

# City Council Work Session

5:30 PM  
Council Chambers  
October 15, 2012

## ATTENDANCE:

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

## ADJOURN TIME: 6:50 P.M.

## Agenda

<b>TOPIC #1</b>	<b>US EPA Brownfields Program Application-Big Sky Economic Development</b>
<b>PRESENTER</b>	Patty Nordlund, Big Sky Economic Development
<b>NOTES/OUTCOME</b>	

- Patty Nordlund: talked about BSEDA history with Brownfields in the East Billings District, including already received \$400,000 grant. No properties assessed in the first round required remediation. Ready to apply for second grant and ask that the City provide a letter to support it. Application criteria explained including: community need, project description and feasibility of success, community engagement and partnerships and project benefits. Have been working on meeting those criteria in the first round and should position City well for second round of grants. Invites councilmembers to attend partnership meeting, held monthly.
- Tina: could add this to the October 22<sup>nd</sup> Council meeting.
- Hanel: consensus that we support? Yes. Add it to the agenda.
- McCall: Letter of support prepared by staff?
- Public comments:
- Candi Beaudry – partnership of over 24 members, city is one; BSEDA has been invaluable in this effort.

<b>TOPIC #2</b>	<b>Empire Garage</b>
<b>PRESENTER</b>	Pat Weber, Finance Director
<b>NOTES/OUTCOME</b>	

- Pat: Empire parking garage financing. Met with underwriter, should be able to get good rates for this project. Propose committing General Fund (GF) money either at the front or at the end of the project. At the beginning, money (1.5 million) would be used for utilities relocation, building demolition; design costs and explains former property owner repurchase option. GF loan could be repaid by the bonds, or if something goes wrong and bonds don't sell, the Tax Increment fund would take about two (2) years to repay the

GF. Parking spaces and retail need to be sold by the end of the project, so gap financing might be needed or if no one buys the space, the GF would be the purchaser and would be repaid as the spaces are sold or by the Tax Increment fund. Does Council want to adopt a resolution that GF may be used at the front or the end of the project? Underwriter says that security will help the bonds sell.

- Ronquillo: total cost? Where will hotel guests park? Loan – will we get repaid?
- Bruce: \$11.5 million for the garage, total project about \$16 million.
- Greg Krueger: will use City parking garages for valet service, can use the surface lot on Minnesota and 26<sup>th</sup>. Putting out RFP for valet services. Don't expect to have to park a lot of cars.
- Pat: loan will be repaid by the TID, bonds or when people buy the retail spaces.
- Ulledalen: makes total sense, gets project started sooner. Underwriter wants to insure the bonds? Did we get the TIF revenue mess with the DOR straightened out?
- Pat: no discussion about insurance and yes, the DOR valuation is right.
- McCall: when will garage be done?
- Bruce: December 13, 2013 – February 14, 2014.
- Consensus is to have staff write the resolution and present it at future meeting.
- Pat: another item. Met with DOR officials and it was beneficial. Resolved the Anaconda issue. Valuation issue worked out. Received reimbursement from the state for decline in the business equipment tax from 3% to 2%. Result is that FY 13 taxes will be even and not -1.2% as earlier reported. Will show the Council how the HB 124 money is distributed to other Funds.
- McCall: like to see a spreadsheet for the entire state on how HB 124 money is distributed.
- Public comments:
- Greg: thanks for the support for the GF loan for the garage.

TOPIC #3	<b>Special Events</b>
PRESENTER	Debi Meling, City Engineer
NOTES/OUTCOME	

- Debi: staff has been approving special events since March. Reporting to Council on the process, the applications since spring. Describes the review and approval process and reporting to Council in the Friday packet. Seventy four (74) events approved but not as many road closures as in past years. Some of that traffic may have gone to the expanding trail system. Describes the main events that staff approved including the Women's Run, Big Sky State Games, Montana Marathon, Nile Inaugural Parade, the Clark Avenue Halloween Party, Alive after 5, Farmers Market, Strawberry Festival as a few. There were 42 Community Events this summer. Private events are restricted events, Billings Clinic Event, Magic City Blues Fest, School District 2 and ZooMontana.
- McCall: alive after five events?
- Debi: AA5 on the slide. Think this year's process worked well. Much more responsive than having to bring to Council, for example late applications and changes. Appeal process was established but we haven't used it so far. NILE wants to have a parade downtown with 300 cattle and 100 people on horses. Very concerned about safety. Parade +50 steers were approved. Almost brought this one to Council.

- Hanel: NILE is using experienced cowboys.
- Bird: using the usual parade route?
- Debi: yes. Most concerned about people, not the cattle. Encouraged some groups to use other facilities. Have not waived any fees. Good neighborhood notification. Have not limited the number of private events, but there may be a future limit. Council opinion?
- Hanel: helped to have Public Works Engineering manage these.
- Tina: appreciate Public Works (PW) staff. Stress the flexibility that this process allows.
- McCall: Priority Based Budgeting and neighborhood notifications?
- Debi: sponsor has to get signatures. \$100 permit fee does not pay the full review cost, but does cover the PW permit issuance cost.
- Cimmino: \$7,400 total revenue? Who pays for other costs such as police, parks, street clean up, etc.
- Debi: didn't receive \$7,400 this year because multiple, similar events could be approved under one (1) permit and one (1) fee. Sponsors pay for the City department costs that the event causes.
- Bird: planning to charge \$100 for each event, not per application? For very large events, more than \$100 is justified.
- Debi: different locations require separate reviews.
- Pitman: who decides what fees are charged?
- Debi: fees are adopted with budget by Council, so may ask for changes next spring.
- Public comments:
- None

TOPIC #4	<b>2013 City Legislative Priorities</b>
PRESENTER	Ed Bartlett, City lobbyist
NOTES/OUTCOME	

- Ed: describes past activities. This is the first review by Council for the 2013 Legislature. Asking for guidance on any changes. Goes through the list of five (5) main topic areas including: Finance & Taxation, Land Use, Property & Environmental Regulation, Local Government Powers, Public Health, Safety & City Employee Relations, Regional & Community Coalitions & Partnerships. In finance and taxation, most statements are to protect what we have.
- Tina: One percent (1%) additional contribution to PERS costs the City \$360,000, spread over many funds.
- Ulledalen: one (1) proposal is to move employees to a defined contribution plan. Will that happen?
- Ed: won't occur this session because it's too costly to the present system/employees. May be major changes for new employees. Three hundred (300) bills requested so far; will be 2,000-2,500 eventually written. Other four (4) categories are important too, but won't discuss particulars. Medical marijuana on the agenda, whether or not SB 423 is upheld. Partnerships are important to all of us. Pointed out the 11 Montana League of Cities and Towns (MLCT) resolutions; none conflict with City of Billings positions.
- Tina: joint leadership meeting changed to November 9. Put the Legislative Priorities on the November 26<sup>th</sup> agenda for approval.
- Pitman: Ed doing a good job for the City.

- McFadden: MLCT resolution about water and sewer – really about the state or federal government.
- Ed: about the state. Pretty satisfied with state position, but know that other cities will not be. We will actively support a number of the MLCT resolutions.
- McCall: League resolutions distributed to Council. Point out two to three (2-3) that impact the city. Resolution 5, PERS reform lists three (3) options. Won't support cash contribution from cities. Police initiative would be a 20% contribution increase. League will support legislation that limits the ability of employers to add health insurance premium to base pay for retirement purposes. Resolution 6 on oil and coal impacts – step up to support these communities that are negatively impacted. Resolutions on land use; particular concern about changes to special improvement districts. Might propose a change in the valid protest process, making it easier for property owners to respond with protest petition. That might head off other changes to the law.
- Public comments: none

Other public comments:

- Lisa Harmon, DBA: email me with any questions about special events.

PROJECT	<b>FY2013 U.S. EPA Brownfields Assessment Program Application</b>
Issue/Background	As part of its strategic priority to revitalize the East Billings Urban Renewal District (EBURD), Big Sky Economic Development continues to partner with property owners, the City and the County to implement the adopted EBURD Master Plan, removing barriers to redevelopment and seeking funding for revitalization efforts. One barrier continues to be real or perceived environmental contamination in the EBURD. We completed 23 Phase I and 9 Phase II assessments with our first EPA grant, and none of those properties required remediation. However, there is a need to assess more properties.
Proposed Solution	US EPA's Brownfields Assessment Program provides funding for Phase I and Phase II Environmental Assessments, at no cost to the property owner. Big Sky ED is eligible to apply for \$400K and proposes to apply for the full amount, with assessments targeted to the EBURD properties. Deadline is November 15.
Scoring Criteria Highlights  <i>(Highly competitive program; must score nearly all of the 200 possible points.)</i>	<p>Scoring is conducted by a national review panel (200 points possible). Ranking criteria:</p> <ol style="list-style-type: none"> <li>1. Community Need <i>(Must address health, welfare, environmental, and financial needs.)</i></li> <li>2. Project Description &amp; Feasibility of Success <i>(Must integrate with community plans and visions for revitalization, propose a reasonable budget, and describe a plan for tracking and measuring progress.)</i></li> <li>3. Community Engagement and Partnerships <i>(Must engage the targeted community, gain support of community-based organizations with specific roles in the project, and develop partnerships with local environmental and health agencies as well as other governmental agencies.)</i></li> <li>4. Project Benefits <i>(Must improve public health and safety, economy, and environment with identified outcomes. Must demonstrate community buy-in to livability principles co-adopted by several Federal agencies*:</i> <ol style="list-style-type: none"> <li>a. Provide more transportation choices;</li> <li>b. Promote equitable, affordable housing;</li> <li>c. Increase economic competitiveness;</li> <li>d. Support existing communities;</li> <li>e. Leverage federal investment; and</li> <li>f. Value communities and neighborhoods.)</li> </ol> </li> <li>5. Other Factors <i>(EPA's Selection Official may consider distribution between urban and non-urban areas, balanced distribution among EPA's ten regions, leveraging commitments, and other community factors.)</i></li> </ol>
Actions Requested	Letter of Support by November 8, 2012; Participation in Billings Livability Partnership
Big Sky Economic Development Project Contacts	Patty Nordlund, 869-8408 or <a href="mailto:patty@bigskyeda.org">patty@bigskyeda.org</a> Allison Corbyn, 869-8420 or <a href="mailto:allison@bigskyeda.org">allison@bigskyeda.org</a> Sara Hudson, 869-8407 or <a href="mailto:hudson@bigskyeda.org">hudson@bigskyeda.org</a>
	*Because the federal livability principles already align with the EBURD Master Plan principles, and due to City adoption of the Complete Streets and Infill Policies, we are able to indicate community buy-in. In addition, fortuitously, we have had a partnership established for more than two years that has adopted similar principles. We invite and encourage participation in the partnership group, which meets the second Thursday of each month at 10:00 AM. Contact Patty Nordlund for details.

# Empire Parking Garage



10/15/12

# Decision Points

---



- ❖ Advance money for garage – General Fund Loan
- ❖ Possible money near end of garage construction – General Fund Loan

# Advance Money for Garage

---



- ❖ General Fund Loan of \$1.5 million and \$225,000 in N 27<sup>th</sup> TIF revenue
  - ❖ Utilities relocation
  - ❖ Abatement/Demolition
    - ❖ Repurchase options if garage not completed
  - ❖ Pre-Design of Garage
- ❖ Advance Garage
  - ❖ Shortens Valet Parking paid by N 27<sup>th</sup> TIF revenue
  - ❖ Reduce pile driving duration after Northern is open

# Advance Money for Garage

(Cont.)



## ❖ Loan Repayment Options

- ❖ Bond proceeds – Tentative mid January closing on bonds
- ❖ N 27<sup>th</sup> Tax Increment revenue if bonds not sold
  - ❖ Approximately two years for repayment

# Money for Completion of Garage

---

- ❖ Sale of Parking spaces/retail space
- ❖ \$1.7 million proceeds programmed as revenue to complete the garage towards the end of project
  - ❖ Seeking guarantees from Alley Cat and Zootist
- ❖ Possibility not all retail space purchased

# Money for Completion of Garage (Cont.)

---

## ❖ Worst Case Scenario

- ❖ General Fund pays the \$1.7 million to complete the garage

## ❖ Repayment Options

- ❖ Seek payment from Alley Cat and Zootist after completion
- ❖ N 27<sup>th</sup> Tax Increment revenue after debt service payment
- ❖ Approximately two years for repayment using all remaining TIF revenue

# Design Build Council

## Memo/Contract

### Council Meeting 10/22/12

---



**Does City Council want to adopt a resolution that will:**

- ❖ Incorporate language for General Fund loan to advance money for the garage
- ❖ Incorporate language for General Fund loan for money to complete the garage if necessary
  - ❖ Should enhance bond rating
  - ❖ Will give underwriter and bond purchasers security the garage will be completed

# Special Events in Billings

## 2012 Summary

---



# Special Event Process

---

- Application received
- Review by departments
- City Administrator or designee approval
- Approval and conditions to applicant
- Friday Packet and Website
- Appeal to City Council

# Reviewed by:

---

- Downtown Billings (Administration and Maintenance)
- Public Works Event Closure Administrator
- City Traffic Engineer
- Police
- Fire
- Montana Department of Transportation
- Yellowstone County
- Legal
- PRPL
- Parking
- Dispatch
- MET Transit
- City Engineer
- Public Works Director

# Example Friday Packet



**Special Event Calendar**

**\*Approval Pending**

For questions or details:  
[wellbrooks@ci.billings.mt.us](mailto:wellbrooks@ci.billings.mt.us)

*Billings*  
MONTANA'S TRAILHEAD

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17 St Patrick's Day Parade/Street Fair 8-4pm
18 Shamrock Run 5k 11:30-2:00pm Virginia Ln/Pioneer Park	19	20	21	22	23	24 *MS Walk Downtown 8-11am
25 Purple 5k Race Downtown 10-2pm	26	27 Elephants on Broad- way Downtown 4-8pm	28	29	30	31

# 2012 Event Summary

---

- **74 Events!**
- **Fun Runs (16)**
  - Women's Run, BSSG, MT Marathon, Run Turkey Run
- **Parades, Marches, Walks (8)**
  - MLK March, St. P Parade, Burn the Point, Nile, Holiday
- **Block Parties (3)**
  - Clark Halloween
- **Community Events (42)**
  - AA5, Farmers Market, Strawberry Fest, Cinco de Mayo, Street dances, Christmas Stroll
- **Private Events (5)**
  - Blgs Clinic Classic, MC Blues Fest, SD 2, ZooMT

# Discussion Points

---

- Flexible – late or changed events
- Smaller agenda
- Appeals process
- Denials/Revisions
- Options for closures
- Fee Waiver
- Neighborhood signatures
- Restricted events – no limit

# Questions or Suggestions

---



**City of Billings**  
**2013 Montana Legislative Priorities**  
**October 15, 2012**

**Finance & Taxation**

Predicting a \$250 million general fund shortfall for the biennium, the 2011 Legislature cut or flat-lined current program spending and reduced funding to local governments. The State's General Fund for the 2013 biennium will end with a surplus of over \$400 million. Surplus or not, the State budget will be THE issue for the 2013 Legislature. Local governments sacrificed to help the State balance its budget and to produce the predicted surplus. The Legislature should acknowledge that sacrifice and help local governments improve their financial conditions. Billings will oppose any Legislative attempts to balance the State's budget by again decreasing shared revenues or transferring costs to local governments.

- Entitlement Program: Support the current entitlement funding program and payments.
- Property Tax Reappraisal: Support a shorter reappraisal cycle; support a more easily understood method to establish taxable values; support expedited resolution of tax protests and valuation appeals; oppose inequitable mitigation.
- Tax Increment Finance: Support continued local authority; oppose removal of the 95 School Equalization mills from the increment levy or other reductions in increment; oppose law or regulation changes that reduce local control or impede district creation and management.
- Oil, Gas and Coal Production Impacts: Support distribution of existing taxes or authority for new, locally adopted taxes or fees that help cities and towns deal with the impacts of resource extraction.
- Public Employee Pension Plans : Support additional employer contributions up to 1% of payroll. If additional funds are needed, they should come from higher employee contributions or from the State's budget surplus.
- Local option: Support legislation that allows local governments and their voters to determine the form of taxes and the services that meet their needs.

**Land Use, Property & Environmental Regulation**

The City of Billings supports laws that protect the environment and our citizens' quality of life.

- Support legislation that will reduce the expected financial burden of implementing the wastewater nutrient loading legislation and rules (2009 - SB 95).
- Support appropriate Subdivision Reviews and Exemptions, including clarifying the "land for sale or lease" exemption.
- Support eliminating or reducing the Montana Dept. of Transportation Indirect Costs Allocation Plan (ICAP) charges on local costs of street improvement projects.

**Local Government Powers**

The City of Billings strongly supports local control and self governing powers. The City will resist legislative proposals and agency policies that would substitute state authority for local control.

- Medical Marijuana: Support specific authority for local governments to regulate and zone Medical Marijuana businesses and support adoption of limited State controls.

### **Public Health, Safety & City Employee Relations**

The City of Billings values its employees and supports State legislation that improves worker safety and protects employees' long term financial well being. Those protections must be within the City's financial capacity and should not jeopardize the City's ability to continue providing safe, convenient and effective public services. The City consistently supports state and local laws that protect public safety.

- Workers Compensation: Support legislation that reduces rates while providing adequate medical care for workers who are injured on the job; oppose presumptive illnesses legislation.
- Mental Health: Support state payment of costs for Municipal Court ordered evaluations.
- Intersection Safety: Support clarification of "red light" duties for vehicles.
- Generally support DUI law reform.
- Support Wildland Urban Interface fire protection measures.
- Safety Belt Law: Support primary enforcement; support repealing 61-13-106 MCA (plaintiff responsibility in civil litigation).
- Handheld communication devices: Support statewide use restrictions while driving a vehicle.

### **Regional & Community Coalitions & Partnerships**

The City of Billings supports Legislative initiatives that enhance our community, regional, private and public partners to improve the quality of life for all citizens.

- Support, in general, for Community Policies proposed by the Billings Area Chamber of Commerce.
- Support, in general, for the Montana League of Cities & Towns Legislative Resolutions.
- Support changes in school district funding for urban schools.
- Support the State Library Commission budget proposals that assist local governments with providing public library services.
- Develop coalitions of mutual interest parties: City, Chamber, County, Hospitals, MSU-B, Big Sky EDA and School Districts.

Prepared by:

Ed Bartlett, City of Billings Lobbyist  
Phone: 652-1373; Cell: (406) 431-6014  
Email: [edbartlett@q.com](mailto:edbartlett@q.com)

And

Bruce McCandless, Assistant City Administrator  
Phone: 657-8222; Cell (406) 690-3062  
Email: [mccandlessb@ci.billings.mt.us](mailto:mccandlessb@ci.billings.mt.us)

**2012 Legislation-Resolutions Committee**  
**Approved by MLCT Members at Fall Conference – October 2012**

**Resolution #1**  
**General Principles**

Local governments provide the services and facilities that are the foundation of the Montana economy. Our cities and towns are among the best places in the country to live and work, raise a family and operate a business. The League of Cities and Towns is committed to preserving and promoting these qualities, and it will be guided during the 2013 Legislature by the following principles of fair, affordable and effective local government:

1. protection of current state transfer payments and the promotion of new sources of revenue to fund essential local services
2. diversification of the local government finance structure, particularly laws allowing cities, towns, counties and consolidated governments to develop alternatives to property tax mill levies
3. maintenance of state grant, loan and investment programs to fund capital improvements and enhance the value of local tax dollars
4. adherence to the intent as well as the letter of federal and state laws and policies that prohibit unfunded mandates
5. effective planning and development policies that discourage sprawl and promote the more efficient delivery of water, sewer, transportation and other local services
6. opposition to all measures that limit or diminish municipal authority in contradiction of the Local Government Article of the 1972 Constitution
7. recognition of the contribution of cities and towns to the history and culture of our state and a better understanding of the fact that all public policy should begin and end with those special places a majority of Montanans call home.

## **Resolution #2** **Entitlement Program**

The 2011 Legislature, operating under the shadow of a suspicious \$240-million budget deficit, flat lined entitlement payments for cities, towns and counties for the current two-year fiscal cycle. House Bill 495 also revised the formula for calculating the annual growth factor that is applied to entitlement payments. The new law bases the growth factor on the collection of gambling, motor vehicle, beer, liquor and financial institutions tax revenues over the most recent three-year period. It also considers personal and corporate income tax collections. Current estimates indicate that cities can expect a growth factor of 3% to 3.5% in the fiscal year that begins July 1, 2013.

**Recommendation:** Cities will work in 2013 to assure that the growth factor is applied as provided by the 2011 entitlement bill.

## **Resolution #3** **Treasure State Endowment Program**

Several bills were introduced in the 2011 Legislature to suspend, rollback or otherwise weaken the Treasure State Endowment Program that has been used by cities and towns for more than 20 years to help finance water and sewer projects. Most of these attempts were stymied, and most recommended projects were approved for funding.

**Recommendation:** In 2013, cities will oppose all efforts to reduce funding for the Treasure State Endowment Program and any other state grant and loan programs that provide financing for local capital improvement projects.

## **Resolution #4** **Competitive Bid Limits**

Under current law, which was last amended in 2007, cities and towns must ask for competitive bids on construction contracts and equipment and supply purchases that exceed \$50,000. These limits add costs and complications to projects and make it more difficult to do business with local contractors and suppliers.

**Recommendation:** MLCT will support legislation to increase the competitive bid limit for municipal governments to \$100,000.

**Resolution #5**  
**Public Employee Pension Reform**

The Public Employee Retirement System is running an actuarial deficit of \$1.3-billion, and finding a way to patch this hole will be one of the headline issues of the 2013 Legislature. Interim committees, legislative and agency staff and the Governor's Office have been working over the past year on proposals to adjust contributions and benefits in a combination that will assure adequate funding of the pension system as required by law.

The following options are on various tables:

1. permanent 5.45% increase in employer contributions that would cost cities more than \$7-million a year
2. permanent 1% increase in agency and employee contributions. This proposal from the Governor's Office would cost cities \$1.3-million annually. It would increase costs for the 3,200 municipal employees enrolled in PERS by a similar amount. It would also require local governments to kick in \$20-million in one-time cash from a yet to be determined source of "mystery money".
3. .25% increase in employer contributions in each of the next four years. This incremental approach, proposed by PERA, would boost the employer contribution from 7.14% to 8.14 % by 2016. The recommendation also calls for a cash payment from local governments. Cities recognize that an increase in employer contributions may be necessary to protect future benefits, but the Legislature must also understand the financial limitations of local governments and the resistance of cities and their constituents to higher property taxes and utility rates or cuts in essential services.

**Recommendation:** MLCT will support an increase in employer contributions to PERS if it does not result in higher mill levies and utility rates or reductions in other budget categories. Cities also believe that a one-time cash payment that may be necessary to stabilize the pension system should come from the \$482-million general fund surplus or other state accounts.

The Montana Police Protective Association will propose legislation to include overtime, holiday, vacation and shift differential pay in the definition of compensation to determine pension benefits. The suggested revision would increase city, state and member contributions by about 20%. Representatives of the police association claim that the suggested revision will stabilize funding for the pension system which could lead to lower future contribution rates.

**Recommendation:** MLCT should not take a position on this bill without a reliable analysis of present and future costs.

Cities and towns are finding it more difficult each year to recruit and retain volunteer firefighters. Improved pension benefits could be an important incentive to bring new members into volunteer service, but state law imposes a limit of \$225 per month.

**Recommendation:** MLCT will support a measure that will be introduced at the request of Columbia Falls to allow municipal volunteer fire departments that are actuarially sound to pay pension benefits above the current statutory limit.

Current law allows health insurance premiums or similar payments to be included in “compensation” for the purpose of calculating pension benefits.

**Recommendation:** MLCT will support legislation to clarify that health insurance premiums are not compensation for pension purposes. ~~in contracts negotiated after the effective date of the proposed act.~~

### **Resolution #6** **Oil Development Impacts**

Cities and towns in Eastern and Central Montana are responsible for managing some of the heaviest impacts of large scale oil exploration and production. Most Montanans welcome the economic opportunities connected to this development, but many are concerned that the cities and towns in the oil patch are not prepared to provide the services and facilities necessary to accommodate an exploding transient population.

Montana will collect about \$250-million in oil severance taxes and royalty payments this fiscal year. About \$2-million, or less than 1% of this total, is distributed to cities and towns in producing counties, and this meager pot of money is far less than what is really needed to increase police and fire protection, expand water and sewer capacity and provide the other necessary services and facilities. The state must set up a well planned, adequately financed and effectively managed impact mitigation strategy to assure that cities and towns are not overrun by oil development and eventually left to manage the consequences. Incumbent legislators and the Governor seem to understand the importance of an impact assistance program for municipal governments, and the following list includes some of the funding options that could be considered next winter.

1. Earmark 25% of the mineral royalties the state receives for oil and gas production on federal lands in Montana to a special account that would provide impact assistance for cities and towns in producing counties. The money would be distributed by a State Board ~~the Coal Board~~ under revised rating criteria, eligibility standards and distribution procedures. The Legislative Fiscal Analyst estimates that federal mineral royalties will total about \$40-million this fiscal

year. The portion that would be earmarked by this proposal would provide about \$10-million a year in assistance for impacted cities and towns.

2. Transfer \$12-million from the State General Fund to an impact assistance account. The 2011 Legislature took this amount from the Board of Oil and Gas Conservation to balance the state budget, which is now running a \$482-million surplus. The Governor has suggested that the money should be returned to the areas where it was collected to pay some of the costs of mitigating development impacts. This would be a one-time transfer to supplement the grant program recommended in option #1.
3. Allocate 10% of the more than \$100-million in oil severance taxes that currently go to the general fund directly to cities and towns in oil producing counties. The distribution formula would be based on county oil and gas production and municipal population.
4. Allow city and town councils to approve a surcharge of up to \$5 per night on motel rooms, temporary employee housing and other accommodations to account for the costs of providing services to an expanding transient population.
5. ~~Amend the local option gas tax law to include diesel fuel sold for on-road purposes. The money generated by this proposal would be used to pay for maintenance and repair of city streets and county roads that are deteriorating as development proceeds.~~

**Recommendation:** MLCT will support and promote legislation that will provide sufficient funds and financing authority to allow cities and towns in impacted areas to manage the consequences of development including increased train traffic resulting from higher volumes of oil and coal production.

### **Resolution #7**

#### **Land Use and Environmental Regulation**

Cities and towns have worked many years to protect Montana's land and water resources through wise community development policies that emphasize centralized water and sewer systems, efficient delivery of services to concentrated populations and compliance with fair and affordable environmental standards. Now, most new development in Montana is sprawling beyond municipal boundaries, threatening our legacy of open space and clean water. Cities are dedicated to working with state and federal agencies to establish growth and land use policies that recognize property rights while preserving the natural assets of Montana.

**Recommendation: MLCT will support bills to:**

1. encourage the use of community water and sewer systems to protect environmental quality and assure that cities and towns are not obligated for a disproportionate share of the cost of complying with Numeric Nutrient Standards and other regulations
2. promote alternative energy development and conservation through grants, loans, and technical assistance and education programs and also allow cities and towns flexibility under the energy and building codes to promote conservation.

**MLCT will oppose bills to:**

1. restrict the annexation, zoning, planning and subdivision review authority of cities and towns or in any other way interfere with established community development practices.
2. restrict the use of Special Improvement Districts but will consider measures to simplify protest procedures for property owners

**Resolution #8**  
**Delinquent Property Taxes**

There have been several incidents in recent years where Montanans have lost their homes to out of state companies that specialize in manipulation of provisions of the laws that apply to delinquent property taxes. These companies pay the delinquent taxes, acquire the home, evict the owner, sell the property and rack up a big profit.

**Recommendation:** MLCT will support legislation suggested by the City of Missoula to provide better information, clearer notice and additional protection for property owners in tax delinquency proceedings.

### **Resolution #9 Safety Inspections**

Many of the apartments and rooms that are rented to the public, particularly in college towns, do not meet basic safety standards or building codes.

**Recommendation:** MLCT will support legislation recommended by the City of Missoula to allow municipal governments to inspect property in private residences that is offered for rental to the public.

### **Resolution #10 Non-partisan Primary Elections**

Under current law, municipal governments are required to conduct city-wide primary elections if there are three or more candidates for more than half the offices on the ballot. This law (13-14-115 MCA) does not account for the possibility that there may be several wards in a city where there are fewer than three candidates.

**Recommendation:** MLCT will support legislation that would require primary elections only in those wards where there are more than three candidates. The purpose of this bill would be to save the costs of conducting meaningless primary elections.

### **Resolution #11 Statements of Support**

The Local Government Center at Montana State University provides important training, education and information services to cities, towns and counties. The center relies on state financial support through legislative appropriations, which were denied in 2011 and may again not be approved in the coming legislature.

**Recommendation:** MLCT will support state funding for the Local Government Center and will work with the staff to identify alternative methods of financing, if necessary.

The Montana Community Foundation has provided funding for important programs and projects across the state for more than 15 years. The state tax exemption which is vital to the foundation's endowment program is set to expire.

**Recommendation:** MLCT will support legislation to renew the endowment tax credit for the Montana Community Foundation and other non-profit and charitable organizations.

October 12, 2012

Mayor Thomas Hanel and Billings City Council  
210 N. 27th St.  
P.O. Box 1178  
Billings, MT 59103

**RECEIVED**

Oct 13 2012

**Mayor**

Dear Mayor Hanel and City Commissioners:

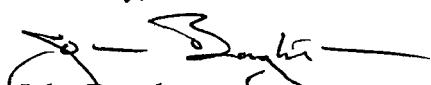
We are pleased to inform you that a property within your jurisdiction, **the Garfield School (Yellowstone Boys and Girls Ranch Building)** was listed on the National Register of Historic Places on October 3, 2012.

As you know, the National Register is the nation's official list of historic properties worthy of preservation. Listing in the National Register is an honor that provides wider recognition of a property's historic values, and assists in preserving Montana's heritage. Certain benefits are available to the owners of National Register properties through the Montana Historic Preservation Office. These benefits include economic tax incentives for the rehabilitation of commercial or residential rental historic properties, very limited grant funding (when made available by the National Park Service, Department of the Interior), and technical assistance provided by the Preservation Office staff.

Montana properties listed in the National Register also qualify for our Historic Places Sign Program. Owners of listed properties receive financial assistance for the production of signs to identify NRHP properties.

We thank you for your interest in Montana's heritage, and hope you will join us in supporting the protection and preservation of Montana's historic places. If you have questions about the National Register program or are in need of technical preservation assistance, please do not hesitate to call upon us.

Sincerely,



John Boughton,  
National Register Program  
State Historic Preservation Office  
Montana Historical Society  
Helena, MT 59620

225 North Roberts Street  
P.O. Box 201201  
Helena, MT 59620-1201  
(406) 444-2694  
(406) 444-2696 FAX  
montanahistoricalsociety.org