

City Council Work Session

5:30 PM
Council Chambers
June 6, 2011

ATTENDANCE:

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

ADJOURN TIME: 7:28

Agenda

TOPIC #1	Priority Driven Budgeting
PRESENTER	
NOTES/OUTCOME	

- Tina: background on process in Jefferson Co, CO. General Fund (GF) and Public Safety Fund (PSF) financial projections: by FY15 we're in trouble. Steps the City has taken to increase revenues and control expenses. There has been a zero percent increase in O&M for more than a decade; we have a cap in the mill levy in the GF per the City Charter; we also have reappraisal which rolls the value of property back in time each time a reappraisal occurs which creates issues. Outlines the process that Johnson and Fabian recommend. Fits with community conversations and citizen survey.
- Ruegamer: disagree with Johnson's statement that the crisis isn't fiscal, it's priorities. How is this process different than what we presently do? Tina: Incremental budgeting vs. priorities. Ruegamer: what gets cut? Tina: programs, based upon citizen priorities.
- Ulledalen: printed material lays out pluses and minuses. The city has already done a lot of what is laid out in the handouts. Problem is in GF, PSF and not in streets, sewer, airport, etc. Departments have prepared business plans; we're waiting on the overall "citywide" plan. Council needs to decide the priorities within the funds that are in trouble. Why spend lots of money and time deciding what to cut when the selections are so limited? Tina: programs within the GF and PSF could be lower priority and could be eliminated and keep the high priority programs. ID the programs that can be cut because they aren't high value to citizens.
- Hanel: other states and cities using this priority driven budgeting process, next logical step is for us to use this process. Definitely worth exploring, could be used to our benefit.
- Pitman: key point is where you started the presentation; talk to citizens about what they pay and what they get; then ask citizens what they want and how much they are willing to pay.
- McCall: this is a model that we should pursue. Narrow scope of two (2) funds GF and PSF is good. Excellent process to build a program inventory.
- Ulledalen: can you renegotiate union contracts based on this? Tina: If priorities identify that staffing or other contractual matters are affected, contracts would have to be

renegotiated. Ulledalen: concerned that business plans took us 3-4 years to get through and that this process will take as long or longer. Tina: Should be able to get this done within two (2) years. Ulledalen: then decisions have to be made, further delaying outcomes. Tina: business plans for airport, public works, and the enterprise funds, etc. are sound.

- Pitman: don't have to throw out past work; build on what we have already done, we have a lot of this information ready to go.
- Ulledalen: if this proceeds, what is the next step? Training required? Is this something that we can start on next week? Tina: can start identifying programs now, training available in July in Denver.
- McCall: what cost beyond training conference? Tina: don't know but will know better after attending the training.
- Ulledalen: asked for a breakdown of deficits within departments in GF and PSF and haven't received it. Shouldn't be that hard. Tina: difficult to do because some departments, such as Municipal Court, that produce more revenue than expenses and others don't. PSF transfer will continue to increase and imbalance the GF. If you freeze transfer, cuts have to be made in the PSF or to generate more money from other sources. Pat Weber: if freeze is done, GF balances by more than \$100,000 for several years. The problem is created by the growing amount of transfer to PSF.
- Ulledalen: if we totally eliminated PRPL, that would stretch out when we go broke, probably four (4) years. Eventually would eliminate everything but police and fire? Tina: Yes.
- Clark: even with 0% raises the next five (5) years in PSF, costs would still exceed the revenue increases? Tina: Yes.
- McCall: want someone to figure what a salary freeze would save the city.
- Gaghen: community would support a salary freeze. Lawsuits would occur? Brent Brooks: possible.
- Clark: clarify McCall's request.
- Ulledalen: what is Council's role? Final decision maker? Tina: Yes. Staff has to identify programs and costs but citizens and Council have to be involved with prioritizing programs.
- Ulledalen: request that this be returned to a regular meeting for a vote. Tina: it is in your budget decision points, so you can take a vote when you vote on the budget.

Public comments: none

TOPIC #2	Radio System
PRESENTER	
NOTES/OUTCOME	

- Tina: slide presentation. Ask for Council consent to issue Request for Proposal (RFP) or Invitation for Bid (IFB) for radio system replacement. Would like to link with the county and the Montana Highway Patrol.
- Clark: what would the cost be? Tina: Don't know, but think it will be lower than the consultant estimated. Will proceed unless Council objects.

- Pitman: does Council have to initiate this? Tina: No, staff can do it.

Public comments:

- Joe White: radio a serious issue. Air deficient condition, electric bolts and radio waves out of control. Need to test and meet standards. Dangerous, electrified police cars. People being struck by them. Cell phones dangerous to children. My family is sensitive to these waves.

TOPIC #3	Budget Review
PRESENTER	
NOTES/OUTCOME	

- Pat Weber: June 27th is the time for the identified changes. Council contingency; methane gas revenue and spending plan – use it for radio system replacement; street maintenance district fees increased for snow removal and residential snow plowing – in the budget right now, so if you don't want to do it, you need to pull it out.
- Ulledalen: also a request to increase funding for PAVER Program and arterial construction fee? Pat: Nothing extraordinary proposed but will review Public Work budget request. Ulledalen: think that the rate increase may need to be higher than 2.5% to keep pace with wage and material inflation.
- Astle: what is left in the council contingency fund now? Pat: there are still items out there that have not been approved yet, I believe there will be \$30,000 left in the fund.
- Clark: Is there a year that we have spent everything in council contingency? Pat: no.
- Tina: Council contingency projects approved this fiscal year is about \$38,000; \$30,000 balance in the account. Items paid for out of the council contingency fund include: Trail Maintenance Study, TIF Study, Distracted Driving, Centennial Park Water Meter and the Infill Development Seminar.
- Ulledalen: any motion to increase contingency should include what budget should be reduced in order to accommodate the increase.
- Ruegamer: use methane money for radios? Already collected or to be collected? Pat: Both.
- Astle: \$25,000 revenue over what period? Tina: about 5 months; \$5,000/month.
- Clark: state requirement that we pass the budget at the end of June? Pat: No, but recommend that you delay only those parts that you have questions or issues with, but adopt everything else. Clark: what happens if budget isn't approved by July 1st? Pat: Will pay employees and vendors, without budget authority. State law allows it. Would probably delay capital projects, freeze hiring/rehiring.
- Ulledalen: example is airport fund that Council doesn't change or impact a lot; Council could pass it but hold back others? Pat: Yes, but would probably still delay capital projects.
- Tina: no lockout clause in Teamster contract. Delay adoption doesn't affect city like federal government. Most of capital is in summer and budget approval delay will impact those projects.
- Clark: but still going to pay existing employees and we could pass capital spending? Tina: Maybe, but don't know how we do that.

- Ulledalen: if budget doesn't pass, could bring back FY 11 budget and that would be the same thing? Tina: Positions are already approved. We could vacate vacant positions.
- Hanel: pass the budget with changes? Pat: Yes, can do that at any time until 45 days after August 1.

Public comments: none

Additional Information:

Public comments on items that are not on the agenda:

Joe Michels, 4354 Hi Line Drive: consultant and proud of it. Determination of priorities is top task. Not easy decisions to prioritize; tough decisions. Freezing staff salaries is not the answer. You have good people and you'll lose them if you don't pay them accordingly. Cheaper to pay more and have less people than the reverse. No vested interest in these decisions.

Ulldalen: good points, but one problem in government is to find and reward those good employees. Hiring consultants is one way for Council to avoid making decisions. Prioritizing is long process and may make for tougher decisions and will create conflict. A 2-4 year process and that doesn't meet our needs. How do we make this happen?

Michels: leadership and tough decisions.

McFadden: employees are good workers but if seniority causes layoffs of junior employees, I'm against that.

Cimmino: 24/7 commitment to the job and Council makes hard decisions all the time. Priority budgeting is not new. Good group of senior employees.

Ruegamer: we need to think about your comments. Good points. McCall didn't suggest a pay freeze; just want to know the impacts.

Mort Reid, 1128 Avenue C: factual inaccuracies stated at past meetings regarding medical marijuana (MMJ). Criticisms of industry are not truthful. Group is asking storefront ban as an emergency. What is the emergency?

Ruegamer: no vote on banning storefronts, but have asked for an ordinance to do that. How will people who need MMJ get it after the bill (SB 423) goes into effect? Reid: most won't be able to get it. Reid: the Bill (SB 423) wasn't designed to help patients or providers, but to prohibit MMJ. McFadden: you're leader of local MMJ group? Reid: yes. McFadden: if a referendum is successful, you're happy, if you lose, will you abide by the will of the people? Reid: want to have voters speak, not have Council pass this ordinance. There won't be challenges and lawsuits if voters turn it down.

Astle: court date for injunction? Reid: hearing is scheduled for June 21st in Helena.

Clark: city ordinance wouldn't go into effect until July 1st, allowed by the new law. Reid: city has always had the power to ban storefronts operations. Brooks: proposed emergency ordinance isn't zoning, just implementation of Section 13 of SB 423. Storefronts grandfathered by moratorium.

Astle: ordinance effective date? Brooks: July 1st, when SB 423 allows it.

Jason Smith, 137 Moore Lane: testified before, invited you to come to the store (Montana Advanced Caregivers). Past decisions were uneducated ones. Only city staff, such as Code Enforcement and the Fire Marshal, has come through the operation but that is not who makes the decisions. DPHHS says that people can get supplies across the internet. Individual grows are

against what Essmann says that he believes. Silly to enact ordinance if court finds against the state. My door is still open. Please educate yourself before decisions are made.

Clark: if court finds bill unenforceable, our ordinance wouldn't be either? Brooks: Depends on what court says, whether it impacts all or some sections of the bill. Explains savings clause.

McFadden: if law goes into effect, is there any practical reason to keep a storefront? Smith: I'd love to have a patient resource center to advise patients and growers.

Ulledalen: even if law goes into effect, storefronts would still have a purpose?

Dr. Mark Hegyes, 2323 32nd Street West: there are probably too many storefronts in Billings, conservative state, thrown in people's faces. On the other hand, City is not really going to be able to stop the clock. Need a plan that will work for you and your residents. SB 423 will never succeed. Montana wants dispensaries.

Elizabeth Pincolini, 1404 Barrett Road: packet of information for you, supplements what I emailed to you. Look at safe and legal access, not denying people. Council isn't following the ethics code. You're responding to a minority of people.

Ed Docter: Whitefish resident. storefronts are just about gone if SB 423 goes into effect. People could leave them open for consulting issues. Clark: we are not authorized to do anything if SB 423 does not pass. Ulledalen: this is public comment, allow people to talk, not for us to answer. Emergency refers only to speeding up the process that we need to follow in order to put storefront ban into effect by July 1st.

Sandra Post, 522 Sioux Lane: if storefront ban goes into effect, will even consultation storefronts be banned? Plan to educate people about how to grow their own product. Clark: don't know, may know more by June 13th.

Nathan Pierce, Missoula: what is the emergency, why do we need the ordinance to ban MMJ businesses to protect public health and safety? Kids aren't getting drugs; adult crime rate is decreasing; what is the emergency after seven (7) years of the law being in effect? Brooks: explains emergency ordinance process, timeframes, etc. This allows the city to work on more permanent ordinance while the emergency ordinance is in effect for 90 days.

Closed at 7:25

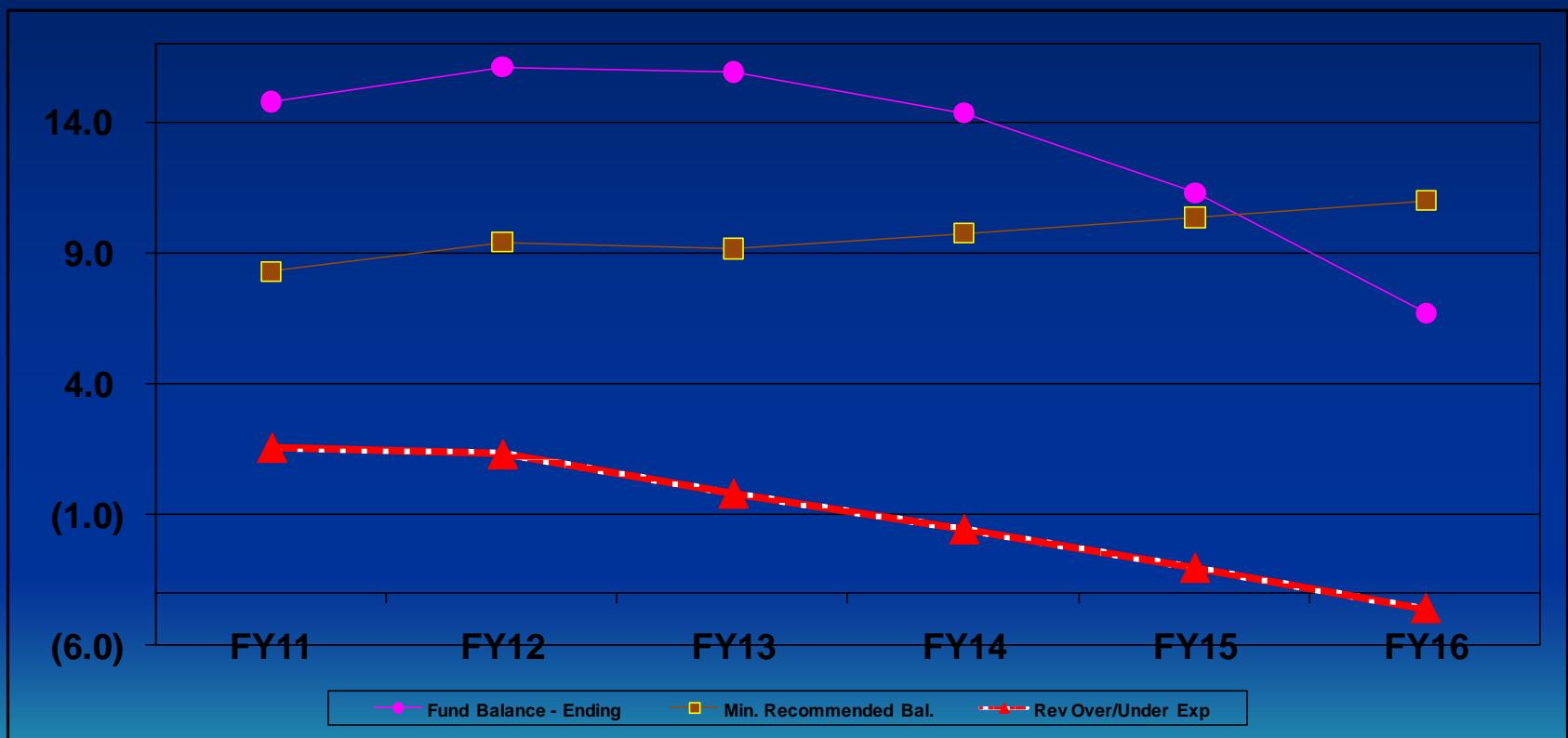
Ruegamer: wants to name all parking garages, will bring this up as an initiative unless there are objections.

Priority Driven Budgeting

General & Public Safety Funds



Priority Driven Budgeting



Priority Driven Budgeting

- Steps Taken to Curb Rising Costs
 - 0% increase in general O&M for more than decade
 - Supplemental budget requests approved primarily for items that supplanted staff, were mandated or were for safety
 - Cost allocation for support services
 - Strategic Plan
 - Citizen Survey



Priority Driven Budgeting

- “....You'll be pleased to know that most of the steps you have taken especially related to the use of Internal Service funds and cost allocation to take the burden off your General Fund are what we recommend in our work. “

Jon Johnson

Center for Priority Based Budgeting



Priority Driven Budgeting

- Identify available resources to adopt a “spend within your means approach”



Priority Driven Budgeting

- Identify priorities to set measurable results of value to citizens and agreed to be legitimate by elected officials, staff and public



Priority Driven Budgeting

- Define priority results more precisely to determine what is relevant to them

Priority Driven Budgeting

- Prepare decision units that produce a clear result and compare them, not departments, against each other



Priority Driven Budgeting

- Score decision units against priorities to determine relevance, score based on demonstrated and measurable results and make recommendations to elected officials



Priority Driven Budgeting

- Compare scores between offers or programs to create a transparent product that is logical and well-understood



Priority Driven Budgeting

- Allocate resources consistent with priority-driven scoring



Priority Driven Budgeting

- Create accountability for results, efficiency and innovation



Priority Driven Budgeting

- “The true crisis governments face is hardly fiscal; it’s a crisis of priorities”

Getting Your Priorities Straight

Chris Fabian, Scott Collins & Jon Johnson



Radio System Upgrade

Statewide:

- Interoperability Montana (IM) created about 2005 to coordinate statewide communications using Motorola VHF system
- House Joint Resolution 3 for study to determine long-range funding dies on 2nd reading Jan. 28
- Failing to find funding or local support, IM Board votes April 15 to disband by June 30, 2011



Radio System Upgrade

Billings:

- City radio system outmoded
 - Units taken from other departments to ensure adequate public safety supply
 - Radio backbone support questionable after 2012
 - Fourth radio site needed in west Billings
- GeoComm Study in June 2010 recommends \$8 million replacement of outdated 800-MHz system with VHF integrated into IM project
- Estimated cost \$8 million, Federal grant requested for FY 2011 and 2012



Radio System Upgrade

Updates:

- Under FCC order, City of Billings received \$2.5 million of new 800 MHz radios in January 2011
- FCC initiates requirement for all public safety radios to be narrow-banded by Jan. 1, 2013



Radio System Upgrade

Next Steps?

- Staff recommends seeking a new solution using new 800 MHz infrastructure, an alternate option identified by GeoComm
- Staff also recommends issuing Invitation for Bid for single vendor to provide total services for dispatch
- Staff recommends working with Yellowstone County to implement a local interoperability system



Radio System Upgrade

- Questions