

RESOLUTION NO. 07-18634

A RESOLUTION OF THE BILLINGS MONTANA CITY COUNCIL DIRECTING PAYMENT OF A JUDGMENT FOR KUHR, ET. AL. VS. BILLINGS, DESIGNATING THE FUNDING SOURCES FOR THE PAYMENT, DIRECTING STAFF TO SECURE LONG TERM DEBT FOR A MAJORITY OF THE JUDGMENT, DIRECTING PREPARATION OF THE FISCAL YEAR 2009 BUDGET TO ACCOMMODATE THE DEBT SERVICE FOR THE LONG TERM DEBT AND ESTABLISHING GUIDANCE FOR FUTURE FISCAL YEAR BUDGET PREPARATIONS TO ACCOMMODATE THE DEBT SERVICE FOR THE LONG TERM DEBT

WHEREAS, the City of Billings was sued by its firefighters in a class action lawsuit named Kuhr, et. al. v. City of Billings and the District Court ruled in favor of the firefighters, and

WHEREAS, the City of Billings appealed the ruling of the District Court that directed the City to pay back wages, penalties, attorney fees and costs, and

WHEREAS, the Montana Supreme Court upheld the District Court's ruling but remanded the case for further consideration of the amount of penalty, fees and costs, and

WHEREAS, the District Court has accepted the proposed final settlement and payments to the firefighters, and

WHEREAS the Billings City Council wishes to make prompt payment in order to avoid further penalties, and

WHEREAS, the Billings City Council will determine the sources of payments and budgeting necessary to make the payments,


THEREFORE IT IS RESOLVED BY THE BILLINGS, MONTANA CITY COUNCIL AS FOLLOWS:

1. Judgment payment: the City Administrator is directed to promptly pay all back wages, penalties, attorney fees and costs as directed by the District Court, dated November 1, 2007, totaling \$4,850,000.
2. Funding sources: the sources of funding for the judgment shall be as follows:
 - a. Long term debt \$3,719,000
 - b. General Fund reserves \$1,131,000
3. Budget philosophy: The Billings City Council must balance each fiscal year budget. Since the cost of the firefighters' lawsuit will require long term debt service and replenishing the General Fund reserves, other expenses must be reduced. At least three fourths of the lawsuit costs are for past wages and benefits for the firefighters and these costs are legitimately and exclusively Fire Department budget responsibilities. The Billings City Council directs staff to prepare the FY 2009 and subsequent budgets to reflect these factors and philosophy.
4. Fiscal Year 2009 budget: the Fiscal Year 2009 budget shall be prepared so as to make the annual or semi-annual installment payment(s) on the long term debt from the Fire Department / Public Safety Fund budget. The number of Fire Department Full Time Equivalent Employees (FTE) and the Fire Department personal services budget shall be reduced from the Fiscal Year 2008 budget levels by a number and in an amount sufficient to make the long term debt payment(s) for FY 2009. The City Administrator is directed to make these personnel reductions in a manner that will best ensure public safety while meeting the stated budget objective.
5. Future Fiscal Years budgets: the Fiscal Year 2010 and subsequent fiscal year Fire Department budgets shall reflect the annual long term debt payment(s) for the debt incurred in the above named lawsuit and the FTEs and budgets shall be adjusted to allow this payment to be made from funds that otherwise would pay for personnel. This budgeting practice shall continue until the long term debt has been retired or until this resolution is amended or rescinded by a future Billings City Council.

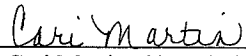
PASSED BY THE BILLINGS CITY COUNCIL this 13th day of November, 2007.



CITY OF BILLINGS

By 
Ron Tussing, Mayor

ATTEST:

By: 
Cari Martin, City Clerk