

Regular 4.

Regular City Council Meeting

Meeting
Date: 07/14/2014

TITLE: Public Hearing & Ordinance Amending Charter with Family Safety Levy

PRESENTED Tina Volek

BY:

Department: City Hall Administration

PROBLEM/ISSUE STATEMENT

The City Council is being asked to hold a public hearing and consider adopting an ordinance setting a November 4, 2014, election on a Family Safety Levy to give Police, Fire and the 9-1-1 Dispatch Center enough funds to meet growing community needs over the next decade. Police and Fire calls rose more than 32% in five years, from 69,174 in Fiscal Year 2009 (FY 09) to 91,519 in FY 13, the last completed budget year at the time this report is being prepared. The City's population has been growing at an annual rate of 1.5%. At that rate, the Billings population would increase by 18,000 people and total 128,532 in 2024. The City's area is also increasing and is projected to grow 1.5-2 square miles in the next five (5) years.

Billings City Charter Section 1.02, Mill Levy Limit, caps the tax levy on real and personal property that may be collected for the General Fund at 74 mills and allows increases only by a simple majority approval vote in an election. In Fiscal Year FY 15, a total of 58% of the General Fund appropriations are going to public safety services. Additional funds to operate the public safety departments have come from levy increases approved by voters in 1998 and 2004. Significant non-budgeted financial reserves also have been built with a goal of helping to cover Police, Fire and the 9-1-1 Dispatch Center costs through approximately FY 18. However, increasing costs and limited property tax growth due to statewide reappraisal practices are not allowing growth to keep up with budget needs.

November 4 ballot items must be submitted to the Yellowstone County Election Office no later than August 11, 2014. An ordinance to amend the Charter requires a public hearing and approval at two readings no less than 12 days apart. In order to meet that timetable within its current meeting schedule, the Council needs to conduct a public hearing and approve the ordinance on July 14. The second approval and passage of a resolution that establishes the ballot language would be considered on July 28.

ALTERNATIVES ANALYZED

The October 2013 staff study identified three levels of service from which the public could choose:

- A revenue freeze would require cuts in Police and Fire (which includes the 9-1-1 Dispatch Center) budgets beginning in FY 17. Personnel reductions over the following three (3) fiscal years could be as many as 65 FTEs.

- A level service plan would keep personnel numbers and operations at the same levels in FY 15. Given an estimated 1.5% increase in population each year, which is consistent with past growth, this would lead to an eventual decline in response times and services offered in future years.
- A community growth plan would help the City keep up with demand. Over 5 years, the City would add 13 police officers, six firefighters, an animal control officer, a Police Clerk, a Fire Administrative Support person and five 9-1-1 dispatchers to meet growing needs. An assistant city attorney and a paralegal also would be added in the General Fund to meet increased cases expected from additional growth.

FINANCIAL IMPACT

The levy would start in FY16 (tax year 2015) at 12.00 mills and approximately \$2,000,000. In FY25 (tax year 2024) 125 mills would be levied and produce approximately \$22,800,000. The Mill Levy assessment for FY 25 would continue indefinitely. General Fund reserves would be spent down to the recommended level by the end of FY18.

RECOMMENDATION

Staff recommends that the City Council hold a public hearing and approve the attached ordinance which sets a November 4, 2014, election on a Family Safety mill levy that meets the community growth budget needs.

APPROVED BY CITY ADMINISTRATOR

Attachments

3 scenario budget comparison

Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BILLINGS PROVIDING THAT THE BILLINGS CITY CHARTER BE AMENDED TO ADD SECTION 1.05.2; PROVIDING FOR A PERMANENT MILL LEVY TO FUND FIRE, POLICE, 911 DISPATCH SERVICES, AND RELATED PUBLIC SAFETY EXPENSES, AND SUBMITTING THE PROPOSED AMENDMENT TO THE ELECTORS OF THE CITY AS PROVIDED BY LAW.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

Section 1. That Article I of the Billings, Montana City Charter be amended to add Section 1.05.2 so that such section shall read as follows:

"Section 1.05.2 Mill Levy to Fund Fire, Police, 911 Dispatch Services, and Related Public Safety Expenses.

For the purpose of funding the operation, maintenance and capital needs of the fire department, police department, 911 dispatch services, and related public safety expenses, the City Council shall levy up to the following number of mills, which will raise the estimated amounts of money:

2015/2016	12.00 mills	approximately	\$ 2,000,000
2016/2017	15.00 mills	approximately	\$ 2,500,000
2017/2018	24.00 mills	approximately	\$ 4,000,000
2018/2019	46.00 mills	approximately	\$ 7,900,000
2019/2020	65.00 mills	approximately	\$11,200,000
2020/2021	77.00 mills	approximately	\$13,400,000
2021/2022	88.00 mills	approximately	\$15,600,000
2022/2023	101.00 mills	approximately	\$18,000,000
2023/2024	112.00 mills	approximately	\$20,200,000
2024/2025	125.00 mills	approximately	\$22,800,000

The foregoing mill levies are non-cumulative, but permanent. The mill levy assessment for FY 25 shall continue indefinitely in future Fiscal Years. These levies are in addition to any other mill levies authorized by Charter or law; this language shall appear on the face of the ballot."

Section 2. REFERRAL TO ELECTORS. This ordinance shall be referred to the electors of the City of Billings as soon as possible at a regular or primary election by resolution duly and regularly passed by the City Council.

Section 3. EFFECTIVE DATE. This ordinance shall be effective after second reading and final adoption and approval by the electors as provided by law.

PASSED by the City Council on first reading this ____ day of July, 2014.

PASSED, ADOPTED and APPROVED on second reading this ____ day of July, 2014.

CITY OF BILLINGS

By _____
Thomas W. Hanel, Mayor

ATTEST:

By _____
Cari Martin, City Clerk

	Estimate FY 16	Estimate FY 17	Estimate FY 18	Estimate FY 19	Estimate FY 20	Estimate FY 21	Estimate FY 22	Estimate FY 23	Estimate FY 24	Estimate FY 25
Scenario 1 - Reduced Staffing, No Levy										
Reduce Public Safety Expenditures	\$ -	\$ 1,100,000	\$ 3,000,000	\$ 1,200,000	\$ 2,400,000	\$ -	\$ 1,800,000	\$ 1,400,000	\$ 1,600,000	\$ 1,600,000
Public Safety FTE Reductions	-	14	36	15	30	-	23	18	20	20

	Estimate FY 16	Estimate FY 17	Estimate FY 18	Estimate FY 19	Estimate FY 20	Estimate FY 21	Estimate FY 22	Estimate FY 23	Estimate FY 24	Estimate FY 25
Scenario 2 - Status Quo										
Levied Dollars	\$ 1,500,000	\$ 1,500,000	\$ 2,400,000	\$ 5,500,000	\$ 8,700,000	\$ 11,100,000	\$ 13,200,000	\$ 15,300,000	\$ 17,600,000	\$ 20,000,000
Estimated Mills	9.00	9.00	14.00	32.00	50.00	63.00	75.00	86.00	98.00	110.00
Estimated Annual Tax on \$200k house	\$ 23.00	\$ 23.00	\$ 36.00	\$ 83.00	\$ 130.00	\$ 163.00	\$ 194.00	\$ 223.00	\$ 255.00	\$ 286.00
Estimated Annual Tax on \$100k house	\$ 11.50	\$ 11.50	\$ 18.00	\$ 41.50	\$ 65.00	\$ 81.50	\$ 97.00	\$ 111.50	\$ 127.50	\$ 143.00

	Estimate FY 16	Estimate FY 17	Estimate FY 18	Estimate FY 19	Estimate FY 20	Estimate FY 21	Estimate FY 22	Estimate FY 23	Estimate FY 24	Estimate FY 25
Scenario 3 - Community Growth										
Levied Dollars	\$ 2,000,000	\$ 2,500,000	\$ 4,000,000	\$ 7,900,000	\$ 11,200,000	\$ 13,400,000	\$ 15,600,000	\$ 18,000,000	\$ 20,200,000	\$ 22,800,000
Estimated Mills	12.00	15.00	24.00	46.00	65.00	77.00	88.00	101.00	112.00	125.00
Estimated Annual Tax on \$200k house	\$ 31.00	\$ 39.00	\$ 62.00	\$ 119.00	\$ 168.00	\$ 199.00	\$ 228.00	\$ 262.00	\$ 291.00	\$ 325.00
Estimated Annual Tax on \$100k house	\$ 15.50	\$ 19.50	\$ 31.00	\$ 59.50	\$ 84.00	\$ 99.50	\$ 114.00	\$ 131.00	\$ 145.50	\$ 162.50

