

# City Council Work Session

June 18, 2007  
5:30 PM  
Community Center

## ATTENDANCE:

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

## ADJOURN TIME: 9:10 p.m.

## Agenda

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

- Marion Dozier: representing the committee that worked on item six and available for questions when it is time.
- Paul Stanich: new face, learning structure and process.

<b>TOPIC #2</b>	<b><i>Board and Commission Reports</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- None

<b>TOPIC #3</b>	<b><i>Tourism Business Improvement District</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- John Brewer, Chamber of Commerce: came to you previously about tourism BID and asked for support. Thanks for city's work on getting the legislation passed. Want your thoughts on where we should go next. Presentation – what is the need? Resource for local communities to market themselves to conventions, leisure travelers. 7% occupancy tax = \$3 million paid to Helena by Billings hotels and we get \$200,000 back. Tightly restricted by state. Statewide spending is for many items that aren't tourism related. Comparison to other cities our size – avg. budget is \$719,000/year. Billings isn't able to compete for conventions, etc. Expanded BID language specifically for tourism. CVB

must be the fund manager. Flat fee and sliding scale are approved as assessment method. Lots of local support.

- Steve Werlich, Clocktower Inn: All hotels invited to meet about a month ago. 80% showed up. Assessment method was discussed. Proposing \$.75/rented room. City has dealt with a BID and learning curve is low, so citywide district is proposed. Used exclusively to market the brand "Billings." Accommodations tax exemptions apply to this assessment. 60% of total footprint is required for successful petition. That number have signed to date; both large and small hotels. Preliminary objectives and budget developed by group. Law takes effect on Oct. 1<sup>st</sup>, and want to create district and be set up to assess on that date. Two years required to start seeing positive impacts of BID and will see full benefits in 2011. Want to fill rooms Sept. to May and focus will be there but won't ignore the peak times either. Might have to subsidize some events that won't come here or threaten to leave here without it. Increase occupancy, increase citywide bookings (more than 2 hotels filled by an event), increase sporting events, etc. Promise an annual report card. Timeline worked out with staff.
- Councilmember Ruegamer: citywide bookings?
- Werlich: 2 or more hotels filled by an event
- Councilmember Ruegamer: citywide room nights?
- Brewer: events that use x number of rooms while its in town.
- Councilmember Ruegamer: how many rooms in town?
- Brewer: about 3,800 in city and about 4,000 in county.
- Councilmember Ulledalen: home run idea in other cities?
- Werlich: talking with cities in region but no disclosed home runs.
- Stevens: see upside for hotel businesses and service industry. What is the upside for citizens and the city?
- Werlich: disagree with premise. Property tax is main revenue source and if businesses thrive, property taxes are higher and get paid. Clean industry. Demands on safety services is probably small.
- Councilmember Ulledalen: tried to pair this with the resort tax. Things going well now and we can help stay healthy by investing now.
- Councilmember Boyer: tourism is a major industry. Council role?
- Werlich: governing body has to hear testimony from supporters and opponents, have to create the district and have to oversee the budget, have to appoint the BID board
- Councilmember Stevens: tourists have fantasy about Montana. Excludes basic industry like mining, logging, etc. and these get put under pressure because they aren't the ones that tourists want to see. Tourism isn't a great savior and it's a burden.
- Werlich: not a burden, at least we're trying to grow the business. If we don't compete, the occupancy will fall and businesses will decline.
- Councilmember Stevens: using the TBID to support your industry while others aren't able to do that.
- Werlich: we created the opportunity. Current distribution isn't right but we can't change it, so we decided to become more proactive.
- Councilmember Gaghen: subsidize events – formula to decide how much or who gets to pay the bills?
- Werlich: haven't planned this out yet but would use the TBID budget, not expect city to pay. Other tourism related businesses should be part of this too, but can't figure out how to get assessments to work for them. So we'll proceed with what we have.

- Councilmember Boyer: tourists sometimes come back and start businesses. Discussion points out how important tax reform is.
- Councilmember Ruegamer: didn't have money to support events in the past. Important to know that we have the money to underwrite if we need to.
- Councilmember Jones: federal government employees don't pay this?
- Werlich: federal agency that has direct bill, don't pay the tax.
- Councilmember Ronquillo: don't have to pay if I stay in hotel 30 days?
- Werlich: have to pay for the first 30 days, but not after that time.
- Mayor Tussing: schedule for this?
- City Administrator Volek: will come to you for creation in July and August.

<b>TOPIC #4</b>	<b><i>Mail Ballot Election</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Duane Winslow: County election administrator. How mail ballots work. Election administrator can ask governing body to hold mail ballot, but don't have to do it. Greater turnout, probably over 50%. Polling place problems eliminated. Higher oversight by elections office. More informed voters. Accommodates late registration. Cost is competitive and may be less than polling place because 40% are absentee in standard election. Voting process: (on handout).
- Councilmember Boyer: we should approve this formally.
- City Administrator Volek: add to June 25th agenda, but will require 2/3 majority to add
- Councilmember Gaghen: primary not needed if there are only 2 candidates per office.
- Winslow: if 4 candidates in 3 wards or 5 in any one ward, there must be a primary. Otherwise not needed but Council can request one even if threshold isn't met.
- Councilmember Jones: if on 25<sup>th</sup> agenda, there won't be any public notice or participation. July 9 too late?
- Winslow: a little late especially if you require a polling place election.

<b>TOPIC #5</b>	<b><i>FY08 Budget Presentation Review</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- City Administrator Volek: presentation on projections, discussion on questioned items, mayor and council budget and mayor and council travel.
- Councilmember Brewster: requested more detail on why we're continuing to use GF reserves when we have the PS levy to use. Reviews projections that were made in 2005, changes since that time, May 2007 projections were using info through Feb., today's use

info through May and have updated the HB 124 revenues. Still using reserves but the projections still have not changed dramatically since 2005.

- Councilmember Boyer: entitlement went up 4% this year; can it happen again?
- Pat: yes it could. These numbers are good for 2 years
- City Administrator Volek: started with use of reserves of \$1.4 million but now saying it will be \$700,000. Still a concern.
- City Administrator Volek: chief can talk about PD overtime for fireworks enforcement.
- St John: \$10,000 is what we spent last year and since this year is one day less, this should be more than enough. Fire dept. has offered firefighters to help, so can back off on PD officers or we can supplement PD with the firefighters.
- Councilmember Boyer: why isn't this in your budget?
- City Administrator Volek: took it out of contingency last year
- St John: moving to citations requires evidence. Instead of keeping all of the fireworks, we'll take photos to use in court.
- Councilmember Gaghen: requires FD overtime too?
- Jochems: yes, but \$10,000 should cover all expenses.
- Councilmember Clark: if we use more cars and more people, cost \$20,000?
- St John: no, special enforcement only, not the regular duty officers.
- Mayor Tussing: still would like for it to come from contingency, but could come from regular budget.
- Clark: could reduce contingency by \$10,000 and put it in the PD budget. (yes)
- Councilmember Clark: Deputy Administrator money in the proposed budget?
- City Administrator Volek: yes
- Councilmember Jones: if we hadn't done the fire station early, we would have had \$800,000 surplus?
- Pat: yes, approximately right
- Mayor Tussing: if we add these things, we have to tell you what to replace in the budget or to use reserves.
- Councilmember Boyer: drug court requires match?
- City Administrator Volek: probably does not. \$1 million statewide so
- Councilmember Ronquillo: FD paramedic program costs?
- City Administrator Volek: not in budget.
- Mayor Tussing: if we do paramedic one year, do we have to continue?
- Jochems: we could go backward but contract requires us to pay extra if we do a paramedic service. Would probably be OK if we completely eliminate the service. Can't spend the \$62,000 since we don't have that many paramedics today. Might be the right amount for FY 09.
- Councilmember Ronquillo: if we only staff 3 could there be some liability?
- Jochems: lots of cities staff that way.
- Councilmember Stevens: should this be a smaller number?
- City Administrator Volek: yes for this year but will increase over time.
- Councilmember Boyer: need from us tonight?

- City Administrator Volek: nothing tonight, but on Monday you need to add or delete from the proposed budget and this list is some of the items you have discussed.
- Councilmember Stevens: details takes some work?
- Councilmember Gaghen: point out to public that we're underspent by over \$40,000 out of \$200,000 budget.
- Councilmember Clark: meals paid separately from travel?
- City Administrator Volek: yes.
- Councilmember Clark: council needs to take a more active role in who attends what. We don't know what each other is doing. Want to know ahead of the travel or training. We should each take that responsibility. (Consensus agreement) Want to know if we're really going to get something out of it.
- Councilmember Boyer: did report on the Washington trip.

<b>TOPIC #6</b>	<b><i>Public Correctional Facility Ordinance</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Nicole Cromwell: Friday packet contained report and draft ordinance changes. April initiative asked Zoning to look at correctional institutions. Commercial and industrial uses go by SIC codes. Community facilities protected to some extent by state law: group homes up to 8 residents and staff are allowed in any residential zone. Current code doesn't clearly define these uses and first ordinance in packet would improve those definitions. Halfway house – differentiate to exclude drug and alcohol rehab that are under sentence from residential zones.
- Councilmember Boyer: do we have these houses now?
- Cromwell: yes. A halfway house is not defined in state law and Webster's has outdated one, so we tried to define it and will add other definitions. 2<sup>nd</sup> ordinance proposes to eliminate a definition and a use that is allowed (probation or prerelease center in a residential zone). 3<sup>rd</sup> ordinance addresses SIC group 83 – changes the allowed and SR uses in commercial and industrial zones.
- Councilmember Clark: SRs can be turned down?
- Cromwell: yes, if they don't meet the three criteria that are in the zoning code. They are: applications complies with zoning code; proposal complies with intent of zoning; compatible with surrounding uses or mitigate incompatible conditions.
- Councilmember Stevens: can we change them?
- Cromwell: have to be uniform but as long as they are, could probably add to these 3. None jump out as needing change but example of something we're considering adding to code is to require neighborhood meeting before rezoning application. Could be extended to SR applications.
- Councilmember Clark: first item of social services private or public?
- Cromwell: mixture, but regardless they would be allowed except specified uses.

- Cromwell: 4<sup>th</sup> ordinance deals with SIC group 87. 5<sup>th</sup> ordinance is policy statement on public correctional institutions. Options are for the Council to review again after legal review or for them to go directly to a regular meeting.
- Councilmember Boyer: if Legal makes substantial changes, want to see them again at a work session. If they remain basically the same, initiate them through Zoning Commission and put them on a regular Council agenda. Consensus agreement

<b>TOPIC #7</b>	<b><i>Executive Session – Litigation Report</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Mayor Tussing calls for executive session at 7:57 p.m. Meeting moved to conference room to discuss ongoing litigation.

<b>Additional Information:</b>
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- None