

City Council Work Session

5:30 PM
Council Chambers
January 7, 2013

ATTENDANCE:

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

All present.

ADJOURN TIME: 7:40 PM

Agenda

TOPIC #1	Empire Garage
PRESENTER	Bruce McCandless, Assistant City Administrator
NOTES/OUTCOME	

- The recorder was not functioning during this presentation.
- Please refer to Power Point presentation.
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TOPIC #2	Outcome of PMD Subcommittee Recommendations
PRESENTER	
NOTES/OUTCOME	

- The recorder was not functioning during this presentation.
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TOPIC #3	City Ward Redistricting
PRESENTER	Bruce McCandless, Assistant City Administrator
NOTES/OUTCOME	

- The recorder was not functioning at the beginning of this presentation. Audio begins at this point in the discussion.
- Tina: Put it on the Agenda by the 11th and that will be enough notice.
- Brent: As long as the ordinance is in effect by April 29th, will be okay. May have to have a 1st and 2nd reading within two weeks of each other which is normal for ordinances. Critical date is April 29th, within 30 days of second reading.
- Tina: Would have to adopt it March 25th to have it effective April 29th. A very compressed schedule.

- Bird: Given the schedule, don't understand, other than a consideration, what is the benefit or need to make this decision based on the meeting the election administrator will have with the Secretary of State. Seems like a consideration, does not have anything to do with our decision.
- Pitman: That's the important part. We can proceed. If we run into snags we can always delay it and go to the longer term plan. It is something we should look at to try for the first one. Literally, worst case scenario is there isn't enough time to get it done. Can be postponed and take up the different schedule.
- Mayor: Shows effort to get it resolved.
- Astle: We are talking timelines, but what do you want me to vote on? Least serious one is Option 1, Plan c. Do you agree?
- Tina: Mr. McCandless says it is the most similar to what we have.
- Astle: Doesn't displace too much of the thing at this point? Don't we have to have one of the plans as part of the ordinance? Which road are we going down?
- Tina: One of the things Mr. McCandless has mentioned is if the Council wishes to confer with staff on this, then we may need to set a special meeting to do that. Would need to have documentation to the Council by the 14th and have the meeting sometime this week and still maintain the proposed schedule.
- Mayor: What displacement of council members with this particular option are there?
- Astle: None.
- McCall: With Option D, both Bird and I would be displaced.
- Bird: The only two?
- Astle: Gone.
- Cimmino: Mr. McCandless, you mentioned there were 3 people who configured this to give us 3 options. Obviously we need to fine tune this. Who were the other two? Did you work on this?
- Bruce: Yes, with Tom Tully with IT Department, GIS; and Candi Beaudry, Planning Director.
- Cimmino: Mayor, I like having another meeting to fine tune this rather than to make a decision.
- Mayor: You want to try to fit it into a work session or have a special meeting with staff?
- Tina: Will have another work session the 21st. Would normally give it to you on the 21st, to vote on the 28th. Could go as late as March 11th. That gives us more than a month to hold a meeting.
- Astle: Plan C is obviously not perfect because it takes some of the Heights that is contiguous to the rest of the Heights. That's a solid ward. Would you look at pushing some of Ward 3 that way as mentioned by Ulledalen? Leaving the Heights alone and putting a little bit of Ward 5. Push a little of Ward 3 into Ward 1.
- Bruce: We have to reduce the Ward's population by about 4,000.
- Astle: Which one?
- Bruce: Ward 2. No way to NOT reduce the population in Ward 2. It could be reduced in another direction.
- Astle: Option 1, Plan C doesn't adversely affect Ward 5 at all and doesn't seem to do anything to Ward 3, either. Adds a bit to Ward 1 and takes some away from Ward 2 and doesn't do much to Ward 4, other than give them the Ranch. We are talking when? March?

- Tina: March 11th is the last day you can put it on your agenda and still meet the timeline.
- Astle: We would have a meeting in a couple, 3 weeks?
- Tina: Could have one at the next work session, which would be January 22nd, and reschedule and look at this option. If there are other options you would like to look at, could let us know via e-mail and we could adapt and bring those with us to the meeting of the 22nd.
- Astle: That works for me.
- Pitman: Do you have this on a computer program where it can be tweaked? Could we have a smaller meeting to tweak this and show the ramifications? Like a subcommittee? The subcommittee could pay special attention to the numbers better that way. Then the subcommittee can come up with something for the next work session. Would like to have some of the councilmembers involved, because they know the neighborhoods so well.
- Bruce: Yes, it is on a computer, but don't want to over-promise the GIS capability. Tom spends hours producing each of these maps and moving one line over a street may not be difficult and maybe can be done instantaneously, but drawing one of these maps is several hours of work. If the Council can give us some general ideas, like you have tonight, then staff can produce those maps and present the results.
- Mayor: Based on this suggestion, as Astle mentioned, if you took the border up there and brought it down, in the Heights, and gave us another option to look at.
- Tina: The Council might want to give itself until the end of this week to look at these maps and provide by Friday, if there are other things you wish to have staff look at as an option. That gives staff a week to process. That is, if you wished to have the week of the 14th to review with a subcommittee to work on this. Staff could perhaps give on or about the 17th and bring to the Council on the 22nd.
- Mayor: That sounds good. If no feedback is given, perhaps you can explore the options we have discussed here.
- Bruce: What is the best method to receive maps? These are very small scale.
- Ulledalen: Can you send links to a presentation so we can just pull the presentation from the website?
- Bruce: I believe we can, yes.
- Ulledalen: Then we can just zoom in and out of it.
- Tina: If the Council will give us any suggestions by the 11th. Does anyone wish to meet with Staff on the 17th, late afternoon?
- Mayor: 3 or 4 councilmembers.
- Tina: I have CM Bird, Cimmino, Pitman and Ronquillo. We will work with you to set a time on the 17th.
- Public Comment: None.

TOPIC #4	Priority-Based Budgeting
PRESENTER	Tina Volek, City Administrator
NOTES/OUTCOME	

- Tina: Presentation material is identical to written document sent to you on Friday.
 - Various Parks/Streets/Tree maintenance-related share a single forester, but opportunities exist to share satellite shops, people and supplies. Will be a Teamster item and will require ongoing work.
 - The Library will postpone till 2014 and after the current facility is completed.
 - Administration, comprehensive facilities plan will be brought to Council. Pricing it now for 2014. The xeriscape and irrigation practices are one we began in the parks at Yellowstone Family Park. Administrative function for parking enforcement to transfer to Finance, if Council decides to create a Parking Commission, scheduled for 2nd qtr. of 2013.
 - Possible consolidation of building inspection functions. Moving inspections will not reduce the Fire personnel because they have a primary function of fire investigation. Building inspection function is secondary to that. Looking at the addressing function, for which the Fire Department is responsible. There is an individual in the GIS position that may possibly be utilized in combination to alleviate some of the workload of the Fire Marshall's office which is currently very heavily burdened.
 - Transportation Planners are located in the Planning Department, Transit Department and Engineering Department. Looking at whether the functions from three agencies can be combined into a single agency and maintain MPO status. This is a 4th qtr. issue and is complex due to the funding issues.
 - Community Health – Explore joint partnership possibilities with the County and School District, i.e., clinics for employees at a reduced cost to help control insurance costs.
 - Privatization – Potential outsourcing of vehicle maintenance, tree maintenance, snow removal, recycling, seasonal employees and concession services. Welcome any additions from the Council. Some of these services have already been outsourced.
- Ulledalen: Losing Council in this process? What is Council's role in relation to the staff? How do you want Council to act? Meet with Mayor and prepare an agenda.
- McCall: Agree with Ulledalen about Council drifting and not certain about what it's supposed to do. Good presentation and material helps. Need to know the pros and cons of all of this before any decisions are made.
- Tina: Reminds Council about January 16th meeting to talk about FY14 budget and PBB, accomplishments and schedule. Would like to review the Police and Fire Departments large number of service-related positions.

- Ulledalen: Really about money and running on money. In creating the citywide park district we recognized that we did PBB, we defunded the parks. The high costs of our government are outgrowing our income. Substantial monies have been set aside in reserves to subsidize that for an incremental period of years while we try to work out a transitional plan. At some point, give a clear presentation on how reserves will be used, should we cut in the next budget or postpone that decision. Want to know specific cuts for FY14, FY15, FY16, or start working on a plan for tax levy in the future.
- Tina: There was a high priority placed on public safety and continues to be. Mr. Weber attempted to show what personnel cuts are needed to reduce budget for future years. More work on PBB will break down big Police and Fire programs. Mr. Weber will bring that model to the next meeting and it can be discussed further.
- Bird: On the potential outsourcing list, would like to know if any of these functions have been private in the past. Would want to know pros and cons, it's about more than just money. Privatization is not always the best method. Need details. Something we have not discussed much about is employer-paid employee benefits. Thinks that PBB should provide an analysis of what employee benefits the City is providing from the general fund. Let's get it costed out. If we pay full cost of employee parking, that may be unsustainable, but how much does that cost and which departments. PBB is not about zeroing in on pet-peeve expenditures, it's about really putting everything on the table. Time to talk about many of these before we start negotiations.
- Ulledalen: I see how the lack of resources has affected Phipps Park. We don't have the staff, we don't have a master plan and it is gradually degrading. Thinks that a group of volunteers could be organized to work there, but would the CBAs disallow it? Do we let our resources degrade in order to not cause conflict with unions? Looks bad to the public when we can't answer public questions.
- Cimmino: Having the Park volunteer coordinator is a good start and organizing something for Phipps Park. On the outsourcing list, it appears the first three would have an impact on negotiations (vehicle maintenance, tree maintenance, snow removal).
- Tina: Our contracts allow us to discontinue programs for financial reasons. Those three are issues that we have the contractual ability to terminate employees or sections of employees. There are certain notice requirements. Union employee notice requirements, will likely receive challenges from unions. CBA limits on contracting in order to avoid hiring City employees. Our guiding principle has been that we don't displace City employees, but will use City employees as the lead on a crew that will include volunteers. It takes time to coordinate, but ensures that our own employees are not being deprived of overtime, for example, and at the same time we are using volunteers successfully.
- Ronquillo: In the private sector we tried contracting services at MDU. Found that our own employees are better trained and do better work. Privatizing falls short of what is advertised.
- McFadden: If we did privatize a section or a job and the bid proves to be more expensive than self-performing, what do we do?

- Tina: We have run into this before, i.e., weed removal. We decided to purchase our own mower that could be used for other things besides weed removal and we have continued to do that because it was more economical at about a 50% savings. Fleet services does subcontract work that we do not have the equipment to do. Fleet services performs for less cost than private shops in many respects.
- Ulledalen: Outsourcing in a tight labor market may not work. If we don't get additional tax revenues, are Police and Fire departments immune from cuts? Big philosophical questions the Council may need to answer. Will change the dynamics of this. If we allow Police and Fire to continue to grow, we will be eroding other services to the community.
- Hanel: Is the County looking at the same cost constraints?
- Bird: City has responsibility to provide community services, be must have resources to do so. We need to plan for additional revenues. Privatization is not the solution, but an easy way out. Council needs to have the conversation about how we generate more revenue as the City continues to grow. It's not all about public safety, but services and infrastructure issues, too. Ulledalen speaking about this consistently.
- Hanel: What is approximate value in the reserves?
- Tina: Will have to provide that to you via email with obligated and unobligated reserves. Each fund has a different unobligated reserve. Seems it is \$14 million in the general fund, just not sure.
- Hanel: If we were to make cuts today, would you expect arbitration?
- Tina: Yes.
- Hanel: How many building permits issued in 2010 vs. 2011?
- Candi: I don't know, but there were more in 2011 than 2010. Don't know the exact number.
- Hanel: 2010 there were 180+.
- Candi: That sounds right – our highest was 450+.
- Hanel: In 2011 there were 367.
- Candi: Sounds about right.
- Hanel: Revenues are not keeping up with the expenses. No question. Not as bleak as it appears. Have a healthy revenue source presently. In favor of monitoring the labor pool and if cuts are needed, we have done it before. In 1977, we cut 30% of the workforce. But doing something like that today would be challenging.
- McCall: Agrees with Mayor. Need to look at adding revenues. Need a balanced approach – have to consider expenses and revenues.
- Bird: Agrees, too. Need to do some fiscal planning and look at possibly changing what we are doing now to avoid a big mess 3 to 5 years from now.
- Tina: Cap on the general fund is a major challenge. Realize it is a very unpopular situation to look at. The fact that the Council cannot, except by public vote, increase the general fund levy is a very serious issue.

- Ulledalen: In that regard and the sales thing, it would be a great opportunity as Mayor Hanel has pointed out, to show the projected increase in property tax revenue. We know what is coming and know there is a lag, but maybe we can use that number as a guideline specifically to how we essentially index our budget, based upon what we see coming in. It might be a way, for example, stop hiring in the Police Department. Maybe we don't fill vacancies and bring down the head count and let revenues catch up. But how do we fund the Building and Planning Departments? We are probably remise in not costing that out to the people who are producing the need for the service. We should probably look at how much is being subsidized from transfers from the General Fund at this point, but it should stop.
- Tina: We only run Code Enforcement through the General Fund. The rest is done through the County mill levy or through fees for service. That includes the Building Department. However, one of our biggest challenges is going to be that we cut 7 positions, i.e., inspectors, planners and the like. If we are going to meet the challenge of additional permits, we will have to re-staff in that agency.
- Ulledalen: But the question is who should pay for that? Should the General Fund taxpayers or work one be assessed for that or the builders and developers and contractors?
- Tina: The tradition has been through fees. Previously, a lot of departments were removed from the General Fund, i.e., engineering. We are still at the mercy of the State of Montana in terms of how they are handling appeals on property taxes and how they are handling the phased implementation of property tax increases. There is discussion at the legislature about shortening the 6-year cycle. The League may be looking at sponsoring shortening this time table. When the reappraisal cycle starts, it rolls back to what the value of the property was 6 years ago and is gradually brought back up, so 6 years hence, we are where the value should have been 6 years prior. The ongoing appeals process has a serious impact on that as well and is very difficult to predict.
- Public comment: None.

TOPIC #5	Public Comments on Items not on the Agenda
PRESENTER	
NOTES/OUTCOME	

- No additional public comments.
- Hanel: Congratulations to CM McCall for the nomination to DPHHS Director, sorry you didn't get it, but glad that you'll stay with the City. Congrats to Pitman for appointment to National Environmental Committee.
- Hanel: Has received an invitation to attend a ceremony in Helena, on January 18th, for the National Historical Society and recognizes the Garfield School as being a National Historical Site.
- McCall: Will be there and will represent the City.

- Bird: How many City staff are parked in Park 3 and what is the cost? Is it feasible to relocate all non-essential employees to Park 1? Is there space in Park 1 to make accommodations? Other alternatives? What is the monthly cost and annual cost to GF for employer-paid parking? Remove City employees to a monthly parking garage from a garage that could be broadened to an hourly garage and serving the downtown business/commercial area.
- Tina: Continue working on that info. There is not enough space in Park 1 from Park 3. To the parking fund, it does not matter whether it is a City employee or business owner in the area, because the fund is the same. The City does get the bulk discount that would be given to any business owner who would receive the discount for multiple parking needs.
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Additional Information:
