

City Council Work Session

5:30 PM
Council Chambers
May 14, 2013 – Budget Only

ATTENDANCE:

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

ADJOURN TIME: 8:05 p.m.

Agenda

TOPIC #1	Legal
PRESENTER	Brent Brooks, City Attorney
NOTES/OUTCOME	

- Brent Brooks: Gave presentation of overall budget. There are 4 funding sources. Emphasized Public Works and Airport/Transit support 1 position. Legal staff is regularly utilized by those departments. Receive significant grants from Board of Crime Control for Domestic Violence Unit. Personal services, O&M and grant comparisons provided. Budget contained 2 Supplemental Budget Requests (SBR), totally \$51,615. They are:
 - \$26,000 estimated to increase security to the first floor offices by installing security-glass partitions, an interior door and/or controlled access.
 - Update to JustWare paperless case management software – pilot program with DV unit:
 - City: \$21,436 one-time match + \$4,052 annual renewal.
 - BOCC: \$52,164 one-time match
 - This software match is part of FY14 DV Grant Renewal submitted to BOCC.

Most of the increases proposed in FY14 budget is due to step and health insurance increases for employees. Reminded Council amendments may be necessary if Board of Crime Control changes any grant amounts.

- McCall: Glad to see the software upgrade. How many active cases?
- Brent: Carefully considered this upgrade. Using Full Court through Municipal Court, but this would be more specific to prosecutors. If this pilot software works well, will recommend using it for all cases, civil and all other non-domestic violence criminal cases. During calendar year of 2012, 3,055 new cases opened; 2,844 probation revocations; and 1,111 warrant requests. Gave statistics on cases reported.
- Pitman: Cases will increase. Is this a base program and is it the most effective for growing case loads?
- Brent: There are others more expensive. Want to try this one on a trial basis. If it works well, would look to expand it to all areas in the office. It is at a low local cost, can expand and add licenses in the future. Would probably add \$40 to the cost to get licenses for all

staff. Is a good place to start through the matching funds of BOCC. Trying to be conservative in approach to update.

- Cimmino: Separate from the TRP? If office applies for the basic program now, what will the cost be to upgrade?
- Brent: Would depend upon additions. Sometimes software companies give discounts or run specials for certain additions.
- Cimmino: Will this also track pending lawsuits against the City?
- Brent: Those are separate. Can get those numbers to you. Have about 10-15 major cases pending. May be anything from employment to property damage claims.
- Bird: An ultra-conservative approach. Would like to see an implementation plan within the next year. Wants the Legal Dept. to get whatever they need to be highly efficient. Encouraged Legal Dept. to purchase this type of software. Do not want Council to hinder progress by being ultra-conservative.
- Brent: Finished presentation with identifying top 5 issues Legal will face in future years. Keeping in mind that should the PD hire 5 or 10 new officers, that will impact the Legal Department and it will feel the crunch. For comparison purposes, it was noted the Public Defender's office has 6 attorneys assigned to Municipal Court, while the City Attorney's office has 4 prosecutors.
- Cimmino: How is Legal with office space?
- Brooks: The 1st floor is at maximum occupancy. Long term would like to see a combined law/justice center. A facilities study will help with determining space needs. If more persons are added to the Legal Dept. it will be necessary to provide them space.
- Bird: How many more prosecutors do you need? Civil side?
- Brent: Need to research and talk with prosecutors. Holding our own in civil side. Will want a paralegal at some point. Do not have a staff court reporter. If the Municipal Court and Public Defenders' Office would want to share a court reporter, that would be an option.
- Public comments: None.

TOPIC #2	Aviation & Transit
PRESENTER	Tom Binford, Director of Aviation & Transit Kevin Ploehn, Assistant Director of Aviation
NOTES/OUTCOME	

- Tom Binford: Introduced finance, support and management staff. In 2012, Airport had a record enplanement record. It's a good sign, generally means the business and economic activity in Billings and the region is doing well. Saw increases in general aviation activity. Edwards Jet Service built a large hanger and made a large investment. Federal Express transitioned from the 727 to the 757. UPS flies the 8300 into Billings. When FedEx made the move to the larger aircraft, had to move to west ramps, next to UPS. Trying to accommodate those companies. Their cargo is becoming an important business sector. During the 1st quarter of this year, were up about 2% and this month business is down about 1%. Seeing a slowing in growth on the commercial aviation side. Not necessarily from a business and economics standpoint, but airlines have gone through consolidations and mergers and they are now able to control capacity. Have not been able to do before. Airlines are more concerned with revenue growth than passenger growth.

Air ticket prices, as well as ancillary fees, have inched up. When that occurs there is a slow growth in passengers. With the Federal government sequester there has been a scaling back of airline travel for all agencies. The Feds are big travelers and do not typically purchase tickets for 30-days out, but rather the highest priced tickets, next day and 3-day out tickets. This summer the runway overlay project will occur on July 12th. Have been educating the public about closures. Due to the growth from the UPS and Federal Express companies, the airport is expanding parking in the cargo ramp area. The long term parking lot is overflowing about every week with the increase in commercial traffic. Removing an older hangar to increase the parking spaces by another 200-250 parking spaces. Plan to move employees to that area and use current employee parking lot as paid parking lot. Will try to expand the project one more time. Another revenue bond issue will have to be done for a parking structure later.

Shared operating statistics for Transit. Approximately 87% of revenues come from some form of taxes. There is a sizeable operating deficit at this point in the budgeting process. Transit is very much a public service that requires public support. Only about 10% comes from fare box recovery. Approximately 80% of costs go to wages, benefits and fuel. The only place to cut costs is reducing expenses. In doing so, service on the street will be reduced as well; less fuel and less routes equals less drivers and less service, etc. No way to really gather additional revenue. Fares could be raised, but only to a certain point. The rider just won't utilize the bus system because of expense. A positive aspect is there is a \$2.6 million reserve as of June 30, 2013. About \$850,000 is set aside to meet the City's administrative order on operating reserves. Historically have used the balance of the reserve to match grants, making capital dollars go further. Federal monies have helped balance the Transit budget. In 2009, the presentation stated the budget would have a deficit of \$272,592. But, at the end of that year, Transit actually had \$126,873 to the good. During FY11 the Federal government added stimulus dollars, DOT was allowing transit to use stimulus monies for operating expenses, rather than just capital and put \$709,549 into reserves. FY12 experienced a deficit of \$38,227. Projected by the end of FY13, \$361,861 will be put in the reserve account. An issue to Transit is that the City budget cycle spans 2 Federal budget cycles. Trying to factor in scenarios over a 2-year span is difficult to predict. Federal government has not approved any long-term spending programs. Feds have not approved a budget for any agency for 4 or 5 years. Feds continuing to work on resolutions and City prepares its budget in December. Hard to budget. Concerned about projected deficits. Seem to get a bit higher each year. Sequester caused uncertainty in Washington which related to all spending programs. Have to pay attention to Transit. Good news – City's current operating reserve balance large enough to operate 3 to 5 years, even if Federal appropriations flatten or decrease. Should put Transit on the radar for long-term planning. Transit is a good fit for PBB. Will be effective in elevating the discussion about Council's priorities for Transit. Where does Transit fit with other publicly funded organizations? Mill levies needed? Where does Transit fit into the public's priorities? Transit is a good operation, has excellent facilities – all modern and well-maintained. The fleet is exceptional. Staff has done a good job of replacing it when needed and maintaining it. Staff is exceptional and really cares about customer service. There will be future discussions about route and schedule changes.

- Bird: Who is comparable to Billings system? Do cities our size have public transportation? Eliminate bus service in the future?

- Tom: Great Falls, Bozeman, Missoula all have public transportation systems and they are smaller communities. Look at Eugene or Spokane when trying to make comparisons. Look at density of population, etc. About where other communities are. Most public transportation, nationally, recover approximately 35% from the fare boxes. Washington D.C. will recover approximately 60-63% from their fare boxes. The majority of commuters on the Billings Transit System are school-aged children, the disabled, the elderly, and low-income people. Community surveys support Transit services even though few people use it (4 or 5%). A lot of competition for tax dollars. Need thoughtful discussion about where MET fits in the list of essential services. Had discussions with staff about where to make cuts. Would significantly impact people utilizing service. Whether to have service is a policy decision.
- Cimmino: The projected reserves as of June 30, 2013 is \$2,673,072. Per Administrative Order, \$850,000 must stay in the reserves for operating reserves. Are those funds also used for capital grant matching funds?
- Tom: No. Total reserve is \$2.6 million. Administrative Order states must maintain \$850,000. That \$850,000 ultimately, if we had to, could be spent on operating because it is an operating reserve. Have built reserves to match capital grants. Many operations can defer capital. It is very difficult for Transit to defer capital because buses and vans must run to provide service. Try to maintain a reserve to be able to match capital grants when received.
- Cimmino: So if you take the \$850,000 from reserves and \$555,000 deficit, still have \$1.4 million. Budget is balanced and operating in the black. Emphasize MET has reserves and can continue operating.
- Tom: Correct. Very hard to predict what will happen with the Federal budget and even more difficult now with the discussions occurring in Washington. Concerned by what is happening now. May not turn around. Continued deficits are inching up.
- Cimmino: What is done to increase ridership?
- Tom: Reviewing routes with low ridership now. Will take under-utilized service and place in an area of town where there is an increase in ridership. Will hopefully stimulate more ridership. Last month had an increase in riders for the first time in months. Ridership may be coming back. Took a hit when breaks were inserted into schedules. Been hard to recover from that. Have some employer/employee passes - had a difficult time catching on. Not a transit-focused community yet. Can't change the demographics.
- McCall: Shared that Tom presented to Big Sky EDA/EDC about air service and did a great job.
- Tina: Attended the Chamber Board retreat and the Chamber's aviation committee gave glowing remarks about Mr. Binford as well. As far as Transit, School District #2 is looking to add middle schools. The middle school students are the beginning of our riding base out of that organization. May see increased demand from that entity. Mr. Binford and Mr. Wenger have started working with the School District. This helps save the School District monies as well because they do not have to hire school buses, but use Transit instead.
- Pitman: When running for the Council, received a lot of feedback on Park-N-Ride. Some were implemented around Castle Rock Park and don't see them being utilized. Flourishes

in other communities, but Billings is not at that point. Sometimes great ideas don't come to fruition.

- Tom: People ride transit in Washington, D.C. and New York because it is more convenient to do so. In Billings, it's not necessarily the case. But go to one public hearing in which patrons attend; there are a lot who are dependent upon the transit system.
- Ronquillo: Good move to use smaller buses; older population well served.
- Tom: Fixed cost - \$6.08/passenger, cash fare is \$1.25. Para-transit costs - \$27.79/passenger. Expensive service, but is good public service. Due to an aging population, para-transit numbers are increasing; still accommodating everyone, but demographics are changing on the aging population.
- Tom: Ron is very good at finding little pots of money and bringing it to Billings.
- McFadden: Possible service to new Vet hospital?
- Tom: Think you'll be pleased with presentation in a month.
- Kevin Ploehn: Will talk about money. The difference between the projected revenues and expenditures is about the cost of a new para-transit van. Ron is in the process of purchasing one now. At the end of the year FY13, should be balanced with \$289,000 to the bottom line. Revenue shortfall in FY 14 may be less than being budgeted at this time. History is in our favor. Feds usually place monies in DOT budget for rural scenarios. Compared revenue figures for MET revenues for FY13 and FY14. Federal monies are down, but local Transit tax is up due to property tax increases. Fares are about the same. Advertising revenues are expected to increase slightly. FTA Capital Grant is lower because in FY13 it was for facilities and in FY14 it will be for equipment. O&M expenses are deceiving figures. Reallocated costs amongst the divisions in the operations which included some fixed route resources to para-transit. Insurance was the biggest hit due to past incidents. Also the update to the 800 MHz system was a significant cost. MET capital expenditures were 80% federally funded. Was used to purchase a small bus and a para-transit van. On the local side of funding, upgrading the fuel management system and another para-transit van. Have 2 para-transit vans and 1 small bus budgeted. On the supplemental side, increased the parts account by \$12,000 to repair some of the older buses transmissions and engines. MET transit now has touch-pad communication systems for routing instead of radios. Required more air time to do GPS coverage, increased by \$3,300. With new route schedules, new pamphlets will need to be printed; budget increased by \$6,000.

Airport revenue shortfall - \$381,000; not a bad thing. Have a residual agreement with the airlines that guarantees Airport's bottom line. Last year had a record number of passengers and good revenues from concessions. Over-estimated budget and ended with more money. Repay the airlines. In other years when the scenario was just the opposite and expected revenues were not realized, costs were added to the rates and airlines reimbursed the City. Expenses and revenues should always even out with airline group. Concessions will be down due to runway closure. Runways will be closed for 18 days during the summer. Land leases will increase according to CPIUs. Airline revenues will be down, as well as fuel revenues due to runway closures. Airport O&M, costs were reallocated. Took \$125,000 of utility costs from administration and reallocated to the divisions. Total increase is about \$80,000.

- Pitman: Is it a new expense for airport to pay for an attorney and where is it budgeted?

- Kevin: Has been going on for about 5 years. In the Administration line item and about \$25k/year. Will receive \$2.9 million from FAA for capital projects – the cargo ramp \$2.3 million to build; and update gates to the airfield will be upgraded with cameras. Customer Facility Charges (from the car rental business) - \$810,000 – \$500,000 will be used to pave parking on west end and \$30,000 will be used to purchase a 1 ton pickup for QTA; Annual Passenger Facility Charges - \$1,118,820 – funds will be used for expansion of storm water pond D and purchase a backup generator for the Airfield/ARFF building. Other capital expenditures are the removal of hanger to expand parking (\$500,000) and reconfiguration of auto parking (\$1,550,000); terminal building hot water boiler (\$250,000); painting and terminal improvements (\$175,000); extend sewer on west end (\$150,000); and miscellaneous equipment (\$150,000). The hanger may need asbestos abatement and there are underground tanks, too. So the estimate is high to allow for these. Last year the hot water boiler was a priority, however, before could replace it, the chiller went out and those set aside funds went to that instead. Miscellaneous equipment includes a new software lease management system for nearly 100 leases.
- Cimmino: Upholstery project in FY13? New truck a part of the ERP for FY14?
- Kevin: Yes, and yes. Was included in the ERP just a recap, not an addition.
- Public comments: None.

TOPIC #3	Police
PRESENTER	Rich St. John, Police Chief
NOTES/OUTCOME	

- Rich St. John: FY13/FY14 comparison there is a 5% increase \$971,003. Increase due to liability insurance and personal services salary growth and health insurance increases. Almost 74,000/yr. calls for service. Short 5 officers, in the hiring process now. Takes about 1 year to get an officer up and running.
- Cimmino: When short on officers, reassign detectives?
- Rich: Do reallocate 3 positions; public relations officer, domestic violence investigator, and training officer. They attend briefings and if they are needed to meet minimal staffing, then they are given an assignment. Otherwise they continue with regularly assigned duties. If need to, will call on detectives to help. Also have task force officers, but this group generates revenue; do not want to pull them back as it will cost us in the long run.
- Mayor Hanel: What is the average caseload for a detective?
- Rich: About 20-25 each. Mainly felonies and if it is a misdemeanor, then it is crimes against people. Thefts, etc. are generally given back to the patrol officers. Not lacking for work.
- Bird: What are national averages?
- Rich: Probably above average for a city our size, but still not telling people what the PD cannot do due to workload. Pretty much a full-service police department. (*Presentation continued.*) Personal Services budget is \$15.5 million. No increase in O&M for the 11th or 12th year. Property liability insurance and the portion of the upgrade to the 800 MHz system is the reason for the \$684,000 increase. There is no capital. Transfers are down and it is mainly for equipment replacement and technical replacement plans.
- Bird: What does a new officer get paid?

- Rich: With benefits, about \$73,000 -- \$46,000 salary range.
- Cimmino: They also get assigned a new patrol vehicle.
- Rich: That's correct, with the equipment in the vehicles; it costs more than the officer's salary.
- Cimmino: Where is the canine unit in the budget?
- Rich: It is under "patrol".
- Cimmino: How many dogs are trained now?
- Rich: Three. Looking to retire one. Under-dogged for a town this size. Want to increase canine unit by 1 for better coverage. Would like 5 dogs for good coverage. Need canine support to the drug investigations. Have people in the community who are willing to raise funds to buy more dogs.
- McCall: How much does it cost to bring in a younger dog and train them, etc.?
- Rich: Have paid \$8,000 for a ¾ finished Belgian Malinois. Train our own because we have master trainers. Basically dedicating a car to the canine with a special back seat, etc. is the only expense. Have spare cars that can be used for this purpose.
- Ronquillo: Still trying to get a police presentation with the dogs at the Friendship House and at a South Side task force meeting. Good public relations.
- Rich: Appreciate the exposure to the public.
- Cimmino: Are dogs purchased locally?
- Rich: No. Purchased from a breeder in Ohio.
- Bird: Belgian Malinois the preferred breed?
- Rich: They are. They track, are aggression crowd control and detect. Can get just a detection dog. Lose the effect if you pull up to a large party with a cocker spaniel in the back seat, but can do the detection stuff – not there for tracking or aggression crowd control.
- Bird: What kind of training does the officer have to have when receiving a canine partner?
- Rich: Must learn their dog – it's a pet. Communicate in Dutch language for the commands so commands are not overridden. Requires handling skills and socializing the dog. Mandatory training every week for about 3 hours.
- Bird: How is an officer selected for the canine unit?
- Rich: It's a competitive process with an interview and physical test, no written test. (*Presentation continued.*) Have 141 sworn officers. Is a deputy chief vacancy, don't see one is needed at this time; would rather add another patrol officer. Want a better conduit between the volunteer units and animal control. Working to make some organizational changes to make better. There are 25 support personnel and 7 animal control employees.
- Cimmino: Top heavy administration?
- Rich: No. Have redistributed duties that would have been done by the deputy chief to captains. If allowed to fill position, would do it at the bottom. Have one officer overseas due to military duties.

Gave special report about overtime costs. FY12 in the patrol section, all actual costs were under the budget amounts. Investigations were slightly higher in the management category; is driven mostly by serious, larger cases such as homicides. Don't vacate the scene for first 24-48 hours. Support services are on budget. There is a backlog of filing and transcription of taped statements, etc. Call people in and pay overtime to get caught

up. Animal Shelter is doing a great job at staying under budget. FY12 was an exceptional year.

- Bird: How is the PD doing for software systems?
- Rich: Doing great! Rank and file officers are not happy because ramming technology down their throats. They are frustrated with glitches. We are top notch technology-wise and paperless for the most part. Reports are done in the cars. Accident investigation module needs some tweaking. All about efficiency and effectiveness.
- Bird: How many more people are needed to handle growth of the City?
- Rich: If there was a 5-year plan and we could have 3 officers and 1 clerical per year, and 2 animal control officers over the 5-years, could improve some things. When officers are added, there is a ripple effect through the entire Justice system. Need to support with clerical staff, attorneys, judges, etc.
- Cimmino: Is the PD still using volunteers to help with filing?
- Rich: A volunteer comes in 1 to 2 times a week to get paperwork organized and ready for filing. Volunteers also make cold calls and callbacks on some things. They do not enter data on the computer, and they do not file the hardcopies in the files.
- Tina: Clerical employees are Teamsters and under contract. Union is very mindful that no work for a clerical employee is taken away from them. Work very closely with them.
- Bird: How much safety levy is needed?
- Rich: Costs increasing by 5%, insurances are increasing at least 2-3% each year, and reviewing the revenue the PD is able to generate, cannot keep up with the increases. Need a discussion about what Council and the community want. The number one priority is putting officers on the street. Do we take detectives out of special investigation units or the drug units, who generate hundreds of thousands of dollars in drug forfeiture monies that contribute to the operation of PD. Want to maintain what we have now – it is very good.
- Mayor: Are you saying it is less expensive to be proactive than reactive?
- Rich: Absolutely. Having school resource officers in the schools is great, but if they want more they need to buy a cop. It is a cost-sharing situation now. Right now PD is in no position to offer more resource officers.
- Cimmino: The 2 bicycle officers with the Downtown Billings Partnership and Association. Who pays for that?
- Rich: They pay for it.
- Tina: They pay for the employees. There is a monthly jail bill of \$15,000. It is not included in those costs. A good deal are the types of offenses you tend to find in the downtown area, i.e., public intoxication, aggressive panhandling, etc. Cost is becoming a concern. Overcrowding at the jail is a concern.
- McCall: Need to be progressive and start the discussion soon to set the stage. Need to educate the public. Given an exceptional, clear and simple presentation. A great tool that councilmembers can take to people to explain what is going on. At the last community leadership meeting in March, think one of their near future agendas should include public safety topic. Would want Rich and Paul to present something similar to the community leadership group.
- Tina: Have had some discussion with the School District, would ask that staff begin putting together a package for levy discussions. Not only should PD and Fire be in on

this, but also the City Attorney's staff and perhaps the Municipal Court. Those groups need to be put together as their work affects each other.

- McCall: Good, that makes sense.
- Rich: (*Presentation concluded.*) PD received a lot of grants and some of those grants allow the PD to recoup overtime. In FY12, were reimbursed \$233,000 for grants overtime and \$93,000 for extra duty, i.e. Dehler Park ball games, street dances, etc. Those businesses are billed for that service.
- Bird: When the filming company was shooting on Montana Avenue, were they billed for security services?
- Rich: Yes. Officers that provided security kept timesheets, and then the film company was charged an extra duty rate. Sometimes things are not charged, either for public relations or good will. If there are contracts for a Harley or Goldwingers group to visit the City, if it is written in their contract that the City needs to provide police security, then there is no extra duty charge to them. This benefits the community and it does impact our bottom line, but if it is not provided, the function may not come to Billings. The Women's Run is another event wherein the PD was present and provided great service, but did not "make" the event. It a great event for the City of Billings, but PD paid for the officers to be on the streets for security during the event.
- Ronquillo: Think the "free" service to special events should be part of a levy election.
- Rich: Fourth of July events are another one wherein PD is mandated to patrol the parks and do firework patrols. Additional expenses come out of PD budget. Happy to provide the service, but does come at a cost. If there are Municipal code infractions that can be added to other more serious charges, then the cost of inmates at the jail is on the Sheriff's office. If inmates are jailed for Municipal charges only, then their expense is on the City. It is very expensive, but the benefit is the downtown area is better. Lastly, the PD does not put SBRs in the budget. Was asked to carry an SBR this year for the New World software upgrade for \$600,000.
- Tina: Was already approved this past year.
- Mayor Hanel: Please comment on the additional security needs for the City Attorneys' Office.
- Rich: Spoke with a group of City Clerks at the request of MMIA on workplace violence. Part of that is setting up a safety area with a separation from the public. Need a barrier to deter physical threats and allow escape. If a barrier cannot be given, then need to have an escape area so employees are not trapped. There is a connecting door between City Attorneys' office and Police Department. Concerned that any perpetrator could enter the PD through the City Attorneys' Office. City Attorneys' security affects the PD's security. PD's security is good; locked doors, separation glass. But often time's people coming to PD and City Attorneys' office are upset and the City Attorneys' staff is vulnerable. There are viable solutions with locked doors and security glass at counters or half-door with glass. People can remain in the hallway and documents passed through via a sliding drawer.
- Mayor Hanel: Concerned about employee safety and liability at City Attorney office. Can Brent locate funds to remedy this situation?
- Tina: Public entity has to remain open, one of two requests that Council will see. Could lock the door between City Attorney and PD.

- McCall: May sponsor an initiative to create a planning committee that starts talking about a public safety levy in the future.
- Cimmino: Will postpone a public safety mill levy for next year.
- McCall: Need to get together and look at the timelines and get the strategy in place.
- Public comments: None.

TOPIC #4	Public Comment on Items not on the Agenda
None.	

Additional Information:

Tina: Special events this week. Thursday meeting with SD2 board at Lincoln Center at Noon; Friday morning BikeNet and the Chamber are hosting a bike tour of Swords Park Trail, begins at 9:00 a.m. at the Airport and includes lunch; Arbor Day activity at Rose Park Pool on Friday at 11:45 a.m. and includes lunch; on Saturday, South Park Gazebo dedication from Noon to 2:00 p.m.

McFadden: Indoor parade for Special Olympics at 6:30 p.m. at the Metra this Friday night. Monday night the Honor Flight will be returning at the Airport.