

City Council Work Session

5:30 PM
Council Chambers
November 5, 2012

ATTENDANCE:

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

ADJOURN TIME: 9:00 p.m.

Agenda

TOPIC #1	BIRD Amendment
PRESENTER	Tina Volek, City Administrator
NOTES/OUTCOME	

- Tina: Council received an addendum to material for this topic that is on the November 13 council meeting. Staff report content was reviewed. When BIRD agreement was adopted, had an agreement with DBP, attached. Staff's recommendation is that a similar agreement be adopted with SBURA if/when the Council approves the BIRD request. Need to work out those arrangements, so recommend the item be delayed until December 17.
- Ulledalen: What do we gain through a delay?
- Tina: Don't have an agreement with SBURA yet, delay would mesh all pieces together. Work Plan needs refinement and budget may change at BIRD request. Delay will allow everything to be completed and submitted as a package.
- Cimmino: How do we make up the \$12,000 difference?
- Tina: Explains the extra costs – supplies, space, which would be absorbed into the planning budget.
- Candi Beaudry: The costs have been incurred because of the TIF coordinator position and it will go away. It is essentially revenue-neutral. The position is not relied upon for income. It is costs because the position is taking up space, using supplies and equipment and without that position, the Planning Department would not incur those costs. Would not be a net loss to the Planning Department.
- Cimmino: Does the difference include the cost of an assistant and the cost of computers?
- Tina: A computer has not been purchased for the assistant. Refers to Exhibit "B" of the BIRD/City Agreement that outlines the budget.
- Cimmino: Is there an outstanding Memorandum of Understanding and are the County Commissioners getting involved with this?
- Candi Beaudry: There are a couple of associated documents. The City does have an MOU with BSEDA and BIRD that assigns responsibilities. The MOU will have to

change slightly because the City will be transferring some of those responsibilities to the BIRD. Do not have the MOU handily available to refer to, but recalls the City Council has the final say on the expenditures from the fund. The BIRD will recommend projects. The City will review for content and legalities. BSEDA will do economic development and recruitment of businesses, etc. This will probably need to be revisited after determination of how the BIRD will be organized and the TIF coordinator. Another agreement with Board of County Commissioners (BOCC); it is called an Accord that extended participation in the creation and expansion of TIF districts. It would get input from other tax entities like the County and the School District. Basically it says that if the City was to create or expand any TIF districts, the City would invite their involvement from the outset. Getting an agreement between the BIRD and the SBURA will not affect these two agreements.

- Tina: Explains there isn't an assistant at present and if a computer was purchased, it may have been purchased through the City because of discounting and then reimbursed by the TIF district, so the City would have suffered no loss.
- Unknown Speaker: The BIRD is ready to go, but the South Side TIF district still has some work to do before they are ready?
- Tina: It does have some work yet to do. Will likely have an impact upon the financing of the position and the BIRD. Not certain whether the BIRD is prepared to move forward if they are to bear the entire burden of this expense.
- McCall: Invite Connell to comment.
- Marty Connell, BIRD president: Jim Ronquillo told us not to do the agreement with the City a year ago. Have had a good relationship in working with the City. Need more people to work with prospective businesses so more resources are needed. Currently working with CEDA and Realtors, but need more assistance. Need someone independent from the City to work with owners. Don't agree with adding public agency members to our board. The only revenue the BIRD receives is from their dues. Have had to come to the Council for money. Don't really have access to money so don't see the need for oversight. There are presently 5 board members and do not want a larger board, feel like it would be less effective. Passing out a new budget that includes the Finance service charge and budget that represents more work from Steve. Tap into the City's TRP to acquire vehicles, per Councilmember Ulledalen's recommendation. Agree with Tina about delay to December 17.
- Bird: Any obstacles with delay?
- Connell: Don't see any.
- Tina: Don't see any, but not all SBURA board members are completely comfortable.
- Connell: BIRD can proceed even if the SBURA and BIRD can't come to agreement.
- McCall: Two representatives from City? One from the School Board?
- Tina: Modeled on the DBP board. A representative from the School Board, the City, one from the County and one from the BSEDA.
- Connell: Feels that having a representative from the BSEDA is a conflict of interest. *off topic*: I was a bidder on the Planning office space. Always treated openly and fairly. Not true that the process wasn't fair, even though I didn't get the lease.
- Unknown Speaker: Invites Floyd Martin of SBURA to comment.
- Floyd Martin, SBURA board vice chair: Don't have an agreement with BIRD, waiting to see if Council will agree with BIRD proposal. Don't think a delay is necessary. SBURA

board has residents and business representatives, unlike BIRD that is only businesses. 4th member who didn't sign the request wants Steve Zier as a contractor, not an employee.

- Bird: What is the plan for the 2 boards to work together?
- Martin: SBURA has monthly, open meetings. Next project is to pave the road behind Newman School.
- Connell: Don't want to run the SBURA. Concluded that simple way is for BIRD to hire Steve Zier and subcontract his services with SBURA.
- Cimmino: Housekeeping issue to remove conflict of interest. Contract as an independent to both boards might be better.
- Tina: That was the arrangements that suggested. Will need to put everything in writing before the Council votes.
- Connell: The attorney has advised that it would be a mistake to combine TIF monies for independent contractors. The thought is that the BIRD will hire and pay Mr. Zier and SBURA will bill so many hours a week for Mr. Zier's time. Trying to keep it simple.
- Ulledalen: Don't want to interfere with progress in both districts.
- Ronquillo: Was this brought to the people at the last SBURA meeting?
- Martin: Yet it was.
- Tina: Will put a new staff report based on info from Mr. Martin and with the new BIRD budget.
- Public comments:
- None

TOPIC #2	Priority Based Budgeting
PRESENTER	Tina Volek, City Administrator
NOTES/OUTCOME	

- Tina: Reviews the last of the documents for related to the general fund and public safety funds indicating Priority 1 and Priority 2 items. These are the results of scoring by committees cutting across departments and then by a separate committee that looked at what our mandate was to provide this service and that is how the items rose to the top as major items in quartiles 1 and 2.
- Ulledalen: I just have a few questions. Looking specifically at parks . . . are we going to have to cut the magnitude of funding out of our budget to balance without a significant tax increase in FY 14, 15, 16, then we probably are not going to be able to do it by cutting the 3rd and 4th quartile items. We could probably start there in the first year or two, but if we don't get a tax increase, we will have to keep biting deeper and deeper into these.
- Tina: Discusses possible options for items such as snow removal, etc.
- Ulledalen: What about removing some of the junk that would require maintenance?
- Tina: That would help some. Other items were said to be able to be postponed, i.e. fall protection equipment. Don't believe those changes will have a major impact.

- Ulledalen: How did we end up with the Community Center? Did we build that or buy it? That may have cost us \$170,000. Does that take into account the staff, rent and parks department or a separate item?
- Tina: I'll have to look into that for you. Do not know, but can check into its origins.
- Ulledalen: Should we continue to own if it costs us \$170,000/yr. to maintain?
- Mayor: Under Fire we've got a couple of items under there as well that total about \$288,000. I have the same question regarding the planning and building departments and they do not have enough money to operate. Why are we not collecting the costs from those that are causing us to incur the costs? Why are we not passing along costs to developers, etc.? Could recoup some of those costs.
- Tina: There are fees for that and can get a breakdown for you.
- Mayor: There are fees during the development stage. Are there fees for the normal fire inspections on an annual basis?
- Tina: I believe it is a part of the building permit. Will check on that.
- Ulledalen: Have we considered contracting to outsource some of the finance department's responsibilities and reduce some employees and employee costs internally?
- Tina: Payroll is extremely complex due to benefits and items discussed with the Council. Not sure how easily that could be transferred to the private sector, but could look into it.
- Ulledalen: Can that be simplified?
- Tina: Will look into it.
- Cimmino: Under Police, says we have 134 full time employees. Fire department notes there are only 119.
- Tina: There are 112 firefighters, does include the Chief and Deputy Chief. Then there are 25-30 dispatchers.
- Unknown Speaker: What is the game plan from here? When do we come to a conclusion on this?
- Tina: We have focused mainly on General Fund and Public Safety Fund. The remainder of our funds are internal funds or funds or sources of revenue other than taxes, i.e. fees for services, etc. Those funds are balanced for the most part, but there are some that have jeopardy attached to them, i.e., MET may be negatively impacted by future federal transportation funding reductions. 1) Does the Council want to look at these funds more closely at the December meeting with documentation? 2) Does the Council want staff to make recommendations for cuts or alternatives early next year? Putting money in the General Fund bank now, but within 3 years it becomes imbalanced. Discuss tax levies as alternatives perhaps in January?
- Mayor: Yes, want the info on other Funds. Levy discussion early next year.
- McCall: Helpful to have summary of other services. Electronic file is helpful. Want a work session specifically on this topic, sit with dept. directors and administrator for a discussion, give and take instead of presentation and Q&A.
- Pitman: Good idea. Council needs to discuss with dept. directors about budget before they start preparing them.

- Ronquillo: Want PD to report on number of false alarms and charging for them. Tax exempt organizations like Passages call for Police, but don't pay tax and don't charge fees. Look at fee-based services.
- Tina: Other cities have looked at fees for services, especially for non-residents. Fire looked into it but probably a small amount of money would be received, annually. A report outlining the numbers of alarms, etc. could be provided.
- Ulledalen: Problem is in General Fund and Public Safety Fund, so don't know why we should spend time talking about the other Funds. Should focus on the overall cost of City services on taxpayers. Need to understand what we charge for and how much residents can stand. Are we properly handling growth and charging for it?
- Tina: We could provide the Council with a 3-5 year analysis of costs to property owners, if you would find that helpful. Could compare to like communities in the region as well.
- McCall: Provided clarification, was making the assumption we would work mostly on General Fund and Public Safety Fund, but want summary info from other Funds.
- Tina: Do that in a December meeting. Make sure Council is aware that if we use a different venue for discussion, television will not be live. Might be able to record a meeting and televise later.
- Mayor: Need enough room for media and public. Airport Op Center might be a good place.
- Unknown Speaker: Operations center might be a good place.
- McCall: Agree. Need the work space and work time, not as concerned about televising. It is open to the public.
- Bird: Good idea to have substantive discussions. Priority Budgeting is too important not to spend significant time going into depth on funding. Taped broadcast would be fine as a substitute for live.
- Mayor: Please prepare something for January and specific location to meet.
- Cimmino: Use this space, but move tables so we can meet here and televise the meeting.
- Tina: Will look at space options.
- Ulledalen: The closer we are to making a decision, the more difficulty the Council has involving and engaging citizens. When we need to cut or to increase taxes, might reach out to service clubs, etc., ask for meetings with them to explain background and ask for their feedback. May be a more systematic approach to getting public participation.
- Pitman: Through community conversations, requested info about what our track record has been over the past 10 years and how the projections match up with the realities.
- Tina: Has seemed to be the practice over the years to over-estimate expenditures and under-estimate revenues for a "slush fund." By controlling expenses, it helps to make up some of the difference between projections and reality. For a number of years we have operated on doing only the items that are absolutely necessary. When the first public safety levy was voted on in 1998, it was not discussed publically that had it not passed, 42 police and firefighters would have been laid off. The subsequent levy in 2004 and verified in 2005, added positions to both departments. In 1998 we were in a very similar staffing position. We need to be candid about the impact of priority budgeting. We need to engage citizens to reveal that type of info.

- Cimmino: Missed work session when Council expenses was revealed to be in 4th quartile.
- Tina: Will get you those notes.
- Public comments:
- None

TOPIC #3	FY13 First Quarter Updates
PRESENTER	
NOTES/OUTCOME	

- **Downtown Billings Partnership:**
 - Greg Krueger, Downtown Billings Partnership: Submitted written report, so will answer questions. Soo Ping will be hard to replace.
 - Bill Cochran, Library: Submitted written report. Reminder that Thursday the architect and interior designer will be here to talk about furniture for the new library. Library Board and public open house meetings wherein people can try out and see up to 14 different chairs and make recommendations. Steel arriving this week and being erected next week. Foundation will have more good news next week regarding fundraising.
 - Public comments:
 - None.
 - Close meeting to an executive session at 6:45 to review litigation:
 - Reconvene at 8:20.
- **Budget reports:**
 - Cimmino: Lots of Funds have higher expenses than revenues. Why?
 - Tina: Taxes and fees are due for next month and have not been collected yet. The City works by Fund, so if one line item is running over, as long as the overall Fund is remaining balanced, the fund is in good standing. This is watched very closely. Library bonds sold after tax statements.
 - Pitman: Were we supposed to receive a report every quarter on MDU funds?
 - Tina: Will get that for you.
- **Initiatives:**
 - Tina: Pointed out Parking Advisory Board report on alternatives moved to Nov. 19 work session.
 - Pitman: 2-23-09 Deisz, forfeiture of office. Last discussion was that we won't discuss it now. Pursue by Council?
 - Tina: Mainly brought about by Councilmember incapacity. Brooks submitted ideas. No direction from Council. Council can review it again in January if you want to.
 - Pitman: I think we need to have a discussion right now about whether we want to bring it back and re-discuss or let it fade away?
 - Ulledalen: Need something in place to avoid future problem so we do not leave a part of the City unrepresented and leading to possible quorum issues. Is there a logical answer? What do other cities do? Can a majority of Councilmembers vote to terminate a position?

- Brooks: Will re-send the draft ordinance. Difficult issue to address because it's an elected office. Cannot just easily dispose of an elected office. Perhaps ideas and suggestions could be provided by the Council to be placed in the ordinance.
- Cimmino: What was timeframe for replacing someone?
- Brooks: Will recheck with other cities and please give us your comments. Will also check with election office and could ask AG, but it would take a long time to get a response. This does impact the election laws.
- Cromley: What is current situation? Any method to replace a Councilmember.
- Brooks: Code says you can't miss 3 meetings unexcused, but consequences are uncertain. Tooley said that Deisz's absences were excused because he was injured, not simply refusing to attend meetings.
- Tina: Provided language contained in the current City Charter about forfeiture of an office and the replacement procedures. It also addresses death resignation .
- Bird: Might be beneficial to consult with Secretary of State.
- Brooks: We did, they were sympathetic, but not helpful – it's a local issue.
- McFadden: Event could happen next month or not for 20 years. These are unique situations and the present Council shouldn't tie hands of future Council. If the situation arises again in the future, it could be dealt with at that time.
- Pitman: Should have something in place. Can make sure that Councilmember and their families are properly treated while making sure that voters are properly represented.
- **Strategic plan or community investment plan:**
- Tina: Items brought up-to-date indicated by underlines. Community conversations, downtown circulator study completed, parkland dedications, citywide park district, library bonds are sold, 4th community leaders meeting is scheduled, will do a year-end successes report.
- Ulledalen: Park issue shouldn't get lost in the fog. State law requirement is given, but how City implements it still needs to be assessed. For example, everyone seems to like and want trails, so can they substitute for parks that don't get developed? Homebuilders association may help us.
- Tina: Rod Wilson on DPARB. Mortgagers and banks may also help with notices to homeowners. Need to have a mixture of types of parks.
- McCall: Received a call today from a woman who has 3 park assessments. Progress report from Council committee? Heard nothing will be done.
- Ulledalen: Have disposed of all the easy solutions. Need a clear presentation. Staff still needs to work on more solutions and bring them to Council. Council committee will probably disband, but staff will continue to work on solutions. PMD 1 may take care of capital in future years, and then that assessment could be used to take over some of the costs in neighborhood PMDs.
- **Cell phone statistics:**
- Tina: 151 violations; 69 warnings and 82 citations. Special traffic enforcement is having some successes and I'll send the report to you.
- Tina: PMD 1 quarterly report on projects? Do you want to eliminate any of the reports on the current list? Think for the first year, quarterly report on PMD 1 is warranted.
- Hanel: Don't remove anything. Consensus agreement.
- Ulledalen: PMD report could be part of the PRPL monthly report.
- Bird: Want PMD 1 report to be part of the quarterly reports.

- Public comments:
- None.

Tina: Norm Kolpin passed away and memorial was Saturday. Thursday is last day for O'Connell and open house at 2:30. Bruce Putnam memorial service at 2:00 on Saturday at the Food Bank.

Hanel: Pitman assisted the Kolpin funeral and it was very nice.

Tina: Nov. 9 meeting with other leader groups is 11:30 at MSU-B downtown.

Bird: Demographics study meeting at 8:00 tomorrow, if you signed up.

TOPIC #4	Public Comment on Items not on the Agenda
PRESENTER	
NOTES/OUTCOME	

(This presentation was made prior to starting the work session agenda.)

Donna Bulatowicz, AmeriCorps*VISTA volunteer with the Montana Campus Compact, was invited by Councilmember Ronquillo to provide a presentation to the City Council about the Garfield School literacy project.

- Bulatowicz: The project started about 3 months ago. The goal is to open a literacy center that will serve the needs of those living in the South Side community. They currently have an after school program for art and writing. Will add emergent literacy program in the mornings, twice a week, with a story time for parents and activities to show them what to do with their children. Currently offer a GED preparation program in math and language arts. Will be having a grand opening celebration in November. All supplies have been donated. Former students, families in the neighborhood and her professors have donated art supplies and books to the program. The program is accepting more donations for art supplies and books. The program relies solely on donations.
- Bird: Are you coordinating with the Lincoln Center?
- Bulatowicz: Yes, currently speaking with Josh Middleton this Thursday to discuss collaboration. Discussions have already been held with HRDC and their GED prep program. Plan to work together and joint refer. There will be interns available who will provide assessment of children with reading challenges. All services are free to residents. There will be additional teachers hired as needed. Yellowstone Boys and Girls Ranch has donated the space for the program. Are seeking to serve, initially, 10-12 children so there is a good adult/child ratio to be the most effective.
- Ulledalen: Suggested circulating a list of needs for the program to service clubs in the area.
- Ronquillo: On Saturday, December 8th there will be a fundraiser dinner from Noon until 6:00 with all proceeds going to help the Garfield resource center and this program. More information will be given as the date gets closer.
- Public comments:
- None.