

# City Council Work Session

May 21, 2007  
5:30 PM  
Community Center

## ATTENDANCE:

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

## ADJOURN TIME: 6:35 p.m.

## Agenda

<b>TOPIC #1</b>	<b><i>Public Comment</i></b>
<b>PRESENTER</b>	None
<b>NOTES/OUTCOME</b>	

<b>TOPIC #2</b>	<b><i>Board &amp; Commission Reports – Board of Adjustments</i></b>
<b>PRESENTER</b>	Not Present
<b>NOTES/OUTCOME</b>	

- City Administrator Tina Volek announced she signed a permit for the United Veterans to hold a Veteran's Day Parade. She said they had not submitted their application in time for Council approval and according to Code, the City Administrator can approve the permit. She said the United Veterans are the first group to use the City's new General Liability Policy, and they are hoping the City Council will co-sponsor their event in the future so they will not have to buy liability insurance again.
- Ms. Volek said they have contacted a property owner on Echo Drive, who has encroached on the bank of the Holling Drain. She said the property owners indicated to the City earlier they wanted to bridge over the drain but did not say they would build on top of it. They have built an outbuilding with a concrete pad on top of the fill, and they have been notified they may have to move the building. Attorney Brooks said it appears the building encroaches about six to eight feet, and the City is currently attempting to determine where the maintenance easement is located.

<b>TOPIC #3</b>	<b><i>FY08 Budget Presentation (Fire; Legal; Library)</i></b>
<b>PRESENTER</b>	Fire Chief Marv Jochems; City Attorney Brent Brooks; Librarian Bill Cochran
<b>NOTES/OUTCOME</b>	

- Fire Chief Marv Jochems began his budget presentation. He stated the budget for FY08 will be \$11,382,804, compared to \$11,252,439 in FY07. He said at the time the budget presentation was put together, the wage contract was still open. The contract has since been agreed upon at 3%, which will increase the \$130,365 difference between the two fiscal years by approximately \$250,000.
- Chief Jochems stated the O & M decreased \$78,897 for the Fire Department and \$6,408 for the Communications Center. He said the difference is the result of a decrease in the projected insurance costs and a one-time computer upgrade last year that will not be needed this year.
- Councilmember Gaghen asked if the decrease in insurance was on actual structures. Chief Jochems stated it was on liability insurance.
- Chief Jochems said the difference of \$1.4 million in the two years is due to moving the funding for the new station to a 495 building fund account.
- Chief Jochems said the decrease in Transfers of \$16,736 is due to transfers from the Equipment Replacement Account.
- Chief Jochems explained that the Dispatching Services are split out between contracts with Yellowstone County (Sheriff's Office, County Fire Agencies) and American Medical Response. The contract with the County is increasing \$17,000, and the contract with AMR to provide dispatching services is increasing from \$56,000 to \$72,000. He said the BUFSA contract is always prorated with the budget, so that amount is an estimate until a final budget amount is determined.
- Chief Jochems said in Public Safety Levy Year 3 they will see the new fire station. He said three firefighters have been added; one fire engine has been ordered; and a week ago construction of Fire Station 7 started. The count for firefighters in FY08 will be 122 with two support personnel. The Dispatch Center will have 27 dispatchers and four support personnel.
- Chief Jochems stated that "Fire" is only a portion of what the Fire Department does. He said 74% of what they do is provide Emergency Medical Services. Chief Jochems said a couple of the councilmembers asked for a discussion on paramedics. He stated their original Supplemental Budget Request (SBR) that was turned down was for six months of paramedic specialty pay and defibrillators, totaling \$85,800. Since the SBR was turned down, the dollar amount has changed from \$85,800 to \$19,000, due to possible donations for the life packs (12 defibrillators). The cost now to have paramedics by January 1, 2008, on three engines would be \$19,000 a year. He said if the department has 25 paramedics by FY09, the cost would be approximately \$50,000.
- Councilmember Veis asked how many firefighters are currently full level paramedics. Chief Jochems said the City has 20. Councilmember Veis asked if Chief Jochems felt he could get five more paramedics hired after June. Chief Jochems said Billings is the desired place to live. The City would be set to hand out applications after June 7<sup>th</sup> with a 10-day deadline to get applications completed and returned. The City would then work as

fast as possible to be at the front of the line for paramedics. Councilmember Veis asked Chief Jochems if there would be one paramedic at three fire stations at all times. Chief Jochems answered if they could get five more paramedics, there would be a paramedic at each station. Councilmember Veis asked at which stations, and Chief Jochems said that had not been determined.

- Councilmember Veis confirmed that the Fire Department is asking for an increase for wage and benefits for paramedics to provide extra services. Chief Jochems said that was correct. Councilmember Veis asked if the paramedics could provide those services off the trucks, and Chief Jochems said they could.
- Councilmember Veis asked what the paramedics could provide that AMR could not provide if they were not on the scene. Chief Jochems answered that paramedics could provide life saving drugs 74% of the time four minutes before AMR arrives. The drugs on the trucks will be donated. Chief Jochems continued to say that after they get the drugs, they will be on a trade-out program with AMR.
- Councilmember Veis confirmed the biggest cost was originally for the defibrillators.
- Councilmember Clark asked if AMR took over once they were on the scene. Chief Jochems said occasionally the paramedics ride with the ambulance depending on the severity of the patient, but 90% of the time the paramedics go back to the station.
- Councilmember Gaghen asked how the determination would be made for patients with a DNR (do not resuscitate) and if there would be a liability issue for the City. Chief Jochems said they already deal with that issue since they are the first responders 75% of the time.
- Councilmember Ulledalen asked how the Fire Department paramedics would stay current on their skills such as intubation. Chief Jochems said the paramedics would be kept up to date on their skills with required clinic time. He said both hospitals are onboard.
- Councilmember Veis asked if they arrived at the \$19,000 by determining a 5% increase for a fire fighter who is also a paramedic. Chief Jochems said if a captain, engineer, or firefighter is a paramedic, they get \$0.88 an hour. He said it is a fixed amount by contract. Councilmember Veis asked if a limit would be set for paying only 25 paramedics even if everyone else got their paramedic. Chief Jochems said the Hazmat team gets a similar stipend. City Administrator Volek stated that the issue of pressure down the road to increase the numbers was her concern and her reason for not recommending this request. Chief Jochems said the paramedic program is an intense 2-year education that is not easy, and people are not standing in line wanting to go through the class to get \$0.88 an hour. Councilmember Veis asked Chief Jochems if he thought the current firefighters that are not paramedics now would want to do the training. Chief Jochems said they do not have a long line waiting to go through the training.
- Councilmember Ruegamer said he would like to get back to the budget. He said the issue is that the Fire Department has replaced an \$86,000 expense with a \$19,000 expense, and he would like to stay on the budget.
- Councilmember Veis asked if the supplemental budget request was currently funded. Chief Jochems said it is not funded, and a couple councilmembers wanted to hear about it to consider funding.
- Councilmember Veis asked what the projected outcome would be if the request was approved. Chief Jochems answered that lives would be saved.

- Councilmember Ulledelan said the only issue he has is that the City may be heading down a “slippery slope” and will look back in two to five years and say, “Gee, we’ve gotten into this program; now where does it end?” He also asked if the contract with AMR would need to be renegotiated. Chief Jochems said there is no money attached to the contract with AMR.
- Mayor Tussing asked Ms. Volek if she planned to talk about her rationale for funding certain budget requests and not others; other than the fact that the City does not have enough money. Ms. Volek said a discussion is not scheduled, but that Court is also planning to discuss an SBR denial with Council. She said the denied Fire Department SBR would not have come up had several councilmembers not asked about it.
- Councilmember Veis suggested to Chief Jochems that if the request does not go forward, he may want to keep records on the number of lives saved to present to the Council next time. Chief Jochems said it would be hard to do that because once the patient gets to the hospital, it would be hard to know the outcome. There were no further questions for Chief Jochems.
- Attorney Brent Brooks began his budget presentation with the number of staff in the Legal Department. He stated there are eight attorneys (4 civil and 4 criminal); two victim witness assistants primarily dedicated to domestic violence, bodily injury, and misdemeanor crimes; and three legal secretaries – two of which are dedicated to Municipal Court. Attorney Brooks stated the three funding sources for the Legal Department are the General Fund; a Domestic Violence Grant from the Montana Department of Justice Board of Crime Control; and Statutory Surcharges granted through the State Legislature.
- Attorney Brooks reviewed the *Personal Services* (salary and benefits). He referenced the Domestic Violence Grant listed and said each year the City is assuming more responsibility away from the grant. He said because of the timing in which grant applications are submitted to the Board of Crime Control, the City will not know for sure until the end of this month or the first of next month the amount of grant money the City will receive. He said he is hoping for approximately \$90,000.
- Attorney Brooks reviewed the *O & M* comparison between FY07 and FY08. He said they have a very modest O & M budget. The difference in the two years reflects a supplemental budget request in FY07 to convert the law library into two smaller offices; one for a new domestic violence attorney last year and the third legal secretary.
- Attorney Brooks went over additional grant information. He said they have requested about \$90,000 total from the Board of Crime Control in anticipation that amount is what will be received. Attorney Brooks said they have received the grant for approximately six or seven years and is surprised they have been able to hold onto it that long. He said at some point the Board of Crime Control will tell the City it is time the City takes over the grant funding completely. He said he believes they started with the biggest city to determine what the domestic violence grant funding would produce in terms of caseload and results.
- Mayor Tussing asked Attorney Brooks if the Legal Department had any denied supplemental budget requests that he would like to share with the Council. Attorney Brooks said there were no supplemental budget requests this year. There were no further questions of Attorney Brooks.

- Bill Cochran began his budget presentation stating that since the Library is a special revenue fund, both the revenue side and expenditure side need to be tracked very closely. He stated as a special revenue fund, 75% of their revenue comes from City and County property taxes and House and Senate bill entitlements. Mr. Cochran pointed out the 4<sup>th</sup> Floor cost share of \$213,531 is the rent received from the 4<sup>th</sup> Floor Departments. He said the rent really has nothing to do with the Library budget; and if the rent amount is backed out, the Library is about 10% below average for Montana and about 50% below average for the nation per capita funding for libraries.
- Councilmember Veis asked where the state reimbursements of 10% come from. Mr. Cochran replied the state reimbursements are entitlement funds.
- Mr. Cochran reviewed the expenditures stating over half are spent on *Personal Services*. He said the Joint College of Technology Community Library Project preliminary planning funding of \$150,000 comes out of the Library reserves, which makes the expenditures look a little higher. He said they have started cutting back the Library Materials expenditures. He said in a perfect world 20% of the budget would be for Library Materials, but due to demands on reserves and a tighter budget, materials spending has decreased.
- Councilmember Ronquillo said he thought the Joint Community Land Planning had been kicked out. He asked if the College Of Technology was able to get the funding. Mr. Cochran stated City Council authorized the Library to spend \$150,000 at the time the College had a \$250,000 earmark in their appropriations process. All of that college money was later withdrawn. He said the Chancellor is hoping to identify another funding source and come up with \$150,000 to match the City's \$150,000. He said the City would not be spending anything until the Joint Committee is formed. Councilmember Ronquillo asked if the money was still set aside. Mr. Cochran said it would have been drawn from their unobligated cash reserves, which would be reviewed later in this presentation. Ms. Volek clarified it would be drawn from Library funds and not the General Fund. Councilmember Ronquillo said he thought some of the money would be used to pay for a parking garage. Ms. Volek said that expenditure would be out of a separate fund, probably from the Downtown Partnership.
- Councilmember Jones asked for verification on whether the college had been given the \$150,000. Mr. Cochran said they had not been given any money. Mr. Cochran said the Library would not spend their \$150,000 if the college cannot find funding.
- Councilmember Boyer asked what the trigger for the money would be. Mr. Cochran said it would be the creation of the committee and a presentation to Council of the first steps needed to get the project going.
- Mr. Cochran reviewed *Library Supplementals: FY08* and stated most of the supplementals are very small. He said unless the college identifies funding, the \$150,000 would be backed out. He said the supplementals identified with an asterisk are prefunded by grants or other sources. Mr. Cochran said the library is drastically under resourced in the Mobile Computer Training Lab. He said they have only one-fourth of the computers they should have, and labs cannot be set up for classes because there are no locations to do so. He said carts to place the computers on have been considered so labs could be set up and torn down easily on the 3<sup>rd</sup> floor or at other sites where classes have been requested. He said the Friends of the Library has increased its gifts, and they have been brought before Council for approval if over \$500. He said the roof of the library was last

replaced in 1982 and is shot. Replacement would cost \$150,000. He said not knowing the future of the building, the edge of the roof could be repaired for \$12,000, which would eliminate the water leaks into the 4<sup>th</sup> floor departments.

- Mayor Tussing said he would like the Gazette to print that he would challenge the rest of the citizens of Billings to contribute the same percentage of their net worth that Bill Gates is contributing.
- Mr. Cochran said as a special revenue fund, they are not funded out of the General Fund so both revenue and expenses are tracked. He said the Library was staffed with 44 people in its previous location, and they currently have 30 staff members.
- Councilmember Boyer asked about the obligation for cash reserves. Mr. Cochran said there are two; the first one is not a legal obligation but a recommended obligation of 27% of the budget between the two tax collections a year based on a 10-year rolling average. The other is accrued sick and vacation liability.
- Mr. Cochran said after the levy passed, they had to incrementally start spending the Materials Budget because staff was not available. He said as a special revenue fund, they were encouraged to estimate expenses on the high side and revenues on the low side. Mr. Cochran stated early in the decade they needed \$89,000 to maintain current levels of service. He said now it takes \$90,000 to \$100,000 a year to maintain the current level of service.
- Mr. Cochran stated their expense line is running up; as materials, staffing, utilities, and insurance continue to increase. He stated the expense line does not include contract settlements but does include a 10% cut in the materials budget.
- Councilmember Clark asked if the County revenue always runs that flat. Mr. Cochran said it runs flat compared to the City. He said, in context, per person served and per circulation, the County pays significantly more than the City because of the vehicle expense going out into the county. He said the big differences tend to run with appraisal cycles.
- Mr. Cochran said there is a lot of deferred maintenance on the building, and the Library is currently treading water with the structure funding. He said they are anticipating the preliminary work on the west-end joint community library and the feasibility study suggested by Council for the Heights. He said last week the Library Board created a purpose statement for a funding committee that will be chaired by former Police Chief Dave Ward. Memberships for the committee will be requested from the Council, the County Commissioners, Library Board members, and others. Pat Weber has also been asked to serve on the committee. The purpose statement reads: *The purpose of the Funding Committee of the Parmly Billings Library Board of Trustees is to research and develop recommendations to the Library Board on matters including but not limited to the current Library budget and reserves, projections for the budget and reserves, the relationship of public funding to private support, options to maintain or enhance current operating funding and to fund capital projects, Library revenue and expenditure components compared to other comparable libraries, and the potential for a public library district.*
- Councilmember Ulledalen asked Mr. Cochran to characterize where the \$1 million surplus came from. He said he is puzzled why there is a structural deficit. Mr. Cochran said when the mill levy passed in 1994 by a 3 to 1 margin, the purpose was identified item by item. He said one source said the Library was not to spend up to the level that the

interlocal agreement required, which was 20% of the budget, for Materials. There was not enough space and staff to be able to buy at that level. In previous finance administrations and previous city administrations, other guidelines for estimating revenues and expenditures at budget time were in play over which they had no control. There was no rush to spend anything down at the end of the year. The surplus built up between 1995 and 2001 or 2002. At that time, the community was considering a bond campaign for a new building. Mr. Cochran said the reserves serve as the only source to pay for things like boiler explosions, roof repairs, and fire code updates when there is no other funding available in the city budget. The reserves continue to serve for ongoing deficit spending. He said this is the 6<sup>th</sup> year of deficit spending at \$100,000 a year.

- Councilmember Boyer asked how much it would impact the budget if the Library was not a landlord to other city departments. Mr. Cochran said because it is a pass-through, it does not impact the budget. It just makes the budget look slightly bigger.
- Pat Weber distributed a handout to the Council addressing previous questions from previous budget presentations. Councilmember Veis had questions on entitlement and the Parking Fund; and Councilmember Brewster inquired as to why Billings has twice as much staff as Missoula.
- Councilmember Veis asked how much was left to do on the Park II expansion and if the \$1.5 million had been spent. Mr. Weber said the City will spend it this year on the Park II expansion. Councilmember Veis asked what the City sold to make \$896,000. Mr. Weber said the Veeder Building was sold and the fund from the sale went into the Parking Fund.
- Councilmember Ruegamer asked why Exhibits A, B, and C were not included in the handout. Mr. Weber said they were given out the first time, but he had extras if needed.
- Councilmember Clark asked why Council was not notified that Dave's group was moving to the Depot. He said he read about it in the Gazette and would like to have known beforehand. Ms. Volek said it was a supplemental budget request and apologized that the Council was not informed before it was in the Gazette.
- Councilmember Ruegamer told Ms. Volek the budget presentations have been very good and much easier to understand.
- Councilmember Veis asked if there would be a meeting on the 30<sup>th</sup> of June. Mr. Weber said the meeting is still scheduled at the BOC and will include Public Works and Planning.
- Councilmember Boyer requested a copy of the meeting schedules.
- There were no further comments or questions. The meeting was adjourned.