

City Council Work Session

May 7, 2007
5:30 PM
Community Center

ATTENDANCE:

Mayor/Council (please check) Tussing, Ronquillo, Gaghen, Stevens, Brewster, Veis, Ruegamer, Ulledalen, Boyer, Jones, Clark.

ADJOURN TIME: 7:28 p.m.

Agenda

TOPIC #1	<i>Public Comment</i>
PRESENTER	
NOTES/OUTCOME	

- None

TOPIC #2	<i>Board & Commission Reports – Board of Adjustments</i>
PRESENTER	
NOTES/OUTCOME	

- None

TOPIC #3	<i>Conflicts of Interest</i>
PRESENTER	Bruce McCandless
NOTES/OUTCOME	

- Bruce McCandless stated at last week's City Council Agenda Review Meeting information was requested on conflicts of interest and specifics to membership and participation on the Downtown Billings Partnership Board. He said information was put together by the City Attorney's Office last year specifically relating to the Mayor's participation in a couple of organizations associated with the City. At that time, the City Attorney's advice to the Mayor also applied to the City Council. The City Attorney stated there would be a conflict of interest for councilmembers to serve as board members of the Partnership Board. He said two potential solutions to the conflict of interest would be

(1) a councilmember could serve on the Partnership Board, but when a Partnership issue went before the City Council, the councilmember would have to declare a conflict of interest and avoid discussing or voting on the matter; or

(2) a city staff member could be appointed to represent the City on the Partnership Board. Mr. McCandless said the Partnership has amended its by-laws within the last year to accommodate that type of appointment.

- Councilmember Boyer referenced an e-mail from Greg Krueger encouraging councilmembers to stay involved with the Partnership. She also said Mr. Krueger stated the by-laws could be adjusted again. Councilmember Clark added that Mr. Krueger said it would be good for councilmembers to be there, and they would not have to vote on the issues.
- Mayor Tussing stated he asked the City Attorney for an opinion, and then asked the City Administrator to be a representative. He said at that time he was the Chairman of the Executive Board and ran one of the meetings, which he did not feel comfortable doing. He said the Council needs to appoint a representative and asked if the Council wanted to appoint the City Administrator, appoint a councilmember who would not be able to vote on issues when they were brought before Council, or appoint a councilmember who would attend the Partnership meetings but not vote.
- City Administrator Volek stated it is absolutely against the law in other places for someone to serve on a board that makes recommendations to a governing body and then vote as part of that governing body.
- Councilmember Boyer said she feels Ms. Volek has been a wonderful representative, but a representative and an alternate are needed. Ms. Boyer recommended that someone be appointed to attend the meetings, and it would be his/her choice to abstain from voting.
- Councilmember Ulladalen said he serves on the Big Sky EDA Board. He said he participates in the discussions but does not vote on any issues. He said it should be the same situation where a councilmember serves but does not vote on the actions and only relays information back and forth from the board to the Council.
- Councilmember Stevens asked Councilmember Boyer if she wanted the representative to be a voter on the board or just an attendee. Ms. Boyer said the representative has always been a voting member before last year. She said Council needs to be part of the process, and right now the City Administrator is the only person attending the meetings.
- Councilmember Gaghen said when she first came to the Council she attended the DBA meetings and still attends the DBP meetings, but always in an ex-officio capacity, to stay informed but not to be a part of the voting block. She said there is value in becoming acquainted on the large variety of topics. She said the same thing is true of councilmembers who attend task force meetings. She said it is wiser to be ex-officio and serve as a catalyst for information.
- Mayor Tussing asked City Administrator Volek if she currently voted, and she responded she did. Mayor Tussing said Ms. Volek could vote because she would not be voting on the same issue again when it came before the City Council.
- Councilmember Boyer stated the City is entitled to one person and one alternate, and currently that is not the case. She said there should be a councilmember sitting with staff during the process.
- Mayor Tussing asked for volunteers or any other comments or suggestions.

- Councilmember Stevens asked when the meetings were held. City Administrator Volek said the DBA Executive Committee and the Regular Board meet on the third and fourth Fridays of the month at 7:30 a.m. in the GW Building above Whistling Water Coffee Shop. Ms. Volek said she would provide additional information to whoever decided to go.
- Councilmember Ruegamer said he did not want to be appointed but wants to attend the meetings when he can. He said it is important that Ms. Volek continue attending, and councilmembers should attempt to make Boards and Commission meetings when they can.
- Councilmember Boyer asked if the regular meeting is on the third Friday at 7:30 a.m. Ms. Volek said she believes it is the fourth Friday; the third is the Executive Committee and the fourth is the full board.
- Councilmember Boyer asked Ms. Volek if she currently sits on the Executive Committee. Ms. Volek said she attends the meetings. Ms. Volek said Don Olson runs the Executive Board.
- Mayor Tussing commented he attended several meetings but felt much of the information would come before the Council. He said he was fine with Ms. Volek attending and reporting back to the Council, and he would be happy to vote for someone to be the Council's representative.
- Councilmember Boyer stated she feels there are very important issues addressed at the meetings, and a councilmember needs to be involved.
- Councilmember Ulladalen said he feels Ms. Volek is very busy, and perhaps this is something Council could take off of her plate and put on the Council's plate.
- Councilmember Boyer said she would be happy to represent the Council at the meetings and if Ms. Volek would like to continue attending, there would be two representatives.
- Councilmember Clark asked Councilmember Boyer if she would attend as ex-officio. Councilmember Boyer said she would be ex-officio as long as she was a member of City Council.
- Mayor Tussing asked if the issue should be done formally at a council meeting. Deputy City Administrator McCandless stated it should be placed on an agenda. Mayor Tussing said a resolution should be prepared nominating Councilmember Boyer as the ex-officio Council representative to the DBA. The councilmembers agreed to place the resolution on the May 29, 2007, agenda.
- Councilmember Stevens asked if Ms. Boyer should be named at this point, or if the other members should be given the opportunity to think about it.
- Deputy City Administrator McCandless asked if Ms. Volek should be named as the primary and a councilmember named as alternate, so the councilmember could vote if the primary was not there. Ms. Volek said she would like to be the alternate. Mayor Tussing commented if Councilmember Boyer were the primary, there would be a voting issue.
- Councilmember Gaghen commented that Ms. Volek is juggling a lot, and she needs a life beyond Council. She asked Ms. Volek for her insight on the importance or need for her to be the voting member. Ms. Volek stated voting is not necessary for her, but it is important for her to be there because questions often arise requiring comment from the City Administrator. Ms. Volek stated her predecessors all attended.
- Councilmember Ruegamer said he preferred Ms. Volek be the voting member and Councilmember Boyer be the alternate. The other councilmembers agreed.

- City Attorney Brooks stated it would not be a conflict of interest for the councilmember to discuss issues and give an opinion as long as the councilmember did not vote. That way, the councilmember could still vote on the issue if it were brought before Council.
- Mayor Tussing stated a resolution will be created naming Ms. Volek as the City representative and Councilmember Boyer as the alternate. Mayor Tussing asked Ms. Volek to confirm that the alternate is able to discuss issues but not vote. Ms. Volek said when she was the alternate, she never voted.

TOPIC #4	<i>FY08 Budget Presentation (Overview: Police Department)</i>
PRESENTER	City Administrator Tina Volek
NOTES/OUTCOME	

- City Administrator Volek noted that tonight there would be presentations on the FY08 budget overview and administration budgets, followed with a presentation from the Police Chief on the Police Department budget. She said over the next couple of months there would be a department by department review of the proposed budgets for 2008. Ms. Volek noted a public hearing had been tentatively scheduled for June 11, with a final vote on June 25. She said by law, the budget should be adopted by July 1, 2007.
- Ms. Volek began her presentation stating, as in past years, the 2008 budget has been influenced by the Capitalization Policy, the Investment Policy, the Capital Replacement Policies (CIP, ERP, TRP), and the City's Growth Policy. She said several budget practices are also taken into account in preparing the budget such as recommended reserves, a balanced budget, five year projections for the General Fund and the Public Safety Fund, and vacancy savings. The reserve requirements are legal requirements such as bonds, state requirements, and state caps on building reserves (one year) and internal service funds (2 years). She said the Council last reviewed reserve recommendations in FY03 and will be asked to review them again in FY08. Ms. Volek announced the FY07 budget currently concluding received the Government Finance Officer Association Distinguished Budget Presentation Award for the 15th consecutive year. She said she anticipates the FY08 budget will fall into that same category.
- Ms. Volek referenced *Revenues – All Funds* \$204,664,823 and said the breakout on the chart reflected a 6.4% increase over the 2007 budget. She referenced *Expenditures – All Funds* \$222,068,953 and said the breakout on the chart reflected a 9% increase from the previous year; the difference in the two funds being reserves, debt service, grants, and different sources of revenue. Councilmember Ruegamer asked if a breakdown on the difference between the revenues and the expenditures was available. Ms. Volek said a breakdown would be provided.
- Ms. Volek referenced *Personal Services – All Funds*, which is salaries and benefits, totaling \$62,058,635. She said the major changes were in non-bargaining salaries at \$733,309 and police wages at \$516,792, which were predicated on a 3% increase. She said a wage re-opener was recently concluded with the Fire Department at 3%, with an expected increase of about \$250,000. She said the teamster wages had not been calculated because negotiations just started that morning, and *Personal Services* did not include any comp and classification studies, which should conclude in June.

- Councilmember Gaghen asked what the \$3,000,000 difference was between the \$62,000,000 indicated on the chart and the \$65,000,000 indicated on overall expenditures for *Personal Services*. Ms. Volek was unsure and indicated an answer would be provided.
- Mayor Tussing asked where federal funds and grants would be located in the chart. Ms. Volek replied in the 14% Intergovernmental area.
- Councilmember Ruegamer asked if the teamster negotiations had started. Ms. Volek stated the negotiations just opened that morning. Mr. Ruegamer said he would like to know when negotiations are scheduled so he could attend. Ms. Volek said she would make a note to notify the Council of the meetings.
- Councilmember Veis asked if the donations for Cobb Field would be listed under Donations/Contributions. Ms. Volek answered there would be some in 2008 but not all because the City would only receive a percentage of most of them by that time.
- Ms. Volek stated *Operations and Maintenance – All Funds* totals \$51,000,000 with major changes that included increases in fuel of \$146,461; adjustments in utilities based on actual expenditures of a reduction of \$136,971; and insurance reductions of \$1,052,321.
- Ms. Volek stated *Internal Transfers - All Funds* totals \$24,588,397. Councilmember Boyer asked when the Parking Division was moved out of the General Fund to an Enterprise Fund. Ms. Volek said it was in approximately 1997.
- Ms. Volek explained *Major CIP Projects/Initiatives* includes an emergency generator for the airport terminal at \$1,000,000; airfield paving at \$1,481,000; terminal improvement projects at \$1,130,000; the Aronson Avenue extension at \$4,840,000; Rimrock Road Improvements, Shiloh to 54th, at \$3,090,000; the Zone 4 Water Reservoir at \$3.3 million; and the Downtown Transfer Center at \$3.9 million.
- Ms. Volek said the *Major Equipment and Replacement Plan/Additions* includes 16 police cars totaling \$355,000; two fire trucks totaling \$419,000; a sewer jet at \$200,000; seven waste collection trucks at \$1,991,000; and a landfill compactor at \$600,000. She said the major replacement in the *Technical Replacement Plan* is for Mobile Dated Terminals for police cars, which will be leased over four years at a cost of \$130,000 per year.
- Ms. Volek stated the *Service Improvements* funded by the Public Safety Levy include \$155,171 representing the last three firefighters hired for the new station at 54th Street West and \$270,000 from the police levy for the addition of two officers, including vehicles.
- Ms. Volek explained the *Proposed Taxes/Fee Changes* for the 2008 budget include water (6%) and wastewater rate (4%) increases; street maintenance fees (7%); storm sewer fees (7%); individual park maintenance district rates; and individual streetlight maintenance districts.
- Ms. Volek noted the *Supplemental Budget Requests* listing is located in the back of the budget book. She said this year the General Fund and Public Safety Fund supplemental budget requests total \$1.2 million; of which \$677,000 have been recommended for the budget and \$436,000 funded from the Public Safety Levy.
- Ms. Volek stated under *Staffing Positions Added*, no new staffing positions were added to the General Fund. She said a recommendation was made to add two police officers, a police technician, a half-time animal shelter attendant, and three firefighters; all funded from the Public Safety Levy. She said an electrician, a meter installer, three equipment operators for water and wastewater, five equipment operators for solid waste, and two maintenance technicians and an electrician for the airport are being considered to be

funded by the separate enterprise funds in which they operate. Ms. Volek said there would be reductions in staffing through attrition for the first time this year to include one Code Enforcement Officer, who has been absorbed by the County, and two Planner positions. She said one equipment operator and seven seasonal positions in the Street/Traffic Division would be eliminated.

- Councilmember Gaghen stated she had some concern with the two Planner positions being eliminated considering the problems in the past with timeliness of the review process. Ms. Volek replied that the Development Process Advisory Review Board, in conjunction with the Planning Department, has agreed to conduct a study of the Planning Department to include process, costs, and fees.
- Councilmember Ruegamer asked if staff could be added without Council approval. Ms. Volek answered that staff could be added because staff is within the control of the City Administrator under the Charter. Ms. Volek assured that no staff would be added, and there may be more staff reductions as the process moves forward.
- Councilmember Stevens asked for the job definition of a Planner. Wyeth Friday, Planning Division Manager, stated there are several different levels of Planners. He said the Planner positions that will not be filled are a Senior Planner and a Planner II, which are more responsible positions than an entry level Planner I position. He said the Planner II position is responsible for larger projects, including review work for subdivisions, zoning applications, long range planning, and neighborhood planning; and the Senior Planner is a supervisory position.
- Mayor Tussing asked if the Code Enforcement position would be paid by the County or if the position would be lost. Ms. Volek said the position relocated to the County and would no longer be paid through the City. She said the position was doing county work only even though it was housed in the City. Mayor Tussing asked for further clarification. Ms. Volek stated the position was paid through City revenue with a cost back to the County; thereby eliminating both a revenue and an expense.
- Ms. Volek directed Council to the *General and Public Safety Funds* projection portion of the presentation. She said the General Fund projections showed the status of the fund, the recommended balance for reserves of the General Fund, and where the ending fund balance would be in 2008-2011. She said the bottom line showed the City falling below the recommended reserves, primarily as the result of the advanced funding for the new fire station.
- Councilmember Veis referenced the *Financial Projections – General Fund* chart and asked about the ending balance in the proposed 2008 budget showing just under \$6 million, and the budget showing an ending fund balance of just over \$6 million. He asked if there was a difference. Pat Weber replied the bottom line represented revenue..... (voices on the tape inaudible). He stated total revenues at \$28,787,865 and total expenditures at \$29,889,773 indicate the City is spending more than it is making. Mr. Weber said the recommended reserve is about \$6 million, and the City has a reserve of about \$5.4 million. Mr. Weber indicated copies of the financial projections were not included in the budget book and would be provided in next Friday's packet.
- Councilmember Brewster stated that according to the projections for 2011, there will be a little over a \$2 million shortfall, and the City will be in the same place it was three years ago. Ms. Volek said the City would then have to borrow.

- Mr. Weber stated at the end of 2011, the City would have \$750,000 worth of debt service in the Public Safety Fund from the fire station. He said the last payment would be at the start of 2011.
- Ms. Volek referenced *Revenues – General Fund* and said revenues to the General Fund for the 2008 year are proposed to be \$28,787,865, an increase of one tenth of a percent over 2007. She said the budget for FY07 showed \$28,750,000 and the proposed for FY08 is \$28,787,000.
- Ms. Volek said the General Fund is made up primarily of property taxes (39%). All other revenues total 61%. Taxes include real property, personal property, and motor vehicle. She said taxes have increased at a lesser percent than other sources of revenue.
- Councilmember Clark asked about the other sources of revenue. Ms. Volek said other revenue sources were from fees and charge for services.
- Ms. Volek said *Expenditures – General Fund* are predicted to be reduced by half a percent; \$29,889,000 down from \$30,043,000 in the 07 budget. She said \$1.1 million would come from reserves and would be used primarily for the supplemental budget requests and COLA, which would not include the fire and teamster COLA increases. She said Interfund Transfers would include Public Safety-\$18 million; Forestry-\$160,000; and Equipment Replacement -\$159,000, for total interfund transfers of \$18,915,000.
- Ms. Volek said *Revenues - Public Safety Fund* would be \$30,170,579; 61% (or \$18 million) would come from the General Fund.
- Councilmember Ruegamer said he thought \$24 million would be transferred from the General Fund into the Public Safety Fund. Ms. Volek said it would be \$18 million, up from \$17,490,000; for an increase of \$934,000. Ms. Volek said transfers continue to be the largest revenue for the Public Safety Fund, including mill levies.
- Ms. Volek said *Expenditure – Public Safety Fund* will total \$30,170,209. The Fire Department will see a decrease of about 5.6%. The Police Department will see an increase of about 10.2%, reflecting the hiring that occurred earlier with the levy money. She said the Fire Department has leveled out with the last three firefighters hired this year, and the staffing increase will be moved to the Police Department.
- Ms. Volek said before answering questions, she would like to make a few comments. She said Staff believes the budget is at a critical point, and there is a need to correct problems to ensure the long range viability of the plan. The O & M has not been increased in five years except for utilities, bargain pay increases, and the supplemental budget requests granted by administrators. Only half of the requested '08 SBR's were approved; two-thirds of those in the General and Public Safety Fund were funded by the Public Safety Levy. Less than \$250,000 of other funding was approved in the General Fund and the Public Safety Levy, and many were for long delayed or important programs for the public. Ms. Volek said there were also many other significant programs that could not be funded this year. One of those programs was the paramedic service for the Fire Department, as the City responds ahead of the ambulance in almost 75% of the cases. The Fire Department had asked for defibrillation units and specialty pay for the paramedics training. The Park, Recreation & Public Lands Department requested an expanded season with additional staffing, which could not be recommended to Council this year. The Drug Court requested funding to supplement state dollars, and their request had to be denied. Ms. Volek stated those examples are just a few of the items requested that were turned down. Mayor Tussing asked if the City would not receive a grant

because it could not provide the match. Ms. Volek said the City would receive some state funding, but not at the level that it had for the Drug Court.

- Ms. Volek continued that staffing has been cut through attrition with more cuts expected. She said the General Fund and the Library continue to use reserves to fund their operating programs. The PAVER program has been used to fund street maintenance rather than street improvements, and there would be more increases in fees. Ms. Volek stated a resort tax would have taxed 10 million visitors coming to Montana for their beds, meals, and rental cars, but the legislature chose to leave the burden on property taxpayers. She stated because of the seriousness of this issue, the Management Team would be conducting a year-long review of finances in an effort to identify new sources of revenue. The team will be looking at fees and identifying programs to be cut or modified. Ms. Volek said the intent is to present recommendations to Council in time for the '09 budget.
- Ms. Volek offered to take questions concerning the budget before proceeding with the Police Department budget presentation.
- Mayor Tussing asked Ms. Volek what she would say to someone who looked at Pages 9 and 10 of the presentation where it looks like the City will have a net gain of 17 people. Ms. Volek stated she would say that the City is hiring additional officers under the levy approved by the voters. In addition, the City has been encouraged to increase its environmental awareness, and some of those positions are to improve recycling services and solid waste services. The remainder would be hired through the enterprise funds to improve services.
- Mayor Tussing said he was not asking for justification of the new positions, but was asking for a short answer for someone who questions him in the grocery store about hiring 17 new people if the City has budget problems. Ms. Volek stated she believes the levy was an endorsement of the need for additional public safety, and that is one reason for the increase.
- Mayor Tussing stated the average citizen does not understand enterprise funds. He asked Pat Weber for an explanation. Mr. Weber said the best way for him to explain an enterprise fund is to think of funds as checkbooks, and everyone has a checkbook. He said it would be comparing people driving a Mercedes to people driving a used car. Some funds generate more money through fees. He stated the tax supported funds are the funds with the issues. Mr. Weber said there are over 150 funds in the City, and some funds are fatter than others because it is easier to raise fees than taxes.
- Mr. McCandless added the alternative would be to hold all other funds hostage to the General Fund and other tax supported funds. By doing so, services would not be expanded or kept at an acceptable level in the other funds because of deficiencies in the tax supported funds. He said it is a policy decision the Council can make.
- Mayor Tussing asked how much more is being transferred from the General Fund to the Public Safety Fund from last year. The answer was \$1 million.
- Councilmember Veis referenced *General Fund Revenues*. He asked about Inter-governmental (voices on tape inaudible).
- Councilmember Veis asked about the Public Defender funding. He stated there needs to be a way to track what is being taken out of the city budget for the public defender. Mr. McCandless stated it is in statute, and it is \$169,000 this fiscal year. He said unless the legislature adopts something different, it will remain at \$169,000 for the next two fiscal years. After that, the state will review it again and decide what the amount should be.

Councilmember Veis asked how the City planned to keep track of what it is paying the public defenders. Mr. McCandless advised the amount is deducted from the entitlement before being transferred to the City, and the only way to track it would be through the statute. Ms. Volek stated she understood where Councilmember Veis was coming from, and the City would look for a way to track the amount.

- Councilmember Veis asked if there would be a separate budget discussion on Parking. Ms. Volek said yes. Councilmember Veis said he would like to have a discussion about using money set aside for 4th and Broadway to supplement (voices on tape inaudible). He indicated the TIFD dollars need to be put back into the Parking Fund.
- Councilmember Gaghen requested that people speak louder because it was difficult to hear the discussions.
- Mr. Weber answered the question asked earlier in the meeting by Councilmember Gaghen concerning the \$3 million difference in the *Personal Services* portion of the budget presentation. He referenced the second page of the book with all the summaries and indicated a key entry error had been made. He confirmed \$65 million was correct, and \$62 million was keyed in error.
- Councilmember Boyer stated the TIFD is a concern and asked if the \$800,000 was to be transferred back to the Parking Fund. Mr. McCandless replied the Downtown Billings Partnership proposed committing \$800,000 of TIFD funds for the construction of the Park II expansion presently under construction if the City would participate in a mixed-use structure or a project to be located on N. 27th Street across from the Wells Fargo Building or at 4th and Broadway. He said because there was not a mixed use project at either one of those locations, the Partnership Board and staff assumed the dollars would remain with the Partnership who would choose what projects the funds would be used for. Mr. McCandless responded to Councilmember Veis's suggestion that the tax increment dollars be transferred to the Parking Fund and kept there. He said Mr. Weber had recently corresponded with Mae Nan Ellingson, the City's bond counsel, who advised if the City has a project, a contract, or something legally committing the dollars; after the termination of the tax increment district, it would be permissible to keep the funds for that purpose. She advised any funds not designated to a specific project or contract need to be returned to the taxing jurisdictions where the funds originated except for the tax increment district. Councilmember Brewster stated the City needs to commit to a long term plan for a parking structure at 4th and Broadway.
- Councilmember Brewster said he would really like to see the City come up with a long term solution to the budget. He said the projections made about public safety and the General Fund when the mill levy passed were much rosier than what has just been presented. Ms. Volek replied it is a matter of increasing revenues or decreasing expenses. Councilmember Brewster said it may be part of both, but a long term solution of more than four or five years is needed.
- Councilmember Boyer stated it will be very challenging to explain to the taxpayers how the City is coming up with less revenue after passing the Public Safety Levy. Ms. Volek stated it is still primarily the General Fund that is in pain right now, and 64% of the General Fund is being transferred to help fund Public Safety, which the community indicated as a priority.

- Councilmember Boyer questioned the 3% increase in salaries. Ms. Volek stated the 3% increase is negotiated. Councilmember Boyer compared the City to School District 2 and asked why the increases if the City cannot afford them.
- Ms. Volek suggested another way to reduce cost is to reduce expenditure and determine priorities. She said decisions may include council involvement and going out to the community to ask what the priorities are. She said the City has gotten the clear message that public safety is a very high priority in this community by the two levies. Ms. Volek said there has been talk about a city-wide Park Maintenance District and impact fees.
- Councilmember Brewster stated one of the differences between the City and School District 2 is that several of the bargaining units have binding arbitration. If the City does not meet them at least halfway, it invites arbitration. Mayor Tussing stated the arbitrator does not base his decision on the ability to pay; just on what is fair compensation.
- Councilmember Boyer said insurance is another issue, and she can see how much it is costing. She said she is looking at the general public, who is saying they are pretty maxed out.
- Councilmember Brewster added there were a couple of labor increases that were not anticipated for both fire and police.
- Councilmember Stevens responded that salary increases have become an entitlement in the public sector. She said the public sector expects to have a raise every single year regardless of the ability to pay, whether it is the school district, the City, the feds, whatever the taxpayer do not get.
- Mayor Tussing adjourned the meeting for a five minute break before the Police Department Presentation. The meeting was then called back to order.
- Police Chief St. John began his presentation on the FY08 budget stating the Police Department has a \$1.1 million increase from FY07 to FY08.
- Councilmember Veis asked for a breakdown on the \$1.1 million as far as new personnel and increases in salary. Chief St. John stated \$516,000 was for salary increases (3%); \$333,000 for benefits; other payroll accounts for overtime, court, holidays, etc.; and the addition of two police officers. Councilmember Veis said \$516,000 plus \$330,000 totals \$846,000 and asked about the difference between \$846,000 and \$1.1 million. Chief St. John said there was the addition of two full-time officers and overtime, court, holidays, etc. Chief St. John stated the \$333,000 includes certification pay increases and all the benefits the contract brought with it. Councilmember Veis asked for a breakdown of expenses. Ms. Volek stated Staff would provide a specific breakdown. Councilmember Ruegamer said he did not need to see a breakdown and was satisfied with what they are doing.
- Chief St. John stated the O & M has a \$510,170 increase (17%); the jail charges were increased; fuel and labor; and liability insurance up \$255,000.
- Councilmember Veis asked to go back to *Personal Services*. He confirmed there were no overtime charges in February and asked about March and April. Chief St. John said the overtime charges he was referring to were for minimum staffing. He said they have overtime with people working extra or getting called in. He said the overtime he was referencing is needed when they do not have enough people to fill a shift so people need to be called in. Chief St. John said they are no longer doing that. Councilmember Veis asked if those savings were reflected in the FY08 budget. Chief St. John said they would budget them as FY07. Councilmember Veis asked where the savings in FY08 would go.

Mr. Weber said the savings would be picked up by the General Fund, and the Police Department would not see the benefit in their operation.

- Chief St. John re-summarized the O & M - jail charges, fuel, labor, replacement of 44 ballistic vests, and the MDT replacement program (4-year lease) referenced earlier by Ms. Volek.
- Councilmember Gaghen asked how many MDTs would be leased. Chief St. John said there would be 74 units leased. They would be for the entire fleet, plus two extras. Councilmember Gaghen asked for confirmation on the cost. Ms. Volek stated the cost would be \$130,000 a year for four years.
- Chief St. John stated the Capital expenses decreased by \$63,000 because only two detective cars were purchased, and they did not require the extra equipment needed for patrol cars. Chief St. John said department Transfers were down \$60,000, again due to the purchase of detective vehicles instead of patrol vehicles.
- Chief St. John summarized the Grants, Donation Accounts, and Drug Forfeiture Funds as follows:
 1. *Personal Service* increased \$72,000 due to receipt of Native American grant monies and Montana Board of Crime Control and Highway Safety Grants.
 2. *O & M* decreased \$96,000 because a Universal Hiring Program (UHP) grant was no longer available.
 3. *Capital* decreased \$7,850 because no capital items were requested out of drug forfeiture.
- Chief St. John said Year 3 of the Public Safety Levy will add two officers, one lieutenant promotion (not an added position), the two detective cars referenced earlier, and a half-time animal shelter attendant.
- Chief St. John stated if their budget is adopted, they will have 134 sworn officers, 25 support personnel, and nine animal shelter employees. He stated one of their sergeants is deployed with the military. They have been allowed to over promote and when the sergeant returns in 12 to 18 months, they will look at attrition. Ms. Volek added they will have officers retiring in the near future.
- Councilmember Boyer asked how many retirements have occurred this year. Chief St. John said they have had three recent retirements and one more in two weeks.
- Councilmember Veis asked if any of the Capital budget was impacted by the construction of the fire station. Chief St. John answered it was not. Councilmember Veis asked if the desks, chairs, computers, etc. would be paid for by the levy. Chief St. John said they have not gotten that far, and Ms. Volek said it was just vacant space at this point and not being used. Councilmember Veis asked if expenses would come out of the Police Department Capital Budget. Ms. Volek said they probably would in the long run. Chief St. John said when the fire station is built; it will not be a full-time 24-7 operation initially. Officers will go there for briefings and non-emergent calls at this point. He said eventually it could be used as a standalone substation
- Councilmember Boyer stated Ward IV was led to believe there would be a presence of the police at the 54th Street Station. She said she was concerned about that not being the case. Chief St. John said the police will be there but not 24-7. Ms. Boyer stated we need to be careful with this type of communication because that is what the people voted for. Ms. Volek said another patrol district was added this last year, and schedules have been

organized so more officers are on the street. Chief St. John said being there 24-7 would require phone support, IT support, all office requirements, and security.

- Councilmember Ronquillo thanked the Police Chief, Fire Chief, and Ms. Volek for the presentation at the Cop Shop. He said they had a great turnout and appreciated the work.
- Councilmember Gaghen asked about the retirements. She said should would appreciate receiving notifications of the police and fire personnel retirements. Chief St. John said in the last two weeks with retirements, the City has lost 48 years of experience, which is hard to replace.

Additional Information:

- None

There were no further questions or comments. The meeting was adjourned.