

**SPECIAL MEETING OF THE BILLINGS CITY COUNCIL**  
**October 4, 2010**

The Billings City Council met in special session in the Council Chambers located on the second floor of the Police Facility, 220 North 27<sup>th</sup> Street, Billings, Montana. Mayor Thomas Hanel called the meeting to order at 5:30 p.m. and served as the meeting's presiding officer. Councilmember McCall gave the invocation.

**ROLL CALL** - Councilmembers present on roll call were: Ronquillo, Gaghen, Pitman, McFadden, Ruegamer, McCall, Ulledalen, Astle, and Clark. Councilmember Cimmino was excused and arrived at 5:35 p.m.

**ADMINISTRATOR REPORTS - TINA VOLEK – None**

**PUBLIC COMMENT on “NON-PUBLIC HEARING” Agenda Items: 1 ONLY. Speaker sign-in required.** (Please sign up on the clipboard located at the podium. Comment on items listed as public hearing items will be heard ONLY during the designated public hearing time for each respective item. For Items not on this agenda, public comment will be taken at the end of the agenda. Please sign up on the clipboard located at the podium.)

The Public Comment period was opened. There were no speakers, and the Public Comment period was closed.

**SPECIAL AGENDA:**

**1. RESOLUTION #10-19005 FIXING THE FORM AND DETAIL OF THE AIRPORT REVENUE BONDS, SERIES 2010B, RELATING TO THE AIRPORT QUICK TURN AROUND FACILITY. Staff recommends approval. (Action: approval or disapproval of staff recommendation.)** City Administrator Tina Volek thanked the Council for agreeing to the Special Session that evening. She said the bonds were ranked somewhat earlier than anticipated allowing the City to sell them earlier than planned.

Director of Aviation and Transit, Tom Binford, thanked the Council for holding the special meeting so they could finally complete the bond issue for the current project they had been working on for a couple of years and get on with construction. He said the project was a long and complex project. He said it had progressed through the CIP planning process, was evaluated in the Master Plan, and discussed in length with car rental agencies doing business at the airport. Mr. Binford said they had budgeted and planned to begin the project last fiscal year but there were a number of tasks still needing to be completed so they postponed it. He said some of the tasks included the final design and planning for the facility, the negotiation of the new lease agreement with car rental agencies who resided at the airport, the establishment of a fee structure that would see to retirement of the debt they would take on for the project, and refinancing the existing 1990 revenue bonds. Mr. Binford said the Airport's Business Manager, Marita Herold, and the Assistant Director of Aviation, Kevin Ploehn, had devoted hundreds of hours toward the project and were very successful at putting together a financial plan that was good for the car rental agencies and for the Airport.

He said throughout the process they maintained a very open and collaborative negotiation with the car rental agencies, which was critical to put in place all the needed steps to move forward with the project. Mr. Binford said they had time-lined and planned to have the approval at the October 12 business meeting; however, they received their rating for the new bond issue earlier than anticipated and the underwriter thought it would be advantageous to go ahead and get in the market, which proved to be a very good recommendation because they received a very favorable interest rate of 4.18% during a 20-year term of the bonds. Mr. Binford told Council with their approval of the resolution they could finalize the bond sale and begin construction. He said they had targeted their pre-construction meeting for this Thursday.

Councilmember Ulledalen moved for approval of Item 1, seconded by Councilmember Ruegamer. Councilmember Clark told the audience Council had been working on the item for a long time so all of their questions had been answered. On a voice vote, the motion was unanimously approved.

**PUBLIC COMMENT** on Non-Agenda Items -- Speaker Sign-in required. (*Restricted to ONLY items not on this printed agenda. Please sign up on the clipboard located at the podium.*)

The Public Comment period was opened. There were no speakers, and the Public Comment period was closed.

## **COUNCIL INITIATIVES**

- **RUEGAMER:** Said he received a call about a pothole in the alley between Grand and Alderson between 11<sup>th</sup> and 12<sup>th</sup> and asked who was suppose to maintain the alley. He said if maintenance was the City's responsibility, he would like it taken care of. Councilmember Ruegamer said the curb on King Avenue West from 32<sup>nd</sup> Street West to Shiloh Road was intermittently weeds, huge rocks, and grass and asked who was suppose to maintain it. He said the rocks encouraged the weeds that could not be mowed down around the rocks, so there were huge weeds around the rocks and between the rocks there was nice grass. He said someone needed to fix it.

City Administrator Volek advised the alley should be a City alley and the City was in the process of grading alleys this fall, so she would find out if there was a time it would be graded. Councilmember Ruegamer said it was concrete. She also said the King Avenue West landscaping was one of the new designs for lower water maintenance, and the rocks were there intentionally. She said she noted the same thing on Sunday, and said she would find out if it was intentional where the grass was placed and would get back to him.

Councilmember Ulledalen said they had received a memo from staff, and there were natural grasses planted and the only way to deal with the weeds was to hand pull them. He said the taller growth was intentional and part of the design. He said until the grass became established and the weeds were pulled, it was going to look ratty. Councilmember Ulledalen told Councilmember Ruegamer he would forward the staff memo to him.

- **RONQUILLO:** Said the alley on 4<sup>th</sup> Avenue South between 28<sup>th</sup> and 29<sup>th</sup> had a large hole, and he did not know why the sanitation department had not complained about it. He said since the sewer was installed two years ago, they had quite a dip there so people were backing up and going the other way. City Administrator Volek said she would have staff check into it.
- **MCCALL:** Moved to bring back for reconsideration the \$40,000 Settlement Agreement with Alternatives, Inc. at the October 25, 2010, Council Meeting, seconded by Councilmember Pitman. Mayor Hanel advised he would excuse himself from any discussion and turned the initiative over to Deputy Mayor Ulledalen. Councilmember McFadden said he voted against it; although he agreed it was probably an issue that was not going away, and they would have to deal with it so they might as well deal with it now. Councilmember Cimmino said she would be abstaining from the discussion.

City Administrator Volek advised the original motion to require a payment in lieu of taxes in the amount of \$40,000 represented the bulk of all of the taxes on the old hotel property and not just the City taxes. She said in asking for the larger amount, the City actually exceeded what it was going to get in taxes. She said the individual who made the motion was no longer with the Council and surprised everyone on it. She said she understood there were some concerns, and said she wanted to point out there were some mitigating circumstances on that date.

Councilmember Ronquillo said the tax on the hotel was \$54,000, and it was paid every year. City Administrator Volek said the requested \$40,000 would have been more than the City's portion of the payment in lieu of taxes. She said approximately half of it would have gone to school taxes. She said in asking for \$40,000, the City was actually receiving a larger portion than they would have if they had continued to receive City taxes on it.

Councilmember Clark asked Ms. Volek to find out what the City's portion would have been before the meeting. Ms. Volek advised they would call the tax department and get the amount.

On a voice vote, the motion for reconsideration was approved 7 to 2. Councilmembers Ronquillo and Astle voted 'no'. Councilmember Cimmino and Mayor Hanel had recused themselves from the vote.

There was no further business, and the meeting adjourned at 5:44 p.m.

CITY OF BILLINGS

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Thomas W. Hanel, Mayor

ATTEST:

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Cari Martin, City Clerk