

## RESOLUTION 25-11279

### A RESOLUTION APPROVING AND ADOPTING THE PRELIMINARY BUDGET FOR THE CITY OF BILLINGS, MONTANA FOR FISCAL YEAR 2026

WHEREAS, the City Administrator of the City of Billings has regularly and lawfully submitted to the City Council of the City of Billings, Montana, the preliminary budget for Fiscal Year 2026; and

WHEREAS, the proper notice was published stating that said City Council has completed the PRELIMINARY MUNICIPAL BUDGET for said Fiscal Year, and that said budget has been placed on file and is open to inspection in the office of the City Clerk; and that said City Council would meet for the purpose of annually determining, approving and adopting the budget, and any taxpayer might appear and be heard.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

Section 1: That the City of Billings proposed budget for fiscal year 2026 as detailed in the budget report and as amended by the City Council and further detailed on EXHIBIT "A", be, and the same is hereby preliminarily determined, approved, and adopted, establishing the legal spending limits at the fund level (MCA 7-6-4030).

Section 2: Pursuant to Sections 7-6-4006 and 7-6-4012, M.C.A., the City Administrator is authorized to amend this budget for the expenditure of additional funds from the following: Debt Service Funds; Fee-based budgets; Trust funds; Federal or State Grants; special assessments; and donations accepted and approved by the City Council.

Section 3: The City Administrator is hereby delegated the authority to make transfers or revisions within appropriations of any fund, subject to the following conditions:

- a. Reporting on these transfers or revisions will occur at least quarterly to the City Council Budget and Finance Committee.
- b. The City Administrator shall make reasonable efforts to review transfers or revisions with the Budget and Finance Committee prior to the transfer occurring;
- c. The City Administrator shall provide a monthly line-item budget report to the Budget and Finance Committee

Section 4: The City Council further authorizes and re-appropriates the unexpended balance of Capital Improvement Program items previously budgeted which have not been completed.

Section 5: Pursuant to Section 7-6-4030(c) the fiscal year 2026 preliminary budget is based upon the assumption 247.23 mills will be levied for property tax revenue. This is an increase of 39.86 mills from the prior fiscal year, due to the passage of HB231 and SB542, which direct City Council to levy additional mills to equal FY25 revenue levels. Due to the State legislative changes, there could still be an annual decrease in property taxes levied on homes valued at \$100,000, \$300,000, or \$600,000 of \$92.05, \$276.16, and \$384.21 respectively, when compared to the prior year.

Section 6: In preparation for the fiscal year 2027 budget, the Budget and Finance Committee shall, not later than January 31, 2026:

- a. Conduct a zero-based budgeting exercise for the General Fund and Public Safety Fund and report to City Council on the outcomes of the analysis; and
- b. Based on the reports provided in Section 3 and the zero-based budget activity, make recommendations to Council on the desired structure of the proposed budget presentation for fiscal year 2027.
- c. For the purpose of this section, “zero-based budgeting” shall be defined as an analytical process of setting the City’s budget at zero dollars and evaluating proposed expenditures without respect to prior funding levels.

PASSED AND APPROVED by the City Council this 23<sup>rd</sup> day of June, 2025.

ATTEST:



CITY OF BILLINGS:

BY: William A. Cole  
William A. Cole, Mayor

BY: Denise R. Bohlman  
Denise R. Bohlman, City Clerk

<u>Fund/Department</u>	<u>Original Proposal</u>	<u>Additions 6/23/2025</u>	<u>Deletions 6/23/2025</u>	<u>Preliminary Budget</u>
<b>General Operating Fund:</b>				
Mayor & City Council	469,213	15,000	16,500	467,713
City Administrator	1,313,201			1,313,201
Human Resources	1,129,513			1,129,513
City Attorney	3,351,051			3,351,051
Municipal Court	2,232,552			2,232,552
Finance	1,972,519	100,000		2,072,519
Code Enforcement	1,229,951			1,229,951
Parks, Recreation & Public Lands	-			-
Non-Departmental	32,808,328		75,000	32,733,328
Council Contingency	-			-
<b>Total General Fund</b>	<b>44,506,328</b>	<b>115,000</b>	<b>91,500</b>	<b>44,529,828</b>
<b>Public Safety Fund:</b>				
Crime Prevention, Mental Health & SA	1,352,621			1,352,621
Police	33,169,009	500,000	500,000	33,169,009
Fire	28,872,919			28,872,919
<b>Total Public Safety Fund</b>	<b>63,394,549</b>	<b>500,000</b>	<b>500,000</b>	<b>63,394,549</b>
<b>Special Revenue Fund:</b>				
South Tax Increment	35,461,392		20,000,000	15,461,392
East Tax Increment	1,383,721			1,383,721
North 27th Street Tax Increment	2,736,821			2,736,821
Gas Tax	11,507,691			11,507,691
Building Inspection	2,890,195	101,800		2,991,995
Street & Traffic Operating	14,368,785			14,368,785
Fire Programs	141,500			141,500
EOC 9-1-1 Grant	1,404,594			1,404,594
City/County Planning	2,630,336			2,630,336
City Attorney Grants	805,400			805,400
Municipal Court Grants	220,150			220,150
Police Programs	1,562,943		170,000	1,392,943
City County Library	5,290,645			5,290,645
Anti-Graffiti	3,000			3,000
Development Services Grants	1,818,940			1,818,940
Park Programs	804,516			804,516
Downtown Revolving Loan Program	807,030			807,030
Street Maintenance Districts	17,795,948			17,795,948
Street Light Districts	3,359,807			3,359,807
Storm Sewer Operating	18,194,565			18,194,565
Park Maintenance District	1,655,975			1,655,975
Park District 1	10,296,644			10,296,644
Amend Park	52,216			52,216
Cemetery Central Ave Irrigation	50,000			50,000
Ballfield Stadium Donations	312,003			312,003
Road Maintenance Dist	1,747			1,747
Sidewalk Hazard Repair	185,000			185,000
Ballpark Repair Fund	91,865			91,865
<b>Total Special Revenue Fund</b>	<b>135,833,429</b>	<b>101,800</b>	<b>20,170,000</b>	<b>115,765,229</b>

Exhibit A cont.

<u>Fund/Department</u>	<u>Original Proposal</u>	<u>Additions 6/23/2025</u>	<u>Deletions 6/23/2025</u>	<u>Preliminary Budget</u>
<b>Debt Service Fund:</b>				
Special Improvement Debt	804,750			804,750
City Hall Financing	1,240,034			1,240,034
Storm Sewer Debt	1,473,500			1,473,500
Sidewalk, Curb & Gutter Debt	513,800			513,800
Series 2015 Baseball Refunding	759,250			759,250
Series 2012 Library	799,586			799,586
<b>Total Debt Service Fund</b>	<b>5,590,920</b>	-	-	<b>5,590,920</b>
<b>Capital Projects Fund:</b>				
Urban Renewal Land Development	20,797			20,797
Sidewalk Construction	1,633,000			1,633,000
Special Improvement Districts	1,782,500			1,782,500
City Hall Construction	490,034			490,034
Capital Replacement	954,930			954,930
Dog Park Construction	5,000			5,000
<b>Total Capital Project Fund</b>	<b>4,886,261</b>	-	-	<b>4,886,261</b>
<b>Enterprise Fund:</b>				
Water	38,128,968			38,128,968
Wastewater	29,842,206			29,842,206
Parking	2,428,832			2,428,832
Solid Waste	27,622,532			27,622,532
Airport	33,259,627			33,259,627
Transit	11,113,103			11,113,103
<b>Total Enterprise Fund</b>	<b>142,395,268</b>	-	-	<b>142,395,268</b>
<b>Internal Service Fund:</b>				
Fleet Services	2,517,076			2,517,076
Central Services	270,862			270,862
Information Resources	4,018,615			4,018,615
City Health Benefits	18,790,389			18,790,389
Central Telephone	472,130			472,130
Radio Communications	394,813			394,813
Property Insurance	4,585,528			4,585,528
Facilities Management	2,573,170			2,573,170
Public Works Administration	3,691,758			3,691,758
Public Works Engineering	3,943,011			3,943,011
<b>Total Internal Service Fund</b>	<b>41,257,352</b>	-	-	<b>41,257,352</b>
<b>Permanent Fund</b>				
Cemetery Perpetual Care	48,000			48,000
<b>Total Permanent Fund</b>	<b>48,000</b>	-	-	<b>48,000</b>
<b>Total All Funds</b>	<b>437,912,107</b>	<b>716,800</b>	<b>20,761,500</b>	<b>417,867,407</b>