

City Council Work Session

5:30 PM
Council Chambers
July 2, 2012

ATTENDANCE:

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

ADJOURN TIME: 7:15

Agenda

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| TOPIC #1 | Park II Refinancing |
| PRESENTER | Chris Mallow |
| NOTES/OUTCOME | |

- Introduction by Bruce McCandless. Chris will do the presentation but need to make some comments about the rates and refinancing proposal. FY 13 budget is balanced but additional revenues and expense reductions have to be part of the FY 14 budget. Thank Tina, Pat, Chris and Parking Advisory Board for helping to this point.
- Chris Mallow: goes through the PowerPoint presentation.
- Ulledalen: issue of gate at Park 1?
- Chris: gate comes up at 6:30 PM, but the garage is now unmanned. Put the gate up earlier so that customers and workers can use the garage.
- Hanel: similar to other garages?
- Chris: yes.
- Ronquillo: public discussion attendance?
- Chris: had total of two (2) public but good attendance at the DBA merchants meeting.
- Hanel: 6-1 vote? Consider any less of an increase?
- Chris: yes. Have to increase revenues in order to refinance Park 2.
- Ulledalen: use SID revolving fund to pay down the debt?
- Bruce: we could do that but that is one time money; the other solutions are ongoing. The lighting rebates are one time money, which is money that would have to be replaced next year.
- Hanel: could we have the history of the previous rate increases for parking which has been presented this evening.
- Bruce: last rate increase was in 2006, meters were increased from .25/hour to .35/per hour, covered parking spaces were also increased. The biggest increase was the reserved spaces in Park I and Park IV went up dramatically. There was a rate increase in 2001 also.
- Cromley: rate comparisons to other cities of similar size and how common are courtesy tickets.
- Chris: courtesy tickets are hit or miss, but considered as a best practice in the industry.

- Pitman: meter trial impact. Asking council to make decisions without all the information.
- Chris: revenues not based on getting those meters back.
- McCall: July 23 action?
- Chris: resolution to change rates in August or early September. Fines are by administrative order.
- Ulledalen: two (2) horses and three (3) carts. Park 2 financing has to be done before we have all of the information. 2006 rates Council approved were less than requested because the increase was so high. Why aren't we increasing rates incrementally?
- Chris: Parking Advisory Board (PAB) will look at rates annually in the future.
- Bird: 10 hour meter explanation?
- Chris: hourly or by permit.
- Ronquillo: complaints about Lincoln Center parking, too short notice and explanation?
- Chris: Library lost parking and wanted to gain space in the Lincoln lot.
- Bird: Dan Berry, from the Billings Gazette, comments. Why no increase on 10 hour meters and about diagonal parking spaces.
- Chris: most 10 hour meters are in the meter reduction trial area but remaining ones don't produce enough money to help the problem. Back in angle parking is new to Billings but is being used elsewhere and it's safer.
- Hanel: reservation about rate increase.
- Tina: Park 2 needs to be refinanced soon.
- Ulledalen: need to understand what Pat is up against to refinance.
- Weber: revenue increase is necessary for refinancing. Meter reduction loss is net \$30,000, so not a big factor. Trying to get the refinancing done by early October.
- Ulledalen: use the SID money for the Parking bond reserve?
- Pat: consider it. Can consider another lease financing if we can't sell bonds.
- Bruce: Delay in the Park IV sale due to the structural review which was completed last week. Would like to have that transaction completed by the end of August to use the funds to buy down the debt of Park II.
- Public comments:
- Bruce Simon, 217 Clark: don't agree with the meter rate increase. Want the General Fund transfer to stop. Like most of the elements in the proposal. Last meter increases didn't produce what was projected, so it shows that downtown lost customers. Can reduce expenses more, such as reducing enforcement and cutting back on employees. Cut the meter maintenance personnel. Don't raise the rates and ruin the downtown.
- Don Olsen, 2112 Fairview Place: Parking Advisory Board advises only. Dire situation presented several months ago. Initial proposal was to increase all rates a lot, thank staff for thinking creatively to solve problems. Trying to find the least harmful path for downtown. Raising rates on the street is probably the least painful for downtown.
- McCall: is the timeline OK?
- Don: didn't discuss it but maybe better to delay. Assuming that meter reduction will be permanent.
- Bird: why didn't you advise increase garage rates?
- Don: did consider them, don't want to drive people from downtown, need to move forward now.

- Ronquillo: woman on the board complained that increasing garage rates would lose customers for them.
- Don: she works for Wells Fargo; she manages the spaces that are leased by Wells Fargo building. They lease spaces for their tenants, close to 200 spaces, so it is a big deal if the garage rates increase.
- Jim Nymeyer, 909 8th Street West: Barjon's Books owner, also on the DBA board. Rates are a market issue. Need to make sure that rates will be accepted and will increase revenues. Don't want penalties to drive people away from downtown. Parking is the first and last thing people do downtown and we do not want it to be a negative impact. Need to be careful with anti-shuffling so that genuine customers can stay downtown more than two (2) hours. Courtesy tickets are important for customer impressions.
- Greg Krueger, 2815 2nd Avenue North: remind everyone that several dominoes need to fall in order to be able to build the Empire Garage. Board supported transfer from TIF to Parking as long as Parking to General Fund transfer stops and to review the TIF transfer annually.
- Lisa Harmon, 2815 2nd Avenue North: not quite where we want to be yet. Refinancing Park 2 is necessary. Consumers are confused; need to be strategic about how we change things.
- Ronquillo: how many vacant storefronts?
- Lisa: don't know but there is less vacancy than when I started this job seven (7) years ago. Good momentum. Downtown has changed so can't do parking the way we always have. Ronquillo: The businesses that were downtown years ago that brought people down are no longer here; we are not drawing the people down here anymore, several businesses are moving clear to the westend so we are losing revenue.
- Bird: parking is more complicated than it needs to be. Simpler way for us to look at parking and still generate the revenue?
- Lisa: yes, but it is very hard to figure it out. The answers are out there but it is difficult when you have a voluntary PAB which only meets once a month.
- Tina: will receive the report on parking management on July 16. Privatizing brings some problems. The rates are scheduled for council approval on July 23rd.
- Ulledalen: what has the goal of the parking division been? Maintain employees and transfer money to the General Fund. PAB has been the referee. Need to be more creative. Need to talk with Billings Clinic about their plans. Agree that parking isn't a problem at all times of the day. Need management structure that doesn't work in opposition to downtown.
- Pitman: delay decision to September, will you have all the information about the meter reduction trial?
- Chris: yes. We are taking a look at the bagged meters that indicate free parking that have always been that way, does the utilization change over the summer. We also have bags that have 2 hour parking for business that had free all day parking that didn't work for their business. We are trying to determine if signs with 2 hour parking would be viable for the businesses.
- Bird: rate increase proposals were discussed before the General Fund transfer reduction was proposed? Would smaller annual meter rate increases work?
- Don: rates considered first, then expense reduction, which allowed rates to be less than original proposal. Don't know if incremental will work.

- Ulledalen: agree that most people don't pay attention to the amount customers pay for meter parking.
- Tina: staff prepares work for the PAB and Council to consider. Part of this year's solution is the energy rebates and that's one time money. Will have to consider further rate increases in the future.

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| TOPIC #2 | Community Conversation Topics and Schedule |
| PRESENTER | Bruce McCandless |
| NOTES/OUTCOME | |

- Bruce McCandless: Community conversation background. Citizen survey schedule. Preliminary dates of September 12 and 13 for the next round of conversations. Three (3) potential topics of citizen survey results, priority based budgeting and public safety funding. Additional comments from CM McCall.
- McCall: group working (Ronquillo, Clark, Crouch, Liz and Bruce) talking about potential topics, settled on public safety services and funding, maybe just an introduction. Tied to Priority Based Budgeting (PBB) and survey. Called Pat Bellinghausen and she will write an editorial, asking that people complete the surveys. Want a high response rate.
- Public comments: none
- Ulledalen: cost of police and fire will increase about \$2 million per year. Should we run another election, should we cut other programs in order to sustain the public safety functions? Council will probably have to make those decisions in a few years.
- Pat: annual increase is usually \$800,000 to \$1,000,000 per year for public safety agencies.
- Hanel: we need to be careful about the numbers.
- Ulledalen: have numbers for several months ago.
- Cimmino: all three (3) bargaining units and non-bargaining received the same raises. We need to look at all wage increases.
- McCall: suggest additional topics to me, or we'll go with the ones suggested.
- Pitman: think these three (3) broad based topics are good.

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| TOPIC #3 | Priority Based Budgeting |
| PRESENTER | Tina Volek |
| NOTES/OUTCOME | |

- Tina: not a lot to discuss. Council received breakdown of the programs, descriptions, costs and FTEs. Have received revised analytical tool, will give you more information at the next work session. On July 23, council will consider the budget again. At least three (3) programs in the list aren't funded; Housing authority officer, social services in CDBG and long range planning. Does Council want staff to recommend program reductions or does the Council want to do that work? Lots of work ahead to work with this tool.
- Consensus is for the staff to work on reductions.
- Tina: staff will try to produce paper copies if requested.
- Public comments: none

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| Additional Information: |
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- Other public comments: none
- McCall: update Council on MLCT board of directors meeting last week. Approved the budget. After the 2013 session, will move in with the MMIA. Will send report that Alec Hansen prepared – pensions and oil production. Fall conference is in Kalispell.
- Ronquillo: meeting last week in Miles City about TIF. Lady called and asked if City is interested in hosting another meeting. Think that schools can be financed.

FY 2013 Downtown Parking Rates and Fines Increases

Chris Mallow
Parking Supervisor

Parking Changes

- Park 1 (3rd Ave. No.) is now “Monthly Only”
- Park 4 (FIB/Transwestern) sale
- Meter Reduction Trial to run thru mid August
- Eliminate 3 FTEs
- FY13 Budget is balanced
- Park 2 Expansion debt refinancing
 - \$100,000/yr. transfer from TID to Parking
 - Eliminate Parking transfer to General Fund
 - New revenue is still required

Parking Rates

Current vs. Proposed Rates

| | Current | Proposed Rates |
|--|------------------------|----------------|
| Std. meters | \$.35/hr | \$.50/hr. |
| 10 hr. meters | \$.10/hr or \$15/mo | Same |
| Green meters | \$.50/hr | Same |
| 27 th St. Lot monthly spaces | \$50/mo. | \$75/mo. |

Parking Fine Changes

- Courtesy Ticket = 1 per year
 - Meter Expired and Posted Sign Violations
- Meter/Sign violation fines
 - Currently: \$5/10/\$20
 - Proposed: \$10/20/40
- Anti-Shuffling Ordinance
 - 2 hour parking (signs and meters):
 - Intended to eliminate "Space Shuffling"

Revenue Projections

| | Add. Revenue | Total Estimated Revenue for FY13 |
|---------------------------------------|--------------|----------------------------------|
| Meters | \$114,345 | \$370,545 |
| Surface lots | \$8,400 | \$60,900 |
| Fines (up to) | \$78,684 | \$200,684 |
| N. 27 th St. TIFD Transfer | \$100,000 | \$100,00 |
| TOTAL | \$301,429 | \$732,129 |

Expected Outcomes

- Increase reserve balance
 - Ability to do Maint./Capital projects
- Higher fines for habitual offenders
 - Retain Courtesy Tickets for true mistakes

Proposed Schedule

- 6/12/12: PAB approves proposed rate and fine changes 6-1
- 6/26-28/12: Public Discussion Forums
- 6/28/12: Present at DBA Merchant Meeting
- 7/2/12: Present at City Council Work Session
- 7/23/12: Ask City Council to approve changes
- Sept. – Oct. 2012: Refinance of Park 2 Expansion.

Public Comments

- Open Park 1 gates earlier than 6:30pm
- Try to inform the public about changes in parking around downtown
 - Meter Trial changes
 - Changes around the Library
- 3 hour meters?
- Can City give some spaces back to the Lincoln Center?

QUESTIONS?