

2020 Public Safety Mill Levy

City Council's #1 Priority "Improve the safety of Billings"

Strategy to Reduce Crime

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 - Street Crime Unit
 - Drug Unit – focus supply & distribution
- Downtown Presence
 - Foot & Bike Patrol
 - Community Policing Through Environmental Design (CPTED)
- Traffic Enforcement
 - Traffic Enforcement Unit
 - DUI units
- Implement Lean Six Sigma principals
- Invest in addiction prevention education

Strategy to reduce the loss of life and lower property losses

- Reduce time to dispatch calls through 911 emergency communications through additional resources, training, and effectiveness
- Reduce turn-out time for firefighters to leave the station
- Add personnel and improve facilities to better respond from stations 1-7
- Add fire station 8 with equipment and staff to reduce response times in the Heights
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Mill Levy History

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General	69.50	69.50	69.50	74.00	74.00	74.00	74.00	74.00	74.00	74.00	67.64	70.61	70.61	74.00	74.00
Library	9.50	9.50	9.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.57	4.77	5.00	5.00	5.00
Transit	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.17	9.54	10.00	10.00	10.00
Public Safety	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	18.28	19.08	19.08	20.00	20.00
Public Safety II	19.64	28.09	37.25	44.34	51.92	53.82	50.75	51.11	54.36	44.59	46.13	45.22	43.32	42.88	40.17
Debt Service	<u>4.17</u>	<u>4.49</u>	<u>11.28</u>	<u>10.42</u>	<u>8.52</u>	<u>8.60</u>	<u>8.98</u>	<u>14.47</u>	<u>15.34</u>	<u>14.53</u>	<u>13.05</u>	<u>11.18</u>	<u>10.99</u>	<u>11.24</u>	<u>10.85</u>
Total Mills	132.81	141.58	157.53	163.76	169.44	171.42	168.73	174.58	178.70	168.12	158.84	160.40	159.00	163.12	160.02

The last Public Safety Levy (PS II) was passed in 2004 and was fully implemented by 2010. As you can see above, the full amount of mills being levied for Public Safety has been declining since 2010. PSII was limited to \$8.2 million dollars. As a result of this cap and continued growth of the City, the total mills for PSII has been declining each year. When PSII was passed, it was anticipated the it would take 60 mills to generate \$8.2 million, today it only take 40 mills to generate this amount.

Further Refinements

- Staff Refinements and Fire Department Deferred Maintenance
- Additional Revenue Sources
- Smooth the Mills over 5 years
- Added 1 mill for addiction prevention
- Shift entire Parks & Rec from the General Fund to Park District 1
- General Obligation Bond for City Hall/Criminal Justice Needs

Staff Refinements & Deferred Maintenance Costs

- Fire
 - Reduced by 3 FTE (2 Firefighters and 1 Facilities Maint.)
 - Removed 2 vehicles
 - Added funding for 5 years for deferred maintenance at stations
- Police
 - Reduced by 11 officers over 5 years
 - Removed 1 Animal Control Officer
- Legal
 - Removed 2.5 FTE's and associated space needs

Fire Facility Deferred Maintenance

- A City Engineer has performed an assessment of the facility needs within all 7 Fire Stations
 - Significant investment in roof and siding repairs are needed related to hail and wind damage
 - Concrete driveway approach repairs, concrete foundation repairs, and sidewalks
 - Garage door repair or replacement needed at multiple stations

Additional Revenue Sources

- BUFSA
- Public Safety System Development Fee
- Municipal Infractions
- Cost Recovery for Police and Fire Services

BUFSA Taxable Value vs City Taxable Value

Tax Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City Taxable Value	204,836,165	203,842,992	195,176,172	192,045,981	166,858,266	167,764,175	165,402,334	167,431,908	166,454,852	158,912,847
BUFSA Taxable Value	22,570,972	22,023,065	20,309,343	19,667,042	17,261,448	16,655,071	16,154,511	15,908,377	15,368,865	15,128,752
Total	227,407,137	225,866,057	215,485,515	211,713,023	184,119,714	184,419,246	181,556,845	183,340,285	181,823,717	174,041,599
Percent City	90.1%	90.2%	90.6%	90.7%	90.6%	91.0%	91.1%	91.3%	91.5%	91.3%
Percent BUFSA	9.9%	9.8%	9.4%	9.3%	9.4%	9.0%	8.9%	8.7%	8.5%	8.7%

Using this allocation method for Fire Services, the City would increase it's annual charge by \$300,000 annually.

Public Safety System Development Fee

- Potential Revenue \$200,000-\$450,000 per year

- Highlights
 - Provides funding for future growth
 - Expressly permitted by State law
 - Requires a preliminary cost study to determine appropriate rate
 - Can only be used for future capital cost related to capacity expansion
 - Cannot be used for personnel, maintenance, or operational expenses

Increase Minimum Fines for Municipal Infractions

- For each additional increase in \$50, the Court would generate an additional \$200,000 annually
 - Could increase Court caseload, attorney time, and associated Police court time

Cost Recovery – Fire/Police Charge for Service

- Potential revenue could be as high as \$525,0000
 - May not be allowed under certain insurance policies
 - Continuing research on the legality and ability to collect

Public Safety District Assessment Methods

- MCA 7-11-1024
 - Square footage of lot or parcel relative to the entire district
 - Equally to each lot or parcel
 - Taxable valuation relative to the entire district
 - Lineal footage of parcel that abuts the area to be improved
 - Vehicle trips generated for a lot of its size and zoning classification
 - Based upon each family residential unit or one or more business units

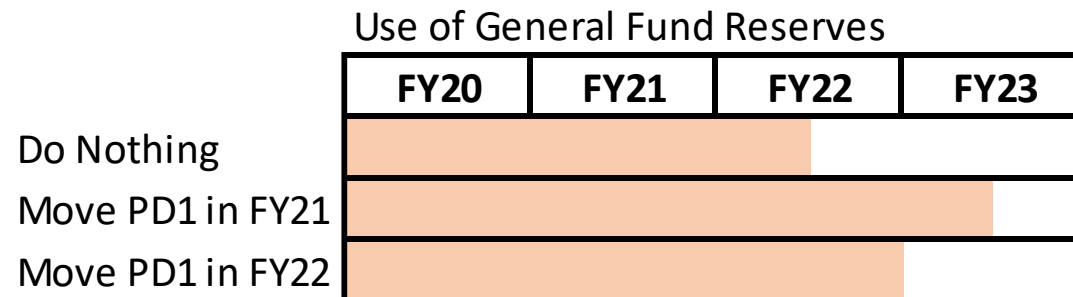
Can levy be smoothed?

- Existing deficit, \$5.4 million, requires larger year 1 increase
 - The total mill levy has been reduced by moving PD1 out of the General Fund in year 1
- Fire station 8 requires a large increase the year it is built

	2021	2022	2023	2024	2025
New Mills	26	20	15	10	6
General Obligation Bond	10	0	0	0	0
Cumulative Mills	36	56	71	81	87

Shift Parks & Recreation to Park District 1

- This would reduce the overall public safety mill levy ask by 17 mills. An increase in the PD1 assessment would be necessary. The increase would generate \$3.5 million, and cost \$23 per \$100,000 value home
- By implementing this change in FY21, the point at which go below our minimum reserves could be extended into FY23



Addiction Prevention Education

- 1 mill, or \$200,000, has been added to the Public Safety Mill Levy Plan
- Attempt to address the addiction problems that are driving a significant amount of criminal activity within our community
- This costs \$1.35 per \$100,000 value home per year

G.O. Bond

- This would allow the mills for a City Hall to sunset once the debt is paid off
- Using a G.O. Bond would allow the City to borrow at the lowest cost available
- Total mills needed are unknown until a location and cost is determined

	\$100,000 Residence	\$211,000 Median Home
Low 10 mills	\$13.50	\$28.50
Mid 12 mills	\$16.20	\$34.20
High 17 mills	\$22.95	\$48.43

What does the all look like?

	\$100,000	\$211,000
Public Safety Mill Levy 77 Mills	\$104	\$219
Park District 1 Assessment	\$23	\$48
General Obligation Bond ~10 mills	<u>\$14</u>	<u>\$29</u>
Total	\$141	\$296

Percent Increase and Cost for Other Homes

- What is the increase, both cost and percentage, to homes with other values or businesses?

2010 Mills	169.44
2020 Mills	160.02
Additional Mills	87

Median Home

Residential Value	\$ 100,000	\$ 211,000	\$ 250,000	\$ 300,000	\$ 350,000	\$ 400,000
Current City Tax	\$ 216	\$ 456	\$ 540	\$ 648	\$ 756	\$ 864
5 year \$ increase	\$ 117	\$ 248	\$ 294	\$ 352	\$ 411	\$ 470
5 yr Annual % Increase	10.87%	10.87%	10.87%	10.87%	10.87%	10.87%
15 yr Annual % Increase	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%

Business Value	\$ 500,000	\$ 1,000,000	\$ 2,000,000
Current City Tax	\$1,512	\$3,024	\$6,049
2026 Additional PS Tax	\$822	\$1,644	\$3,289

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Questions