

# City Council Work Session

5:30 PM  
Council Chambers  
February 4, 2019

## ATTENDANCE:

Mayor/Council (please check)  Cromley,  Yakawich,  Neese,  Ewalt,  Joy,  Friedel,  Gibbs,  Ronning,  Mayor Cole

CM excused: Clark and Brown

ADJOURN TIME: 9:41 PM – Closed Executive Session began: 9:45 PM

## Agenda

<b>TOPIC #1</b>	<b>Quarterly Updates</b>
<b>PRESENTER</b>	Various Staff Members
<b>NOTES/OUTCOME</b>	

5:35 PM

- **Billings Industrial Revitalization District (BIRD) -**
- Tim Goodridge reviewed the report previously submitted. 53 lights are left to install with MDT and MRL easements coming. New lights have improved the appearance of the area. Banners will be added, too. A bus tour will be held for Council in the spring of 2019. Working on landscaping and recruiting volunteers. 55 more trees to be installed. Interest with county islands in the EBURD to annex.
- Mayor – changes 5 years from now?
- Goodridge – trade and technology focus for new businesses. There are a lot of old warehouses that can easily be restored and reused for other uses.
- Gibbs – voluntary annexation?
- Goodridge – Yes, has to be. If those county islands annexation, will be included in the TIF district. Hope to have all those annexed by August 2019 to include in the tax year. Legislature made it so TIF dollars cannot cross into County.
- Gibbs – looking at property along Exhibition?
- Goodridge – would love to get those properties – it's a hospitality district with plans.
- Ewalt – originally started in 2006?
- Goodridge – 2021 termination, but can be extended due to the bonding. Bonds can only be issued to the 15<sup>th</sup> year of the district, cannot be issued beyond that. In 2015 a 25-year bond was issued.
- Mayor – which county islands have City services and what are the terms?
- Goodridge – uncertain of terms, formulas for development for annexation as stated by City.
- Ronning – Red Oxx build out close to completion?
- Goodridge – no. Berms and staging is scheduled for this summer. Red Oxx very innovative.

- **Downtown Billings Partnership (DBP) –**
- Katy Easton, reviewed events. Searching for development director since October. 3 candidates out of 7 were interviewed. Offered the position to 1, but due to personal reasons the candidate could not commit beyond 12 months. The Board chose not to hire that candidate. Will be searching again next month and redo the job description. This position will manage the TIF district. Business recruitment, retention and expansion. Downtown Business Alliance (DBA) will be moving its offices to the old Meadowlark Gallery location. Extended invite to attend annual meeting 4:30 pm on Wednesday, at Community Leadership and Development offices. The funds for the development director are being saved and not reallocated at this time.
- Friedel – Going into the red – how will this be handled in the new year?
- Easton – great opportunity to look at other avenues of funding, grants and state funds. 0% growth and there may be another devaluation of the district. A couple of new projects may help the tax rolls this year. Funding in place for all programs. Should not need to renegotiate development agreements with recipients.
- Friedel – when will renegotiation happen?
- Easton – agreements state distributions can change as money is available. Good until 2032 for bonding.
- Mayor – moratorium on new grants?
- Easton – encourage people to still put together project application. Hope to partner with other economic developments agencies for other sources of funding.
- Neese - \$6.5 million in outstanding projects.
- Easton – no, those are all committed obligations, will enter into development agreements.
- Ronning – Negotiating the distribution of candy during parades?
- Easton – built upon the City ordinance and had help from the Police Department. It is a safety issue. Creates gaps in floats and people walk through gaps. Have other options to consider.
- Mayor - try barricades?
- Easton - use cones and ropes, but are often easily moved.

6:00 PM

- **South Billings Urban Renewal District (SBURA) –**
- Steve Zeier, Zeier Consulting, billing error was made in 2016, \$38,422.50 overpayment, and was discovered during a citizen request. Accept responsibility and explain proposed remedies of repayment. Reviewed projects - Midland Road improvements, The next large project - King Avenue East will have design challenges.
- Mayor – repayment from Steve Zier – will work with SBURA Board. Are we in agreement on the amount?
- Kris Kukulski, City Administrator – yes, Finance Department has issued a letter identifying the overpayment.
- Mayor – how can we make sure this does not happen again?
- Kukulski – Almost all contracts, they are entered into finance system and flags so overpayment don't happen. This contract is paid by SBURA, and not the City, however, that will be required in the future – all contracts will be entered into the City's finance system. All overpayments will be flagged with our accounting system.
- Ewalt – amount bonded?
- Zeier – all bonded. 2 bond issue projects in 2014 & 2016. Total \$600,000. Orchard project – cash flow issue.
- Ewalt – when do those bonds expire?

- Zeier – 2036
- Mayor – earmarked funds for aquatics and recreation center?
- Zeier – monies related to this is a Capital Improvements Program and not \$25,609,000 is cash on hand. When the project is more clear on how to be built, etc., that will be the time for bonding. Plan on a 5-year time plan.

6:15 PM

- **Budget** – Andy Zoeller, Finance Director - highlighted revenues are over 50%, license and permits are 19% because franchise fee from Charter has not been received at the time of report, but has been received now. Talked about 2 lump sum payment for gas tax – 2<sup>nd</sup> and 3<sup>rd</sup> quarters. Expenditures – all around 50% and a couple are over, potential budget amendments for those in the future.
- Mayor – More money comes in the first payment than the 2<sup>nd</sup> payment. Why not budget differently – 55% rather than 50%?
- Zoeller – budget annual totals for every fund.

6:20 PM

- **Health Fund** – Karla Stanton, HR Director - \$8.2 million in reserves and is very healthy. Have had good luck – No rate increases. Investing in wellness – Healthy Is – have over 50% of employees involved. This has never happened before. Changed the incentives for preventative care.
- Gibbs – available to Councilmembers?
- Stanton – if you are on the health plan.
- Friedel – revenue for health insurance activities going up?
- Stanton – contributions have not increased in the last 3 years.
- Variances can occur with employees on high deductible plan and vacancy savings.
- Ewalt – negotiate health savings?
- Stanton – RFP to go out this fall and make a decision for January 2020.
- Kukulski – very impressive self-funded plan results. Competitive nature of the health fund works in Billings, not seen anywhere else.

6:28 PM

- **Initiatives** – Chris Kukulski –February 19<sup>th</sup> – nothing else to add.

6:31 PM

- **City Wide Park District 1 Projects** – Mike Whitaker, overview of projects.
- Optimist Park Playground will be back this spring to finish the pre-school equipment. Parks staff removed old equipment and will put fall protection in place to reduce the costs.
- Coulson Park master plan – waiting on State.
- Rose Park Playground equipment – need approval from the state to complete.
- Rebuild Central Park Tennis Court – if secured funds from State, courts should last 50 years.
- Centennial Park – grade, irrigate and seed the area, Parks staff will demolish existing buildings, tree planting – use volunteers.
- Gibbs – treated water comes from?
- Whitaker – City water by 2 inch water line. Will upgrade to 3 inch. Discussed using treated water versus ditch water and wells and how that impacts the budget. Construction this spring will last 6 months.
- Yakawich - rebuilding of Central Park similar to Pioneer Park construction? Land Water Conservation Fund savings?

- Whitaker – yes, roughly the same. LWCF match is 50%.
- Yakawich - CIP indicates South Park for 2020? LWCF funding available?
- Whitaker – uncertain of year. Could use LWCF funding.
- Yakawich - Please keep an eye on that – South Park tennis courts are in bad shape.
- Neese – Hawthorne Park updates?
- Whitaker – replaced the playground equipment and received a large grant to make it inclusive.
- Mayor - Centennial Park – desperately need general use area. Dog Park and fencing. Entry way and double gate fencing, will not include perimeter fencing until \$87K is found.
- Whitaker – looking to dog groups or an organization to help fund.
- Ewalt – tennis court costs?
- Whitaker – approximately \$600,000.

6:46 PM

- **Code Enforcement** – Nicole Cromwell, Code Enforcement Supervisor – 5 of the dirty dozen have been cleaned up and are now off the list. Reviewed the new list.
- Joy – complimented Code Enforcement for efforts.
- Cromley – Needs for a full time director for Code Enforcement.
- Cromwell – During Council's priorities, hopefully this will receive rise to the top.
- Yakawich – Code Enforcement is as important as Police.
- Wyeth Friday, Planning Director – Further discussions on February 19<sup>th</sup> as carry-over from January 26<sup>th</sup> Strategic Planning session. Cromwell's position is ½ Zoning Coordinator and ½ Code Enforcement.
- Yakawich – any way to increase effectiveness with judicial system to get these moving forward.
- Friday – working with Municipal Court now to smooth out wrinkles.
- Mayor – would it help to have a Councilmember attend court hearings as support.
- Cromwell – can notify councilmembers when hearings are scheduled.
- Mayor: can City purchase some of these properties and cleaning it up for resale. Worthwhile?
- Cromwell – known as land banks – some cities have – Billings doesn't have such a thing. One may be set up if Council decides.
- Kukulski – happy to look into and it is very important. Look at resources to make a meaningful movement toward this.
- Neese – is the list of properties growing?
- Cromwell – there are probably 4 dozen in various stages. There are probably 80 cases ongoing.
- Ewalt – Are there rechecks on complaints to see if something has been done?
- Cromwell – yes.
- Ewalt – send a thank you to those that comply?
- Cromwell – work into mapping a gold star or something for properties that comply quickly.

7:14 PM

- **Police** – Chief St. John, new officers have been hired – 11 females at 7% with other minorities 12% - perpetually short. 153 sworn officers and down 4. Retirement, 2 pending and 1 deployed. Reviewed 9 beats, 3 shifts were day. Have created sectors and evened out the workload and allowed them to respond quicker. Allows more assistance in hot spots. Costing more in O&M for gas, etc. Provided maps indicating where and what types of crimes are occurring. 5 to 6 calls cannot be helped due to saturation. 10 calls an hour on average, 16 officers are needed. 15 calls an hour would require 24 officers to keep up with workload.
- Yakawich – great charts and overview. Mentioned concerns about speed on 6<sup>th</sup> Avenue North. Consider adding another minute to traffic lights?
- St. John – could increase patrols to the area for a while, but leaves other areas unpatrolled.

- Ronning – dealing with illegal street racing?
- St. John – if known, will get there. Have tried to get coordinated effort to get on a race track. Have a zero tolerance policy and go to well-known areas.
- Mayor – Reviewed the number of calls graph.
- St. John – worst case scenario is 9 officers minimum, which does not occur often. Average is 13.

7:31 PM

- **Fire Department Paramedic Program** – Chief Rash, working more collaboratively with the Police Department and have been for the past several years. Advance Life Support Paramedic program was approved for FY2019. Explained partnerships. Provided an overview of equipment that has been installed and are operational. Explained Med Vaults security and custody chains and training for various paramedics and credentials. Explained how the FTO process works.
- Friedel – explain Med Vault. How many kinds of meds on a truck?
- Rash - Saline, epinephrine, albuterol, cardiac meds for immediate use. 12 different kinds – Narcan, too.
- Friedel – same education for the paramedics as with pharmacists?
- Rash – long term, well educated people in charge. Work closely with medical director. Interviews and reviews procedures.
- Gibbs – Metrics to track how many lives saved?
- Rash – yes – monthly reports on saves, and medical procedures. Information will be reviewed regularly.
- Gibbs – share information with Council?
- Rash – yes.
- Yakawich – does AMR reimburse BFD for whatever equipment is used?
- Rash – we are in the process of an MOU that if BFD uses something for a customer, AMR will reimburse.

7:54 PM

- **Public Comment:**
- Kevin Nelson, 4235 Bruce Avenue, Billings, Montana: provided a hand-out. CA Volek stated that government financing can be one onto itself. SBURA, \$110K for professional services. Zeier Consulting, etc. Contract ended on December 1<sup>st</sup>. There is an extra payment – 5 quarterly payments. Need an independent auditor to review SBURA's budget.
- Scott Hanser, 430 South Billings Blvd., Billings, Montana: unanimously support Steve Zeier. Without him a lot of projects would not have been completed.
- Gibbs – board has a vote of confidence for Steve?
- Hanser: Yes.
- Mayor – agree that an overpayment has occurred.
- Hanser – Absolutely.
- Chuck Barrett, 314 Calhoun Lane, Billings, Montana, SBURA: stand behind Steve. There has been an overpayment – wants things done – King Avenue East – Newman Lane – Calhoun Lane – Orchard Lane – Jackson Street – Midland Road – Amend Park. Steve has been a part of all of this and without him this would not have been accomplished. There is still more to come and Steve Zeier works hard to see these projects through.

RECESS: 8:09 PM

RECONVENED: 8:12 PM

<b>TOPIC #2</b>	<b>City &amp; Urban Renewal District Memorandums of Understanding (MOU's)</b>
<b>PRESENTER</b>	Wyeth Friday, Planning Director
<b>NOTES/OUTCOME</b>	

- Friday – Reviews information in the agenda packet. Stated SBBURD and EBURD expire in February 2019. Downtown District technically expired a while ago, although there was language in the MOU that indicated it could continue from year to year unless parties wished to cease. New terms for 5 years with 90-day notice prior to any FY end for termination to coincide with budget cycle. Advisory Board may hire, contract, or coordinate with the City to retain support to administer district activities. Included City TIF Policy Elements. Outlined the MOU differences for the 3 TIF districts. Working on language details between the different TIFs. Look to bring at least the 2 expiring TIFs to Council at the end of February so there is no lapses.
- Mayor – Section 6A – removal of? Any objection? Seems burdensome.
- Friday – hasn't had an opportunity to discuss with TIF representatives. Larger picture regarding zone changes and annexations in that TIF district – there is communications. Section 6A could be removed.
- Joy – N. 27<sup>th</sup> – one City staff person is a board member, but not any of the other boards. Why? And conflict of interest should not just cover boards, but anyone that may work for them (staff).
- Friday – Can address language of conflicts of interests in the MOUs. Can look at language.
- Kukulski – Hiring staff a conflict of interest could be acceptable. But hiring contractors, too.
- Joy – yes.
- Friday – usually the City Administrator has been involved on the board for the downtown district.
- Katy Easton – could not provide history of the City Administrator on the board, but fully support that.
- Joy – If one has a City staff member and voting member – should that be for all TIF district boards?
- Mayor - Section 3C – language correction needed.
- Friday – could not offer a suggestion on whether to have staff involved in other boards, etc.
- Ewalt – anyone looked at the cost of having someone administer the TIF districts. Could we move all of the administrators of the TIF districts to one building to save costs?
- Kukulski – may hire, contract or coordinate language in the MOUs to address this suggestion. During budget time is a good time to talk about it.
- Ewalt - \$1.5 million spent between 3 TIF districts – justify the overall expense.
- Mayor – suspects is an important issue. Careful in pressing TIF districts for details. Include a basic sentence Council will expect compensation benefits are market competitive. Look at more carefully than in the past.
- Neese – what kind of structure has current CA seen?
- Kukulski – Has seen in other cities where TIF staff have been combined. Offered other examples for industrial areas, etc. There can be hybrids created as well. Suggested that be looked outside City does not have an economic development department.
- Neese – City could create one?
- Kukulski – Yes, but in good faith, would not recommend right now.
- Neese – contract services on an RFP required?

- Friday – yes. If a board was going out for services, they would be required to use the City's process. Hiring for staff would be different.
- Mayor – suggested that Steve Zeier work for the TIF for a number of hours without pay to correct for the overage in order to resolve.
- Kukulski – If MOU became effective July 1, 2019, there is a possible resolution as suggested.
- Gibbs – High altitude here – who is watching whom?
- Friday – any monies expended will have to be overseen by City now.
- Kukulski – its new to him to have a 501(3)© involved in a TIF district. TIF money is public money and it becomes a part of our audit. It is critical to have this done properly. TIFs must adhere to the City's purchasing policies.
- Gibb – considering consolidating the districts. Is that reasonable?
- Friday – to consolidate and have more City staff involvement, the board is active, it is difficult for City staff to work in that.
- Kukulski – started his career in the business economics and it is tougher to do in the governmental realm.
- Gibbs – Any super TIF considered?
- Kukulski – Speaking about legislation – would get creative – sensitive to TIFs. Value capture mechanism in the One Big Sky Plan, legislation is being drawn up.
- Yakawich – Attended EBURD meetings and SBBURD, a lot of vitality in the independence of being away from the City. Embraces this and supports biennial training and include Council in that effort.
- Friday – will be included in the MOUs.
- Neese – Are these organizations required to do audits and turn over financial data? Needs to be uniform information.
- Kukulski – audits are included in the City's audit, however, any 501(3)© would do an audit separately as that is not taxpayer or City funds.
- Neese – ???
- Mayor – does MOU outline the City's TIF policy that allows for flexibility for financial reporting requirements.
- Friday - yes
- Mayor – MCA, Section 7- outlines requirements.
- Kukulski – is pretty clear, but can be reiterated.
- Mayor – make sure we get financial reports. Specific deadlines and City staff turn around to avoid de facto decisions.
- Brent Brooks, City Attorney – Application would be more appropriate place for that language, rather than the MOU.
- Friday – will come up with language.

9:04 PM

- **Public Comment:**
- Tim Goodridge, EBURD – time concerns were to keep the City staff's feet to the fire. Instead of dictating specific dates, thinking about 60 days to get an answer.
- Mayor: are you okay with the MOU?
- Goodridge – changes seem minor.
- Neese – 60 days wording changes.
- Brooks – be careful about black and white deadlines.
- Kevin Nelson, 4235 Bruce Avenue, Billings, Montana: – RFP process together for non-profit. Nothing special. Do not renew SBBURA MOU, mismanaged by the board. Gave examples – no

accountability. Speaks about buy-sell being signed before the SBBURA meeting, before it was actually voted upon doing it. Stated SBBURA is not adhering to contract.

- Scott Hanser, 430 South Billings Boulevard, Billings, MT – Draft MOU is a cooperative effort between City and SBBURA to enhance efforts, etc. He stated that the TIF Districts will all be held to more restrictions. Stated all 3 TIF districts are very different from each other and their needs and ideas are different, too.
- Friedel – formalizing the TIFs now.
- Hanser – great – need to continue to grow. Support having consultants in each group.
- Yakawich – has been attending SBBURA for years – sees the revitalization that has occurred over the years.
- Ronning – understand that boards are full of volunteers, thanks the TIF volunteers.

9:19 PM

<b>TOPIC #3</b>	<b>Council Discussion</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Ronning – a year ago Brewster and Ronning worked on TIF policies with Wyeth. Values having a Councilmember on each board.
- Friedel – recommend having a non-voting member of the Council to avoid conflicts.
- Neese – recommend financial reports for the health of the TIF district – need a 1:5 ratio and cannot see that with the current finance reports. Need more information to give a broader understanding.

9:22 PM

<b>TOPIC #4</b>	<b>Public Comment on Items not on the Agenda</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Kevin Nelson, 4235 Bruce Avenue, Billings, Montana: – bid award process is being compromised. Refers to Zeier Consulting – refers to Councilmember Hunsaker (aquatic subcontractor) and did not get the bid award. Questions the process. Needs the travel documents to explain what happened.
- Pam Ellis, 2080 Outlook Drive, Billings, MT – provided documents – page 9 of the One Big Sky District Development Plan – there are no references in the report. Shared concerns about the data. Key question – what happens when legislation doesn't go through? City is on the hook if the projections are not valid and don't expect it. 2 more reports are to be out by February 11<sup>th</sup>. There needs to be more transparency for the public.
- Yakawich – who is we?
- Ellis – Larry Seekens, an engineer, handout includes information from him.
- Neese – 2 reports? When will they come out?
- Kukulski – indicated there are 3 supporting reports – don't have the finals of them unless in his inbox now. Hands out document that is similar to what the legislators received.
- Leo Barsanti, 3316 Pipestone Drive, Billings, MT – Refers to Billings Gazette article regarding street lights. Refers to a rate hearing before the Public Service Commission (PSC) and encourages City to get involved. Stated the public is being overcharged for street lights. Tom Towe's law passed in 1975.

- Friedel – Concerning LED lights?
- Barsanti – Yes.
- Ronning – suggested Tom Woods representation regarding Northwestern Energy.
- Ewalt – City also puts in street lights under 20-years.
- Barsanti – that is not what is happening with private utilities – their costs are going on in perpetuity.
- Friedel – had a conversation with Commissioner O'Donnell about this.
- Mayor – Has had contact with Don Olson that there is an interest to transfer some districts to the City for this reason and to help with the esthetics.
- Kukulski – Correcting statement – 5:30 pm received 3 supporting documents. Will place on the website.

Adjourned: 9:41 PM

Closed Executive Session at 9:45 PM