

City Council Work Session

5:30 PM
Council Chambers
March 4, 2013

ATTENDANCE:

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

ADJOURN TIME: 10:10 PM

Agenda

TOPIC #1	Legislative Report
PRESENTER	Ed Bartlett, Lobbyist
NOTES/OUTCOME	

- Ed Bartlett: Reported on budget negotiations. Governor submitted budget to the Legislature. Would be roughly a 10-13% increase over the present two-year budget that ends the end of June. Republicans want to hold spending between 2-4%. Executive action will start in a couple of weeks concerning pension reform. HB 14, the JOBS/Bonding bill, is an issue. Another bill of concern is SB 175 concerning school funding plan. It's an expensive bill. There are 2 TIF bills to be concerned about. HB 443, submitted by Rep. Cook, would stop Tax Increment Finance Districts after 15 years. Will not pass in present form. Will be a meeting with sponsor later this week to determine what is acceptable. A less high profile bill dealing with TIFs is SB 239. Did pass the Senate 29-21. Combines aerospace technology and industrial tax increment finance districts into the targeted economic development one. In the House now. No hearing scheduled at this time. Still pending is the bill reducing the property tax reappraisal cycle to 2 years and then to 1 year. Sitting in committee with no action at all. Will start getting attention now. There were 3 bills that had to do with business equipment tax reductions. One was tabled with a threshold of \$100,000 non-taxed, but if had more than \$100,000 of business equipment value, the entire inventory of equipment would be taxed. HB 472 is a tax exemption bill of up to \$250,000 of business equipment value. Both of those bills would compare to SB 96, which is still in the mix. Would reduce the business equipment tax from 3% to 1.5% for equipment valued from \$3 million to \$10 million. All business equipment tax bills hold local governments harmless. If HD 472 does pass, its reduction value is around \$21 million, but local governments are held whole. HB 314, Rep. Kary's bill, concerning special districts, passed the House 55-44. Amended several times, including the deletion of Section 10 that would have required Billings to re-adopt its park district. If HB 314 passes, will only apply to future special districts that might be adopted by local government. Rep. McNiven's bill, HB 437, would affect Lockwood, and would allow any county to create a new improvement district that is less than countywide to allow for installation of lights/sidewalks/trails for walking and biking.

- McCall: HB 452 will be heard tomorrow in House appropriations. This bill is an oil and gas impact bill allowing a surcharge of up to \$5/night on hotel stays. It defines local governments impacted by oil and gas development. It is an important bill and one of the few bills that effects impacted communities and where revenues go directly to the demands placed on small towns. Will the City support?
- Tina: Per discussions at a Chamber of Commerce meeting, consensus appeared to be that this bill is not likely to pass.
- Ed: That is correct. It is optional and would allow local governments the option to implement the surcharge, but it appears it will not pass. Relatively positive about the idea, and is something could and probably should support. Bill would possibly affect 41 of the 56 counties, pretty broad. The bill might pass with fewer impacted, may be amended. It's a good bill.
- Mayor: Where does the League stand on this?
- McCall: Is supportive. Important for Billings to support, whether it passes or not. Shows support for eastern Montana neighbors. So many local options have been lost. Gives cities the opportunity to recoup some of those losses. Bill comes directly from companies who pay residential services for their employees. They can afford the surcharge. It's local option, paid by those impacting towns.
- Mayor: Who sponsored the bill?
- Ed: Rep. Cook. Agreed with CM McCall. Bill has strong support from the League. Some in the tourism industry do not support the bill.
- McCall: Keep in mind the bill states up to \$5/night. It's discretionary up to that amount.
- Mayor: If MLCT supports it, Billings should.
- Council Concensus: Mr. Bartlett to attend the hearing and show the City's support for the bill.
- Public Comments: None.

TOPIC #2	Planning/Community Services Office Space RFP
PRESENTER	Liz Kampa-Weatherwax, Purchasing Agent
NOTES/OUTCOME	

- Liz Kampa-Weatherwax: Gave presentation and explained the solicitation and selection processes. Selection Committee was formed. In May 2012, a RFP was issued. Five potential sites selected according to the criteria met in the RFP and those were brought to Council's attention. In October 2012, a Council Initiative was brought forward to reissue a RFP to the top 5 proposers. In January 2013, a RFP was issued to those 5 proposers. January 28th an addendum was issued with clarifications to all 5 proposers. By February 1st, 2 of the 5 responded; Crane Building and Miller Building.

Crane Building Pros: Ample storage; ample on-site parking and offered to pay for the installation and ongoing costs of data.

Crane Building Cons: Distance from City Hall and Courthouse; remodeling needs (costs (\$4.53/sq. ft.) (industry standards are \$20-\$40/sq. ft.) and time (90 days minimum); unpredictable costs. MDU and Northwestern Energy estimated utility costs for the Crane Building which is a shell of a building and has been vacant for some time. The Crane Building is very noisy due to the expansive openness of the building, open ceilings and

air ducting and un-insulated masonry walls. Will be difficult to heat and cool with hot and cold spots which would require a lot of space heaters in the building.

Miller Building Pros: Distance from City Hall and County Courthouse; few remodeling needs; predictable costs – utilities are paid; security cards and cameras are a plus; 1st floor meeting room with public access; timeline availability.

Miller Building Cons: Limited on-site parking; City pays for data.

Miller Building has estimated its escalation costs are 2% per year. Crane Building has proposed 3% after year 5. Miller Building is slightly less expensive than Crane Building over 5-year lease period.

Community Dev. requires General Fund subsidy up to \$60,000 annually.

- Bird: Concerning the Miller Building, if City purchases the data, it is an upfront, one-time investment of \$50,000. If chose the other route, it was \$1,200/mo.
- Liz: Would take approximately 3.5 years to realize a payback if City installs fiber line.
- Bird: Looking at a 5-year lease?
- Liz: Proposals for a 5-year lease for comparison purposes.
- Ronquillo: \$3,000 parking allowance and \$1,200/mo. for data services included in the Miller Building proposal?
- Liz: Yes. Is included for the comparisons. Base lease of the Miller Building is \$190,323.
- Cromley: What are Department's parking needs?
- Liz: Need on-site customer parking, total of 45-50 needed.
- Cromley: Miller Building had 12. Still need 33.
- Liz: Planning would have parking spaces at the Lincoln Center.
- Cromley: Do you know the cost for 30 spaces?
- Candi Beaudry: Currently have 23 parking spaces at the Lincoln Center. Approximately 10 spaces would need to be rented at \$25/mo. on the rooftop of one of the parking garages for fleet vehicles.
- Cromley: Do you have a value for the 23 parking spaces at the Lincoln Center?
- Candi: No.
- Cimmino: What is cost for 23 spaces at Lincoln Center?
- Tina: No cost because City-owned. Providing parking to the bargaining employees is in their contract and we have provided to non-bargaining employees as well. In other departments we have had to pay parking fees, but not in this case because the City owns the parking lot.
- McFadden: Community Dev. Div. can't afford the space or can't find space?
- Liz: Both buildings accommodate all divisions, but Community Development can't afford anything.
- McFadden: So it is better to put Community Dev. Div. in whatever space we lease rather than looking for something else for them, because the space accommodates the Division.
- Liz: We are. Issue is remainder of divisions can't absorb the additional cost alone. Would still need to be some form of subsidy to keep Community Dev. Div. with other departments and still be able to afford any space.

- Ulledalen: Key factor is City provides office space for 10 VISTA volunteers that up until now had free space in the library. Now have to rent space to house them. Because of the way grants are administered, can't assign administrative costs to that, so \$60,000 will need to be used from General Fund to provide for them.
- Brenda Beckett: Community Dev. Div. has 5 permanent staff employees. Currently has 6 VISTA members. Can be in a very small space. Community Dev. needs about 3,200 sq. ft. for just City staff, not including VISTA members. Under the current lease proposals, the areas Community Dev. Div. would occupy would be 4,500 sq. ft., (or larger in the Crane Building). No way to partition off 3,200 sq. ft. to rent the remaining 1,300 sq. ft. to someone else. The \$60,000 would mostly pay for the Community Dev. Div., itself.
- Ulledalen: VISTA is a separate issue from Community Dev. Div.
- Brenda: Are providing 5 ½ office spaces now and 5 City staff. The 3,200 sq. ft. space needed for 5 staff members due to the need for privacy, etc. for confidential matters. VISTAs can be in very little space, do not need large spaces.
- Tina: Are VISTAs housed with the agencies they serve?
- Brenda: Most volunteers are housed by the agencies they assist. Provide space for City initiatives, such as Billings Community Connect, Continuum of Care, etc.
- Cimmino: Need 3200 sq. ft. for 11 people?
- Brenda: We use 3,200 sq. ft. just for Community Development staff currently. Approximately another 600 sq. ft. is needed for the VISTAs.
- Cimmino: The Space Needs Assessment indicated Community Dev. Div. needed 1,800 sq. ft. Includes 4 people with private offices and 3 work stations.
- Brenda: Doesn't include common space or shared space used with other divisions, i.e. conference room space, restrooms, break rooms, lobby area. That's the minimum if Community Dev. was on the same floor as other divisions.
- Cimmino: All those spaces would be shared. Is part of the estimate of the 3,200 sq. ft.
- Brenda: Correct.
- Ronquillo: How much is rent now?
- Brenda: \$13,000/yr. Community Dev. Block Grant pays for \$13,000 rent, which only pays for Community Dev. staff space. VISTAs occupy vacant space not used by another division.
- Ronquillo: Need another \$60,000 to pay for rent to house 6 VISTAs?
- Brenda: Need the difference between the \$13,000-\$14,000 and \$60,000 for Community Dev. Div. staff to be in the new space. The \$13,000 paid approximately \$2/sq. ft. and the new office space will cost \$13/sq. ft. VISTAs don't make the difference. Can't find another space of 3,500 sq. ft. to rent for that price for Community Dev. to be alone.
- Ronquillo: What about parking needs?
- Brenda: Estimated may need up to 10 spaces for customers for meetings and public hearings.
- Cimmino: May be helpful to have a map showing spaces at Lincoln Center, visual of available spaces onsite and off-site.

- Tina: Will provide. Adequate parking for evening meetings whether on street, City garages, etc. Daytime parking is a concern.
- Bird: The Miller Building has 12 parking spaces onsite, 22 at Lincoln Center and need 10 spaces in a garage.
- Liz: Yes.
- Cimmino: In the first responses, included housing for VISTAs?
- Tina: Correct, were looking at a rental for housing, but also simply as office space.
- Cimmino: Between the two spaces currently considered, distance isn't a factor. Planning is 4 blocks from City Hall and so is the Miller Building. It's a moot point.
- Ulledalen: For evening parking, the City garage is located diagonally across the street with free parking after 5:30 p.m. and fully accessible.
- Pitman: Graph shows 1-5 year cost, why does Crane increase in first 5 years?
- Liz: Utilities is the variable. Estimated at 3%/yr. increase. Miller building – tenant doesn't pay for utilities. Miller has slightly lower first-year cost. In year 1, the Crane Building -- \$205,379; the Miller Building -- \$204,723.
- Cromley: Other tenants in Crane building?
- Liz: City offices would consume both floors.
- Cromley: The parking spots would always be available. Are not shared.
- Liz: The basement is unfinished. Unless the basement was converted and remodeled, it's a large open area. It is not included in the City's lease.
- Bird: Building space could be expanded in Crane basement?
- Liz: Potentially use the basement for offices with lots of remodeling. It would currently be used for dry storage.
- Ronquillo: Typically utilities do not increase at 3%/yr. Rates are raised approximately once every 5 years. Good presentation. Reviewed the agenda for the next Council regular meeting. This item is on the Consent Agenda and Council can't vote on it. If on the Consent Agenda it is set up for rubber stamping without discussion.
- Tina: Traditionally, a presentation is given at a work session, Council has the opportunity to ask questions. Then those items are placed on the Consent Agenda. If Council would like to remove an item from the Consent Agenda for further discussion, it may do so. Normally, during a building proposal, it has not been brought to Council for this level of discussion, but rather presented a lease. Traditionally, do not bring building negotiations to Council until they are complete. In this case, because of concerns and issues, chose this process.
- Cimmino: Do final costs include furniture, the move, etc?
- Tina: The expense of the move will be there no matter what. All departments must relocate by September 1st. Ms. Beaudry asked to have those expenses included in her budget this year. Will be extra costs to relocate, but exist in either space. Decision-making is becoming critical.
- Pitman: In either building, new furniture is needed?
- Tina: No. Believe departments will move its existing furnishings.
- Pitman: The Miller Building has cubicles, etc. Are those included?

- Liz: Not included, but are for sale at a greatly reduced cost.
- Tina: They have not budgeted for those furnishings.
- Candi: Will be a need for some furniture. Department has some old particle board furniture that will not survive the move. Everything that will survive the move will be brought to the new office space, i.e. filing cabinets, cubicles, computers, etc. Don't expect the expense of additional furniture to be great.
- Public Comments:
- **Jerry Ray, 2646 Grand Avenue, Billings:** Remodeling costs are guaranteed, not a proposal or remodeling allowance, that is the rate of (\$4.45/sq. ft.) to do the remodeling requested. Will not be an additional cost to the City. There are 2 break rooms; 2 conference rooms, 1 large and 1 small; and 18 private offices. \$11/sq. ft. Plans are in-depth. Under the impression the proposal had to be fixed for 5 years. Graph indicates a 3% /yr. increase for the Crane Building on everything, not just the utilities. That's incorrect. The Crane Building is \$38,000 less than the Miller Building. Remodeling costs are covered – they are paid. Architects say a wall needs to be moved, no problem, it will be taken care of. Costs are not unpredictable. Noise is a new complaint. Concerning heating and cooling – the building has an R60 roof, double pane windows and brick walls so the building will heat and cool well. Industry standards are an R38. Timeline for availability – 2 months. The Miller Building proposal is \$1,200/month or \$50,000 for data, but it's paid for at the Crane Building, for 10 years. Council has fiduciary responsibility to spend well. Miller is \$13.50/sq. ft. and inflates by 2%/yr., plus the cost of data, and not enough parking. There are over 80 unencumbered parking spaces at the Crane Building. It is well-lit. The Crane Building is \$11/sq. ft. A 3% increase after the 6th year, includes data and ample parking.
- McFadden: Is the basement part of the deal?
- Ray: No.
- McFadden: Not included?
- Ray: If the basement became an issue to push this either way, I'll throw in the basement space, if needed, to get the lease. Basement has its own heating and cooling. If we do this, will put separate meters on gas and electrical. Has a sprinkler system, separate private entry and elevator. New floor poured over old floor, so doesn't have 8' ceiling and does not have proper lighting. Could be upgraded. Egress windows needed. Would make a wheel of a deal if the City wants it.
- **Norman Miller, 457 Palisades Park, Billings:** Family owns the Miller Building. Asked Council to support staff recommendation. Staff recommended the Miller Building, twice. Building is 2 blocks from City Hall. Has high-speed data connections. Has onsite customer parking. Requires minimal remodeling to move in. Believer of the selection process. Have not tried to influence the decision-makers. The process is fair, thorough, professional, and transparent and recommends what is best for Billings. As a Billings citizen and property taxpayer, a decision needs to be made. It has gone on too long. Library is under construction and Planning needs somewhere to go and the Miller Building owners need to know whether to seek other tenants.
- **Eric Simonsen, 608 N. 29th Street, Billings:** Works for the architectural firm involved with the new library building. Uses City services, Building and Planning Departments,

regularly. Communicated via email with Council about location. Favored locating offices in the Central Business District. Need to keep businesses and jobs there and proximate to public transportation for Community Services. It will help keep a vital downtown.

- Cimmino: Recalled emails about location. Crane Building is also part of downtown. Is 4 blocks away and is located in another revitalization area of town. Airport personnel travel further to do business at City Hall. City Hall is centrally located to all areas of the City, i.e., Heights, Lockwood, Southside, West End, etc.
- Simonsen: Pleased the office relocation sites are proximate to the downtown area and central to all.
- **Thomas Caudel, 1926 Beverly Hills Blvd., Billings:** Council needs to look at both proposals and costs associated with both. Electrical rates are on the open market. When electrical rate increase, pay more. In his profession, he keeps books for many businesses. Energy rates have never stayed stagnant. Utilities go up.
- Ronquillo: PSC approves all rates about every 5 years. Utility companies do not always get everything applied for.
- **Greg Krueger, Executive Director, Downtown Billings Partnership, 2815 Second Avenue North, Billings:** The Crane Building is an important building in urban renewal plan of the old and new tax increment districts. The Crane Building used Façade Improvement Grant. Is a 10-minute walk from Skypoint to both buildings. About 1,000 parking spaces within blocks of the Miller Building. Taxable value of the 2 buildings looks about the same, but Miller pays way more taxes because it uses the land more intensively. Encouraged the Council to look beyond the financial and fiduciary responsibilities.
- Ronquillo: Explain Tax Increment District spending.
- Krueger: Received monies under the old district, probably about 14 years ago. All grant monies on the Crane Building was used for the outside façade.
- **Lisa Harmon, Executive Director, Downtown Billings Association and Business Improvement District, 2815 Second Avenue North, Billings:** Relayed email message from members supporting the Miller Building. Want all buildings full whether in Central Business District or outside the area. Both are wonderful buildings. Downtown core will lose approximately 200 federal workers when new federal GSA office building opens. Will lose feet on the street to support retail on North 29th and 3rd. Open parking spaces and retail spaces in Park 1 need to be filled. The Miller Building would bring people to that corner. A critical mass of people are needed in that area. When one space is vacant, soon others will vacate as well. People do not want to walk down the street where there are vacancies. It spreads. Other items to consider, connectivity – don't believe there is a MET bus that travels past the Crane Building. Consider connectivity for employees and people utilizing Community Services and Planning.
- **Drew Smith, 1748 Front Street, Billings:** A broker with NAI business properties, representing the Miller Building. Committee and staff recommended this building, twice. Building meets criteria. Good connectivity and convenience. Space is almost move-in ready. Location is great, within 2 blocks of City Hall. 250-300 federal employees will leave Central Business District. Important to keep as many employees in this area as possible.

- **Steve Wahrlich, 2511 - 1st Avenue North, Billings:** Location and cost issues favor Miller Building. Have never been able to remodel for \$4/sq. ft. Productivity favors the Miller Building. Long term tenant / landlord relationship is important. If not a good relationship, then will cost more money in the long run.
- **Jennifer Ray Junkert, 2646 Grand Avenue, Billings:** Ray and Company Realtors. Trying to give City the best deal. There has been a lot of new buildings going up and new businesses entering those. The Crane Building has been completely redone and there hasn't been a tenant for it. Just needs to be remodeled to specifications. All new HVAC, etc. and it's the best deal for the City.
- Public Comment period closed.

TOPIC #3	CIP, ERP, TRP
PRESENTER	Vern Heisler, Deputy Public Works Director
NOTES/OUTCOME	

- Vern Heisler, CIP: Gave CIP presentation, Wyeth Friday assisted with annexation, Kim Palmieri presented ERP and David Watterson presented TRP. 2014-2018 CIP, identified departments represented in the Capital Improvement Plan (CIP). Explained processes, public involvement, and layout of plan. Draft CIP can be accessed through the City's website. Council votes on the plan. Explained the project plan changes.
- Ronquillo: On 32nd and Gabel, there is a 4-way stop. Will a controlled traffic signal be installed there?
- Vern: Correct.
- Ronquillo: Is this in the budget?
- Vern: The previous approved CIP showed that section was going to be improved. Public Works decided to delay project for a bit. Placing the signal light at that intersection now will help traffic flow.
- Ronquillo: Expansion of the road?
- Vern: Public Works researched ways to improve that section of road. Need to acquire a lot of property on both sides of it and will not be easy to do. Right now want to improve the intersection.
- McFadden: Dave Mumford stated bulldozing the hill so the grade would not be as steep. Still a consideration?
- Vern: There is an irrigation ditch that affects the road geometry and neighboring properties. Stepping back from that for now.
- Ulledalen: Issue is road can't be expanded without putting some out of business.
- Vern: Correct. Stepping back from the expansion and addressing just the intersection for now. *Continued with presentation describing plan changes.*
- Pitman: What does it take to get a project off the CIP? Some projects being pushed back many times for years.
- Vern: There are times when a project is no longer necessary and should be removed from CIP. There are some projects want to keep on the CIP as a reminder it is coming up.
- Cimmino: Expand on the Wicks Lane project description.
- Vern: Will be funded from the arterial funding. It's road reconstruction.
- Ulledalen: On Grand, west of Shiloh to 54th, how much is in the City and how much is in county.

- Vern: Without a map, can't ID, but need to get design done. *Continued presentation -- described the summary page. There are 172 projects over a 5-year period and a little over \$325 million. Funding sources described. Described 2 public meetings.*
- Wyeth Friday: Described intersection of annexation policy and map with the CIP. No recommended changes to map or policy.
- Vern: *Concluded CIP presentation by describing final steps of the process.* Public hearing and Council action will be March 25th. Departmental budget reviews during May 2013. Council action on the budget anticipated in June 2013.
- Pitman: Attended both public meetings. Complimented staff on the presentations.
- Kim Palmieri, ERP: Presented Equipment Replacement Plan for FY2014. Introduced committee members, purpose of the plan, breadth of the equipment and plan. Described equipment on ERP as having a useful life of 3 years or more and \$5,000+ individual value. Described equipment review process. At the beginning of the project, approximately 146 pieces of equipment could have been replaced at an estimated cost of \$11 million. Deferred 107 pieces to future years. Recommended 39 replacements at \$3,050,000. Identified 5 pieces of equipment that can be transferred from one department to another. *Continued with slide presentation providing information about funding by department, annual funding and the accounts that contribute to the plan.*
- Bird: 146 pieces could have been replaced. Replacing only 39 pieces. How does committee ID which pieces to defer?
- Kim: Are guidelines the committee uses. If it doesn't meet the guidelines, will be deferred. For vehicles, may be that a vehicle is expected to have a usefulness of 10-12 years, however, department doesn't use it much, so replacement may be deferred an additional 2 years.
- Tina: Program has been in place for at least a decade. Very effective and well-run. Departments pay in evenly and have funds to buy, when needed. Replacements are paid for, rather than borrowing or obtaining a loan. Saves the City money. Replaces only the pieces that are needed.
- Cimmino: Excellent planning and funding scheme. Who provides the \$195,000 grant funding source?
- Kim: State of Montana.
- McCall: Echoed compliments. Like that equipment is recycled to other departments when it makes sense.
- Pitman: How much input do the operators have? Compliments Joe Fedin for care taken with City equipment.
- Kim: Operators input to department representatives of the committee, plus feedback from Fleet Services.
- Bird: What does PRPL do with the GO-4s?
- Mike Whitaker: Mainly for summer employees who maintain parks that are close to each other where they don't put a lot of miles on the older vehicles. Have approximately 200 seasonal employees. Need transportation to get them from park to park.
- Cimmino: Planning Department using the same van for 18 years.
- David Watterson, TRP: Described guidelines, i.e., equipment that has a useful life of more than 3 years, has a value of \$5,000 (capital items), or under \$5,000 (O&M items, PCs and printer replacements and other smaller technology items). Introduced 11 committee members. Described what is considered capital.

- Cimmino: Does the \$600,000 software for Public Safety include the Fire, Police and Sheriff's Departments?
- David: Yes. Police Chief St. John will explain this software purchase. Includes the 9-1-1 dispatch. Is a New World public safety upgrade. *Turns presentation to Police Chief St. John to talk about Public Safety software purchase.*
- Rich St. John: Need to provide tools to staff to improve efficiency, effectiveness and quality customer service. City's public safety has always been a leader in every field and on the forefront of technology. Is a significant amount of money to replace a 24 year old system. The current technology is obsolete and cannot be supported any longer. Capabilities to handle information will degrade. Long term, this investment will allow Public Safety to do more with less. This platform matches the capabilities of the mobile data terminals in the police vehicles. In partnership with the Sheriff's Office and Fire Department. Police Department is primary user and carries largest percentage of financial responsibility. New software provides better records management and reporting.
- Bird: Any chance of having New World interface with Justice and District Court, as well as Municipal Court?
- David: Meeting with New World later this month about interfacing the system with County courts through Full Court. It interfaces with Municipal Court.
- Rich: *Continues presentation.* New software will help dispatch determine how long help can arrive at a location and will help better utilize resources and the placement of them. This is the time to do it.
- McFadden: Police officers can access the info without radio use?
- Rich: Yes, reduces saturation on the radio. License checks, warrant checks all is done through the MDTs at a less than fully capable platform. When it cannot be done, it is being broadcast over the radio. When shifts overlap, it is possible to have up to 25-30 officers seeking information and have only 1 dispatcher. New software will allow removal of all that off the air, allow the officers to research information themselves in their vehicles and free up radio use.
- Cimmino: Mobile units can check national crime records?
- Rich: Yes and license photos, mug shots, and finger prints, if on file. Trying to become paperless – reports are done online and transferred between officers and supervisors. All in an effort to be as efficient as possible and keep officers on the streets.
- Bird: Impact on dispatch?
- Rich: Dispatcher doesn't have to juggle multiple demands. Dispatcher can handle incoming calls for service. Won't be interrupted to run a license check for someone. Won't have to make several calls to check on something. Dispatchers will dispatch calls for service. Response time – getting it right the first time. Saturated with calls and only one person dispatching.
- Mayor: Will increase officer safety and enhance security.
- Rich: With information as it is today, through thorough investigations, officers do compromise their safety because are able to learn more about perpetrators. Also being able to secure transmission of sensitive information to not have actions and officer's approach compromised. Reviewed effects of not replacing the system.
- Ulledalen: Continually buried with new software and functionality, can PD maintain training component to keep new people educated?
- Rich: Have an officer assigned to do the training, etc. but don't know about other depts.

- McCall: Partnership with Sheriff, how much is their contribution?
- Rich: 13% for Sheriff, 37% from Fire. This helps to further conversations with combining functions between the Sheriff's Department and PD. Sharing software, sharing expenses and sharing information which can be capitalized upon.
- Tina: \$600,000 is the City's share of cost which covers police and fire. The County's share of the cost is on top of this. Council contingency recommended as the funding source.
- David: \$600,000 is City's share for software. \$140,000 for hardware, but saved that money for replacing the hardware that's used for existing system. Now is the time to replace with new hardware, along with the new software.
- Cimmino: What is the County's share?
- David: Estimated \$138,000. Introduced Barb McRae, IT Application Department Manager, who does the work of changing major systems in the City. Ms. McRae has been employed with the City for 25 years.
- Tina: Complimented Vern Heisler and the CIP committee for their dedication and commitment to providing such a quality plan.
- Public comments: None.

Short break at 8:10 PM, until 8:20 PM.

TOPIC #4	Centennial Hockey Lease
PRESENTER	Brent Brooks, City Attorney
NOTES/OUTCOME	

- Brent Brooks: Reviewed memo in the Friday packet. Gave a brief history of lease managed by Parks and Rec. Department. Gave overview of Park Board discussion. Per State law and statute, recommended giving notice to Community Youth Foundation concerning default on the lease.
- Ulledalen: Why didn't City declare default sooner?
- Tina: Couldn't initially find responsible party. Agreement had automatically renewed when discussed in 2010. Matter was researched by City Clerk who identified the Community Youth Foundation. Contact was then made. Didn't have anyone to give notice.
- Mayor: Believe the recommendation made by Mr. Brooks is the most proper method to go about it.
- Cromley: Any contact with the group?
- Brent: I haven't but Tina and Mike may have.
- Cromley: Are they cooperative?
- Tina: Essentially, both organizations became dormant, but there is new leadership in the Community Youth Foundation.
- Public comments:
- **Leslie Albright, 2933 Stinson Ave., Billings:** (Secretary/Treasurer of Community Youth Foundation) Recently contacted via email from Tina Volek. Under new leadership, with a new board of directors. Paid the annual \$10 fee to the Park and Rec. Department every year. Was not aware the City was looking for the Foundation. Metra Park is no longer an option due to the expense. Centennial Ice Arena in the heights is failing. The

mechanical facility is failing and there may be 2 to 3 years of surface remaining. After that time, there will be no ice surface remaining in the community for ice sports. Seeking grant funds and fundraising to address this need.

- McCall: The executive summary provided is very helpful, but can't find a date on any of it. Make sure documents are dated.
- Pitman: Does this organization provide liability insurance listing the City as additionally insured.
- Albright: New board of directors will obtain that as soon as the lease is secured. Have the money to do so and can do it tomorrow if lease continues.
- Hanel: When there is a contract in place, terms need to be met, this lease is at-risk. Group had obligation to keep in touch with City. Support any adult / youth activities, great for the community. What are the organization's plans for fundraising, etc.?
- Albright: Acquired a large donation for initial drawings of facility to help with fundraising. 3-year project from breaking ground to completion. New facility estimated at \$8 million. Double surface facility with seating for 1,000 on one side. Other side of facility to be used as a practice facility or a warm up facility. At this point, cannot hold regional, sectional or national competitions whether for hockey or figure skating because of the size of Centennial Ice Area. Doable with new facility.
- Bird: Status of Centennial Ice Arena?
- Albright: Aging mechanical system, has 2-3 years to operate. Has to be entirely replaced and it's not cost effective.
- **Rick Devore, 2614 Park Ridge Lane North, Billings:** (Chair, Park Board) Park Board aware of issue for 2 years. Organization breached agreement. Didn't pay fee for 8-9 years. Association never informed Council about its project. Didn't actively raise funds. Three organizations already occupying park. Want to expand the programs, but are unable because this lease is standing in the way; including dog park committee; a lacrosse league and Burlington Little League. Raising money and ready to go. Association in default for years. City should cancel it, amend Park Plan and let others move forward.
- **Steve Wahrlich, 2511 First Avenue North, Billings:** (President of Lacrosse Club) Expect to expand participants from 120 to 200 youth in club, goal of 300-400 maximum. Space could be used as baseball and lacrosse practice field. Preliminary plans developed. What is going to happen so plans can be made.
- **Joe Robillard, 1606 Mary Street, Billings:** Requested City give Foundation a chance to make this work. May have made past mistakes, but group can make it work if given the chance.
- Ulledalen: Don't see how group can make up for 12 years of failed progress reports.
- Robillard: Can't change past, but want a new opportunity.
- Bird: Given shortened lifespan of Centennial Ice Arena, any discussion about buying it and replacing the equipment?
- Robillard: Not really, seating capacity and parking are problems at Centennial Ice Arena. Need a facility with more seating. Will help kids' programs expand. Lacrosse could also utilize the new facility. Size of City could utilize a larger facility.

- Hanel: Question whether the location is right for a large facility. Parking will be a problem.
- Robillard: Don't know if this is the right location, but want a chance to try.
- Tina: Staff wants direction. Should staff give 60-day notice to terminate lease?
- Cromley: Group can comply with some of the requirements? They have built a building?
- Brent: No building, just vacant, raw land. Just an old backstop in the grass. Don't know how group can comply. Will send letter with Council changes.
- Hanel: No formal vote can be given, but direction can be given to staff to proceed.
- Cimmino: There is a new board of directors, City should remain optimistic.
- Brent: Legal intersecting with policy. Have option not to declare a default. City can send cancellation letter, but not obligated to do that.
- Tina: Suggest placing on regular agenda to be voted upon rather than the consent agenda.
- Pitman: If City proceeded with default against association, all organizations would need to come to City. Could develop a better lease. Even association could get a new lease.
- Brent: That is one option.
- Ronquillo: Is City-owned park land. If organization builds on land, they can sell the building, but not the land?
- Brent: Yes, but lease arrangement is up to Council.
- Tina: Master plan for the park has to be amended to accommodate a building or other uses. Will be costs. Organization that wants the land can help fund it.
- Ulledalen: Need to clean this up by canceling the lease, issue RFP and proceed with the best use.
- McFadden: Dog park location. Cancel the lease and let all organizations compete for it.
- Cimmino: Master plan already exists? Amendments needed? After that occurs, then request proposals?
- Mike Whitaker: Yes. There is a current Master Plan, but any changes would need to go through master planning processing. Described the process of public meetings, draft a proposal to bring to Parks Board, then to City Council work session for direction to proceed. Recommended the RFP process, then public meetings for public input, then bring back to Council.
- Hanel: Have a Parks Board for a reason. Their involvement is important. Would like to hear from the Parks Board.
- Ulledalen: Immediate neighbors are impacted and need to be involved. Might want a neighborhood park and are willing to have an SID or PMD to develop.
- Mike: That is the process used when Master Plan is updated / amended. Notices sent to neighbors.
- Bird: Would Park Board consider future development when amending the Master Plan, i.e., transportation and traffic impact. Area is densely populated around Centennial Park. Foundation's proposal could dramatically impact traffic and parking in the area, as would any development for park.

- Mike: Parks Board looks at from a concept perspective, i.e., want an ice arena; want a lacrosse field; want a dog park. When Master Plan is updated, firm hired to make changes, would look at impacts, etc. to make a recommendation.
- Consensus: Staff to prepare documents for cancellation of lease. Bring to Council for decision at regular meeting on March 25th.

TOPIC #5	Parking Commission
PRESENTER	Bruce McCandless, Assistant City Administrator
NOTES/OUTCOME	

- Bruce McCandless: Gave presentation. Provided handouts. Wants to develop a transition plan to move from a City operation to a Parking Commission. Working with Human Resources, Finance and Legal Departments. Legal Department identified a problem. Per City Charter, all boards and commissions are to be advisory only. No administrative functions may be carried out by boards and commissions. City Charter is different than most other City Charters in Montana. Missoula's charter states explicitly that board and commissions are advisory unless the Council states differently. Have done so when their parking commission was created. City has options. Charter can be amended. In 2014, City may undergo a local government review. Citizens given the opportunity to review City Charter. If they do, then a Charter Commission is selected at the General Election. Charter Commission uses the following year or 2 years to determine changes to be made to the Charter. Any recommended changes will go back to voters. Another way, City Council can adopt an ordinance amending the Charter. Ordinance is put to public vote and must be passed by voters. There is a municipal election in November 2013.
- Mayor: If put on the ballot for November 2013 election, would be to address this specific matter only.
- Brent: Correct, however could ask for multiple amendments, not limited to just this one issue. Would need to pass an ordinance to clearly delineate which amendments to the Charter would like to have voters consider and approve.
- Bird: Might be worth considering in a City-only election, since a legal review must be done anyway. Bring all issues with the Charter before voters. Less confusing.
- Brent: Not legally required to have a review, but if voters approve a review, then a commission would be formed and the commission would provide Council with recommendations.
- Ulledalen: Missoula's Charter has just one line that allows them to create a parking commission? Parking commissions are authorized by State law.
- Brent: Authorized, yes, but not required. City attorneys from Helena, Bozeman and Missoula reviewed and compared the City of Billings Charter to their own and stated we have a problem. A simple amendment could be made to Section 5.01.
- Cromley: Any other options?
- Bruce: Only aware of those two options for amending the Charter.
- Pitman: What is the cost?

- Bruce: Estimated cost for a municipal election is between \$40,000 and \$50,000. City will have expense in November 2013 and again in the fall of 2015, regardless. Adding this issue or issues to ballot, there is very little marginal cost to do.
- Pitman: Wouldn't it be just as easy to open the entire Charter?
- Tina: Does Council want to create a committee to modify the Charter? Prior ballot request, not on a specific issue. At that time, answer was "no", people did not want to modify. If very general in the question asked, will likely receive an unfavorable answer.
- Cromley: Do both in one election in November and do as Missoula has done.
- Ulledalen: Put wording in Charter that specifically addresses the parking commission or wording that changes Charter to adopt Missoula's language, thereby not confusing the parking commission into it?
- Brent: Recommended the more general approach. Will have the authority to make any board advisory or otherwise, rather than targeting a parking commission. More flexibility.
- Cimmino: If additional amendments to the Charter for voters to consider, then would it be "Part A" and "Part B"? Mill cap change, too? Could have an opportunity to vote on the different issues separate from one another.
- Tina: When the Charter was created and then again when there were questions raised about it, did have a Charter Commission that was an independent citizen group and allowed for a lot of citizen input. All proposals for language changes need to be in by August to get on the ballot, approximately 75 days prior to election. If public involved to help with language, may take more time than allowed to get ready for August deadline.
- McCall: Agreed. Be clear and strategic about moving forward to lift the mill cap. Not enough time, but a good idea.
- Bird: Could start the conversation to create a citizens' commission for doing some of other work in 2014. A year to look at other issues.
- Bruce: In 2004, during June primary election, question was posed, "Do you want to review your City's Charter?" If vote is positive, citizens nominate for Charter Commissioner and those people are elected and form the Charter Commission in the General Election in November. It occurred in 1994. Charter was admitted in 1996.
- Bird: Do we have adequate time?
- Bruce: Yes, over a year. City has the opportunity to privatize the parking operation, if choose to do so. Does not have to be an "all" or "nothing" proposition. Can privatize some portions and leave other portions under City control, i.e., dividing enforcement from facilities. Can contract with another nonprofit. Example: BID has expressed interest in functioning as the parking commission. Not necessary that they be created as a parking commission, if Council chose to contract directly with BID to perform parking services. Just an example, not advocating, but providing options. Can also leave the operations as is. This past November a downtown parking strategic plan was discussed. Figuring out where to take parking in the downtown area. Could expand to other areas. What do we want the parking system to look like in the future? Do planning work and make a determination to create a parking commission or whatever.
- Ulledalen: Parking is a downtown issue. Stakeholders are downtown businesses and the downtown property owners. Difficult to find members to serve on Parking Advisory Board, because ideas are rejected by City staff. Need to remove from City's hands.

Certainly BID has the capability to come forward and make proposal. Makes sense to put on ballot this year to change language. Then move forward with creating parking commission. Flush out details later. Strategic plan is a component that makes sense for that body to go forward. Doesn't make sense for City to do strategic planning process and then find someone to implement. More logical approach is to form parking commission and then the commission could pursue a strategic parking plan.

- Public comments:
- **Lisa Harmon, Executive Director, Downtown Billings Association and Business Improvement District, 2815 Second Avenue North, Billings:** Brought a proposal for a strategic parking plan 2012. Developed after researching nationally successful and aggressive parking programs. Plan identifies 12 key elements of focus areas for a future parking plan. BID is prepared to respond to an RFP and ready to partner with City in creating a comprehensive parking plan. Plan could be delivered locally. Parking Commission works well in Missoula and elsewhere.
- Ulledalen: Move forward with Charter amendment to allow administrative boards or commissions to get on ballot this year.
- Tina: Staff will prepare an ordinance in April. Will allow plenty of time to get on ballot.
- McCall: Business owner who voiced unhappiness about the sacked meters downtown, has agreed to give this system some time. Has asked for monitoring of those meters to determine how long people are parked in those spaces. Provided business owner with Parking Advisory Board meeting schedule and advised him Council would be discussing at the end of the month.
- Cromley: Confused we are doing another piecemeal trial period. That area was never in original "meter sacking" trial period.
- McCall: Whole thing got confused. Don't believe Council understood what it was voting for.
- Cromley: Meters on both sides of the business were bags. Then meters were gone, but were never bagged in the past.
- McCall: Business owner wants meters back.
- Cromley: Don't understand why meters were not back in place.
- Tina: Have ordinance in place with the opposite direction from Council. An interim measure. Map adopted by Council did not show any metering, any time on that block at all. It is close enough to downtown to be an attractive place for employees. May have been why it was on the list. Understand the business owner's concerns. Tried to remedy the business owner's concerns to work with his customer flow. Is a flexible piece. Can be amended. This is the only complaint received, thus far.
- McCall: Interim plan was determined by staff. Instead of putting meters in right now, just bagged it. This may work, if staff monitors.
- Tina: Took administrative action because there is a contrary ordinance. Is a temporary measure.
- Bruce: Business owner understands this is an interim measure. Will be enforced while in place until an amended ordinance is in place. Worked with Parking Advisory Board to create a meter zone. Council's authority is to designate where there will be meters.

Parking Advisory Board tried to determine where meters should be and make a recommendation to Council. After Council approved, was taken to Parking Advisory Board. Told Board would want to make changes, but to look at entire map, make changes once, rather than piecemeal. Slow progress. Everything south and west of this business was designated as a non-metered area. Meters were to be removed in that area, that's what the map indicated. Was Parking Advisory Board's recommendation. Correct, that particular block was not bagged during the trial, but it is clearly shown on map there are to be no meters on that block.

- Cimmino: Need to communicate with impacted business owners.
- Ulledalen: Pay attention to any negative comments. Always unintended consequences. Staff did a good job responding to something that was overlooked. Downtown area businesses are ebbing and flowing. 10-min. zones remained for a long time after businesses closed, which didn't make sense. Need to be responsive to business and customer needs more timely.

TOPIC #6	Priority Based Budgeting
PRESENTER	Tina Volek, City Administrator
NOTES/OUTCOME	

- Tina Volek: Had a conversation with School District Superintendent about elections and schedule between City and School District. School District intends to put on ballot a \$1.1 million mill levy to fund 15 positions to alleviate classrooms. This fall will go to voters with a bond issue to build schools. Reviewed memo about impacts of freezing FY14 budget at FY13 level. Doesn't recommend it. Document outlining the benefits provided to work groups in City. Provided annual additional pays, including longevity, educational certifications and similar items, car allowances, etc. to show total compensation. Discussion item for the future.
- Ulledalen: Used to have a spreadsheet that showed median wage/benefit for each bargaining and non-bargaining unit. Was an effective conversation tool to use with the public to compare what a comparable employee in a private sector position was paid and what a public employee was paid and benefits, etc.
- Tina: Will provide that information as well. *Continued with presentation.* Reviewed the February 22nd memo to Council. Began FY13 with an unassigned fund balance of \$11 million in General Fund. There are increased costs predicted by the Finance Department. Anticipated issues, i.e., elections, union negotiations, strategic planning, space and site master plan. Have reviewed General Fund and Public Safety items with a PBB score in 4th quartile that are a concern to Council. Several years ago, Council directed staff to no longer use reserve funds to fund the General Fund departments. Approx. \$60,000 needs to come from General Fund to fund Community Development Division's office space. Other projects Council wishes to undertake to reduce the \$11 million? Will have some impact on contract negotiations, beginning on April 1st. A large reserve will not sit well when asking for passage of a mill levy, etc. Some of the results in the 4th quartile were surprising, i.e. emergency services, because they did not meet the goals of the Council. Does Council need new strategic planning and program re-evaluation before making cuts or revenue requests? Need direction from Council. Will be no increase in revenues in

terms of a mill levy. Is Council prepared for staff to make recommendations for cuts in service?

- Mayor: The recommended reserve balance is \$9.5 million?
- Tina: Yes. The \$11 million is in addition and over the recommended \$9.5 million.
- Mayor: What was the balance the beginning of 2012? How much has it increased?
- Tina: The reserves were covered for the General Fund and there was some extra. Ending balance was \$20 million, less the recommended \$9.5 million, left the unassigned funds balance at \$10 million.
- Ulledalen: That's the \$12 million we've scheduled with the SID revolving fund transfer. Should be taken out of there.
- Mayor: That's the ending of FY12. What was the beginning balance?
- Tina: Don't recall.
- Cimmino: It was \$32 million.
- Mayor: No, that was the budget. Wasn't it about \$12 or \$13 million?
- *Discussion between Councilmembers.*
- Mayor: Want to cut services / personnel?
- Tina: Can begin cutting services. Will give us a longer period of time in which those reserves will be available to use. Or the excess unassigned funds can be used to fund one-time projects.
- Ulledalen: Suggested Council discuss the questions and the info received at the March 11 meeting after conducting the rest of the meeting. Focus only with General Fund and Public Safety Fund.
- Cimmino: Agreed. Suggested having a Council retreat to really allow time to review information received.
- Tina: Amount talked about is the General Fund, unassigned fund balance. Concerned with Council budget process, requires staff to start finalizing the budget next week. At this point, some adjustments can be made. This is based on the results based on the Department's responses for CIP requests, staffing requests, etc. Will go through supplemental budget requests late March. Council willing to agree not to take FY13 number forward? Look at a separate number for FY14?
- Ulledalen: Can talk about at the next meeting. Would rather make middle ground business things and make mid-course corrections. Want to sift out irrelevant stuff and focus on the General Fund and Public Safety Funds.
- Mayor: A 2-sided coin – hiring freeze – could go in that direction. Personnel negotiations have to be very careful.
- Tina: On the verge of hiring seasonal temps for the Parks Department. Major commitment was made in the Park Maintenance District. If there is a hiring freeze, that will be one of the first things affected.
- Ulledalen: Having to eventually cut people, does it boil down to saying we won't open the pools? Won't hire those people. Continue mowing grass in the parks, etc. Other things, we need to talk about. Staff needs to get some clear direction from Council and perhaps hear from each Councilmember on what to do.

- Tina: Prepared to make personnel cuts, if Council directs to do so.
- Mayor: May be premature.
- Tina: Understand, but at some point need to take steps.
- Bird: Council asked multiple times to not include Enterprise Funds in reductions and response to question about freezing budget includes them. Only place can make reductions is in General Fund. Looking at Enterprise Funds gets Council off track. Already lean operations. Not a proponent for eliminating staff, if anything, need more people and would do it if had more money. Don't want to eliminate staff but work on vacancy savings? Parking benefit isn't in the total. Isn't it about \$42,000/yr. for employee parking.
- Tina: Parking benefit is only for Teamsters and non-bargaining employees. Police and Fire do not have this benefit. Will get those figures for you.
- McCall: Need to be candid about options. Can fix this for a couple of years, but need to think about the future. It is time. May not want to do it, but freezing wages need to be looked at. Still have staff, the majority of staff receive good salaries and benefits, but may not have wage increases for 2 years. Is better than no job. Public needs to know Council is serious. Public will be more responsive if see Council has begun to bite the bullet. Gone on too long, need to make decisions.
- Mayor: Freezing salaries and positions through attrition or whatever is an answer. Will get slammed if do that when have so much in reserves.
- Pitman: Please send us your presentation.
- Tina: Yes. It primarily came from the January 16th meeting. But will send it again.
- Pitman: Send it in an email where we can sift through this on our own, individually.
- Bird: Why aren't we spending \$10 million unassigned fund balance?
- Tina: Some has been set aside, know if things keep going at the same pace, will be dipping into that reserve over the next 2-3 years.
- Mayor: Based on the amount of reserves coming in, reserves are not keeping up with each other.
- Bird: Already have \$9.7 million, have some other priority things could be dealing with? Don't need \$10 million additional in reserve. Keep kicking the can.
- Mayor: Want to look beyond the present. Revenues are not going to maintain this balance.
- Ulledalen: Want City numbers of burn rate. Shown in one line item Pat has projected over the next 5 years. It is on spreadsheet. What are projected new revenues annually over the next 5 years. Not charts and graphs. Will help us focus. Know Public Safety increases at \$1.5 million in cost every year. Don't know incremental expected increases. Costs go up about 5%, revenue only about 1%. Need dollar numbers to focus on and then Council can give specific dollar targets without giving Draconian ideas about totally freezing a budget or the like.
- Tina: Did budget 2% for last several years with the exception of 2 years ago, which we went to and overly cautious 1%. Barely made it because of reappraisals.

- Pitman: Can use the reserves for one-time expenses or for operations. Can see that if reserves are not used on one-time improvements, etc., 5 years from now will be in the same situation and have made no capital improvements.
- Tina: Any other issues for discussion for Monday's regular business meeting, please forward via email.
- Cimmino: Want to save the \$10 million for rainy day, plus the \$9 million.
- Mayor: But how can suggestions for labor freezes, etc. be made with that much in reserves?
- Ulledalen: Our burn rate is consuming it. In about FY15, those reserves are gone. We know we are going to burn it at the current rate of expenditures. Not enough income to sustain our current level of employees and spending.
- Tina: Remember the spreadsheet Pat provided can be manipulated. Per that spreadsheet, it was determined that if we reduced the public safety personnel by 6 a year or 12 non-public safety employees per year for 5 years, the budget could be balanced. Equates to 70 employees if you look at 12/year. City only employs 84 non-public safety employees, including the Mayor and Council in General Fund.
- Ulledalen: That's 20% of the work force. That's why I've asked for the breakdown. That's unrealistic. Only have 14%-20% of our employee headcount in General Fund and Public Safety, but without a tax increase, or a big cut in costs . . .
- Public comment:

TOPIC #7	Public Comment on Items not on the Agenda
PRESENTER	
NOTES/OUTCOME	

- Tina: Meeting on Friday with School District from Noon to 1:30 at the Back Porch Deli conference room area in the basement of the Valley Federal Credit Union Building on Broadway. Agenda items are needed.

ADDITIONAL INFORMATION
