

City Council Work Session

February 1, 2010

5:30 PM

Community Center

ATTENDANCE:

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

ADJOURN TIME: 7:26 p.m.

Agenda

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

- None

TOPIC #2	<i>Human Relations Committee Annual Report</i>
PRESENTER	
NOTES/OUTCOME	

Chair Claudia Stephens referred to the report of activities and accomplishments of the Human Relations Committee that was distributed to Council. She provided background on the Human Relations Committee and explained that a mediator service had been established for people that wanted to present issues to the Human Relations Committee. She said a main goal was to let citizens know that the Mayor's Office was interested and wanted to hear how things were in the community. She commented that if the committee was doing its job, the Council would not hear much from it because it would be working with existing organizations as they carried out activities to promote education and positive human relations. She said the Committee took its role seriously. She noted that members not only volunteered time, but volunteered financial assistance for printing and other costs. She said the City Administrator's office had allocated \$100.00 for the Committee to offset printing costs and she hoped that would continue.

City Administrator Volek commended the group for its identification and attention to needs in the community. She recognized that the committee had revived its mission and activities. She referred to public service announcements brought to the local television stations.

Councilmember Gaghen asked about the committee makeup. Ms. Stephens listed committee members as Diane Foley, Mike Crummett, Ian Elliot, Patt Leikam, Gwen Kircher and noted that there were vacancies on the committee. Councilmember McCall said she was impressed and asked how future tasks were identified and when the committee met. Ms. Stephens explained that input was received from the public, but the committee also worked with existing organizations to further develop their efforts. Councilmember McCall suggested an

article in the CityLink to get information to the public. Ms. Stephens said the committee would also like to make its presentation at a regular Council meeting for additional exposure.

TOPIC #3	<i>Audit Report</i>
PRESENTER	
NOTES/OUTCOME	

Financial Services Manager Pat Weber introduced Brian Chouinard, a manager from Eide Bailey, the firm that conducted the City's audit.

Mr. Chouinard provided an overview of the audit process. He said the auditors' responsibility was to express an opinion regarding whether the financial statements were correct. He noted there was nothing significantly new with the exception of debt liability. He said there were accounting estimates for items such as health claims and retirement benefit obligations.

Mr. Chouinard stated there were no uncorrected misstatements and no disagreements with management.

Mr. Chouinard reviewed the management reporting. He noted that the City had consistently received a GFOA credit of achievement and had applied for it again. He commended the staff for its hard work to achieve that accreditation.

Mr. Chouinard explained there were two findings of significant deficiencies. He said one was from a prior year and concerned inadvertent deletion of I9's prior to the allowed timeline. He said management had addressed that issue to make sure the timelines were followed. He explained the other finding concerned annexed land that was not recorded in prior periods. He said management spent a lot of time researching it and corrected the error. He said a new internal control procedure was established as a result of that error and he did not anticipate that to happen again.

Mr. Chouinard explained the review of grant compliance, legal compliance and two agreed-upon procedures. He noted that no issues were found in those areas.

Mr. Chouinard commented that the audit was a success and commended City staff for its assistance and cooperation during the audit.

TOPIC #4	<i>Fund Balance Policy Recommendation & GASB 54 Compliance</i>
PRESENTER	
NOTES/OUTCOME	

Financial Services Manager Pat Weber explained OPEB, the City's other post-employment benefit expense that was an implicit subsidy, which meant that the current employees basically subsidized the health benefits of retirees.

Mr. Weber explained fund balances and working capital balance. He noted that neither were equivalent to cash. He advised that those funds were used as indicators to see where the fund was when the budget process began. Councilmember Ruegamer asked if proprietary funds were substituted for enterprise funds. Mr. Weber explained there were two types of governmental fund classifications which were governmental and proprietary, and proprietary funds were internal service funds and enterprise funds. Councilmember Ruegamer asked why

those funds were not equivalent to cash. Mr. Weber explained it included pre-paid inventory, current assets, receivables and liabilities, and even though it was not considered cash, it was considered an indicator.

Mr. Weber explained the process taken to develop a written policy for fund balances and working capital. He said Council would be asked to approve a resolution that adopted two policies – one that related to balances in certain funds considered to be “assigned” and the other concerned working capital balance funds.

Mr. Weber explained GASB 54 - General, Special Revenue, Debt Service and Construction Funds. He explained that those were the categories that had to have fund balance reports. He noted that the information would be used during the budget process. Mr. Weber explained the Administrative Order process that would establish the procedures associated with the policies.

Mr. Weber reviewed spreadsheets that illustrated fund balances and working capital balances. He explained that about five months of funds had to be maintained to operate prior to the tax collections. He reviewed how the recommendations were developed and advised that the item was proposed for the February 22 agenda for approval of the resolution, and then the City Administrator would adopt the procedures. Ms. Volek advised that many, of what should have been policies, were adopted by Administrative Order. She explained that a policy was basically a philosophy statement that was adopted by the Council and procedures were established through Administrative Order. She noted that policies should stay in place and periodically reviewed, and the procedures were changed as necessary.

Councilmember Ulledalen referred to the park maintenance districts that were underfunded by \$185,000 and asked where those funds would come from. Ms. Volek advised that assessments would be increased over time. She said there had been a number of districts that had not been addressed for a number of years even though the costs had increased, and the Parks Department was looking into that. Councilmember Ulledalen said it was the same way with facilities. Mr. Weber explained that it occurred due to the way the debt service was treated, but that was corrected for FY2011. Mr. Weber noted that an intern reviewed the park maintenance districts this past summer and discovered there were properties not being billed that should be billed. He said Finance staff was working with the Parks Department to develop a budget for those items.

Mr. Weber introduced staff accountants present: Alene Malloy, Jim Hauck, Niki Stokke. He said they were instrumental in the CAFR process.

TOPIC #5	Yellowstone County Museum
PRESENTER	
NOTES/OUTCOME	

Ms. Volek advised that Mr. Maurice Deverill was present and would speak that evening. Ms. Volek distributed copies of minutes from a July, 2008, work session when the original presentation was made on the item. She added that she was also distributing documents from Mr. Duane Deverill, a former Billings resident who was involved in the project. She noted that the most pertinent of the documents was a ground lease and an option to purchase real property. She said what had been proposed was a 101,000 square foot museum to be located on the current Swords Park site and the 55 acres the City purchased from Mr. Kurth about three years ago. She

said Mr. Deverill's group wanted an indication from the Council before it proceeded with formation of a 501c3 corporation.

Mr. Deverill advised that the concept differed from the past and other cities. He said the operation of the land would pay for the museum function. He commented that he understood the Council would need time to digest the new material and utilities could be a stumbling block. Ms. Volek referred to the cover letter that listed facilities that would be built on the Kurth property. She said the taxes from those facilities that went to the City would support the operation of the museum. She explained that staff reviewed the letter of intent ground lease, and PRPL Director Mike Whitaker pointed out that the park plan would have to be amended if any of the facilities other than the museum were located on the Swords Park land. She referred to the purchase proposal and advised that Public Works currently used that land. She noted that a \$600,000 payment was included in that agreement, along with a provision that the City would provide water and sewer, but there were no stubs under the road and installation of water and sewer could offset the purchase price.

Mayor Hanel stated he preferred to have time to review the documents. Councilmember McCall advised that she supported time for review, but wanted it back in 30 days. Councilmember Clark asked if the land would revert to the City if the project did not move forward. Ms. Volek said that had not been addressed yet but would be.

Mr. Deverill explained that the first step of the project was the feasibility study. He added that utility connections were discussed before the highway project. Public Works Director Dave Mumford explained that a specific location was not determined for the utilities because it was uncertain where the sleeve was needed. He noted that it would cost over \$1 million to put the utilities in that area.

Ms. Volek announced that the item would be scheduled within 30 days.

TOPIC #6	<i>Downtown Parking Study</i>
PRESENTER	
NOTES/OUTCOME	

Parking Supervisor Chris Mallow introduced John Revel from Rich and Associates. Mr. Revel stated that the following items of the 2009 study were questioned: data collection in the winter of 2008, the study area boundary, and building categories. He said the shortfalls were examined and the occupancy study was conducted again in the fall of 2009. He stated that the Parking Advisory Board supported the new report.

Mr. Revel explained that the study area was divided into 3 zones. He stated that many recommendations were made, but a new garage was warranted only in Zone 2, east of N. 27th in the vicinity of the Federal Courthouse. He noted that there was actually excess parking in Zone 3. He said the potential locations were carefully reviewed with input from the Parking Advisory Board. He explained that the purpose of the study was not to look at new parking. He said the initial steps were to determine if the existing parking worked and was efficient, and then the report focused on efficiency and recommended new parking if necessary.

Councilmember Ulledalen explained that the potential development in Zone 3 depended on the parking, and he asked if that was discussed. Mr. Revel advised that the discussion was held and all the scenarios were considered. Mr. Mallow explained that Stockman Bank still planned to build in that area, but the size depended on the parking. Mr. Revel said part of the

final product was an excel spreadsheet that he would provide to Mr. Mallow to update as necessary or to input data for different scenarios to see the different results.

Councilmember Astle asked if consideration was given to a potential sale of land south of 6th Avenue North to Billings Clinic. Mr. Revel said that was not part of the analysis.

Councilmember Ronquillo asked if the survey accounted for diagonal parking and if consideration was given to the possibility of converting one-way streets to two-way. Mr. Revel responded that diagonal parking was considered, but converting the streets was not, but it was something that could be put into the spreadsheet to determine the impact.

Mr. Mallow presented the recommendations from the study that would be considered by the Parking Advisory Board that included:

- An anti-shuffling ordinance
- Parking Enforcement Officers/Parking Ambassadors
- Meters on Montana Avenue
- Bicycle and pedestrian enhancements
- ADA compliance
- Parking marketing
- Parking wayfinding signage
- Parking garage automation
- Security cameras
- Residential parking permits
- Parking pricing
- Sale of Park 4
- New parking

Councilmember Ulledalen asked if a cost benefit analysis had been done on parking enforcement officers and whether the number of officers could be reduced and still produce the revenue. Mr. Mallow stated an analysis would be done. Councilmember Astle asked who was complaining about the shuffling that could result in a law against it. Mr. Mallow said the purpose of it was to get the long-term parkers out of short-term spaces. Ms. Volek added that it was a recommendation to have the Parking Advisory Board to determine if it was a viable option. Councilmember McFadden asked who was disadvantaged, who was advantaged, and how an ordinance would be justified when a person moved his/her car from one parking space to another and still put money in the meter. Mr. Mallow advised that there were several complaints from downtown businesses about employees of other businesses moving cars to spaces that should be for customers their businesses. Councilmember Gaghen reiterated that property owners saw the shuffling. She noted that businesses should make sure employees did not take up spaces that should be saved for customers. Councilmember Ronquillo asked if the downtown business owners knew that there was parking available in the parking garages. Mr. Mallow stated that the Downtown Business Association had announced that and the information was posted on the parking website.

Councilmember Ulledalen stated he agreed that retrofitting to automation was impractical, but some garages could be monthly only. Mr. Mallow stated that the Parking Advisory Board agreed with that. He explained that the Parking Advisory Board scheduled a retreat for some time in March to review the recommendations.

Councilmember McFadden suggested that public education included employees so an anti-shuffling ordinance might not be needed.

Councilmember Ronquillo asked about cost/benefit of the 10-hour meters. Mr. Mallow said he believed the meters were profitable. Councilmember Ronquillo asked about enforcement in the hospital corridor. Mr. Mallow advised that the enforcement in that area paid for itself.

Councilmember Ulledalen commented that there used to be a lot of free parking around 7th Avenue North, but now hospital and clinic employees consumed most of the free parking which forced prior users to find paid parking.

Councilmember Ulledalen asked how many qualified potential bidders resulted from the request for qualifications for bidders for the sale of Park 4. Mr. Mallow stated he was informed by the consultant, Strategy 5, that there were two bidders and both were local. Councilmember Gaghen asked if the sale could be handled by local realtors if the bidders were local. Mr. Mallow explained how Strategy 5 would handle the sale. Ms. Volek added that the contract was for a flat fee, not a percentage of the sale.

Mr. Mallow advised that the Parking Advisory Board would take the site selection and recommendation from Rich and Associates about new parking under advisement.

Councilmember McCall commented that the presentation was very helpful.

Additional Information:

Councilmember McCall provided an update on the Coal Board request for \$250,000 to fund a pedestrian bridge downtown. She reported that it was a disappointment that the Coal Board only awarded about \$400,000 of the \$1+ million available to seven different projects. She said it was agreed that the City would submit another request for \$75,000 for its next quarterly meeting to pay for a specific part of the project. She said area legislators would be asked to attend and if that did not work, more political pressure would be considered. Councilmember Clark commented that it seemed expensive to provide a bridge, but the cost was high due to ADA compliance. Councilmember McCall noted that community impact was considered by the Coal Board when the awards were made.

Councilmember Ronquillo suggested locating the bridge closer to 27th Street. Councilmember Gaghen asked where remaining funds would come from if the Coal Board funded only part of the project. Councilmember McCall stated the funds would probably be sought from the private sector and other funding opportunities would be considered as well.