

City Council Work Session

August 4, 2008

5:30 PM

Community Center

ATTENDANCE:

Mayor/Council (please check) Tussing, Ronquillo, Gaghen, Stevens, Pitman, Veis, Ruegamer, Ulledalen, McCall, Astle, Clark.

ADJOURN TIME: 7:45 p.m.

Agenda

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| TOPIC #1 | <i>Public Comment</i> |
| PRESENTER | |
| NOTES/OUTCOME | |

- There were no speakers.

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| TOPIC #2 | <i>Miller Crossing SID</i> |
| PRESENTER | |
| NOTES/OUTCOME | |

City Administrator Volek advised that a development agreement was approved by Council September, 2007, with a subsidiary of Foursquare Properties for the new Miller Crossing project located on King Avenue East. She noted that the development agreement provided that financing for the improvements in that area could be paid through a tax increment finance district, and it also provided an alternative for a special improvement district. She said that given the financial situation, the recommendation was to go forward with an SID. Ms. Volek said the August 11 Council agenda contained four items related to that topic: a resolution creating the SID; a resolution related to issuance and a public sale of the improvement district bonds; a development agreement between Foursquare Properties, Cabela's and the City; and a bid award that was delayed from July 28, for King Avenue East construction.

Councilmember Ruegamer asked Ms. Volek to explain what she meant by the financial situation she referenced. Ms. Volek explained that it was originally anticipated that tax increment financing bonds would be issued that would be guaranteed by the property owners and the terms were such that the property owner was not comfortable with proceeding. She advised that the property owner was present and would discuss that later.

Ms. Volek announced that Public Works Director Dave Mumford would review the scope of the project and Assistant City Administrator Bruce McCandless would review the

financing issues. Ms. Volek introduced Jeff Vitek, President of Foursquare Properties and Tim Holland from Cabela's Real Estate Division.

Ms. Volek distributed a copy of a letter the City received from Cabela's in May, 2008, which indicated that a store would be opened in June, 2009. She noted that the development was an outgrowth of two things: 1) Billings voters approved bonds to improve South Billings Boulevard, the major connector from the highway; and 2) there was strong interest in a tax increment finance district from property owners in that area. Ms. Volek said that TIF district was created and would go forward in the future.

Mr. Mumford reviewed the arrangements with Steve Corning and Shiloh Crossing and said a similar thing happened with Miller Crossing. He said the subdivision agreement contained a traffic impact study requirement. He said the development agreement spelled out what needed to be followed by the developer, but that it never reached the stage of full road development. Mr. Mumford informed the developer that it was necessary to have the road built to minimize impacts to the neighborhood traffic concerns. He said the TIF process was begun to further the project. He said the delay of the Cabela's store created an issue, but the process continued because the improvements were needed.

Councilmember Ruegamer asked if the improvements would have been necessary regardless of whether Cabela's located there. Mr. Mumford responded that they would have been needed eventually. He noted that what would be done for the SID would be needed due to growth in the area. He said the City would pay a smaller share than with a typical SID because the TIF would be utilized in the future to help with the financing.

Councilmember Veis asked if the road was in the Capital Improvement Plan. Mr. Mumford said it was not, but it was brought in with the TIF because it was not anticipated when the CIP was drafted. He added that more than street work was being done and the project had been designed and was bid and ready to go upon Council approval. He said the majority of the work could be completed in the fall with the remainder done in the spring. He advised that the development agreement required the developer to make improvements on King Avenue East and minor improvements at the South Billings Boulevard intersection, but with the project involved additional improvements at the off-ramps and on the bridge deck to minimize the impact to the area and provide better access to the businesses. He noted the City's investment should be about \$4.6 million when the project was completed and that amount would be reimbursed through the TIF.

Councilmember Ruegamer asked if the SID applied only to the property. Mr. Mumford stated that was correct. Councilmember Ruegamer asked if the appraised value of the land was known. He said he wanted to know what the land would be worth if the project did not work out and the City ended up with the land. Financial Services Manager Pat Weber responded that he would provide that information to Ms. Volek to pass on to Council. Councilmember Veis said another question was if there were other liens on the property. Mr. Weber advised that the SID took first place.

Councilmember Veis asked if the road was a reaction to the growth since it was not in the CIP. Mr. Mumford said that to some extent it was; and much of the CIP projected where the growth would occur. Councilmember Veis stated that according to the traffic accessibility studies, that was not needed. Mr. Mumford said it would not be needed just for the store, but when the background and growth was considered; it would need to be done eventually. Councilmember Veis asked if it would be advantageous to wait until the development was

completed and the TIF district was on its way. Mr. Mumford responded that costs would continue to escalate and it was better to complete the construction before a major retail store was opened. Councilmember Veis said that if the traffic accessibility study indicated that only minor improvements were needed, he wondered why it was a problem to complete the road at a later date. Mr. Mumford answered that the traffic accessibility study did not take growth and related traffic flow issues into account. He said State law allowed the City to collect from a developer only for its direct impact. Councilmember Veis asked why the road was not in the CIP if it was a five-year projection and the reason the road was being built now was to accommodate growth. Mr. Mumford said that was a blighted area that had not experienced growth, but the developers stimulated the growth since that time. Mr. Mumford pointed out that other projects were taken out of cycle due to growth and many of the items in the CIP were reactions to recent growth.

Councilmember Veis asked why the City was taking the risk to build the road on King Avenue East before the development instead of waiting for the tax increment to grow and then build the rest of the road as planned. Mr. Mumford said it was a question of potential safety issues and congestion. He said if the City waited, it would pay significantly more in an SID than what would be paid under the proposed scenario. He noted that the short-term liability for the City was 57% until the TIF took over compared to the 94% that the City paid for the King Avenue West SID. He said the TIF could pay for the road after all the development occurred, but then it was a matter of waiting for the development to occur and that could be slowed down if the road was not built.

Councilmember Ruegamer asked if the total cost to the City would be \$4.6 million. Mr. Mumford said it was \$4.3 million which included the land purchase, and that some of the infrastructure was already put in place.

Councilmember Astle asked what the projected traffic count was for the store. Mr. Mumford said Cabela's projected 1 million visitors per year. Councilmember Astle said he did not believe a two-lane road could handle that volume. Other Councilmembers agreed.

Councilmember Gaghen commented that the negative impact on the neighborhood had to be considered if the road was not completed at the current time. Mr. Mumford explained that half of the street was the developer's responsibility and the requirement was a half-street standard. He said that meant the north half of the road would have only one lane and some turn lanes without the City's involvement. City Administrator Volek pointed out that waiting would require an SID with the other properties in the neighborhood and it was questionable whether those property owners would be agreeable to that.

Mayor Tussing asked if the \$4.3 million included the curb, gutter, sewer, sidewalks and all the items that would benefit the neighborhood. Mr. Mumford said it was a completed road and infrastructure, plus improvements on South Billings Boulevard. He noted there would be a trail and sidewalk system to the school. He said he feared the City would end up with half a street there if it waited for TIF funds to complete it. Mayor Tussing asked if other projects were sacrificed or delayed in order to pay the 57% of the project cost. Mr. Mumford responded that payments could be made from the arterial fees for the years necessary until the repayment was received and the priority projects could remain in place.

Councilmember Veis stated that the TIF was sold to Council with the idea that it could pay for the road and then accomplish other things in the neighborhood. He asked why the City would create a TIF, and then go out on a limb to pay for the road when the development

was continually delayed. Mr. Mumford responded that representatives from Cabela's and Foursquare Properties were present at that meeting to confirm their intentions to move forward. He said the delay from Cabela's resulted in some changes, and the changes in the bond market made selling the TIF bonds so onerous that people did not want to move in that direction. He said the SID was bridge financing until the TIF paid for it and the collections beyond that would pay for other improvements and would stimulate growth for the other properties in the neighborhood. He noted that a standard SID assessed properties and the City's cost would be greater.

Mr. Mumford said the project was ready to go to construction and an agreement with Foursquare Properties and Cabela's would stipulate that Cabela's would open by June, 2009, and would sign the SID.

Assistant City Administrator Bruce McCandless advised that three of the four August 11 Council agenda items concerning Cabela's and Foursquare dealt with finance. He said there would be a resolution to create the district, a resolution to authorize the bond sale, and an agreement among the three parties concerning the reimbursement. He explained that the attraction of the SID was its security and it was marketable, and a major reason for that was the revolving fund. He explained that every SID contributed 5% of the capital amount of the bond to the revolving fund to be used for any delinquencies that occurred. He said the City's revolving fund was currently in excess of \$4 million, and there was about \$14 million in debt. He noted that the balance in the revolving fund was almost enough to pay off the SID in the event it failed, even though that was not anticipated. He said the property was the second source of security. He noted the City was not party to the SID because it did not own property within the district boundary.

Mr. McCandless explained the petition process. He said it was added to the process within the last couple of years by the Legislature. He said if 100% of the property owners petitioned for the SID, the process could be shortened and there was no reason to have a resolution of intent, a public hearing or protest period because the property owners were aware of and in agreement with the SID.

Mr. McCandless reviewed the raw land resolution, #05-18234, first adopted in 1987, then amended in 2005, that was intended to protect the City in the event of large delinquencies of SIDs, which happened in the 1980s. He said the City's credit rating would have been hurt if it did not back those bonds, so the raw land policy was adopted. He explained that the resolution recognized that SIDs were a necessary financing tool for economic development and encouraged partial or fully-developed properties to participate in SIDs and discouraged raw land SIDs. He said the SIDs that had partial or fully-developed properties had access to the revolving fund, but raw land did not unless the City made specific findings to allow it.

Mr. McCandless referenced section 10 of Resolution #05-18234 which gave justification to the City Council to waive the raw land SID policy.

Mr. McCandless advised that the financing agreement had been reviewed by Mr. Mumford and in the short term, the City's contribution would come from the arterial fees and in the long term, it would come from the tax increment financing. He said he believed by January 2011, there should be enough tax increment funds to make the City's contribution to the SID and possibly even the developer's if development occurred at the projected pace.

Mr. McCandless referenced the bond sale authorization. He said the sale would occur September 8 or September 22, with a rate of approximately 5-6% with a 20-year term, which

was an average assessment of \$445,000 per year. He said the idea was to refund or call the bonds after enough tax revenue was produced. Financial Services Manager Pat Weber added that some research was done regarding the marketability of the bond. He said the strength of the revolving fund and the structure of the debt in the SID fund helped make it marketable.

Ms. Volek stressed that staff worked with bond counsel on the project and the City's financial consultant. She emphasized there would not be a public hearing on the SID because the partners in the project agreed to it.

Ms. Volek pointed out that Mr. Vitek from South Billings Center, LLC and Foursquare Properties, and Tim Holland from the Real Estate Division of Cabela's were present to answer questions.

Mayor Tussing said the public was intimidated or scared after the Billings Gazette editorial and even though Ms. Volek responded to it, the public did not know about that. He asked what vehicle could be used to assure the public that the taxpayers were not underwriting the project. Ms. Volek said an additional, more formal presentation could be made at the Council meeting.

Mayor Tussing asked about the development agreement and how binding it was. Ms. Volek responded that the May letter was an indication of good faith and the development agreement was a legal document. She said the development agreement would be signed before the bid was awarded for construction. She said all the pieces would be in place before the bid award.

Councilmember McCall asked for further explanation about the raw land resolution and the SID policy. Mr. McCandless explained that the raw land policy discouraged raw land SIDs because the tax delinquency on raw land was likely to be higher than for improved property. He noted there were exceptions in the policy, but not one that fit the current situation, so bond counsel suggested taking specific action to waive the raw land policy with justification of items in Section 10 of the resolution.

Mr. Mumford advised that the financial agreement also included a date for completion of on-site improvements, in addition to the date the store would be opened. City Attorney Brooks added that he would make sure the development agreement included something the Council could fall back on if the terms of the agreement were breeched.

Councilmember Ruegamer asked if on-site improvements would be done first. Mr. Mumford said the road and those improvements would commence at the same time. Councilmember Ruegamer asked how the funds were collected. Mr. Mumford said the agreement would be structured so the property owners made the full bond payment before the City provided its 57%.

Councilmember Ruegamer asked if a letter of credit was still an issue. Mr. Weber explained that a letter of credit was needed for TIF situations because there was usually nothing built on the property and it provided assurance that there was something to fall back on in the case of a default. He added that a letter of credit was not needed for an SID because it was backed with the land and any buildings on it. Councilmember Ruegamer said the value of the land was needed. Mr. Jeff Vitek, President of Foursquare Properties, stated that his company paid more than \$4 million for the land and a recent independent appraisal valued the land as improved at \$11.44 million.

Councilmember Veis asked if the development agreement was with Foursquare Properties or South Billings Center, LLC. Mr. Mumford responded it was with South

Billings Center, LLC and Cabela's. Councilmember Veis asked how South Billings Center, LLC was capitalized because a shell company could have no money in it and if it was sued, there would be nothing there. Ms. Volek explained that the SID was backed by the land itself and South Billings Center, LLC owned the land. She added that the bonds would be sold and used for construction. She reviewed the repayment schedule and the amounts each party would pay. She said the TIF should start in 2010.

Mayor Tussing asked if the \$11.44 million value included the buildings on the land. Erick Gross, Vice President of Foursquare Properties responded that the value provided by Mr. Vitek was for the raw ground. He said that value was provided by a lender.

Councilmember Clark asked if Gabel Road was completed with an SID. Mr. Mumford responded it was a raw land SID. Councilmember Clark stated that was why Sportsman Warehouse did not pay for the road because it was already done and he hoped the Billings Gazette understood that.

Councilmember Pitman asked Mr. Vitek if he had anything else to offer in the form of assurance. Mr. Vitek said he shared Mayor Tussing's frustration with the starting and stopping of Cabela's. He said the letter from Cabela's regarding the opening date of June, 2009, was at his request to improve credibility. He said a number of retailers were committed to being on the site and if the project was approved, he expected to resume construction in September. He said he expected a rapid conversion from the SID to a TIF.

Mayor Tussing referenced the mention of "force majeure" in the May, 2008, letter and asked if theft was intended as part of the definition because he said he heard there was a theft the last time and had to be moved off the site. He asked if that would be a reason to not have to fulfill the bargain. Mr. Brooks responded that he had not seen a draft of the agreement but Cabela's and Foursquare were likely self-insured and had builder's risk to guard against theft at the site. He noted that he would review the agreement to make sure there would only be legitimate excuses for the project to not reach completion on time or at all. Mr. Vitek noted that footings and the foundation were in the ground and the steel was on site. He said the decision to halt the construction was made on a corporate level but Cabela's was ready to reaffirm its commitment to open a store.

Councilmember Veis asked when Council would see the development agreement. Ms. Volek stated it would be provided to Council no later than Friday.

Councilmember McCall said she wanted to express appreciation on behalf of the Council for the presence of the representatives from Cabela's and Foursquare Properties at the meeting. She asked if they planned to speak with the Billings Gazette while in Billings. Mr. Vitek responded that he probably would not.

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| TOPIC #3 | <i>Update Process & Schedule for 2003 City/County Growth Policy</i> |
| PRESENTER | |
| NOTES/OUTCOME | |

Planning Manager Wyeth Friday said the last Friday packet contained a memo regarding an update of the 2003 Growth Policy. He said the update would be in conjunction with the

Planning Board, the City Council, the Board of County Commissioners and the Town of Broadview.

Mr. Friday said the first of three public meetings would be held Thursday, August 7, to discuss and review the document. He said the update had to be completed during the current year as required by State Statute, and due to resource limitations, it would be a simple update. Mr. Friday explained that the background information would be updated, then goals and objectives would be reviewed and implementation strategies would be examined. He pointed to the goals and objectives contained in the current growth policy and said achievements would be shown. He said the public meetings would include an overview and discussion of changes from 2002 to the present time, and community input would be sought to discuss implementation strategies and how they could be changed.

Mr. Friday advised that a draft revised policy would be presented after the third public meeting in September. He noted that the policy was on CD and Council input and participation was welcome. Mayor Tussing asked if another work session would be held prior to the vote. Mr. Friday said there would be one at a later date before the policy would be voted on.

Councilmember Ulledalen stated that a lot of the annexation was driven by farmers that wanted to sell their land. He asked if the growth policy could be recast so the annexation policy was skewed toward what made sense to annex. He said the Red Zone was drawn, but he wanted to focus more on what should be annexed. Mr. Friday responded that the annexation was a piece of the growth policy and the plans in place would be used to further the discussion.

Councilmember Ruegamer said he agreed with Councilmember Ulledalen that guidance was needed in that area, but the policy was outstanding. Councilmember Ulledalen stated that when the Red Zone was reviewed, the consideration was given to where annexation could occur without negative effects on utilities, but did not analyze impacts on the general fund or public safety funds. Mr. Friday advised that the Planning Board looked at the annexation policy and long-range growth projections, with service limits in mind.

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| TOPIC #4 | <i>Casino Overlay District</i> |
| PRESENTER | |
| NOTES/OUTCOME | |

Planning Director Candi Beaudry advised that an option was presented last July to implement an overlay district to regulate the location of casinos. She said the discussion generated two prevalent comments Council wanted to achieve and one was to concentrate them in limited areas through the City. She said the Police Department felt the concentration was easier to enforce. She said it was demonstrated that the initial criteria would create about 67 non-conforming casinos. Ms. Beaudry said some of the criteria were adjusted and she would review four options.

Ms. Beaudry said the first option was multiple overlay districts in multiple areas. She said that did not achieve the concentration, but reduced the number of non-conforming casinos from 67 to 43.

Ms. Beaudry said the second option was to implement supplemental regulations that applied new standards. She noted that would not concentrate them and there would still be 43 non-conforming casinos.

Ms. Beaudry said another option was a combination of the overlay districts that would be created and limited to certain areas, and in some areas, supplemental regulations would apply and special review would be required. Councilmember Clark asked if the state regulations regarding distance were part of the criteria. Ms. Beaudry said the state requirements were incorporated into the criteria. She said that option would not result in concentration, but would reduce non-conformities.

Ms. Beaudry said the final option was a limited overlay district. She said there would be two or three city-wide areas that met the criteria. She noted that would achieve the concentration, but the limited number of overlay districts would increase the number of non-conforming casinos to 59.

Ms. Beaudry reviewed the criteria developed last year. She said the buffer zone of 150' from residential areas was changed to 20' which reduced the number of non-conforming casinos but had a stringent regulatory tool. She noted that 20' was the width of an alley. She stated that applied to certain industrial and commercial zones and still required the 600' separation from schools, churches, parks, etc. She added that last year's discussion also addressed the definition of a casino. She said the average number of machines was 17, and the maximum was 20 machines. She said a reduction in the number of machines would pick up establishments that had 10-15 machines and then became classified as a casino. She noted that some convenience stores had up to 5 machines in a lobby area. She explained that the variables could be adjusted but for her presentation, she used 20 machines as a maximum and the 20' foot separation from residential areas.

Ms. Beaudry displayed a PowerPoint presentation that contained a map of the 102 casinos in the City of Billings, and 133 throughout Yellowstone County. She pointed out that the casinos were scattered throughout town, but focused in the commercial districts. Ms. Beaudry also displayed maps of areas where casinos were or were not allowed based on the buffer zone and separation criteria. She pointed out that most of the casinos on Grand and Broadwater would be non-conforming.

Councilmember Clark asked if non-conforming casinos could continue to operate. Ms. Beaudry explained that if the business did not operate for one year, a casino could not be re-opened in that same location. She pointed out that non-conforming status could impact a business's ability to finance improvements, so the buildings could deteriorate and result in unattractive businesses.

Councilmember Ulledalen said he was frustrated with non-conforming status and the problems that created for the future. He said he felt the concern was that there were so many casinos and nothing that could be done to limit them. He asked if an ordinance could be passed to limit that type of business to heavy commercial zones. Ms. Beaudry said businesses had to be treated fairly and zoning laws had to be followed in all the districts or legal issues could surface. City Attorney Brent Brooks said he agreed with Ms. Beaudry that the City had to be careful with the limits. He said he would have to research the issue and possibly seek an Attorney General's opinion. He noted that Bozeman faced the same situation and he would check with administration there.

Councilmember Veis asked about the differences between the 150' and 20' foot setback. Ms. Beaudry said there were quite a few on Grand Avenue and Main, but many were still non-conforming. She said the non-conforming casinos were scattered, not confined to a corridor.

Councilmember Pitman asked where the casinos should be placed. Ms. Beaudry responded that she focused on three main areas that had the least impact on residential neighborhoods: Southwest (Zoo Drive to Monad Road), downtown and east downtown Billings TIF, and along Main Street.

Councilmember Ulledalen commented that Grand Avenue could not be reclaimed. He asked if the overlay districts could have different standards. Ms. Beaudry said the overlay districts had to have the same set of standards. She suggested eliminating the overlay idea and setting regulations based on those standards, which still would not achieve concentration. She said the only way to achieve that was to develop distinct overlay districts. Councilmember Pitman said he heard comments that the issue should be considered on a statewide level to limit to the number of buildings, but allow more machines in each. Councilmember Ulledalen commented that was contrary to the stacking law. Councilmember Pitman said he did not hear that there were too many casinos; it was that there were too many buildings that were casinos. Councilmember Ulledalen said he heard from constituents about the appearance of the community. He said the established standards were not tough enough; he asked if stricter design standards could be implemented to improve appearances of the buildings. Ms. Beaudry said she had not researched that but knew enough about zoning laws that targeting types of businesses opposed to districts would be a problem. She noted that the Shiloh Road overlay district had building standards and all commercial districts could have architectural standards.

Councilmember Ulledalen advised that Billings was a trade area of 400,000 people which created the demand for businesses.

Ms. Beaudry said staff recommended the second option presented. Mayor Tussing said he did not see a benefit to an overlay district that just reduced the number of non-conforming casinos from 67 to 43.

City Administrator Volek summarized that staff recommended option 2; there was discussion of obtaining an Attorney General opinion of the number of licenses that could be issued; and discussion of seeking legislation that changed the size and number of machines for a single building. Mayor Tussing asked if the AG opinion could address location of casinos as well as the number of licenses to respond to criticism about granting casinos.

Councilmember Ulledalen expressed his concern that there were still 43 nonconforming casinos under the best scenario and if that was the case, he was not interested in doing anything. He said he was interested in regulations that limited new ones to certain areas, but did not create non-conforming existing uses.

Councilmember Veis asked how long it would take to obtain an Attorney General Opinion or letter of advice. Mr. Brooks estimated it would probably take two to six months, but the last opinion requested took 16 months. Councilmembers agreed a letter of advice should be requested regarding limits on the number of licenses and locations. Councilmember McCall suggested not seeking legislation on the issue. Mr. Brooks stated he could contact the Department of Revenue and/or the Attorney General for a preliminary review.

Councilmember Ulledalen asked if other cities had similar concerns. Ms. Beaudry said she heard several cities regulated the casinos with standards similar to bars and taverns, or created overlay districts. She said she heard there was something pending in Bozeman that would challenge its overlay district. She said a study was completed on Montana communities and most had either standards or overlay districts.

Councilmember Ruegamer asked why the Council cared how many casinos were in the City. Councilmember Ulledalen responded that it was because of constituent complaints. Councilmember Ruegamer said there were over 100 and they were being supported, so the complaints came from people who did not visit them. He said pawn shops could be regulated too because they contributed to drug use and burglary. Councilmember Gaghen said quality of life was the reason people complained about casinos. Councilmember Veis said it was about how the casinos looked in 20 years. He said something should be started now because it would not change immediately. Councilmember Ulledalen said his biggest concern was to keep other areas from turning out like Grand Avenue.

A short break was taken.

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| TOPIC #5 | <i>Council Strategic Planning (Strategic Plan, Budget Planning)</i> |
| PRESENTER | |
| NOTES/OUTCOME | |

Councilmember Ulledalen referenced the document adopted January 2007 as a result of the strategic planning process. He pointed to highlighted items that had not been addressed at all. He said options were to decide Council had done enough and it could be updated, or work could continue to enhance it. He said part of the process could lead to questions for the citizen's survey. He said another aspect was the lack of continuity from prior councils to know what they were working on or trying to accomplish. He suggested forming a subcommittee of Councilmembers that could identify specific ideas and next steps. Councilmembers Ruegamer, McCall, Pitman and Ulledalen agreed to serve on that subcommittee.

City Administrator Volek offered an observation that the current document did not reach out to every department and the subcommittee might want to consider that. She said each department could identify its own goals. Councilmember Clark commented that a plan could not be created that addressed every department. Ms. Volek said the community was a growth community and the issues it faced were growth issues.

Mayor Tussing asked how much involvement there was by employees. He said the Council did not interact with groups as a Council, although individual efforts could have been made. He said the Council did not take the plan public. Councilmember Ulledalen said he gave two presentations.

Councilmember Ulledalen said he was critical of the community as a whole because there were organizations within the community that were doing strategic plans and there was no communication with each other. He said efforts needed to be coordinated. He stated he felt the subcommittee should determine which groups to reach out to in a structured manner.

Councilmember McCall asked if the prior strategic planning process was facilitated. She said it did not appear to be a working document which most strategic plans ended up being. She said it needed to be reshaped and goals and objectives needed to be identified so it was a working plan. Mayor Tussing said that was the intention, but the follow-up was not done.

Councilmember Clark stated that a good deal of time was spent on that plan and something should be done with it, even though, in the end, he did not feel it was the best

effort. Councilmember Veis said there were some accomplishments and consensus was that those items should be acknowledged and supported. Councilmember Clark commented that parts of the plan were vague and it was difficult to use as a concrete measuring tool. He said more definite goals were needed to measure during a City Administrator evaluation.

Councilmember Ulledalen advised that budget planning was really budget priorities and he wanted to have that discussion at the next meeting. Councilmember Clark said the citizen survey was needed so Council knew what people valued and what could be reduced. Councilmember Ulledalen said the City needed to be prepared to work with the feedback objectively. Mayor Tussing commented that it was necessary to get responses from all the neighborhoods. He noted that a good deal of hard work went into the Police Department surveys to get representative responses.

Councilmember Ulledalen advised the subcommittee would get together to work on ideas to present at a future work session.

Additional Information:

Councilmember Ronquillo said he was approached by the downtown Purple People about beer cans and bottles that had to be picked up in front of Aphrodite's Inferno each morning even though that establishment did not have a liquor license. City Administrator Volek said she had not heard about that situation but would check into it. Councilmember Veis suggested taking photos of the site.