

Resolution No. 99-17475

A RESOLUTION OF THE BILLINGS, MONTANA CITY COUNCIL PURSUANT TO SECTION 15-10-412 (7), MCA, MAKING FINDINGS NECESSARY TO ALLOW VOTER APPROVAL OF TAX LIABILITIES EXCEEDING LIMITS IMPOSED BY SECTION S 15-10-401, 402 AND 412, MCA.

WHEREAS, Sections 15-10-401, 402 and 412, MCA, impose limits on the amount of taxes that may be levied on property; and,

WHEREAS, Section 15-10-412(7), MCA, provides that said limits of the levy of taxes shall not apply to an increase in tax levies approved by the voters; and,

WHEREAS, Section 15-10-412(7), MCA, further provides that, prior to any voter approved increase in tax levies, the City Council must first adopt a resolution containing certain findings concerning the need for the proposed tax increase; and,

WHEREAS, the Billings City Council has approved an ordinance proposing an amendment of the City Charter to provide for a dedicated mill levy for operating and maintaining city aquatic facilities by increasing the mill levy; and,

WHEREAS, said ordinance amending the City Charter shall not be effective unless it is approved by the voters; and,

WHEREAS, the ordinance and Charter amendment will be referred to a vote of the electorate with the election being held on November 2, 1999.

NOW, THEREFORE, THE BILLINGS CITY COUNCIL HEREBY MAKES AND ADOPTS THE FOLLOWING FINDINGS:

1. As a result of Sections 15-10-401 and 15-10-402, MCA, there are insufficient funds to adequately operate and maintain the city aquatic facilities at their 1999-2000 fiscal year levels of service and funding of \$186,094.

2. A financial shortfall exists now, and will be greater if a Community Center with an indoor pool is approved and built in the Heights. The City has projected a shortfall because expenditures for city aquatic facility operations continue to exceed revenues. The amount of the shortfall can vary because the operations are very contingent upon weather conditions. Having reached the maximum mill levy cap in 1980, the City has managed and adjusted all possible revenues with out severely impacting the aquatic programs. However, current funding of the Parks, Recreation & Public Lands

Department is not financially adequate for providing aquatic programs at the current level after fiscal year 1999-2000. The gap between estimated revenue and expenditures for fiscal year 2000-2001 and into the future will require a reduction in staffing, reduction in operating schedules, further reductions in operational costs, and deferred maintenance and unmet capital needs of the PRPL Department's aquatic facilities.

3. The anticipated shortfall for the PRPL aquatic budget is estimated at \$45,000 to \$70,000 annually. If the Heights Community Center is approved and built, the estimated shortfall would be an additional \$141,000 annually. It is estimated that the additional mills needed to cover this shortfall will be 2.3 mills per year on an ongoing basis.

4. Over the past few years the City has maintained a fund balance at a minimal reserve level. Other than required reserves and necessary operating and capital reserves, the fund balance will be depleted at the end of fiscal year 1998-1999, June 30, 1999.

5. There are no significant alternative sources of revenue, other than property tax, which would maintain city aquatic services at the 1998-1999 level of service for residents of the City of Billings.

6. The City Council has studied all other sources of revenue through a citizen committee, the Revenue Advisory Board. Revenues reviewed included a city-wide fire service district, a right-of-way franchise fee, and a city-wide parks district. There are no new revenues that can be implemented by July 1, 2000, that would meet the projected deficit. Additionally, the State of Montana requires all municipalities to operate within a balanced budget. This means the limited options available are to reduce public services, including reducing personnel, costs, operations and maintenance in the PRPL Department's aquatic program.

7. To maintain the 1999-2000 staffing and service levels provided to City of Billings residents by the PRPL Department aquatic program, the mill levy would need to be increased as set out in Paragraph 3 above to provide the required revenue. Such revenue would be dedicated and spent on the operation, maintenance and capital needs of the City aquatic facilities to maintain the fiscal year 1999-2000 level of service. All revenue from the mill levy increase would be deposited and expended out of a special revenue fund that would allow the City to maintain the current level of services provided at the City aquatic facilities.

RES NO. 99- 17475

This Resolution shall be effective upon adoption.

APPROVED AND PASSED by the City Council of the City of Billings this 12th day of July, 1999.

THE CITY OF BILLINGS



Charles F. Tooley Charles F.
Tooley MAYOR

ATTEST:

Marita Herold
Marita Herold, CMC/A&E CITY CLERK