

City Council Pre-Budget Work Session

4:00 PM
Airport Operations Center
Logan International Airport
January 16, 2013 (Wednesday)

ATTENDANCE:

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

McCall excused. Astle will arrive late.

ADJOURN TIME: 8:40 PM

Agenda

TOPIC #1	2012 Achievements
PRESENTER	Tina Volek, City Administrator
NOTES/OUTCOME	

- Tina: Housekeeping and introductions. Reviewed Agenda. Started with accomplishments (from the handout).
 - ✓ Administration:
 - Bond Rating
 - Priority-Based Budgeting
 - EMS Commission
 - Battin Building for Courts and Justice Center
 - Empire Parking Garage Project.
 - ✓ Aviation:
 - Successful Energy Audit
 - Good Air Service
 - State Firefighting Unit
 - Improved Short Term Parking
 - Stormwater Events
 - Overlays and Expanded Terminal Screening Area
 - ✓ Transit:
 - Re-routed routes for better efficiency.
 - Received temporary Federal funding for transportation.
 - ✓ Finance:
 - Innoprise Software
 - Budget Book
 - Assisted Health Insurance Committee
 - Annual Audit
 - Assisted PD in locating grants for cameras and tough books
 - Assessment method for the approved PRPL levy

- Refinancing Bonds
 - Banking Services RFP.
- ✓ Fire:
- ISO rating reduced to a “4”
 - Capital Improvements to Accommodate Diversification in Force
 - Program participation, including the City/College Fire Science and Paramedic program, the Phillips 66 program and others
 - New scuba vehicle for Station 6
 - New HAZMAT trailer
 - Relocated HAZMAT team from Station 4 to Station 5
 - Acquired an identification and related training kit
 - Received grant for purchase of new photographic equipment
 - Added “Sparky, the Fire Dog” as a training aid
 - United Way Day of Caring installed free smoke detectors and carbon monoxide alarms through a grant program
 - Adopted an online National registry program to track certification of all employees in which individuals enter information to compare with National statistics
 - High-rise facility and large occupancy structure training
 - 9-1-1 Communication Center’s new computer/radio system with narrow banding program.
- ✓ HR:
- Exclusive Provider Service for Prescriptions
 - Innoprise Payroll Software
 - Ongoing investigations
 - Electronic Benefits Enrollment
 - Drug and Alcohol Policy Training
 - Comp and Class Review
 - Supervisor Training
 - Priority-Based Budgeting
 - Teambuilding – Joint Labor Management Committee
 - City-Wide Safety Committee reactivated
- ✓ Legal:
- Empire Parking Garage
 - Medical Marijuana
 - Urban Chicken Issue
 - Risk Insurance
 - Public Records Requests
 - Personnel Issues
 - Noise Ordinance
 - Ward Redistricting
 - Local Contractor Preference Ordinance
 - Hatch Act Discussions
 - Sahara Park Issues

- Babcock Theatre Development Agreement
- ✓ Library:
 - Construction of a new facility without additional staff
 - Received MacArthur Foundation Grant for digital learning lab
 - I-Library events funding
 - Tobacco Settlement Trust Grant
 - New hybrid Bookmobile was added and a Federal energy grant was received.
- ✓ Parks:
 - South Park Gazebo
 - Restroom renovations at Highland Park with access for persons with disabilities
 - Forestry Program has returned
 - Constructed 3 parks, i.e., Yellowstone Family Park, Rimpoint Park and Howard Heights Park
 - Installed ADA lift at South Park Pool
 - New chlorine detectors installed at Rose and South Parks
 - New Maintenance District and Improvement District for Yellowstone Family Park
 - Chip and Seal completed on approximately 60% of the cemetery roads
- ✓ PCSD:
 - Office Space RFP went out for a second time to the top 5 participants
 - Redistricting participants
 - Priority-Based Budgeting participants

(Building):

 - Renewed its reserves to approximately \$600,000.
 - Improved ISO rating by implementing a training program

(Code Enforcement):

 - Had a 96% compliance rate for weed enforcement. (Most seamless weed season experienced in the past 8 years. PRPL is providing the weed cutting services rather than outsourcing and is doing so at a greater savings.)
 - A new program was developed for dangerous trees.
 - New boarded-up structures ordinance was developed.

(Community Development):

 - A very aggressive VISTA program. (Perhaps 17 AmeriCorps VISTA volunteers are presently working on poverty- reducing projects around the City of Billings. This program leverages \$6 for every \$1 Community Development spends.)
 - HOME audit completed with no findings.

(Planning Department):

 - In-fill policy participant.
 - SBURD and EBURD master plans
 - Ten zoning text amendments, including Neighborhood Manners
 - Three Trail projects

- Complete streets policy
 - Updated annexation policy
 - Continued work on train traffic mitigation plan
 - The Downtown Circulator and Adjacent Neighborhood Committee continue to meet.
 - Participant in the energy efficiency and conservation block program and smart growth (grant in conjunction with the School District).
- ✓ Police:
- Received \$800,000 in grant monies
 - Consolidated purchasing and competitive bidding
 - Community donations
 - Volunteer programs generated \$70,000 in revenue
 - Technology changes
 - MDT purchases
 - HIDA programs
 - New body armor
 - Continued work with Finance Department
- ✓ Public Works:
- Traffic signals and new development at Rimrock Road, Moore Lane, 29th and Central, Wicks and St. Andrews, and Zones 4 Reservoir
 - Installed 150 ADA ramps to meet necessary compliance for Federal government mandate
 - 200 pieces of concrete infrastructure repaired for property owners
 - New downtown traffic signals installed
 - New green barrel program is completed and has spread throughout the City to recycle yard waste
 - New UV disinfection building at the Water Treatment Plant. Dave is a State leader in working with the EPA and MDEQ in numeric nutrients on behalf of the League. 22,000 feet of water main and 4,500 feet of sewer main.
- Ronquillo: Thanked Candi for work with SBURD and others projects. Thanked PW for recycling program and working with refinery.
 - Dave Mumford: Added that water rights were also completed.
 - Public Comment: None.

TOPIC #2	Police Department Alarms Report
PRESENTER	Rich St. John, Police Chief
NOTES/OUTCOME	

- Rich St. John: Provided a handout regarding police alarm responses. The report provided totals of business, residential, panic and hold-up alarms. About 5,000 calls received per year, divided into 4 classifications of response by alarm companies and PD. There are times when those alarms are legitimate, but 58% of the time they are not. Alarm companies are working extremely hard to eliminate false alarms. They have numerous checks and balances and are trying to hold their customers accountable.

- Hanel: Does PD still have alarm committee?
- St John: No, decided it was alarm companies' responsibility to monitor.
- Ronquillo: Alarm companies should call responsible owner/manager before calling the police. Repeat calls from businesses?
- St John: Alarm companies usually do call owner/manager, but sometimes people aren't reached or set off the alarm themselves and don't know the password. There are repeat customers. Alarm companies work hard to fix them. PD may not respond if there are multiple false alarms to the same location.
- Pitman: Referring to CM Crouch's initiative. Does the report satisfy you?
- Crouch: Is there anything that City Council can do to help reduce those false alarms?
- St John: Some cities charge for negligent behavior. Some cities are charging for HazMat services, etc. There are some things we can do to hold people accountable and we should be doing it. May be controversial to charge for these services.
- Tina: Chief St. John has provided a copy of an ordinance from College Station, TX, that is specific to their fire department and Boise, ID has one. We do not have a billing system in which to bill people and will have to be considered in the cost.
- Dextras: Based on-call volume, City might get \$50,000/year, but there would be costs and controversy to implementing this.
- St. John: Again we would want to separate out only "negligent" actions and define what is "negligent". Would respond to things people expect a response for.
- Ronquillo: How many police officers? Per shift?
- St John: 141 and on a good day, will have 20 people on each shift. 9 beats. Minimum staffing is 9, for 41 sq. miles.
- Bird: If City assessed a negligence fee, where would the money go?
- St John: People assessed a negligence fee would likely be arrested or receive a citation for something as well, so would probably come through the court.
- Cromley: Probably not because this would be civil, not criminal. Explains how State departments charge for extra work, like rescues.
- Bird: Can Council get some clarity?
- Tina: Court is in the GF. Money doesn't necessarily stay in the dept. that generates it.
- Cimmino: Questioned numbers and number of female officers?
- St John: 141 includes new officers, 1 female in the new hires. A total of 13 female officers. Guess there is about 15% minority officers. Wants to see a discussion happen on the negligence fees.
- Bird: Impressed with work St. John did with school district after Newtown, Connecticut grade school killings.
- Ronquillo: Complimented St. John for involvement in community activities and going the extra mile to meet with the public.
- Public Comment: None.

TOPIC #3	FY 2014 Proposed Budget Schedule
PRESENTER	Pat Weber, Finance Director

NOTES/OUTCOME	
<ul style="list-style-type: none"> ▪ Weber: Reviewed the schedule, due dates and major milestones on it. ▪ There were no questions concerning the proposed budget schedule. ▪ Public Comment: None. 	
TOPIC #4	FY 2014 Anticipated Revenues and Expenditures
PRESENTER	Pat Weber, Finance Director

- NOTES/OUTCOME**
- Weber: Reviewed the FY 2012 Budget and outlined how the City's finances ended for the year. Pointed out how difficult it can be to make projections due to unexpected revenues and encumbrances. The present General Fund is about \$11.5 million in unassigned fund balance, not designated for any specific use.
 - Ronquillo: Where are the MDU monies from the landfill?
 - Weber: \$50,000 / yr. and is going to the 800 mhz radios. Can ask Accountants to show on the quarterly reports how much is received. So far, the monies received have been spent on 2 payments for the radio system.
 - Ronquillo: Energy audit completed at the airport. Have to spend money to save money down the road.
 - Tina: There are issues we are expecting in the coming year. Contract negotiations with all 3 bargaining units. Will have an effect on costs. Next year and on an every 10-year basis, the City is required to present to the voters an option on whether the citizens wish to review the City Charter. Last done in 2004 and will need to be done again in the current budget year, with the Council primary in June. There is legislation combining School District elections with other elections and may impact the City. If the City is the only one on the election ballot, it costs about \$60,000. If the City wishes to include a Public Safety levy, will have to be decided by March. The major concern is the capped Charter. Limits the City by the amount of monies it can collect. If the Charter was not capped, Pat believes it would bring an additional \$800,000/yr. so it has some impact, but is not the solution to all the problems. Would need to vote to lift the Charter cap. Staff has talked about changing our fee structure. The landfill is a profitable depart. at a very modest cost to the citizens. Other jurisdictions charge far more than the City to import trash from other facilities.
 - Dave Mumford: At the current use of the landfill, if we add additional communities and continue to grow, still have between 87 and 92 years left to use the landfill.
 - Tina: Do we wish to charge other entities that use our landfill? They are coming from as far away as Wyoming. It is cheaper for them to bring their rubbish here than go other places because our fees are so low. Rich St. John has discussed we have 9 patrol districts (beats). As the City expands he would like to add 2 more beats. That's an additional 5 to 7 employees to fill a 24-hour position. A minimum of 10 additional employees in the PD. The Fire Dept. has not been able to fill the 7 positions eliminated at the time of the lawsuit settlement. The Fire Dept. would like to look at that and consider additional staffing for the Fire Marshall's office. Public Works has been replacing one-half a percent of water and sewer lines each year. At that rate it will take the City 200 years to replace all lines. If Transit does not remain a high priority nationally, where does Transit stack up against Parks, Police or Fire? Have held services at the current level with few

staff. Do we want to continue? Some communities have cut staff and services as they have experienced declines in property taxes. In light of the anticipated issues, would the Council like to address? Staff recommends begin with a Public Safety levy. Define what that will cover. If the levy is not successful . . .

- Astle: Has anyone mentioned what the State is going to hit us with for the retirement system? Do we have a dollar amount?
- Tina: Yes, 1%. The League of Cities and Towns has said the proposal they are supporting is 1% to the City and 1% to the employees. That will cost the City approximately \$325,000/yr. If there is a cost to employees, it is passed on to existing employees, a controversial issue. The City would probably be approached by the employees to look at that with contract negotiations.
- Astle: This is what the League would like to see?
- Tina: Worst case scenario was proposed by the legislative staff was 5.4%. Represents \$1.2 million for the first year. It is tied to salaries so it would go up over time. This would represent the single largest, un-voted tax increase in the history of the State of Montana. Billings would not be alone. There are approximately 3,000 City employees, 6,000 County employees and 17,000 State employees in the retirement program over the entire state. This exempts Police and Fire. Just focuses on the PERS program. This is perhaps the single biggest issue to face the legislature.
We have not seen a lot of results from our infill operation. Continue to see growth in the fringe areas. There are jail issues and experiencing more inmates.
- St. John: Monthly jail bill is \$20,000.
- Tina: These are some of the long term needs of which we are aware. Council election, Charter election and possible Public Safety levy election. Also, moving toward National accreditation of the Parks Depart. Involves an audit.
- Mike Whitaker: There is a list of standards to be completed. Staff would work on over the next couple of years. Once standards are completed, then the accreditation committee would review and the City of Billings would pay the transportation costs to Billings for the committee (\$10,000 to \$15,000). A great way to increase effectiveness.
- Candi: The long range facility master plan.
- Tina: Yes, the space and site master plan. About 20 years ago a space study was done. An RFP would be done to do a thorough space and site master plan, estimated at \$100,000. Should also be updating our Strategic Plan, adopted 7 years ago and an RFP would be done for this, too. Staff can look at other areas to generate other revenue. Staff wants recommendations from Council as to what they would like to do about these items.
- Ronquillo: If choose to do a Public Safety levy, what is the dollar amount?
- Tina: It would be a mill levy. It's approximately 60 mills.
- Bird: When was the first Public Safety mill levy?
- Tina: 1999.
- Bird: The second one?
- Tina: 2004 and it was voted again in 2005 because there were questions about the first election.
- Bird: A Public Safety mill levy is needed, but is concerned about the public's perception. A serious public relations campaign will need to go along with the election. May need some assistance with this.

- Tina: 1999 levy was intended to maintain Police and Fire staff. If not approved, there would have been 42 Police and Fire positions eliminated. Was not discussed with the public as it would have been viewed as threatening. 2004 levy, 14 police officers and 14 fire personnel would have been eliminated. But 7 positions were filled in each depart. St. John has been putting money toward pending litigation that was initially earmarked for a second assistant chief position. City is working with MMIA on another piece of litigation that has potential cost to the City.
- Astle: What is the payout on the firefighters' lawsuit?
- Tina: 2017. It's a level payment in which the interest is paid up front and as we get to the end of the payment time period, will be paying strictly principal.
- Ronquillo: Didn't we build Fire Station No. 7 with that mill levy?
- Tina: Yes, and added 7 firefighters.
The School District is talking about their space issues and is realistic to assume some action will need to be taken in the next year or so. This is something to consider when talking about how much to put on the plate.
- Hanel: That will be decided on Monday night.

*******Break for Dinner at 5:45 P.M. -- Reconvened at 7:00 P.M.*******

- Weber: Reviewed the computer model and the assumptions that go into it. With little increase in revenue or personnel expenses, the budget balances indefinitely. Plugging in 2-3% COLA for employees imbalances the budget in FY17. Freezing the PSF transfer shows the need for a Public Safety to balance the budget. Cutting \$1 million/yr. doesn't fix the problem, but delays the problem for 2 years.
- Bird: The City is lean. Cutting more money jeopardizes ability to provide quality services. Need to ID how to fund services in a growing community. The past two decades have been trying to use fiscal conservatism. We need to remain competitive as a regional hub.
- Pitman: Some councilmembers think first election won't pass because of the Library and Park Maintenance Districts. Know the School Board will be putting a mill levy out there. How much do people want and how much they can stand to pay? Should FY14 anticipate a new levy, or not. Do we pass a budget based on the fact that we really don't foresee a mill levy succeeding.
- Bird: It's disingenuous to attempt the passage of a Public Safety mill levy with the idea it is not going to pass. Don't take it on if don't believe it's for the right reason. It's the best thing for the City and community. Have to work hard to make it pass.
- Hanel: This is the cost of doing business and costs are rising. Should not hold an election in 2013. Should delay at least until 2014.
- Bird: Don't put off educating citizens.
- Hanel: PBB will be better established in 2014. Will have better success.
- Ulledalen: How much of a 1% tax revenue increase would go to PSF? The increased costs for maintaining Fire and Police are growing at a faster rate than the tax revenue.
- Weber: If transfer from GF to PSF freezes, the GF will balance.
- Hanel: By 2016-2017, it is obvious we will run out of reserves.
- McFadden: Don't play hardball or compete with School District this year. Need to give the District the opportunity to ask for more money before the City asks for more.

- Ronquillo: Restate the information about the Charter election.
- Tina: The Charter cap can only be lifted by a majority vote by the public. Past public surveys have not been positive. By lifting the cap, the City would gain \$800,000 after 5 years. That's about half of the amount needed. Not a popular issue with residents.
- Ronquillo: Wouldn't ask for enough on the Charter to change the cap that it would really do us much good.
- Tina: State caps how much any community can grow in their mill levy in a given year.
- Pat: Based on growth in the State. Even if cap was raised to \$800,000, it would not be enough to sustain the PSF until year 6 or 7.
- Tina: Could be considered as part of a package.
- Pitman: That's key. Some of our issues aren't until sometime in the future. Can't put all eggs in one basket, i.e., either the mill levy or cuts or a raise in fees. Need to look at broad array of cuts and fee/tax increases to balance this. Don't know of any time we have succeeded in opening up the Charter. Not confident it will happen based on history.
- Tina: In reviewing the original Charter and notes attached to it, it was the Charter Commission's intent that there would be other sources of revenue for the City. Some have not occurred; some have occurred and then disappeared. Could ask the next government review to look at the cap. There will be costs this year to support the Commission. Again, part of a package may be a solution.
- Pitman: As we go through PBB, one aspect not reviewed has been where additional fees can be generated such as the "negligent" fees mentioned earlier by Chief St. John. Little items add up and help stop the bleeding. Also increasing point-of-service fees so departments can become more self-sustaining.
- Hanel: The Charter as written and as diligent as the City has been within the guidelines of the Charter can be used as a tool to our advantage when seeking increases. Don't believe the citizens will want to do away with it.
- Ronquillo: Enterprising funds cannot transfer to General Fund.
- Tina: Some funds – Public Works pays a franchise fee to City on water, sewer and solid waste. MDU funds, while are less than what hoped for because gas prices are less than anticipated; it is still a contribution.
- Mumford: 5% of all of the gross goes into the General Fund. About \$3 million a year. Lockwood and the refineries pay an additional fee for landfill. Cody and Powell want to use our landfill. Could add more fees for them to use our landfill. Livingston and Park County want to come in.
- Ronquillo: Are the fees we are charging now high enough? It is cheaper for them to ship to us than for them to build a landfill some place.
- Mumford: Break even currently.
- Ronquillo: Can look at raising the fees a bit. Probably won't lose anybody.
- Mumford: Can do a cost of service study. We are getting ready to do one anyway, finished the draft of the master plan for the landfill. Even by adding these towns, we have 90 years of life at our landfill. And that is considering the City's growth rate of 4%, which is considerably faster than it has been, but just in case we have a boom. Livingston currently ships via rail to Great Falls at \$100/ton. Our tipping fee is less than \$10/ton for

those coming in. Billings is the cheapest in the northwest. Charge about \$16/ton for those outside of Billings. Could be raised even a couple of dollars per ton. Take in about 180,000 tons per year. A few dollars will really rack up.

- Ronquillo: Acquired more land?
- Mumford: Did acquire more land and need to license it. Will cost about \$1.5 million to license the next section.
- Tina: It is probably not a good idea to cross-pollinate money between funds. Enterprise funds not as flush as they used to be. We have used some of the funds to do necessary infrastructure work.
- Ulledalen: No good business reason for us to take other cities'/counties' waste for no profit. No other business would provide a service at break even.
- Hanel: Is this the same for the county residents?
- Mumford: Don't charge anything to the county residents either.
- Bird: How much could we charge?
- Mumford: Powell, Sheridan and Cody are paying \$40/ton, others are paying more. Park County is shipping to Butte. Add in the travel costs. Can raise our fees and still save them money. Acquiring more land in the Blue Creek area in the future certainly is a viable option.
- Pitman: Have asked department heads to look at these sorts of things in their budgets and bring them forward. Need to look at other things besides cutting and additional taxes. What other services are just breaking even? Should be looking at it as a business. Those using our services need to pay a fair price for using them.
- Tina: Investigate realistic fee increases to help sustain operations.
- Mumford: The landfill is being run with about 7 staff. Increasing fees should not increase the need for more staff. If more cities, counties and towns use our landfill, then an additional person or two may be needed. That would be based on additional solid waste, not fees.
- Public Comment: None.

TOPIC #5	Review of Priority Based Budgeting 4 th Quartile Results
PRESENTER	Tina Volek, City Administrator
NOTES/OUTCOME	

- Tina: Reviewed 4th quartile results. GF \$1.24 million and revenue of \$66,000 and 13 FTEs. PSF has an expenditure of \$6.1 million, revenue of \$93,500 and 82 FTEs. Emergency Medical Services is the major cost. Reviewed a recent study done in Las Vegas, basically indicated Las Vegas should either get in the business of Emergency Medical Services or get out of the business. Will we lay-off people or FTEs because we are not doing emergency medical services? 4th quartile programs and 82 people, but probably won't actually cut all of that. Some of the items that fell into the 4th quartile are also items we are mandated to do and these cannot be eliminated, such as Council meetings. The fact that things were mandated didn't offset priority. We need to revisit our strategic plan and goals. We had no measurement toward Council meetings, so that needs to be readjusted.

- Ulledalen: Have personnel anyway even if they do not make one single emergency call EVER. It doesn't impact our costs. Not an accurate number.
- Astle: Whether we send a truck out or not, personnel still has to be at the station.
- Pitman: Could we close stations if we stopped EMS?
- Tina: Maybe.
- Pitman: If we keep all the stations, that number is not going change. But if we close stations because all we are doing is fire calls.
- Tina: Still reviewing the Las Vegas report and can distribute it if anyone is interested. If we reduced just the cost of making the runs, it will not be a huge amount of money.
- Ulledalen: If you reduced the amount of diesel fuel used by making the runs, there is virtually no impact on the budget.
- Dextras: Read an article from Pinellas County, FL. They voted to eliminate the EMS business. 95% of their calls are Basic Life Support calls, not critical that the Fire Department is there, but is critical for an ambulance crew to be there. They will not respond to Basic Life Support calls – the bulk of their calls. Looked at fuel cost savings, wear and tear on apparatus, how could personnel be utilized in other capacities, i.e., training, public education, etc.
- Hanel: Maybe time to look at reducing the services to save money. Example of the PD not responding to non-injury, property damage only accidents during storms.
- McFadden: PBB is just a software program. Need to tweak it to meet needs, not goals.
- Bird: PBB shows us the programs and lets us talk about them. Helps with future PBB because there are programs we will not have to routinely look at again.
- Ulledalen: Priority dispatch was being used at one time and not used anymore.
- Dextras: Essentially there is still a priority dispatch in place, but it is based on basic life support and advanced life support. The dispatchers are deciding not whether to send a truck, but whether red flashing lights and siren are needed or regular traffic. That's where the system stands now.
- Tina: PBB gave us a program inventory. We have identified 364 programs. Not a lot of low hanging fruit here. We have refined that over a systematic approach over the past several years.
- Ulledalen: Lots of medical calls downtown for non-emergencies and in some cases for the same individuals day after day. Are there any grant opportunities to help with this?
- Ronquillo: Fire and other departments running on events they don't need to, such as CO calls. Utility companies should be attending to those calls.
- Dextras: If a call comes in on 9-1-1, there is a liability to respond. If the caller has symptoms of CO poisoning, the Fire Department's response time versus the utility company's response time can be significant. Talking about the efficiency of the system to provide emergency services in a community. Reviewing services, not popular with employees either.
- Tina: PD still looking at combining or sharing support services/resources with Sheriff's Department. May have an impact. Basically 14 persons, \$952,000, could be a pretty significant budgetary impact.

- Hanel: GF list – want more info on the municipal court programs. A large number of uncollected amounts.
- Tina: Will provide more information on municipal court programs.
- Ulledalen: What are the differences in the amounts shown for Parks? One figure for Community Center and one figure for Neighborhood Rec Centers.
- Whitaker: Difference is because of the type of services performed in those facilities. Community Center has a large senior services program.
- Ulledalen: Why are they rated differently? Sees them as the same?
- Tina: Different services.
- Whitaker: Back to the Council's strategic goals. Activities at the Community Center fits more into the Council's strategic goals.
- Tina: Sustaining senior population as opposed to weddings, etc.
- Ulledalen: Have to cut \$500,000 per year, every year from the General Fund. How can we say Neighborhood Rec Centers are going to be on one level and the Community Center will be on another level? May have a tough time justifying that.
- Pitman: Serve different purposes.
- Ronquillo: Community Center receives about \$22,000/ yr. from the Council on Aging to help with utilities.
- Whitaker: Budget is about \$274,000, includes 3 full-time people for senior operation.
- Tina: Activities at the Neighborhood Rec Centers do not sustain an elderly population or at-risk population and that's probably why they received a lower rating.
- Public Comment: None.

TOPIC #6	SID Revolving Fund Transfer
PRESENTER	Pat Weber, Finance Director
NOTES/OUTCOME	

- Weber: Reviewed list of potential projects that could be completed with the revolving loan fund money (now in Council contingency). Presentation will be sent to Council.
- Tina: Recommendations? Want to spend the money on any of these items on the list. There is \$1.2 million in the fund right now.
- Pitman: Carry it forward. Play it safe until we know more about the budget going forward.
- Tina: Some of these items are one-time expenses.
- Bird: Is there a deadline to completing the lighting project at the parking garage and still be eligible for a Northwestern Energy rebate?
- Tina and Pat: Will have to check on whether there is a deadline. Not aware of any, but will check.
- Ulledalen: Use it for deferred maintenance items like boilers or rotting items that need repair. Should we use for capital items, deferred maintenance items or use to push the deficit further into the future?

- Astle: Pay some money to save money – lighting projects for City Hall and 7 Fire Stations. Good investment in the future. We will receive rebates for the energy savings improvements. HOME fund would be a revolving loan and paid back so it can be loaned again. Helps create more property owners who pay taxes. Support investments that repay us. Still would leave enough money to acquire the New World Software, if needed. Use the money for everything, except the property/liability fund and radio system and there would be a \$90,000 carryover. More info on these items before budget prep.
- Ronquillo: What kind of savings can we expect?
- Pat: Would have to go back and look at the study.
- Ronquillo: I would be interested to know. If can spend this money on the projects Councilmember Astle has mentioned and save money in the long run, that makes sense.
- Tina: Want more information on cost benefit analysis on SID revolving loan.
- McFadden: Concerning the lighting upgrades. If we do the upgrade, how many years does it take to recoup the initial investment?
- Tina: Not certain. But do know there will be no rebate for the parking garage lighting because the entire building needs to be upgraded in order to qualify. So completing that project would be beneficial. Also, another benefit is because it is more cost-efficient lighting. There is a double benefit.
- Ronquillo: Generally it is 7 to 10 years.
- Pitman: Can you bring us back something without the property/liability fund and radio reserves?
- Tina: Okay.
- Ulledalen: What was the median compensation was for members of the bargaining units? Good idea to have this information and where we are with the employees.
- Tina: Karla and I are working on that now.
- Public Comment: None.

TOPIC #7	Council Direction / Comments / Questions
PRESENTER	Tina Volek, City Administrator
NOTES/OUTCOME	

- Tina: Any areas off-limit for discussion? Do we look at increasing revenues? Cutting services? Either or both?
- Pitman: Both.
- Tina: Additional long term areas need to be addressed that have not been presented to you?
- Ronquillo: Public Works will give us info about the landfill.
- Mumford: May take about 6 months or so.
- Ronquillo: Fine.
- Tina: We are at the beginning of the budget process. What do you want folded into that process?

- Pitman: Agreed with the Mayor, the City should not pursue PS levy this year, but look at FY14-15.
- Candi: Understands the School District may ask for additional bonds – bond for facilities, but will have to do a mill levy for operations. Could be multiple years in which the School District will have items on the ballot.
- Mayor: Wanted to see the new Library opened before asking the citizens for anything more.
- Bird: Council should do strategic planning, maybe through a subcommittee, and start having meetings with the School District so we can complement, instead of compete. Don't believe it is too early to start developing a reasoned and strategic plan so ready when the timing is right.
- Ulledalen: Consider cutting police and fire?
- Tina: Remember also have a Parks Maintenance District. Look at the Parks Depart. and say they are susceptible to cuts?
- Mayor: Be prepared.
- Tina: Have a meeting with the School District in February. Might be time to put this discussion on that agenda. Has met with the Superintendent once. Agreed we need to be talking about additional funding. Have not had a joint City/County/School District meeting for a long time. Needs to be set up.
- Bird: There are legislative bills introduced to deal with PMD situation? Can you elaborate on it?
- Mayor: No, don't have all the details. There are 2 bills and they are going to be in contest with the Park Maintenance District that was passed in 2009.
- Bird: Can you mention who is sponsoring this?
- Tina: Doug Kary. Bruce McCandless is meeting with Representative Kary tomorrow and via phone with Mr. Bartlett on Monday.
- Pitman: Appreciated meeting with the staff about the budget prior to budget approval time. Very effective and valuable process.

TOPIC #8	Public Comment on Items not on the Agenda
PRESENTER	
NOTES/OUTCOME	None

ADDITIONAL INFORMATION
