

RESOLUTION NO. 98-17386

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 SECTIONS 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 Fire and Police purposes to both maintain and increase the level of fiscal year 1998-1999 services by increasing the mill levy over the next four (4) fiscal years; 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 3, 1998.

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 the Fire Department and Police Department at their 1998-1999 fiscal year levels of service and funding of \$15,443,284.00.

2. A financial emergency exists. The City has a five (5) year plan that reflects a shortfall because expenditures of Fire and Police operations continue to exceed revenues. Having reached the maximum mill levy cap in 1980, the City has managed and adjusted all possible revenues without severely impacting the level of public safety

services. However, current funding of the Police Department and Fire Department is not financially adequate after fiscal year 1998-1999. The gap between estimated revenue and expenditures for fiscal year 1999-2000 and into the future will require a reduction in staffing, review and major adjustments of public services provided by the City, further reductions in operational costs, and deferred maintenance and unmet capital needs of the Fire Department and Police Department.

3. By the end of the next four (4) fiscal year period, the anticipated shortfall for the Police Department and Fire Department is estimated at \$2,516,745. Not only is the public demanding the current level of services, it also seeks increased levels of service from the Fire Department and Police Department, which is impossible to do with the current level of revenues.

It is estimated that the additional mills needed to be increased over the next four (4) years to maintain and increase the current level of services provided to the residents of Billings by the Fire Department and Police Department are:

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|-----------|---|----------|
| 1999-2000 | - | 8 mills |
| 2000-2001 | - | 16 mills |
| 2001-2002 | - | 24 mills |
| 2002-2003 | - | 32 mills |

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 Police and Fire services at the 1998-1999 level of service for residents of the City of Billings nor are there sources of revenue to increase the level of such services.

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 county-wide parks district. There are no new revenues that can be implemented by July 1, 1999, that would meet the

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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 public safety departments of Police and Fire.

7. To maintain and increase the 1998-1999 staffing and service levels provided to City of Billings residents by the Police Department and Fire Department, the mill levy would need to be increased over the next four (4) fiscal years 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 Fire Department and Police Department to both maintain and increase the fiscal year 1998-1999 level of service. All revenue from the mill levy increases would be deposited and expended out of a special revenue fund that would allow the City to maintain and increase the current level of personnel in the Fire Department and Police Department.

This Resolution shall be effective upon adoption.

APPROVED AND PASSED by the City Council of the City of Billings this 10 day of August, 1998.

THE CITY OF BILLINGS



CHARLES F. TOOLEY

MAYOR

ATTEST:

Marita Herold
MARITA HEROLD, CMC CITY CLERK