

City Council Work Session

5:30 PM
Council Chambers
May 16, 2011

ATTENDANCE:

Mayor/Council (please check) Hanel, Ronquillo, Gaghen, Cimmino, Pitman, McFadden, Ruegamer, Ulledalen, McCall, Astle, Clark.

ADJOURN TIME: 6:35

Agenda

TOPIC #1	Library – Budget
PRESENTER	
NOTES/OUTCOME	

- Bill Cochran: revenues are balanced with expenses except about \$2500. Revenue has small changes; routinely up slightly on taxes, \$50,000 energy grant reimbursement for new bookmobile bus. Taxes and entitlement = 85% of total revenues. O&M stable. SBRs are small.
- Gaghen: seasonal employee for how many months? Bill: About 3.
- About half of the budget is for personnel. Collection funding is smaller than it used to be but is adequate. Capital focused on new library design and future funding. Some for operating the old bookmobile and joint library planning (FY11 re-budgeted money). Reserves are adequate. Will calculate the new library's major systems replacement and establish a sinking fund for them.
- Pitman: new library in the business plan? Bill: not really, but reserves are shown and they'll be used for the new project and replacement fund.
- Ruegamer: succinct presentation and thank you. Will O&M and utilities go down in new building? Bill: same staff and power utility should reduce by at least 25%.
- Cimmino: page 3 of presentation – historic document digitization a revenue or expense? Shown as both.
- Clark: state reimbursement? Bill: yes, for all property tax supported funds.
- Public comments: None

TOPIC #2	Planning – Budget
PRESENTER	
NOTES/OUTCOME	

- Candi Beaudry: Four (4) divisions. Rent 4th floor of the Library office space. Distribution of director's salary so 90% comes from Planning Fund. Tried to change that

but not successful. Total revenue \$119,000 less than last year. Personal services = 52% of total budget. Projects =28%, most in CD and from grants. O&M at 20% has been steady or decreased. Add one (1) full time employee for urban renewal officer paid by tax increment finance funds.

- Ronquillo: advertised for the job? Candi: no, but will move quickly to hire.
- Ruegamer: who will person report to? Candi: to Wyeth Friday, but will work exclusively for city. Pay? Candi: \$52k - \$62k.
- Code Enforcement budget. Ronquillo: changed weed program? Candi: only who mows, and will keep Parks again this year. Ruegamer: have to hire for chicken enforcement? No.
- CDBG budget. \$2.1 million revenue is overstated; now expect a lower federal appropriation. Lost about \$300,000 in CDBG and in HOME programs. More funding from VISTA/AmeriCorps. Most money passes through to other programs.
- Building budget. Estimated revenues are the same as 2011. Somewhat higher than 2009 and seem to be increasing. Reducing expenses by about \$100,000. Sending less to Fire department for plan inspections and sr. combination inspector position won't be filled.
- Gaghen: who will take on sr. inspector job? Candi: many duties spread to other inspectors and most of it to Kim Palmieri.
- Clark: 6 combination inspectors; # being reduced? Candi: no, at six (6) with retirement.
- Planning: will lose some tax income. Going to use some reserves, but will retain almost double the amount of recommended reserves. Allows us to keep staff, so we're ready for growth when it occurs.
- Business plan implementation. Recommends no further layoffs. Projections for building permit activity are quite good. 200 lots being subdivided and commercial buildings are being planned. Will monitor building revenues and evaluate revenues at the end of the summer and will layoff in August if the revenues don't increase. The Billings Home Builders Assoc supports this proposal. Meantime, will find ways to decrease expenses, such as \$8000 for reducing the amount of library space being leased and no holiday inspections.
- Gaghen: rationale for having inspections on holidays? Candi: work is still being done by contractors on the minor holidays.
- McCall: more details on space consolidation? Janz retirement and past layoffs may free up five (5) office spaces.
- McFadden: trading money from one department to another? When Planning pays rent to Bldg.? Candi: yes. But, would pay rent elsewhere and Library counts on it for income.
- Pitman: if new library passes, budget for the cost of moving? Candi: won't make that plan until bond issue passes. Won't have to move until FY13 at least. Pitman: wait to hire full time person in tax increment? Funded by tax increment and won't work in building trades, so should not wait to hire.
- Cimmino: new position coordinates two (2) consultants we already hired, and reports to the planning manager? Candi: employee will work on many projects and will manage urban renewal associations and small projects. State laws require careful accounting and

cost allocation and proper spending of the TIF \$. \$94,000 for position is from tax increment district money? Candi: yes.

- Ronquillo: person will be busy with master plan implementation, grant writing, etc.
- Gaghen: person will help comply with new state law requirements (Arntzen bills).
- Ruegamer: good presentation but Council goes afield.
- Ulledalen: council dropped the ball in strategic planning involving your department. Someone commented to me that in 1992 a committee reviewed development services, funding, and structural changes. Tina: currently looking at the binder from that effort and will study what we might do. Candi: 2006 audit and made many changes from that. HBA wants to talk about structural changes. Business process review has begun.
- Ulledalen: responsiveness for developers... make sense to put building division in the fire department, more of a one stop shop? Candi: Fire Marshal should come to the building department.
- Public comments: none

Other public comments, not on the agenda: none

Additional Information:

Tina: received responses from four (4) members about the June 9th meeting with BSEDA and Chamber. Others? – see me after this meeting if others want to attend. Press release issued today about MLCT meeting tomorrow; we will meet afterward about MLCT conference.

Ulldalen: Five (5) year GF projections. Give us projections by departments so we know where the deficits will occur. Tina: working on it and will talk with you on June 6th about prioritized budgeting.

McFadden: meeting tomorrow? No. In undeveloped parks, are dogs allowed off the leash (Frisbee retrieval)? Allowed but have to be on leash or under voice control. Will check with Animal Control and get back to you.

Gaghen: celebration for Doris Cole's Retirement? Wednesday, May 18th at 1:30 on the fourth floor.

Ronquillo: thanks to Ruegamer for Kiwanis donating a tree for South Park. Vince: from license plate revenue.

Hanel: birthday cake for Tina.

CITY OF BILLINGS

CITY OF BILLINGS VISION STATEMENT:

***“THE MAGIC CITY – A VIBRANT, WELCOMING PLACE WHERE
PEOPLE FLOURISH AND BUSINESS THRIVES.”***

AGENDA CITY COUNCIL WORK SESSION

Council Chambers

May 16, 2011

5:30 p.m.

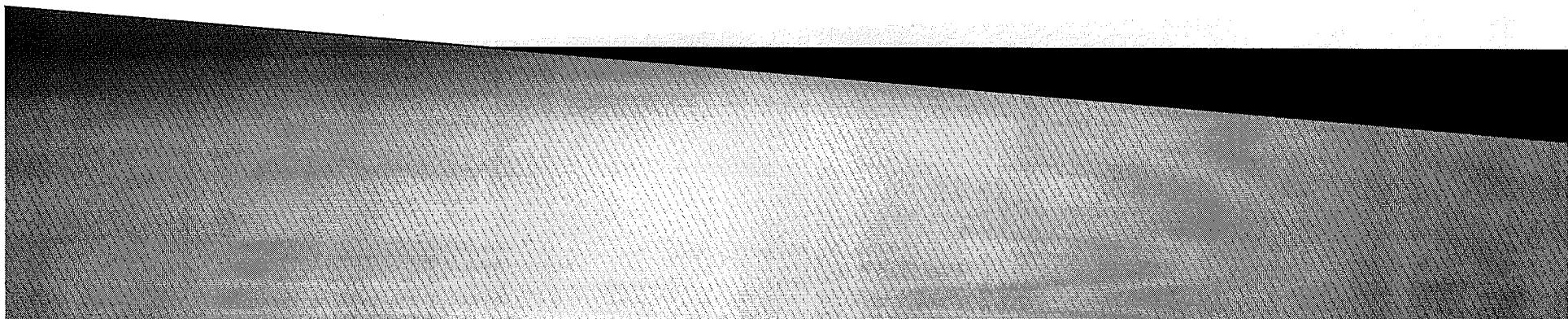
- 1. Budget – Library**
- Public Comment
- 2. Budget – Planning**
- Public Comment
- 3. Public Comment on Items not on the Agenda**

****NOTE:**

- This meeting is an “informal” meeting of the City Council. The content of the Agenda is subject to change at the meeting.
- **Anyone wishing to offer public comment is asked to sign the speaker list prior to the meeting.



City Council
Budget Presentation
May 16, 2011



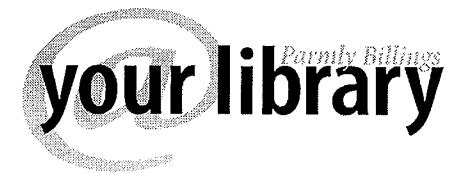
FY 2012 Budget



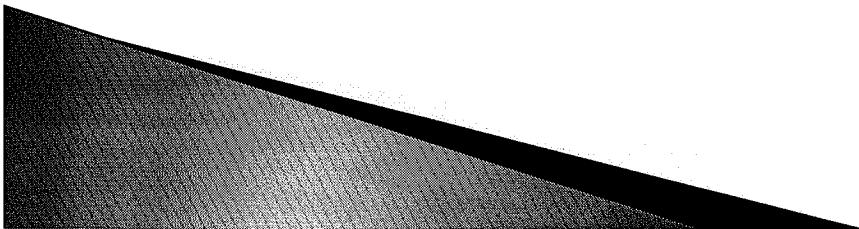
- ▶ FY 2012 Library operating budget, excluding capital and supplemental budget requests, is expected to balance with the use of \$2,508 of unobligated cash reserves. *
- ▶ The Library will fund capital and supplemental budget projects from either external revenue sources or unobligated cash reserves.

*This projection takes into account the \$85,500 in protested County property taxes.

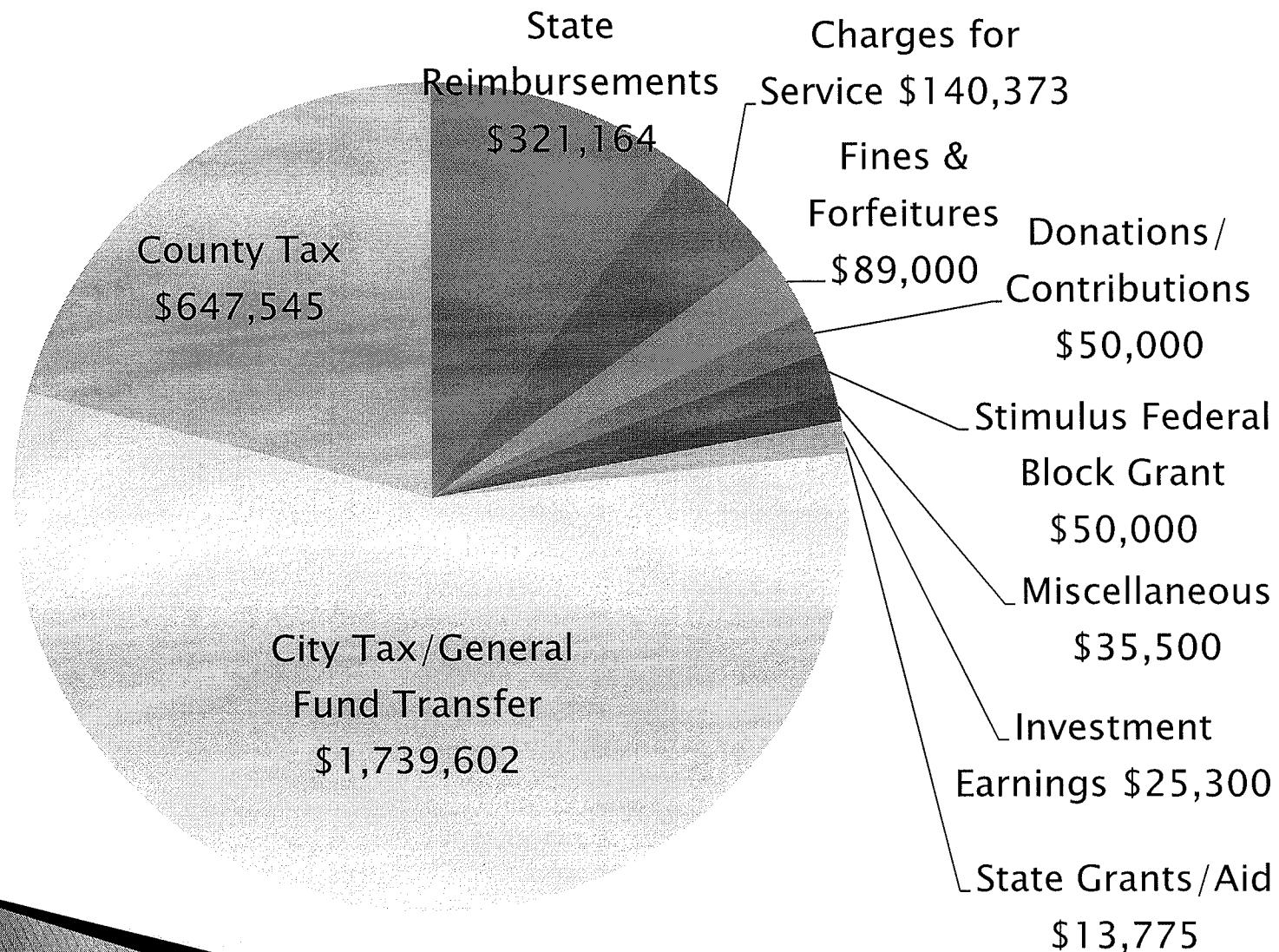
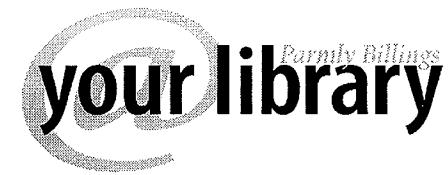
Revenue



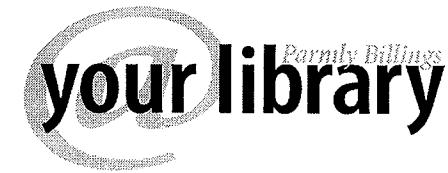
- ▶ The FY 2012 estimated revenue is \$3,112,259, representing an increase of \$94,570, or 3%, from the FY 2011 estimated revenues.
- ▶ The most significant revenue changes are the receipt of a \$50,000 Economic Stimulus Block Grant and an estimated increase in City tax revenue of \$60,364.



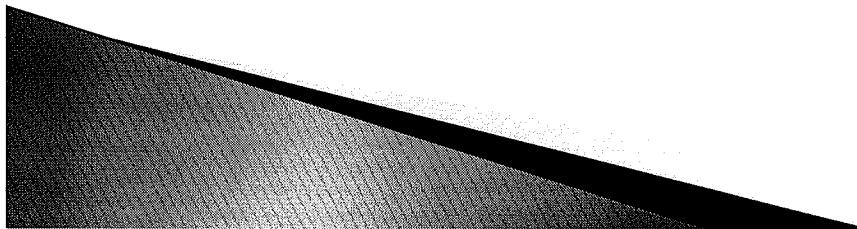
Revenue



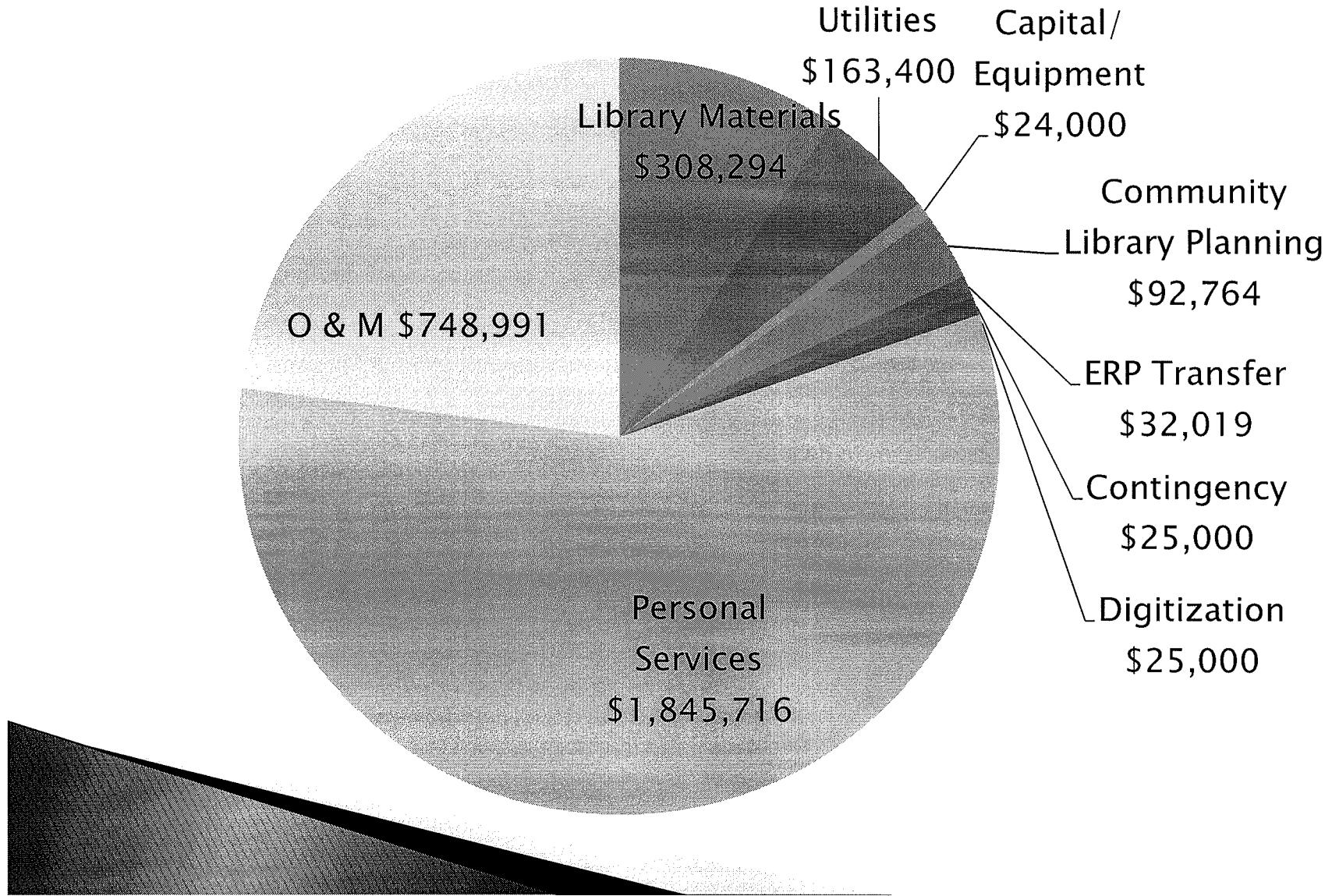
Expenditures



- ▶ There are no significant changes from the FY 2011 operations and maintenance budget to the FY 2012 budget.
- ▶ Supplemental Budget Requests include:
 - Digitization of Historical Records project: \$25,000
 - Addition of one seasonal employee: \$3,653
 - Adult Summer Reading Program: \$2,000



Expenditures



Capital



The capital requests for FY 2012 include:

- ▶ New Downtown Library Facility (included in the CIP): \$18,383,684
- ▶ Joint Community Library planning (rebudgeted from FY2011): \$92,764
- ▶ Retain 1995 Bookmobile for back-up and branch library pilot projects (included in ERP): \$24,000

New Downtown Library



- ▶ **Budget:**
 - \$18,383,684
- ▶ **Revenue**
 - Library Foundation Donation: \$5,000,000
 - General Obligation Bond: up to \$13,383,684
- ▶ Plans call for a November vote on GO Bond, per the approved CIP. This will be supplemented by Foundation donation, to construct a building of approximately 65,000 square feet. Construction is slated to begin in Spring 2012, with occupancy in December 2013.



Business Plan FY 2010 - FY 2014

Cash Flow Projection FY10 - FY14

Cash Summary	6/30/2010 (Budget)	6/30/2011 (Estimate)	6/30/2012 (Estimate)	6/30/2013 (Estimate)	6/30/2014 (Estimate)
Revenues	\$ 3,089,307	\$ 3,133,789	\$ 3,207,983	\$ 3,301,678	\$ 3,399,400
Expenditures	2,897,702	2,986,866	3,046,604	3,107,536	3,169,687
Difference	191,605	146,922	161,379	194,142	229,714
Capital/Supplemental (CIP)	362,205				
Fund Balance	\$ 2,789,791	\$ 2,936,713	\$ 3,098,092	\$ 3,292,233	\$ 3,521,947
Cash Reserve (obligated operational cash reserve)					
27% of current year expenditures	\$ 782,380	\$ 806,454	\$ 822,583	\$ 839,035	\$ 855,815
Reserves Designated	298,327	298,327	298,327	298,327	298,327
Cash (unobligated)	\$ 1,709,084	\$ 1,831,932	\$ 1,977,182	\$ 2,154,872	\$ 2,367,805

Assumptions:

Property taxes were estimated to increase 2% in FY 2011 and 2012; and 3% in FY 2013 and 2014.

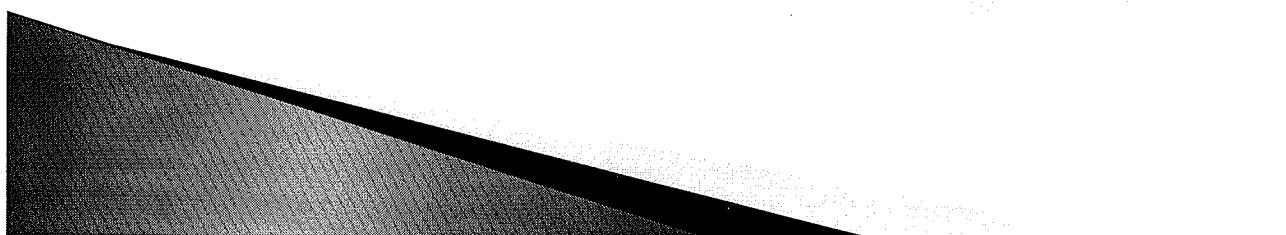
Personnel costs were estimated to increase 5% per year.

Inter-Dept charges were estimated to increase 3.5% per year.

Utilities/Insurance costs were estimated with a 3% increase per year.

Other operating costs were estimated with a 2% increase per year or based on a 3 year average.

Parmly Billings Library



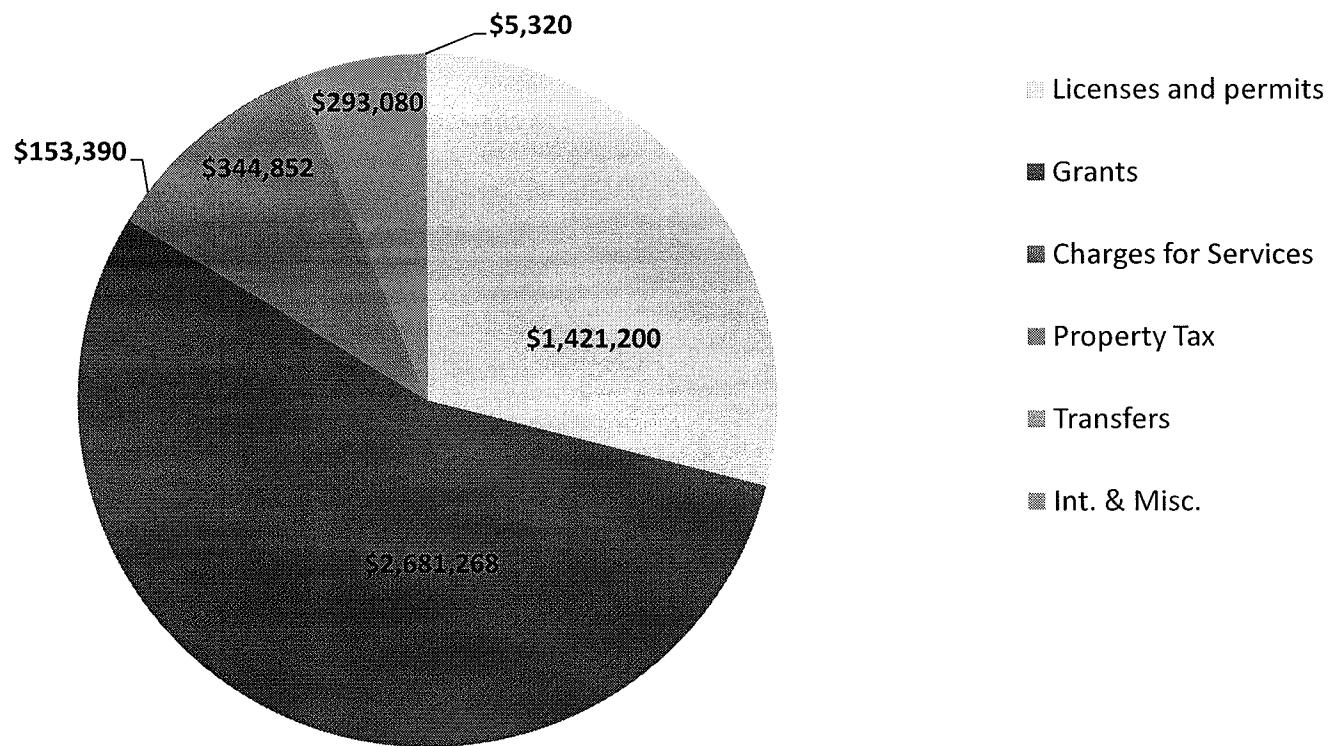
FY12 Budget Planning and Community Services Department

City Council Work Session

May 16, 2011

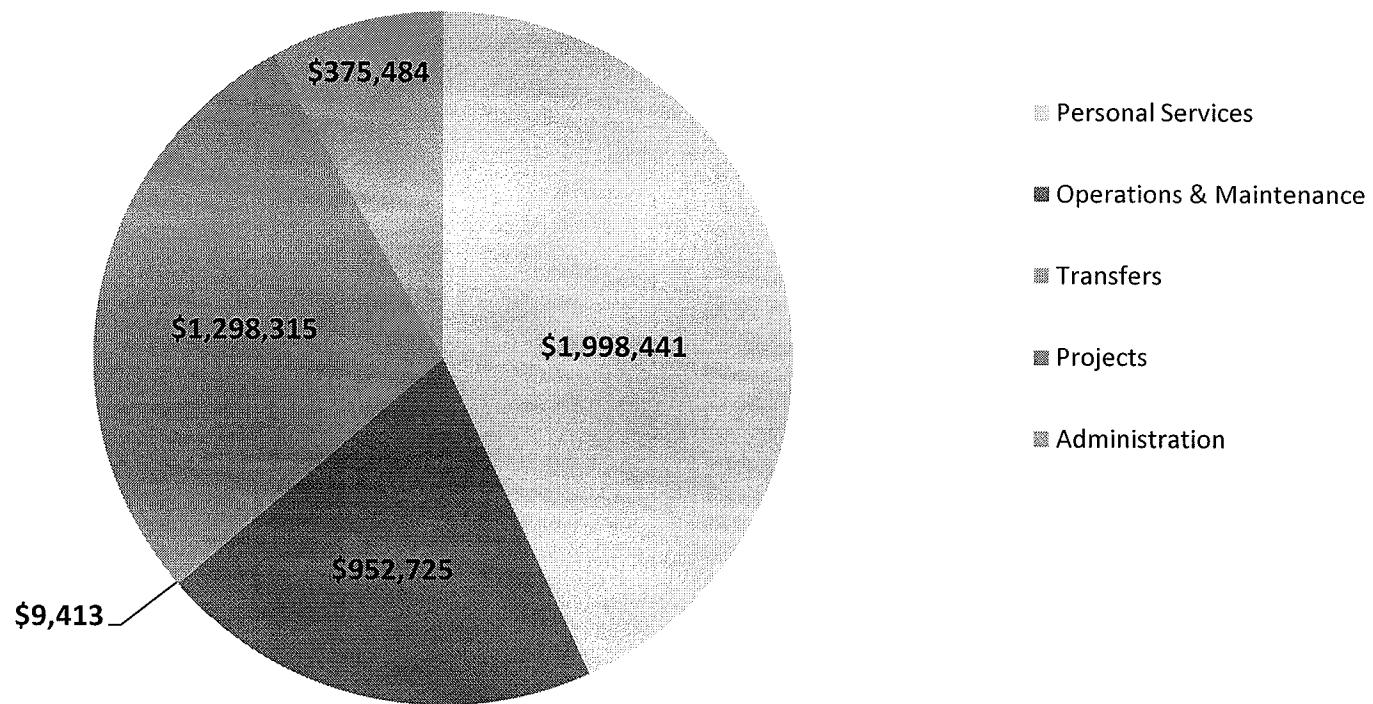
Total Department Revenues

TOTAL REVENUES = \$4,899,110



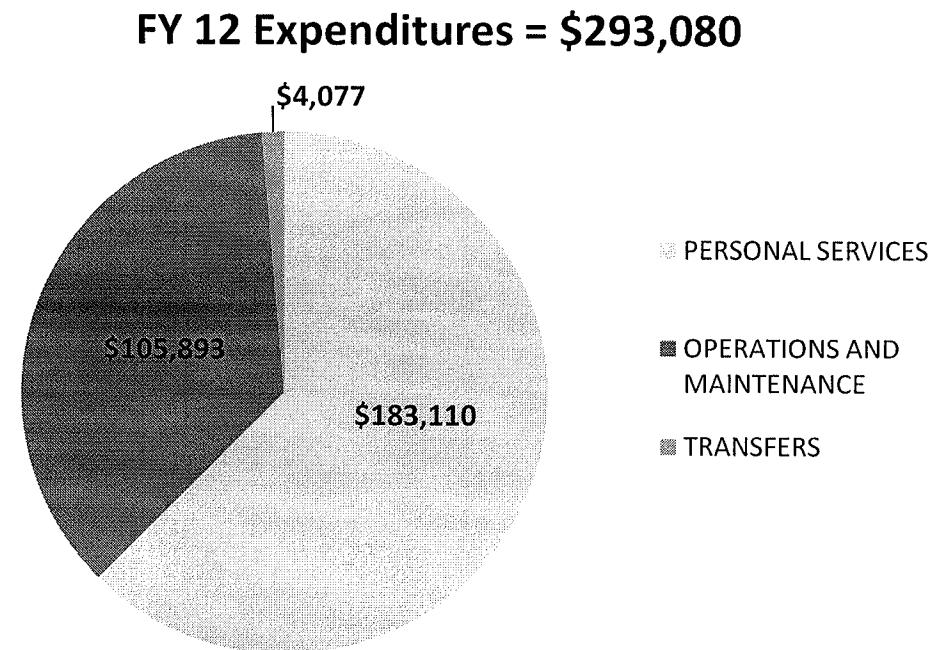
Total Department Expenditures

TOTAL EXPENDITURES = \$4,634,378



Code Enforcement Division

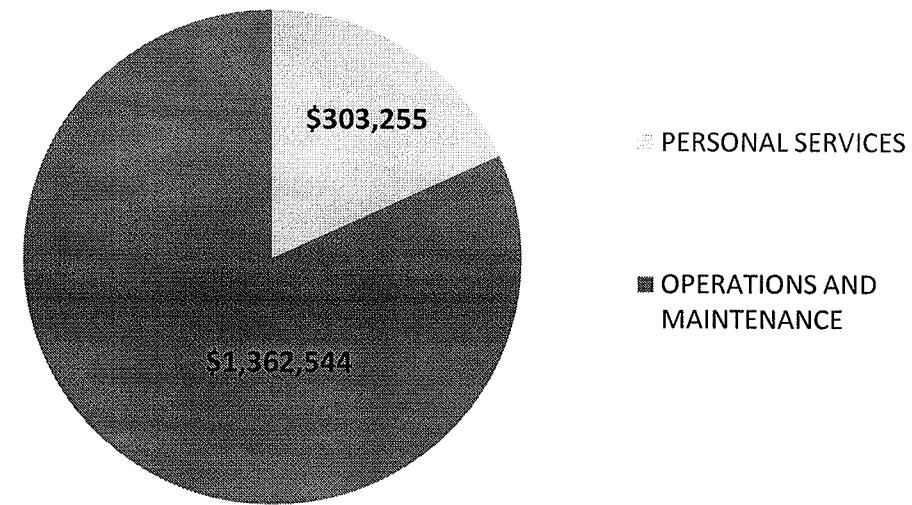
- Part-time Administrative Support
- 2 Residential Code Enforcement Officers
- 1 Commercial Code Enforcement Officer
- Supervised by Zoning Coordinator
 - Nicole Cromwell



Community Development Division

- Administrative Support
- 2 Program Coordinators
- Division Manager
 - Brenda Beckett

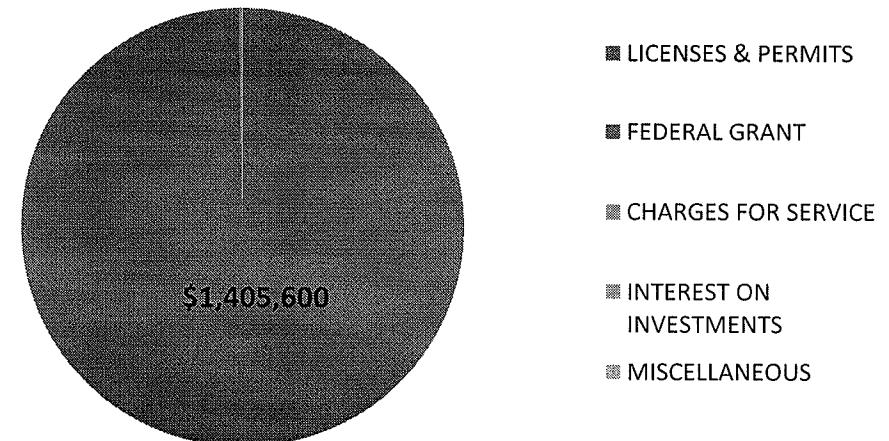
FY 12 Expenditures = \$1,665,799



Building Division Revenue

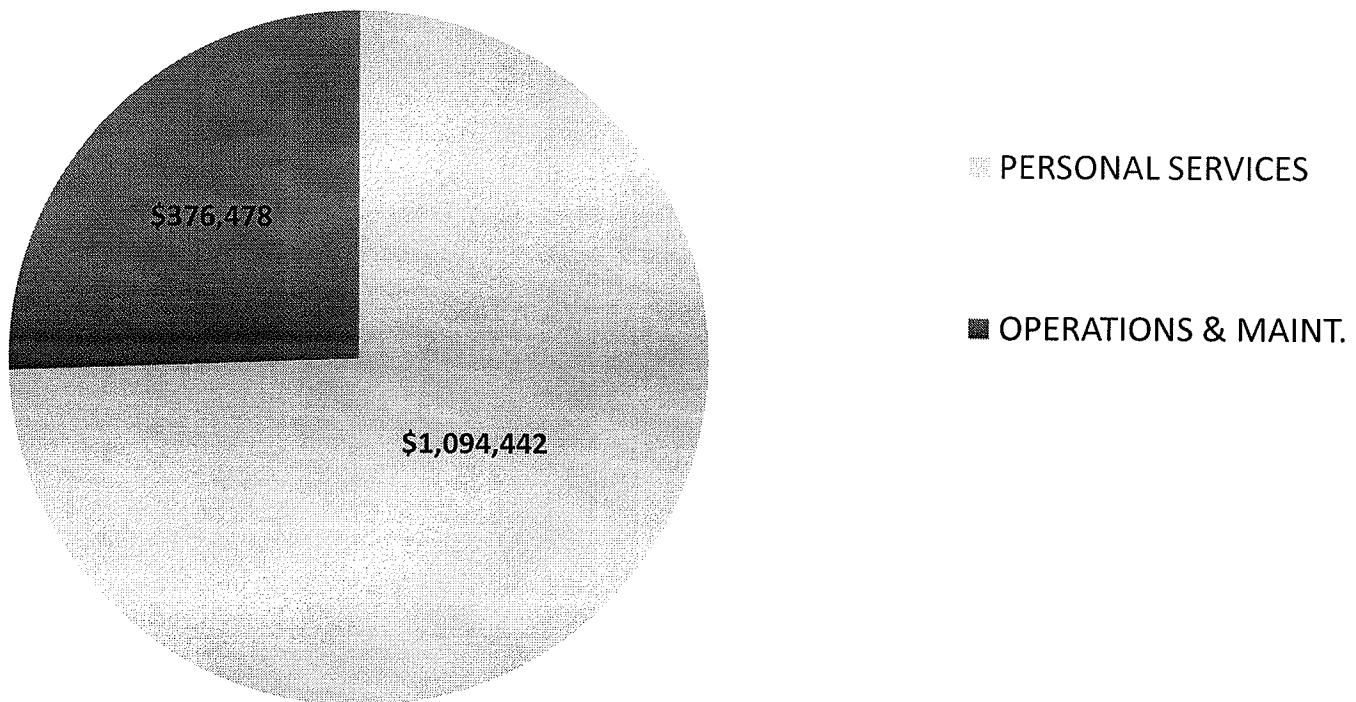
- Administrative Support
- Senior Building Clerk
- Building Clerk
- 3 Plans Examiners
- 6 Combination Insp.
- 1 Electrical Insp.
- Building Official/
Division Manager
 - Kim Palmieri

FY12 Revenue = \$ 1,412,700



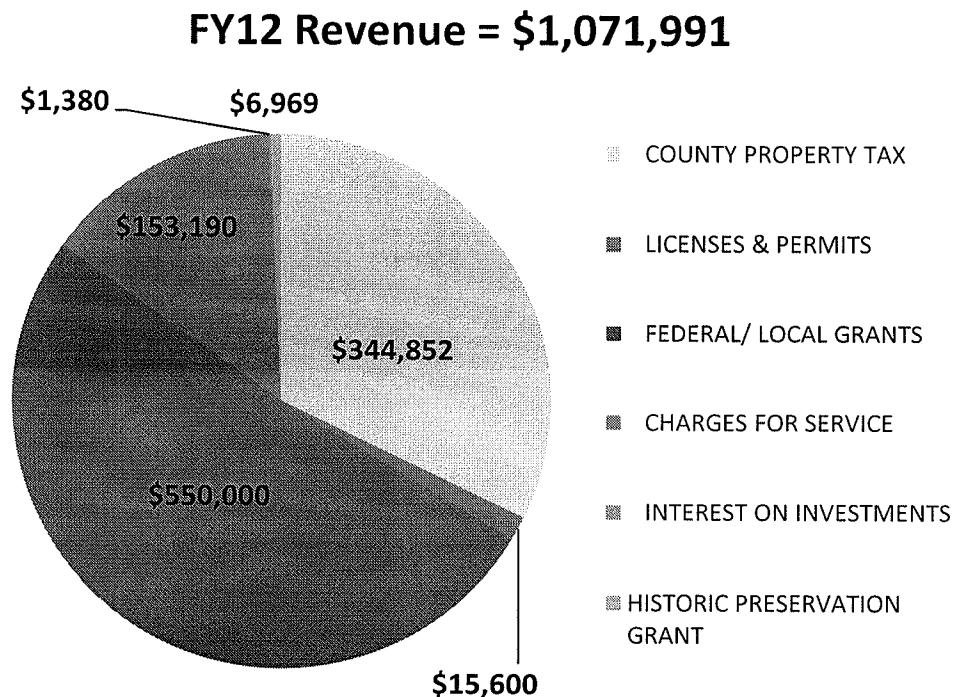
Building Division Expenditures

FY12 Expenditures



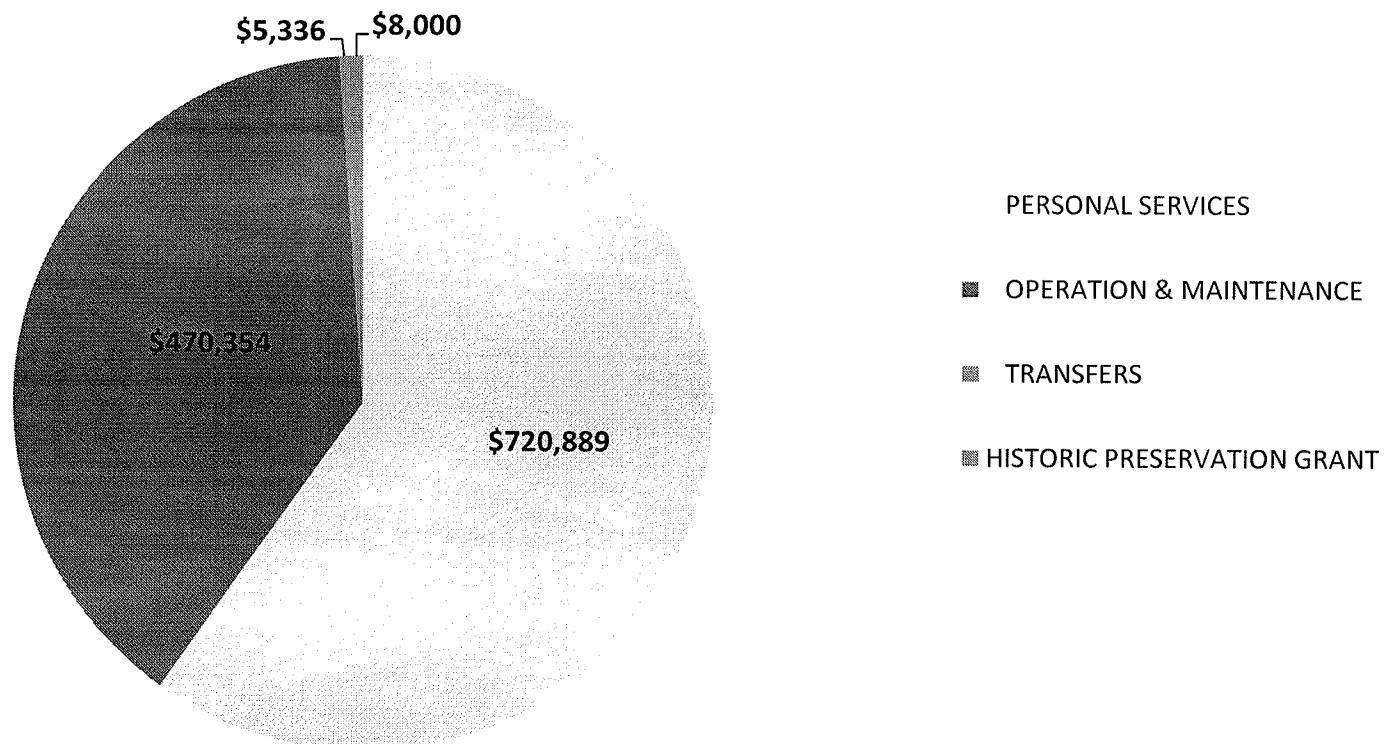
Planning Division Revenue

- Administrative Support
- Planning Assistant
- 4 Planners
- Planning Division Manager
 - Wyeth Friday



Planning Division Expenditures

FY12 Expenditures = \$1,204,579



FY10 – FY15 Business Plans

Building and Planning Divisions

