsmt.gov/ArchiveCenter/ViewFile/Item/17143>

All four of our Community 7 public safety updates can be found on the “Public Safety” page on the City website:

<https://www.billingsmt.gov/978/Public-Safety>

Continuum of Care seeks volunteers for Point in Time count

<https://www.billingsmt.gov/CivicAlerts.aspx?AID=2425>

From Planning & Community Services:

Local Artist Terri Porta Selected As Artist-in-Residence

<https://www.billingsmt.gov/CivicAlerts.aspx?AID=2428>

**Planning & Community Services**

Billings hires artist-in-residence to involve art and artists in everyday civic life

[https://www.nonstoplocal.com/billings/news/billings-hires-artist-in-residence-to-involve-art-and-artists-in-everyday-civic-life/article\\_e43e0c59-3de6-51cf-81c5-387ed6e7d80b.html](https://www.nonstoplocal.com/billings/news/billings-hires-artist-in-residence-to-involve-art-and-artists-in-everyday-civic-life/article_e43e0c59-3de6-51cf-81c5-387ed6e7d80b.html)

**City Council**

Montana cities, including Billings, seeking local control to regulate plastics

<https://www.ktvq.com/news/local-news/montana-cities-including-billings-seeking-local-control-to-regulate-plastics>

**Public Works**

How to navigate the Billings Chick-fil-A’s opening

<https://www.ktvq.com/news/local-news/how-to-navigate-the-billings-chick-fil-as-opening>

**Billings airport**

TSA breaks yet another record nationally and statewide for firearm discoveries in 2022

[https://www.nonstoplocal.com/billings/news/tsa-breaks-yet-another-record-nationally-and-statewide-for-firearm-discoveries-in-2022/article\\_2eedfd5e-f074-58af-8729-38420efdd6e4.html](https://www.nonstoplocal.com/billings/news/tsa-breaks-yet-another-record-nationally-and-statewide-for-firearm-discoveries-in-2022/article_2eedfd5e-f074-58af-8729-38420efdd6e4.html)

Rising number of guns recovered at Montana airports

<https://www.ktvq.com/news/local-news/rising-number-of-guns-recovered-at-montana-airports>

TSA sees record 50 firearms at Montana airports in 2022

[https://billingsgazette.com/news/tsa-sees-record-50-firearms-at-montana-airports-in-2022/article\\_7cf8c716-9753-11ed-89bb-d7694a50a96c.html](https://billingsgazette.com/news/tsa-sees-record-50-firearms-at-montana-airports-in-2022/article_7cf8c716-9753-11ed-89bb-d7694a50a96c.html)

Blue Angels alumni welcome current crew to Billings

<https://www.ktvq.com/news/local-news/blue-angels-alumni-welcome-current-crew-in-billings>

### **Police Department**

'Protect those who serve and protect': Nonprofit donates 40 rifle protection vests to Billings officers

<https://www.ktvq.com/news/local-news/protect-those-who-serve-and-protect-nonprofit-donates-40-rifle-protection-vests-to-billings-officers>

Photo: Billings PD receives free ballistic vests

[https://billingsgazette.com/news/local/photo-billings-pd-receives-free-ballistic-vests/article\\_dcbd7816-96b0-11ed-aa74-e396f5a854d3.html](https://billingsgazette.com/news/local/photo-billings-pd-receives-free-ballistic-vests/article_dcbd7816-96b0-11ed-aa74-e396f5a854d3.html)

Billings police officers gifted brand new, protective gear

<https://catcountry1029.com/ixp/628/p/billings-police-officers-gifted-brand-new-protective-gear/>

Big lines for the grand opening of Billings Chick-fil-A

[https://www.nonstoplocal.com/billings/news/big-lines-for-the-grand-opening-of-billings-chick-fil-a/article\\_1db334d1-b8a5-565d-ba4c-fee13e6e1deb.html](https://www.nonstoplocal.com/billings/news/big-lines-for-the-grand-opening-of-billings-chick-fil-a/article_1db334d1-b8a5-565d-ba4c-fee13e6e1deb.html)

Armed standoff at Golden Meadows Mobile Home Park in Billings ends peacefully

[https://billingsgazette.com/news/local/armed-standoff-at-golden-meadows-mobile-home-park-in-billings-ends-peacefully/article\\_b1723414-977b-11ed-b2b3-cf47e1d16f7b.html](https://billingsgazette.com/news/local/armed-standoff-at-golden-meadows-mobile-home-park-in-billings-ends-peacefully/article_b1723414-977b-11ed-b2b3-cf47e1d16f7b.html)

"High Risk" arrest by BPD, SWAT and YCSO nabs two wanted fugitives; Brief standoff ends peacefully

<https://www.yourbigsky.com/billings-beat/high-risk-arrest-by-bpd-swat-and-ycco-nabs-two-wanted-men-brief-standoff-ends-peacefully/>

2 arrested after brief standoff in Billings mobile home park

<https://www.ktvq.com/news/crime-watch/2-arrested-after-brief-standoff-in-billings-mobile-home-park>

SWAT, US Marshals and more make high risk arrests in Billings

<https://catcountry1029.com/ixp/124/p/swat-us-marshals-and-more-make-high-risk-arrests-in-billings/>

Suspects arrested on out of state warrants following standoff in Billings Wednesday

[https://www.nonstoplocal.com/billings/news/suspects-arrested-on-out-of-state-warrants-following-standoff-in-billings-wednesday/article\\_9f4f079e-f791-5aeb-8573-89286ed52b90.html](https://www.nonstoplocal.com/billings/news/suspects-arrested-on-out-of-state-warrants-following-standoff-in-billings-wednesday/article_9f4f079e-f791-5aeb-8573-89286ed52b90.html)

Police seeking suspect in Billings casino armed robbery

<https://www.ktvq.com/news/crime-watch/police-seeking-suspect-in-billings-casino-armed-robbery>

Suspect armed casino robbery being sought by Billings police

[https://billingsgazette.com/news/local/suspect-in-armed-casino-robbery-being-sought-by-billings-police/article\\_14f7933e-939f-11ed-b25b-ebce819c99a9.html](https://billingsgazette.com/news/local/suspect-in-armed-casino-robbery-being-sought-by-billings-police/article_14f7933e-939f-11ed-b25b-ebce819c99a9.html)

Billings PD needs your help finding suspect in casino robbery

<https://catcountry1029.com/ixp/124/p/billings-pd-needs-your-help-finding-suspect-in-casino-robbery/>

The name of man who held Billings police in 7-hour standoff and allegedly killed a man is released

<https://www.yourbigsky.com/billings-beat/the-name-of-man-who-held-billings-police-in-7-hour-standoff-and-allegedly-killed-a-man-is-released/>

Yellowstone County law enforcement flags jail space, staff as public safety priorities

<https://www.ypradio.org/government-politics/2023-01-13/yellowstone-county-law-enforcement-flags-jail-space-staff-as-public-safety-priorities>

### **Fire Department**

Firefighters respond to structure fire on Overland Ave.

[https://www.nonstoplocal.com/billings/news/firefighters-respond-to-structure-fire-on-overland-ave/article\\_4ecc32ce-dfbd-5dde-8a6d-0e46920cddab.html](https://www.nonstoplocal.com/billings/news/firefighters-respond-to-structure-fire-on-overland-ave/article_4ecc32ce-dfbd-5dde-8a6d-0e46920cddab.html)

Firefighters battle blaze at Jackpot Nevada casino in Billings Friday

[https://billingsgazette.com/news/local/firefighters-battle-blaze-at-jackpot-nevada-casino-in-billings-friday/video\\_711eec15-35b4-5184-991f-19cba45d7e35.html](https://billingsgazette.com/news/local/firefighters-battle-blaze-at-jackpot-nevada-casino-in-billings-friday/video_711eec15-35b4-5184-991f-19cba45d7e35.html)



January 5, 2023

Billings Bench Water Association  
111 Main Street  
Billings, MT 59105

PUBLIC WORKS  
ADMINISTRATION  
2251 Belknap Ave  
Billings, MT. 59101  
P 406.657.8230

Re: BBWA Proposal for City Use of Facility

The City is working on a project to expand the water system for the residents of Billings (and some county users). Our current system includes only one water treatment plant with the ability to pull water from one location on the Yellowstone River. Over the past several years, there have been many instances where the ability to get enough water from the river has been in question or even compromised. These instances include low water due to drought or ice jams, high water from flooding, and an oil spill. In addition, the existing plant is reaching its peak capacity.

The West End Project is planned to include a river intake and pump station located near Duck Creek Bridge, a 3.5-mile pipeline generally along 48<sup>th</sup> Street West, two raw water reservoirs located between Shiloh and 48<sup>th</sup> on both sides of Hesper Road, and a water treatment plant. Unfortunately, this project has experienced the same inflation challenges that every industry has faced over the past few years. City staff is looking at ways to accomplish the goals of the project while delaying or eliminating some costs. One of the ideas that has been discussed is using the BBWA for a water source in the short term to allow the intake, pump station and pipeline construction to be delayed for a period of time. We recognize that this option needs to be beneficial to the BBWA, as well as the City to make it feasible so we want to illustrate ways this option could be pursued and end up benefitting both entities.

#### City Operation utilizing the BBWA

The City will construct reservoirs that will hold approximately 3,000-acre feet of water. This volume of water will meet the water user **essential** demands for about 40 days. While using the BBWA, the reservoirs would be filled as late as possible in the fall. The City would use the existing water plant for the majority of the winter; however, if the river source became insufficient, the operation would switch to the West End plant and use water from the reservoirs as a source. In addition, the existing plant would be taken offline in the spring for maintenance and the water from the reservoirs would be used during the time the existing plant was offline.



Until the City had year-round conveyance from the river, the West End plant would not be the main source during the winter.

### Capacity

At this time, there is not sufficient capacity in the BBWA to provide the 35 cfs that is needed to fill the reservoirs and provide peak summer usage. However, there are areas along the BBWA between the head gate and the reservoirs that are losing more than that amount to seepage. The City can work with the BBWA to get these areas lined to reduce the seepage and increase capacity sufficiently to provide water to the reservoirs. We understand that the BBWA has some grants that are available to use for this purpose but the match is significant. The City proposes funding the match for those grants as well as funding additional lining projects that are needed to gain the necessary capacity.

### Infrastructure Needs on the BBWA

The City understands that there are infrastructure needs on the BBWA that could impact the ability of the BBWA to convey water. One of the locations that poses the greatest concern is at the head gate. The City would like to work with the BBWA Board and staff to understand these needs better and help to fund the critical needs. This work could include work in the river, to the head gate itself, or another need that may positively impact the reliability of the operations.

### Unloader at Reservoir

Both the BBWA and the City are concerned about a break or significant leak on the BBWA. Unfortunately, there is limited ability to shut down the water quickly in the event of a breach. By using the BBWA as a conveyance to the reservoirs, the ability to shut-off (remotely if desired) and unload the ditch into the reservoirs/Canyon Creek becomes an excellent operational tool in the event it is needed. This location would allow a significant amount of water to be drained into a controlled location instead of flooding areas of the City. This is an improvement that would be perpetuated beyond when the City would use the ditch for conveyance, as it would be beneficial to both the BBWA and City in the long term.



PUBLIC WORKS  
ADMINISTRATION  
2251 Belknap Ave  
Billings, MT. 59101  
P 406.657.8230

### Maintenance of the BBWA

The City recognizes that maintaining the length of the BBWA is a significant effort and comes at a cost. By using the water from the ditch, the City will pay an annual fee to the BBWA, which can be used, for maintenance as well as improvements.

### Water Rights

The City has water rights that can be moved to the location of the BBWA head gate so will not need to use the BBWAs water rights.

### Long Term Use

While the City does believe that there could be some benefits to both entities to use the BBWA for longer term, at this time we are only asking for short-term use. If we did want to pursue longer-term use, we would need to find ways to extend the time each year that the ditch could be used. The City needs to eventually have this West End facility available year round to provide true redundancy for the existing plant. We would welcome a conversation about long-term use at some time.

Over the past several years, the BBWA and the City have worked together to deal with issues as they arise. We have appreciated the relationship we have developed with the Board and the staff and think that our history over these past years shows our ability to work together. Thank you for your consideration of this proposal and we look forward to a conversation about this option.

Sincerely,

Debi Meling  
Public Works Director

- **The Problem:**

- Property taxes have risen to the point of pain for Montana residents
  - Higher property values driven by inflation and increased demand
  - Increased need for essential services (public safety, water and sewer infrastructure, roads and bridges)



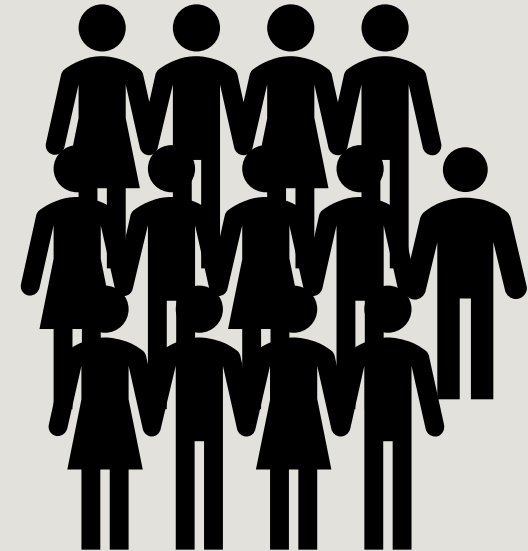
ONE  
RESIDENT



WATER, SEWER, ROADS, BRIDGES,  
GARBAGE SERVICES, MAINTENANCE,  
POLICE, FIRE, PUBLIC SAFETY  
SERVICES



13 TOURISTS



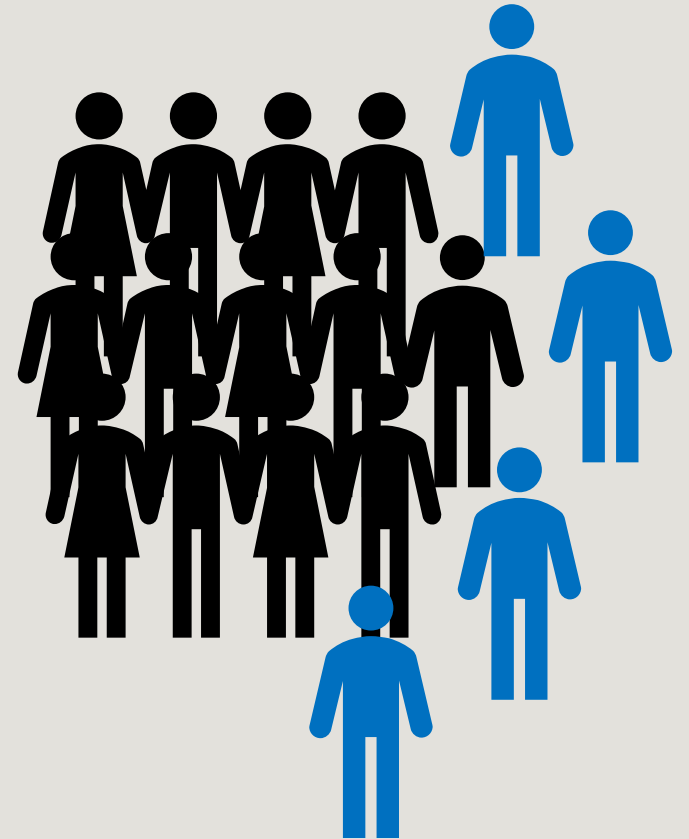
ONE  
RESIDENT



WATER, SEWER, ROADS, BRIDGES,  
GARBAGE SERVICES, MAINTENANCE,  
POLICE, FIRE, PUBLIC SAFETY  
SERVICES



~~13 TOURISTS~~



# The Solution:

Ask our tourists to help pay for  
their impact

# Tax Relief through Tourism

1. County/city Commissioners place issue on general election ballot
2. 4% assessment on *tourist-related* sales (with administrative reimbursement to collectors)

*Accommodations*

*Campgrounds*

*Rental cars*

*Bars and restaurants*

*Guides and outfitters*

3. 10% of amount collected would go into a central rural infrastructure fund for non-assessed areas
4. EVERYTHING ELSE goes to a 1:1 property tax reduction for residents of the assessed area

# THIS IS A TERRIBLE IDEA

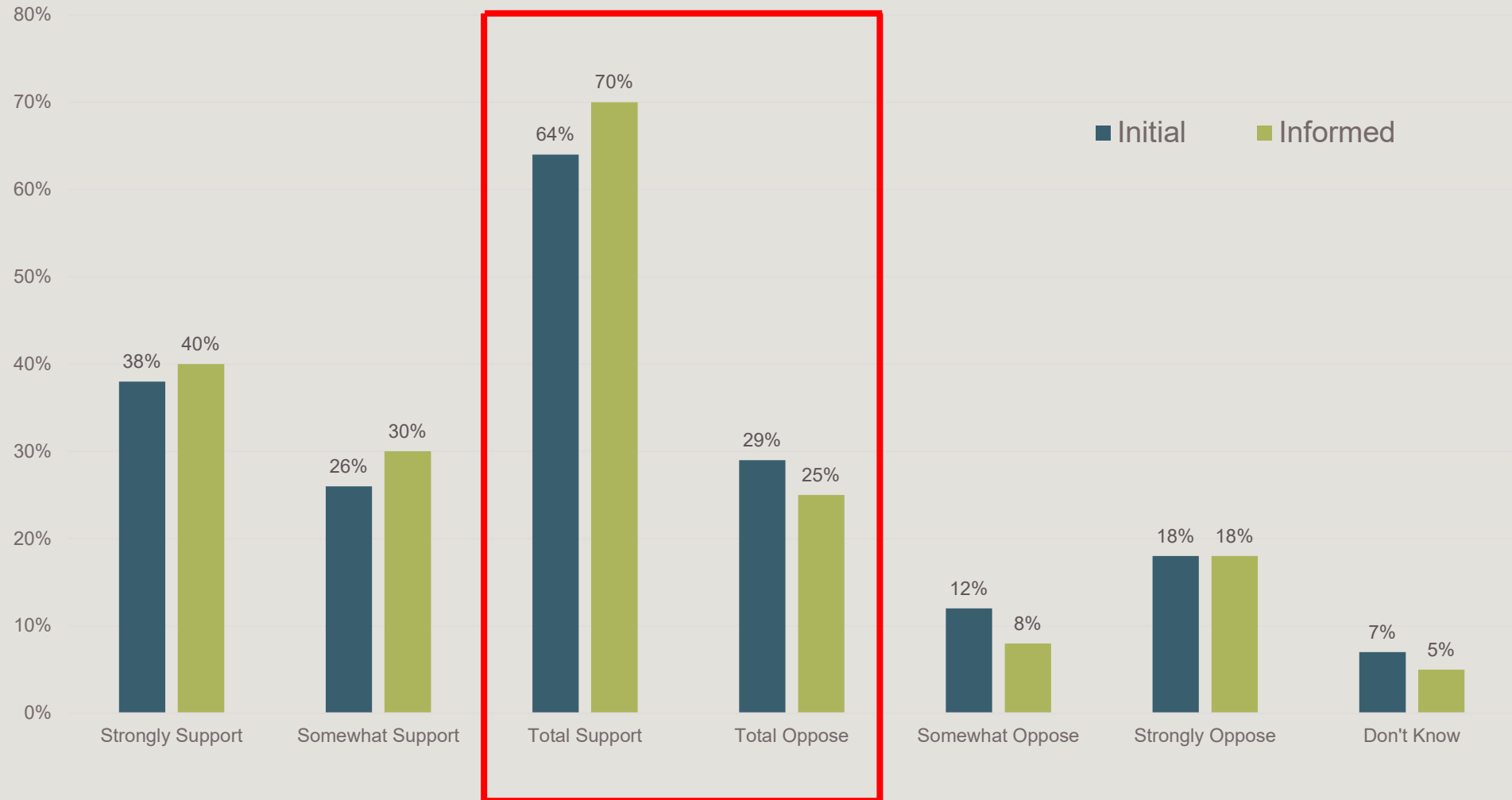
- **LOCALLY ASSESSED FEES DON'T BENEFIT THE STATE AS A WHOLE**
  - Rural counties support tourism as well, without the immediate monetary benefit of local spending. 10% of fees collected would be available for direct infrastructure funding, as well as matching funds for federal grants.
- **SALES TAX HITS LOCALS AS WELL AS TOURISTS**
  - Narrow application of this 'user fee' targets the areas where tourists spend. While Montana residents also eat out, rent cars and book hotels in our state, they would receive their portion back in the form of infrastructure funding and property tax reduction.
- **WE HAVE A SURPLUS, WE DON'T NEED MORE TAXES**
  - This wouldn't enable new spending for government. It will all be used for direct benefit of the residents, and to reduce taxes. This is simply a way to get our guests from California, Washington and Texas to help pay for our 9-1-1 services and toilet flushes.

# THIS IS <sup>^(still, sort of)</sup> A TERRIBLE IDEA

- **THIS WILL BE AN OBSTACLE FOR ANY STATEWIDE SALES TAX, WHICH IS THE ONLY WAY TO CAPTURE E-COMMERCE SPENDING**
  - This assessment goes away when and if a statewide sales tax is implemented. It carries a self-destruct clause. Amazon, Wayfair and every other multi-national out-of-state corporation stocking our state should help offset their impact.
  - Until that happens, we need to find a way to offset tourism impact.
- **MONTANANS HATE THIS IDEA. WE HAVE REJECTED IT TIME AND TIME AGAIN**
  - It's true that historically Montana residents have rejected the idea of a sales tax, for many reasons. However, in a December 2022 poll, 70% of respondents supported taxing tourist-related items if it meant the money would be used for property tax relief and infrastructure.

## INITIAL VS. INFORMED SUPPORT

“Now, after everything you have heard, would you support or oppose allowing voters in individual Montana counties and cities to vote on whether to implement a 4% tax on common tourist transactions in order to reduce property taxes for residents of that county or city?”



COUNTY	Total Tourism Spending	4% Tax on Tourism Spending - Revenue		ANNUAL PROPERTY TAX REDUCTION for a \$500,000 Property
		90% of tax to county for property tax reduction	10% of tax dedicated to rural infrastructure	
BUTTE-SILVERBOW	\$109,981,916	\$3,959,349	\$439,928	\$336
CASCADE	\$246,872,572	\$8,887,413	\$987,490	\$334
FLATHEAD	\$580,810,016	\$20,909,161	\$2,323,240	\$429
GALLATIN	\$925,146,732	\$33,305,282	\$3,700,587	\$622
LEWIS & CLARK	\$240,333,244	\$8,651,997	\$961,333	\$361
MISSOULA	\$377,082,395	\$13,574,966	\$1,508,330	\$313
YELLOWSTONE	\$470,680,039	\$16,944,481	\$1,882,720	\$287
<b>Total dedicated to rural infrastructure:</b>			<b>\$11,803,628</b>	



# The Ask:

- ✓ Let your Government Relations team, the Governor, and your legislators know you support Tax Relief through Tourism
- ✓ Share this one pager and data with them
- ✓ Pen letters to your local media outlets voicing your support for this concept
- ✓ Show up in support of this bill at hearing (TBD)

# PROPERTY TAX RELIEF AND RURAL FUNDING

Through property taxes, residents of tourist counties subsidize public services for their guests. Maintaining services for extremely large numbers of tourists, who don't pay, puts a heavy burden on the backs of locals. This program allows tourists to contribute to the costs of the services they use and reduces property taxes.

**This is not the local option you've seen before, this proposal reduces property taxes-*no new local government spend.***

## ***Here's how it works:***

### **Step 1**

County or City Commissioners vote to put the issue on the next general election ballot. This is an opt-in program for areas that do not already have a resort tax in place.

### **Step 2**

Once passed, a 4% assessment on tourist-related items would be collected.<sup>(1)</sup> Businesses collecting this assessment would receive an administrative reimbursement to offset their time and materials.

### **Step 3**

10% of the amount collected goes into a central fund for unassessed Rural Counties, which also support tourism but without many economic benefits. These counties struggle to generate the match requirement for infrastructure grants, and feel the weight of the high cost of public safety and water and sewer maintenance. Money from this fund can be used for direct funding of infrastructure projects, or as matching funds to pull down federal dollars.

### **Step 4**

Everything left in the fund goes directly to property tax relief, dollar for dollar. No new spend for local government.

## **IMPORTANT DETAILS:**

- **Built-in sunset – if at any time a state-wide sales tax is adopted, this goes away. We don't want this to be an obstacle for an avenue to collect on e-commerce dollars.**
- **Locals are shielded in two ways:**
  - Rural infrastructure funding
  - Direct property tax relief

***In a poll conducted December, 2022, over 70% of respondents expressed support for assessing tourist items and using the money to lower their property taxes and fund rural infrastructure. Only 8% were "somewhat opposed."***<sup>(2)</sup>

<sup>1</sup> accommodations, campgrounds, bar and restaurant purchases, rental cabins, guides and outfitters, and rental cars

<sup>2</sup> Montana Chamber of Commerce B-Base poll, Dec 6-11 live land and cell phone, n=600, all areas of the state, representative sample of partisan voter

For more details, please contact Jen Hensley at [jen@jhensleyassociates.com](mailto:jen@jhensleyassociates.com)



2825 3<sup>rd</sup> Ave. N.  
Billings, MT. 59101  
P 406.657.8271

**Jessica Fust**  
Building Official

**Subject:** **TEMPORARY OCCUPANCY APPROVAL**  
Continuum of Care (COC)  
First Church Low Barrier Shelter  
310 N 27<sup>th</sup> St, Billings, MT

**From:** Jessica Fust, Building Official

**Date:** December 16, 2022

The City of Billings has reviewed the latest Building Code Analysis and plan completed by High Plains Architects dated 12/8/22 showing the use of the daycare area on the main level for the proposed low barrier shelter.

The City of Billings grants approval for use of the daycare area on the main level for the temporary emergency shelter. We have confirmed that there is a fire sprinkler system in place, there are adequate toilet facilities for the occupant load, there are multiple approved means of egress, and there is a fire detection and notification system in that area, which shall be extended into the proposed sleeping rooms as the plans indicate. Further, the plans indicate the installation of additional emergency egress lights and exit signs.

The code analysis states an occupant load of 18 based on 50 sq ft per occupant. We will allow that load factor to be increased to 30 sq ft per occupant, allowing for up to 31 occupants.

Due to the impending hazard of forecasted cold temperatures and harsh weather, this occupancy approval is effective immediately as of the date of this memo with the following conditions:

1. The sleeping area occupant load is limited to one (1) person per 30 square feet and the building shall be limited to thirty-one (31) total overnight guests.
2. There shall be at least one (1) staff person per fifteen (15) guests or fraction thereof, but no fewer than two (2) staff at any given time.
3. Single station, battery powered smoke and carbon monoxide detection devices shall be installed in the two sleeping rooms.
4. The required exit signs and egress lights shall be installed and inspected no later than Friday, 12/23/22. The contractor completing the work shall follow all state and local codes and obtain all required permits and inspections.



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2825 3<sup>rd</sup> Ave. N.  
Billings, MT. 59101  
P 406.657.8271

**Jessica Fust**  
Building Official



5. The required fire alarm notification devices shall be installed and inspected no later than Monday, 1/9/23. The contractor completing the work shall follow all state and local codes and obtain all required permits and inspections.

This TEMPORARY OCCUPANCY APPROVAL shall be in effect from the date of this memo until April 30, 2023. The Building Official reserves the right to withdraw this approval if the above conditions are not met.