

SPECIAL MEETING OF THE BILLINGS CITY COUNCIL

July 1, 2002

The Billings City Council met in regular session in the Council Chambers located on the second floor of the Police Facility, 220 North 27th Street, Billings, Montana. Mayor Charles F. Tooley called the meeting to order and served as the meeting's presiding officer.

ROLL CALL – Councilmembers present on roll call were: McDermott, Bradley, Brown, Brewster, Iverson, Kennedy, Poppler, Ohnstad, Jones and Larson.

ADMINISTRATOR REPORTS – Dennis Taylor.

- Mr. Taylor noted that the items on the agenda this evening were items proposed for the FY 2003 agenda that had been postponed for consideration tonight.

SPECIAL AGENDA:

1. RESOLUTION 02-17860 approving and adopting postponed items for the FINAL Budget for FY 2003. Public hearing held 6/10/02. Final budget (LESS these postponed items) was adopted 6/24/02. Staff recommends approval of postponed items and inclusion in the Final FY 2003 budget. (Action: approval or disapproval of staff recommendation.)

(A) PROPOSED BUDGET ITEMS POSTPONED FOR ADDITIONAL CONSIDERATION:

- (1) Classification & Compensation Study;
- (2) Facilities Manager Supervisor;
- (3) Baseball Batting Cage Operation;
- (4) Full time Position for Parks Maintenance Districts;
- (5) Funding for the Implementation of the City-wide Arterial Streetlight District;
- (6) Downtown Billings Partnership budget items
 - (a) Civic Center Development;
 - (b) Phase II of New Century Project;
 - (c) Travel budget for consultant;
 - (d) Phase II of the Defining Element;
 - (e) Phase III of the Defining Element;
 - (f) Traffic Calming Study for Montana Avenue
 - (g) BSEDA Consulting Services;
- (7) Proposed Increase in Street Maintenance Fees.

Councilmember Larson moved for approval of the postponed *Item A1 – Classification and Compensation Study* and inclusion in the Final FY 2003 budget, seconded by Councilmember Kennedy. Councilmember Jones said he understood that this study occurred every ten years and this is the eighth year point now. He said he would prefer to wait another year to do further study. Councilmember Brewster asked if this was

specific to only non-union classifications. City Administrator Dennis Taylor said this contained all classifications. Councilmember McDermott said she is retired from the federal government and her area of expertise was wage classification. She said she realized the need to correct the documentation but is not sure what process would be successful. She said more time is needed to ascertain what to do with it. Councilmember Kennedy asked if the Council should consider professional advice. Councilmember McDermott said she would prefer input from other cities first as to how they are doing this. She said she would like to talk with federal folks as they are the "experts" on classification. Councilmember Larson asked if Councilmember McDermott was proposing the federal government would provide parts of the study for free. Councilmember McDermott said she was proposing to request the information from the federal government because they are the experts. Councilmember Jones said these are issues that he would like to have more time to investigate. Mayor Tooley noted that this item is not mission critical this year, however he noted that there are reserves to expend on a one-time expenditure of this nature. Councilmember McDermott said she is not opposed to approving this item, but she said she thinks there should be further investigation before the Council funds this study.

Councilmember Larson made a substitute motion to include the compensation and classification study in the FY budget with the recommendation that it would depend on staff supplying a scope of work for the contract for Council approval before expending funds on the study, seconded by Councilmember Ohnstad. Councilmember Larson said this allows the Council to move forward and address Council concerns. Councilmember Brown asked why the study is being done two years in advance of the time it is required to be done. City Administrator Dennis Taylor replied that the time needed to complete the study will be 12 to 15 months. Then there would be additional time needed for implementation. Councilmember Brewster commented that he appreciates the substitute motion but has not had a good experience with this in other organizations. He noted that the scope of work was too narrow. Councilmember Bradley said these classification and compensation studies paint the Council into a box. He suggested funds be earmarked for the study and the study done at a later date. On a voice vote for the substitute motion, the motion was unanimously approved.

Councilmember Larson moved for approval of *Item A2 – Proposed Facilities Manager Position*, seconded by Councilmember Iverson. Councilmember Jones said he thinks the facilities manager position is probably beneficial to the City, but would like to see the results of the current study before authorizing and funding the position. Councilmember Brewster said he supports the need for a professional person, skilled in facilities management. Mr. Taylor noted this was one of the ideas brought to the Council retreat in December. He said the study is to be completed in September of 2002. He added this budget anticipates that if the study recommends the creation of the facilities manager position it would bring existing resources and this position into this single function. He said this also anticipates a decision the Council will make down the road. Councilmember Iverson said she thinks this is a money saver because facilities management could consolidate work to get a better price. She noted that one person should be responsible for all facilities management. Councilmember McDermott asked if the City would centralize purchasing under this department. Mr. Taylor said it was not the plan to move the current purchasing and procurement program from the

Administrative Services Department, but would be consolidating all the decisions that are made with regard to repair, maintenance and space allocation. Councilmember Brown asked what the salary range for this position would be. Mr. Taylor said it would be classified under the present system and then recruited on that basis.

Councilmember Jones said he thinks that we have the cart before the horse. There are people doing a lot of the maintenance. He said he would like to see the study completed and he noted it may be possible to utilize an existing person and the Facilities Manager position may not be needed. Councilmember Larson suggested that he doubted that the City could get someone of the caliber they expect for the low salary the City is proposing. He noted this person would be responsible for maintaining facilities for the long-term and the City could be saving substantial amounts of money with a good manager. Councilmember Bradley said he doesn't disagree with what has been said, but is concerned that the City would be creating another department that will require additional staff in the future. Councilmember Ohnstad said he envisions this position as someone who would alleviate other department heads from dealing with the maintenance issues that arise in their areas. On a voice vote, the motion was approved with Councilmembers McDermott, Poppler and Jones voting "no".

Councilmember Larson moved for approval of *Item A3 - Baseball Batting Cage Operation*, seconded by Councilmember Brewster. Councilmember Jones said he wants to see this item put out for bid. He suggested that it could be funded through the end of the year and then give the private sector an opportunity to present bids for its operation. He is concerned that it is a financial risk for the City and would prefer that someone else took that risk. Councilmember Jones made a substitute motion to fund Item A3 through the rest of this year (an amount of \$10,500) then put the operation out for bid, seconded by Councilmember Brewster. Councilmember Larson noted that alternative #3 of the staff report would be a more reasonable approach.

Councilmembers Jones and Brewster withdrew their motion and second.

Councilmember Jones made a substitute motion to approve alternative #3, which authorizes the necessary expenditures to operate Pogie's Pitchers and directs staff to issue an RFP for private operation of that facility in 2003, seconded by Councilmember Brewster. On a voice vote, the substitute motion was unanimously approved.

Councilmember Larson moved for approval of *Item A4 - Full time Position for Parks Maintenance Districts*, seconded by Councilmember Bradley. Councilmember Jones asked how the proposed position would not increase assessments to the surrounding property owners. Parks and Recreation Director Don Kearney said they bill for the actual time spent. He noted that the problem is that existing Park Maintenance Districts are not getting the services they should be such as fertilizing and tree care. Councilmember Jones asked if the position would be supervisory. Mr. Kearney said the position would supervise seasonal employees only. Councilmember Iverson said it only makes sense to fund this position as the City is increasing the amount of land that must be cared for by the Parks Department which is currently understaffed. On a voice vote, the motion was unanimously approved.

Councilmember Larson moved for approval of *Item A5 - Funding for the Implementation of the City-wide Arterial Streetlight District*, seconded by Councilmember Bradley. Councilmember McDermott said the Council needs to stop the study and implementation of this item. She said she sees it going the same way as

the street maintenance fees and consequently burdening the same people. She said she has a problem with charging the residential neighborhoods with the cost of the arterial lighting. Councilmember Iverson asked Councilmember McDermott if she was against the arterial street lighting districts or just how they are funded. Councilmember McDermott said she is not sure. She said if the City has to charge residential districts with the arterial light costs, the issue must be dealt with. However she said she is opposed to charging City residents for the arterial street lighting and charging by the square foot rate. Mayor Tooley said this is a fairness issue about charging adjoining property owners for arterial lights that the entire community uses and benefits from. Councilmember Larson said the urgency for this issue may not be there right now, but a resolution needs to be made at sometime. Councilmember Jones said the study for this item was voted down, therefore the implementation should not be funded. Councilmember McDermott said this could be handled in-house instead of with a big outside study. Councilmember Bradley noted it was unfortunate that the study was not completed. He said there are a number of issues with this item. On a voice vote, the motion failed. The item was not included in the FY 2003 budget.

Councilmember Larson moved for approval of *Item 6A - Downtown Billings Partnership budget item (a) Civic Center Development*, seconded by Councilmember Kennedy. On a voice vote, the motion was unanimously approved.

Councilmember Larson moved for approval of *Item 6A - Downtown Billings Partnership budget item (b) Phase II of New Century Project*, seconded by Councilmember Ohnstad. Councilmember Poppler asked what control the Council has in approving this item. Assistant City Administrator Kristoff Bauer said this provides funding if the Council authorizes Phase II of the New Century Project for the downtown. He noted that Phase I must be completed prior to the start of Phase II. Councilmember Brewster noted that the budget is already approved for the Downtown Partnership portion and asked if they have flexibility in spending this budget. City Administrator Dennis Taylor said this recommendation would budget funds for specific line items. Councilmember Jones asked where it says that the Partnership can't expend money on something other than what has been authorized. Mr. Bauer said the budget document contains a re-allocation process if they want to move money from one line item to another. Councilmember Jones asked if they would have to get Council approval for projects before they can expend money for individual items. Mr. Bauer said "yes", this is stated in the contract with New Century. Councilmember Larson said only the New Century contract requires the additional step of Council approval, all others have been given budget authority. Councilmember Jones amended the motion to require Phase II to come back for Council approval before they can expend the budgeted monies, seconded by Councilmember Brewster. Councilmember Larson said the "they" refers to downtown property owners and business people engaged in a public process that states how "they" want to spend tax money that "they" are currently paying. These are tax dollars that "they" want to use to improve the downtown area. He said he wonders why the City created the Partnership if the Council is going to require Council approval for their budgetary actions. He noted ten years ago the downtown area was dying and today it is in the process of a revitalization due to the work of the Downtown Partnership. He said the Council is starting to lose their focus; that if these projects are stopped now, the result will be half finished projects. If the Council does not like the

projects, they have an obligation to attend and participate in the public process that oversees them. Councilmember McDermott said there are areas lacking with the Downtown Partnership process. There needs to be better communication and more involvement in what is happening in the downtown area and with the Partnership process itself. She said she thinks the Council is saying there needs to be more accountability. Councilmember Poppler commented that the confusion in reporting looks like a “sloppy job of supervision” on the Skypoint project. On a voice vote, the amended motion was unanimously approved. On a voice vote, the motion as amended was unanimously approved.

Councilmember Larson moved for approval of *Item 6A - Downtown Billings Partnership budget item (c) Travel budget for consultant*, seconded by Councilmember Bradley. On a voice vote, the motion was unanimously approved.

Councilmember Larson moved for approval of *Item 6A - Downtown Billings Partnership budget item (d) Phase II of the Defining Element*, seconded by Councilmember Bradley. Councilmember Jones said he felt this project was very mismanaged but would probably support the motion. Councilmember McDermott asked if the Downtown Partnership has a fiscal policy and can the Council discuss it. She also asked if an audit is done. Finance Director Robert Keefe said the Downtown Billings Partnership is not required to have an audit. He said the project records flow through the City's financial records and are included in the City's audit. He noted that only the Downtown Billings Partnership budget itself if not audited, however they have an accounting firm that oversees their operating budget. On a voice vote, the motion was unanimously approved.

Councilmember Larson moved for approval of *Item 6A - Downtown Billings Partnership budget item (e) Phase III of the Defining Element*, seconded by Councilmember Bradley. Councilmember Jones said he thinks the Council should wait until Phase II is completed with the three sails before considering spending \$95,000 to add the two remaining sails. He said three sails may be sufficient. On a voice vote, the motion was approved with only Councilmember Jones, Brewster, Poppler, McDermott voting “no”.

Councilmember Larson moved for approval of *Item 6A - Downtown Billings Partnership budget item (f) Traffic Calming Study for Montana Avenue*, seconded by Councilmember Bradley. Councilmember Jones said he doesn't think we need a traffic calming study, but rather a study to get traffic across town. He requested more details before considering this item. City Administrator Dennis Taylor said the situation is that it is difficult for a person to get out of a car on the passenger side on Montana Avenue, or to cross Montana Avenue, because of the speed of travel on that street. He said there is a need for a study to recommend safer alternatives to the rapidly moving traffic on Montana Avenue. Councilmember Brewster said he is familiar with this problem and said the answer is to find an alternate route for this traffic. Councilmember Poppler noted that Montana Avenue is part of the State Highway system and the Council may need to include them in discussions of this nature. She said that an alternative should be looked at that includes several streets being changed back to a two-way direction. Councilmember Larson said he thinks the Council is looking at only part of the iceberg on this issue. He said he doubts that the \$10,000 will address the entire City traffic problem. He said the calming study will have implications for all other streets as well. He noted the study starts

the process and will create the need for future studies on the many traffic issues in the City. He said the Council should resist the idea that they can “engineer” a solution. What is needed is professional input and assistance. Councilmember Brewster said slowing down the traffic in the East/West pattern is only going to make the traffic more of a congested problem than it already is. Councilmember McDermott said she doesn’t want to see this small traffic study suggest vertical packages, diagonal parking and bulb-outs as a solution. She would like to see something a little bit broader than concerning just Montana Avenue. Councilmember Brewster said he agrees that this study is too narrow in scope. On a voice vote, the motion was approved with only Councilmembers Brewster, Brown, Jones and Poppler voting “no”.

Councilmember Larson moved for approval of *Item 6A - Downtown Billings Partnership budget item (g) BSEDA Consulting Services*, seconded by Councilmember McDermott. Councilmember Jones asked if this concerns only Big Sky Economic Development Association as the only consulting service. City Administrator Dennis Taylor said the BSEDA consulting services line item would cover grant writing services for the Downtown Partnership by BSEDA as well as any other incidental consulting services like real estate attorneys that the Partnership may require in its downtown revitalization efforts. On a voice vote, the motion was approved with only Councilmember Brown voting “no”.

Councilmember Larson moved for approval of *Item 7A - Proposed Increase in Street Maintenance Fees*, seconded by Councilmember Iverson. Councilmember McDermott said she has concerns about this issue as it would apply to large residential lots. She said she thinks it is premature to increase assessments until the committee comes up with a solution for those large lots. She noted that in talking with Public Works Director Dave Mumford, he had several suggestions to make the assessments more equitable. Councilmember Jones asked if the idea in the financial impact proposal would be to create a reserve to cover the City’s expenses. Finance Director Robert Keefe explained that the increase will help meet cash flow needs, but will not build up reserves to the desired limit. With the 9.5% rate increase the City anticipates building reserves up to \$400,000. Without the increase, the City will have a reserve of only \$219,000. Without the increase the City will need to ask for loans from the General Fund twice year, he added. Councilmember Iverson asked why the recommendation did not include transferring the burden of the larger residential lots onto commercial lots and could this issue be postponed until the discussions about the solutions could be completed. Mr. Keefe said the assessments must be to the County by September, therefore the time is limited regarding postponement. He further stated that discussions with Mr. Mumford about the suggestions he may have would require changes in the State law. Councilmember McDermott noted that this same discussion took place a year ago and she thinks that voting against the rate increase this time would put discussions for solutions back on the table. She said there are two options that should be discussed, one of them being commercial property being charged the same as residential. Mr. Keefe clarified that the methods of assessing properties are governed by State law. Councilmember Brewster questioned whether residential property assessment cannot be capped. Mr. Keefe said under current State Law the City cannot distinguish between residential and commercial properties with regard to assessments. City Administrator Dennis Taylor said in order to address the equity issue the City would

have to go to the State Legislature and request changes to the current State law. He noted that the issue at hand is the cash flow issue. On a voice vote, the motion was approved with only Councilmembers McDermott, Brewster and Bradley voting "no".

(B) DISCUSSION OF COUNCIL INITIATIVE PROPOSED BY COUNCILMEMBER POPPLER: Reopening the neighborhood wading pools that were closed previously by the health department and hiring appropriate students and/or seniors to supervise them.

Councilmember Larson moved for approval of Item B, seconded by Councilmember McDermott. Councilmember McDermott made a substitute motion to move \$100,000 from the Fund 491 Aquatic Facilities Construction Fund to a Fund for making the transition of Highland Park Wading Pool into a splash park, plus \$50,000 from Community Development monies South Park has received, seconded by Councilmember Poppler. Councilmember Larson called attention to alternative #2 of the staff report that recommends reconstruction of the wading pools and prioritizing Highland Park pool. Councilmember McDermott said she is asking for enough money to cover the cost of reopening the wading pool at Highland Park to comply with State law. Councilmember Iverson asked what the operating cost of the wading pool, outside of construction cost, would be. Parks and Recreation Staff Member Joe Fedin said it would be \$6,000 to \$7,000 per pool per year to operate. Councilmember Brewster said the Heights also had a wading pool that was closed, leaving the Heights with no pool facilities at all. Councilmember Poppler stated her initiative was intended to reopen all three wading pools at Castlerock, Veteran's and Highland Parks. She said she is not advocating spray pools, but only chlorinating and re-opening the wading pools. Councilmember Larson noted that construction of the wading pool to comply with State law would take approximately three months and would not be ready until next summer. Mr. Kearney confirmed that was correct and noted that to open the wading pools without the construction of the circulation system that is required by State law would result in a misdemeanor fine. Councilmember Ohnstad asked why the Council was even having this discussion when it is against the law. He noted the only solution is to put in a circulating filter. Councilmember Poppler amended the motion to offer the same opportunity to the other two wading pools not named in the original motion (Castlerock and Veteran's Parks) to have the same system installed at \$150,000 per pool, seconded by Councilmember Brewster. Councilmember Brewster asked if the funds concerning this motion would come from the Aquatic fund or reserves. Mayor Tooley said they would come from the Aquatics Facilities Fund. Councilmember McDermott said she sees no problem with using reserves for funding these projects. Councilmember Poppler noted her motion did not specify any particular fund, she intended the money to come from the City budget. She suggested that the North Park project could come from the Aquatic fund and the other three wading pool projects from another fund - wherever the money is available. City Administrator Dennis Taylor said \$300,000 could come from the ending fund balance reserves of the General Fund. Councilmember Larson said he understands Highland Park residents want a wading pool, but what if the others want spray parks instead, he asked. Councilmember Poppler said her desire is for all kids to have access to some kind of a pool in all areas

of the community. Councilmember Ohnstad reminded the Council that a time will come when budget cuts will require that only basic services would be funded and many amenities would have to be cut or discontinued. Councilmember Larson said it should be specified in the motion that spray parks can be an option and the neighborhoods should have some input into the decision process. On a voice vote, the amendment to the motion failed with only Councilmembers McDermott, Poppler and Bradley voting "yes".

Councilmember Jones made a substitute motion to table this item until the staff can research this issue and come back with a report, seconded by Councilmember Poppler. Councilmember Kennedy asked if staff could put together a report on the alternatives for re-opening the wading pools with some cost estimates and potential funding sources. Parks and Recreation Director Don Kearney said they could prepare such a report. Mr. Taylor added they could have that ready for the last meeting in July. Councilmember McDermott said the Highland Park facility should be scheduled to open in 2003 and urged the Council to go forward with the request. Councilmember Larson said he supports getting these pools open, but as with any budget involved motion he would prefer to wait and hear from staff on how to accomplish the reopening of the pools, how it can be funded and how to elicit input from the residents. He said public input on the type of pools is critical. Councilmember Brewster said he is reluctant to remove more money from the Aquatics Facilities Fund, especially those earmarked for the Heights Pool. City Administrator Dennis Taylor suggested the Council consider these pool conversions as part of the Capital Improvement Plan for the next fiscal year. Councilmember Iverson moved to amend the substitute motion to earmark staff recommendations and the appropriate funds regarding the pools in the 2004 budget, seconded by Councilmember Poppler. On a voice vote the amendment failed with only Councilmembers Iverson and Kennedy voting "yes".

After discussion, Mayor Tooley restated the substitute motion to delay this item to 7/22/02 and direct staff to come back with a recommendation and information on how to fund re-opening the wading pools and alternatives. On a voice vote, the motion was unanimously approved.

ADJOURN –With all business complete, the Mayor adjourned the meeting at 8:15 P.M.

THE CITY OF BILLINGS:

By: _____
Charles F. Tooley MAYOR

ATTEST:

BY: _____
Marita Herold, CMC/AAE, City Clerk