

City Council Work Session

5:30 PM
Council Chambers
June 20, 2011

ATTENDANCE:

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

ADJOURN TIME: 8:00 p.m.

Agenda

TOPIC #1	Library Bond Issue Resolution
PRESENTER	Bill Cochran
NOTES/OUTCOME	

- Bill Cochran: presentation will focus on the present and future Council action. The city has closed with the Billings Clinic on the piece of land for the Library. In the process of closing with Stockman Bank, within the next two weeks the city will own the land for the Library project. Project budget is 18 million dollars. Project revenue. Bond resolution and ballot language, the amount has to be the highest possible amount you would ever ask for. Impacts on \$100,000 and \$200,000 residences. By election time there will be a good estimate of what the foundation has raised, lowering the bond amount.
- Pitman: \$2 million soft costs? Bill: Architectural and Engineering fees, but will get more details for Council later. Pitman: Foundation will actually have to raise \$3 million to get to \$5 million goal? Yes.
- Cimmino: \$2 million dedicated to design? Bill: Yes, donor committed a minimum of \$2 million and all money will be spent on the project, even if design does not cost that much. All costs up till November 8 but could end if ballot doesn't pass. If the bond passes I believe there is a commitment the donor will pay all architectural and engineering fees.
- McFadden: any way to ensure that the \$13 million will be spent with a local contractor, or could all the money go out of state? Bill: Will follow bid process, can establish a local preference. Tina: meeting with staff on that this week.
- Ruegamer: complicating things too much and will lose votes. Won't get to explain to the voters what you've explained to me. The voters do not trust the city. Volek: The bond will be structured the same as the Dehler Park bond.
- Ulledalen: finite amount of money will be raised, pledged. Architect's plans will be bid and bids could be less than estimated.
- Ruegamer: Outpost quoted Bruder "we can do this for \$13 million." Bill: Right, he said it but it's really an \$18 million project.
- McCall: agree that it's always been a \$18 million project.

- Tina: bonds will be tax exempt. In order to be tax exempt, we must have a letter certifying their tax exempt statutes for the bond counsel to be satisfied. She's the one who dictates the number on the ballot.
- McFadden: all money for the building, not furniture, etc? Bill: FF&E on the budget is for equipment. McFadden: how much can be cut if we eliminate that element? Bill: if the foundation is short we will come back to you with what can be cut.
- Astle: substantial amount of money raised; what is that number? Leslie Modrow: not prepared to give a number yet. Hope to give status report next week.
- Gaghen: voters will think that \$198/sq ft is high, but it's practical. Comparable figure for libraries? Bill: Bozeman project was \$18 million for slightly smaller building. Architect will give good results, quality materials but utilitarian. Gaghen: will the library use the equipment the library has now? Bill: yes, lots of technology equipment. But there is a lot of furniture that isn't useable.
- Cimmino: will ballot be for \$16 million or \$18 million? Bill: ballot has \$16.9 million but might be reduced. Brooks: can change ballot language up to 75 days before the election. Tina: will have the exact date by next Monday.
- Hanel: how long have you been the Library Director and how many times on the ballot? Bill: 21 years, 2nd time on the ballot (2001).
- Ulledalen: parallel with the baseball field. People said Cobb Field was OK but others wanted a new stadium. Elements in the community see this as something we do for community pride. This will put Billings on the map and strive for the future. We need to feel comfortable and sell it to the public.
- Gaghen: believe that Foundation will not quit at \$5 million. Community pride for generations.
- Pitman: same chicken and egg situation as the baseball field. Hard to get donations until bond passes. Fundraising picked up when ballot succeeded.
- Bill: give credit to the Park Department, most successful bond election in recent history. Successful campaign that library is using as a model.
- Ronquillo: wanted to contract locally for Cobb Field demo, but demolition contractor from out of state got it because they were a lot lower. Staff and board doing a good job.
- Ulledalen: demolition contractor hit a snag and could have change ordered us, but didn't. Will support what is the best value for the taxpayers.
- Ruegamer: further explains the Cobb Field demo dealing with Athletic Pool.
- **Public comments: none**

TOPIC #2	Park Board on Park District
PRESENTER	Mike Whitaker
NOTES/OUTCOME	

- Mike Whitaker: Park Board here to do a follow up presentation. Introduces Margie Bonner, Rick Devore, Tom Iverson, and Rachel Cox,
- Rick Devore: assessment methods vary in impact. Explains 3 methods of raising 2 million dollars per year. Look at the home value and the lot value. Tax exempt would be on a square foot basis, (churches, mission) would be approximately \$12. The fire hydrant

method there would be a slight increase on the amount charged on property. A per lot assessment would be higher, \$52 on an occupied lot, on a vacant lot \$20.

- Astle: last one not popular. What is meant by "lot?" Weber: tax codes.
- Devore: list of improvements planned with first and subsequent years' assessments. Maintenance responsibilities are included. Four (4) concerns talked about at the community conversations last week; Rose Park slide needs to be replaced. The South Park gazebo needs to be replaced. The Castlerock tennis courts need replacement; the batting cages at Stewart Park are 25-30 years old and need replacement. ; \$2 million cap, sunset after 5 years, maintains the GF budget and public vote. Not asking Council to do anything with existing PMDs but will study that at a future date if Council directs it. Need to move forward soon, support a new library and urge Council action after the library bond election.
- Astle: weed control in parks? Rick: yes, will be in all GF parks and not in PMD parks.
- Hanel: don't want to move on this until after the Library bond election? Rick: yes.
- Gaghen: this Council can't limit future Council and force them to continue with the same level of GF support. Mike: the board wants a current commitment for current funding.
- Ruegamer: slow pitch assoc and little league put lots of money into sports fields. Believe that we need to do this.
- Ulledalen: future GF shortfalls and we haven't covered that in this proposal. Rick: we understand that, but it will backfire if they take the 2 million and use it to replace GF dollars. We are not solving anything.
- Ronquillo: annual cost of \$74,000 for vandalism. Need public support to prevent this.
- McFadden: are park dept employees calling in when they see vandalism? Mike: employees have communications. McFadden: signs prohibiting vandalism or for public to report to a certain number? Mike: too many signs now.
- McCall: lots of good conversations at the community conversations. Good suggestion to sunset the assessments. Support this effort.
- Ulledalen: may not have to assess \$2 million after we achieve some replacement level. We need to assess community support, let them see what we are doing.
- McCall: what are the protest rights? Brooks: will send you the statute. McCall: longer protest period because of so many property owners? Brooks: Don't know but will research and respond with an email.
- Tina: compliments library board and park board for meeting and agreeing on process.
- Hanel: respect for park board that they're willing to wait to ask for the park district until library bonds are voted.
- Ulledalen: park department has taken a back seat in GF and cuts occurred there. Almost have to create permanent support group. That group will protect the GF funding in the future.
- Whitaker: compliment the Park Board for their work.
- **Public comments: none.**
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TOPIC #3	Budget
PRESENTER	Tina Volek
NOTES/OUTCOME	

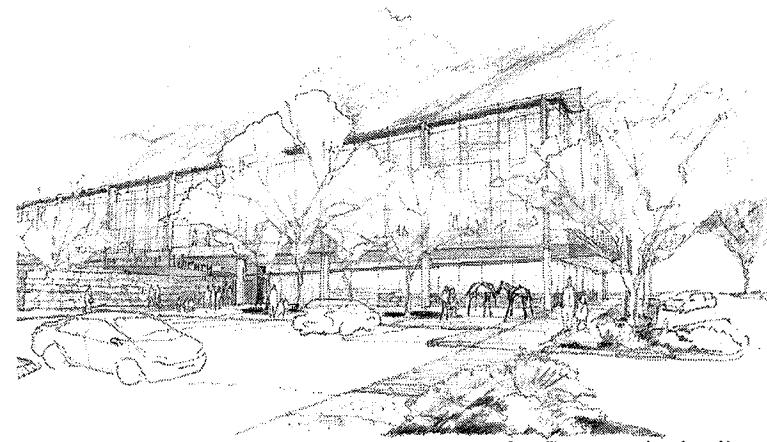
- Tina: budget questions and answers, 4 issues on page 9 that need Council decision, public hearing is already done and June 27 action is requested. Staff will answer your questions.
- Astle: why increase council contingency when we don't spend what is there now?
- Cimmino: not the right question. I didn't ask it that way.
- McCandless: agree, but the question is related to the methane gas question about segregating the money in the Council Contingency account.
- Ulledalen: methane gas is unpredictable and not a large amount. Don't want the money to disappear in the General Fund, want Council to direct where the money goes.
- Ruegamer: agree with Ulledalen. Should use it for what Council directs at the time. Committing it to radios makes it disappear.
- Pitman: want it reported separately in quarterly reports and spend as directed by Council.
- Gaghen: prefer that it remain an account in the General Fund, not in the Council contingency.
- Ronquillo: wants the money to go to the gazebo replacement in South Park.
- Ulledalen: not increasing street maintenance fees quickly enough. Want a 5% increase instead of a 2.5% increase or we're going backwards. Seeing distress in newer streets too.
- McCall: agree with Ulledalen.
- Hanel: if we ask for more money, this is where to do it.
- Astle: agree with the 5% increase.
- Ronquillo: don't want to plow residential streets but use the money for street maintenance.
- Gaghen: residential plowing at 12% is in the budget. The citizens do not want to have to manually shovel out their driveways.
- Ruegamer: agree 5% for general maintenance. Snow plowing for \$8 sounds too good and there will be complaints about packed snow in driveways. Do a test area, not the whole city.
- Astle: leaf pickup doesn't work well due to weather interference. What are we going to do in the future? Mumford: we can eliminate that work; don't have the resources to do it. We have increased 33% of street in the past ten years, yet have not increased staff; we need to prioritize our duties.
- McCall: residents at community conversations agree that leaf pickup should stop.
- Ulledalen: how to inform people that they can't put leaves in the street? Serious about enforcing it?
- Hanel: consensus is 5% increase in street maintenance assessments? Yes.
- Ulledalen: don't lose sight that there are two (2) issues: 4.5% for arterial snow removal and 12% residential plowing. Need to vote separately on these elements. Mumford: 4% is to allow more arterial work that would be done in-house.

- Hanel: should we talk about Montana Department of Transportation (MDT) and state route maintenance? Mumford: MDT has cancelled the local maintenance payment and we'll have to eliminate two (2) positions and take other actions.
- Ulledalen: talk honestly about this. Increase street maintenance fees even more? Mumford: we need more money in PAVER Program. Pitman: want separate votes for all of these issues. Preliminary financial impact of MDT's action by Monday.
- McFadden: will we get same quality with MDT doing the work? Mumford: trying to bring in more resources by July 1.
- Ruegamer: estimate the cu. ft. of snow you'll plow into driveways. Mumford: can't do it.
- Cimmino: just notified about MDT service change? Mumford: heard about it earlier but confirmed it last week.
- McCall: ask MDT to explain their game plan for maintaining the roads.
- Pitman: ask Stefan Streeter to attend a future work session. Dave: the state believes they can do the maintenance for less.
- Pitman: MDU gas estimated at \$200,000 for radios. What is plan B? Tina: bid on the street, due by June 29. We acquired new portable/mobile radios and should use them. Need new backbone. Talking about an emergency system that affects the entire city.
- Ulledalen: priority based budgeting – no big problems with it but several methodologies, lots of questions about how to move forward. City Administrator might not be the best to lead this effort. What does it mean and how will it be implemented?
- Hanel: might be good to bring trainers here and for Councilmembers to attend to learn.
- McCall: HB 642 interim committee to look at government efficiencies and priority based budgeting is one of the topics that they will study. Tina: will ask Ed Bartlett to attend and learn.
- Ronquillo: TIF coordinator progress? Tina: don't know but will send an email.
- Ulledalen: need info on public safety finances. Want revenues and expenses projections.
- Tina: tentative agreement with MPEA police unit, with 0% wage increase in year one (1).
- McCall: page 4 graphs are good. Shows how much impact personnel costs have on total budgets.
- Ulledalen: 80% of costs are personnel. May eventually mean that we reduce employment if we keep increasing personnel costs.
- Public comments:
- Brian Kenat, 345 Miles: put notice on property tax statements about leaf pickup and put more financial and service information on the city website.

Additional Information:

Public comments on non-agenda items: none

Parmö Billings
your library

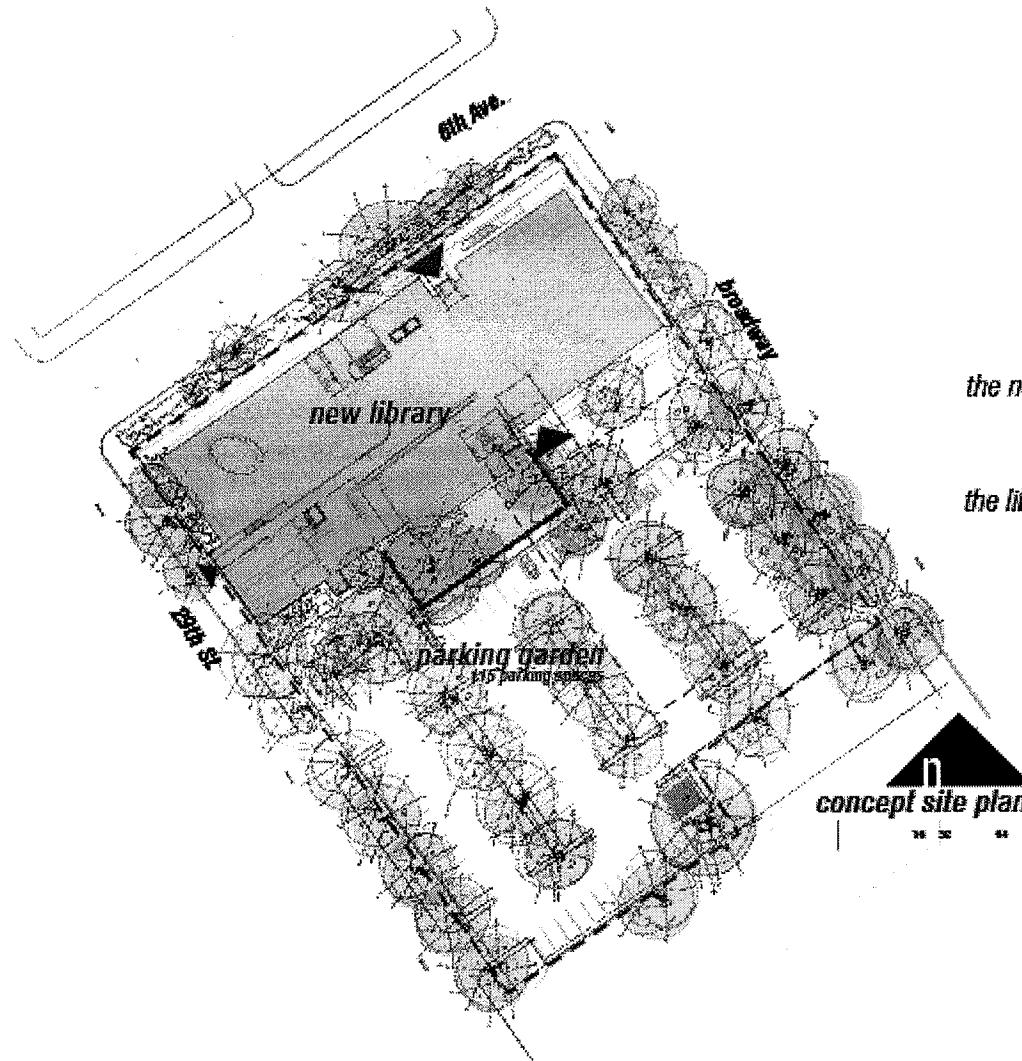


southeast library entrance from the parking garden

**Submitting to City Voters
The Issue of General Obligation Bonds for a
New Downtown Library**

Billings City Council Work Session - June 20, 2011

Site of Proposed Library Building



*the new library will be located on 6th Avenue
between Broadway and 29th Street,
north of the current library*

*the library entries (indicated with red arrows)
will be located on 6th Avenue
and from the 115 space parking garden*

*the parking garden has
4 easy ingress/egress points,
2 each on Broadway and 29th Street*



Preliminary Budget Subject to Change

Building Construction Cost	\$13,039,639	(\$198.65 per sf)
Original Building Demolition Cost	450,000	
Furniture, Finishing & Equipment	1,180,000	
Environmental Graphics	170,000	
Specialty Library Costs, e.g. IT	476,000	
Soft Costs	<u>2,009,361</u>	
 Subtotal	 \$17,325,000	
 Owner Construction Contingency	 <u>675,000</u>	
 Total	 \$18,000,000	(\$274.22 per sf)

Revenue Sources

Expected Maximum General Obligation \$13,383,684
Bond Contribution

Library Foundation Capital Campaign 5,000,000

Total **\$18,383,684**

Bond Resolution and Ballot Language Revenue Sources

Maximum General Obligation Bond Contribution	\$16,690,000
Library Foundation Capital Campaign (no additional funds raised)	<u>2,000,000</u>
Total	\$18,690,000

Ballot Language

Shall the City Council (the “Council”) of the City of Billings, Montana (the “City”) be authorized to issue and sell general obligation bonds of the City in one or more series in the amount of up to Sixteen Million Six Hundred Ninety Thousand And No/100 Dollars (\$16,690,000.00), bearing interest at a rate or rates to be determined by the Council and payable during a term not to exceed twenty (20) years for the purpose of paying costs of designing, constructing and equipping a new library building in replacement of the Billings Public Library, related improvements, and costs associated with the sale and issuance of the bond; and authorizing the levy of additional mills over the City Charter limit in an amount sufficient to pay principal of and interest on the bonds?

- GENERAL OBLIGATION BONDS — YES
- GENERAL OBLIGATION BONDS — NO

Impact on Property Taxes

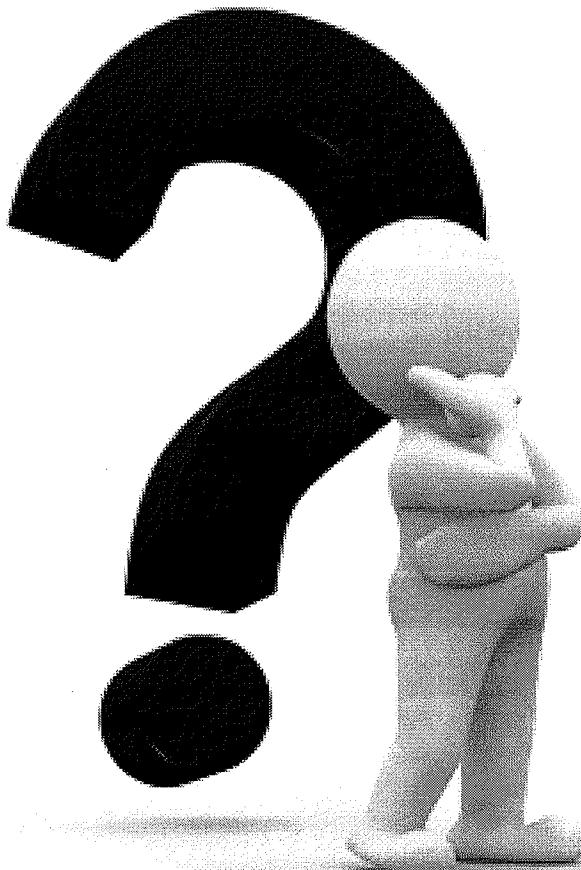
If Foundation Raises \$5,000,000

\$100,000 home	\$8.75 per year for 20 years
\$200,000 home	\$17.50 per year for 20 years

If Foundation Raises No Money Beyond \$2,000,000 Lead Gift

\$100,000 home	\$10.00 per year for 20 years
\$200,000 home	\$20.00 per year for 20 years

Questions?





Parks, Recreation & Cemetery Board Funding Recommendation

June 20, 2011



Task from City Council to Advisory Board

- Determine a mechanism to fund maintenance and improvements in our parks.

City-wide Assessment at \$2 Million

(Using a combination of half mills and half square feet of lot)

	Yearly Amount
• \$200,000 Property	\$30.00
• \$100,000 Property	\$20.00
• Tax Exempt \$ 0.0008 Per Square Foot	
– Example: 15,000 sq/ft/lot	\$12.00

City-wide Assessment at \$2 Million

(Using Fire Hydrant Method-12.7 mills, \$20 for exempt properties)

	Yearly Amount
• \$200,000 Property	\$33.00
• \$100,000 Property	\$16.50
• Tax Exempt	\$20.00

City-wide Assessment at \$2 Million (Per lot method)

	Yearly Amount
• Per Occupied Lot	\$ 52.00
• Per Vacant Lot	\$ 20.00

What does a \$200,000 homeowner get for \$30 a year? (First year of assessments)

- **One time park improvements**

– Replace existing water slides at Rose Park	\$300,000
– South Park gazebo	\$180,000
– Rebuild Castle Rock tennis courts	\$275,000
– Replace batting cage equipment	\$50,000
– Emergency and general maintenance (roofs, pumps, irrigation systems, etc.)	\$248,500
– 9 three-season restrooms (renovations/replacements)	\$450,000
	<hr/>
	Sub Total \$1,503,500

- **Ongoing improvements**

– Trail maintenance (Includes Volunteer Coordinator)	\$94,000
– Improved park maintenance (Includes 2 maintenance staff)	\$90,000
– Keep park restrooms open 3 months longer a year (three seasonal employees)	\$15,000
– Weed management in general fund parks	\$245,000
– Annual picnic table replacement (75 tables)	<u>\$52,500</u>
	<hr/>
	Grand Total \$2,000,000

What does a \$200,000 homeowner get for \$30 a year? (Second year of assessments)

- **One-time park improvements**

– South Park Sprayground	\$500,000
– Rebuild Pioneer Park tennis courts	\$355,000
– Amend Park water service upgrades	\$250,000
– Upgrade playground fall protection (36 sites)	\$360,000
– Emergency and general maintenance (roofs, pumps, irrigation systems, etc.)	\$38,500
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	Sub Total
	\$1,503,500

- **Ongoing improvements**

– Trail maintenance (Includes Volunteer Coordinator)	\$94,000
– Improved park maintenance (Includes 2 maintenance staff)	\$90,000
– Keep park restrooms open 3 months longer a year (three seasonal employees)	\$15,000
– Weed management in general fund parks	\$245,000
– Annual picnic table replacement (75 tables)	<hr/> <u>\$52,500</u>

Grand Total

\$2,000,000

What does a \$200,000 homeowner get for \$30 a year? (Third year of assessments)

- **One-time improvements**

– A large event shelter at Pioneer Park	\$200,000
– Cemetery Restroom	\$50,000
– Emergency and general maintenance (roofs, pumps, irrigation systems, etc.)	\$53,500
– Stewart Park infrastructure improvements (roads, parking, etc.)	\$1,200,000
	Sub Total <u>\$1,503,500</u>

- **Ongoing improvements**

– Trail maintenance (Includes Volunteer Coordinator)	\$94,000
– Improved park maintenance (Includes 2 maintenance staff)	\$90,000
– Keep park restrooms open 3 months longer a year (three seasonal employees)	\$15,000
– Weed management in general fund parks	\$245,000
– Annual picnic table replacement (75 tables)	<u>\$52,500</u>
	Grand Total <u>\$2,000,000</u>

City-Wide Assessment District Proposal

- Presented to City Council on February 22, 2011
- Presented to the Chamber Board May 16, 2011
- Presented to Chamber Trail Committee May 17, 2011
- Presented to the Library Board and discussed how we could work together on our projects on June 9, 2011.
- Discussed the proposal with the community during City Council's Community Conversations

Community Conversation Concerns

- Cap annual assessments at \$2 million per year.
- Schedule an evaluation at the end of the fifth year to determine if the assessment should sunset.
- A commitment from City Council to maintain the current percentage of funding from the general fund.
- The concern of a public vote is addressed through mailed notices to each property owners and the right to protest.

Park Maintenance Districts (PMD)

- PMDs fund maintenance of neighborhood parks and a few downtown areas.
- The City-wide assessment will provide funding for maintenance and improvements in community (Pioneer Park, North Park, South Park, Castle Rock Park, Veterans, etc.) and regional parks (Rose Park, Amend Park, etc.).

How will PMDs be affected?

PMD Parks with Unique Features

PMD Name	Number	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012 Ass. Rate	# of Properties	Cost/par. Property
Harvest	684001	\$129,002.28	\$129,002.28	\$154,808.00	\$164,000.00	0.038086 sq/ft	716	\$229.05
Olympic	684002	\$84,502.90	\$88,728.00	\$105,835.00	\$125,000.00	0.027815 sq/ft	508	\$246.06
Montana Avenue	684011	\$25,060.52	\$36,337.75	\$36,338.00	\$36,338.00	0.070464 sq/ft	38	\$956.26
Broadway/City Hall	684013	\$9,287.16	\$20,567.00	\$20,567.00	\$20,567.00	0.058637 sq/ft	12	\$1,713.92
Rehberg Ranch	684025	\$25,999.96	\$30,000.00	\$30,000.00	\$30,001.00	0.012237 sq/ft	160	\$187.61
Ironwood	684027	\$31,665.98	\$47,886.00	\$52,650.00	\$55,000.00	0.010757 sq/ft	261	\$210.73
Copper Ridge	684031	\$26,205.88	\$31,446.00	\$35,710.00	\$45,000.00	\$589.62 per lot	79	\$569.63
					\$475,906.00		1774	
Other PMD Parks								
PMD Name	Number	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012 Ass. Rate	# of Properties	Cost/par. Property
Parkland West	684003	\$11,000.32	\$16,500.00	\$19,801.00	\$25,000.00	0.011848 sq/ft	326	\$76.69
Kiwanis/Durland	684004	\$7,000.10	\$9,000.00	\$9,000.00	\$10,000.00	0.014562 sq/ft	37	\$270.27
High Sierra	684005	\$32,106.42	\$32,106.42	\$31,964.00	\$31,964.00	0.004059 sq/ft	572	\$55.88
Forest Park	684006	\$2,200.34	\$2,200.34	\$2,201.00	\$2,201.00	0.003486 sq/ft	49	\$44.92
Woodland Estates	684007	\$6,000.30	\$6,000.00	\$6,000.00	\$8,000.00	0.009418 sq/ft	24	\$333.33
Terra West	684008	\$9,300.78	\$12,091.30	\$12,093.00	\$12,094.00	0.014598 sq/ft	125	\$96.75
Aspen Grove	684009	\$3,700.42	\$3,700.42	\$4,810.00	\$4,810.00	0.012524 sq/ft	60	\$80.17
Lakeview Drain	684010	\$400.06	\$400.06	\$400.00	\$400.00	0.001670 sq/ft	29	\$13.79
Country Manor	684012	\$16,000.98	\$16,000.98	\$16,020.00	\$20,000.00	0.006371 sq/ft	284	\$70.42
Rush/Shiloh Point	684014	\$17,757.82	\$17,757.82	\$17,422.00	\$17,760.00	0.00625 sq/ft	231	\$76.88
Howard Heights	684015	\$4,500.42	\$4,500.42	\$4,500.00	\$4,500.00	0.003893 sq/ft	69	\$65.22
Mission United	684016	\$1,600.12	\$2,400.18	\$3,600.00	\$5,000.00	0.006093 sq/ft	30	\$166.67
South Gate	684017	\$12,295.38	\$12,295.38	\$13,525.00	\$13,525.00	0.006052 sq/ft	19	\$711.84
Frances Park	684018	\$11,001.96	\$11,001.96	\$11,002.00	\$11,002.00	\$60.12 per lot	183	\$60.12
Rolling Hills (Silver Spur Trail)	684019	\$6,600.00	\$6,600.00	\$7,026.00	\$7,236.00	\$219.26 per lot	32	\$225.81
Dokken (Town and Country)	684020	\$9,200.00	\$9,200.00	\$9,660.00	\$9,660.00	\$460.00 per lot	21	\$460.00
Ramada	684021							
Lutheran Park	684022	\$6,470.70	\$6,470.70	\$6,471.00	\$6,301.00	\$87.50 per lot	74	\$85.20
Rimrock West	684023	\$24,500.00	\$35,035.00	\$35,035.00	\$35,035.00	\$143.00 per lot	245	\$143.00
Walden Grove	684024	\$17,553.28	\$17,553.28	\$17,554.00	\$17,607.00	0.021794 sq/ft	125	\$140.86
Uinta and Twin Oaks	684026	\$12,100.60	\$12,100.60	\$15,733.00	\$25,000.00	\$145.35 per lot	172	\$145.35
Vintage Estates	684028	\$1,950.00	\$1,950.00	\$1,960.00	\$1,960.00	\$17.50 per lot	112	\$17.50
Cottonwood	684029	\$2,201.24	\$2,201.24	\$2,201.00	\$2,201.00	0.001830 sq/ft	156	\$14.11
Kings Green	684030	\$9,500.00	\$10,450.01	\$10,450.00	\$10,450.00	\$209.00 per lot	50	\$209.00
Riverfront Pointe	684032	\$2,100.94	\$2,100.94	\$2,100.00	\$2,043.00	\$28.38 per lot	74	\$27.61
Falcon Ridge	684033	\$4,800.12	\$4,800.00	\$4,680.00	\$4,440.00	\$120.00 per lot	39	\$113.85
Foxtail	684034							
Bitterroot (Legacy)	684035							
Josephine Crossing	684036	\$2,000.58	\$2,000.58	\$2,016.00	\$2,017.00	.003893 sq/ft	124	\$16.26
Reflections of Copper Ridge	684037							
Terra West Entrance	684038	\$6,034.20	\$6,034.20	\$6,034.00	\$6,034.00	\$77.36 per lot	78	\$77.36

\$296,240.00

3340

Total Annual PMD Assessment	\$571,811.76	\$ 846,408.86	\$709,166.00	\$772,146.00	5114
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Recommendations for moving forward

- Our parks' needs are urgent and immediate
- We support the construction of the new downtown library
- After November election we recommend moving forward with a City-wide Assessment District.

Questions