

# City Council Work Session

5:30 PM  
Council Chambers  
March 5, 2012

## ATTENDANCE:

Mayor/Council (please check)  Hanel,  Ronquillo,  Cromley,  Cimmino,  Pitman,  McFadden,  Bird,  Ulledalen,  McCall,  Astle,  Crouch.

## ADJOURN TIME: 7:55 PM

## Agenda

<b>TOPIC #1</b>	<b>Solid Waste Billing</b>
<b>PRESENTER</b>	Dave Mumford
<b>NOTES/OUTCOME</b>	Proceed

- Solid waste is assessed 2X year, which means 44% of revenue has to be kept in reserves to finance operations.
- By going to monthly bill, would put like services together, and cut down reserves to 22%-- no increase for a year
- Can consolidate billing without increases in staff or postage.
- Helps with customer service. New customers or businesses want to change services, now Public Works has to estimate costs. CAMA used to identify new properties and sometimes new owner takes trash case from former residence to new home and it can be up to a year before we catch up with it. This is the best way to handle state legislative mandate that splits neighborhoods among carriers.
- Issues, working with Legal. Right now 1% delinquency might have to go to taxes if citizens don't pay. Need education program – customers may think increasing water bill.
- Seeks Council concerns so we can move forward.
- Ulledalen: Makes sense. How would we manage the transition?
- Dave: Could be ready with July change-over for everyone using Innoprise.
- Mayor: What % now being billed electronically?
- Dave: Hand-billed. Could pay electronically through wastewater and water.
- Pitman: If write off, shouldn't have been. Notes Pat Weber hands out IRS information.
- Mayor: Should seek advice from own accountant or attorney, not us. Brent agrees.
- Ronquillo: Divide \$98 a month. Delinquency stumps him. In private sector, you could cut off for delinquency. Still pick up garbage and if failed to pay, bill end of year?
- Mumford: Do shut off water if delinquent for more than three (3) months. Wouldn't shut off water if didn't pay garbage. In the Heights, have trouble with people who are on water and don't pay for sewer.
- McCall: Good idea but question of communications with the public.

- Mumford: Get some media, Channel 7, couple of ads explaining differences. Work with accounting staff so they can answer questions, as well as information on website. Will reach 1/3 of the citizens if lucky.
- Pitman: Risk low, but people will realize taxes haven't gone up.
- Ronquillo: Something that could be discussed at Community Conversations?
- McCall: Yes.
- McFadden: Called Solid Waste late today, sent out truck. Is the tax rate savings one-time? It will save us money in the long term?
- Dave: Would look at it in '14 but one time now.
- Dave: Finance has asked if fire hydrant should go on, also, rather than on tax statement. Would be good for tax services for business because Solid Waste pays 4% franchise fee.
- Ulledalen: Fire hydrant isn't just for water?
- Dave: It includes lines, maintenance, etc.
- Pat Weber: Fire hydrants are based on taxable value, if switch to water bills it will be billed off meters, non-profits now paying \$20 will shift to paying percentage, residents' costs will go down.
- Public comment:
- None.

<b>TOPIC #2</b>	<b>City of Billings Water Rights Settlement</b>
<b>PRESENTER</b>	Mumford
<b>NOTES/OUTCOME</b>	Proceed

- After 30 years' negotiations, resolved with all Federal agencies such as the United States Department of the Interior, US Bureau of Indian Affairs, US Bureau of Reclamation and the Crow Tribe and approved by Senior Water Master Kathryn Lambert. If the Council is comfortable, we will bring the resolution to Council for approval. All others signed, and attorney Rod Hammond will sign for City if approved.
- Rights in 1887, 1895, 1905, 1906. Some of senior rights are in out area. Rights to 172 cubic feet. Now at 34 cf, and at peak 83.6 cf. The proposed water rights would allow the City of Billings to provide water for a population of approximately 250,000 residents during peak demand. With water use declining, could provide in the future for up to 500,000 residents.
- Public comments:
- None.

<b>TOPIC #3</b>	<b>Conoco Refinery Wastewater Discharge to City of Billings</b>
<b>PRESENTER</b>	Mumford
<b>NOTES/OUTCOME</b>	Proceed

- Conoco and Exxon have inquired in past about services, Conoco now ready to proceed. Has been a sewer customer for more than 55 years and a water customer for more than 66 years. Modification and expansion of existing services
- 500,000-800,000 gallons addition each day.

- Pretreatment will be required. Now experimenting on site to take out metals including arsenic and selenium. Conoco Phillips would pay cost of services and surcharge of about 10 % to General Fund for services. Cost of services about \$350,000.
- If Council is agreeable to continuing, we would work with EPA Region 8 and an MOU for Council approval.
- We would have to revise Ordinances.
- Don't see any deal breakers. Public-private partnership to help Conoco meet with their next stage into the discharge requirements.
- Mayor: If arrangement were not made, what would happen with discharge and plant?
- Mumford: Would have to meet same numeric nutrient standards as City and change discharge point from Yegen Drain to Yellowstone River.
- Ulledalen: Of help to us with State in long run?
- Dave: Better for us and ConocoPhillips and for the river.
- Ulledalen: Concerned about toxic event affecting us and what does additional material coming into plant affect our capacity.
- Mumford: Would have right to test, and they would have testing ponds. We can handle the capacity now. Won't come on for probably two (2) years. Just starting design of new City plant and could take into account on size.
- Mayor: Even with current plant, no problems?
- Dave: Pre-treatment would be an issue but processing is not a problem.
- Bird: Concerned about toxic and financial impact.
- Dave: Looking with EPA. They will be responsible for the limits.
- Bird: Because City ultimately responsible, would the financial costs of environmental hazard, or would City get stuck?
- Dave: No contract, but if Council wants stricter language if something else occurs, would deal with in contract?
- Bird: Look at other communities? Don't want to see City repository for all things hazardous, as past history of the state suggests.
- Dave: Looking at Great Falls, this already accepts from the refinery and Region 8, as well as other communities and how they protect themselves.
- Pitman: What coming in? Solids?
- Dave: Liquid waste.
- Bird: What happens to liquids now? What if we don't?
- Dave: It currently goes into the Yegan Drain then into the Yellowstone River. They are in the process of updating their permit. Have to treat in next couple of years. Would have to build one plant to discharge into the Yellowstone or work with us?
- Ronquillo: Win-win situation for both sides with pre-treatment and good customer relationship for years.
- Public Comment:
- Julian Stoll, ConocoPhillips Building Manager. Working with two (2) options to renew permit. One with City and other with treatment into Yellowstone. Flow to Public Works is stable flow, lower than emissions from other sources. Pre-treatment is \$10 of millions alone. Discharge into Yellowstone would cost beyond that. Can both invest or share.
- Ulledalen: This is coming out of feed process. If event out of one (1) of units, get caught in system before comes to us. Not only costs but limited space affects ability to expand?

- Stoll: have space to do either but compete for space down road. Already have water and sanitary sewer contracts, demonstrated history of process and ability to handle issues. Track record of compliance would speak our ability to handle upsets.

<b>TOPIC #4</b>	<b>Empire Garage Construction Management</b>
<b>PRESENTER</b>	Greg Krueger
<b>NOTES/OUTCOME</b>	Proceed

- Want to be sure comfortable with project management RFP approved by Downtown Billings Board, and to issue a design build RFQ. Also want to issue bonds between July and October.
- Garage on Montana Avenue with street-level retail. Demolish existing structures, burying utilities in alley.
- Design in July. Construction July 2012 through 2013.
- Normally do design-bid-build. Cost over-runs, project changes, numerous trips back to council to change the basic contract. Take two (2) years.
- Recommend design build as least risk for late delivery. Requires qualified project management. Vertical construction typically not handled by City. Once we decide what we want and what we want to spend, few changes can be made.
- Construction manager at risk puts risk on contractor, little City involvement.
- Design-bid-build has the least risk as far as getting what want, no matter what want. Construction Manager under Risk does opposite. Design build fastest, earliest cost certainty, lowest overall risk for late or over budget delivery.
- Allowed by State code, but strict process.
- Why hire a qualified team? Programming and development of detailed RFP. Oversee the design, budget and scope that will comply with requirements of RFQ/RFP. Manage approvals and inputs with the City and community partners. Drive team during the construction and occupancy. Quality control/oversight during construction. Coordinate with contractor and retail tenants. Continual oversight/review and reporting of schedule and budget through the project.
- Ask City to issue RFP for design build team as early as Tuesday if okay,
- Ulledalen: Makes total sense. Not some architect trying to find someone to build. What say will City have over design to avoid problems?
- Krueger: Management team will write RFP ahead of time.
- Mayor: Keep moving forward.
- Pitman: More for clearwell cover because it is hard get people to come in. Here?
- Krueger: Think on-target. We know as soon as we hire a build team, they would be able to tell us if our budget is in line.
- Pitman: Same time line as Library, lot of resources active downtown.
- Krueger: With Federal courthouse closing, many people here.
- Cromley: Exits from the garage?
- Greg: All the exits will be on Montana. Entrances on North Broadway.
- McCall: What kind of budget are we looking for the project management?
- Krueger: Cost of 2-3% of the project cost.
- Cimmino: Indicated architect last year?
- Krueger: Pre-design.

- Cimmino: Use any of it?
- Krueger: Absolutely. May be some fluctuation on outside appearance, but is basic design, It is a garage, parking stalls and ramps.
- Cimmino: Completed Jack Hannon?
- Krueger: Yes
- Crouch: Noted residences, what change?
- Kruger: Building residential on top possible. First floor retail is just boxes developer will have to build out. City building just a parking garage.
- Ulledalen: Is the Conference Center a dead issue?
- Krueger: No. Skybridge option.
- Bird: How tall and what is an Empire Deck?
- Krueger: Flat section could use of reverts and future uses. Six floors, almost as tall as Securities Building. If add residential, assured Northern tallest on their side. On North 27<sup>th</sup> Street, may go as tall as Northern.
- Public comment:
- Joe White, 926 N. 30<sup>th</sup>. Should do compression, stability, electrical tests, feasibility for air. In danger, bones, bodies, peppers and beans from construction. Terrible mess. Mr. Santorum proposed Joe chair national study commission.

<b>TOPIC #5</b>	<b>Park Maintenance District</b>
<b>PRESENTER</b>	Mike Whitaker & Catherine Grott
<b>NOTES/OUTCOME</b>	Reschedule for 3/19/12

- Ms. Catherine Grott, chair of public information committee
- Found out recently Parks, Recreation & Cemetery Board never officially changed name. Could the Mayor and Council look into this?
- Last February, came up with five (5) criteria; Safety, health and welfare, preventing closures and removal as state and federal compliance (ADA compliance), public input and efficiency. One missing, they might want to add. That is, public constituency, which Board does not represent.
- First list is master list, one-time, big-ticket item good for while. Ongoing maintenance has been added every year.
- Whitaker asked for prioritized list from Board and staff. Added together to come up with master list.
- Shows first six (6) projects: Rose Park water slides on top. Why? Thinks because safety hazard with shards coming to top. Will examine the slide in May, if we can treat the slide we will, but if not, close.
- If go through 1-10, items reach \$2 million in estimates. Combination of one-item big ticket cost plus maintenance costs. Does not include picnic tables and benches, which Council may want to move up.
- Next slide is deferred maintenance list for 1-time, big-ticket items so Council can see what they are and separate from maintenance of \$1.5 million first year.
- Rest of one-big ticket items and how play out future years.

- Showed ongoing maintenance of \$500,000 year to include: improved park maintenance, weed management in General Fund Parks, trail maintenance, keeping park restroom open three (3) months longer, picnic tables and benches replacement.
- Grott: Board tasked to go through list and needed process ranking items. Came up with five (5) criteria. Council has constituency base that may come to top of Council's list. Would recommend find way for Council to judge process. May want own or create own.
- Pitman asks for list. Invites Council to come out and see some projects, which pictures don't do justice. Not maintaining investment meant by predecessors, a list the Council can set up.
- Grott: Restrooms: Eight (8) to be upgraded and replaced, two (2) new. Two new, are outside of city assessment may not include maintenance, may not be allowed. Old restrooms had home/residential fixtures.
- Ronquillo: Central Park upgraded, North Park upgraded, and South Park not listed.
- Whitaker: Remodeled South Park restroom last year because had \$17-18K left over from wading pool removal, replaced with stainless, painted.
- Cimmino: Jan. 11 meeting minutes shows three (3) subcommittees formed. Wanted 3-5 members per subcommittee. Include members others than Park Board?
- Whitaker: Goal to have Park Board and outside people. Sale of land committee large because chairman invited people.
- McCall: Think tour is a good idea. Timetable. What drop dead date to collect and sort our priorities and get public comment?
- Tina: Early September to get taxes through the agenda and to the county the set the assessment..
- McCall: Favor getting public access. Do web-based survey on City and Gazette website. Get information out on priorities on paper for people who don't use web.
- Mayor: Important to receive feedback, have to educate the public also because of information Council has and citizens don't to get input.
- Ulledalen: Share caution on new restrooms because we talked about deferred maintenance. Swords Park has separate focus.
- Pitman: Slow down little bit. Service organizations will help. Use for leverage, such as organizations coming in and offering money if City will match.
- Kathy: Send to Parks, and will show them
- Bird: Stewart Park batting cages: Why isn't Stewart Park maintenance issues not part of whole conversation—broken out between cages and rest.
- Kathy: Infrastructure has more to do with \$1.2 million parking. The Batting cages need to replaced. Infrastructure also needs be replaced. Critical nature of each one is different, that is why they are separate.
- Mike: If don't replace 20-plus year old batting cage equipment, have to shut down. Partner with Billings Softball Assn. which does great job handling concessions, programming, etc., but huge needs for infrastructure.
- Bird: Batting cages self-supporting?
- Mike: If good spring and summer, yes, can cover operating costs but not capital costs to repair the equipment.
- Cromley: Regarding private donations, have shopping lists for minor projects like benches?

- Whitaker: Have list partnered with Chamber on, for Swords Park restroom, and hope to expand citywide.
- Cromley: Benches on the walking trail possible?
- Mike: We do memorial benches frequently.
- Cimmino: Memorial benches are about \$1,000- \$1,200 each?
- Whitaker: Yes.
- Cimmino: Use aluminum from Cobb Field to build benches throughout the community?
- Mike: Salvaged aluminum frames.
- Mayor: Agree eliminate new restroom in the parks. Phipps need trails.
- Bird: Cost of picnic tables? Fixed or mobile?
- Mike: \$50,000 they will be mobile and heavy so hard to move or tip over.
- Bird: Picnic tables also could be sponsored by eating establishments with advertising?
- Whitaker: Would come up with standardized plaque. Companies donate on regular basis. Need lots of equipment.
- Ulledalen: Like to hear from Heights Council on tennis courts?
- Pitman: Issue with courts – how much money has been put into the courts already? Best place for tennis court? To keep replacing something chronic bad location seems futile. Relocating may be better.
- Mayor: What information are you getting back on the courts?
- Cimmino: Got feedback regarding the need courts in Heights. Castle Rock meets the need in Heights. Complaint cost \$250K too much to fix six (6)-inch crack.
- Whitaker: No investment in Castle Rock in five (5) years he has been here, closed 2-3 years ago.
- Pitman: Issue talking about constituents. Value in Council saying all good projects, but what else is needed? Is it just deferred maintenance, or invest in disk golf? Used Pioneer, same problems both places. Tennis court struggled when he was on Park board. Make sense to fix on spot or find appropriate place.
- Ulledalen: Solution high because post-construction concrete could float above bentonite, or move to another site. More bang with bucks at another site. Skyview courts patched but not durable, same soils. Comment of school district said they don't know where put them. Current location would be good if high school could use. Post tension durable for 20 years, based on other communities like Great Falls. Proposing relocation of Castle Rock; if demolished, would not replace if tests show not stable enough.
- Mayor: Alternate location?
- Mike: Already have support amenities, no better site than Castle Rock. Same for Pioneer Park.
- McCall: Difficult to take tests? How long would the testing take?
- Whitaker: Could bore through existing courts.
- McCall: Seems like a good idea.
- Cimmino: Soil testing should have been done when built. Support tennis.
- Pitman: Castle Rock gets high use. High Sierra has dog park and disc golf, potential for regional park, look at Heights growth for best fix. If can pull stress out of Pioneer Park, could extend its life.

- Cathy: Could Castle Rock negotiate with SD#2? Maybe something the advisory board needs to pursue. Tennis might resolve self in end. Lot of different groups with vested interest in area.
- Ulledalen: 5500 PMDs, 60% are in the Heights. Some problematic because of relation to specific parks. How to handle?
- Kathy: PMD group has not met. Lot of moving parks. Understand concerns.
- McFadden: Don't see anything improvements for Riverfront?
- Mike: Emergency maintenance \$\$ for road repairs.
- McFadden: Talked about annexing Riverfront.
- Mike: Not Park Board, but Police and Fire departments don't object.
- McFadden: Has anyone from Audubon suggested their facility be annexed in with Riverfront?
- Pitman: Need timelines for when information and discussion is needed. Work backwards from what have to be done at certain points.
- Tina: Do you want a tour, community conversations in June, what would you like to have in the timeline. Other public meetings, taskforce presentations?
- Mayor: Council Tour would be a good idea. Community conversations, public comments.
- Tina: We will have the timetable to bring to March 19<sup>th</sup> work session.
- McCall: Community conversations may suffice for public comment if it is advertised well and the public responds.
- Public comment:
- Rick DeVore, 2614 Park Ridge. Partnering great idea, but difficult task based on 30 years of experience in youth sports. Has leagues right now that cannot fill sponsorship \$400 max for teams. People won't come in with \$1000 to buy plaques, \$100 buy bricks. Who is going to promote that? Council, staff, Parks Board? Still \$50,000 short for Centennial Park.
- Ulledalen: Everyone passionate about their sport.
- DeVore: Best way to raise money is Bones event for dog park.
- Mayor: Expresses gratitude for tennis courts at Elks.

<b>TOPIC #6</b>	<b>PPB Results Review</b>
<b>PRESENTER</b>	Tina Volek
<b>NOTES/OUTCOME</b>	Reschedule for 3/19/12

- Tina: On January 17<sup>th</sup> the team from Priority Based Budgeting met with the council and came up with seven (7) major points to consider when evaluating programs. Those points include: Safe Community; Sustainable Economic Development; Comprehensive, Orderly Growth and Development; Effective and Connected Transportation Systems; Preservation of Community Resources; Involved, Engaged and United Community; Leisure, Cultural and Learning Opportunities; and Honest, Responsive Government. Staff met with the team on January 18<sup>th</sup> and came up with programs and concepts they feel would meet the goals set by council. What you have in front of you is recommendations for scoring points for the various programs in the city. Staff is in the

process of separating their programs. We would like to internally begin to rank the programs by the departments, then by a peer committee who will determine if they meet the goals of the program.

- The scoring will come back to you in the model shown to you by the Center for Priority Based Budgeting, which we hope to complete by May 7<sup>th</sup> so the scoring can be presented to you the same time the budget is. Tina went through the seven (7) major points explaining each of the categories.
- Mayor: Overlap personal security through a visible presence and lives and property enforcing the law, fairly administering justice, could possibly be combined–
- Tina: Perhaps we need better clarification. Prevention, intervention and education activities is primarily policing and fire investigation; the other takes into account the attorney's office and municipal court
- Ulledalen: Overlap with comprehensive orderly growth – conflict with annexing matter in way that doesn't sustain public safety services.
- Mayor: Input on promoting clean and healthy well maintained. When ranking that covers a lot.
- Cimmino: Important to highlight police and fire service. Integrate long-range planning for management growth. That might fit better under the Comprehensive Orderly Growth and Development.
- Tina: This is based on what has been done in other communities, but this is our set of measurements to use for our scoring. If council would like to make changes we need to do that. We need to not let annexation conflict with our ability to sustain safety services as well as the public services that we have.
- Ulledalen: This process sets tone for future system – going back to the future system. Instead of ranking this tonight please send to the council as a Word document so we can play with it and bring it back.
- Bird: Process questions. The council needs to understand what we are doing And what the expectation in terms of what we have. Open for interpretation for changes.
- Tina: Reschedule for March 19<sup>th</sup> work session. This will push things back to mid-May.
- Ulledalen: Framework handed to this Council from a different time with different problems.
- Pitman: Having some institutional knowledge with Ulledalen & Ronquillo. You have a piece of the puzzle that a lot of us do not have.
- Ulledalen: How do we sustain existing services? Create an internal council survey to breakdown the issues.
- Public Comment:
- None

#### Additional Information:

Public comments on any matter:

# Proposed Solid Waste Billing Change

## Benefits of changing from billing with assessments to utility bills:

- Provides regular monthly cash flow giving us the ability to reduce operating reserves from 44% to 22%, which will free up \$2M in cash
- The reduction in reserves will allow the Public Works Department to eliminate the proposed rate increase in FY 2013
- Increased efficiencies in Public Works that will consolidate the utility billing providing cost-sharing of mailing/postage expenses and staff time
- Consolidated billing can be accomplished with existing PWD staff
- Provides greater transparency by showing the cost of services on a monthly basis rather than consolidating the charge with assessments that are only mailed once a year
- Changes solid waste billing to a charge for service and not a tax

## Challenges of Change:

- Increase in delinquent collections. With the change in collection from the bi-annual tax statement, customer delinquency will increase. Currently water/wastewater billing has less than 1% delinquency.
- Option of passing City Council Resolution allowing for delinquent collections to be placed on tax statement similar to Weed Abatement Program.
- Water/wastewater customers will see increase on monthly statement and believe it is a water/wastewater increase.
- Will require customer education program to explain the change



# City of Billings Water Rights Settlement

- The City of Billings began the legal process of adjudication of our water rights approximately 30 years ago.
- The settlement of the City of Billings water rights was adjudicated between the City of Billings and the following Federal Agencies:
  - United States Department of the Interior
  - U.S. Bureau of Indian Affairs
  - U.S. Bureau of Reclamation
  - Crow Tribe
- Resolution of the water rights was concluded pending acceptance by the City of Billings by the Montana Water Court through Senior Water Master Kathryn L. Lambert.
- The following water right allocations have been tentatively agreed upon pending City Council approval:

Priority Date	1887	-	1.93 cubic feet second (CFS)
	1895	-	5.42 CFS
	1905	-	2.30 CFS
	1906	-	<u>162.35 CFS</u>
<b>Total</b>			<b>172 CFS</b>

- The City of Billings current annual average daily water production is **33.4 CFS**. Our peak daily demand flow rate is **83.6 CFS**.
- The proposed water rights would allow the City of Billings to provide water for a population of approximately 250,000 residents on a peak demand day.
- The reality of our water demand is a continuing downward trend in per capita water use. We believe the adjudicated water rights will provide for significant population growth in the future.
- Average annual daily water use at current water demand would provide for a population of approximately 500,000 residents.



# CONOCOPHILLIPS REFINERY DISCHARGE

## Key Points:

- Conoco Phillips Refinery has been a customer of the City of Billings for over 55 years.
- Billings currently provides domestic/process water and domestic wastewater service.
- The refinery process wastewater volume is between 500,000 and 800,000 gallons per day.
- Conoco Phillips will be required to pre-treat their process wastewater discharge before acceptance by the City of Billings.
- Conoco Phillips will be required to pay System Development Fee. Franchise fee and surcharge are paid to the General Fund.
- Conoco Phillips and the City of Billings will enter into a contract defining pre-treatment program, safety process, and fee schedule.
- Contract will define fee for processing the wastewater discharge per GPD, franchise fee (4%), and surcharge (Lockwood pays a 6% surcharge).

## Steps:

Determine available Wastewater Treatment Plant maximum available headworks loading to be allocated to ConocoPhillips.

Actions: Staff running scenarios using EPA Region 8 spreadsheets and guideline.

Draft MOU to outline conditions and timelines.

Actions: City Manager signature or City Council approval.

ConocoPhillips to set-up an on-site pilot treatment plant.

Actions: Pilot plant on-line collecting and analyzing data.

Establish a rate schedule.

Actions: City of Billings contracted with CDM Smith. The draft schedule is provided. Service to be paid by ConocoPhillips.

Revise and update City Municipal Code Article 26-600 "Industrial Waste Discharge" of Chapter 26 "Water and Wastewater Utilities".

Actions: Revisions will require EPA review and approval and City Council action.

Revise standard City permit for ConocoPhillips Industrial Users Permit.



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## Downtown Billings BOARD Recommendation to Council

*January 2012*

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**TITLE:** Empire Garage – Project Management – Design Build

**COMMITTEE:** Development Committee

**PRESENTED BY:** Greg A. Krueger, Development Director

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### **PROBLEM/ISSUE STATEMENT:**

The Downtown Billings Partnership (DBP) Board of Directors has, in the past, recommended to the Billings City Council that TIFD funds be allocated to design and build a new public/private mixed use parking garage. In 2010 the DBP developed concept drawings that can be used as the starting point for the final design plans. In January, the DBP Development Committee and the DBP Board were presented with the potential of recommending to the City that a Project Management Firm be found and hired to facilitate this important construction project and that the project proceed as quickly as possible, using the Design/Build alternate delivery method.

### **FINANCIAL IMPACT:**

The total construction cost of the project will be in the neighborhood of \$14 Million Dollars. About \$12 Million will be public funding via TIFD and private investment will add about \$2 Million to the budget. Typically, project management firms charge fees based upon the total construction budget that range in the area of 3%. This would add just under \$490,000 to the budget. The proposed budgets explored by the DBP have accounted for that expenditure within the total \$12 Million.

**See Attached PowerPoint**

*Billings*  
Downtown  
Starts here.



# Empire Parking Garage Facility

March 5, 2012

# Empire Mixed Use Garage –Scope

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- 530 stalls
- Sky bridge to Northern Hotel
- Street level retail
- Demolition of existing structures
- Site preparation and utilities
- Options:
  - Empire Deck over N. Broadway
  - Commercial or Residential top floor over garage

# Empire Mixed Use Garage - Optimal Schedule

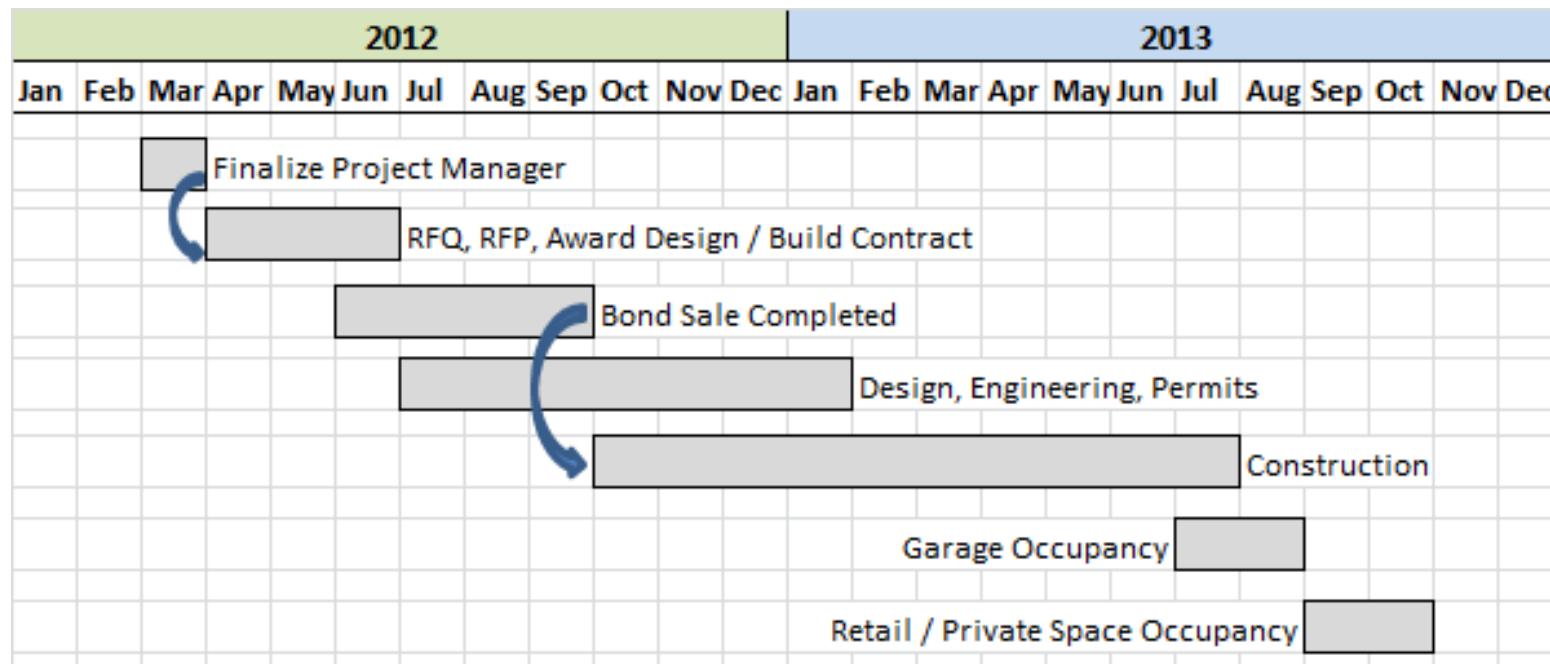
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- Retain Project Management Consultant: March 2012
- RFQ / RFP / Award Design Building Contract: June 2012
- Bond Sale Completed: September 2012
- Design, Engineering, Permits: July - October 2012
- Demolition, Garage Construction: July 2013
- Garage Open: July / August 2013
- Retail and Potential Office Occupy: Fall 2013

Note: Permitting approvals and construction starts will be phased to maximize work with weather and schedule. Phased permits for demo, foundations and buildin\*

# Project Schedule

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# Project Delivery Methods

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1. Design-Build
2. Design-Bid-Build
3. Construction Manager at Risk

# Project Delivery Methods

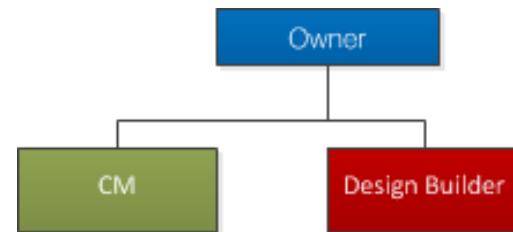
## Design-Build

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### Attributes

- Single source responsibility
- Fast delivery
- Fastest to a guaranteed price
- Least risk for late delivery and claims

### Design-Build



### But...

- Requires qualified project management
- Requires detailed / thorough scope programming
- Less adaptable to owner changes post award

# Project Delivery Methods

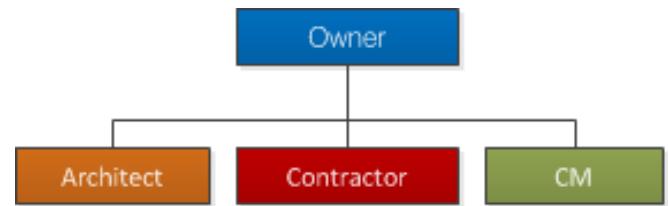
## Design-Bid-Build

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### Attributes

- Objective contractor selection criteria
- Efficient market delivery method
- Easily understood contractual relationships

### Design-Bid-Build



### But...

- Can be adversarial – most prone to disputes and claims
- Unqualified contractors sometimes awarded work
- Longest to a fixed price – can result in over budget bids
- Longer schedule to deliver

# Project Delivery Methods

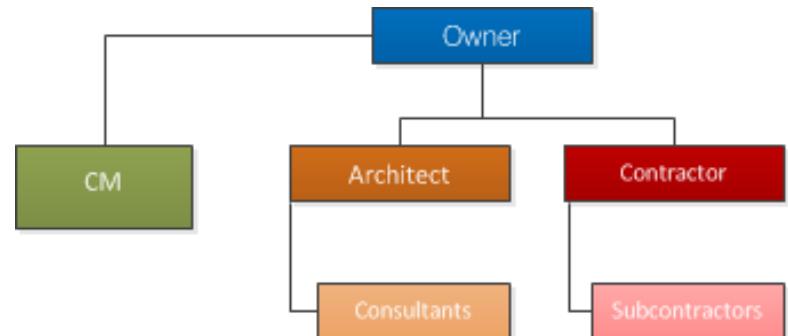
## Construction Manager at Risk

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### Attributes

- Qualifications-based contractor selection
- Highly predictable outcomes
- Escalation risk can be managed

### CMAR



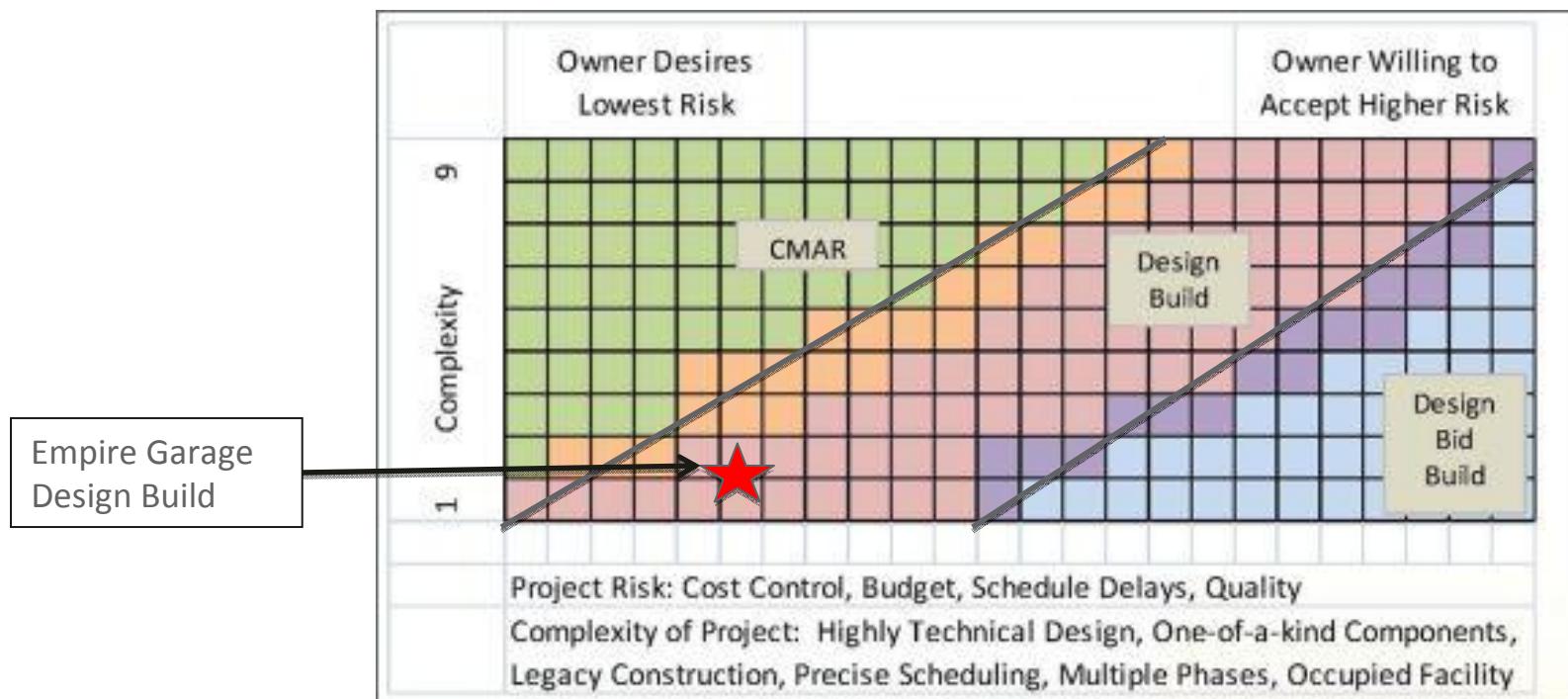
### But...

- Requires qualified staff
- Eliminates competitive advantages of DB and DBB
- Slower to achieve final pricing than DB, budget risks open longer

# Selecting the Delivery Method

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- Risk vs. Complexity --- (Garage: Low Complexity)
- Contractor Expertise --- (Garage: High D/B Expertise in Market)
- Budget Constraints --- (Garage: D/B, sooner budget confirmation)



# Project Delivery Methods

## Why Design Build?

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1. Fastest construction
2. Earliest cost certainty
3. Lowest overall risk for late or over budget delivery
4. Captures creativity and competition
5. Increased accountability in project delivery – single source
6. Allowed by Montana State Code.

# Design-Build Process Overview

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1. Retain experience DB Project Management Team
2. Confirm Alternate Delivery pursuant to Montana Code 18-2-501,2,3
3. Issue RFQ-open to all comers
4. Develop program scope and alternates
5. Short-list three teams – possible interviews / award on agreed criteria
6. Issue detailed RFP
7. Interview, Approve Award, Start Design
8. Design review, approvals, permitting
9. Construction – phased start to coincide w/ phased permits
10. Occupancy Garage
11. Occupancy Retail + Optional areas

# Why Hire a Qualified Project Management Team

- Experienced Design-Build Garage Project Management will provide:
  - Programming and development of detailed Design-Build RFP
  - Oversee the design, budget and scope to comply with requirements of RFQ / RFP selection
  - Manage and coordinate approvals and inputs with City and Community partners
  - Drive team during construction and occupancy
  - Quality control / oversight during construction.
  - Coordinate with DB Contractor and retail tenants
  - Continual oversight / review and reporting of schedule & budget

# **Parks, Recreation and Cemetery Board's Prioritization of Proposed Deferred Projects and Ongoing Maintenance Items**

March 5, 2012

# Park Improvement Ranking Lists

1. Deferred and Ongoing Park Maintenance Ranking
2. Deferred Park Maintenance Ranking
3. Ongoing Park Maintenance Ranking

# Deferred and Ongoing Park Maintenance Ranking

1. Rose Park Replace Existing Water Slides
2. Rebuild/Replace 9 Restrooms
3. Playground Fall Protection Upgrades (36 sites)
4. Improved Park Maintenance
5. Emergency Maintenance
6. Weed Management in General Fund Parks

# Deferred and Ongoing Park Maintenance Ranking

(Continued)

7. Trail Maintenance
8. Keep Park Restrooms Open 3 Months Longer
9. Castlerock Park Rebuild Tennis Courts
10. Stewart Park Replace Batting Cage Equipment

\$2,000,000 First Year

# **Deferred and Ongoing Park Maintenance Ranking**

**(Continued)**

- 11. Pioneer Park Rebuild Tennis Courts**
- 12. South Park Replace Playground Equipment**
- 13. Picnic Tables & Benches**
- 14. Amend Park Water Service Upgrade**
- 15. Pioneer Park Large Event Shelter**
- 16. South Park Construct Sprayground**
- 17. Stewart Park Infrastructure**

# Deferred Park Maintenance Ranking

1. Rose Park Replace Existing Water Slides
2. Rebuild/Replace 9 Restrooms
3. Playground Fall Protection Upgrades (36 sites)
4. Emergency Maintenance
5. Castlerock Park Rebuild Tennis Courts
6. Stewart Park Replace Batting Cage Equipment

Estimate \$1,500,000 First Year

# Deferred Park Maintenance Ranking

(Continued)

7. South Park Replace Playground Equipment
8. Pioneer Park Tennis Courts
9. Amend Park Water Service Upgrade
10. Pioneer Park Construct Large Events Shelter
11. South Park Construct Sprayground
12. Stewart Park Infrastructure Improvements

# Ongoing Park Improvements Ranking

1. Improved Park Maintenance
2. Weed Management in General Fund Parks
3. Trail Maintenance
4. Keep Park Restrooms Open 3 Months Longer
5. Picnic Tables & Benches Replacement

\$500,000 ANNUALLY

# Proposed Park Restrooms

## Upgrade/Replace

- Veterans Park
- Sacajawea Park
- North Park
- Central Park
- Stewart Park
- Optimist Park
- Gorham Park
- Cemetery

## New

- Swords Park  
(vault Restroom)
- Phipps Park  
(vault Restroom)

# Questions?



***FROM THE DESK OF...***

***Tina Volek***  
***City Administrator***

*PO Box 1178*  
*Billings, MT 59103*  
*(406) 657-8430 FAX (406) 657-8390*  
*email: volekc@ci.billings.mt.us*

## **MEMORANDUM**

**To:** **Mayor & City Council**  
**Date:** **Friday, March 02, 2012**  
**Subject:** **Priority Based Budgeting Results Definitions**  
**CC:** **Leadership Team**

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Attached for the Council's review are the results definitions that were the outcome of the January workshops held by the Center for Priority Based Budgeting (PBB). The major topics were the priorities of the Council, and the measures by which programs are judged were developed by the Center based on ideas submitted by department heads and results from other communities involved in the PBB process.

Although there already is a substantial agenda for the work session of Monday, March 5, a brief discussion of the results is being added to the schedule. If the Council agrees with the results, staff will begin to use them next week to score programs. As discussed earlier, the scoring will be done first by the departments and then by a staff peer review group in which participants will not be allowed to judge the results from their own departments.

The scoring will be returned to the Center and, if the schedule continues as anticipated, will be available to present to the Council with the Administrator's budget on May 7.

As always, if you have questions or concerns, please contact me.



## Safe Community

*Ensures access to a reliable utility infrastructure that delivers safe, clean water, manages wastewater treatment and provides effective stormwater management*

*Designs, constructs and properly maintains a transportation network that is safe, accessible and enhances mobility for motorists, pedestrians and cyclists*

*Ensures a feeling of personal security through a visible presence that lowers the occurrence of crime, promptly address community concerns and focuses on prevention, intervention and education activities*

*Provides for the health, education and social well-being of the community, actively connecting with others to improve the welfare of those in need*

*Protects lives and property by enforcing the law, fairly administering justice, promptly responding to calls for service and being prepared for all emergency situations*

*Promotes a clean, healthy, well-maintained, properly regulated and appealing place to live, learn, work and play*



## Sustainable Economic Development

*Provides well-planned, well-maintained public infrastructure that supports the growth of the community and meets the needs of its residents, business and visitors*

*Strategically diversifies its revenues and develops a full-range of funding options that contribute to the City's long-term financial sustainability*

*Supports the attraction, development and retention of a well-balanced mix of sustainable businesses that provide jobs for local workers, promote tourism and diversify the City's economy*

*Provides a safe, healthy and attractive place to live and work, offering quality housing choices, accessible amenities and an environment that provides a desirable quality of life*

*Stimulates and supports business development and growth through incentives, community partnerships and efficient, "business-friendly" processes*

*Encourages strategically planned, sufficiently regulated and appropriately balanced development and re-development that stimulates economic growth*



*Partners to plan, prepare and collaboratively invest in properly regulated, quality and future-focused development and redevelopment that stimulates the local economy and is consistent with community standards*

*Provides, maintains and invests in a well-planned public infrastructure network that accommodates the long-range growth needs of the community*

### **Comprehensive, Orderly Growth and Development**

*Develops and prepares integrated, comprehensive long-range zoning and land use plans that are consistently followed and managed*

*Optimizes the City's resources and enhances the growth needs of the community through well-planned infill and annexation*

*Develops, preserves and revitalizes residential neighborhoods that are safe, attractive and provide diverse, affordable housing options*

*Appropriately plans for the creation, maintenance and accessibility of open space, parks, recreational activities and educational opportunities*



*Continuously maintains, repairs and improves its transportation infrastructure*

*Effectively provides a multi-modal transportation network that is safely designed, well-planned, improves traffic flow, eases congestion, enhances accessibility and ensures community connectivity*

### **Effective and Connected Transportation Systems**

*Provides safe, accessible and well-planned mobility options for pedestrians and cyclists*

*Promotes and provides convenient, safe and reliable public ground and air transportation options that enable local, regional and national access*



*Preserves its long-term financial well-being by adequately funding its priorities with sustainable revenues streams*

*Proactively provides for well-maintained, structurally sound and continually enhanced public facilities, parks, trails and infrastructure*

*Promotes and encourages energy efficiency and conservation as well as the renewal of the environment through recycling and reuse*

## **Preservation of Community Resources**

*Ensures the protection, conservation, preservation, efficient use and enjoyment of its public lands, open spaces, water sources, scenic vistas and other natural resources*

*Provide access to services that meet the basic social, cultural and informational needs of the community in partnership with community stakeholders and volunteers*

*Supports and encourages the restoration and preservation of historic structures*

